

DRAFT – CONFIDENTIAL

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**PG&E SHAREHOLDERS TO PAY PENSION BENEFITS FOR RETIRING CEO**

(SAN FRANCISCO) – Earlier today, PG&E Corporation’s Board of Directors voted to amend the pension benefits for retiring Chairman, CEO and President Peter Darbee to provide that all pension benefits will be funded by the Corporation’s shareholders.

“With Mr. Darbee’s decision to retire, the Board is fully committed to taking steps that demonstrate the company is moving in a new direction,” said Lee Cox, the Board’s Lead Director. “Renewing public faith in PG&E is critical to our future. Today’s decision is another opportunity to show customers, regulators and others that PG&E is listening closely and taking action to earn back their confidence.”

The company announced last week that Darbee will retire effective April 30, 2011. Effective May 1, Cox will serve as interim Chairman, CEO and President of PG&E Corporation until a long-term successor to Darbee is onboard.

PG&E Corporation is a Fortune 200 energy-based holding company, headquartered in San Francisco. It is the parent company of Pacific Gas and Electric Company, California’s largest investor-owned utility. PG&E serves more than 15 million Californians throughout a 70,000 square-mile service area in northern and central California. For more information, visit the Web site at <http://www.pgecorp.com>.