

April 4, 2011

Commissioner Mike Florio
President Michael Peevey
Commissioner Mark Ferron
Commissioner Catherine Sandoval
Commissioner Timothy Simon

***Updated Ratepayer Survey for April 5th Gas Explosion Hearings:
190 Ratepayers***

Dear Commissioner Florio, President Peevey, and Commissioners Ferron, Sandoval and Simon,

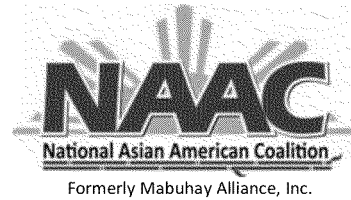
On April 1st, we provided you with the survey results from 130 ratepayers primarily from San Mateo County.

In order to ensure an update for the hearing on April 5th, we are providing you with the results of 60 additional surveys of ratepayers conducted at our Milpitas, Santa Clara office. The updated results are consistent with the data conducted by our San Bruno office.

Considering the size of the total sample of 190 ratepayers residing primarily in San Mateo and Santa Clara counties, it should be noted that this survey sample size is more than eight times the size of the last PG&E survey on pipeline hazards. According to the Wall Street Journal of March 3rd, PG&E, in 2010, conducted, through the use of a highly professional firm, a brief survey of 15,302 families living or working near pipelines, including several hundreds in San Bruno. According to the Wall Street Journal, "two months later, a total of twenty (20) questionnaires had been returned" and "only three (3) said they had received pipeline information in the previous two years."

Comprehensive Survey Results of 190 PG&E Customers

1. When asked whether the CPUC should punish PG&E or fix the problem first, 85% said to fix the problem first so that it should not happen again.
2. When asked who should pay the cost for making sure that no gas explosions happen again, 34% said PG&E shareholders should pay the costs, 38% said PG&E top executives should pay the costs and only 6% said ratepayers/consumers should pay the costs. Approximately 22% said it should be paid for by a combination of PG&E shareholders, top executives and ratepayers.



3. When asked whether the CPUC and/or Governor Brown should require PG&E to train local skilled residents in the community to manually turn off the gas lines to avert future explosions, 90% said yes and 10% opposed the creation of a local Emergency Gas Pipeline Corps.
4. The CPUC has previously recommended a rate increase in gas. When asked whether PG&E should receive a rate increase before it fixes all of its gas transmission problems, 88% said only after PG&E fixes all its gas problems.¹

As previously stated in our April 1st ratepayer report to you, the Japanese nuclear disaster should be a warning sign that extraordinary efforts may be needed to ensure that the ratepayers are well prepared, well educated and well trained to prevent another San Bruno disaster. This should include the creation of a number of safety nets. The ratepayers surveyed and our organization have urged that PG&E engage in an extensive community education and create a local Emergency Gas Pipeline Corps.

We look forward to meeting all of you at a joint session with PG&E executives.

Most sincerely,

A handwritten signature in cursive script that reads "Faith Bautista".

Faith Bautista
President and CEO

Cc: Peter Darbee, Chris Johns

¹ Please note that ALJ Wong has denied the National Asian American Coalition, the Black Economic Council and the Latino Business Chamber of Greater LA's joint motion for party status to intervene filed on March 18, 2011, or three days after his March 15th decision supporting a significant rate increase. The joint parties will promptly appeal the April 4th ruling by the ALJ and will seek to incorporate therein the results from the 190 ratepayers surveyed, the overwhelming majority of whom (88%) opposed any rate increase until after PG&E fixes all of its gas problems. It should be noted that the primary ground of the denial of party status is because the ALJ contends that the Commission has already heard from low income customers. However, this survey is the first scientific survey of ratepayer opinion and is essentially different from opposition based upon any particular nonprofit's particular perspective.