



**Pacific Gas and
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**PG&E PROPOSES TARGETED RATE REDUCTION TO PROMOTE
ECONOMIC DEVELOPMENT**

Program Would Support Retention and Attraction of Jobs in California

SAN FRANCISCO, Calif.—Pacific Gas and Electric Company (PG&E) announced today that it has asked state regulators for the right to offer a competitive electric rate to attract large employers to California and convince other large employers already in the state to maintain or expand their operations rather than leave.

“Affordable, reliable power is more important than ever as an enabler of business and employment development in our state,” said Tom Bottorff, Senior Vice President for Regulatory Relations at PG&E. “As a key contributor to California’s economy, PG&E is committed to helping create and retain jobs here by offering appropriate incentives that will enhance our state’s competitiveness and make it ‘golden’ again.”

The proposed economic development rate targets large companies—with power loads of at least 200 kilowatts—that have a choice of where to locate operations and hire employees. The rate would provide a 12 percent rate reduction for five years for those who avow that it is needed to enable them to site new operations, expand existing facilities, or stay in California.

To address the more acute challenges faced by counties in PG&E’s service area with unemployment rates at least 25 percent higher than the state average, the utility proposes a more significant rate reduction of 35 percent for five years.

“By expanding our local businesses and attracting employers back to hard-hit communities in California, PG&E’s program will help jump-start an economic recovery that generates the jobs and growth we need for healthier communities,” said Fresno Mayor Ashley Swearingin. “This program provides hope not only to Fresno, but to communities throughout

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Northern and Central California that need help revitalizing their economic base. This will be good for all of California.”

“It is essential in our economically challenged area to seek out and find new ways to foster economic development, create jobs, and assist new and existing businesses to thrive,” said Madera Mayor Brett Frazier. “I wholeheartedly support the enhanced economic development rate and believe it will be absolutely essential to our future growth.”

The new economic development rate is designed to meet today’s challenges and would replace an existing program that PG&E began offering in 2005. The current program’s rate reduction has declined over time and it is scheduled to sunset at the end of 2012.

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with 20,000 employees, the company delivers some of the nation’s cleanest energy to 15 million people in Northern and Central California. For more information, visit <http://www.pge.com/about/newsroom/> and www.pgecurrents.com.