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NEWS

FOR IMMEDIATE RELEASE

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**PACIFIC GAS AND ELECTRIC COMPANY SUBMITS PRELIMINARY FILING
IN 2014 GENERAL RATE CASE**

*Proposal Funds Infrastructure Investments and Operations to Advance Safety and Reliability
Typical Residential Energy Bills to Remain Below National Average*

SAN FRANCISCO, Calif.— Pacific Gas and Electric Company (PG&E) submitted a notice of its intent to file a 2014 General Rate Case (GRC), which will request funding for additional infrastructure investments and improved operations to achieve significant gains in the safety and reliability of its electric generation, and electric and gas distribution services, during the years 2014-2016.

PG&E is asking the California Public Utilities Commission (CPUC) for an increase in electric bills for the typical residential customer of less than \$5 per month, to about \$95 per month. For natural gas customers, the typical residential bill would increase less than \$7 per month, to about \$53 per month. Even with these increases, PG&E's typical residential electric and gas bills would remain well below national averages of nearly \$108 and just over \$65 per month, respectively.

“Our request is about the safety of our gas and electric operations and building for the long term,” said Pacific Gas and Electric Company President Chris Johns. “It is critical to the 15 million people we serve, and to the economic health of California, that PG&E continues to invest in a safe, reliable and affordable energy future. The proposal we put forward today will enable us to modernize our system and accelerate the progress we have already begun toward our long-term goal of being the safest utility in the country. It will also make California stronger and help revitalize the state's economy.”

The total funding request is \$1.25 billion in 2014 over currently authorized levels. It asks for additional increases of about \$500 million in 2015 and 2016 to account for additional

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infrastructure improvements, and increased costs of labor, materials, supplies and other expenses.

For the first time, PG&E's request will be reviewed by independent technical experts hired by the CPUC. The public will have greater insight into the process as well. "We're setting a new level of transparency with this case," Johns said. "Beyond the involvement of the technical experts, we will report progress on our objectives to our customers and to the Commission on a regular basis."

Customers and other interested parties can learn more about the investments that PG&E plans to make to enhance safety and reliability, and the requested rate changes, by visiting www.pge.com/grc.

"We strongly support the principle behind PG&E's rate application," said Tom Dalzell, business manager for Local 1245 International Brotherhood of Electrical Workers (IBEW), which represents nearly 12,000 PG&E employees in clerical, maintenance, construction and generation jobs. "The priorities are where we think they should be. Sound operational considerations are given the highest priority, which we think is of greatest benefit for customers. Gas and electric systems don't maintain and fix themselves, they need to be maintained and fixed. It is not free and not even cheap, but it needs to be done."

Added Karen Sawislak, executive director of Engineers and Scientists of California, IFPTE Local 20, which represents more than 2,500 technical professionals at PG&E: "Our union is in full support of PG&E's commitment to the safe and efficient operations of its electrical and gas systems, as evidenced in the priorities set forth in this rate application."

Economic Impact

The investments made possible by PG&E's 2014 GRC will improve the competitiveness of businesses in our service area by providing them the platform of a 21st century energy infrastructure. These investments will also generate new jobs and stimulate economic growth throughout the state.

PG&E currently employs over 20,000 people. The 2014 request would permit the company to hire 2,200 more employees dedicated to improving system safety, reliability and customer service. Altogether, the GRC request would support about 39,000 jobs in California and generate an estimated \$9 billion each year in positive economic impact from sales of goods and services statewide. PG&E's request would generate an estimated \$685 million per year in California state and local tax revenue as a consequence of the added worker income and business sales.

"Ensuring that the Bay Area and California have safe, reliable and modern energy infrastructure is an absolute necessity if we are to remain competitive as a region and a state," said Jim Wunderman, President and CEO of the Bay Area Council. "Investing in our energy infrastructure creates jobs and spurs important economic activity now, while laying the foundation for our future growth and economic prosperity."

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 over 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

Important Facts about PG&E Rates

General Rate Case

In addition to funding ongoing operation and maintenance, PG&E's proposal would fund:

- Upgrading electric distribution infrastructure to improve safety, reduce outages, and restore service to customers more quickly using new technology, including SmartMeter™ devices;
- Increasing – by a factor of six – the miles of distribution gas pipe that we have historically replaced in order to improve system safety;
- Deploying new technology to detect and repair gas leaks more quickly and provide improved response time when customers call regarding a possible gas leak;
- Building and operating a new, modern gas distribution control facility to monitor and manage the entire gas distribution system;
- Reducing risk of wildfires through additional patrols and increased focus on high risk areas;
- Implementing new safety regulations for both hydroelectric and nuclear power generating facilities; and
- Providing improvements in customer service including increased sharing of information about gas and electric safety and reliability programs.

Pipeline Safety Enhancement Plan

PG&E previously requested funding for investments made from 2012 through 2014 as part of its Pipeline Safety Enhancement Plan, which was submitted earlier this year at the request

of the CPUC. This Plan would fund important safety improvements to meet or exceed new regulatory standards in the Company's gas *transmission* business, which are reviewed separately from the gas *distribution* programs for which PG&E is requesting funds in its GRC. Gas transmission lines are higher pressure lines that carry larger quantities of gas from the supply source to communities. Gas distribution lines are lower pressure lines that carry gas to homes and businesses. If the Pipeline Safety Enhancement Plan is approved, the typical residential gas customer's bill would increase less than \$2 per month.

Next steps in GRC process

Following PG&E's submission today of its Notice of Intent to file a formal application for the GRC later this year, the CPUC's Division of Ratepayer Advocates will review the filing and inform PG&E of any required changes. After addressing these requirements and obtaining acceptance from the Division of Ratepayer Advocates, PG&E will formally file its GRC application.

At that point, the CPUC will undertake a thorough, year-long review of PG&E's operations and costs, including public hearings, comments from interested parties and a detailed study of the full GRC.

The CPUC is scheduled to issue a decision at the end of 2013.