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PRESS RELEASE

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CPUC PUTS PG&E ON NOTICE OVER VIOLATIONS OF COMMUNITY CHOICE RULES

SAN FRANCISCO, May 3, 2010 – The California Public Utilities Commission’s (CPUC) Executive Director today notified Pacific Gas and Electric Company (PG&E) that certain recent actions by the utility in Marin County, Calif., related to Community Choice Aggregation (CCA) have violated tariffs and rules and directed PG&E to immediately cease such actions.

On April 9, 2010, the CPUC confirmed Marin Energy Authority (MEA) as a community choice aggregator in California. The CPUC has heard from members of the public and MEA that although PG&E has a statutory obligation to cooperate with community choice aggregators, instead the utility has been attempting to thwart MEA’s efforts to launch the new CCA.

After evaluating PG&E’s actions, the CPUC’s Executive Director today sent a letter to the company, outlining actions that PG&E must immediately cease, including telephoning customers to ask them to opt out and then transferring the call that PG&E initiated to a PG&E customer service representative. The CPUC said that customers electing to opt-out of MEA service must do so only by the methods included in the customer notification provided by MEA – by the customer calling a phone number or visiting a website. PG&E cannot obtain an opt-out by using an opt-out form PG&E includes in a newspaper advertisement or by visiting a customer’s residence and asking the customer to provide an oral or written opt-out during the visit.

In addition, PG&E may no longer send mailers that have the appearance of an official opt-out notice to its customers in Marin County for the purpose of encouraging these customers to opt out of the CCA program established by MEA. These mailers are likely to create unnecessary customer confusion and therefore violate the statutory requirement that PG&E cooperate fully with any community choice aggregators.

PG&E was directed to meet with the CPUC’s Energy Division to identify the specific customers who have opted out of MEA service in the manners specified above and develop a way of informing these customers that their opt-outs are invalid.

“PG&E must understand its obligations in communicating with its customers in Marin County and other jurisdictions that may be considering or implementing a community choice aggregation program,” said CPUC Executive Director Paul Clanon. “I expect PG&E to cooperate fully with the directives given today and comply with the community choice aggregation law in California.”

Community Choice Aggregation allows communities to offer energy service to electric customers within their boundaries, as outlined in Assembly Bill (AB) 117 (2002 Stats., ch. 838) and in CPUC rules. AB 117 provides, in part: “All electrical corporations shall cooperate fully with any community choice aggregators that investigate, pursue, or implement community choice aggregation programs.”

The CPUC has the authority to take enforcement action, including imposing fines, if PG&E violates the CCA process laid out in AB 117 and further specified in PG&E’s tariffs.

Separately, the CPUC expects to act at its May 20, 2010, voting meeting on the City and County of San Francisco’s Petition to Modify a previous CPUC decision (D.05-12-041, http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/52127.htm) regarding CCA. The Petition asks the CPUC to further restrict activities by PG&E and other utilities in fighting against CCAs. The Petition also asks the CPUC to establish an expedited process for remedying any violations committed by the utilities.

For more information on CCA, please visit www.cpuc.ca.gov/PUC/energy/Retail+Electric+Markets+and+Finance/070430_ccaggregation.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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