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## Pacific Gas and Electric Company Wins Approval of Effort to Help Customers Manage High Natural Gas Prices This Winter

### **Regulators Approve 10/20 Winter Gas Savings Program That Could Reduce Bills by \$16**

SAN FRANCISCO - Pacific Gas and Electric Company's major new initiative to help consumers manage high natural gas bills this winter was approved today by the California Public Utilities Commission (CPUC). The proposal was developed last month in consultation with The Utility Reform Network (TURN), and is supported by the consumer group.

"This approval is a win for our customers," said Peter A. Darbee, PG&E Corporation President and CEO. "The 10/20 initiative has the potential to make a significant difference this winter. PG&E is empowering customers with valuable tools and information."

PG&E's first-in-the-nation, 10/20 Winter Gas Savings Program is a conservation incentive that offers residential and small business customers a 20 percent rebate for reducing their gas usage by 10 percent or more this winter, January through March. The program would provide significant reductions in winter bills for successful participants. For example, the average residential customer who succeeds in the 10/20 program is expected to reduce their winter gas costs by about \$165, a 30 percent reduction in the gas costs they would otherwise be billed in the winter. (Note: About \$65 of the reduction would come as a one-time rebate, appearing in customers' April or May bill, as a result of the 10/20 program described below.)

While natural gas prices have fallen slightly from the peak levels they hit in the immediate wake of the two Gulf Coast hurricanes, prices are still at very high levels across the country, due to high demand for the fuel and the ongoing disruption of a significant portion of the nation's overall supply caused by hurricane damage. Based on current forecasts, PG&E anticipates average residential natural gas bills to be about 50-60 percent higher this winter, compared to last year.

PG&E buys natural gas from suppliers and passes it on to customers at cost. As a result PG&E does not profit from higher natural gas prices. Instead, PG&E is paid a regulated, set fee to deliver gas, which doesn't change when gas prices go up.

Nonetheless, in order to help customers, PG&E and TURN came together last month to work on innovative ways to help consumers manage these expected high winter energy costs. The CPUC has also been focusing attention on high gas prices, and has directed California utilities to increase their efforts to provide customers with additional assistance this winter.

#### 10/20 Winter Gas Savings Program Details:

Under the new 10/20 Winter Gas Savings Program, residential and small business customers who reduce their natural gas usage from January 1 through March 31, 2006 by 10 percent or more compared to the same months last winter will earn a 20 percent rebate on natural gas charges for those months.

Customers who reach the goal will save twice - their bill will be lower each month because they will be using less natural gas, and they will then receive another 20 percent in savings off their gas costs incurred

the months of January-March, in the form of a rebate which will appear on their April or May bill (timing depends on a customer's meter reading schedule). The program runs January 1 through March 31, 2006, however, since meters are read throughout each month (not just on the 1st or 31st), a customer's gas usage may be prorated based on their actual meter read dates. Customers should begin conserving when they receive their December 2005 bill and continue through their April 2006 bill.

The average residential gas customer who successfully reduces their gas usage is expected to save about \$100 due to conservation and get an incentive bill rebate of about \$65, for a total reduction of \$165, or about 30 percent on their January-March winter gas costs. (Note: Successful 10/20 participating customers are expected to reduce usage by an average of 23%, based on the incentive and expected conservation in response to price signals this winter.)

The 10/20 Winter Gas Savings program is expected to provide customers with bill rebates totaling up to \$200 million. All residential and small business customers are eligible as long as they have been at their current location (home or residence) since January 1, 2005. There is no sign-up, enrollment is automatic.

For More Information on Energy Savings Programs Visit [www.pge.com/wintergas](http://www.pge.com/wintergas) or Call the Smarter Energy Line at 800-933-9555