



NEWS RELEASE

FOR IMMEDIATE RELEASE
April 6, 2001

Contact: Stephanie McCorkle
1 (888) 516-NEWS

STATEMENT BY CALIFORNIA ISO CEO TERRY WINTER REGARDING PACIFIC GAS AND ELECTRIC CHAPTER 11 REORGANIZATION

(Folsom, CA) The California Independent System Operator (California ISO) does not expect any significant change in the supply of electricity in California as a result of the Chapter 11 reorganization filed by Pacific Gas and Electric Company today, Friday, April 6, 2001.

“While everyone had hoped that this action could have been averted, the California ISO has been planning for the bankruptcy filing as a possibility,” said California President and CEO Terry Winter. “Financially, we expect that the ISO will weather these uncertain times and the event will not have an adverse effect on our ability to meet commitments to employees, vendors and the ISO’s other trade creditors.”

The California ISO’s operating costs are funded by a Grid Management Charge (GMC), which is paid by all market participants accessing the 25,526 circuit miles of transmission lines managed by the California ISO. Because of a number of protections that are built into the GMC rate structure, the ISO expects that it will collect the GMC in full for 2001.

Reliable operation of the Grid is not expected to suffer any negative consequences as a result of today’s action by Pacific Gas and Electric Company. System conditions will continue to be tight as they have been over the past few months with reduced hydroelectricity resources, a decline in imported power and low Qualifying Facility generation levels. However, generators are expected to continue to produce power to meet the needs of consumers.

“Operationally, we will continue to meet the challenge of doing our job under difficult circumstances, and we are confident that we will be able to do the same from a financial perspective as well,” added Mr. Winter.

-ISO-