

From: Peevey, Michael R.
Sent: 4/6/2011 1:41:57 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE: Organizational Changes

Didn't realize Keenan and Salas were the problems. Who is Geisha?

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Wed 4/6/2011 7:45 AM
To: Peevey, Michael R.
Subject: FW: Organizational Changes

FYI

From: A Message from Chris Johns
Sent: Wednesday, April 06, 2011 5:37 AM
To: All PG&E Mail Recipients; All PGE Corp Employees
Subject: Organizational Changes

To all employees:

This past year has been one of the most difficult in PG&E's history. It has raised crucial questions about our operations, and these questions have rightly caused us to look across the entire business and ask what we must do to make PG&E the utility our customers want and deserve.

To ensure that our focus on public safety and operational reliability are at the level they need to be, we have conducted a thorough reevaluation of the organizational and management structure of our electric and gas operations. Today, I want to share with you some important changes and the direction we will take these areas of our business.

After careful consideration, we have made a decision to separate PG&E's gas and electric operations. This will occur over a transitional period that will begin soon and take several months to complete.

Creating distinct lines of business for electric and gas operations—each of which will be overseen by dedicated officers at the senior vice president level—will strengthen management oversight and guarantee clear, unmistakable lines of accountability. This action also will enable leaders throughout both organizations to be more focused and more effective as we fulfill PG&E's commitment to improving its operations.

As we shared previously, the company is conducting a global search to fill the role of senior vice president for gas operations, and that search is well under way.

As a result of these changes, the positions of chief operating officer and senior vice president of engineering and operations are being eliminated. Jack Keenan and Ed Salas have elected to leave PG&E.

I am pleased to announce that Geisha Williams will assume the new role of senior vice president for electric operations.

This restructuring represents a significant change in the way we conduct our operations, and our team is fully committed to ensuring the transition is carried out thoughtfully and

smoothly. The reorganization will not take full effect until after the new senior vice president for gas operations has been hired and Geisha has fully assumed her new responsibilities as senior vice president of electric operations.

Working closely with the team, my top priority is to maintain PG&E's focus and sense of urgency on enhancing the safety of our natural gas system. Over the next few days we will be providing additional information regarding new reporting relationships in light of these changes. Until then, it is important that everyone remain focused on their current responsibilities and activities.

This restructuring is one of many changes that we are making to assure that our focus on public safety and reliably operating our gas and electric systems remains PG&E's highest priority.

Please join me in thanking Jack and Ed for their service to PG&E.

Chris