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Sent: 8/9/2011 1:09:40 PM

To: 'catherine.sandoval@cpuc.ca.gov' (catherine.sandoval@cpuc.ca.gov)

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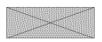
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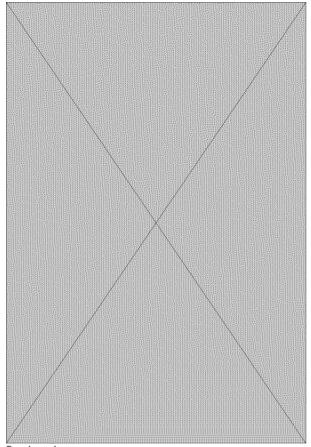
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# Tom Walsh: Tony Earley is big loss for Detroit, a Mr. Fixit for California utility

8:59 AM, Aug. 9, 2011 | 5 Comments



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Anthony Earley, chairman and CEO of DTE Energy, is shown in this 2006 file photo. Earley announced plans this week to leave DTE to run California's largest utility, PG&E. / ERIC SEALS/Detroit Free Press



### BY TOM WALSH

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Anthony Earley Jr., longtime chairman and CEO of DTE Energy and one of Detroit's most prominent community leaders, is heading west to take the helm at PG&E, California's largest utility.

But Earley, 62, and his wife Sarah, intend to keep a home in metro Detroit and eventually retire in Michigan, Earley said in an interview this morning.

Earley joined DTE in 1994 and was its CEO from 1998 until last year, when he became executive chairman and passed the CEO title to Gerald Anderson DTE's president, who will add the title of chairman when Earley takes over Sept. 12 at PG&E.

Earley said he will continue to serve on the board of directors of Ford Motor, but will withdraw from leadership of nonprofit entities such as Henry Ford Health System, where he currently chairs the Board of Trustees.

As a former chairman of Detroit Renaissance, the powerful group of corporate leaders that eventually became Business Leaders for Michigan, Earley took an activist — and sometimes controversial — role in confronting some of the region's chronic problems.

He and Renaissance supported a state takeover of Detroit's school board and mayoral appointment of school board members a decade ago — "I still have a few scars from that," he said today.

Earley was an early supporter of former mayor Kwame Kilpatrick, but later became one of the first prominent business leaders to publicly chastise Kilpatrick.

After helping Kilpatrick to raise money for his narrow reelection victory in 2005, Earley later told the Free Press he felt he had been kicked in the gut by Kilpatrick after the text-message scandal erupted, leading to the former mayor's demise.

"It was not just that he had an affair," Earley said in 2008, in his first public comments on the matter. "When you stand up in court and raise your hand and swear, that's something different. That changes the whole dynamic."

"Like many of us, Tony saw great potential" in Kilpatrick "and thought he was growing in the job," said Paul Hillegonds, who was president of Detroit Renaissance when Earley chaired the group. "It was a huge disappointment."

Earley was also instrumental in the Detroit riverfront redevelopment effort spearheaded by General Motors and the Kresge Foundation in 2002, Hillegonds noted. He also was

involved in Campus Martius and residential loft projects downtown, and chaired the board of Cornerstone charter schools.

"Tony is very interested in public policy broadly, not just energy policy," Hillegonds said.

In fact, Earley was courted as a possible candidate for Michigan governor by the Democratic Party in 2010. He declined to run, and he's happy he did.

"It's a tough job," Earley said today, but he's impressed with how Gov. Rick Snyder, a Republican, is doing.

"He's accomplished an amazing amount of things," Earley said. "I may not agree with everything he does, but he's focused on results and he's relentless."

Earley said he believes that Detroit Mayor Dave Bing, a longtime DTE board member, is making progress, "much of it behind the scenes," in a difficult job.

Earley said he will live in the San Francisco area, where PG&E is based, "for at least the next couple years." He and his wife just bought a new house in Oakland County, which they will keep.

"Sarah will spend time back here on the things she's been working on," he said, including fundraising efforts of the Belle Isle Women's Committee, which she founded in 2004.

Earley takes over at PG&E as the utility struggles to regain its footing a year after one of its natural gas pipelines exploded in San Bruno, California, killing eight people and destroying 38 homes. in the San Francisco suburb.

Amid regulatory scrutiny following that explosion, PG&E has also faced customer backlash from smart-meter programs to track electricity use. It recently reduced its profit forecast 5% for 2011.

Peter Darbee, PG&E's former CEO, resigned in April, and Earley was contacted about the job soon afterward.

"They've struggled to recover from the tragic explosion," Earley said, "and I guess the board felt that they needed a set of fresh eyes." He called PG&E an iconic energy company, one of the industry's leaders for a century.

As he leaves DTE, Earley said that CEO Anderson and his team "are hitting on all cylinders."

The company is solidly profitable, and its stock had been on a steady climb for the past year, until the market turbulence of the past three weeks. It traded at \$44.48, up 45 cents, after the first two hours of trading today. PG&E stock was at \$38.88, down 76 cents this morning.

Anderson, 53, who will be chairman, president and CEO when Earley leaves next month, said he will be looking to groom a successor soon "for at least one of those titles, and eventually for all of them."

Anderson said that when he pulled his executive team together Monday to break the news of Earley's departure, "I told them that some corporate leaders in recent times have forfeited the public trust. Tony did exactly the opposite, he ran the company with great integrity and we're going to carry on that legacy."