

## 2011 STIP Plan Measures and Results

## STIP Measures Defined

**Earnings from Operations** – measures earning power from ongoing core operations.

**Customer Satisfaction and Brand Health Survey Index** – measures residential, small business, and medium business customer perceptions, with weightings of 60 percent for residential customers and 40 percent for business customers.

**Operational Excellence Index** – measures the reliability of electric and gas delivery systems, and overall safety performance. This index consists of three components: Electric Reliability Energy Delivery – as measured by System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI), Gas Reliability Energy Delivery – as measured by Gas Transmission and Distribution Leak Survey Quality and Gas Emergency Response Time, and Safety Performance – as measured by Occupational Safety and Health Administration (OSHA) Recordable Injury Rate by tracking recordable incidents per 200,000 hours worked, Motor Vehicle Incident (MVI) Rate by the number of motor vehicle incidents per 1 million miles driven, and consideration of overall safety performance.

**Employee Engagement Index** – measures employee engagement at PG&E. Energized (engaged) employees understand the organization's future vision, feel a sense of ownership for the company's success and actively contribute to improve performance.

**Environmental Leadership Index** – measures PG&E's environmental compliance and operational footprint.

2011 STIP Measure	STIP Weight	Target	Result	STIP Score
Earnings from Operations (in millions)	50%	\$1,483.0	1437.8	0.695
Operational Excellence Index:	25%	1.0	0.891	0.891
System Average Interruption Frequency Index (SAIFI)	20%	1.052	0.967	1.436
Customer Average Interruption Duration Index (CAIDI)	20%	111.9	113.4	
Gas Transmission & Distribution Leak Survey Quality	10%	1.87	1.34	1.582
Gas Emergency Response Time	10%	97.0	97.6	
OSHA Recordable Rate	30%	1.600	1.621	0.000
Motor Vehicle Incident Rate	10%	2.15	2.10	
Customer Satisfaction and Brand Health Index	15%	75.3	73.0	0.000
Employee Engagement Index (Premier)	5%	69.59	67.23	0.000
Environmental Leadership Index:	5%	1.0	0.730	0.730
Notice of Violation (NOV) Rate	50%	7	10	0.000
Administrative Waste Reduction	16.67%	55	59.5	1.460
Energy Use Reduction	16.67%	4.2	4.8	
Water Use Reduction	16.67%	5.7	6.0	
<b>Total STIP Score</b>				<b>0.607</b>