

2010 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.

Reliable Energy Delivery Index – measures indicators of electric and gas reliability performance. This index represents a composite score of three metrics which include System Average Interruption Frequency Index (SAIFI), Customer Average Interruption Duration Index (CAIDI), and Gas System Integrity Work.

Safety Index – measures Occupational Safety and Health Administration (OSHA) Recordable Injury Rate by tracking recordable incidents per 200,000 hours worked, and Motor Vehicle Incident (MVI) Rate by the number of motor vehicle incidents per 1 million miles driven.

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.

2010 STIP Measure	STIP Weight	Target	Result	STIP Score
Earnings from Operations (in millions)	50%	\$1,338.0	1330.5	0.944
Customer Satisfaction and Brand Health Index	15%	77.7	74.6	0.000
Reliable Energy Delivery Index:	15%	1.0	0.902	0.902
System Average Interruption Frequency Index (SAIFI)	35%	1.066	1.108	0.627
Customer Average Interruption Duration Index (CAIDI)	35%	113.80	117.77	0.663
Gas System Integrity Work	30%	1.000	1.501	1.501
Safety Index:	10%	1.0	1.000	1.000*
OSHA Recordable Rate	75%	2.025	1.839	1.779
Motor Vehicle Incident Rate	25%	2.37	2.39	0.915
Employee Engagement Index (Premier)	5%	68.7	69.3	1.300
Environmental Leadership Index:	5%	1.0	1.842	1.842
Notice of Violation (NOV) Rate	50%	1.68	1.10	2.000
Energy Use Reduction	16.66%	4.0	4.3	1.150
Water Use Reduction	16.66%	4.0	7.1	2.000
Solid Waste Diversion	16.66%	6.0	7.8	1.900
Total STIP Score				0.864

*As a result of the two on-the-job fatalities in 2010, the Safety Index score was capped at 1.0