

2008 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 customer satisfaction and provides relevant data used by the company to design and implement future initiatives to achieve our goal of delighted customers.

Reliable Energy Delivery Index – measures four significant indicators of reliability performance. These four indicators are System Average Interruption Frequency Index (SAIFI), Customer Average Interruption Duration Index (CAIDI), Execution of Electric-Based Work Units and Gas Transmission and Distribution Integrity.

Employee Survey 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.

Safety – measures how effective the company's safety programs are in reducing the number and degree of employee injuries and illness by tracking the number of OSHA Recordable incidents per 200,000 worked.

| 2008 STIP Measure | STIP Weight | Target | Result | STIP Score |
|---|-------------|------------|---------|--------------|
| Earnings from Operations (in millions) | 40% | \$1,092.90 | \$1,081 | 0.938 |
| Customer Satisfaction and Brand Health Index | 20% | 77.0 | 76.1 | 0.775 |
| Reliable Energy Delivery Index: | 20% | 1.000 | 1.443 | 1.443 |
| System Average Interruption Frequency Index (SAIFI) | 30% | 1.257 | 1.197 | 1.882 |
| Customer Average Interruption Duration Index (CAIDI) | 30% | 124.6 | 128.1 | 0.539 |
| Execution of Electric-Based Work Units: | 10% | | | |
| Installation of Fault Indicators, Fuses, and Reclosers (units) | | 4,087 | 5,831 | 2.000 |
| Key Projects – New Substation Banks and Feeder Circuits (units) | | 60 | 61 | 1.500 |
| Tree Trimming Projects (# of trees) | | 5025 | 7031 | 2.000 |
| Gas Transmission & Distribution Integrity: | 30% | | | |
| Gas Pipeline Replacement (Programs) | | 30 | 31 | 1.333 |
| Copper Service Replacement (miles) | | 6,145 | 6,536 | 2.000 |
| Transmission Integrity Management – Miles of High-Consequence Area (HCA) Pipe Inspected | | 60.8 | 67.2 | 2.000 |
| Employee Satisfaction Survey (Premier) | 10% | 66.0% | 68.6% | 2.000 |
| Safety (OSHA Recordable Injury Rate) | 10% | 3.483 | 3.241 | 1.590 |
| Total STIP Score | | | | 1.178 |