

## 2007 STIP Plan Measures and Results

### 2007 STIP Measures Defined

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

**J.D. Power Customer Satisfaction Index** - This measure is based on two annual industry-wide surveys conducted by J. D. Power and Associates: J.D. Power Residential Survey and the J. D. Power Business Survey.

**Business Transformation (BT) Index** - five measurement points that define success in achieving key BT operational, financial, and post-implementation objectives: BT cost compared to budget; BT benefits compared to budget; new business customer connection improvement; SmartMeter™ project performance; and BT foundational release performance.

**Employee Satisfaction Survey (Premier)** - 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.

2007 STIP	STIP Weight	Target	Result	STIP Score
Earnings from Operations (in millions)	50%	\$1,000	\$1,006	1.074
J.D. Power Customer Satisfaction Index	20%	676	693	1.850
Business Transformation Index	20%	1.0	.924	0.924
Employee Satisfaction Survey (Premier)	5%	66%	64.26%	0.603
Safety (OSHA Recordable Injury Rate)	5%	4.500	4.302	1.374
Total STIP Score				1.191