



# *PG&E Corporation*

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## PG&E Corporation: A Value Opportunity

Investor Conference  
February 25, 2005  
New York City



# Agenda

- Welcome 8:00 – 8:10 Gabe Togneri, VP of Investor Relations  
PG&E Corporation
- Strategic Overview 8:10 – 8:40 Peter Darbee, President & CEO  
PG&E Corporation
- Economic and Regulatory Climate 8:40 – 9:00 Gordon Smith, President & CEO  
Pacific Gas and Electric Company
- Operational Review -  
Distribution and Transmission 9:00 – 9:40 Tom King, EVP & Chief of Utility Operations  
Pacific Gas and Electric Company
- BREAK 9:40 – 10:00
- Electric Procurement and  
Owned Generation 10:00 – 10:30 Kent Harvey, SVP, CFO and Treasurer  
Pacific Gas and Electric Company
- Financial Outlook 10:30 – 11:00 Chris Johns, SVP, CFO & Controller  
PG&E Corporation
- Conclusion/Q&A 11:00 – 11:30 Peter Darbee

# Cautionary Statement Regarding Forward-Looking Information

This presentation contains forward-looking statements regarding projected earnings, cash flows, capital expenditures, rate base and rate base growth, stock repurchases, and dividends for the 2005 - 2009 period based on assumptions, including that the Utility earns an authorized return on equity of 11.22 percent, the timely implementation of an \$1.05 billion accelerated share repurchase program, and the issuance of the second series of energy recovery bonds in late 2005. These statements and assumptions are based on current expectations which management believes are reasonable and on information currently available to management but are necessarily subject to various risks and uncertainties. Actual results may differ materially. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements and assumptions include:

- The timing and resolution of the pending appeals of the CPUC's approval of the Settlement Agreement and the bankruptcy court confirmation of the Utility's plan of reorganization,
- Unanticipated changes in operating expenses or capital expenditures, which may affect the Utility's ability to earn its authorized rate of return;
- The level and volatility of wholesale electricity and natural gas prices and supplies, the Utility's ability to manage and respond to the levels and volatility successfully and the extent to which the Utility is able to timely recover increased costs related to such volatility;
- The operation of the Utility's Diablo Canyon nuclear power plant which exposes the Utility to potentially significant environmental costs and capital expenditure outlays, and, to the extent the Utility is unable to increase its spent fuel storage capacity by 2007 or find an alternative depository, the risk that the Utility may be required to close Diablo Canyon and purchase electricity from more expensive sources;
- The impact of current and future ratemaking actions of the CPUC, including the risk of material differences between forecasted costs used to determine rates and actual costs incurred;
- Whether the assumptions and forecasts underlying the Utility's CPUC-approved long-term electricity procurement plan prove to be accurate, the terms and conditions of the generation or procurement commitments the Utility enters into in connection with its plan, the extent to which the Utility is able to recover the costs it incurs in connection with these commitments, and the extent to which a failure to perform by any of the counterparties to the Utility's electricity purchase contracts or the Department of Water Resources' contracts allocated to the Utility's customers affects the Utility's ability to meet its obligations or to recover its costs;
- The extent to which the CPUC or the FERC delays or denies recovery of the Utility's costs, including electricity purchase costs, from customers due to a regulatory determination that such costs were not reasonable or prudent or for other reasons resulting in write-offs of regulatory balancing accounts ;
- How the CPUC administers the capital structure, stand-alone dividend and first priority conditions of the CPUC's decisions permitting the establishment of holding companies for the California investor-owned electric utilities;
- The impact of future legislative or regulatory actions or policies;
- Increased competition;
- The outcome of pending litigation; and
- Other factors discussed in PG&E Corporation's SEC reports.



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## Strategic Overview

Peter Darbee  
President and CEO  
PG&E Corporation

# PG&E Corporation: A Value Opportunity

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- A pure-play utility offering a stable platform and regulated growth

## Stability:

- minimum equity ratio and ROE
- predictable revenue through 2006
- union agreements through 2007
- pass-through for procurement costs
- balancing account for sales variability

## Regulated growth:

- solid rate base growth
- strong cash flow
- repurchases and/or additional rate base investments

# Delivering for Shareholders

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- 2004 EPS from operations of \$2.12 \*
- Declared 30¢ quarterly common dividend for April payment
- Completed share repurchases initiated EOY 2004, \$1.6B targeted for 2005
- Total shareholder return twelve months ending February\*\*
  - PCG: 28.6%
  - S&P 500: 5.6%

\* See appendix for Reg G reconciliation to GAAP

\*\* Returns based on February 17, 2005 closing prices

# Near-term Priorities

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- Complete financial restoration
- Transform the way we do business
- Address electric procurement and owned generation
- Enhance communications
- Invest in utility infrastructure

# Financial Restoration

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- Authorized utility equity ratio of 52% achieved
- Restored common dividend
- \$1.9B of energy recovery bonds (ERBs) issued February 10
- Up to \$1.1B of additional ERBs expected to be issued in November 2005, net of generator refunds
- Approximately \$1B of customer savings over the life of the regulatory asset from both series

~\$1B of \$1.6B total share repurchases in 2005 to be initiated by March

# Transforming the Way We Do Business

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- A reinvention of how we deliver energy
- Enterprise-wide effort to focus on the customer
  - Meeting customers' increasing expectations
  - Providing employees with the right tools and business processes
  - Capturing cost efficiencies for customers

Targeting better, faster, more cost-effective service

# Transforming the Way We Do Business

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- Culture and values
  - Leading indicators of long-term success
  - Drive relations with customers, employees and investors
  - Culture founded on integrity

Aligning culture and values with our vision

# Electric Procurement and Owned Generation

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- Priority is to meet customer demand cost effectively
- Near-term stability
  - Adequate resources to meet forecast demand
  - Cost recovery in place
- Long-term focus
  - Implementation of procurement plan
  - Mirant settlement provides additional capacity and investment opportunity

Ensuring adequate supply and making needed investments

# Communications

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- Strengthening communications with our stakeholders:
  - Employees
  - Customers
  - Policymakers
  - Investors

Effective communications are key to achieving our priorities

# Investments

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- Base capital expenditures average \$2.0B through 2009
- Assessing additional investment opportunities driven by regulatory mandates and utility needs for:
  - New generation
  - Electric transmission
  - Advanced metering
  - Reliability and technology-driven service enhancements

Average annual rate base growth of 4.5%-6.5% through 2009 depending on infrastructure needs

# Looking Forward

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- A focus on regulated businesses
- Operational excellence benefits all stakeholders
  - Improves customer satisfaction levels
  - Attracts, retains and motivates employees
  - Enhances relationships with policymakers
  - Supports earning full authorized return for shareholders



*Pacific Gas and  
Electric Company*<sup>®</sup>

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## Economic and Regulatory Climate

Gordon Smith

President and CEO

Pacific Gas and Electric Company

# Pacific Gas and Electric Company (PG&E)

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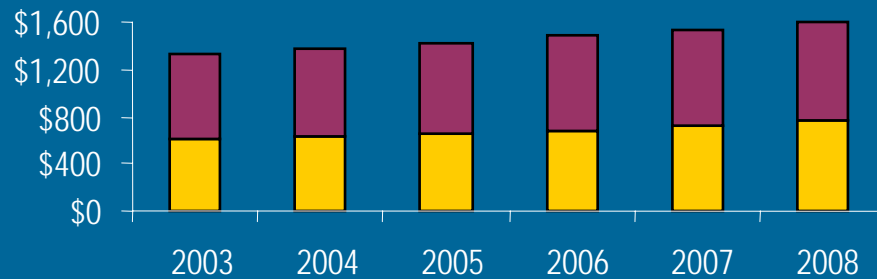
- 2005 marks the 100<sup>th</sup> anniversary of PG&E
- Provides energy to nearly 1 in 20 people in the U.S.
- 70,000 square-mile service territory
- Four main operational units:
  - Electric and gas distribution
  - Electric transmission
  - Gas transmission
  - Electric generation



# Economic Environment

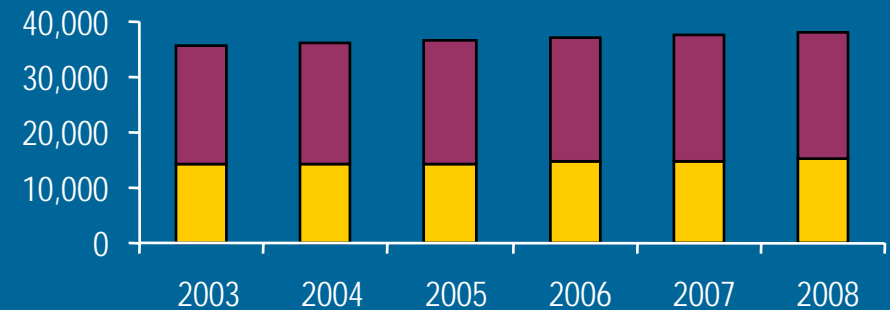
- Forecast for PG&E's service territory is steady growth

PG&E Service Territory  
Gross Product Contribution to CA (\$B)



■ PG&E Service Territory ■ Non PG&E  
CAGR = ~3.5%

PG&E Service Territory  
Population w/in CA (000)



■ PG&E Service Territory ■ Non PG&E  
CAGR = ~1%

Source: January 2005 California and PG&E service territory economic report from Economy.com, Inc.

# Regulatory Environment

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- Regulators and policymakers support return to stable energy policies
  - Utility creditworthiness
- Constructive relationships with CPUC, FERC and other policy makers
  - Chapter 11 and General Rate Case (GRC) resolved
  - First series of ERBs implemented
  - Long-term procurement plan approved

# California Policymakers

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- CPUC
  - Two new members in 2005
  - Commissioner Peevey's term runs through 2008; remains president
- 2005 California legislative session
  - Activity focused on Budget, Governor's reform agenda
  - Energy policy will continue to be debated

# Current Ratemaking

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- Distribution - GRC settled and approved through 2006; next GRC applies to 2007-2009
- Electric Transmission rates set at FERC through Transmission Owner (TO) cases
- Gas Transmission and Storage rates set through Gas Accord framework
- Generation
  - Return to cost of service ratemaking

# A Period of Stability

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- Focus on operational excellence
- Looking forward to the next 100 years



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# Operational Review Distribution and Transmission

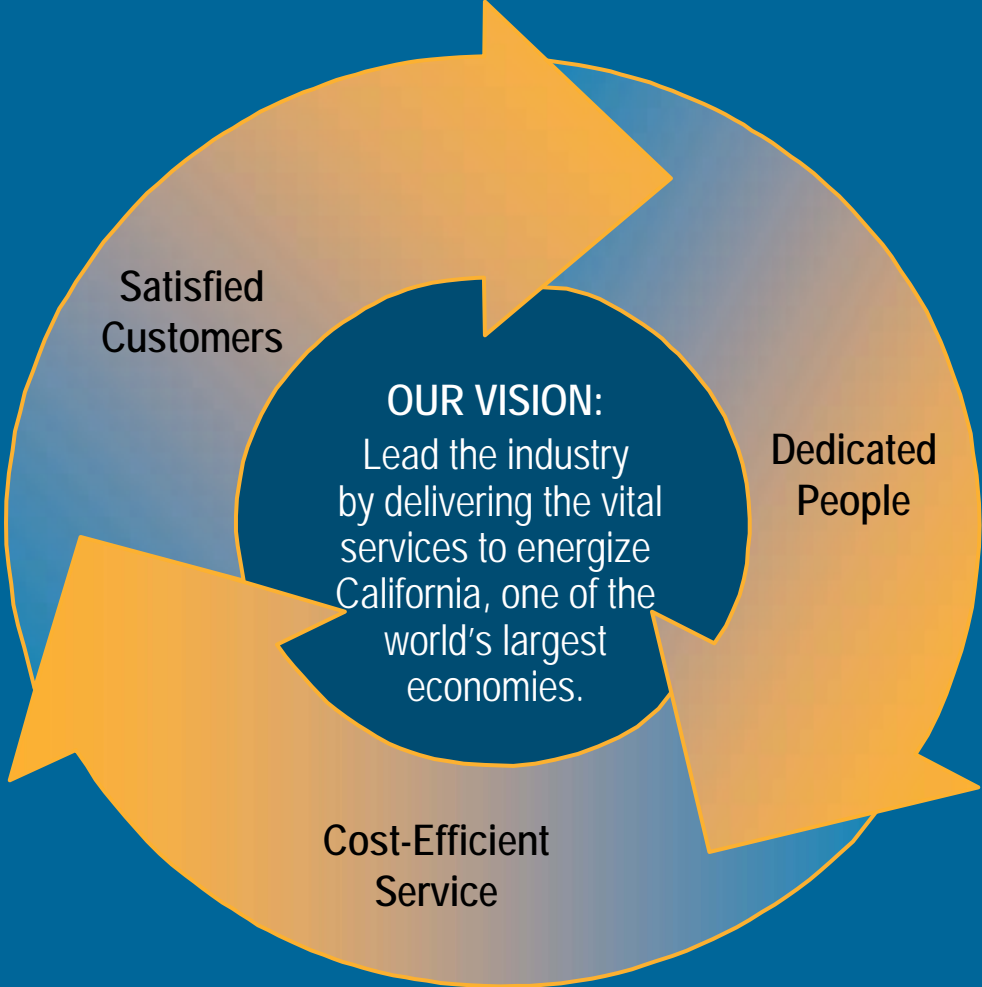
Tom King  
EVP and Chief of Utility Operations  
Pacific Gas and Electric Company

# Transforming Service and Operations

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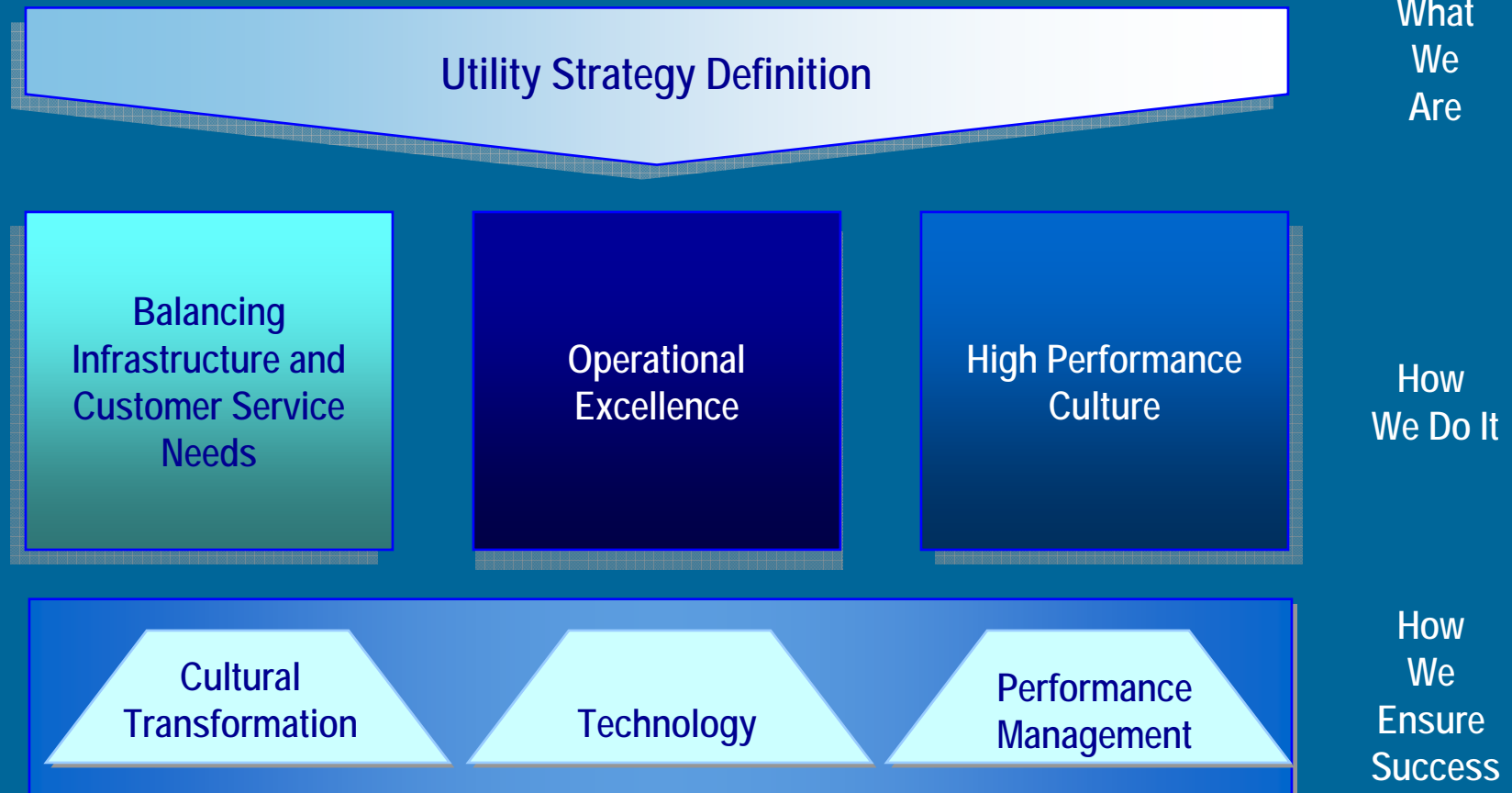
- Focus on improving customer service and achieving operational excellence
- Areas of immediate focus
  - Electric and Gas Delivery (T&D assets)
  - Customer Management (e.g., call centers, field services, metering, billing)
  - Supply Chain (materials, procurement, logistics)
  - Information Technology
  - Performance Culture

# Our Vision

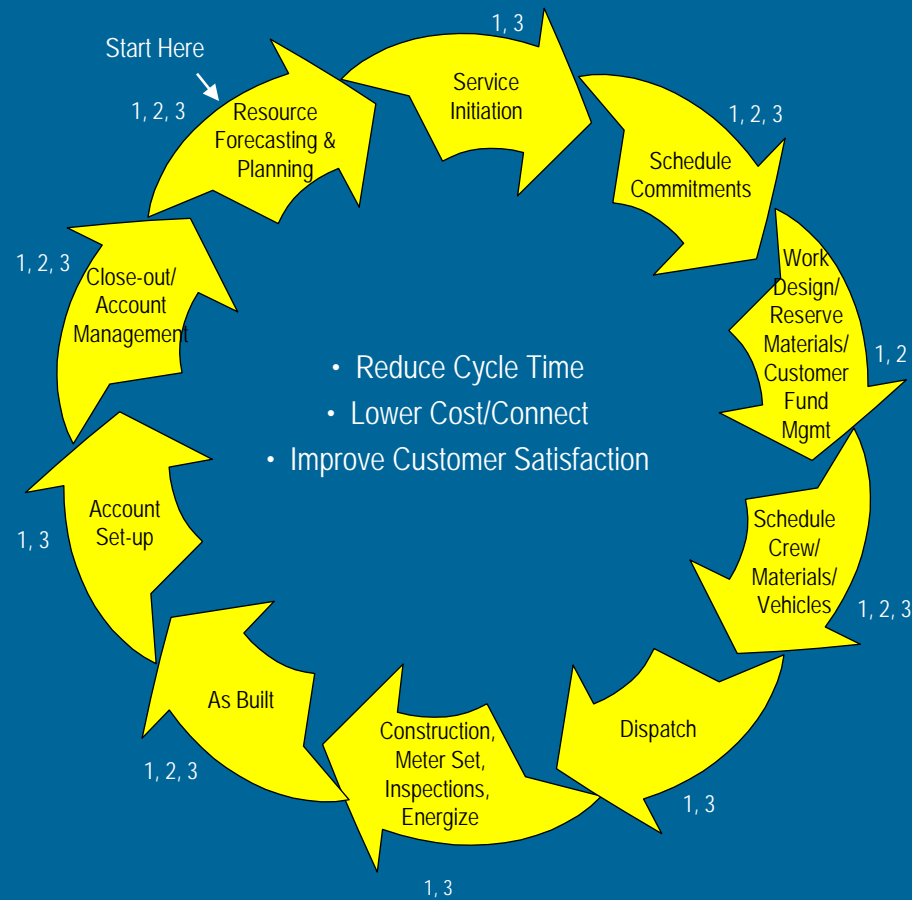


# Realizing Through Transformation

## Overall Approach – Integrated View



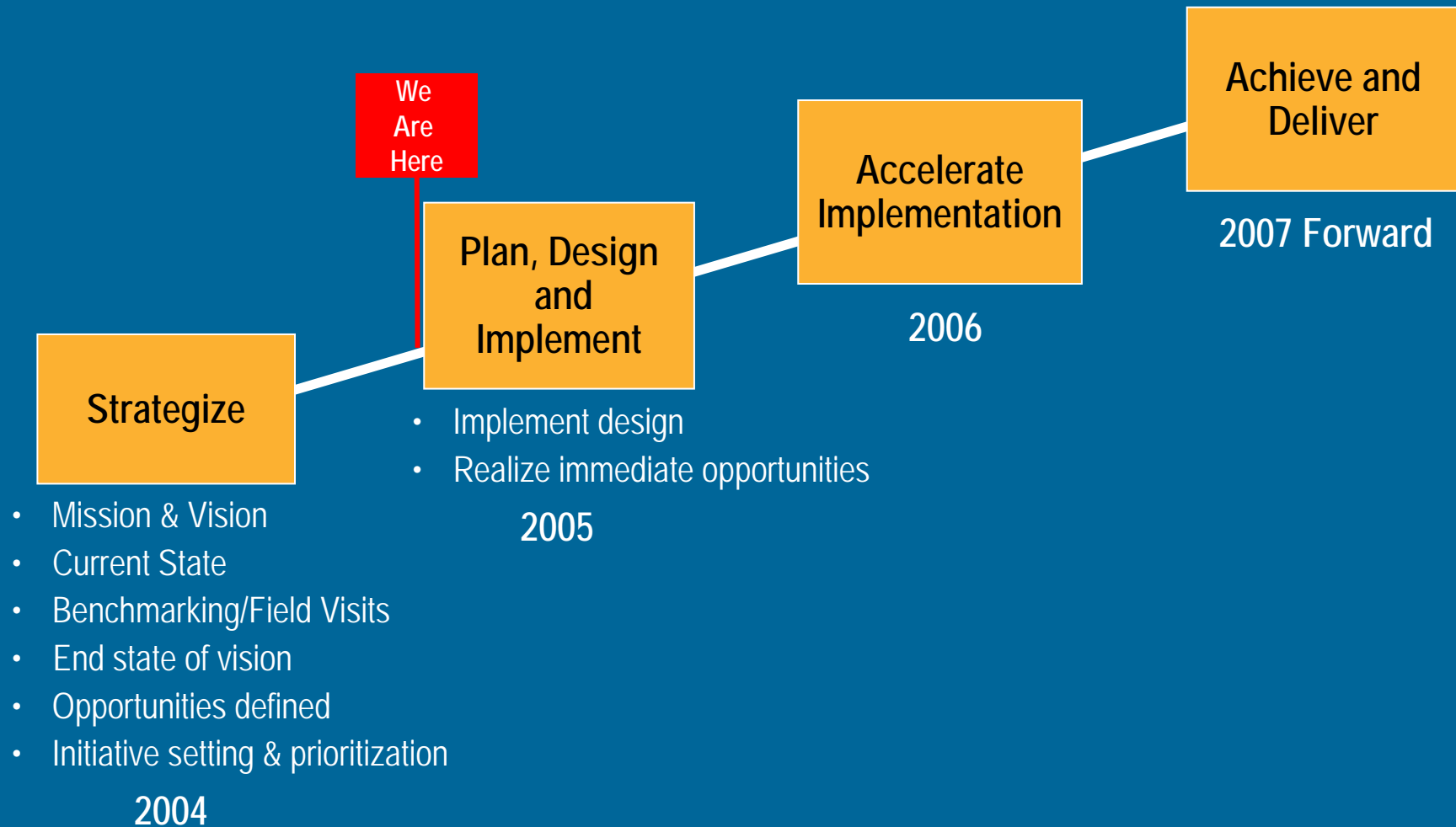
# New Business Connect Example



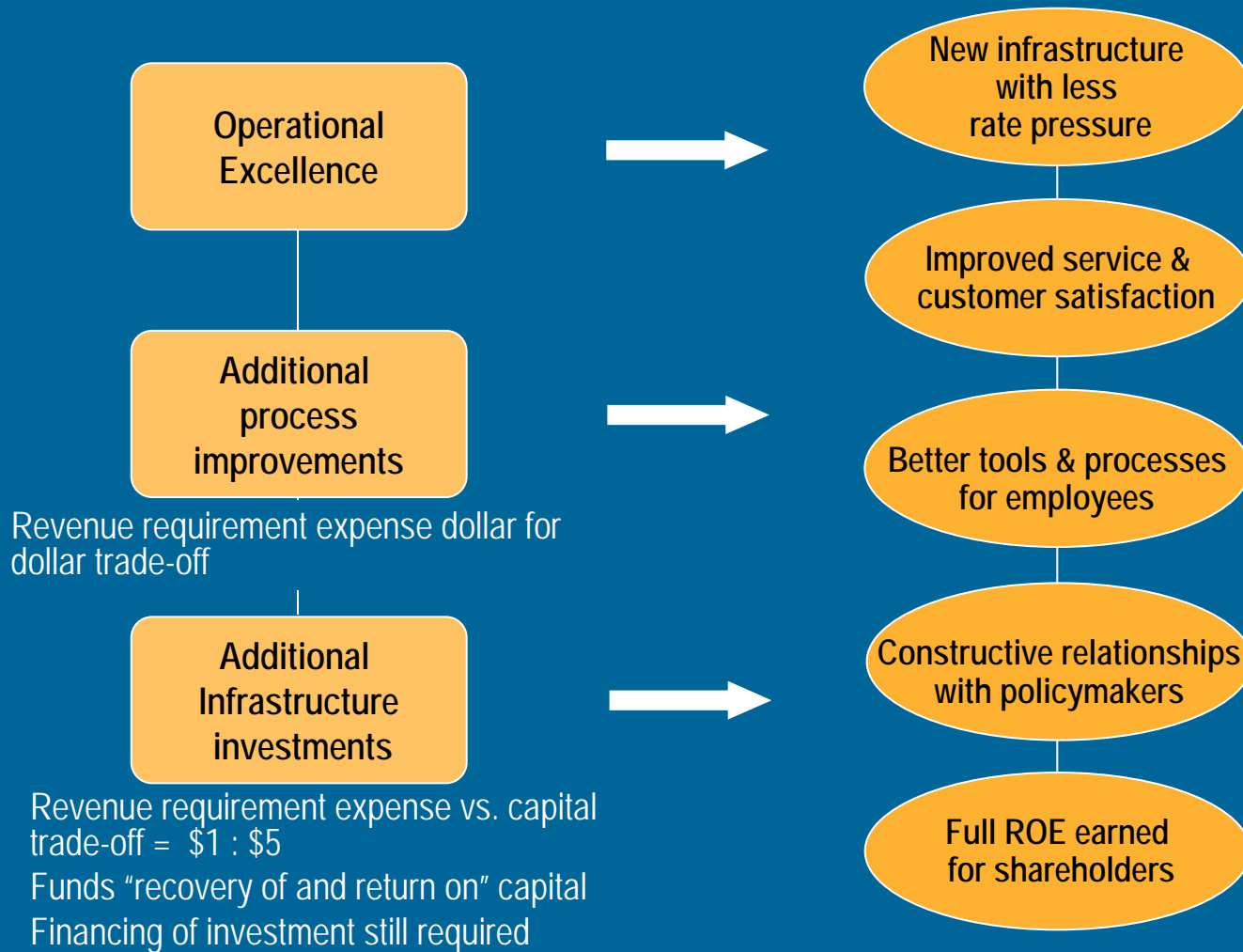
## Integration Points:

- 1 – Energy delivery /Asset mgmt
- 2 – Supply chain
- 3 – Customer management

# Transformation Timeline



# Stakeholder Benefits



# Distribution and Transmission

- Investment Drivers
  - Load growth
  - Replacement of aging infrastructure
  - Reliability and technology-driven service enhancements

Distribution and Transmission  
2005-2009 Capital Expenditure Outlook (\$MM)

	E&G	Electric	Gas	
	Distribution	Transmission	Transmission	Total
Base Capex	\$ 5,250	\$ 1,900	\$ 640	\$ 7,790
Potential Incremental	1,495	185	10	1,690
High Capex Case	\$ 6,745	\$ 2,085	\$ 650	\$ 9,480

# Distribution Profile

- Peak load growth forecast at ~2% per year for electric\* and 1.2% per year for gas
- New connects average 80,000 per year for electric customers and 70,000 per year for gas customers
- Aging infrastructure requires life extension or replacement
  - Potential additional expenditures of ~ \$500MM for utility infrastructure needs

### Average Age of Electric Distribution Assets



\* Assumes effective demand side management programs in place

# Distribution – Technology driven enhancements

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- Advanced Metering
  - Nine million meters
  - Proven technology (one-way vs. two-way, RF vs. PLC\*)
  - Benefits to customers: improved demand response, lower meter-reading cost, improved outage management process
  - Regulatory process and timing:
    - 1Q 2005 – Update business case assessment as directed by CPUC
    - 2Q/3Q 2005 – Complete project review, file application for deployment
  - Potential investment of over \$1B, system-wide deployment 2006-2010

\* Radio frequency vs. Power line carrier

# Distribution Capital Expenditures

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- Base capital expenditures total \$5.3B from 2005-2009
- Potential incremental capital expenditures of up to \$1.5B (2005-2009) depending on utility infrastructure needs and advanced metering
- Weighted average distribution rate base grows from \$10.0B to potentially \$12.2B over 2005-2009

# Electric Transmission Profile

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- Fastest growing operating unit
- Investment driven by:
  - System expansions as approved by CAISO
  - Interconnections and upgrades triggered by new generation
  - Life extension and equipment replacement
  - Reduction of grid congestion and RMR (reliability must run) contracts

# Electric Transmission Capital Expenditures

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- Base capital expenditures total \$1.9B from 2005-2009
- Potential incremental capital expenditures of up to \$185MM (2005-2009) depending on utility infrastructure needs
- Weighted average electric transmission rate base grows from \$2.1B to potentially \$3.2B over 2005-2009 period

# Gas Transmission Profile

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- Investment driven by:
  - Public safety, reliability and service enhancements
    - Storage development
    - Access to new gas supplies
  - Load growth
    - Local transmission expansion to meet residential growth
    - Interconnections and expansion to serve new electric generation
  - Replacement of aging infrastructure
    - Stations and pipelines

# Gas Transmission Capital Expenditures

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- Base capital expenditures total \$640MM from 2005-2009
- Potential incremental capital spending to accommodate new gas sources in 2009 and beyond
- Weighted average gas transportation rate base grows from \$1.5B to \$1.6B during 2005-2009 period



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## Electric Procurement and Owned Generation

Kent Harvey

SVP, CFO and Treasurer

Pacific Gas and Electric Company

# Electric Procurement – Where We Are Today

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- Timely cost recovery mechanisms are in place
  - AB 57 established Energy Resource Recovery Account (ERRA)
  - Disallowance cap in place for dispatch of DWR contracts
- Adequate supply to meet demand in Northern and Central California

# Electric Procurement – Looking Forward

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- Provide reliable electricity services to customers
- Fulfill state resource adequacy requirements
- Recover costs on a timely basis
- Mitigate price spikes
- Manage rate impacts

# State Energy Action Plan

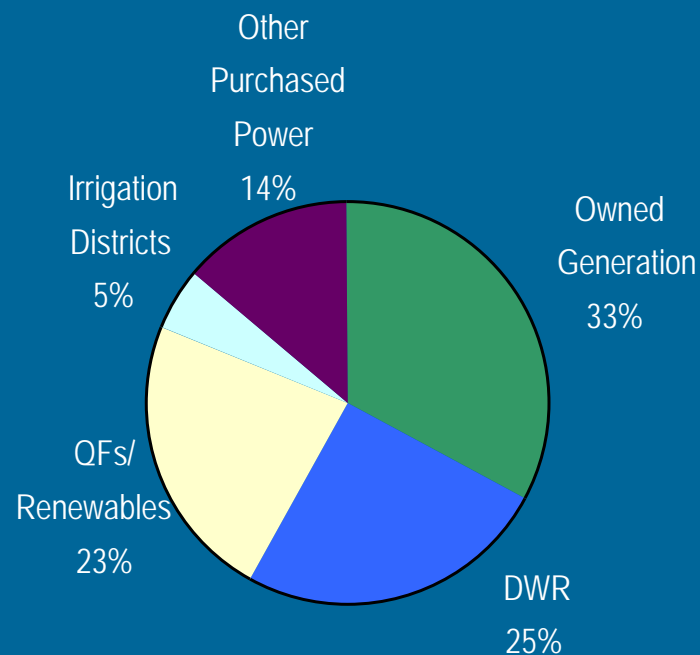
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- PG&E plans to meet its resource needs under the preferred loading order:
  - Energy efficiency programs
  - Demand response programs
  - Renewable energy
  - Conventional resources
    - Portfolio of short, mid and long-term contracts
    - New utility-owned generation

# Existing Resource Mix

Owned generation	Type	Net Capacity (MW)
– Diablo Canyon	Nuclear	2,174
– Hydroelectric facilities	Hydro	3,896
– Hunters Pt. and Humboldt	Fossil	<u>350</u>
– Total		6,420

## 2004 sources of electric energy



# Long-term Procurement Plan Decision

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- CPUC approved plan December 2004
- Authority to procure on rolling 10-year basis; short, mid and long-term contracts
- 2,200 MW of new peaking and shaping generation to be added 2008-2010
- Power purchase agreements to be evaluated with a 20% debt equivalence factor
- Allows cost recovery for resource commitments from all customers
- Rules for community aggregation and future direct access to come

# Long-term Procurement Plan Implementation

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- RFO process for new generation
  - Power purchase agreements and utility owned generation
  - Initial bids due 2Q 2005
  - 3Q/4Q 2005 target to file contracts with CPUC for approval
  - Potential rate base additions by 2008
- Expected transfer of Contra Costa Unit 8 (530 MW)
  - Partially constructed (approximately 40%)
  - Part of overall Mirant settlement
  - Separate application with CPUC targeted in 2Q 2005

# Capital Expenditures – Owned Generation

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- Base capital expenditures total \$2.0B from 2005-2009
  - Diablo Canyon steam generator replacement project
  - Hydro maintenance-related capital and relicensing
  - Contra Costa 8 project in 2009
- Potential incremental capital expenditures of approximately \$300MM in 2008 depending on infrastructure needs
- Weighted average rate base grows from \$1.8B to potentially \$2.9B over 2005-2009 period



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## Financial Outlook

Chris Johns

SVP, CFO and Controller

PG&E Corporation

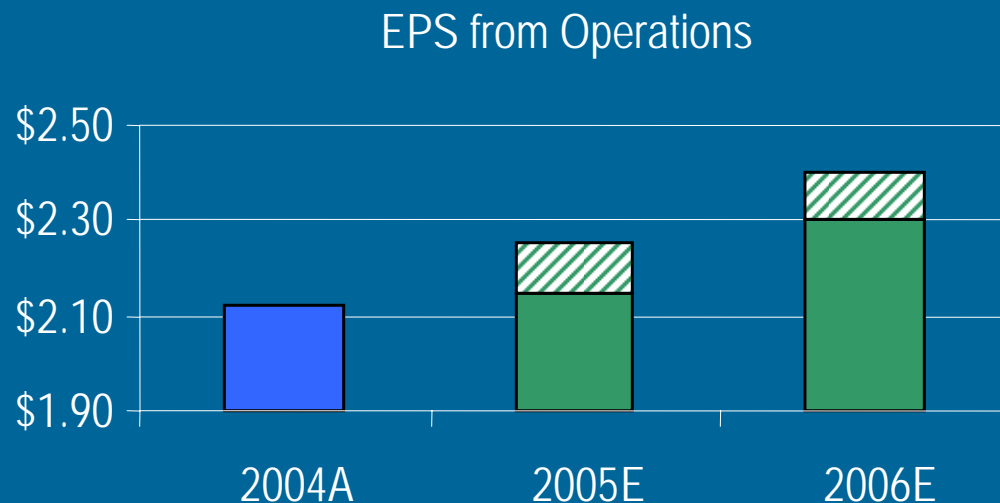
# Financial Objectives

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- Earn the full authorized return on equity
  - Invest in needed infrastructure
- Generate strong cash flow
- Ensure adequate liquidity
- Strengthen credit profile

# EPS Guidance

- EPS from operations\*: 2005 guidance of \$2.15-\$2.25 per share  
2006 guidance of \$2.30-\$2.40 per share

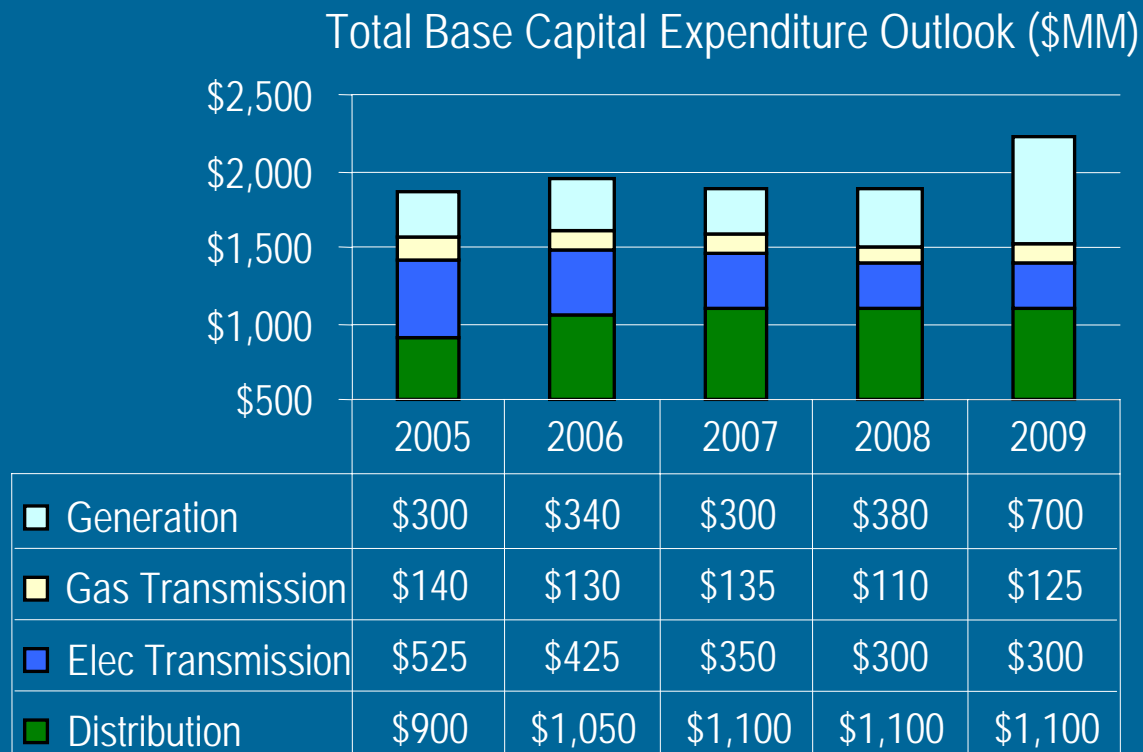


	2005	2006
Rate base	\$15,350	\$16,000
Equity ratio	52%	52%
Auth. ROE	11.22%	11.22%
Carrying cost credits	(\$20)	(\$70)
HC interest	(\$16)	(\$16)

\* See appendix for Reg G reconciliation for 2005 and 2006 EPS Guidance from Operations to GAAP

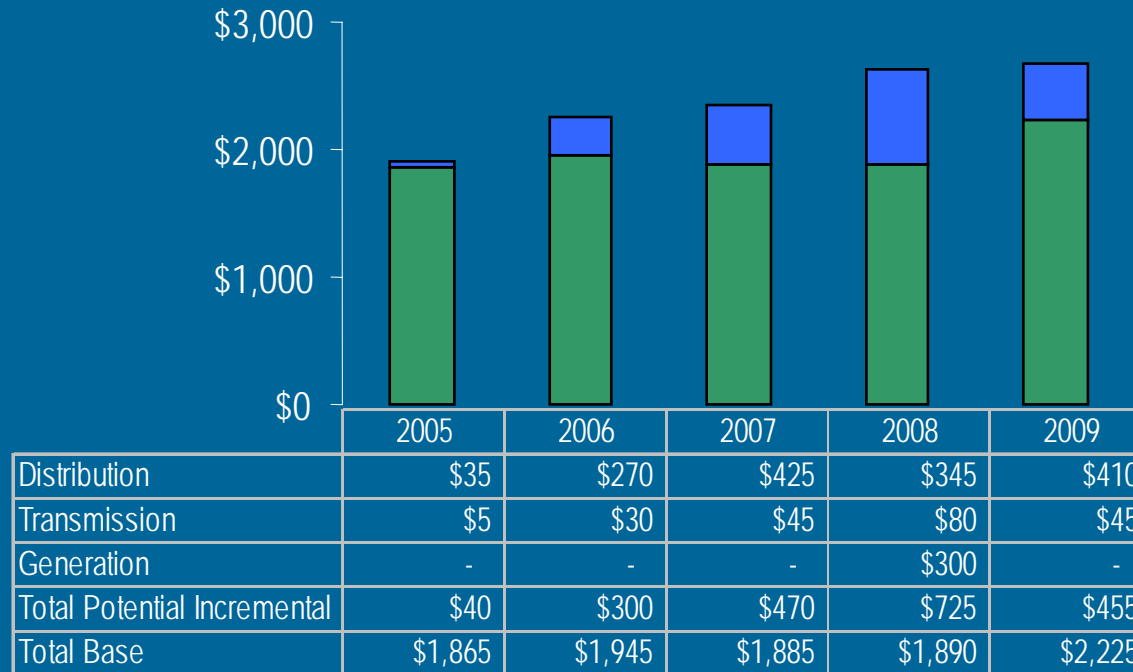
# Capital Expenditure Outlook

- Base capital expenditure plan averages \$2.0B from 2005-2009



# Additional Investment Opportunities

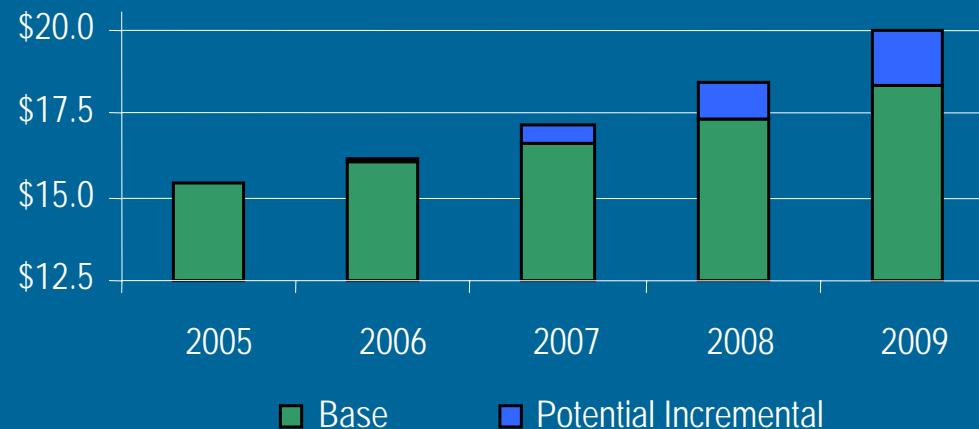
- Potential incremental capital expenditures of up to \$2.0B over 2005-2009 period depending on utility infrastructure needs



# Rate Base Growth

- Average annual rate base growth ranges from 4.5%-6.5% 2005-2009 depending on utility infrastructure needs

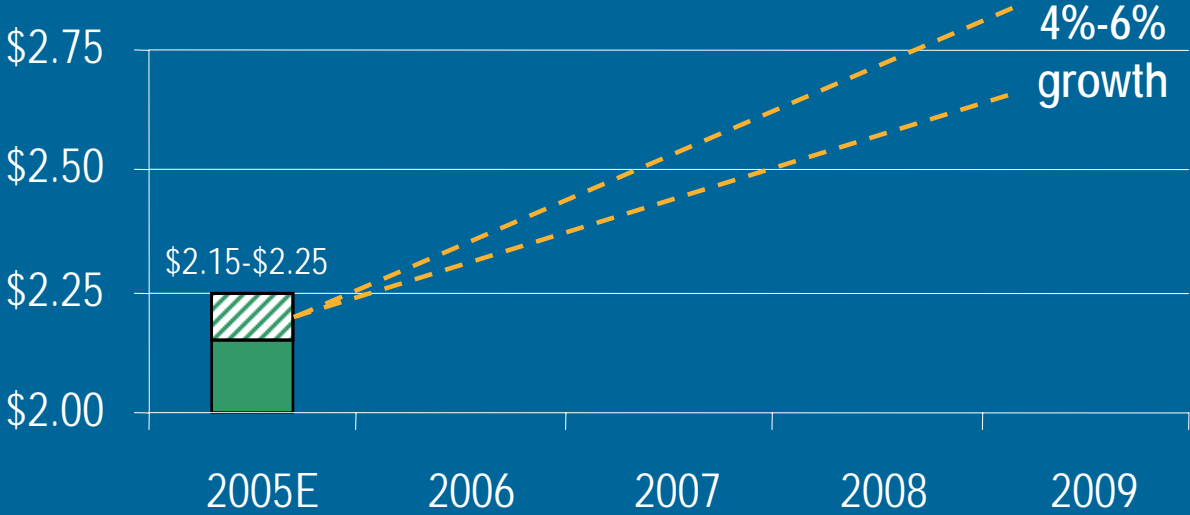
Average Annual Rate Base (\$B)\*



\* 2006-2009 rate base is not adjusted for the impact of the carrying cost credit that results from the second series of the Energy Recovery Bonds. Earnings will be reduced by an amount equal to the deferred tax balance associated with the regulatory asset, multiplied by the utility's equity ratio and by its equity return. The carrying cost credit declines to zero when the taxes are fully paid in 2012.

# EPS Growth

- EPS growth from operations of 4%-6% from 2005-2009 based on mid-point of 2005 guidance and depending on infrastructure needs



\* See appendix for Reg G reconciliation for 2005 EPS Guidance from Operations to GAAP

# Dividend Policy

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- Objectives
  - Flexibility
  - Sustainability
  - Comparability
- Payout ratio range of 50%-70%
- Growth balanced with funding for additional investment opportunities

# Cash Flow and Liquidity

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- Strong Cash Flow
  - Approximately \$350MM for dividends and \$1.6B targeted for repurchases in 2005
- 2005 liquidity targets
  - Utility: \$300MM cash, \$300MM undrawn credit
  - Holding Company: \$100MM cash, \$200MM credit
  - Evaluate as credit profile and other factors warrant

# Credit Profile

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- Current Ratings
  - Utility issuer rating: BBB (S&P) and Baa3 (Moody's)
  - Utility secured debt: BBB (S&P) and Baa2 (Moody's)
- Metrics <sup>\*</sup>
  - Business profile rating: 6
  - Total debt to capitalization (EOY): 51%
  - Funds from operations coverage: 4.4x
  - Funds from operations to avg. total debt: 23%

\* Metrics include contract debt equivalents

# Summary

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- PCG: A Value Opportunity
  - EPS growth of 4%-6% from 2005-2009
  - Strong cash flow
  - Share repurchases of approximately \$1.6B in 2005



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## Conclusion and Q&A

Peter Darbee  
President and CEO  
PG&E Corporation

# Conclusion

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- PCG: a value opportunity with stability and solid growth prospects
- A focus on the utility
  - Transforming operations to provide better, faster and more cost effective service
  - Achieving operational excellence for the benefit of all stakeholders



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## Appendix

- Reg G Reconciliation
- Carrying Cost Credit Impacts
- PG&E Lines of Business
- Speaker Biographies

# Reg G Reconciliation

2004	
2004 EPS on an Earnings from Operations Basis	\$2.12
Estimated Items Impacting Comparability	
Gain resulting from prior year impact and recongnition of reg. asset from 2003 GRC approval	\$0.28
Recovery of previously incurred costs related to electric industry restructuring implementation	\$0.07
Regulatory assets established by Chapter 11 settlement agreement	\$6.92
Settlement Agreement obligations related to clean energy and land conservation	(\$0.04)
Incremental interest	(\$0.15)
Utility and NEGТ Chapter 11 external legal consulting fees, financial advisory fees and other costs	(\$0.03)
Costs related to early redemption of PG&E Corporation's \$600M 6 7/8% senior secured notes	(\$0.07)
Estimated market value of non-cumulative dividend participation rights w/in 9.5% convertible notes	(\$0.13)
Non-cash gain on disposal of NEGТ	\$1.60
2004 EPS on a GAAP Basis	\$10.57

# Reg G Reconciliation

2005	<i>Low-end Year 2005</i>	<i>High-end Year 2005</i>
EPS Guidance on an Earnings from Operations Basis	\$2.15	\$2.25
Estimated Items Impacting Comparability *		
Incremental interest expense	(\$0.08)	(\$0.05)
EPS Guidance on a GAAP Basis	\$2.07	\$2.20

2006	<i>Low-end Year 2006</i>	<i>High-end Year 2006</i>
EPS Guidance on an Earnings from Operations Basis	\$2.30	\$2.40
Estimated Items Impacting Comparability	\$0.00	\$0.00
EPS Guidance on a GAAP Basis	\$2.30	\$2.40

\* The range of potential outcomes is developed using a range of dollar estimates and a range of estimated shares outstanding.

# Carrying Cost Credit Impacts

## Estimated Average Deferred Tax Balances for Carrying Cost Credit Impacts (\$MM)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Rate Reduction and Energy Recovery Bonds *	\$295	\$1,200	\$945	\$740	\$590	\$430	\$265	\$90

\* Rate Reduction Bonds assumed to be fully retired at the end of 2007.

\* Energy Recovery Bond balances assume no generator refunds.

# Electric & Gas Distribution

## Business Scope

- Retail electricity and natural gas distribution service (construction, operations & maintenance)
- Customer services (call centers, meter reading, billing)
- 5 million electric and 4 million gas customers accounts
- Service territory covers 70,000 square miles and 49 counties

## Primary Assets

- \$9.9 billion of rate base (2004 wtd. avg.)

## Revenues/Margins

- Cost of service ratemaking <sup>(1)</sup>
- Formulaic attrition revenue increases through 2006



<sup>(1)</sup> Authorized revenues = operating costs + (rate of return × rate base)  
Rate base = net plant ± adjustments to approximate invested capital

# Electric Transmission

## Business Scope

- Wholesale electric transmission services (construction, maintenance)
- 94% of volumes delivered for PG&E's customers; 6% for other wholesale customers
- Operation by CA ISO

## Primary Assets

- \$1.8 billion of rate base (2004 wtd. avg.)

## Revenues/Margins

- Cost of service ratemaking under FERC
- Significant growth in rate base



- 18,600 circuit miles of electricity transmission lines
- 3,300 MW transfer capacity from Pacific NW, 3,900 MW from southern California

# Natural Gas Transmission

## Business Scope

- Natural Gas transportation, storage, parking and lending services
- Customers: PG&E's natural gas distribution and electric generation businesses, and California's electric generators, industrial customers, and marketers

## Primary Assets

- \$1.5 billion of rate base (2004 wtd. avg.)

## Revenues/Margins

- Incentive ratemaking framework ("Gas Accord")
- Gas Accord III settlement establishes rates through 2007

- 6,350 miles of backbone and local transportation pipelines
- Import capacity of 2.0 BCF/day Canadian gas, 1.1 BCF/day Southwest gas
- Three storage facilities with 42.0 BCF cycle capacity



# Electric Procurement and Owned Generation

## Business Scope

- Electricity and ancillary services from owned and controlled resources
- Energy procurement program

## Primary Assets

- Diablo Canyon nuclear power plant ( 2,174 MW)
- Largest privately owned hydro system (3,896 MW)
- \$1.6 billion rate base (2004 wtd. avg.)
- Funded nuclear plant decommissioning trusts of \$1.6 billion

## Revenues/Margins

- Cost of service ratemaking for utility owned generation
- AB57 enacted to protect power procurement cost recovery
- 2,200MW of new generation to be owned/contracted by 2010



# Speaker Biographies

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**PETER A. DARBEE**  
President and Chief Executive Officer  
PG&E Corporation

Peter A. Darbee, a veteran of the energy, telecommunications and investment banking industries, is President and Chief Executive Officer of PG&E Corporation. Based in San Francisco, PG&E Corporation is a \$30 billion energy-based holding company that owns Pacific Gas and Electric Company, one of the largest combination natural gas and electric utilities in the United States. The utility serves 14 million people throughout a 70,000-square-mile service area in Northern and Central California.

Darbee, 52, joined PG&E Corporation in 1999 as Senior Vice President and Chief Financial Officer. Prior to that, he was Vice President and Chief Financial Officer of Advance Fibre Communications Inc. (AFC), a telecommunications manufacturer of digital loop carrier systems. Before joining AFC, he was Vice President, Chief Financial Officer, and Controller of Pacific Bell.

Darbee previously was an investment banker with Goldman Sachs, where he was Vice President and co-head of the company's energy and telecommunications group. He also held positions at Salomon Brothers and AT&T.

Darbee earned his bachelor's degree in economics from Dartmouth College and an M.B.A. from the Amos Tuck School of Business at Dartmouth. He has also successfully completed the Nuclear Reactor Technology Program at the Massachusetts Institute of Technology.

Darbee is a Director of PG&E Corporation and Pacific Gas and Electric Company. He also is a member of the California Business Roundtable, the Financial Executives Institute, and is on the Board of the Committee on JOBS.

# Speaker Biographies



**GORDON R. SMITH**  
Senior Vice President  
PG&E Corporation  
President and Chief Executive Officer  
Pacific Gas and Electric Company

Gordon R. Smith, 56, who joined Pacific Gas and Electric Company after graduation from college more than 30 years ago, is President and Chief Executive Officer of the company, one of the nation's largest investor-owned energy utilities. He also is a Senior Vice President of the utility's parent company, PG&E Corporation.

Pacific Gas and Electric Company, with headquarters in San Francisco, provides natural gas and electric service to one in every 20 Americans. It is one of the nation's oldest energy utilities, created in 1905 by a combination of several predecessor companies.

Smith, a professional in corporate finance, joined Pacific Gas and Electric Company in 1970 as a financial analyst. He held a number of executive financial positions in the company, serving as Treasurer, Vice President of Finance, and Senior Vice President. He was the utility's Chief Financial Officer for six years prior to his election in 1997 as President and Chief Executive Officer.

Smith received a bachelor's degree from the Haas School of Business at the University of California at Berkeley and a master of business administration degree from the McLaren School of Business at the University of San Francisco.

He serves as a Director of Pacific Gas and Electric Company, the California Chamber of Commerce and the Bay Area Council. He also serves as a Trustee of the Monterey Bay Aquarium.

Pacific Gas and Electric Company's 70,000-square-mile service area stretches from Eureka in the north to Bakersfield in the south and from the Pacific Ocean in the west to the Sierra Nevada in the east. The company's extensive electric system consists of more than 139,000 circuit miles of transmission and distribution power lines, and its gas system includes more than 45,800 miles of transmission and distribution gas lines. The company's gas transmission and procurement operations enable it to acquire natural gas from Canada, the U.S. Southwest and California.

# Speaker Biographies

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**THOMAS B. KING**  
**Executive Vice President and Chief of Utility Operations**  
**Pacific Gas and Electric Company**

Thomas B. King is executive vice president and chief of utility operations of Pacific Gas and Electric Company. In that capacity, he directs the utility's operations for gas and electric transmission and distribution, customer service, customer revenue transactions, general services, internet services, business development, and rates and account services.

King, 43, has more than 20 years of experience in the energy industry. Before joining the utility in 2003, King served as senior vice president of PG&E Corporation, and as president of PG&E National Energy Group. He joined PG&E Gas Transmission as president in 1998, and prior to coming to PG&E, served as president and chief operating officer of Kinder Morgan Energy Partners, L.P. He previously spent eight years with Enron Corporation in a series of senior operating positions with its affiliates, Enron Liquid Services Corporation, Northern Natural Gas Company, Transwestern Pipeline Company and Northern Border Pipeline Company. He also held positions at Cabot Corporation's natural gas unit, Cabot Transmission Corporation, and the Panhandle Eastern Corporation.

King earned a bachelor's degree in business administration from Louisiana State University and is a graduate of the University of Michigan's executive management program.

# Speaker Biographies

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**Christopher P. Johns**  
Senior Vice President, Chief Financial Officer and Controller  
PG&E Corporation

Christopher P. Johns, 44, is Senior Vice President, Chief Financial Officer and Controller of PG&E Corporation.

Johns, 44, is responsible for the financial activities of the \$30 billion company. He oversees treasury, accounting, business planning, investor relations, risk management, corporate development, strategic planning, and information technology functions, as well as the financial policies of the Corporation's utility unit, Pacific Gas and Electric Company.

Johns joined Pacific Gas and Electric Company in 1996 as Vice President and Controller, and became Controller of PG&E Corporation when it was formed in January 1997. Later that year, he was promoted to Vice President and Controller. Johns was named Senior Vice President and Controller in September 2001, and was elected Chief Financial Officer in January 2005.

Before joining PG&E Corporation, Johns was a partner of KPMG Peat Marwick LLP. He also was the associate national director of the firm's Public Utilities practice.

Johns earned a bachelor's degree in accounting from the University of Notre Dame. He is a Certified Public Accountant in the states of California and Florida, and is a member of the Financial Executives Institute.

# Speaker Biographies

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## **KENT M. HARVEY**

**Senior Vice President – Treasurer and Chief Financial Officer  
Pacific Gas and Electric Company**

Kent M. Harvey, 46, is senior vice president, chief financial officer and treasurer of Pacific Gas and Electric Company.

Harvey began his career at Pacific Gas and Electric Company in 1982. Since then, he has held numerous positions in the company, serving as the director of financial analysis, director of investor relations, corporate secretary, treasurer, and vice president.

Harvey received a bachelor's degree in Economics and a master's degree in Engineering - Economic Systems, both from Stanford University.

He also serves as chairman of the Nuclear Facilities Decommissioning Master Trust Committee, treasurer and trustee of the American Conservatory Theater, and director of the North Bay Council.