



# ***PG&E***

## ***a Regulated Utility and Business***

***California Fish and Wildlife Strategic Vision  
Blue Ribbon Citizen Commission***

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# About PG&E and Our Business

**PG&E Corporation is an energy-based holding company whose core business is Pacific Gas and Electric Company.**

**Our Mission: To deliver safe, reliable, and environmentally responsible gas and electricity to approximately 15 million Californians.**



Employees	19,500
Electric and gas distribution customers	5.2 million electric 4.3 million gas
Communities served in California	49 counties and 244 cities
Assets	\$46 billion
Revenues	\$13.8 billion

## OUR VISION

The  
leading  
utility in the  
United States

## OUR GOALS

Delighted Customers  
Energized Employees  
Rewarded Shareholders  
Environmental Leadership

## OUR STRATEGIES

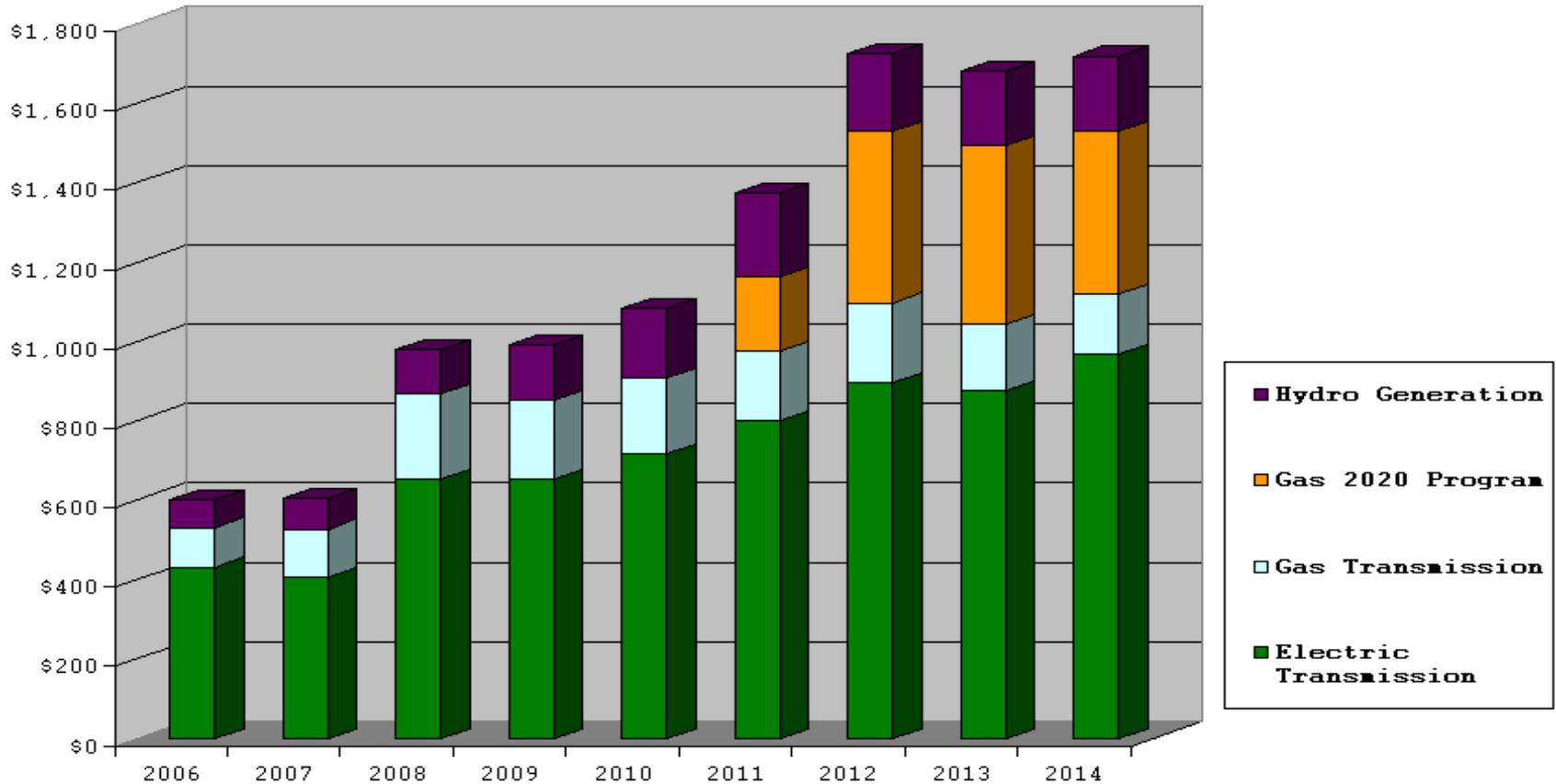
Customer Focus  
Operational Excellence

## OUR VALUES

- We act with integrity and communicate honestly and openly
- We are passionate about meeting our customers' needs and delivering for our shareholders
- We are accountable for all of our own actions: these include safety, protecting the environment, and supporting our communities
- We work together as a team and are committed to excellence and innovation
- We respect each other and celebrate our diversity



# Major Construction Budget Trends





# PG&E's Primary Regulators

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1. CA Public Utilities Commission
2. Federal Energy Regulatory Commission
3. CA Independent System Operator
4. CA Energy Commission



# Regulated Business Needs

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Certainty

Consistency

Predictability

Responsiveness

Collaboration



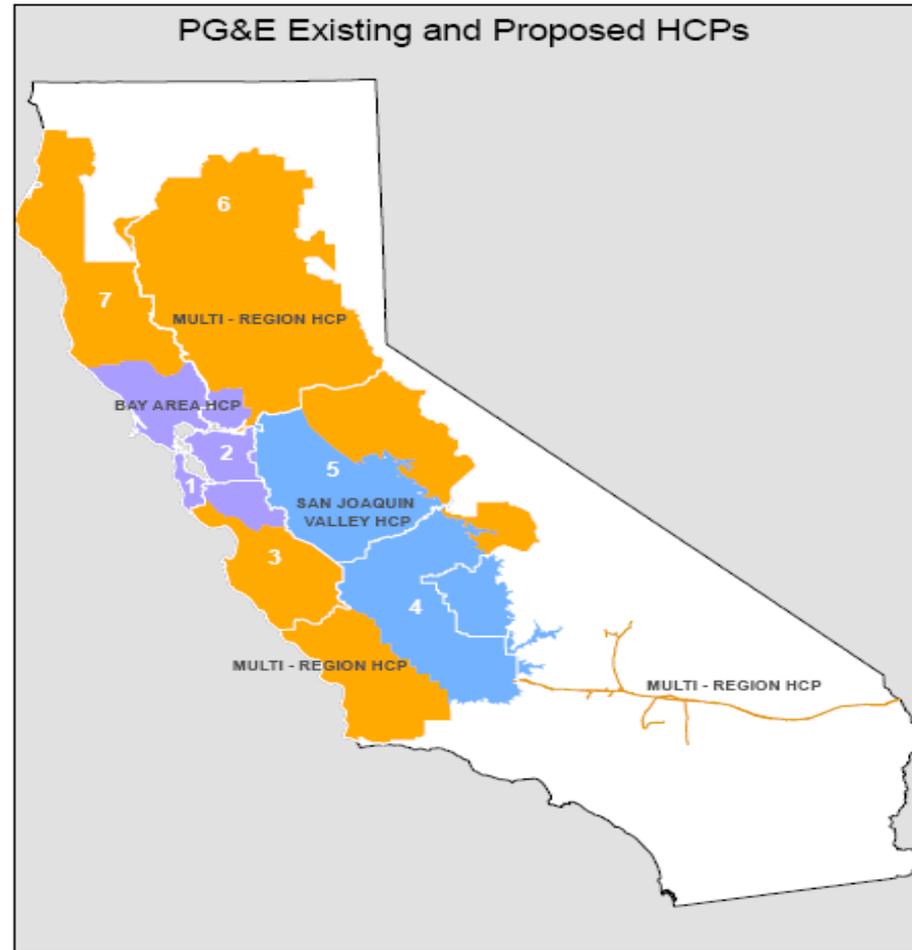
# Certainty

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- PG&E has a growing workload for major infrastructure improvements in electric, gas and power generation facilities
- Scheduling is critical for complex projects, especially where scheduled gas or electric outages must be planned (very limited work windows)
- PG&E is investing in multi-species Habitat Conservation Plans, CDF&G 2081 permits and Master Streambed Alteration Agreements for our entire service area – this will enhance our ability to plan and anticipate project permit requirements



# PG&E Existing and Proposed HCPs





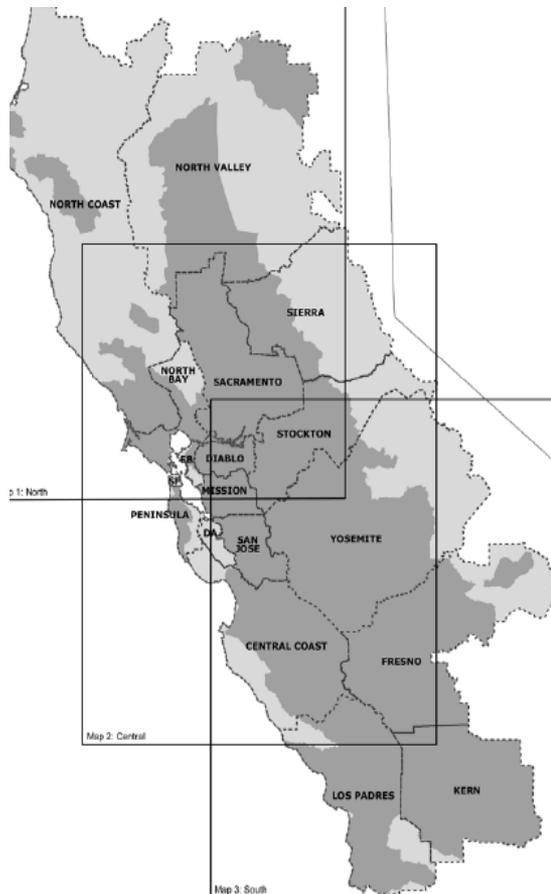
# Consistency

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- PG&E has electric, gas and power generation facilities in all 7 CDF&G Regions
- Each Region operates differently with different interpretations of policy, rules and regulations
- Regions and HQ have different interpretations of policy, rules and regulations
- CDF&G policies are not consistent with USF&WS, Corps of Engineers, or RWQCBs, e.g. listed species, fully protected species, mitigation
- Construction and operation personnel travel and need to have consistent “rules of the road”
- PG&E has existing agreements with other federal regulatory agencies but cannot obtain concurrence from CDF&G, e.g. avian issues



# Avian Protection Plan: Raptor Concentration Zone



- PG&E operates and maintains over:
  - 18,610 miles of electric transmission circuits
  - 123,054 miles of electric distribution circuits
  - 6,136 miles of gas transmission backbone
- APLIC-USF&WS Avian Protection Plan in place since 2002
- \$12.4 million to implement the APP in 2009, \$14.8 million in 2010



# Predictability

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- PG&E develops 5-10 year plans for infrastructure improvements
- Our HCP Program provides long term predictability for our ESA compliance obligations
- Policy changes effect our ability to plan and implement our compliance obligations and put investments at risk, e.g. mitigation and endowments



# Current and Future Mitigation Obligations

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- San Joaquin Valley O&M HCP
  - Approximately 1,350 acres over 30-years
- Remaining HCPs (Bay Area and Multi-Region)
  - Approximately 5,000 acres over 50-years
- Programmatic BO for the Giant Garter Snake
  - Approximately 192 acres for 3-5 years
- VELB Conservation Program
  - 1,000 acres for 30 years, over 2,500 shrubs
- Major Capital Projects (50 projects over 10-year span averaging 3 acres each)



# Responsiveness

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- PG&E needs a staffed and functional CDF&G, e.g. furlough Fridays, hiring freeze
- CDF&G staff need resources to do their job efficiently and effectively, e.g. phones, cars, staff back-up
- PG&E currently has reimbursement agreements for 3 staff and is planning to add 2 additional



# Collaboration

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- PG&E has compliance challenges with competing and sometimes conflicting regulatory requirements, e.g. CPUC and NERC vegetation clearance requirements and species/habitat protection
- Complex construction projects and operational procedures sometimes require changes in the field
- Current permit processes are not flexible to allow for changes in the field



# PG&E's Vision for CDF&G

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- CDF&G reinvented as a modern, efficient and leading regulatory agency
- Department staff and leadership energized change leaders and problem solvers
- Renewed focus on collaboration, partnerships and on the ground conservation