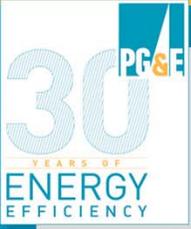


Natural Gas Working Group

June 5, 2008

Bob Cowden
Pacific Gas and Electric Company

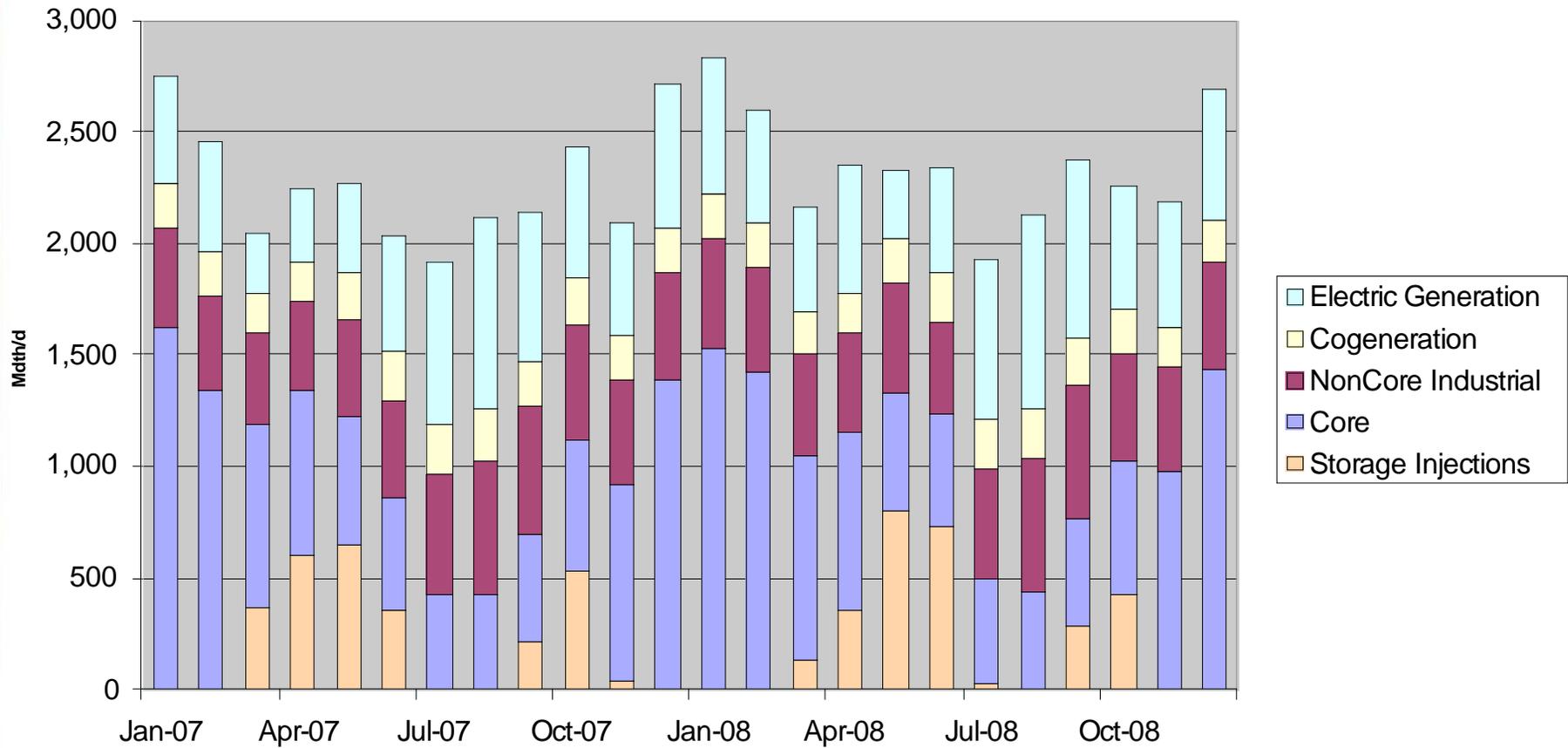


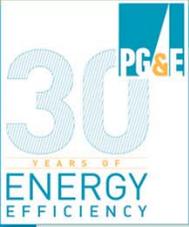
Topics for discussion

- Summer 2008 gas demand outlook and a comparison to last year
- 2008 storage inventories relative to previous years
- Customer rate projections

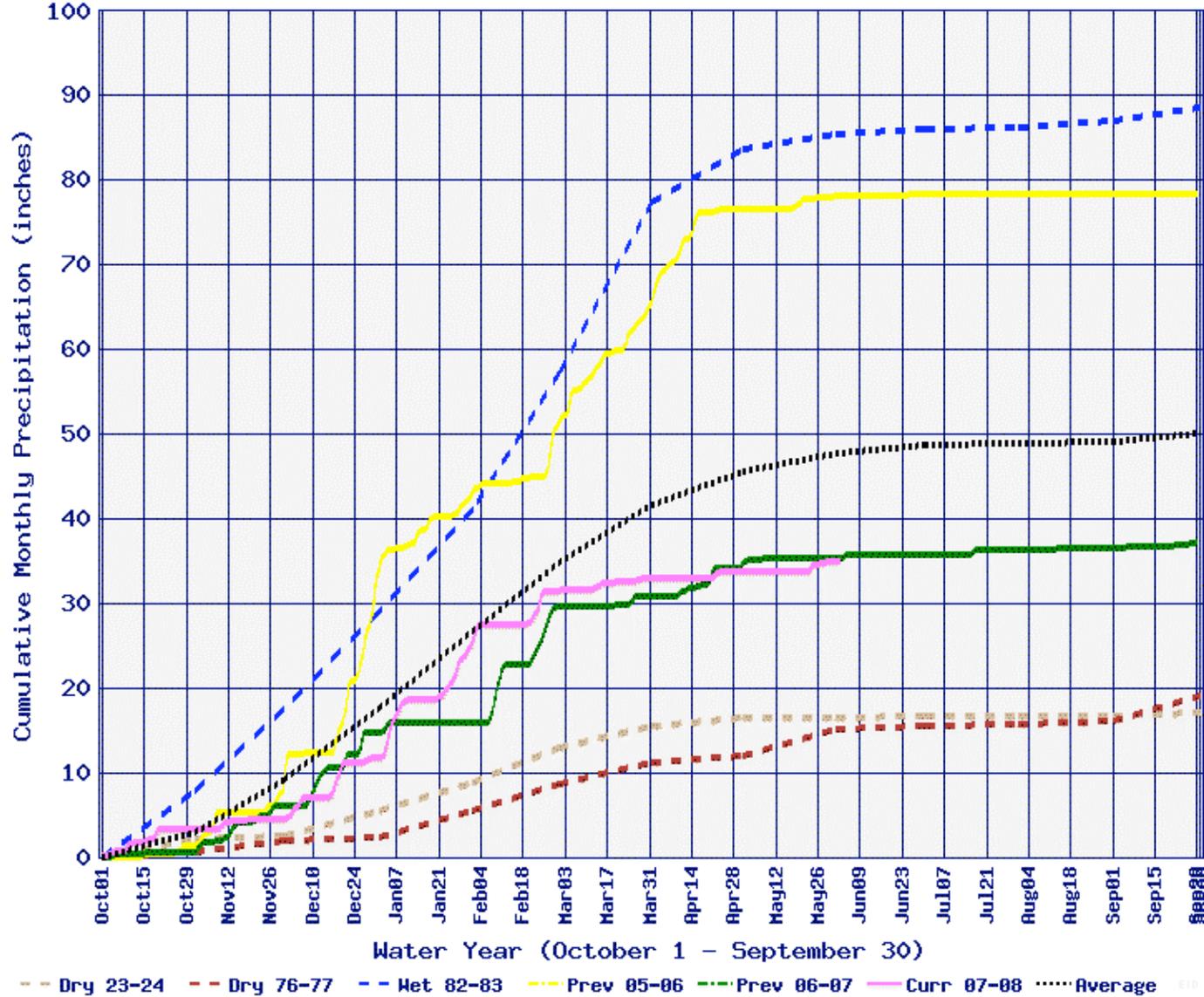


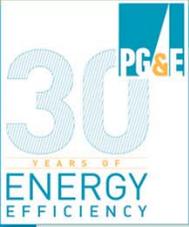
2008 Demand Outlook Relative to 2007 Actual Demands



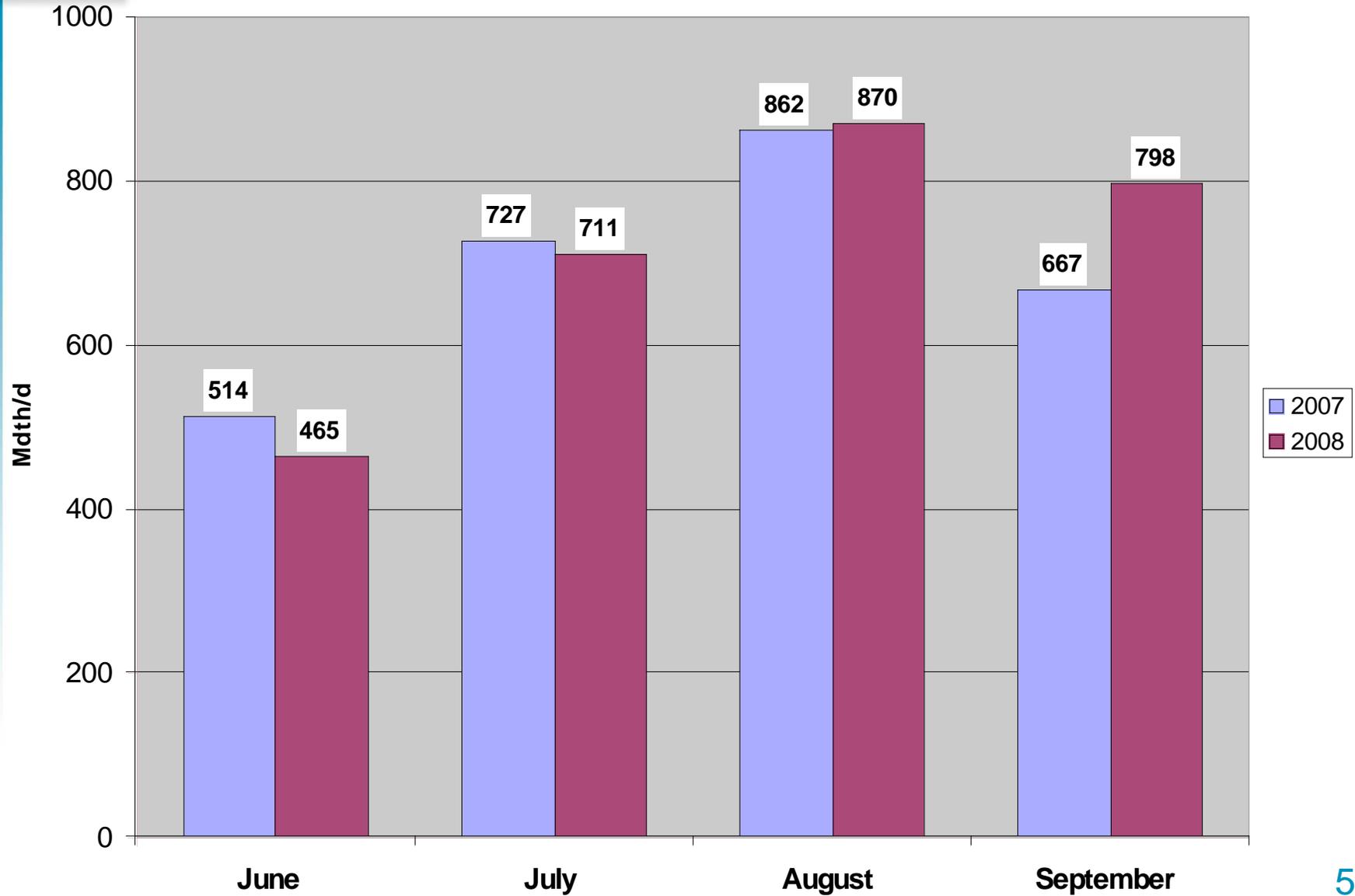


2008 water year in Northern California similar to 2007



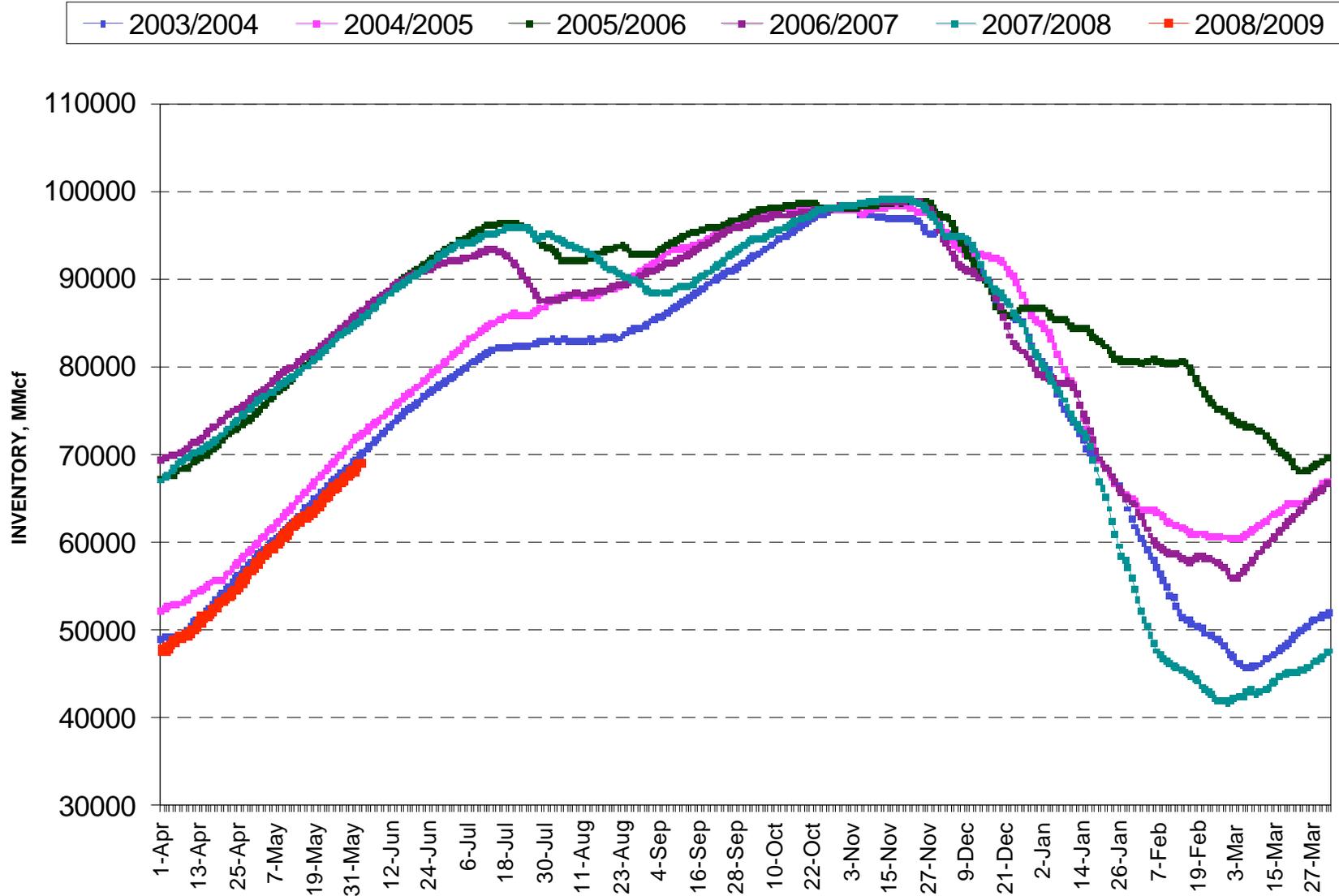


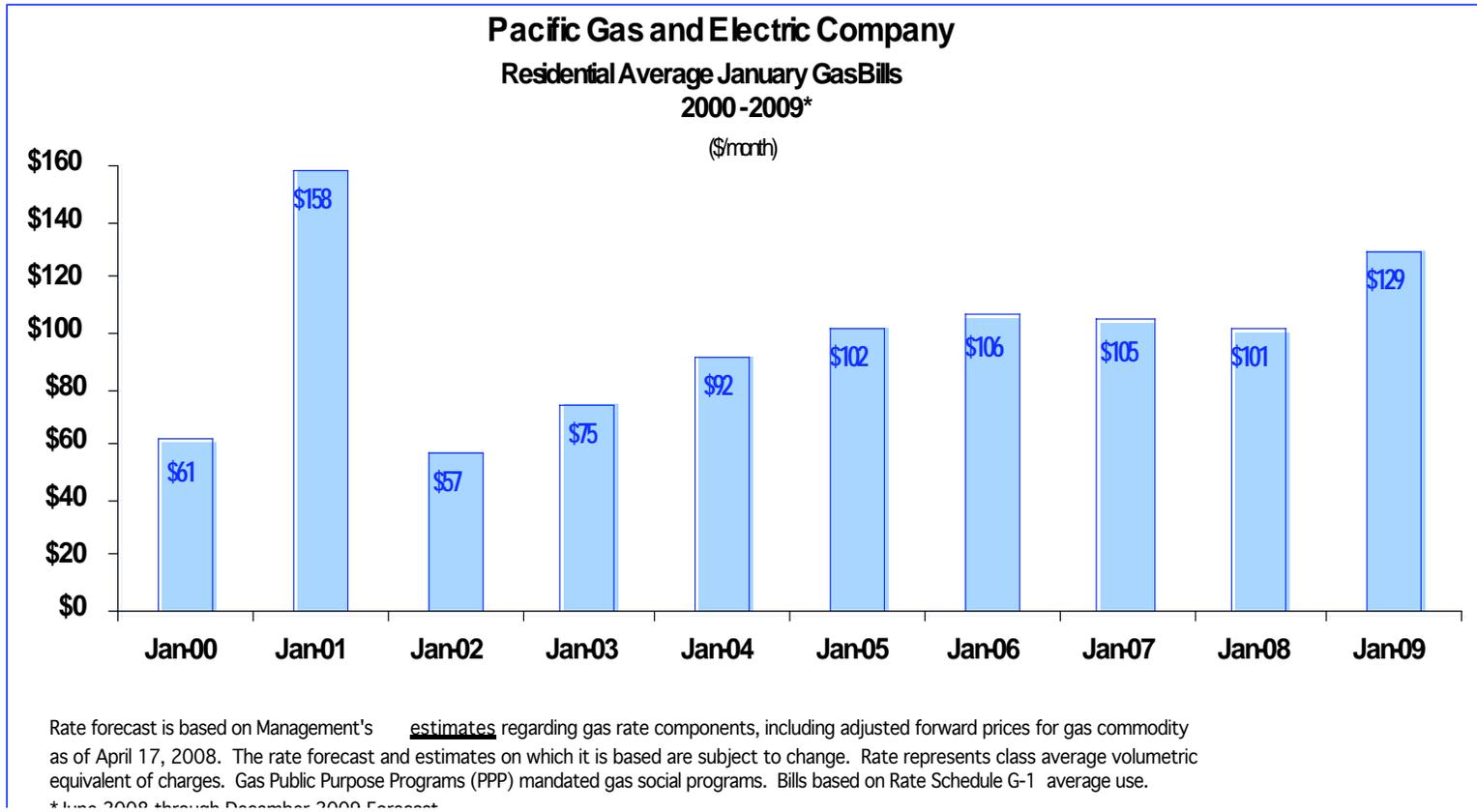
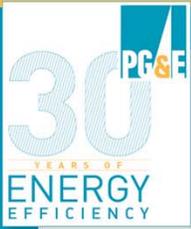
Summer 2008 Electric Generation Demand Outlook Relative to 2007 Actual Demands



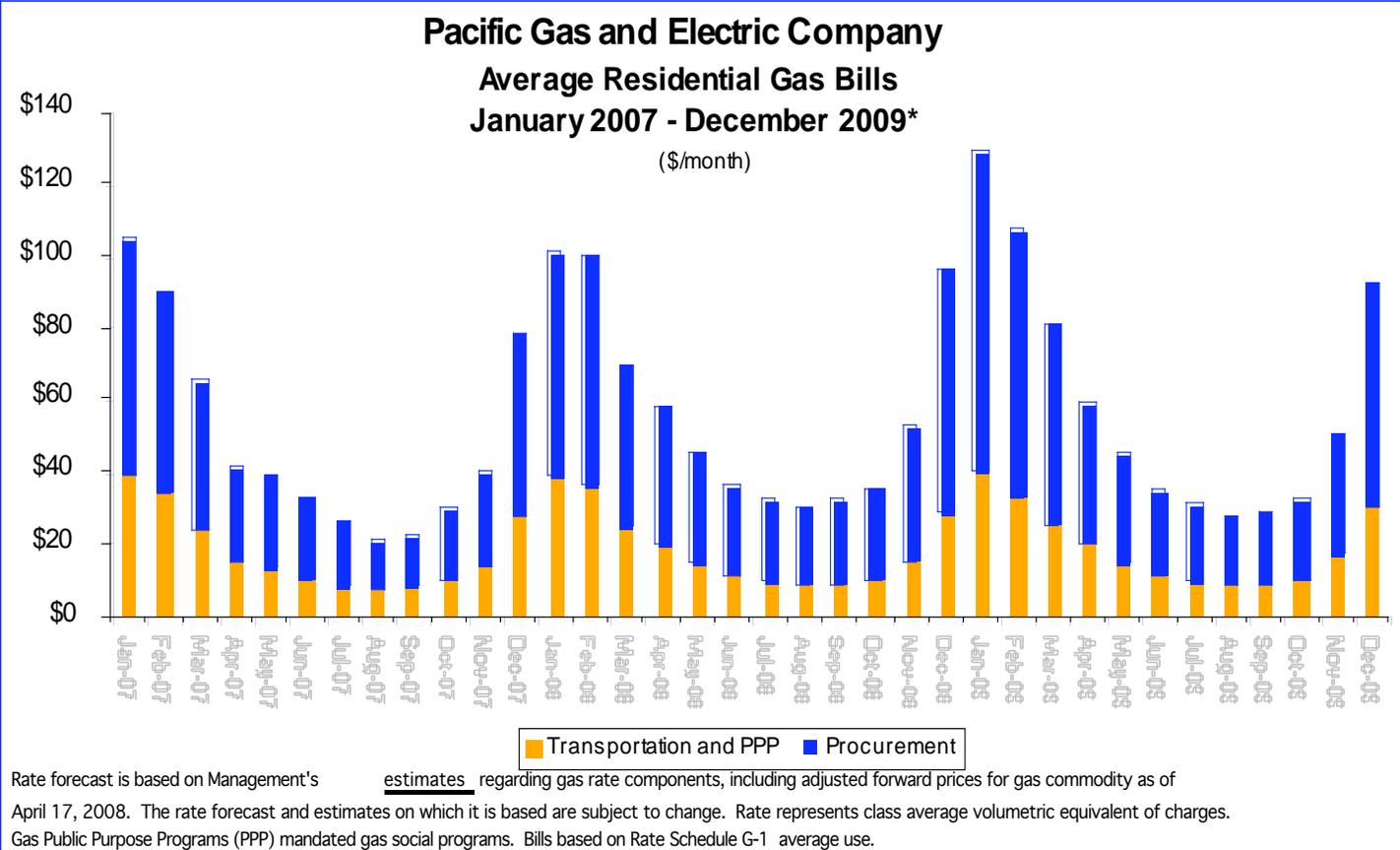
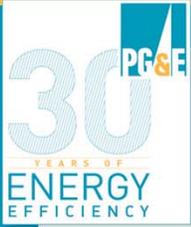


PG&E Storage Inventory as of June 2, 2008

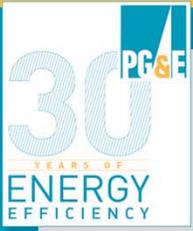




Available at
<http://www.pge.com/notes/rates/tariffs/Residential.xls>

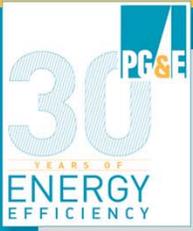


Available at
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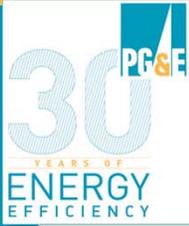


PG&E Communication Efforts

- We will be communicating messages similar to last winter about the benefits of reducing consumption
- We possibly will be asking the CPUC for approval of the 10/20+ program for the winter of 2008/2009
 - We will be filing a report with the CPUC at the end of June analyzing the effectiveness of the program
 - Preliminary results indicate that the program has been effective at encouraging conservation



Back-up slides



Pacific Gas and Electric Company

Residential Average Gas Rate ^{1/} (\$/therm)
and
Residential Average Gas Bill ^{1/,2/} (per month)

May 2008 Forecast													
Avg Rate* (\$/therm)	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Average2007
Procurement ^{3/}	\$0.78	\$0.77	\$0.81	\$0.79	\$0.88	\$1.02	\$0.98	\$0.83	\$0.83	\$0.88	\$0.85	\$0.88	\$0.85
Transportation & PPP ^{4/}	0.47	0.47	0.47	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Total ^{5/}	\$1.25	\$1.24	\$1.28	\$1.26	\$1.35	\$1.49	\$1.46	\$1.30	\$1.31	\$1.36	\$1.33	\$1.36	\$1.33
Avg Bill Per Month*													
Procurement ^{3/}	\$65.35	\$55.92	\$41.26	\$25.97	\$25.40	\$22.33	\$17.71	\$13.22	\$14.09	\$19.38	\$25.56	\$51.16	\$31.45
Transportation & PPP ^{4/}	39.48	34.31	23.97	15.74	13.83	10.49	8.59	7.63	8.11	10.49	14.31	27.67	17.89
Total ^{5/}	\$104.83	\$90.23	\$65.23	\$41.71	\$39.24	\$32.82	\$26.30	\$20.85	\$22.20	\$29.88	\$39.87	\$78.82	\$49.33
Forecast >													
Avg Rate* (\$/therm)	Jan-08	Feb-08 ^{6/}	Mar-08 ^{6/}	Apr-08 ^{6/}	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Average2008
Procurement ^{3/}	\$0.78	\$0.85	\$0.88	\$1.02	\$1.08	\$1.13	\$1.17	\$1.27	\$1.27	\$1.25	\$1.16	\$1.15	\$1.01
Transportation & PPP ^{4/}	0.49	0.49	0.49	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.49	0.49	0.50
Total ^{5/}	\$1.27	\$1.34	\$1.37	\$1.54	\$1.60	\$1.65	\$1.69	\$1.79	\$1.78	\$1.77	\$1.65	\$1.63	\$1.50
Avg Bill Per Month*													
Procurement ^{3/}	\$62.48	\$63.68	\$44.93	\$38.91	\$31.26	\$24.86	\$22.31	\$21.62	\$22.81	\$25.04	\$37.06	\$67.61	\$38.55
Transportation & PPP ^{4/}	38.94	36.50	24.82	19.63	14.98	11.37	9.82	8.78	9.30	10.33	15.58	28.72	\$19.06
Total ^{5/}	\$101.42	\$100.18	\$69.75	\$58.55	\$46.25	\$36.23	\$32.12	\$30.41	\$32.11	\$35.37	\$52.63	\$96.33	\$57.61
Forecast >													
Avg Rate* (\$/therm)	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Average2009
Procurement ^{3/}	\$1.16	\$1.18	\$1.17	\$1.03	\$1.04	\$1.07	\$1.10	\$1.12	\$1.11	\$1.10	\$1.06	\$1.05	\$1.11
Transportation & PPP ^{4/}	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Total ^{5/}	\$1.68	\$1.71	\$1.69	\$1.56	\$1.56	\$1.59	\$1.63	\$1.64	\$1.63	\$1.62	\$1.58	\$1.57	\$1.63
Avg Bill Per Month*													
Procurement ^{3/}	\$89.01	\$74.53	\$56.21	\$39.25	\$30.02	\$23.47	\$20.96	\$19.02	\$19.89	\$22.02	\$33.95	\$62.01	\$40.86
Transportation & PPP ^{4/}	40.17	32.87	25.04	19.82	15.13	11.48	9.91	8.87	9.39	10.43	16.69	30.78	19.22
Total ^{5/}	\$129.18	\$107.40	\$81.25	\$59.08	\$45.14	\$34.95	\$30.87	\$27.89	\$29.28	\$32.45	\$50.65	\$92.79	\$60.08