

***Pacific Gas and Electric Company***

***Summer 2005 and Beyond  
Supply/Demand Outlook***

## ***Overview Of Summer 2005 and Beyond***

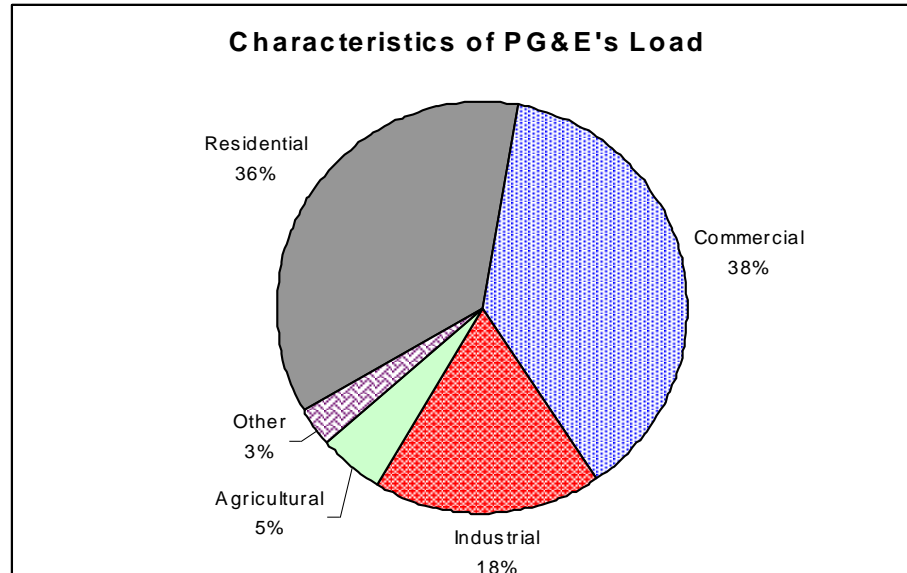
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- PG&E will have sufficient resources to meet 112.5% of its expected coincidental peak demand for the summer months (May-September) of 2005.
- In addition, for the summer 2005 PG&E plans to procure sufficient resources, in advance, to be physically capable of meeting the demand during the highest 10% of the hours under “hot” weather conditions.
- PG&E will design its portfolio to meet 115% of its expected coincidental demand for the months of 2006.
- PG&E’s current request for offers is for new long-term resources in 2007-2008 and additionally in 2010.

## ***PG&E's Loads***

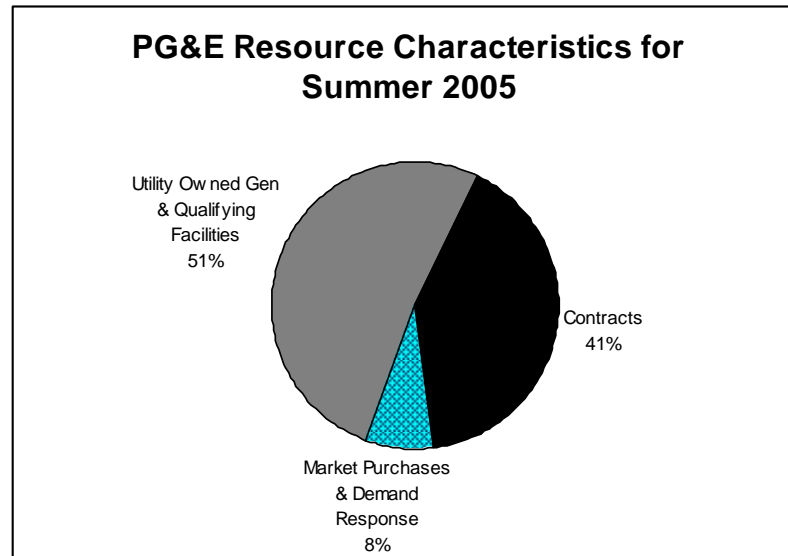
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- PG&E's peak demand is approximately 80% of the 1-in-2 Summer Temperature Demand as shown in the December 7, 2004, California Energy Action Plan Presentation.
- PG&E's 2004 energy deliveries (preliminary 10K data) by customer class were divided as follows:



# PG&E's Resources

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Many of the same resources will be available for the summer of 2006. Contract negotiations for capacity and energy to meet 2006 demand are already underway.

Status of Energy Action Plan's Preferred Resources:

- PG&E's energy efficiency programs have reduced demand equal to 1,000 megawatts of electricity over the last 10 years.
- PG&E's demand response program has proven to be dependable when called upon.
- PG&E plans to meet the 20 percent Renewables Portfolio Standard in 2010.

## ***PG&E's Procedures Used to Balance Loads and Resources***

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PG&E plans the resource portfolio to meet the load over several timeframes. In each timeframe:

- Load forecasts and resource availability are updated with current knowledge.
- The resource decisions made under each timeframe are based on the availability/price of energy and capacity and the lead time that might be required.

## ***Procedures Used to Plan and Acquire New Resources***

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- PG&E's Long-Term Plan is consistent with the Energy Action Plan's mandate to use "Preferred Resources" to meet our open position.
- PG&E has used Requests for Offers (RFO) to meet its mid- and long-term capacity needs.
- PG&E's current RFO is for new long-term resources in 2007-2008 and additionally in 2010. PG&E has asked for offers for purchased power or utility owned resources under a turn-key arrangement.

## ***Conclusions***

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- PG&E will have sufficient resources to meet 112.5% of its expected coincidental peak demand for the summer months (May-September) of 2005.
- PG&E will design its portfolio to meet 115% of its expected coincidental demand for the months of 2006.
- PG&E Long-Term Plan is consistent with the Energy Action Plan's mandate to use "Preferred Resources" to meet our open position.
- PG&E's current request for offers is for new long-term resources in 2007-2008 and additionally in 2010.