

PACIFIC GAS & ELECTRIC CO
Form 8-K
May 13, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: May 13, 2003

| Commission File Number | Exact Name of Registrant as specified in its charter | State or other Jurisdiction of Incorporation | IRS Employer Identification Number |
|------------------------------|---|--|--|
| 1-12609 | PG&E Corporation | California | 94-3234914 |
| 1-2348 | Pacific Gas and Electric Company | California | 94-0742640 |
| | Pacific Gas and Electric Company 77 Beale Street, P. O. Box 770000 San Francisco, California 94177 (Address of principal executive offices) (Zip Code) | PG&E Corporation One Market, Spear Tower, Suite 2400 San Francisco, California 94105 | |
| | Pacific Gas and Electric Company (415) 973-7000 (Registrant's telephone number, including area code) | PG&E Corporation (415) 267-7000 | |

Item 9. Regulation FD Disclosure

The information included in this Current Report on Form 8-K, including the financial and statistical information attached hereto as an exhibit, is being furnished, not filed, pursuant to Item 9 of Form 8-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

PG&E CORPORATION
By: CHRISTOPHER P. JOHNS

CHRISTOPHER P. JOHNS
Senior Vice President and Controller

PACIFIC GAS AND ELECTRIC COMPANY
By: LINDA Y.H. CHENG

LINDA Y.H. CHENG

Corporate Secretary

Dated: May 13, 2003

**Pacific Gas and Electric
Company [logo]**

| | Three months ended March 31, | |
|--|---|----------------------|
| | ----- 2003 ----- | 2002 ----- |
| <u>Electric Sales (in millions kWh)</u> | | |
| Residential | 7,194 | 7,022 |
| Commercial | 7,239 | 7,457 |
| Industrial | 3,543 | 3,611 |
| Agricultural | 475 | 462 |
| Public street and highway lighting | 141 | 145 |
| Other electric utilities | 51 | - |
| | ----- | ----- |
| Sales from Energy Deliveries | 18,643 | 18,697 |
| Total Electric Customers ⁽¹⁾ | 4,883,841 | 4,729,364 |
| <u>Bundled Gas Sales (in MMDTh) ⁽²⁾</u> | | |
| Residential | 80 | 88 |
| Commercial | 27 | 27 |
| Industrial | - | - |
| | ----- | ----- |
| Total Bundled Gas Sales | 107 | 115 |
| Total Transportation Only | 124 | 115 |
| | ----- | ----- |
| Total Gas Sales | 231 | 230 |
| Total Gas Customers ⁽¹⁾ | 4,045,690 | 3,923,027 |
| <u>Sources of Electric Energy (in millions kWh)</u> | | |
| Utility Generation | | |
| Nuclear | 3,266 | 4,613 |
| Hydro (net) | 2,933 | 2,469 |
| Fossil | 159 | 207 |
| | ----- | ----- |

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| | | |
|--|---------------|---------------|
| Total Utility Generation | 6,358 | 7,289 |
| Purchased Power | | |
| Qualifying Facilities | 4,543 | 5,266 |
| Irrigation Districts | 1,038 | 794 |
| Other Purchased Power ⁽³⁾ | 1,771 | 1,042 |
| | | ----- |
| Total Purchased Power | 7,352 | 7,102 |
| Delivery from DWR | 6,598 | 4,125 |
| Delivery to Direct Access Customers | 2,318 | 1,996 |
| Other (includes energy loss) | (3,983) | (1,816) |
| | | ----- |
| Total Electric Energy Delivered | 18,643 | 18,696 |

Diablo Canyon Performance

| | | | |
|---|---------|----------------|-----|
| Overall capacity factors (including refuelings) | 70% | 2/3/03-3/26/03 | 98% |
| Refueling outage period | | | - |
| Refueling outage duration (days) | 51 days | | - |

(1) Customers reported as number of active service agreements. The Utility implemented a new customer information system

in Q4 of 2002, whereby the number of "customers" for Q1 03 is not comparable to the number of "customers" for Q1 02.

(2) The Q1 02 bundled gas sales were reported in millions of MCF, they were converted form MCF to MMDth in this report.

For the reporting period: MMDTH = MCF *1.108/(1,000,000)

(3) Energy via California Power Exchange, ISO, bilateral contracts, DWR Renewable power, and other Interchange Power.

PG&E NATIONAL ENERGY GROUP (logo)

| | <u>Three Months Ended</u> | |
|--|----------------------------------|-------------------------|
| | <u>3/31/2003</u> | <u>3/31/2002</u> |
| <u>NEG Earnings Per Share Metrics</u> | | |
| Integrated Energy and Marketing | \$ (0.39) | \$ 0.05 |
| Interstate Pipeline Operations | 0.04 | 0.05 |
| Discontinued Operations | (0.18) | 0.02 |
| Eliminations and Other | <u>\$ (0.16)</u> | <u>\$ (0.02)</u> |
| Total Reported - National Energy Group | \$ (0.69) | \$ 0.10 |

Generating Operations

| | | |
|--|--------------------------|---------------|
| Owned and Controlled Capacity in Operation (MW) | 1,476 | 7,099 |
| Owned and Controlled Capacity in Construction (MW) | <u>0</u> | <u>7,743</u> |
| Total Owned and Controlled Capacity (MW) | <u>1,476¹</u> | <u>14,842</u> |
| Capital Expenditures (\$MM) | \$98 | \$316 |
| MM MWh generated (owned and controlled) | 6.1 | 9.2 |

Pipeline Operations

| | | |
|---|-------|-------|
| % of capacity under long-term contracts | 94.9% | 99.6% |
| Average Receipts (MDth/d) | | |

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| | | |
|---------------------------------------|-------|-------|
| From Canadian Supply (at Kingsgate) | 1,468 | 2,326 |
| From Rockies/BC Supply (at Stanfield) | 58 | 5 |
| Average Deliveries (MDth/d) | | |
| To Pacific Northwest | 435 | 579 |
| To California | 1,062 | 1,631 |
| To Nevada | 65 | 86 |
| Capital Expenditures (\$MM) | \$3 | \$42 |

Trading and Non-Trading Activity Gross Margin (\$MM)

| | | |
|--|---------------|-------------|
| Trading unrealized gain/(loss) | \$8 | (\$3) |
| Trading realized gain/(loss) | <u>(\$33)</u> | <u>\$45</u> |
| Total Mark-to-market Gross Margin | <u>(\$25)</u> | <u>\$42</u> |
| Non-Trading MtM gain/(loss) ² | | |

| | <u>As of</u> | |
|---|-------------------------|--------------------------|
| <u>Value-at-Risk (\$MM) ³</u> | <u>3/31/2003</u> | <u>12/31/2002</u> |
| Daily Trading VaR at 95% confidence level | \$16 | \$8 |
| Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment | \$10 | \$3 |
| Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges | \$12 | \$9 |

Fair value of price risk management assets and liabilities (\$MM)

(of trading and non trading activities) ⁴

| | | |
|-----------------------------------|--------------|--------------|
| Price risk management assets | \$981 | \$896 |
| Price risk management liabilities | <u>\$901</u> | <u>\$811</u> |
| Net Portfolio Value | <u>\$80</u> | <u>\$85</u> |

Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)

| | | |
|--------------------|-------------|---------------|
| Less than one year | \$57 | (\$43) |
| One to three years | (\$79) | (\$13) |
| Four to five years | (\$17) | (\$28) |
| Beyond five years | <u>\$50</u> | <u>\$62</u> |
| Total | <u>\$11</u> | <u>(\$22)</u> |

| | <u>As of</u> | |
|---|-------------------------|--------------------------|
| <u>NEG Capitalization (consolidated)</u> | <u>3/31/2003</u> | <u>12/31/2002</u> |
| Debt to Capitalization Ratio | 138.2% | 127.1% |
| Debt to Capitalization Ratio (debt net of cash) | 144.2% | 129.9% |
| Capitalization (\$MM) | | |
| Debt | \$5,238 | \$4,877 |
| Equity | (\$1,449) | (\$1,040) |
| Cash | \$513 | \$363 |

¹ Owned and controlled capacity excludes assets to be abandoned and assets held for sale.

² Non-trading MtM gains/(losses) include ineffective hedges associated with assets and contracts that no longer qualify for normal purchases and sales treatment under FAS 133.

³ The NEG expresses value-at-risk as a dollar amount of the potential loss in the fair value of the portfolios based on a 95% confidence level using a one-day liquidation period.

⁴ Balance excludes price risk management assets (liabilities) held for sale.

