

PG&E CORPORATION
CONDENSED STATEMENT OF CONSOLIDATED INCOME
(unaudited)

(in millions, except per share amounts)	Three months ended March 31,	
	2001	2000
Operating Revenues		
Pacific Gas and Electric Company	\$ 2,562	\$ 2,218
Integrated Trading and Marketing	4,152	2,533
Interstate Pipeline Operations		
-Texas	-	225
-Northwest	65	57
Eliminations and Other	(9)	8
Subtotal NEG	4,208	2,823
Other Enterprises and eliminations	(95)	(33)
Total operating revenues	6,675	5,008
Operating Expenses		
Cost of energy - Pacific Gas and Electric Company	3,343	796
Cost of energy--National Energy Group	3,839	2,472
Operating expenses including depreciation	834	1,064
Total operating expenses	8,016	4,332
Operating Income (Loss)	(1,341)	676
Interest expense, net and other	(220)	(168)
Income (Loss) Before Income Taxes	(1,561)	508
Income tax expense (benefit)	(610)	228
Net Income (Loss)	\$ (951)	\$ 280
Weighted Average Common Shares Outstanding	363	361
Earnings (Loss) Per Common Share, Basic	\$ (2.62)	\$ 0.78
Earnings (Loss) Per Common Share, Diluted ^(a)	\$ (2.62)	\$ 0.77
Dividends Declared Per Common Share	\$ -	\$ 0.30

Earnings and earnings per share for PG&E Corporation's lines of business are as follows:

	Earnings		Earnings per Share (Diluted)	
	Three months ended March 31,		Three months ended March 31,	
	2001	2000	2001	2000
Utility		(in millions)		
Pacific Gas and Electric Company	\$ 192	\$ 228	\$ 0.53	\$ 0.63
National Energy Group				
Integrated Trading and Marketing	35	42	0.10	0.11
Interstate Pipeline Operations	20	14	0.05	0.04
Eliminations and Other	(1)	-	-	-
Subtotal - National Energy Group	54	56	0.15	0.15
Other Enterprises	(3)	-	(0.01)	-
Earnings from Operations ^(b)	243	284	0.67	0.78
Items impacting comparability ^(c)	(1,194)	(4)	(3.29)	(0.01)
Reported Earnings	\$ (951)	\$ 280	\$ (2.62)	\$ 0.77

(a) The diluted shares for the year 2001 exclude approximately 457,000 in incremental shares due to the antidilution effects of the loss from continuing operations.

(b) Earnings from operations exclude items impacting comparability and should not be considered an alternative to net income or an indicator of a Companies' operating performance.

(c) Items impacting comparability in the quarter ending March 31, 2001 include undercollected electric procurement costs at the Utility of \$1,115 million (\$3.07 per share); the inability to fully utilize tax benefits of losses in California of \$33 million (\$0.09 per share); and additional interest costs caused by the California energy crisis of \$46 million (\$0.13 per share). Items impacting comparability in the quarter ending March 31, 2000 include severance charges related to restructuring of the National Energy Group of \$4 million (\$0.01 per share).