PG&E Corporation

BUSINESS UPDATE

May 3, 2017

Forward-Looking Statements

Statements contained in this slide presentation regarding PG&E Corporation's three-year financial outlook, including without limitation 2017 guidance, 2017 items impacting comparability, 2017 equity issuance, 2017-2019 capital expenditures and rate base growth, dividend policy, general earnings sensitivities and statements regarding electric vehicle-related growth opportunities, planned investments, potential tax reform, and other statements and assumptions that are not purely historical constitute forward-looking statements that reflect management's current expectations and are based on management's judgments, opinions, and assumptions. These statements are necessarily subject to various risks and uncertainties, the realization or resolution of which may be outside management's control. PG&E Corporation and the Utility are not able to predict all the factors that may affect future results. Factors that could cause actual results to differ materially include, but are not limited to:

- the timing and outcomes of the 2017 GRC, the TO rate case, the cost of capital proceeding, and other ratemaking and regulatory proceedings;
- the timing and outcome of the Butte fire litigation, and whether the Utility's insurance is sufficient to cover the Utility's liability resulting therefrom or whether insurance is otherwise available; the effect, if any, the SED's $8.3 million citations issued in connection with the Butte fire may have on such litigation; and whether additional investigations and proceedings in connection with the Butte fire will be opened and any additional fines or penalties imposed on the Utility;
- the outcome of the probation and the monitorship, the timing and outcomes of the debarment proceeding, the SED's unresolved enforcement matters relating to the Utility's compliance with natural gas-related laws and regulations, and other investigations that have been or may be commenced, and the ultimate amount of fines, penalties, and remedial and other costs that the Utility may incur as a result;
- the timing and outcomes of (i) the CPUC's decision in connection with its investigation of the Utility's compliance with its ex parte communication rules and the settlement agreement entered into by the Utility and certain parties, and (ii) the U.S. Attorney's Office in San Francisco and the California Attorney General's office investigations in connection with communications between the Utility's personnel and CPUC officials;
- the outcomes of current and future self-reports, investigations or other enforcement proceedings that could be commenced or notices of violation that could be issued relating to the Utility's compliance with laws, rules, regulations, or orders applicable to its operations;
- the Utility's ability to control its costs within the authorized levels of spending and the extent to which the Utility incurs unrecoverable costs that are higher than the forecasts of such costs;
- the impact of the increasing cost of natural gas regulations;
- changes in cost forecasts or the scope and timing of planned work resulting from changes in customer demand for electricity and natural gas or other reasons;
- the impact that reductions in customer demand for electricity and natural gas have on the Utility's ability to make and recover its investments through rates and earn its authorized return on equity, and whether the Utility is successful in addressing the impact of growing distributed and renewable generation resources, changing customer demand for natural gas and electric services, and an increasing number of customers departing for community choice aggregators;
- whether, as a result of Westinghouse Electric Company LLC's Chapter 11 proceeding, the Utility will experience issues with nuclear fuel supply, nuclear fuel inventory, and related services and products that Westinghouse supplies, and whether such proceeding will affect the Utility's contracts with Westinghouse;
- whether the Utility can continue to obtain insurance and whether insurance coverage is adequate for future losses or claims, especially following a major event that causes widespread third-party losses;
- the ability of PG&E Corporation and the Utility to access capital markets and other sources of debt and equity financing in a timely manner on acceptable terms, and the amount and timing of additional common stock and debt issuances by PG&E Corporation;
- changes in estimated environmental remediation costs, including costs associated with the Utility's natural gas compressor sites;
- the outcome of federal or state tax audits and the impact of any changes in federal or state tax laws, policies, regulations, or their interpretation, including as a result of the recent changes in the federal government;
- the impact of changes in GAAP, standards, rules, or policies, including those related to regulatory accounting, and the impact of changes in their interpretation or application; and
- the other factors disclosed in PG&E Corporation and the Utility's joint annual report on Form 10-K for the year ended December 31, 2016, their joint quarterly report on Form 10-Q for the quarter ended March 31, 2017, and other reports that are filed with the Securities and Exchange Commission (SEC).

Information regarding 2017 guidance was issued as of May 2, 2017. The statements in this presentation are made as of their date and PG&E Corporation undertakes no obligation to update information contained herein. This presentation was attached to PG&E Corporation's Current Report on Form 8-K that was furnished to the SEC on May 3, 2017 and is also available on PG&E Corporation's website at www.pgecorp.com.

Well-positioned to Deliver Strong Returns

A Strengthened Company

- Significant safety, reliability and operational improvements
- Improved customer satisfaction

Key Advantages

- One of the greenest utilities in the country
- Constructive regulatory and policy environment
- Multiple infrastructure investment drivers

Robust Growth Profile

- State policies support strong cap ex and ratebase growth
- Resumed dividend growth

Healthy 3-year growth profile

- ~6.5-7% ratebase growth
- Above average dividend growth

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

Agenda

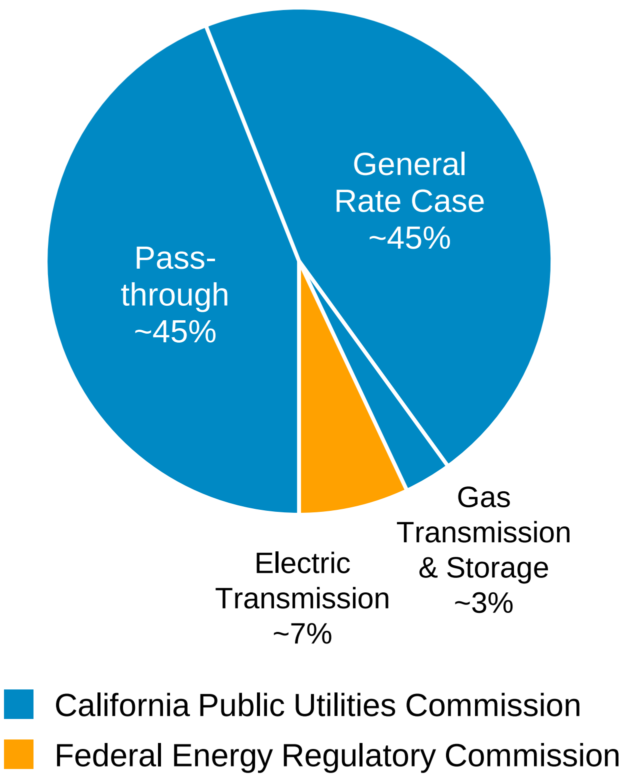
A strengthened company

Key advantages

Robust growth profile

PG&E System At a Glance

2016 Revenue Sources



Key Highlights

Employees	**~24,000**
Californians served	**~16M**
Net income (2016)	**~$1.4B**
Ratebase (2016)	**~$32.4B**
Miles of electric lines	**~130,000**
Miles of natural gas pipelines	**~50,000**
MW utility-owned generation	**~7,700**
GWh electricity generated and procured	**~68,500**
Carbon-free and renewable energy delivered	**~70%**

Safety Forms the Foundation of Operational and Financial Success

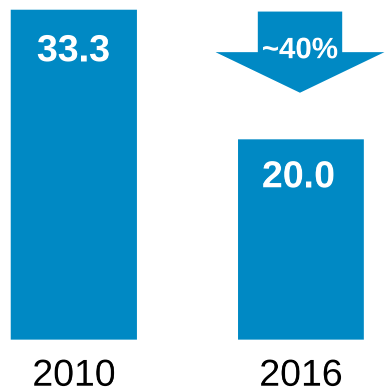
Strong Operational and Financial Results

Leadership	Transparency	Incentives	Culture
Significant utility leadership experience on the Board and executive team	Developed industry-leading public safety dashboard	50% of short-term variable compensation tied to safety performance	Embraced a continuous improvement mindset and speak-up culture

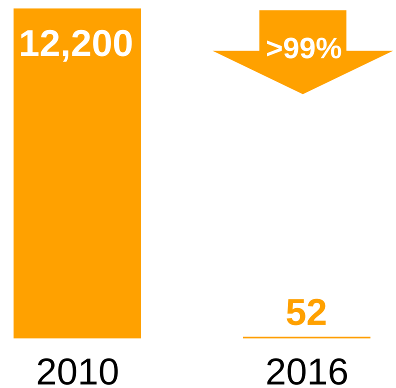
Demonstrated commitment to safety and compliance at all levels

Improved Safety and Reliability
Gas Metrics

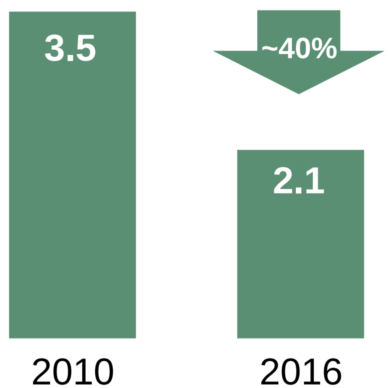
~40% Reduction in Emergency Response Time(1)



>99% Reduction in Leak Backlog(2)



40% Reduction in Dig-ins(3)



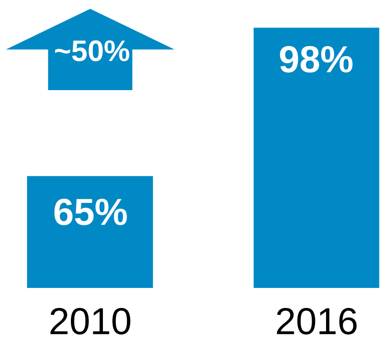
Major Progress from 2010-2016:

- Achieved **international certifications** in gas safety excellence programs
- Replaced **645+** miles of transmission and distribution pipeline
- Hydrotested **835+** miles of transmission pipeline
- Made **750+** miles transmission pipeline capable of in-line inspection
- Installed **268** automated valves

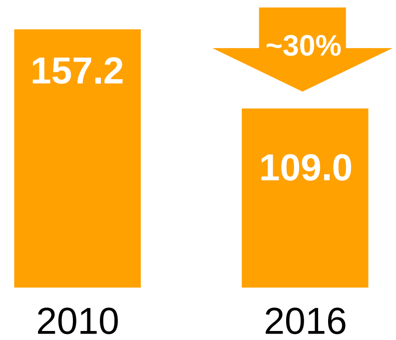
(1) Emergency response time recorded in minutes; (2) Open Grade 2 and 2+ leaks; (3) Third party damages per 1,000 Underground Service Alert (USA) tickets.

Improved Safety and Reliability Electric Metrics

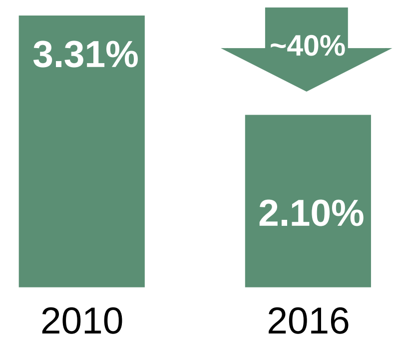
911 Emergency Response(1)



System Average Interruption Duration Index(2)



Customer Experiencing Multiple Interruptions(3)

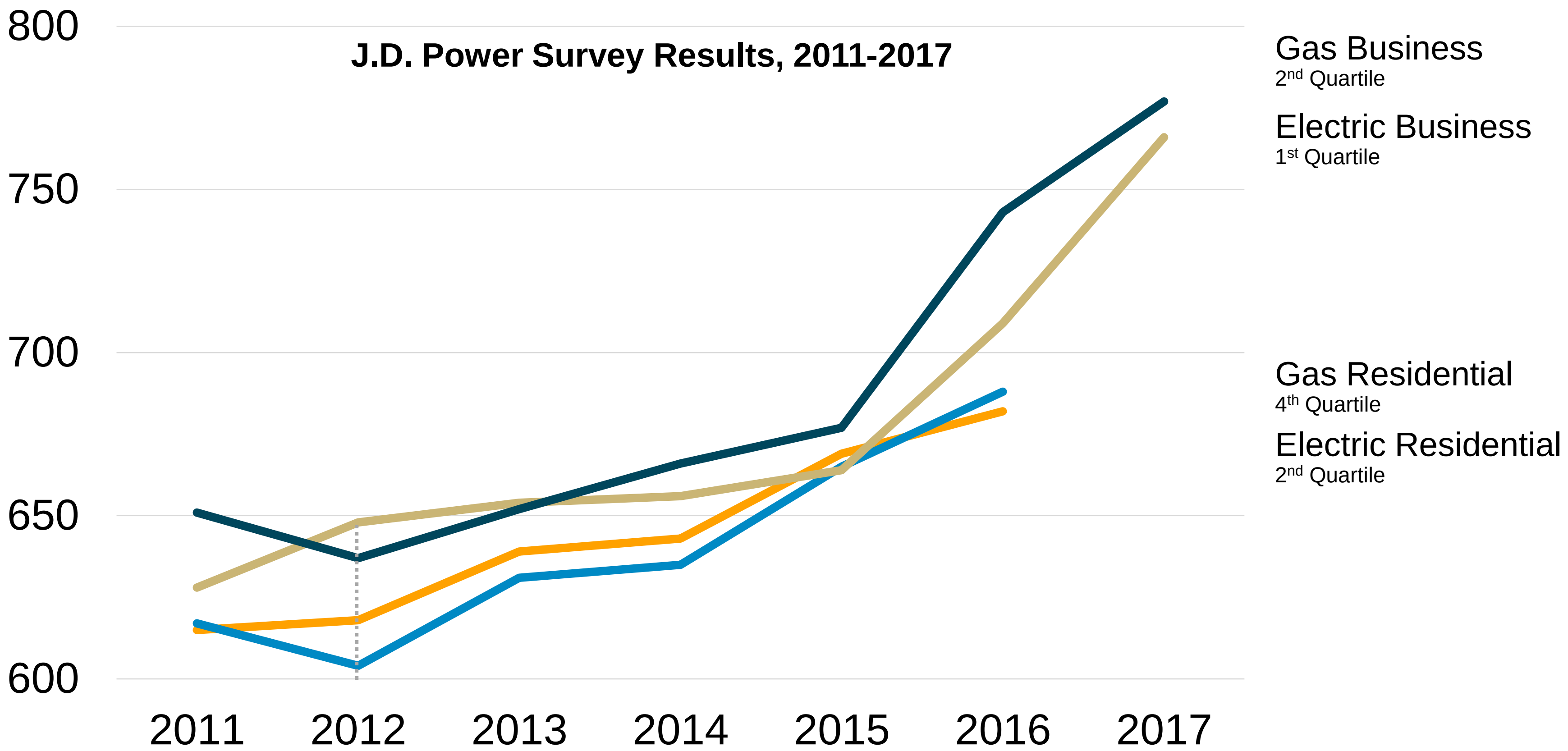


Major Progress from 2010-2016:

- Delivered **6 Years** of record-setting electric reliability
- **~$14 billion** investment in transmission and distribution asset enhancements
- Completed deployment of **~10 million** SmartMeters
- Upgraded **~80%** of our targeted circuits

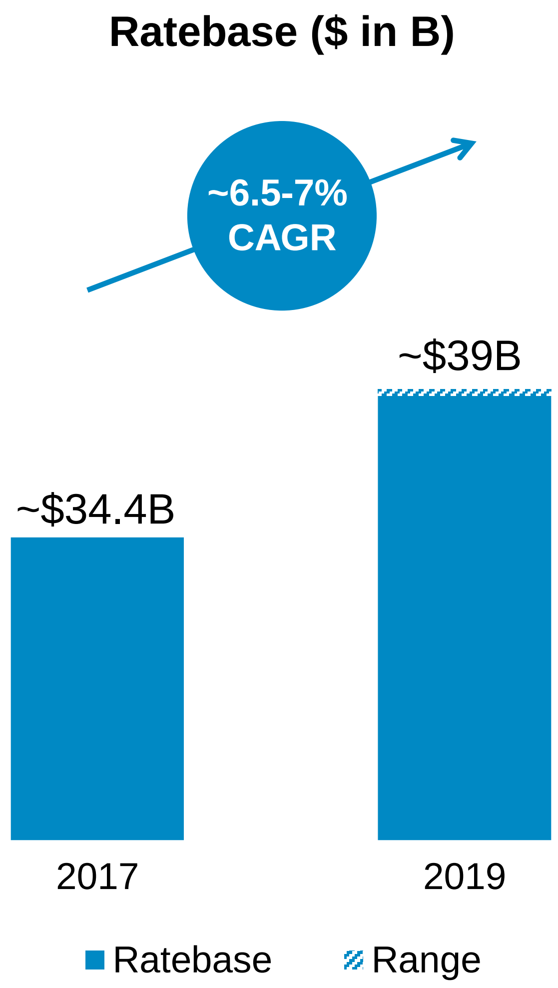
(1) Percentage of time PG&E personnel are on-site within 60 minutes of receiving a 911 electric-related call; (2) *A*verage outage duration experienced by all customers served measured in minutes; (3) Percentage of customers experiencing 5 or more sustained interruptions over the past rolling 12 months (includes both planned & unplanned outages).

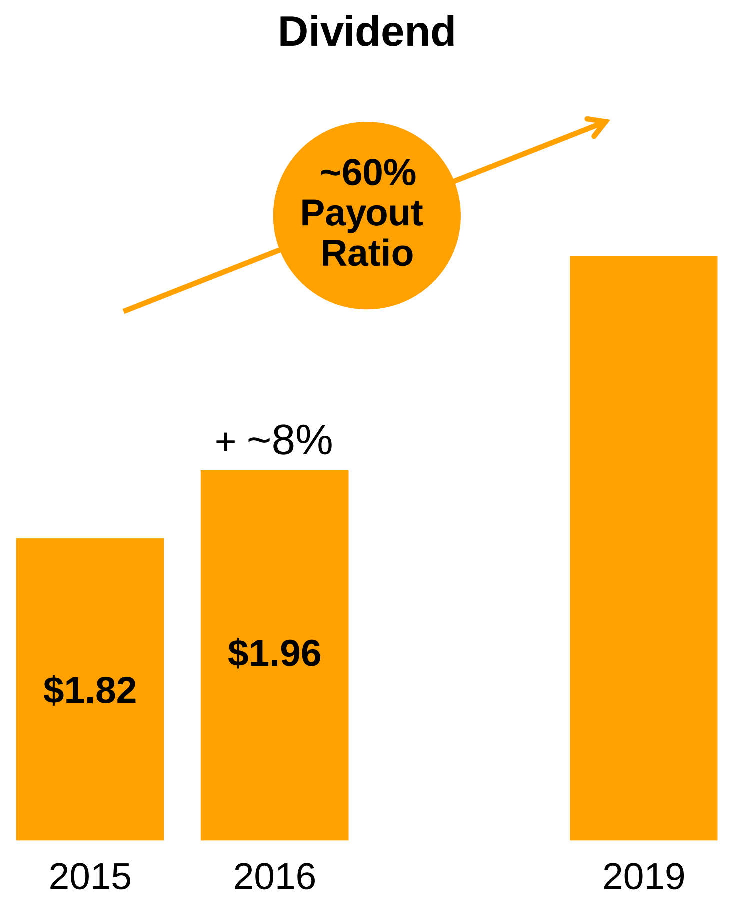
Customer Satisfaction has Improved Each Year Since 2012



Unwavering commitment to customer satisfaction

Projected Strong Growth





See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

Agenda

A strengthened company

Key advantages

Robust growth profile

Key Strengths

1 One of the greenest utilities in the country

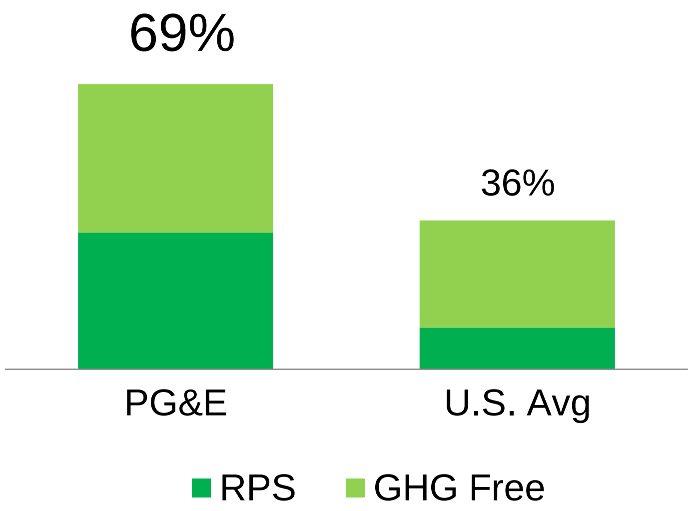
2 Constructive regulatory framework

3 California clean energy policies

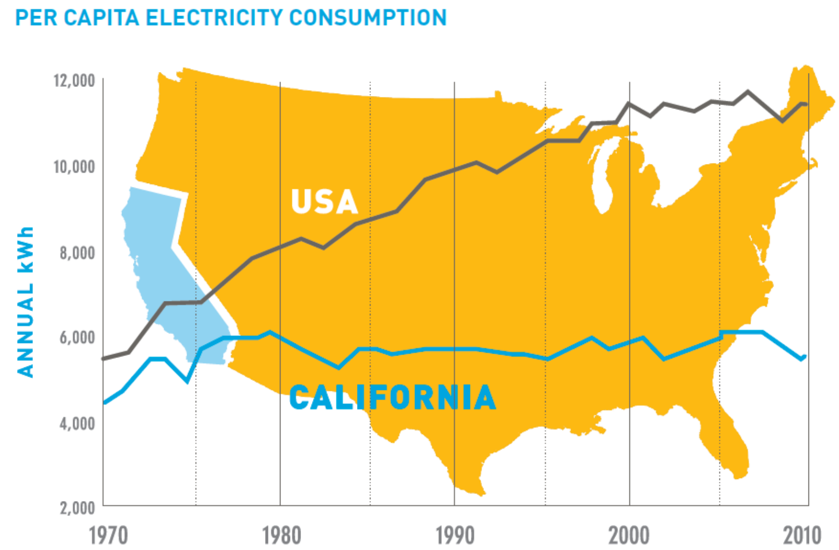
4 Multiple infrastructure investment drivers

Focused on Sustainability

Nearly 2x More Carbon Free and Renewable Energy Than The U.S. Average in 2016



Shaping California Model for Energy Efficiency

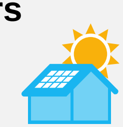


*Source: US Energy Information Administration

PG&E Customers Lead the Nation in Clean Technology Adoption

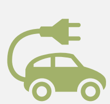
~300,000 solar customers

Ranked #1 with ~25% of all U.S. rooftop solar



More than 100,000 electric vehicles

Ranked #1 with ~20% of all U.S. vehicles



~800 GWh/yr of efficiency savings

Ranked #2 among U.S. utilities

KEY STRENGTH #2: CONSTRUCTIVE REGULATORY FRAMEWORK

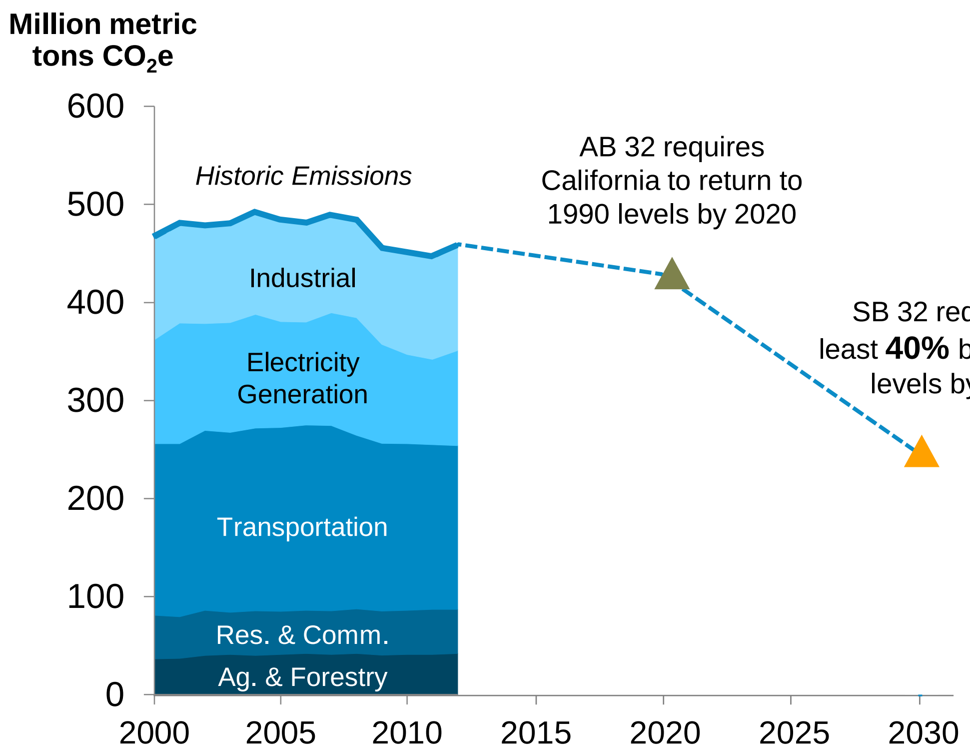
California's Regulatory Mechanisms

- ☑ Revenues decoupled from sales
- ☑ Balancing accounts reduce cost volatility
- ☑ Forward-looking test year rate cases
- ☑ Risk-informed rate making
- ☑ Separate cost of capital proceeding

PG&E's industry-leading risk management aligns with CPUC safety focus

California's Climate Goals

California Greenhouse Gas Reduction Goals and Historic Emissions*



California is Targeting:

50%
renewables by 2030

2X
energy efficiency in existing buildings by 2030

1.5M
electric vehicles by 2025

PG&E is a critical partner in achieving California's clean energy goals

*Source: California Air Resources Board

Electric Vehicles Present Growth Opportunities

Projected EV Landscape

600K

EVs on PG&E's grid in 2025 if California meets zero-emission vehicles goal

4:1

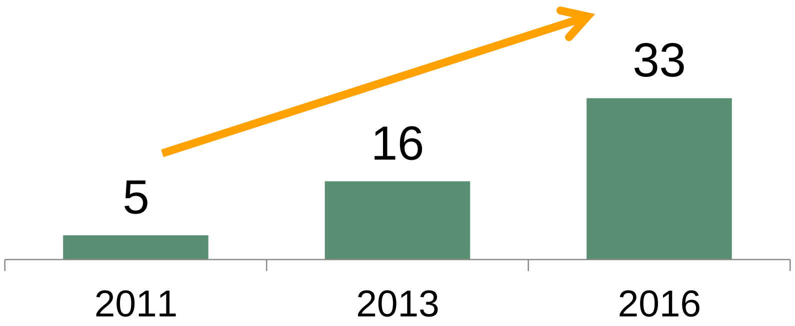
Ideal ratio of EVs to public and workplace chargers to enable access

50%

The average EV consumes about half the electricity of a typical home each year

EV Options Continue to Grow

Number of Electric Vehicle Models

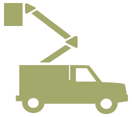


EV Infrastructure Investments

$109M in spend over 3 years

Largest utility deployment in US supporting light-duty vehicles

Up to $211M over 5 years
Pending request to support medium and heavy-duty electrification and public charging



Continued EV adoption creates sustainable growth opportunities

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

California Policies Drive Infrastructure Investment

Safety and Reliability

- Gas investments (e.g., pipeline replacement, in-line inspection capability)
- Electric investments (e.g., substation upgrades, cable upgrades)
- Generation asset upgrades

Enabling California's Clean Energy Economy

- Grid modernization
- Renewable integration projects
- Energy efficiency programs
- Energy storage options
- Electric vehicle infrastructure
- State infrastructure modernization (e.g., rail and water projects)

Sustained Investments

Agenda

A strengthened company

Key advantages

Robust growth profile

Focus Areas for Growth

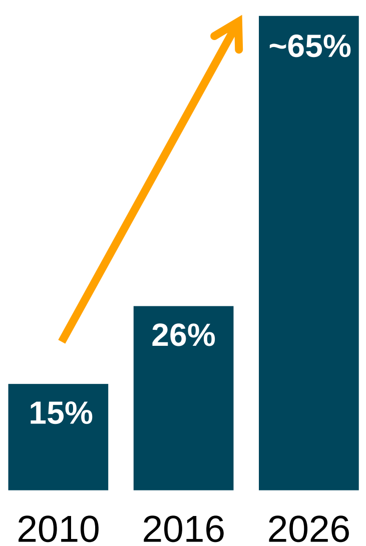
1	Enhance safety and reliability
2	Enable California’s clean energy economy
3	Ensure customer affordability

PG&E’s operating plan provides a strong foundation for future success

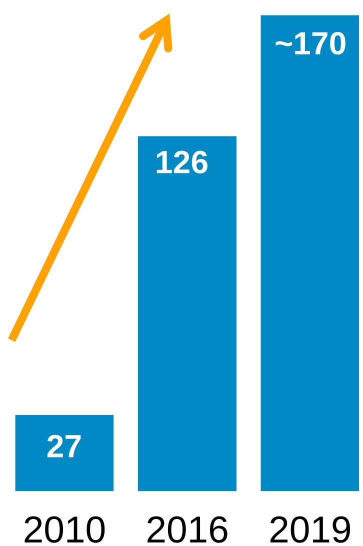
GROWTH FOCUS #1: ENHANCE SAFETY AND RELIABILITY

Continue to Upgrade Our System

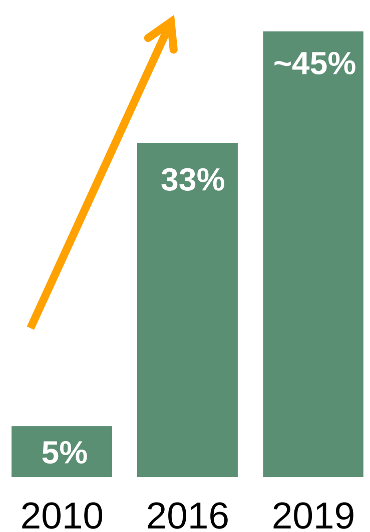
% of Gas Transmission System Piggable



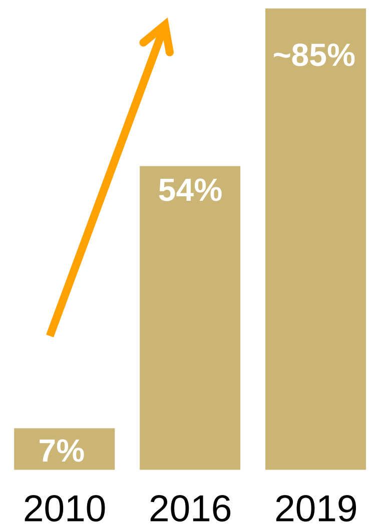
Annual Projected Miles of Gas Distribution Main Replacement



% Penetration of Automated Switches in Urban Areas



% of Urban Substations Upgraded



Investments to systematically modernize infrastructure

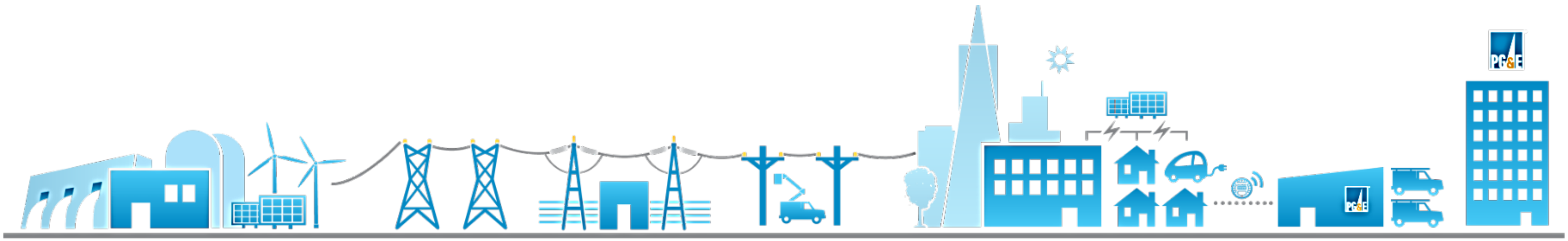
See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

Grid Modernization Will Require Significant Investment

Grid Control and Monitoring
- Increased remote control and sensor technology reduce outages and enable self-healing grid

Distributed Energy Resources
- Bi-directional energy flows and voltage fluctuations require integration investments

Grid Data Analytics
- Advanced analytics enhance decision making, improve operations and reduce cost



Grid Storage
- Enables renewable integration

Electric Vehicles
- Requires expanded infrastructure for light, medium, and heavy-duty EVs

Increased Renewables
- Requires transmission integration

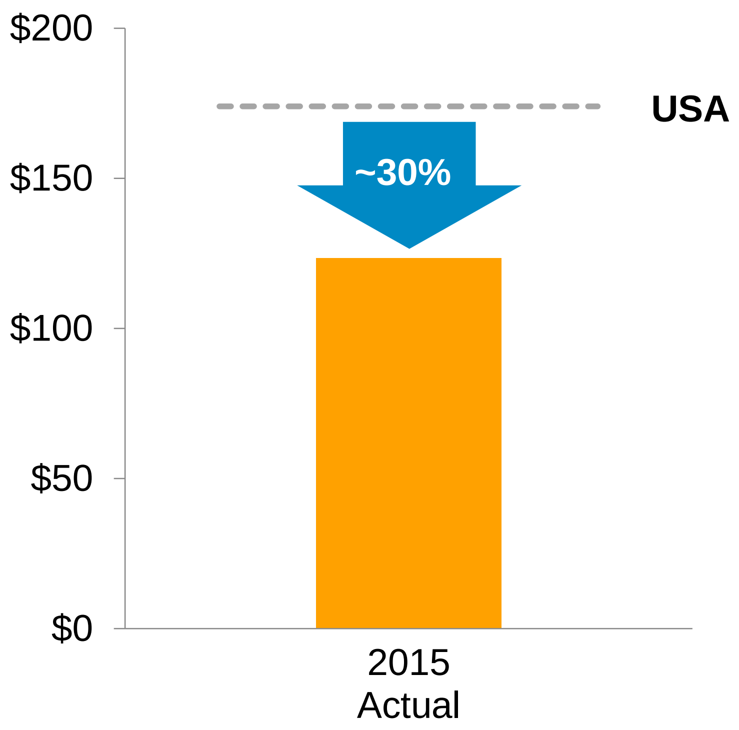
Energy Efficiency and Demand Response
- Help manage customer costs

Over $1 billion in planned grid modernization investments through 2020

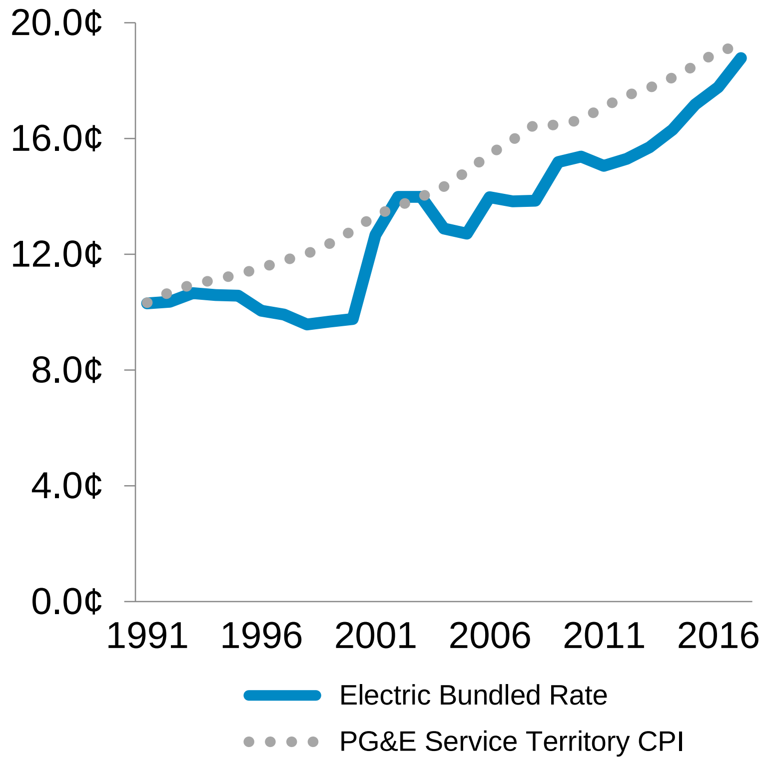
See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

PG&E Bills Lower Than the National Average

PG&E Average Residential Bills Are 30% Below National Average



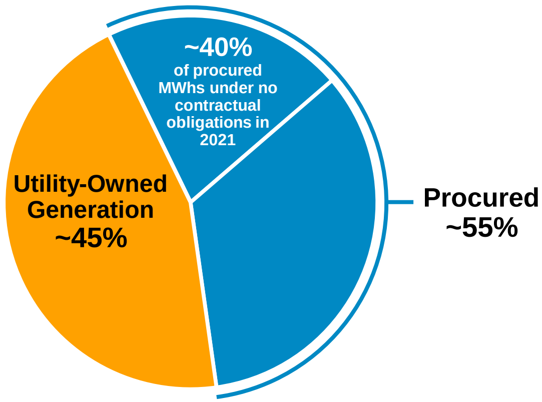
PG&E's Electric Bundled Rates Have Grown In Line With Inflation



Continued focus on keeping customer bills affordable

Strategies to Manage Declining Load

Flexible Electric Portfolio



Constructive Regulatory Mechanisms

- Revenues decoupled from sales
- Cost allocation mechanisms for departing customers

Modernizing Rate Structures

CPUC Distributed Energy Resources Action Plan

Residential Rate Design	Time of Use Rates	Fixed/ Demand Charges	Net Energy Metering

Focus on Continuous Improvement

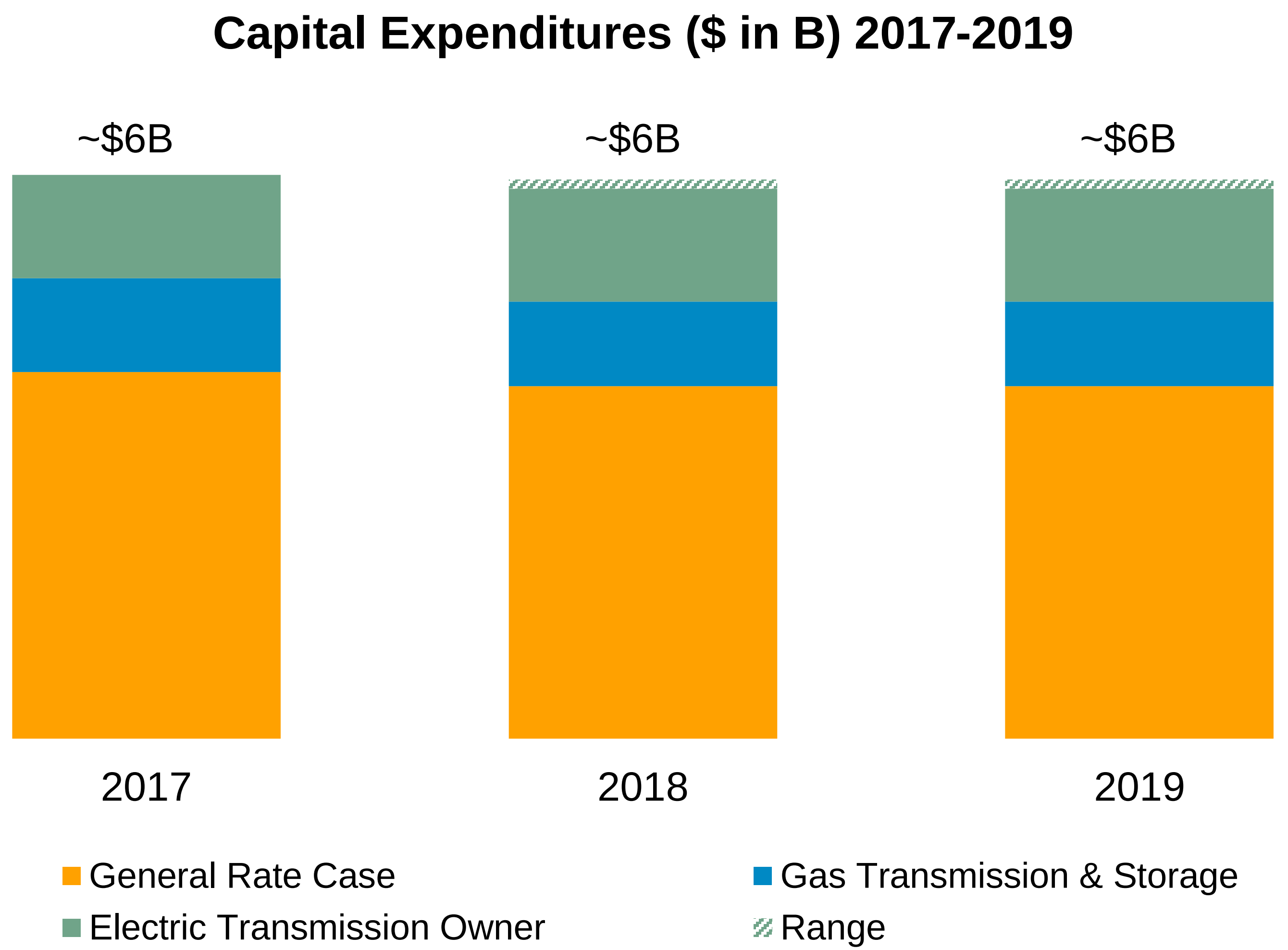
Well-Positioned for Industry Changes

Industry Changes	PG&E Strategies
Decarbonized Economy	• Integrate renewables and distributed energy resources • Enable electric vehicle adoption • Expand energy storage options • Enhance energy efficiency programs
Customer Choice	• Flexible procurement portfolio • Constructive regulatory mechanisms • Modernize rate structures • Sustainable efficiencies

Three-year Financial Outlook

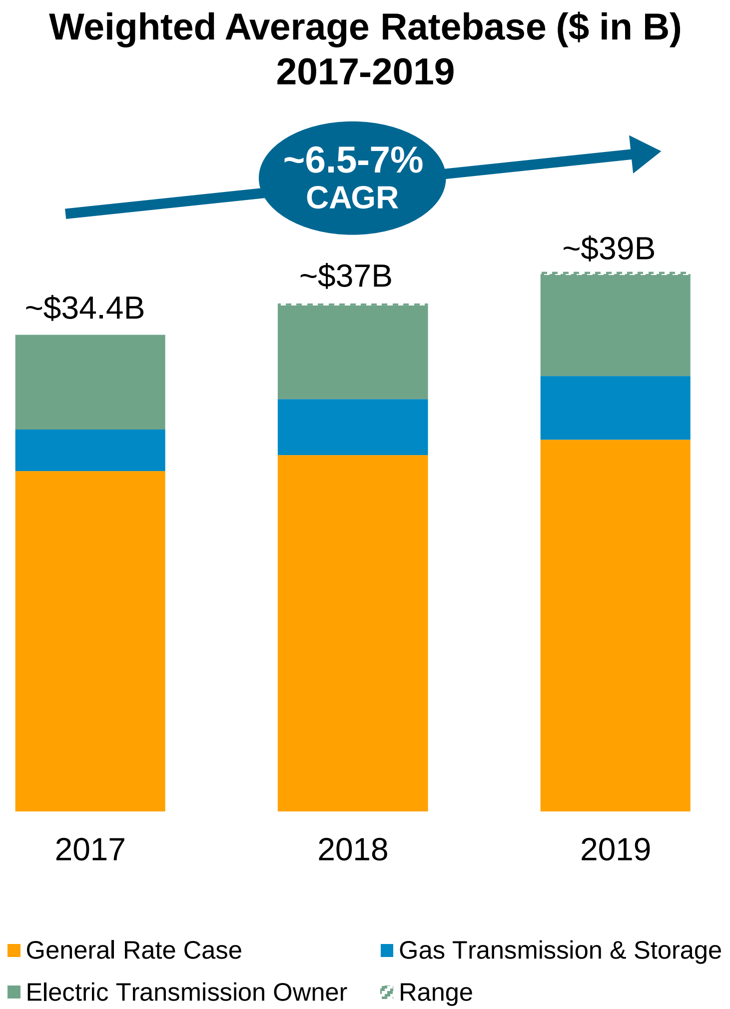
1	Cap ex growth
2	Ratebase growth
3	Dividend growth and policy

Robust Cap Ex Supports Strong Returns



See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

Ratebase Supports Strong Returns



Base Case Assumptions:

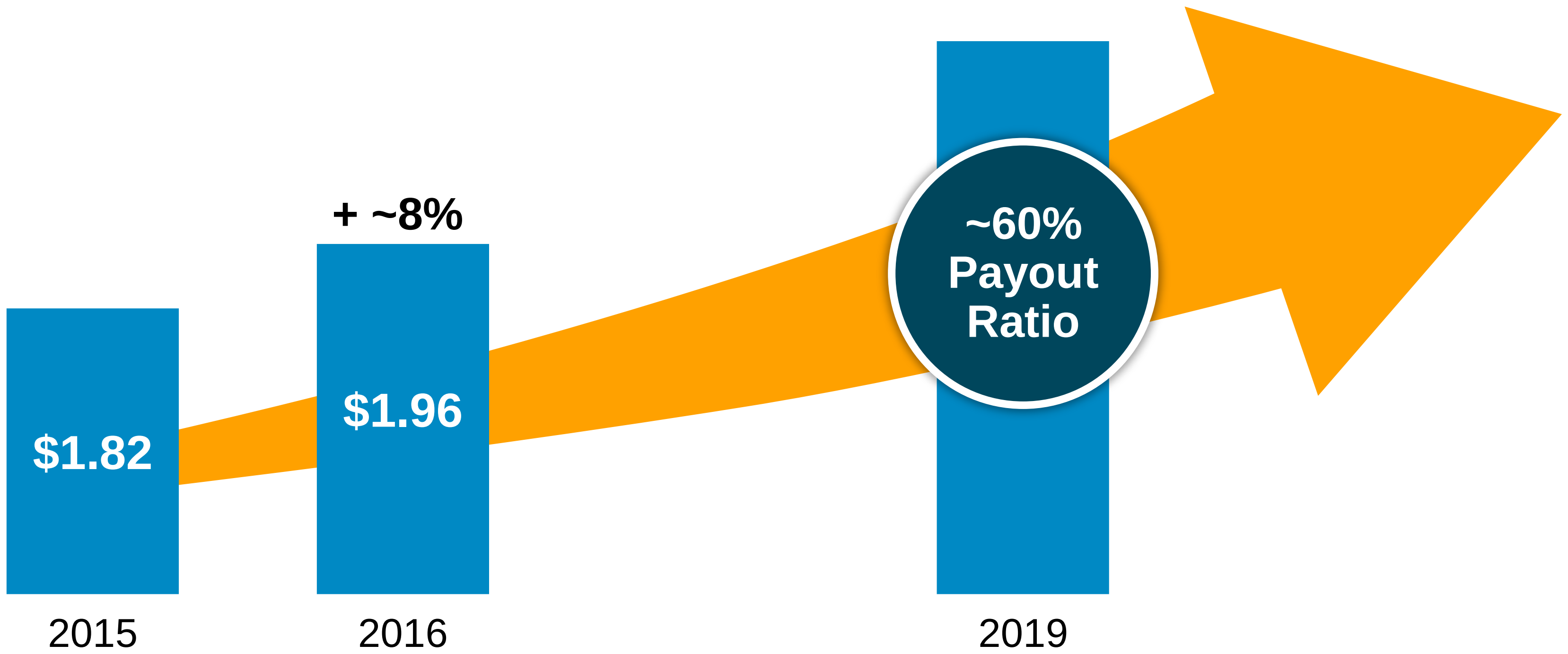
- 2017 General Rate Case settlement through 2019
- 2015 Gas Transmission & Storage rate case
  - Phase 2 decision through 2018; flat in 2019
  - ~$400M for 2011-2014 spend subject to audit added in 2018
- Transmission Owner rate case:
  - High end: TO18 filing held flat through 2019
  - Low end: TO17 settlement held flat through 2019
- Electric Vehicle Infrastructure decision in December 2016

Potential Future Updates:

- 2019 Gas Transmission & Storage rate case
- 2018 and 2019 Transmission Owner rate cases
- Future competitive transmission opportunities
- State infrastructure modernization (e.g., rail and water projects)
- Future storage opportunities
- Future transportation electrification (e.g., January 2017 medium and heavy duty vehicle filing)
- New gas storage regulations

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

Dividend Policy Supports Strong Total Shareholder Return



Targeting 55-65% payout ratio over time

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

Solid Growth Strategy Positions PG&E for Success

A Strengthened Company

- Significant safety, reliability and operational improvements
- Improved customer satisfaction

Key Advantages

- One of the greenest utilities in the country
- Constructive regulatory and policy environment
- Multiple infrastructure investment drivers

Robust Growth Profile

- State policies support strong cap ex and ratebase growth
- Resumed dividend growth

Healthy 3-year growth profile

- ~6.5-7% ratebase growth
- Above average dividend growth

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

PG&E Corporation

Appendices

Table of Contents

Appendix 1: Q1 2017 Earnings Results and 2017 Guidance	Slides 32 – 37
Appendix 2: Q1 2017 Supplemental Earnings Materials	Slides 38 – 48
Appendix 3: Supplemental Material on Tax Reform	Slide 49
Appendix 4: Leadership Bios	Slides 50 – 56
Appendix 5: Overview of Key Regulatory Cases	Slides 57 – 65
Appendix 6: Breakdown of 2016 Total Revenue Requirement	Slide 66
Appendix 7: Description of Gas System Certifications	Slide 67
Appendix 8: Credit Metrics and Ratings	Slide 68

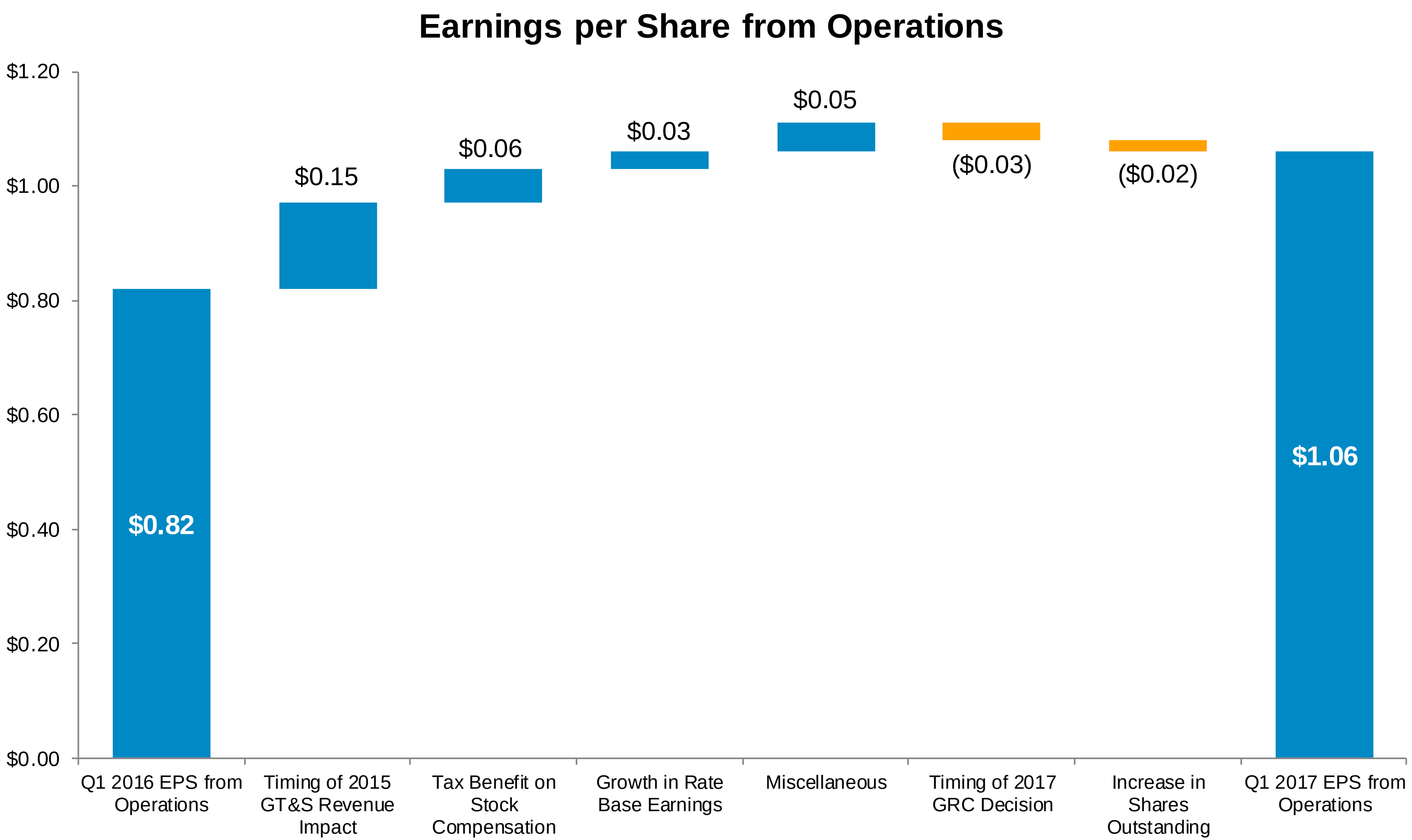
Q1 2017 Earnings Results

	Earnings (millions)	EPS
Earnings on a GAAP basis	**$ 576**	**$ 1.13**
Items Impacting Comparability		
Pipeline related expenses	16	0.03
Legal and regulatory related expenses	2	0.00
Fines and penalties	36	0.07
Butte fire related costs, net of insurance	2	0.00
GT&S revenue timing impact	(88)	(0.17)
Earnings from Operations	**$ 544**	**$ 1.06**

Items Impacting Comparability (millions, pre-tax)	
Pipeline related expenses	$ 28
Legal and regulatory related expenses	4
Fines and penalties	60
Butte fire related costs, net of insurance	3
GT&S revenue timing impact	(150)
Total	**$ (55)**

Earnings from Operations is not calculated in accordance with GAAP and excludes items impacting comparability. See Appendix 2, Exhibit A for a reconciliation of non-GAAP financial measures and Exhibit G for the use of non-GAAP financial measures.

Q1 2017: Quarter over Quarter Comparison



Earnings from Operations is not calculated in accordance with GAAP and excludes items impacting comparability. See Appendix 2, Exhibit A for a reconciliation of non-GAAP financial measures and Exhibit G for the use of non-GAAP financial measures.

2017 Earnings Per Share Guidance as of May 2, 2017

		Low		High
Estimated EPS on a GAAP Basis	**$**	**3.57**	**$**	**3.82**
Estimated Items Impacting Comparability				
Pipeline related expenses		0.14		0.09
Legal and regulatory related expenses	~	0.01	~	0.01
Fines and penalties	~	0.07	~	0.07
Butte fire related costs, net of insurance		0.00		0.00
GT&S revenue timing impact		(0.17)		(0.17)
Net benefit from derivative settlement	~	(0.07)	~	(0.07)
Estimated EPS on an Earnings from Operations Basis	**$**	**3.55**	**$**	**3.75**

Changes from prior quarter noted in blue

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.
See Appendix 2, Exhibit E for PG&E Corporation's 2017 Earnings per Share Guidance and Exhibit G for the Use of Non-GAAP Financial Measures.

2017 Assumptions as of May 2, 2017

Capital Expenditures
($ millions)

	2017
General Rate Case	3,900
Gas Transmission and Storage	1,000
Transmission Owner 18	1,100
Total Cap Ex	**~$6 billion**

Authorized Ratebase (weighted average)
($ billions)

	2017
General Rate Case	24.6
Gas Transmission and Storage	3.0
Transmission Owner	6.8
Total Ratebase	**~$34.4 billion**

Authorized Cost of Capital*

Return on Equity: 10.4%

Equity Ratio: 52%

*CPUC authorized

Other Factors Affecting Earnings from Operations

+/- GRC settlement approved without material change

- GT&S amounts not requested

+ Incentive revenues and other benefits

CWIP earnings: offset by below-the-line costs

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

2017 Items Impacting Comparability as of May 2, 2017

($ millions, pre-tax)		2017
Pipeline related expenses [1]		80 - 125
Legal and regulatory related expenses	~	10
Fines and penalties [2]	~	60
Butte fire related costs, net of insurance		3
GT&S revenue timing impact		(150)
Net benefit from derivative settlement	~	(65)
2017 Items Impacting Comparability Total	**~**	**$(62) - (17)**

Fines and Penalties ($ in millions, pre-tax) [2]		
Charge for disallowed expense		32
GT&S ex parte penalty		15
Ex parte OII settlement	~	13
Total	**~**	**$60**

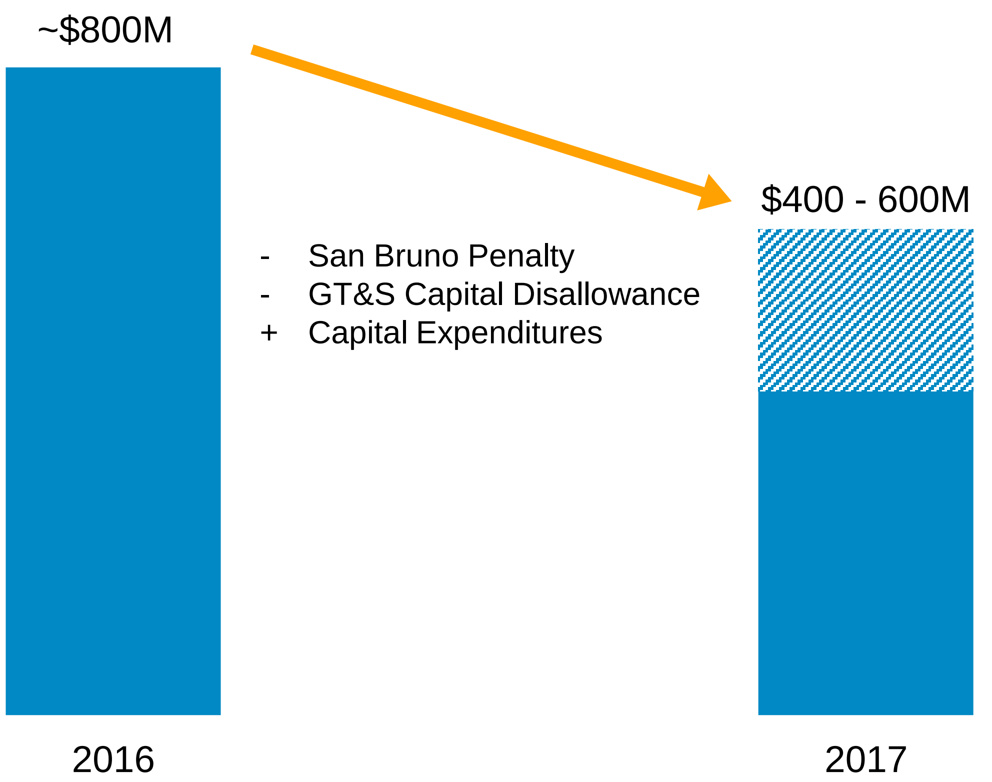
(1) Total cost of rights-of-way program expected to range from $425 million to $475 million

(2) Fines and penalties range excludes any additional potential future fines or penalties beyond those outlined above

Changes from prior quarter noted in blue

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.
See Appendix 2, Exhibit E for PG&E Corporation's 2017 Earnings per Share Guidance and Exhibit G for Use of Non-GAAP Financial Measures.

2017 Equity Issuance as of May 2, 2017



March 31, 2017 shares outstanding: ~511 million

See the Forward Looking Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

Table of Contents - 2017 Supplemental Earnings Materials

Exhibit A:	Reconciliation of PG&E Corporation's Consolidated Income Available for Common Shareholders in Accordance with GAAP to Earnings from Operations	Slides 39-40
Exhibit B:	Key Drivers of PG&E Corporation's Earnings per Common Share from Operations	Slide 41
Exhibit C:	Operational Performance Metrics	Slides 42-43
Exhibit D:	Sales and Sources Summary	Slide 44
Exhibit E:	PG&E Corporation's 2017 Earnings Per Share Guidance	Slides 45-46
Exhibit F:	2017 General Earnings Sensitivities	Slide 47
Exhibit G:	Use of Non-GAAP Financial Measures	Slide 48

Exhibit A: Reconciliation of PG&E Corporation's Consolidated Income Available for Common Shareholders in Accordance with Generally Accepted Accounting Principles ("GAAP") to Earnings from Operations

First Quarter, 2017 vs. 2016
(in millions, except per share amounts)

	Three Months Ended March 31,			
	Earnings		Earnings per Common Share (Diluted)	
	2017	2016	2017	2016
PG&E Corporation's Earnings on a GAAP basis	**$ 576**	**$ 107**	**$ 1.13**	**$ 0.22**
Items Impacting Comparability: (1)				
Pipeline related expenses (2)	16	13	0.03	0.03
Legal and regulatory related expenses (3)	2	10	0.00	0.02
Fines and penalties (4)	36	51	0.07	0.10
Butte fire related costs, net of insurance (5)	2	226	0.00	0.45
GT&S revenue timing impact (6)	(88)	-	(0.17)	-
PG&E Corporation's Earnings from Operations (7)	**$ 544**	**$ 407**	**$ 1.06**	**$ 0.82**

All amounts presented in the table above are tax adjusted at PG&E Corporation's statutory tax rate of 40.75 percent except for fines, which are not tax deductible. See Footnote 4 below.

(1) "Items impacting comparability" represent items that management does not consider part of the normal course of operations and affect comparability of financial results between periods. See Exhibit G: Use of Non-GAAP Financial Measures.

(2) The Utility incurred costs of $28 million (before the tax impact of $12 million) during the three months ended March 31, 2017, for pipeline related expenses incurred in connection with the multi-year effort to identify and remove encroachments from transmission pipeline rights-of-way.

(3) The Utility incurred costs of $4 million (before the tax impact of $2 million) during the three months ended March 31, 2017, for legal and regulatory related expenses incurred in connection with various enforcement, regulatory, and litigation activities regarding natural gas matters and regulatory communications.

(4) The Utility incurred costs of $60 million (before the tax impact of $24 million) during the three months ended March 31, 2017, for fines and penalties. This includes costs of $32 million (before the tax impact of $13 million) during the three months ended March 31, 2017, associated with safety-related cost disallowances imposed by the California Public Utilities Commission ("CPUC") in its April 9, 2015 decision ("San Bruno Penalty Decision") in the gas transmission pipeline investigations. The Utility also recorded $15 million (before the tax impact of $6 million) during the three months ended March 31, 2017, for disallowances imposed by the CPUC in its final phase two decision of the 2015 Gas Transmission and Storage ("GT&S") rate case for prohibited ex parte communications. In addition, the Utility accrued financial remedies of $12 million (before the tax impact of $5 million) and $1 million (which is not tax deductible) during the three months ended March 31, 2017, in connection with the settlement filed with the CPUC on March 28, 2017, related to the *Order Instituting an Investigation into Compliance with Ex Parte Communication Rules*.

Exhibit A: Reconciliation of PG&E Corporation's Consolidated Income Available for Common Shareholders in Accordance with Generally Accepted Accounting Principles ("GAAP") to Earnings from Operations

(in millions, pre-tax)		**Three Months Ended March 31, 2017**
Charge for disallowed expense	$	32
GT&S ex parte penalty		15
Ex Parte OII Settlement		13
Fines and penalties	$	60

Future fines or penalties may be imposed in connection with other enforcement, regulatory, and litigation activities regarding natural gas matters and regulatory communications.

(5) The Utility recorded costs of $3 million (before the tax impact of $1 million) during the three months ended March 31, 2017, associated with the Butte fire, net of insurance. This includes charges of $10 million (before the tax impact of $4 million) during the three months ended March 31, 2017, for legal costs associated with the Butte fire, partially offset by $7 million (before the tax impact of $3 million) recorded during the three months ended March 31, 2017, for expected insurance recovery.

(in millions, pre-tax)		**Three Months Ended March 31, 2017**
Legal costs	$	10
Insurance		(7)
Butte fire related costs, net of insurance	$	3

(6) As a result of the CPUC's final phase two decision in the 2015 GT&S rate case, during the three months ended March 31, 2017, the Utility recorded revenues of $150 million (before the tax impact of $62 million) in excess of the 2017 authorized revenue requirement, which includes the final component of under-collected revenues retroactive to January 1, 2015.

(7) "Earnings from operations" is a non-GAAP financial measure. See Exhibit G: Use of Non-GAAP Financial Measures.

Exhibit B: Key Drivers of PG&E Corporation's Earnings per Common Share ("EPS") from Operations

First Quarter, 2017 vs. 2016
($/Share, Diluted)

First Quarter 2016 EPS from Operations [1]	$	0.82
Timing of 2015 GT&S revenue impact [2]		0.15
Tax benefit on stock compensation [3]		0.06
Growth in rate base earnings		0.03
Miscellaneous		0.05
Timing of 2017 GRC decision [4]		(0.03)
Increase in shares outstanding		(0.02)
First Quarter 2017 EPS from Operations [1]	**$**	**1.06**

(1) See Exhibit A for a reconciliation of EPS on a GAAP basis to EPS from Operations. All amounts presented in the table above are tax adjusted at PG&E Corporation's statutory tax rate of 40.75 percent.

(2) Represents the impact in 2016 of the delay in the Utility's 2015 GT&S rate case. The CPUC issued its final phase two decision on December 1, 2016, delaying recognition of the full 2016 revenue increase until the fourth quarter of 2016.

(3) Represents the incremental tax benefit related to share-based compensation awards that vested during the three months ended March 31, 2017. Pursuant to ASU 2016-09, which PG&E Corporation and the Utility adopted in 2016, excess tax benefits associated with vested awards are reflected in net income.

(4) Represents the increase in GRC-related capital costs (depreciation and interest) but does not include an offsetting revenue increase, which is pending a final decision in the Utility's 2017 GRC proceeding.

Exhibit C: Operational Performance Metrics

First Quarter 2017	Q1 Actual	EOY Target	Meets YTD Target (1)
Safety (includes both public and employee safety metrics)			
Nuclear Operations Safety			
Unit 1 Performance Indicator	100.0	90.5	✓
Unit 2 Performance Indicator	90.0	87.6	✓
Electric Operations Safety			
Electric Overhead Conductor Index	1.0	1.0	✓
911 Emergency Response	95.7%	97.5%	-
Gas Operations Safety			
Gas In-Line Inspection and Upgrade Index	0.8	1.0	-
Gas Dig-ins Reduction	1.45	1.92	✓
Gas Emergency Response	19.9	21.0	✓
Employee Safety			
SIF Corrective Action Index	1.0	1.0	✓
Serious Preventable Motor Vehicle Incident Rate	0.058	0.239	✓
Timely Reporting of Injuries	65.0%	71.3%	-
Customer			
Customer Satisfaction Score	75.5	76.4	-
System Average Interruption Duration Index (SAIDI)	28.9	107.0	-
Financial			
Earnings from Operations	$544	See note (1)	See note (1)

See following page for definitions of the operational performance metrics. The operational performance goals set under the PG&E Corporation 2017 Short Term Incentive Plan ("STIP") are based on the same operational metrics and targets.

(1) The 2017 target for earnings from operations is not publicly reported but is consistent with the guidance range provided for 2017 EPS from operations of $3.55 to $3.75.

Definitions of 2017 Operational Performance Metrics from Exhibit C

Safety

Public and employee safety are measured in four areas: (1) Nuclear Operations Safety, (2) Electric Operations Safety, (3) Gas Operations Safety, and (4) Employee Safety.

1. The safety of the Utility's nuclear power operations, Unit 1 and Unit 2, is an index comprised of 11 performance indicators for nuclear power generation that are regularly benchmarked against other nuclear power generators.
2. The safety of the Utility's electric operations is represented by (a) work that supports the safe reliable operations of the overhead electric system, and (b) the percentage of time that Utility personnel are on site within 60 minutes after receiving a 911 call of a potential Utility electric hazard.
3. The safety of the Utility's natural gas operations is represented by (a) the ability to complete planned in-line inspections and pipeline retrofit projects, measured by two equally weighted components of In-Line Inspections and In-Line Upgrades; (b) the number of third party "dig-ins" (i.e., damage resulting in repair or replacement of underground facility) to Utility gas assets per 1,000 Underground Service Alert tickets; and (c) the timeliness (measured in minutes) of on-site response to gas emergency service calls.
4. The safety of the Utility's employees is represented by (a) measuring the timely and quality completion of planned action in response to Serious Injuries and Fatalities (SIF), (b) the number of serious preventable motor vehicle incidents that the driver could have reasonably avoided, per one million miles driven, and (c) the percentage of work-related injuries reported to the 24/7 Nurse Report Line within one day of the incident.

Customer

Customer satisfaction and service reliability are measured by:

1. The overall satisfaction (measured as a score of zero to 100) of customers with the products and services offered by the Utility, as measured through a quarterly survey performed by an independent third-party research firm.
2. The total time (measured in minutes) the average customer is without electric power during a given time period.

Financial

Earnings from Operations (shown in millions of dollars) measures PG&E Corporation's earnings power from ongoing core operations. They allow investors to compare the underlying financial performance of the business from one period to another, exclusive of items that management believes do not reflect the normal course of operations (items impacting comparability). Earnings from Operations are not calculated in accordance with GAAP. For a reconciliation of Consolidated Income Available for Common Shareholders as reported in accordance with GAAP to Earnings from Operations, see Exhibit A.

Exhibit D: Pacific Gas and Electric Company Sales and Sources Summary

First Quarter, 2017 vs. 2016

	Three Months Ended March 31,	
	2017	**2016**
Sales from Electric Energy Deliveries (in millions kWh)	19,538	19,540
Total Electric Customers at March 31	5,374,780	5,333,298
Total Gas Sales (in Bcf)	227	226
Total Gas Customers at March 31	4,464,473	4,433,903
Sources of Electric Energy (in millions kWh)		
Total Utility Generation	8,597	8,617
Total Purchased Power	7,291	8,539
Total Electric Energy Delivered (1)	19,538	19,540
Diablo Canyon Performance		
Overall Capacity Factor (including refuelings)	98%	100%
Refueling Outage Period	None	None
Refueling Outage Duration during the Period (days)	None	None

(1) Includes other sources of electric energy totaling 3,650 million kWh and 2,384 million kWh for the three months ended March 31, 2017 and 2016, respectively.

Please see the 2016 Annual Report on Form 10-K for additional information about operating statistics.

Exhibit E: PG&E Corporation's 2017 Earnings per Share Guidance as of May 2, 2017

2017 EPS Guidance		Low		High
Estimated EPS on a GAAP Basis	**$**	**3.57**	**$**	**3.82**
Estimated Items Impacting Comparability: (1)				
Pipeline related expenses (2)		0.14		0.09
Legal and regulatory related expenses (3)	~	0.01	~	0.01
Fines and penalties (4)	~	0.07	~	0.07
Butte fire related costs, net of insurance (5)		0.00		0.00
GT&S revenue timing impact (6)		(0.17)		(0.17)
Net benefit from derivative settlement (7)	~	(0.07)	~	(0.07)
Estimated EPS on an Earnings from Operations Basis (8)	**$**	**3.55**	**$**	**3.75**

All amounts presented in the table above are tax adjusted at PG&E Corporation's statutory tax rate of 40.75 percent except for fines, which are not tax deductible.

(1) "Items impacting comparability" represent items that management does not consider part of the normal course of operations and affect comparability of financial results between periods. See Exhibit G: Use of Non-GAAP Financial Measures.

(2) "Pipeline related expenses" includes costs incurred to identify and remove encroachments from transmission pipeline rights-of-way. The pre-tax range of estimated costs is shown below. The offsetting tax impacts for the low and high EPS guidance range are $51 million and $33 million, respectively.

	2017			
(in millions, pre-tax)		**Low EPS guidance**		**High EPS guidance**
Pipeline related expenses	$	125	$	80

(3) "Legal and regulatory related expenses" includes costs incurred in connection with various enforcement, regulatory, and litigation activities regarding natural gas matters and regulatory communications. The pre-tax range of estimated costs is shown below. The offsetting tax impact for the low and high EPS guidance range is $4 million.

	2017			
(in millions, pre-tax)		**Low EPS guidance**		**High EPS guidance**
Legal and regulatory related expenses	~$	10	~$	10

(4) "Fines and penalties" includes fines and penalties resulting from various enforcement, regulatory, and litigation activities regarding natural gas matters and regulatory communications. Guidance is consistent with the 2017 components of the $1.6 billion San Bruno Penalty Decision in the gas transmission pipeline investigations, the disallowances imposed by the CPUC in its final phase two decision in the 2015 GT&S rate case for prohibited *ex parte* communications, and the settlement filed with the CPUC related to the *Order Instituting an Investigation into Compliance with Ex Parte Communication Rules*. Guidance does not include amounts for other potential future fines and penalties. The pre-tax range of estimated costs is shown below. The offsetting tax impact for the low and high EPS guidance range is $24 million.

	2017			
(in millions, pre-tax)		**Low EPS guidance**		**High EPS guidance**
Charge for disallowed expense	$	32	$	32
GT&S ex parte disallowance		15		15
Ex Parte OII Settlement	~	13	~	13
Fines and penalties	**~$**	**60**	**~$**	**60**

Exhibit E: PG&E Corporation's 2017 Earnings per Share Guidance as of May 2, 2017

(5) "Butte fire related costs, net of insurance" includes recorded legal costs of $3 million during the three months ended March 31, 2017, associated with the Butte fire, net of insurance. The Utility currently is unable to estimate the low and high end of the range of Butte fire related third-party claims and legal costs for 2017. The offsetting tax impact for the low and high EPS guidance range is $1 million.

	2017	
(in millions, pre-tax)	**Low EPS guidance**	**High EPS guidance**
Butte fire related costs, net of insurance	$ 3	$ 3

(6) "GT&S revenue timing impact" refers to the revenues recorded in excess of the 2017 authorized revenue requirements as a result of the CPUC's final phase two decision issued on December 1, 2016 in the 2015 GT&S rate case. Accounting rules allow the Utility to recognize revenues in a given year only if they will be collected from customers within 24 months of the end of that year. Because the phase one decision directs the Utility to collect the difference between the adopted "interim" revenue requirements and the amounts previously collected in rates, retroactive to January 1, 2015, over a 36-month period, the Utility was not able to complete recording the full true-up of under-collected revenues until the first quarter of 2017. The pre-tax range of the recorded revenues is shown below. The offsetting tax impact for the low and high EPS guidance range is $62 million.

	2017	
(in millions, pre-tax)	**Low EPS guidance**	**High EPS guidance**
GT&S revenue timing impact	$ (150)	$ (150)

(7) "Net benefit from derivative settlement" refers to the settlement to resolve the consolidated shareholder derivative lawsuits and certain additional claims in the San Bruno Fire Derivative Cases filed on March 15, 2017. This amount includes insurance recoveries net of plaintiff costs. PG&E Corporation expects the final approval hearing will be held during the third quarter of 2017. The offsetting tax impact for the low and high EPS guidance range is $26 million.

	2017	
(in millions, pre-tax)	**Low EPS guidance**	**High EPS guidance**
Net benefit from derivative settlement	~$ (65)	~$ (65)

(8) "Earnings from operations" is a non-GAAP financial measure. See Exhibit G: Use of Non-GAAP Financial Measures.

Actual financial results for 2017 may differ materially from the guidance provided. For a discussion of the factors that may affect future results, see the Forward-Looking Statements.

Exhibit F: 2017 General Earnings Sensitivities as of May 2, 2017
PG&E Corporation and Pacific Gas and Electric Company

Variable	Description of Change	Estimated 2017 Earnings Impact
Rate base	+/- $100 million change in allowed rate base	+/- $5 million
Return on equity (ROE)	+/- 0.1% change in allowed ROE	+/- $18 million
Share count	+/- 1% change in average shares	+/- $0.04 per share
Revenues	+/- $9 million change in at-risk revenue (pre-tax), including Electric Transmission and Gas Transmission and Storage	+/- $0.01 per share

These general earnings sensitivities on factors that may affect 2017 earnings are forward-looking statements that are based on various assumptions. Actual results may differ materially. For a discussion of the factors that may affect future results, see the Forward-Looking Statements.

Exhibit G: Use of Non-GAAP Financial Measures

PG&E Corporation and Pacific Gas and Electric Company: Use of Non-GAAP Financial Measures

PG&E Corporation discloses historical financial results and provides guidance based on "earnings from operations" in order to provide a measure that allows investors to compare the underlying financial performance of the business from one period to another, exclusive of items impacting comparability.

"Earnings from operations" is a non-GAAP financial measure and is calculated as income available for common shareholders less items impacting comparability. "Items impacting comparability" represent items that management does not consider part of the normal course of operations and affect comparability of financial results between periods, including certain pipeline related expenses, certain legal and regulatory related expenses, fines and penalties, Butte fire related costs, impacts of the 2015 GT&S rate case, and insurance recoveries for natural gas matters. PG&E Corporation uses earnings from operations to understand and compare operating results across reporting periods for various purposes including internal budgeting and forecasting, short- and long-term operating planning, and employee incentive compensation. PG&E Corporation believes that earnings from operations provide additional insight into the underlying trends of the business allowing for a better comparison against historical results and expectations for future performance.

Earnings from operations are not a substitute or alternative for GAAP measures such as consolidated income available for common shareholders and may not be comparable to similarly titled measures used by other companies.

Tax Reform Helps Affordability and Creates Potential for Future Investments

	1. Lower Corporate Tax Rate	2. Loss of Interest Expense Deduction	3. Full Expensing of Capital Expenditures
Utility	• Excess deferred taxes flow back to customers • Lower net cost of service revenues going forward	• Higher costs borne by customers	• Minimal near-term impact given net operating loss • Reduced ratebase growth in the future
Holding Company	• Reduction in deferred tax asset – shareholder impact	• Limited impact due to low outstanding debt balances	

Net Deferred Tax Liability (Asset) (millions, pre-tax) as of December 31, 2016	**Utility**	**Holding Company**
Property-related and other	$ 12,110	$ (50)
Operating loss carryforward	(1,600)	(250)
Net deferred tax liability (asset)	$ 10,510	$ (300)

Geisha J. Williams

Geisha J. Williams
Chief Executive Officer (CEO) and President
PG&E Corporation

Geisha J. Williams was elected CEO and President of PG&E Corporation, effective March 1, 2017. Williams has more than three decades of experience in the utility industry.

Williams and her team are responsible for the end-to-end delivery of safe, reliable, affordable and clean electricity and gas to 16 million people in northern and central California. Her focus on renewables integration, grid modernization and smart grid technologies has resulted in PG&E customers benefitting from the best electric reliability in company history while also receiving energy that is nearly 70 percent greenhouse gas free. Williams previously was the Utility's President, Electric (August 2015 – February 2017) and Executive Vice President, Electric Operations (June 2011 to August 2015). In her role as President, Williams led all aspects of the Utility's electric business, including power generation, nuclear operations, transmission, distribution, and substation operations, asset management and strategy, energy procurement and customer care.

Before joining PG&E, Williams worked at Florida Power and Light (FPL) for 24 years. She served in a number of roles during her tenure there including Vice President of Power Systems, Electric Distribution. In this role, she was responsible for all aspects of the electric distribution infrastructure serving FPL's 4.4 million customers, including asset management and planning, engineering, construction, maintenance and restoration. During her time at FPL, she considers the company's restoration and recovery efforts in response to seven hurricanes that made landfall in a 15-month period as one of her proudest accomplishments.

Williams is a director at the Edison Electric Institute, the Institute of Nuclear Power Operations, and the Association of Edison Illuminating Companies. She also serves as the board chair for the Center for Energy Workforce Development and is an active participant in Executive Women in Energy.

Her involvement with the community includes serving as a trustee of the California Academy of Sciences and a member of the University of Miami President's Council. She is a five-time recipient of the Bay Area Most Influential Women in Business Award, and in 2014 she was honored with Leadership California's Trailblazer Award.

Williams holds a bachelor's degree in engineering from the University of Miami and a master's degree in business administration from Nova Southeastern University.

She lives in the Bay Area with her family.

Nick Stavropoulos

Nick Stavropoulos
President & Chief Operating Officer
Pacific Gas and Electric Company

Nick Stavropoulos serves as President and Chief Operating Officer of Pacific Gas and Electric Company and has more than 35 years of experience in the U.S. and international energy industry. He oversees a diverse workforce of more than 23,000 employees across electric, gas, generation and nuclear operations as well as corporate support functions. He also serves on the utility’s board of directors.

Today, he and his team are responsible for the end-to-end delivery of safe, reliable, affordable and clean electric and gas service to 16 million people across PG&E's 70,000 square mile service area in northern and central California. PG&E’s energy portfolio is one of the cleanest in the nation with more than 60 percent of its portfolio coming from carbon-free energy sources.

Stavropoulos is a passionate advocate for workplace safety and safety culture. Under his leadership, PG&E’s gas business has earned or qualified for international certifications including ISO 55000; PAS 55001; API RP 1173; and RC 14001. PG&E is the only North American utility to currently hold these third party certifications.

Prior to joining PG&E, Stavropoulos served as Executive Vice President and Chief Operating Officer for National Grid, an electricity and natural gas delivery company serving nearly seven million customers in the Northeast United States. As COO, he was responsible for all aspects of its U.S. gas distribution business. Throughout his career, he held a number of senior leadership positions with successive levels of responsibility, including Chief Financial Officer, at Keyspan’s predecessor companies – Colonial Gas Company and Boston Gas.

Stavropoulos is an internationally sought after speaker on the topics of leadership and safety culture. In recent years, he has delivered keynote speeches at the International Atomic Energy Agency; National Safety Council’s Campbell Institute; Institute of Engineering and Technology/The Institute of Asset Management Conference; International Safety Culture Symposium; and Global Safety Culture Conference.

Stavropoulos is a member of the Board of Directors for the American Gas Association, Gas Technology Institute as well as a member of the Advisory Board for Underwriters Laboratory’s Integrated Health and Safety Institute. He holds a bachelor's degree in accounting from Bentley College and a master’s degree in business administration from Babson College. He sits on the board of his alma mater Bentley University and has served on multiple public and not-for-profit boards including chairing audit committees. A native New Englander, he lives in San Francisco and is an avid Soul Cycler.

Anthony F. Earley, Jr.

Anthony F. Earley, Jr.
Executive Chair
PG&E Corporation

Anthony F. Earley, Jr., is Executive Chair of the Board of PG&E Corporation. Earley joined PG&E in September 2011 as Chairman, Chief Executive Officer, and President after 17 years at DTE Energy, where he served as Executive Chairman, Chairman, and Chief Executive Officer.

Since joining PG&E, Earley has spearheaded major initiatives related to safety culture, operational excellence, long-term integrated planning, and workforce development. Under Earley's leadership, PG&E has experienced the highest reliability in its over 150-year history. PG&E also continues to grow its environmentally friendly generation portfolio, with more than 50 percent of its assets having no carbon emissions.

As former chairman of the Edison Electric Institute (EEI), the trade association of investor utilities, Earley was directly involved in the development of national policies on energy, the environment, and climate change issues. In 2014, Earley received EEI's Distinguished Leadership Award for his decades of contributions to the electric power industry. He also served as chair of the Nuclear Energy Institute.

Earley earned a Bachelor of Science degree in physics, a Master of Science degree in engineering, and a law degree at the University of Notre Dame, where he serves on the advisory council of the College of Engineering. After graduating from Notre Dame, Earley went on to serve as an officer in the United States Navy nuclear submarine program, where he was qualified as a chief engineer officer. He joined DTE Energy as president and chief operating officer in March 1994. Prior to joining DTE Energy, Earley served in various capacities at Long Island Lighting Company, including president and chief operating officer. He was also a partner at the Hunton & Williams law firm.

Earley serves on the executive committees of the Edison Electric Institute and the Nuclear Energy Institute and is a board member of the Electric Power Research Institute. He is also on the board at Ford Motor Company.
His commitment to the community includes memberships on the boards of United Way Bay Area, The Exploratorium, a science, arts, and human perception museum based in San Francisco, and the Bay Area Council. Earley was named 2015 Philanthropic CEO of the Year by the American Red Cross of the Bay Area. His community service was also recognized by readers of The Detroit News, and in 2003 he was selected as one of the several Michiganians of the Year.

Jason P. Wells

Jason P. Wells
Senior Vice President and Chief Financial Officer
PG&E Corporation

Jason P. Wells is Senior Vice President and Chief Financial Officer for PG&E Corporation. Wells oversees the financial activities of the $50 billion company including accounting, treasury, tax, risk, business and financial planning, and investor relations.

Wells began his career at PricewaterhouseCoopers, LLC, where he was most recently a senior manager. In 2007, Wells joined PG&E as the Director of technical accounting and was promoted to Senior Director and Assistant Controller of corporate accounting in 2008. In 2011, Wells became Vice President, Finance. He assumed his current position on January 2016.

He earned his bachelor's and master's degrees in accounting from the University of Florida. Wells is a Certified Public Accountant in the state of Florida. He currently serves as the Treasurer and on the board of Habitat for Humanity Greater San Francisco.

Patrick M. Hogan

Patrick M. Hogan
Senior Vice President of Electric Operations
Pacific Gas and Electric Company

Patrick M. Hogan is Senior Vice President of Electric Operations at Pacific Gas and Electric Company.

Hogan oversees PG&E's electric transmission and distribution system, which delivers safe and reliable energy to more than 16 million people throughout Northern and Central California. In addition to his electric responsibilities, Hogan has enterprise-wide responsibility for PG&E’s Transportation Services organization, managing over 14,000 vehicles and pieces of equipment.

Prior to his promotion to Senior Vice President of Electric Operations in 2016, Hogan served as Vice President of Electric Strategy & Asset Management where he oversaw the company's electric transmission and distribution assets. Hogan also led the development and deployment of technology into PG&E's electric system.

Before joining PG&E in 2013, Hogan held leadership and officer roles in transmission, distribution, operations, engineering and asset management at British Columbia Hydro, National Grid, and KeySpan.

Originally from New York, Hogan holds a bachelor's and master's degree in electrical engineering from Manhattan College and a master's degree in business administration from Hofstra University. His community involvement includes serving on the board of the San Francisco Ballet, and he currently resides in San Francisco.

Jesus Soto Jr.

Jesus Soto Jr.
Senior Vice President, Gas Operations
Pacific Gas and Electric Company

Jesus Soto Jr. is the Senior Vice President of Gas Operations for Pacific Gas and Electric Company. He is responsible for overseeing and executing the day-to-day operations of the second largest natural gas system in the United States. PG&E's natural gas system provides safe, reliable, affordable and clean gas service to 16 million people in northern and central California.

Soto is passionate about public and employee safety and PG&E's Gas Operations earned ISO 55000 and PAS 55001 international certifications for the company's enhancements in gas asset management. PG&E is the only North American utility to currently hold these third party certifications. Through his leadership, PG&E was the first utility to deploy a state-of-the-art leak detection technology that is 1,000 times more sensitive than conventional leak detection tools. Soto's commitment to safety has led to a significant reduction in the time it takes PG&E to respond to gas odor calls.

Most recently, Soto served as Vice President of Operations Services for El Paso Corporation's Pipeline Group in Houston, TX. He led the technical services and support functions for pipeline operations and oversaw measurement, compression, reservoir and pipeline systems and Department of Transportation compliance. He was also responsible for risk and integrity management, public awareness and emergency response. Prior to that, Soto was vice president of engineering and construction, leading the engineering and construction programs for ANR Pipeline, El Paso Natural Gas, Colorado Interstate Gas, Southern Natural Gas and Tennessee Gas Pipeline for onshore and offshore facilities.

Soto holds a Bachelor of Science in civil engineering from the University of Texas at El Paso, a master's degree in civil engineering from Texas A&M University, and a Master of Business Administration degree from the University of Phoenix.

David S. Thomason

David S. Thomason
Vice President and Controller
PG&E Corporation

Vice President, Chief Financial Officer and Controller
Pacific Gas and Electric Company

David S. Thomason is Vice President and Controller of PG&E Corporation, as well as Vice President, Chief Financial Officer and Controller of Pacific Gas and Electric Company.

Thomason joined PG&E in 2001 as a senior accounting analyst after starting his career with Arthur Andersen in Portland. During his 16 years at PG&E, he has held a multitude of roles, growing as a leader and gaining additional responsibilities with each new position. Functional areas he has overseen include external financial reporting, revenue forecasting, planning and analysis, corporate accounting and more.

Thomason received a Master's degree in Business Administration from University of California, Berkeley, and a Bachelor's degree in Accounting from University of Oregon, Eugene. He holds registrations as a Certified Public Accountant in the states of California and Oregon.

Separate Rate Cases Maintain Focus on Specific Assets

	General Rate Case	Gas Transmission and Storage Case	Transmission Owner Case
Regulatory Jurisdiction	CPUC	CPUC	FERC
Time Period of Current Rate Case	2017-2019	2015-2017	2017
Revenue Requirement	$8.0B (1)	$1.3B	$1.7B (2)
ROE (2017)	10.4%	10.4%	10.9% (3)
Key Next Steps	Final decision anticipated in Q2 2017	Implementation of GT&S decisions	January 2018 Hearings

(1) All-party settlement agreement
(2) Requested amount
(3) FERC TO cases have typically been settled black box without an explicit ROE; FERC ROE is inclusive of 50 basis points adder. PG&E's objective is to earn the CPUC authorized 10.4% ROE across the enterprise

2017 CPUC General Rate Case

- September 1, 2015 – Filed CPUC application requesting 2017 - 2019 revenues
- August 3, 2016 – Filed all-party settlement agreement
- February 27, 2017 – ALJ issued proposed decision (PD) adopting the settlement agreement with modifications
- April 4, 2017 – Assigned Commissioner Picker issued an alternative proposed decision (APD)

Year	Increase Proposed in Settlement Agreement and APD ($ millions)	Increase Proposed in PD ($ millions)	Difference (Decrease) from PD to the Settlement & Alternate PD ($ millions)
2017	$ 88	$ 86	($ 2)
2018	$ 444	$ 444	$ 0
2019	$ 361	$ 361	$ 0

- The PD would approve the settlement with modifications, including:
  - A broader tax memorandum account to track any differences between forecasted income tax expense and actual income tax expense
  - A $24 million increase in capital expenditures to fund Rule 20A undergrounding work
  - A requirement that PG&E submit a stand-alone application to recover customer outreach and other costs incurred as a result of rate reform implementation
- The PD also would deny the third attrition year and the proposed new balancing account for gas leak management requirements, arguing that both should be considered in other proceedings
- The APD maintains each of the above changes with the exception of the increased funding for Rule 20A work which it restored to the settlement amount
- Assigned Commissioner: Picker
  Administrative Law Judge: Roscow

2015 CPUC Gas Transmission and Storage Rate Case

- December 1, 2016 – CPUC voted out a final Phase 2 decision consistent with proposed decision

Revenue Requirement ($ millions)	Utility Requested Revenue Requirement	Phase 2 Decision Revenue Requirement	Difference (Decrease)*
2015	$ 1,263	$ 815	($ 448)
2016	$ 1,346	$ 1,061	($ 285)
2017	$ 1,488	$ 1,125	($ 363)
2018	$ N/A	$ 1,230	$ N/A

Assigned Commissioner: Peterman
Administrative Law Judge: Dudney

*Difference compares Utility Requested Revenue Requirement to Phase 2 Decision Revenue Requirement

FERC Transmission Owner Rate Case

TO18 (2017 Revenues)

- July 29, 2016 **–** Filed TO18 with FERC requesting $1.7 billion revenue requirement, a $400 million increase over approved TO17
  - ROE (inclusive of 50 basis points adder) 10.90%
  - Cap ex ~$1.3B
  - WAVG Ratebase ~$6.7B
- March 16, 2017 – Parties notified settlement judge of impasse
- January 2018 – Hearings scheduled, with initial decision expected on or before June 1, 2018

TO19 (2018 Revenues)

- TO19 case expected to be filed in mid to late summer 2017

Distributed Resources

Distributed Energy Resources (DER) Action Plan

- In December 2016, the CPUC adopted a DER Action Plan which is intended to be a roadmap to coordinate the development of DER policy across proceedings in three areas:
  - Rates and tariffs
  - Distribution grid infrastructure, planning, interconnection and procurement
  - Wholesale DER market integration and interconnection

Distribution Resources Plan (DRP)

- DRP proceeding is about integrating cost effective DERs into the utility's planning, operations, and investment decisions; the DRP proceeding is evaluating criteria for grid modernization investments, a framework for how to incorporate DER solutions into our distribution capital plans, as well as DER adoption forecasting processes

Integrated Distributed Energy Resources (IDER)

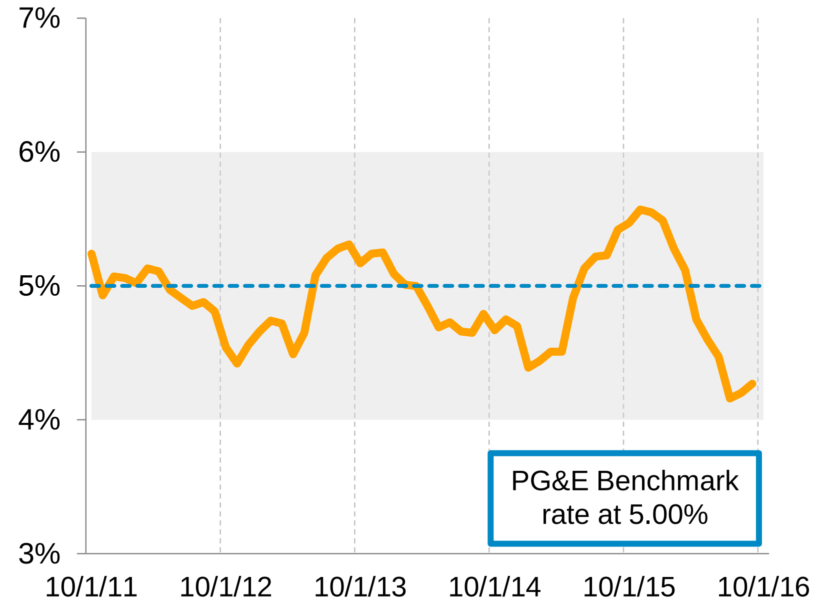
- The IDER proceeding is examining how to create sourcing options that encourage DER deployment to areas and times of most value to the grid, and is considering DER valuation and cost-effectiveness in addition to piloting a utility incentive mechanism

CPUC Cost of Capital

Structure and Cost

	Capital Structure	2017 Cost	2018-19 Cost (1)(2)
Common Equity	52%	10.40%	10.25%
Preferred Stock	1%	5.60%	TBD (3)
Long-Term Debt	47%	5.52%	TBD (3)
Weighted Average Cost of Capital		**8.06%**	**TBD**

Trigger Mechanism
Moody's Baa Utility Index



- On February 7, 2017, PG&E, the other California IOUs, TURN, and ORA jointly filed a petition to modify our 2018 and 2019 cost of capital and extend the deadline for filing our next application; the petition is pending
- Under the terms of our agreement, the trigger mechanism would be suspended through 2018
- Should the extension be approved, the next cost of capital application is expected to be filed in April 2019

(1) The 2018-2019 cost of common equity is pending approval at the CPUC
(2) 2019 is subject to trigger mechanism
(3) The long-term debt and preferred stock cost will be reset later in the year to reflect actual embedded costs as of the end of August 2017 and forecasted interest rates for the new long-term debt scheduled to be issued for the remainder of 2017 and all of 2018

Electric Vehicle Infrastructure

Light Duty Electric Vehicle Infrastructure

- December 15, 2016 – CPUC voted out a final decision authorizing $130M of spend ($109M capital, $21M expense)

Medium to Heavy-Duty Transportation Electrification

- January 20, 2017 – Filed CPUC application requesting approval of up to $253M in costs ($211M capital, $42M expense) for 3 programs to support transportation electrification for medium to heavy-duty vehicles and public fast charging

Capital Investment ($ millions) (1)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Electric Vehicle Infrastructure	$32	$32	$40	$47	$60	$211

(1) Annual proposed breakdown results may vary

Energy Storage

Energy Storage RFO

- CPUC Storage Rulemaking (R.10-12-007) established 1,325 MW target for all IOUs (580 MW target for PG&E) by 2024 with up to 50% utility ownership of transmission and distribution projects; first projects expected to come on line in May 2017
- CPUC's Decision establishes biennial procurement targets, including 4 solicitations
- December 1, 2016 – Second solicitation was issued, targeting 120 MWs:
  - Transmission 65 MW
  - Distribution 40 MW
  - Customer 15 MW
- The total procurement target has been expanded up to 150 MW in order to cover the 2016 target (120 MW) and shortfall from the 2014 ES RFO

AB 2868

- AB 2868 authorizes up to 500 MW of additional distribution and customer connected energy storage, allocated equally across the three IOUs; utility ownership is permitted
- On April 27, 2017 the CPUC approved a final decision which would require the IOUs to propose programs and investments for up to 167 additional MW of distributed energy storage resources in their 2018 energy storage procurement plan applications
- The decision also requires the IOUs to propose reasonable mechanisms for cost allocation and cost recovery as part of their plans

Residential Rate/NEM Decisions

Residential Rate Design OIR Decision

- The CPUC reviewed residential rate structure and issued a decision in July 2015 which:
  - Transition from 4 to 2 tiers by 2019, with 1:1.25 ratio; Currently at 2 tiers, with 1:1.38 ratio
  - "High Usage Surcharge" added in 2017 for consumption at or above 400% of baseline
  - No fixed charges in near-term, but adopts a $10 minimum bill for non-CARE customers
  - Requires the IOUs to file TOU rate proposals by January 2018, with pilots in 2016

NEM 2.0

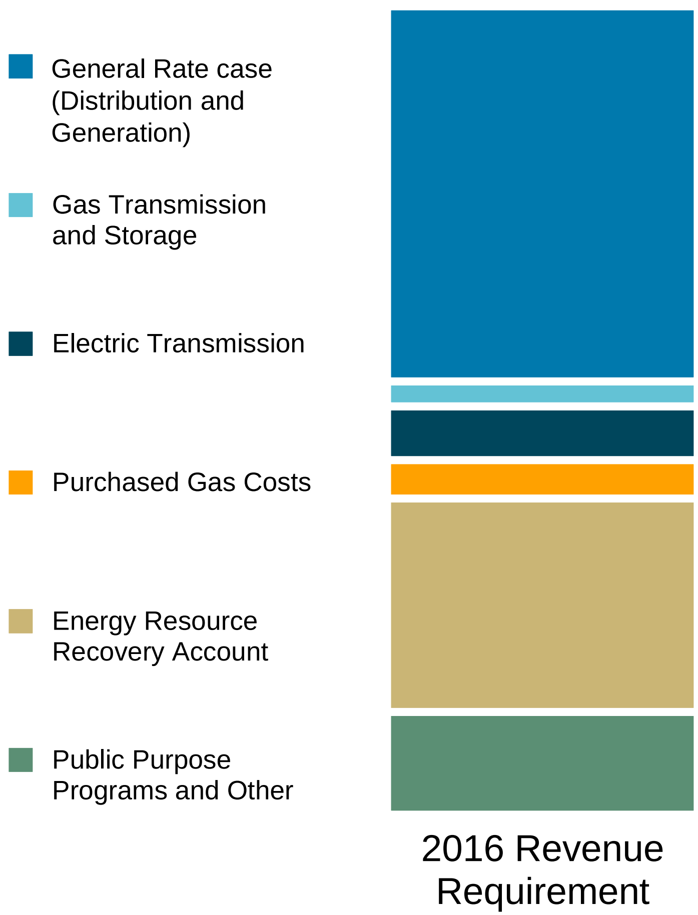
- The CPUC largely left NEM 1.0 rates in place, although its decision requires NEM 2.0 customers to take service under one of PG&E's current TOU rates and to pay non-bypassable charges and small interconnection fees
- In December 2016, PG&E passed its NEM cap
- The CPUC has stated it will review NEM in 2019

Time of Use Rates

- In the DER Action Plan, the CPUC affirmed its intention to implement default TOU rates for all residential customers in 2019
- Currently, PG&E has an opt-in TOU rate schedules available to customers; the peak for one is 4pm - 9pm, and the other is 3pm - 8pm transitioning to 4pm - 9pm in 2020
- PG&E will file our default TOU rate proposal, with a number of TOU options, with the CPUC by January 1, 2018; the peak period for default rates in 2019 is expected to be from 4-9 pm

Breakdown of 2016 Total Revenue Requirement

Revenue Requirement Component | **2016 Revenue Requirement ($ in M)**



56% Base — **~$9,900 M**

- Includes costs to own and operate our assets
- Earning the authorized rate of return depends on ability to manage costs within rate case outcomes

31% Procurement — **~$5,500 M**

- Pass Through

13% Public Purpose Programs — **~$2,250 M**

- Pass Through

~$17,650 M

Description of Gas System Safety Recognition

ISO 55001

ISO (International Organization for Standardization) 55001 enables the development of an effective asset management system so that an organization can achieve its objectives consistently and sustainably over time. ISO consists of members from the national standards bodies of 162 countries and has published more than 19,500 international standards.

PAS 55

PAS (Publicly Available Specification) 55 is a rigorous specification for optimized management of physical assets with widespread recognition among utilities, transport, mining, process and manufacturing industries worldwide. PAS 55 was developed by the Institute for Asset Management and published by the British Standards Institution.

RC 14001

RC (Responsible Care) 14001 is the chemical industry standard issued through the American Chemistry Council (ACC) for process and product safety; community communications; security and safety, health, environmental (SHE) practices. A third party audit reviewed end-to-end safety processes at the company, ultimately approving PG&E as the first utility to secure the certification.

API 1173

API RP (American Petroleum Institute Recommended Practice) 1173 outlines specific best practices for safe and effective pipeline operations underpinned by a healthy safety culture. PG&E joined other gas pipeline organizations, along with the National Transportation Safety Board and the Pipeline and Hazardous Materials Safety Administration to help co-author the standard.

Credit Metrics and Ratings

	Fitch	Moody's	S&P
Pacific Gas and Electric Company			
Senior Unsecured Debt	A	A3	BBB+
Short-term Debt	F2	P-2	A-2
Outlook	Stable	Positive	Positive
PG&E Corporation			
Senior Unsecured Debt	A-	Baa1	BBB
Short-term Debt	F2	P-2	A-2
Outlook	Stable	Positive	Positive