



# PG&E Corporation

**Fourth Quarter Earnings Call  
February 21, 2013**



This presentation is not complete without the accompanying statements made by management during the webcast conference call held on February 21, 2013.

This presentation, including Exhibits, and the accompanying press release, were attached to PG&E Corporation's Current Report on Form 8-K that was furnished to the Securities and Exchange Commission on February 21, 2013 and, along with the replay of the conference call, are also available on PG&E Corporation's website at [www.pge-corp.com](http://www.pge-corp.com).



# Key Focus Areas

## Resolve gas issues

- Execute critical gas work
- Complete regulatory proceedings as soon as possible

## Position company for success

- Rigorous multi-year planning
- Drive continuous improvement

## Rebuild relationships and partner effectively

- Strengthen local presence
- Engage in public policy development



# Regulatory and Operational Updates

## Regulatory Update

- **Cost of capital** – 10.4% ROE, 52% equity ratio
- **Oakley plant approved** – rate base no earlier than 2016
- **Pipeline Safety Enhancement Plan** – through 2014
- **Filed 2014 GRC request** – schedule issued by ALJ
- **Transmission Owner case** – 9.1% ROE compliance filing

## Executing on Operations

### 2012 Results

- Strength tested 175 miles and replaced 40 miles of pipe
- Installed 46 automatic or remote shutoff valves
- Enhanced electric reliability with smart distribution circuits
- Improved Customer Satisfaction Survey scores



## Q4 and Full Year 2012: Earnings Results

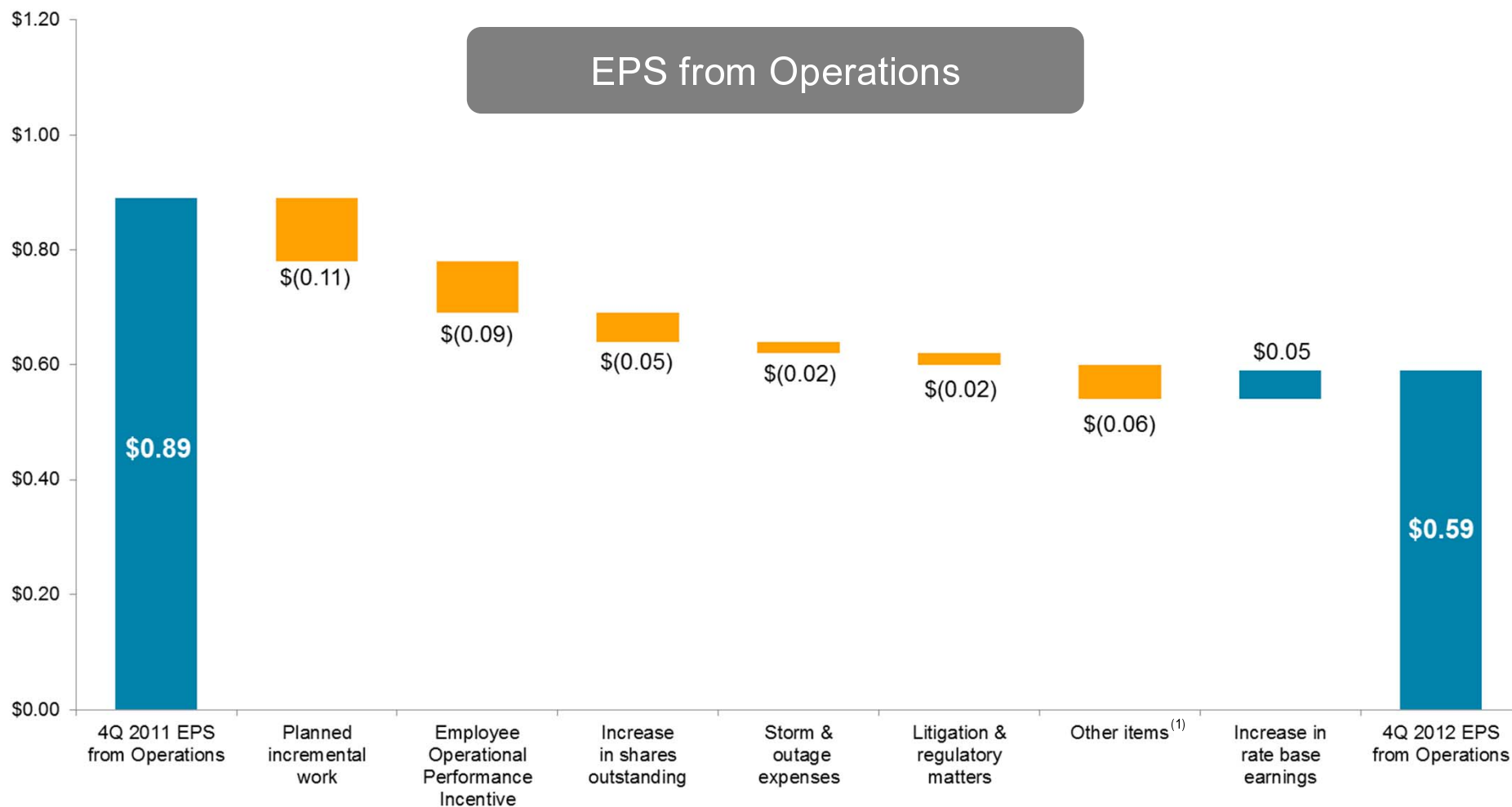
|                                 | Q4                     |                  | 2012                   |                |
|---------------------------------|------------------------|------------------|------------------------|----------------|
|                                 | Earnings<br>(millions) | EPS              | Earnings<br>(millions) | EPS            |
| Earnings from Operations        | \$ 253                 | \$ 0.59          | \$ 1,367               | \$ 3.22        |
| Items Impacting Comparability   |                        |                  |                        |                |
| Natural Gas Matters             | (259)                  | (0.60)           | (488)                  | (1.15)         |
| Environmental-Related Costs     | (7)                    | (0.02)           | (63)                   | (0.15)         |
| <b>Earnings on a GAAP Basis</b> | <b>\$ (13)</b>         | <b>\$ (0.03)</b> | <b>\$ 816</b>          | <b>\$ 1.92</b> |

| Natural Gas Matters<br>(millions, pre-tax) |                 |                 |
|--|-----------------|-----------------|
|  | Q4              | 2012            |
| Pipeline-related costs                     | \$ (106)        | \$ (477)        |
| Disallowed capital                         | (353)           | (353)           |
| Penalties                                  | (17)            | (17)            |
| Contribution to City of San Bruno          | -               | (70)            |
| Third-party liability claims               | -               | (80)            |
| Insurance recoveries                       | 50              | 185             |
| <b>Total</b>                               | <b>\$ (426)</b> | <b>\$ (812)</b> |

See Exhibit 3 in the Appendix for additional detail.



## Q4 2012: Q over Q Comparison



<sup>(1)</sup> Other items reflect energy efficiency incentive revenues and miscellaneous items. See Exhibit 5 in the Appendix for additional detail.

*EPS from Operations is not calculated in accordance with GAAP and excludes items impacting comparability. See Exhibit 3 in the Appendix for a reconciliation of EPS from Operations to EPS on a GAAP basis.*



# Assumptions for 2013 Guidance

## Capital Expenditures Forecast (\$ millions)

|                          | <u>2013</u>   |
|--------------------------|---------------|
| Electric Distribution    | 1,850         |
| Electric Transmission    | 850           |
| Gas Transmission         | 350           |
| Gas Distribution         | 800           |
| Generation               | 800           |
| <b>Separately Funded</b> |               |
| PSEP                     | <u>450</u>    |
| <b>Total CapEx</b>       | <b>~5,100</b> |

## Authorized Rate Base (weighted average) (\$ billions)

|                          | <u>2013</u>  |
|--------------------------|--------------|
| Electric Distribution    | 11.9         |
| Electric Transmission*   | 4.5          |
| Gas Transmission         | 1.8          |
| Gas Distribution         | 3.0          |
| Generation               | 4.5          |
| <b>Separately Funded</b> |              |
| PSEP                     | <u>0.3</u>   |
| <b>Total Rate Base</b>   | <b>~26.0</b> |

\*Electric Transmission rate base reflects full TO14 request

## Cost of Capital

|                        |       |      |
|------------------------|-------|------|
| <b>Authorized ROE:</b> | 10.4% | CPUC |
|                        | 9.1%  | FERC |
| <b>Equity Ratio:</b>   | 52%   |      |

## EPS Factors

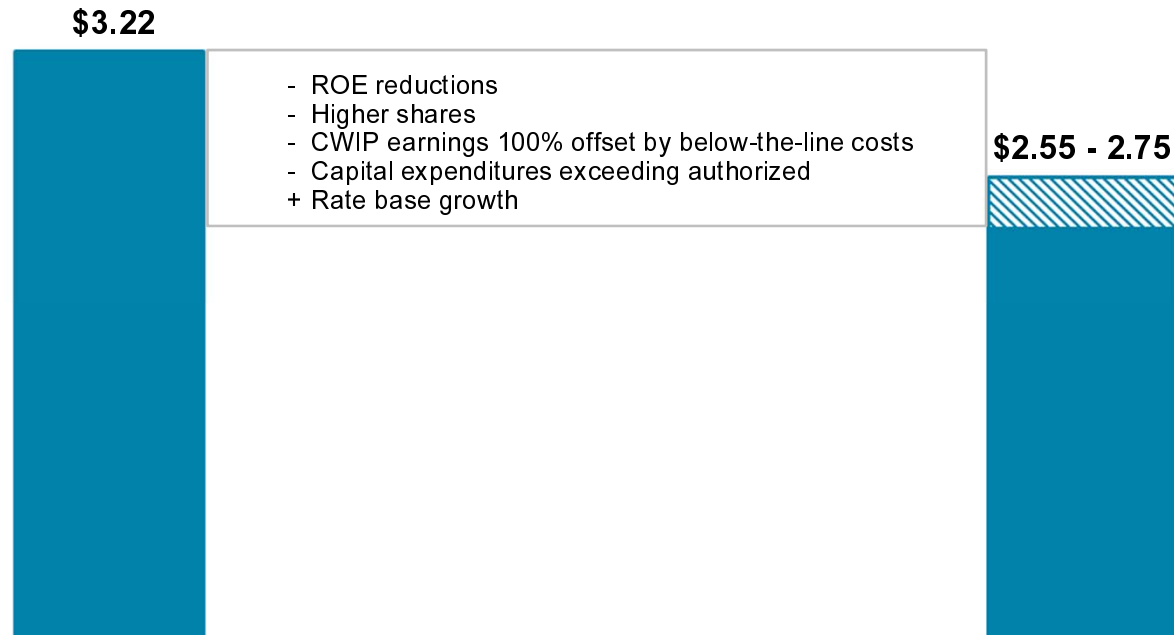
- Incremental O&M spending (\$250 M)
- Financing and depreciation costs for incremental capex (~\$1B)
- CWIP earnings 100% offset
- Lower gas storage revenues
- + Energy efficiency incentive revenues



# Earnings from Ops Comparison

2012 EPS from Operations

2013 EPS from Operations



*Earnings from Operations is not calculated in accordance with GAAP and excludes items impacting comparability.  
See Exhibits 3 and 8 in the Appendix for additional detail.*



## 2013 Natural Gas Matters

| (\$ millions)                              | 2013              |
|--|-------------------|
| Unrecovered PSEP Expense <sup>(1)</sup>    | 150 - 200         |
| Emerging Work <sup>(2)</sup>               | 175 - 225         |
| <i>Rights of Way Encroachment</i>          |                   |
| <i>Integrity Management and Other Work</i> |                   |
| Legal and other costs                      | 50 - 100          |
| <b>Pipeline Related Costs</b>              | <b>400 - 500*</b> |

\* Total does not equal the sum of the components

|                                |  |
|--------------------------------|--|
| <b>Penalties</b>               | Timing and magnitude depend on outcome of investigations |
| <b>Third Party Liabilities</b> | 0 - 145  |
| <b>Insurance Recoveries</b>    | Follows third-party claims                               |

<sup>(1)</sup> Unrecovered PSEP Expense includes what was previously called "PSEP" and "PSEP - Not Requested." Assumes no additional disallowed capital.

<sup>(2)</sup> For 2013 and 2014, right-of-way expense is expected to represent more than half of Emerging Work costs.

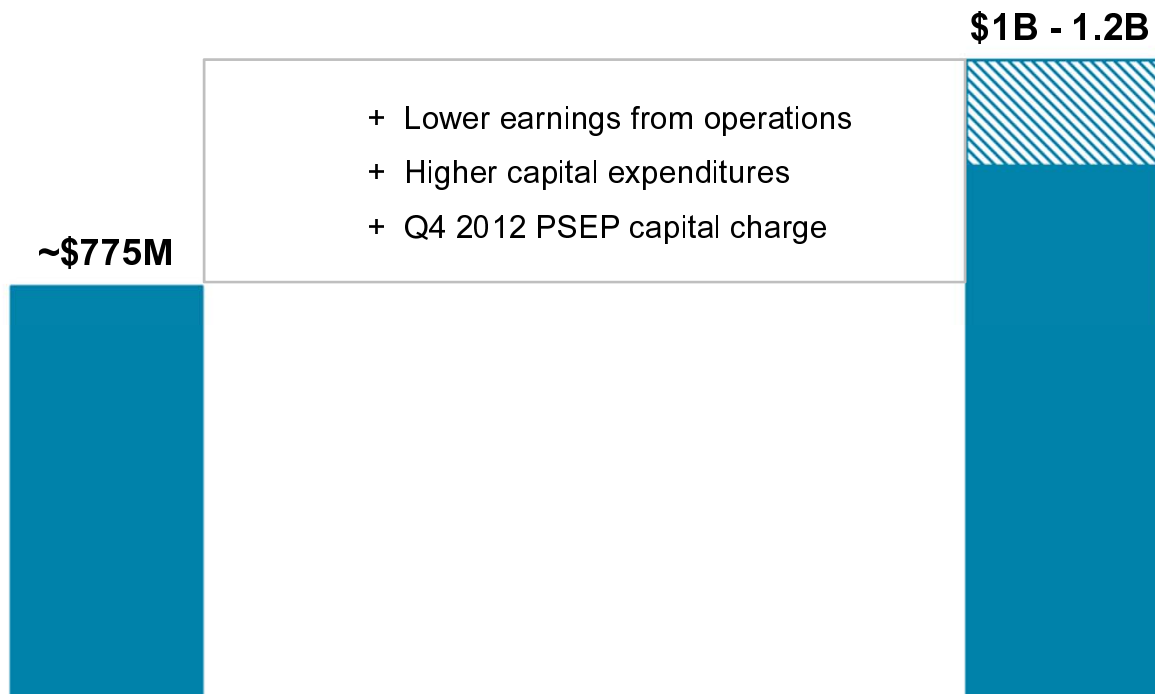




## 2013 Equity Issuance

2012

2013<sup>(1)</sup>



<sup>(1)</sup> The guidance range for 2013 does not include potential penalties (other than those already accrued).

See Exhibit 1 in the Appendix for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.



## 2013 EPS Guidance

|   | <b>Low</b>     | <b>High</b>    |
|---|----------------|----------------|
| EPS from Operations                     | \$ 2.55        | \$ 2.75        |
| Estimated Items Impacting Comparability |                |                |
| Natural Gas Matters                     | (0.85)         | (0.53)         |
| Environmental-Related Costs             | (0.04)         | 0.00           |
| <b>Estimated EPS on a GAAP Basis</b>    | <b>\$ 1.66</b> | <b>\$ 2.22</b> |

| <b>Natural Gas Matters<sup>(1)</sup></b><br>(millions, pre-tax) |                           |                            |
|---|---------------------------|----------------------------|
|   | <b>Low guidance range</b> | <b>High guidance range</b> |
| Pipeline-related costs  | \$ (500)                  | \$ (400)                   |
| Penalties   | -                         | -                          |
| Third-party liability claims                                    | (145)                     | 0                          |
| Insurance recoveries  | -                         | -                          |
| <b>Total</b>  | <b>\$ (645)</b>           | <b>\$ (400)</b>            |

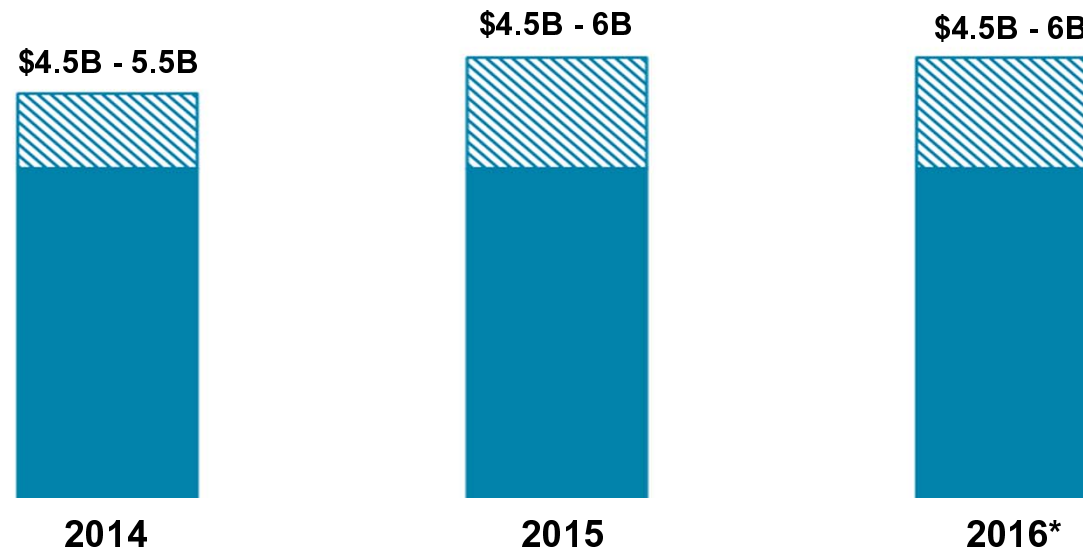
(1) The guidance range for 2013 does not include future insurance recoveries or potential penalties (other than those already accrued) or any potential punitive damages.

See Exhibit 1 in the Appendix for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.



# Looking Ahead: Capital Expenditures

## Capital Expenditures 2014 - 2016



The high end of the range reflects capex at GRC request levels, including attrition amounts for 2015 and 2016, and current views of other future gas and electric proceedings.

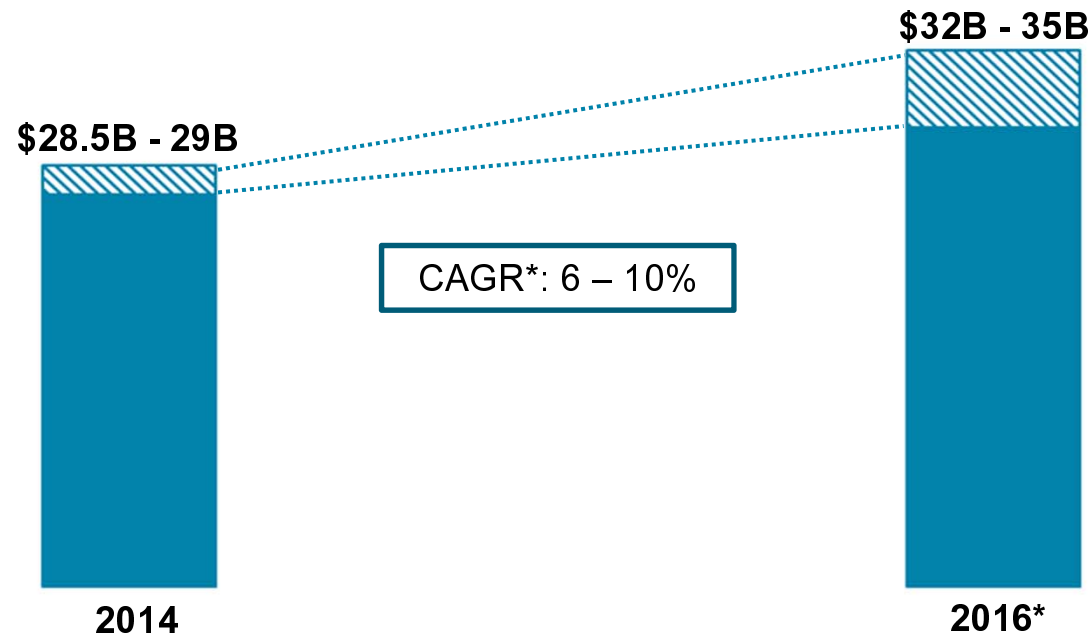
The low end reflects capex consistent with 2013 spending levels, adjusted for completion of the Cornerstone and Utility-owned Solar PV programs.

*\*Excludes Oakley Plant*



# Looking Ahead: Rate Base Growth

## Rate Base Growth 2014 - 2016



The high end of the range reflects capex at GRC request levels, including attrition amounts for 2015 and 2016, and current views of other future gas and electric proceedings.

The low end reflects capex consistent with 2013 spending levels, adjusted for completion of the Cornerstone and Utility-owned Solar PV programs.

*\*Excludes Oakley Plant*



# Looking Ahead: Natural Gas Matters

## Pipeline Related Costs

|                                  |           |   |
|----------------------------------|-----------|---|
| PSEP Costs                       | 2014      | Unrecovered costs continue  |
|                                  | 2015      | Future pipeline safety work incorporated in next Gas Transmission rate case |
| Emerging Work                    |           |   |
| <i>Right of Way Encroachment</i> | 2013-2017 | Roughly \$500 million of unrecovered costs                                  |
| <i>Integrity Management</i>      | 2014      | Unrecovered costs continue  |
|                                  | 2015      | Incorporated in next Gas Transmission rate case                             |
| Legal and other costs            | 2014      | Significant decrease  |

# Appendix





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## Exhibit 1: Safe Harbor Statement

**Management's statements regarding guidance for PG&E Corporation's future financial results and earnings from operations per common share, general earnings sensitivities, and the underlying assumptions about the future levels of capital expenditures, rate base, costs, and equity issuances, constitute forward-looking statements that are necessarily subject to various risks and uncertainties. These statements reflect management's judgment and opinions, which are based on current expectations and various forecasts, estimates, and projections, the realization or resolution of which may be outside of management's control. PG&E Corporation and the Utility are not able to predict all the factors that may affect future results. Some of the factors that could cause actual results to differ materially include:**

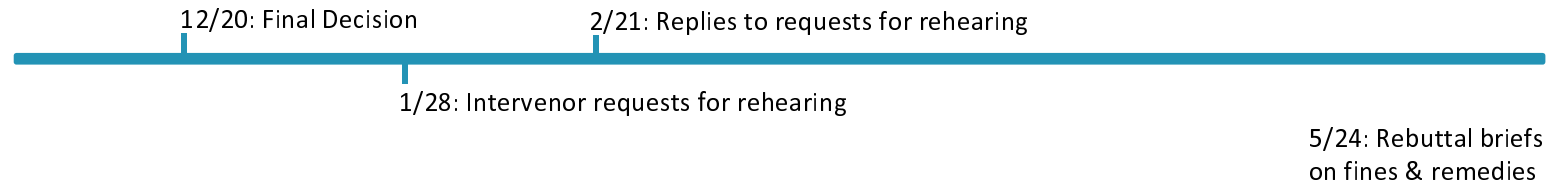
- the outcome of pending investigations related to the Utility's natural gas system operating practices and the San Bruno accident, including the ultimate amount of penalties (including criminal penalties, if any) and third-party liability the Utility incurs;
- the outcomes of ratemaking proceedings, such as the 2014 General Rate Case, the Transmission Owner rate case, and the 2015 Gas Transmission and Storage rate case;
- the ultimate costs the Utility incurs in the future that are not recovered through rates, including costs to perform work under the Pipeline Safety Enhancement Plan, to identify and remove encroachments from transmission pipeline easements, and to perform incremental work to improve the safety and reliability of electric and natural gas operations;
- the outcome of future investigations or enforcement proceedings relating to the Utility's compliance with laws, rules, regulations, or orders applicable to the operation, inspection, and maintenance of its electric and gas facilities;
- whether PG&E Corporation and the Utility are able to repair the reputational harm that they have suffered, and may suffer in the future, due to the negative publicity surrounding the San Bruno accident, the related civil litigation, and the pending investigations, including any charge or finding of criminal liability;
- the level of equity contributions that PG&E Corporation must make to the Utility to enable the Utility to maintain its authorized capital structure as the Utility incurs charges and costs, including costs associated with natural gas matters and penalties imposed in connection with the pending investigations, that are not recoverable through rates or insurance;
- the impact of environmental remediation laws, regulations, and orders; the ultimate amount of environmental remediation costs; the extent to which the Utility is able to recover such costs from third parties or through rates or insurance; and the ultimate amount of environmental remediation costs the Utility incurs in connection with environmental remediation liabilities that are not recoverable through rates or insurance, such as the remediation costs associated with the Utility's natural gas compressor station site located near Hinkley, California;
- the impact of new legislation, regulations, recommendations, policies, decisions, or orders relating to the operations, seismic design, security, safety, or decommissioning of nuclear generation facilities, the storage of spent nuclear fuel or cooling water intake;
- the occurrence of events, including cyber-attacks, that can cause unplanned outages, reduce generating output, disrupt the Utility's service to customers, or damage or disrupt the facilities, operations, or information technology and systems owned by the Utility, its customers, or third parties on which the Utility relies; and whether the occurrence of such events subject the Utility to third-party liability for property damage or personal injury, or result in the imposition of civil, criminal, or regulatory penalties on the Utility; and
- the other factors and risks discussed in PG&E Corporation and the Utility's 2012 Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission.



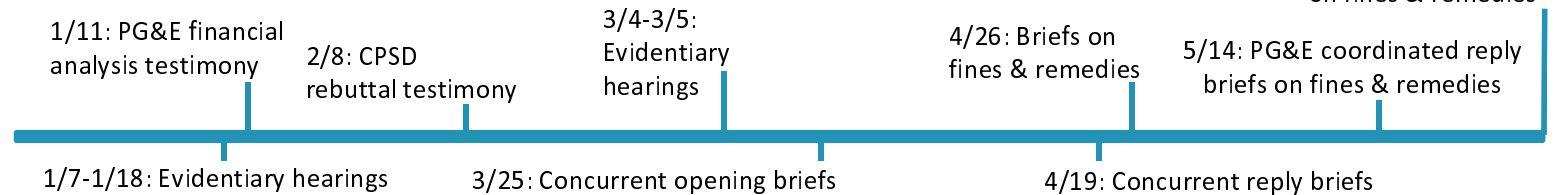


## Exhibit 2: Regulatory Calendar

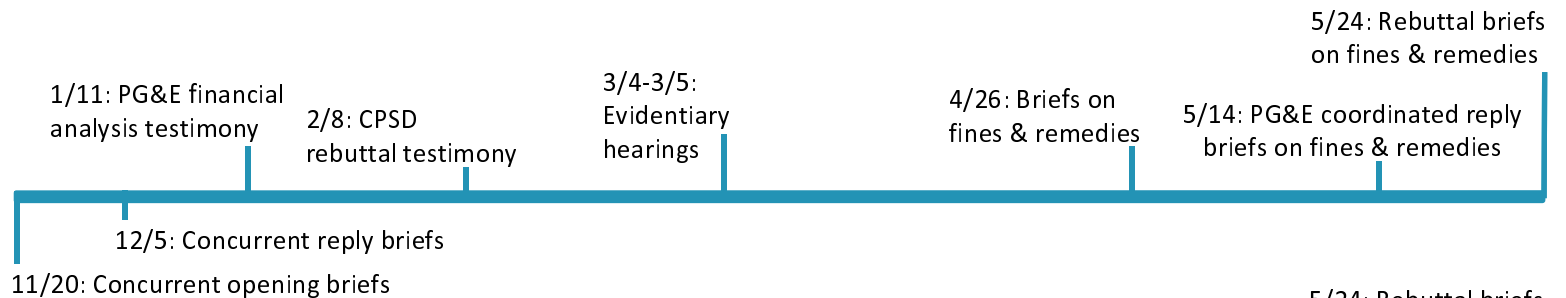
### Gas Pipeline Safety OIR R. 11-02-019



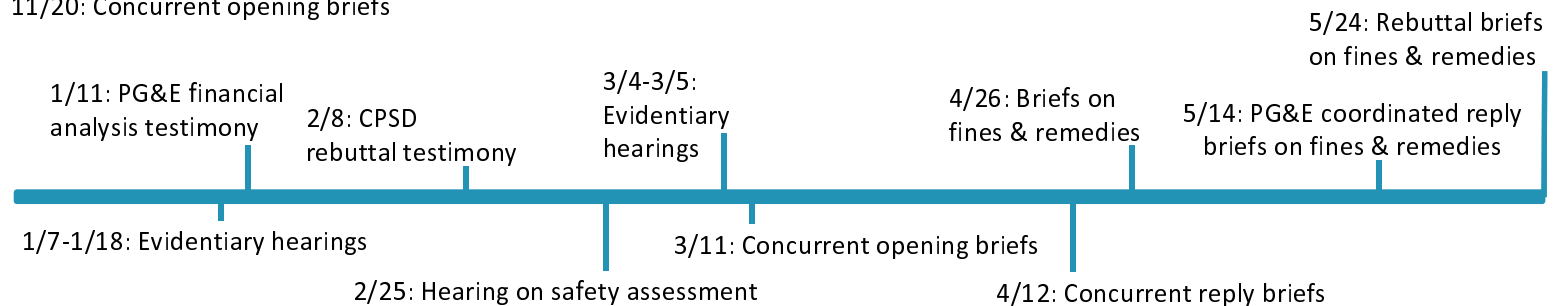
### Recordkeeping Oil I. 11-02-016



### Class Location Oil I. 11-11-009



### Gas Pipeline Oil I. 12-01-007





## Exhibit 3: Reconciliation of PG&E Corporation Earnings from Operations to Consolidated Income Available for Common Shareholders in Accordance with Generally Accepted Accounting Principles (“GAAP”)

Fourth Quarter and Year-to-Date, 2012 vs. 2011  
(in millions, except per share amounts)

|  | Three months ended December 31, |              |                                     |                | Twelve months ended December 31, |               |                                     |                |
|--|---------------------------------|--------------|-------------------------------------|----------------|----------------------------------|---------------|-------------------------------------|----------------|
|  | Earnings                        |              | Earnings per Common Share (Diluted) |                | Earnings                         |               | Earnings per Common Share (Diluted) |                |
|  | 2012                            | 2011         | 2012                                | 2011           | 2012                             | 2011          | 2012                                | 2011           |
| PG&E Corporation Earnings from Operations <sup>(1)</sup> | \$ 253                          | \$ 366       | \$ 0.59                             | \$ 0.89        | \$ 1,367                         | \$ 1,438      | \$ 3.22                             | \$ 3.58        |
| Items Impacting Comparability: <sup>(2)</sup>            |                                 |              |                                     |                |                                  |               |                                     |                |
| Natural gas matters <sup>(3)</sup>                       | (259)                           | (283)        | (0.60)                              | (0.69)         | (488)                            | (520)         | (1.15)                              | (1.30)         |
| Environmental-related costs <sup>(4)</sup>               | (7)                             | -            | (0.02)                              | -              | (63)                             | (74)          | (0.15)                              | (0.18)         |
| <b>PG&amp;E Corporation Earnings on a GAAP basis</b>     | <b>\$ (13)</b>                  | <b>\$ 83</b> | <b>\$ (0.03)</b>                    | <b>\$ 0.20</b> | <b>\$ 816</b>                    | <b>\$ 844</b> | <b>\$ 1.92</b>                      | <b>\$ 2.10</b> |

- (1) “Earnings from operations” is not calculated in accordance with GAAP and excludes items impacting comparability as described in Note (2) below.
- (2) Items impacting comparability reconcile earnings from operations with Consolidated Income Available for Common Shareholders as reported in accordance with GAAP.
- (3) PG&E Corporation’s subsidiary, Pacific Gas and Electric Company (“Utility”) incurred net costs of \$426 million and \$812 million, pre-tax, during the three and twelve months ended December 31, 2012, respectively, in connection with natural gas matters. These amounts included pipeline-related expenses that will not be recoverable through rates to validate safe operating pressures, conduct strength testing, and perform other activities associated with safety improvements to the Utility’s natural gas pipeline system, as well as legal and regulatory costs. In addition, a charge was recorded for disallowed capital expenditures related to the Utility’s pipeline safety enhancement plan that are forecasted to exceed the California Public Utilities Commission’s (“CPUC”) authorized levels or that were specifically disallowed. These amounts also included an additional provision for penalties deemed probable of being imposed on the Utility in connection with pending CPUC investigations and other potential enforcement matters regarding the Utility’s natural gas operating practices. Costs incurred for the twelve months ended December 31, 2012 also included an increase in the accrual for third-party claims related to the San Bruno accident and a contribution to the City of San Bruno. These costs were partially offset by insurance recoveries.

| (pre-tax)                         | Three months ended<br>December 31, 2012 | Twelve months ended<br>December 31, 2012 |
|-----------------------------------|---|--|
| Pipeline-related expenses         | \$ (106)                                | \$ (477)                                 |
| Disallowed capital expenditures   | (353)                                   | (353)                                    |
| Penalties                         | (17)                                    | (17)                                     |
| Third-party claims                | -                                       | (80)                                     |
| Insurance recoveries              | 50                                      | 185                                      |
| Contribution to City of San Bruno | -                                       | (70)                                     |
| <b>Natural gas matters</b>        | <b>\$ (426)</b>                         | <b>\$ (812)</b>                          |

- (4) The Utility recorded charges of \$11 million and \$106 million, pre-tax, during the three and twelve months ended December 31, 2012, respectively, for environmental remediation costs associated with the Hinkley natural gas compressor site.



## Exhibit 4: Reconciliation of Pacific Gas and Electric Company Earnings from Operations to Consolidated Income Available for Common Stock in Accordance with GAAP

Fourth Quarter and Year-to-Date, 2012 vs. 2011  
(in millions)

|  | Three months ended December 31, |              | Twelve months ended December 31, |               |
|--|---------------------------------|--------------|----------------------------------|---------------|
|  | Earnings                        |              | Earnings                         |               |
|  | 2012                            | 2011         | 2012                             | 2011          |
| Pacific Gas and Electric Company Earnings from Operations <sup>(1)</sup> | \$ 275                          | \$ 368       | \$ 1,348                         | \$ 1,425      |
| Items Impacting Comparability: <sup>(2)</sup>                            |                                 |              |                                  |               |
| Natural gas matters <sup>(3)</sup>                                       | (259)                           | (283)        | (488)                            | (520)         |
| Environmental-related costs <sup>(4)</sup>                               | (7)                             | -            | (63)                             | (74)          |
| <b>Pacific Gas and Electric Company Earnings on a GAAP basis</b>         | <b>\$ 9</b>                     | <b>\$ 85</b> | <b>\$ 797</b>                    | <b>\$ 831</b> |

See Exhibit 3 for accompanying footnotes.



## Exhibit 5: Key Drivers of PG&E Corporation Earnings per Common Share (“EPS”) from Operations

Fourth Quarter and Year-to-Date, 2012 vs. 2011  
(\$/Share, Diluted)

|   |                |
|---|----------------|
| Fourth Quarter 2011 EPS from Operations <sup>(1)</sup>        | \$ 0.89        |
| Increase in rate base earnings                                | 0.05           |
| Planned incremental work                                      | (0.11)         |
| Employee operational performance incentive                    | (0.09)         |
| Storm and outage expenses                                     | (0.02)         |
| Litigation and regulatory matters                             | (0.02)         |
| Energy efficiency incentive revenues                          | (0.01)         |
| Increase in shares outstanding                                | (0.05)         |
| Miscellaneous   | (0.05)         |
| <b>Fourth Quarter 2012 EPS from Operations <sup>(1)</sup></b> | <b>\$ 0.59</b> |
| 2011 YTD EPS from Operations <sup>(1)</sup>                   | \$3.58         |
| Increase in rate base earnings                                | 0.19           |
| Storm and outage expenses                                     | 0.06           |
| Litigation and regulatory matters                             | 0.06           |
| Gas transmission revenues                                     | 0.04           |
| Planned incremental work                                      | (0.36)         |
| Employee operational performance incentive                    | (0.08)         |
| Energy efficiency incentive revenues                          | (0.01)         |
| Increase in shares outstanding                                | (0.19)         |
| Miscellaneous   | (0.07)         |
| <b>2012 Year-to-Date EPS from Operations <sup>(1)</sup></b>   | <b>\$ 3.22</b> |

(1) See Exhibit 3 for a reconciliation of EPS from Operations to EPS on a GAAP basis.



## Exhibit 6: Operational Performance Metrics

### Fourth Quarter 2012 Performance

|  | 2012 Improvement/Results |                         |              |
|--|--------------------------|-------------------------|--------------|
|  | EOY Actual               | EOY Target              | Meets Target |
| <b>Safety (includes both public and employee safety metrics)</b> |                          |                         |              |
| Nuclear Operations   | 1st Quartile             | 1st Quartile            | ✓            |
| Leak Repair Performance  | 42.1%                    | 42.1%                   | ✓            |
| Gas Emergency Response   | 23.6%                    | 14.7%                   | ✓            |
| Transmission & Distribution Wires Down (unplanned outages)       | (10.3%)                  | 3.0%                    | -            |
| Electric Emergency Response                                      | 16.9%                    | 7.0%                    | ✓            |
| Lost Workday Case Rate   | (16.8%)                  | 12.0%                   | -            |
| Preventable Motor Vehicle Incident Rate                          | 14.9%                    | 7.0%                    | ✓            |
| <b>Customer</b>  |                          |                         |              |
| Customer Satisfaction  | 1.4%                     | 0.8%                    | ✓            |
| Gas Operations Reliability                                       | 98.7%                    | 98.0%                   | ✓            |
| Electric Operations Reliability - SAIDI                          | 7.3%                     | 6.2%                    | ✓            |
| <b>Financial</b>   |                          |                         |              |
| Earnings from Operations   | \$ 1,367                 | See note <sup>(1)</sup> | ✓            |

See following page for definitions of the operational performance metrics

<sup>(1)</sup> The 2012 target for earnings from operations is not publicly reported but is consistent with the guidance range provided for 2012 EPS from operations of \$3.10 to \$3.30.



## Definitions of 2012 Operational Performance Metrics from Exhibit 6

The Operational Performance Metrics focus on three areas: safety (public and employee), customer service, and financial performance. The EOY targets for each metric except for nuclear performance are stated relative to percentage improvement in prior year performance. The EOY actual column provides actual percentage improvement (or decline) through the entire year. The column titled “Meets Target” shows illustratively whether or not the metric has met the EOY target.

### Safety

Public safety metrics focus on Utility operations in three areas:

1. The safety of the Utility’s nuclear power operations is represented by 12 performance indicators for nuclear power generation reported to the Institute of Nuclear Power Operations (“INPO”) and compared to industry benchmarks.
2. The safety of the Utility’s natural gas operations is represented by (a) the percentage improvement in number of completed grade 2 leak repairs, and (b) the percentage improvement in emergency response times of when utility gas personnel are on-site within one hour, and within 30 minutes of receiving an immediate response gas emergency order.
3. The safety of the Utility’s electric operations is represented by (a) the percentage improvement in the number of wire down events with resulting sustained unplanned outages, and (b) the percentage improvement in emergency response times of when utility electric personnel relieve 911 personnel at the site of a potential PG&E electric hazard within 60 minutes.

Employee safety metrics focus on two areas:

1. The percentage improvement in the number of Lost Workday Cases incurred per 200,000 hours worked. A lost workday case is a current year OSHA recordable incident that has resulted in at least one lost workday.
2. The percentage improvement in the Preventable MVI Rate, which measures the number of chargeable motor vehicle incidents per one million miles driven. A chargeable incident is one where the employee-driver could have prevented an incident, but failed to take reasonable steps to do so.

### Customer

Customer satisfaction and service reliability are measured in three areas.

1. The percentage improvement in the Customer Satisfaction Score, which measures overall satisfaction with the Utility’s performance in delivering reliable service, pricing of services, and customer service experience. The score is weighted 60 percent for residential customers and 40 percent for small and medium business customers, based on a quarterly survey performed by an independent third-party research firm.
2. Gas Operations Reliability is measured by the percentage improvement in the timeliness of jobs entered into the gas mapping system.
3. Electric Operations Reliability is measured by the percentage improvement in the System Average Interruption Duration Index (“SAIDI”), which reflects the total time the average customer is without electric power, measured in minutes.

### Financial

Earnings from operations measures PG&E Corporation’s earnings power from ongoing core operations. It allows 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). The measurement is not in accordance with GAAP. For a reconciliation of earnings from operations to earnings in accordance with GAAP, see Exhibit 3 PG&E Corporation Earnings from Operations and GAAP Income.



## Exhibit 7: Pacific Gas and Electric Company Sales and Sources Summary

### Fourth Quarter and Year-to-Date, 2012 vs. 2011

|  | <b>Three Months Ended December 31,</b> |             | <b>Twelve Months Ended December 31,</b> |               |
|--|--|-------------|---|---------------|
|  | <b>2012</b>                            | <b>2011</b> | <b>2012</b>                             | <b>2011</b>   |
| Sales from Energy Deliveries (in millions kWh)     | 20,895                                 | 20,706      | 86,113                                  | 83,688        |
| Total Electric Customers at December 31            |  |             | 5,228,140                               | 5,188,638     |
| Total Gas Sales (in millions Mcf)                  | 231                                    | 197         | 899                                     | 770           |
| Total Gas Customers at December 31                 |  |             | 4,364,939                               | 4,327,407     |
| Sources of Electric Energy (in millions kWh)       |  |             |   |               |
| Total Utility Generation                           | 8,106                                  | 9,083       | 31,570                                  | 35,345        |
| Total Purchased Power                              | 12,394                                 | 10,376      | 48,933                                  | 41,958        |
| Total Electric Energy Delivered                    | 20,895                                 | 20,706      | 86,113                                  | 83,688        |
| Diablo Canyon Performance                          |  |             |   |               |
| Overall Capacity Factor (including refuelings)     | 94%                                    | 100%        | 90%                                     | 95%           |
| Refueling Outage Period                            | None                                   | None        | 4/22/12-6/17/12                         | 5/1/11-6/5/11 |
| Refueling Outage Duration During the Period (days) | None                                   | None        | 55.5                                    | 35.8          |



## Exhibit 8: PG&E Corporation EPS Guidance

| <b>2013 EPS Guidance</b>                               | <b>Low</b>     | <b>High</b>    |
|--|----------------|----------------|
| Estimated EPS on an Earnings from Operations Basis     | \$ 2.55        | \$ 2.75        |
| Estimated Items Impacting Comparability <sup>(1)</sup> |                |                |
| Natural Gas Matters <sup>(2)</sup>                     | (0.85)         | (0.53)         |
| Environmental-Related Costs <sup>(3)</sup>             | (0.04)         | 0.00           |
| <b>Estimated EPS on a GAAP Basis</b>                   | <b>\$ 1.66</b> | <b>\$ 2.22</b> |

- (1) Items impacting comparability reconcile earnings from operations with consolidated Income Available for Common Shareholders in accordance with GAAP.
- (2) The range includes pipeline-related costs associated with the scope of work that the Utility expects to undertake on its natural gas pipeline system, as well as other items described below.

|                                       | <b>2013</b>           |                       |
|---------------------------------------|-----------------------|-----------------------|
|                                       | <b>Low EPS</b>        | <b>High EPS</b>       |
| <b>(in millions, pre-tax)</b>         | <b>guidance range</b> | <b>guidance range</b> |
| Pipeline-related costs <sup>(a)</sup> | \$ (500)              | \$ (400)              |
| Penalties <sup>(b)</sup>              | -                     | -                     |
| Third-party claims <sup>(c)</sup>     | (145)                 | 0                     |
| Insurance recoveries <sup>(d)</sup>   | -                     | -                     |
| <b>Natural gas matters</b>            | <b>\$ (645)</b>       | <b>\$ (400)</b>       |
| <b>Natural gas matters, after tax</b> | <b>\$ (382)</b>       | <b>\$ (237)</b>       |

- (a) The range of \$400 million to \$500 million reflects pipeline-related expenses that are not recoverable through rates, including to perform work associated with the Utility's pipeline safety enhancement plan and work related to the Utility's multi-year effort to identify and remove encroachments from transmission pipeline rights-of-way, the integrity management of transmission pipelines and other gas-related work, and legal and regulatory expenses.
- (b) Although the Utility believes the ultimate amount of penalties could be materially higher than the \$200 million accrued at December 31, 2012, losses for penalties are recognized only when deemed probable and reasonably estimable under applicable accounting standards.
- (c) Based on the cumulative charges recorded through 2012 of \$455 million, the cumulative range for third-party claims is \$455 million to \$600 million.
- (d) Although the Utility believes that a significant portion of the costs it incurs for third-party claims will be recovered through its insurance, insurance recoveries are recognized only when deemed probable under applicable accounting standards. The guidance provided does not include any potential future insurance recoveries or penalties (other than those already accrued) or any potential punitive damages.
- (3) The environmental-related cost range of \$0 to \$30 million primarily reflects additional potential costs related to the Utility's whole house water replacement program and other remedial measures associated with the Hinkley natural gas compressor site. This range assumes the final groundwater remediation plan is adopted as proposed.

*Actual financial results for 2013 may differ materially from the EPS guidance provided. For a discussion of the factors that may affect future results, see Exhibit 1.*





## Exhibit 9: General Earnings Sensitivities

### PG&E Corporation and Pacific Gas and Electric Company

| Variable                 | Description of Change  | Estimated 2013 Earnings Impact |
|--------------------------|--|--------------------------------|
| Rate base                | +/- \$100 million change in allowed rate base  | +/- \$5 million                |
| Return on equity ("ROE") | +/- 0.1% change in allowed ROE   | +/- \$14 million               |
| Share count              | +/- 1% change in average shares  | +/- \$0.03 per share           |
| Revenues                 | +/- \$8 million change in at-risk revenue (pre-tax), including Electric Transmission and California Gas Transmission | +/- \$0.01 per share           |

*Actual financial results for 2013 may differ materially from the guidance provided. For a discussion of the factors that may affect future results, see Exhibit 1.*



## Exhibit 10: Pacific Gas and Electric Company Summary of Selected Regulatory Cases

| Regulatory Case  | Docket #  | Key Dates   |
|--|---|---|
| 2014 General Rate Case   | A.12-11-009   | Nov 15, 2012 – Application filed (Phase I)<br>Q1 2013 – Phase II expected to be filed<br>May 3, 2013 – DRA testimony<br>May 17, 2013 – Intervenor testimony and Safety and Enforcement Division reports<br>May 31, 2013 – Safety and Enforcement Audit report<br>Jun 28, 2013 – Rebuttal testimony<br>Jul 15 - Aug 9, 2013 – Evidentiary hearings<br>Aug 12-13, 2013 – Mandatory settlement conference<br>Sep 6, 2013 – Opening briefs<br>Sep 27, 2013 – Reply briefs<br>Nov 19, 2013 – Proposed decision<br>Dec 19, 2013 – Final decision expected |
| Cost of Capital Proceeding<br>Phase I - 2013 Cost of Capital<br>Phase II - Multi-year Adjustment Mechanism               | A.12-04-018   | Dec 20, 2012 – Phase I final decision<br>Jan 14, 2013 – Phase II hearing<br>Mar 15, 2013 – Phase II proposed decision expected<br>Apr 18, 2013 – Phase II final decision expected   |
| Gas Pipeline Safety Order Instituting Rulemaking   | R.11-02-019<br>D.11-03-047<br>D.11-06-017<br>D.11-10-010<br>D.11-12-048<br>D.12-04-047<br>D.12-04-010 | Dec 20, 2012 – Final decision on Pipeline Safety Enhancement Plan<br>Dec 20, 2012 – Decision on Gas Safety Plans<br>Jan 28, 2013 – Intervenor requests for rehearing<br>Feb 21, 2013 – Replies to requests for rehearing  |
| Gas Matters Fines & Remedies   | I.11-02-016<br>I.11-11-009<br>I.12-01-007   | Jan 11, 2013 – PG&E financial analysis testimony<br>Feb 8, 2013 – SED rebuttal testimony<br>Mar 4-5, 2013 – Evidentiary hearings<br>Apr 26, 2013 – Coordinated briefs on fines and remedies<br>May 14, 2013 – PG&E coordinated reply briefs on fines and remedies<br>May 24, 2013 – Coordinated rebuttal briefs on fines and remedies   |
| Gas Transmission System Records Order Instituting Investigation  | I.11-02-016   | Jan 7-18, 2013 – Evidentiary hearings<br>Mar 25, 2013 – Concurrent opening briefs<br>Apr 19, 2013 – Concurrent reply briefs   |
| Class Location Designation Order Instituting Investigation   | I.11-11-009   | Nov 20, 2012 – Concurrent opening briefs<br>Dec 5, 2012 – Concurrent reply briefs   |
| Order Instituting Investigation into PG&E's Operations and Practices in Connection with the San Bruno Explosion and Fire | I.12-01-007   | Jan 7-18, 2013 – Evidentiary hearings<br>Feb 25, 2013 – Evidentiary hearing on safety assessment<br>Mar 11, 2013 – Concurrent opening briefs<br>Apr 12, 2013 – Concurrent reply briefs  |
| Nuclear Decommissioning Cost Triennial Proceeding  | A.12-12-012   | Dec 21, 2012 – Application filed<br>Feb 15, 2013 – Prehearing conference<br>Mar 13, 2013 – Intervenor testimony<br>Apr 8, 2013 – Rebuttal testimony<br>May 21-24, 2013 – Evidentiary hearings<br>Jun 24, 2013 – Opening briefs<br>Jul 8, 2013 – Reply briefs<br>Sep 6, 2013 – Proposed decision<br>Nov 2013 – Final decision expected   |



## Exhibit 10: Pacific Gas and Electric Company Summary of Selected Regulatory Cases (continued)

| Regulatory Case  | Docket #  | Key Dates  |
|--|---|--|
| Smart Grid Order Instituting Rulemaking                                    | R.08-12-009<br>D.09-12-046<br>D.10-06-047<br>D.11-07-056<br>D.12-04-025<br>D.12-08-045<br>A.11-06-029<br>A.11-11-017<br>A.12-03-002 | Mar 5, 2012 – PG&E filed Customer Data Access application<br>Apr 24, 2012 – CPUC decision adopting metrics to measure Smart Grid deployments<br>Aug 23, 2012 – CPUC decision extending privacy protections to customers of gas corporations and community choice aggregators, and to residential and small commercial customers of electric service providers<br>Oct 1, 2012 – PG&E's first Smart Grid Annual Report |
| Oakley Generating Station  | A.09-09-021<br>D.10-07-045<br>D.10-12-050<br>D.11-05-049<br>A.12-03-026   | Dec 20, 2012 – Final decision approving Oakley<br>Jan 28, 2013 – Intervenor requests for rehearing<br>Feb 12, 2013 – PG&E reply to requests for rehearing  |
| Application to Recover Costs Associated with Nuclear Relicensing           | A.10-01-022<br>D.12-02-004  | Feb 1, 2012 – ALJ dismissed proceeding until additional seismic studies are complete, at which point PG&E may file motion to re-open   |
| Diablo Canyon Seismic Studies  | A.10-01-014<br>D.10-08-003<br>D.12-09-008   | Apr 18, 2012 – Evidentiary hearings<br>Sep 13, 2012 – Final decision authorizing PG&E to recover up to \$64.25 million for Diablo Canyon seismic studies   |
| 2010 & 2012 Long Term Procurement Plan                                     | R.10-05-006<br>D.12-01-033<br>Track II<br>R.12-03-014   | Feb 13, 2013 – Final decision in Track I (Southern CA LCR needs)<br>Late 2013 – Final decision in Track II (system reliability/renewable integration need) expected<br>2013/2014 – Final decision in Track III (procurement rules) expected  |
| SmartMeter Program Modifications   | A.11-03-014<br>D.12-02-014  | Dec 13-20, 2012 – Public participation hearings<br>Jan 11, 2013 – Opening briefs<br>Jan 25, 2013 – Reply briefs, request for final oral argument<br>Feb 2013 – Final decision expected on Community Opt-Out and Medical Issues<br>Apr 2013 – Proposed decision expected on Cost Allocation and Recovery<br>May 2013 – Final decision expected on Cost Allocation and Recovery  |
| Catastrophic Event Memorandum Account (“CEMA”)                             | A.11-09-014   | Q1 2013 – Proposed decision expected   |
| 2013 – 2015 Energy Efficiency Incentive Mechanism and 2010 Incentive Award | R.12-01-005<br>D.12-12-032  | Dec 20, 2012 – CPUC approved \$21 million award<br>Q1 2013 – Proposed decision expected on 2013-2014 risk-reward incentive mechanism (RRIM)<br>Q2 2013 – Comments/reply on RRIM modifications for 2015 and beyond  |
| Transmission Owner Rate Case (TO14)  | ER12-2701   | Sep 28, 2012 – PG&E filed TO14 rate case seeking an annual revenue requirement for 2013<br>Nov 29, 2012 – FERC accepted filing making rates effective May 1, 2013 but ordered PG&E to refile with lower ROE<br>Dec 21, 2012 – PG&E refiled TO14 with 9.1% ROE and sought rehearing of FERC's order on ROE<br>Feb 25-26, 2013 – FERC settlement conference  |
| Existing Transmission Contracts (ETC) Rate Case                            | ER13-616  | Dec 21, 2012 – PG&E filed to increase the ETC rates for CDWR, BART and the Transmission Agency of Northern California  |

Most of these regulatory cases are discussed in PG&E Corporation and Pacific Gas and Electric Company's combined Annual Report on Form 10-K for the year ended December 31, 2012.