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Table 1: PG&E Corporation Business Priorities 2010

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- Improve reliability
- Improve safety and human performance
- Deliver on budget, on plan, and on purpose
- Drive customer satisfaction
- Champion effective regulatory and legislative policies

Table 2: Reconciliation of PG&E Corporation's Earnings from Operations to Consolidated Income Available for Common Shareholders in Accordance with Generally Accepted Accounting Principles (GAAP)  
Second Quarter and Year-to-Date, 2010 vs. 2009  
(in millions, except per share amounts)

|  | Three months ended June 30, |        |   |         | Six months ended June 30, |        |   |         |
|--|-----------------------------|--------|---|---------|---------------------------|--------|---|---------|
|  | Earnings                    |        | Earnings per<br>Common Share<br>(Diluted) |         | Earnings                  |        | Earnings per<br>Common Share<br>(Diluted) |         |
|  | 2010                        | 2009   | 2010                                      | 2009    | 2010                      | 2009   | 2010                                      | 2009    |
| PG&E Corporation Earnings from Operations <sup>(1)</sup> | \$ 353                      | \$ 315 | \$ 0.91                                   | \$ 0.83 | \$ 656                    | \$ 561 | \$ 1.71                                   | \$ 1.49 |
| Items Impacting Comparability: <sup>(2)</sup>            |                             |        |   |         |                           |        |   |         |
| Statewide ballot initiative <sup>(3)</sup>               | (20)                        | -      | (0.05)                                    | -       | (45)                      | -      | (0.12)                                    | -       |
| Federal healthcare law <sup>(4)</sup>                    | -                           | -      | -   | -       | (20)                      | -      | (0.05)                                    | -       |
| Tax refund <sup>(5)</sup>                                | -                           | 56     | -   | 0.15    | -                         | 56     | -   | 0.15    |
| Recovery of hydro divestiture costs <sup>(6)</sup>       | -                           | 28     | -   | 0.07    | -                         | 28     | -   | 0.07    |
| Accelerated work on gas system <sup>(7)</sup>            | -                           | (11)   | -   | (0.03)  | -                         | (16)   | -   | (0.04)  |
| PG&E Corporation Earnings on a GAAP basis                | \$ 333                      | \$ 388 | \$ 0.86                                   | \$ 1.02 | \$ 591                    | \$ 629 | \$ 1.54                                   | \$ 1.67 |

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. For the three and six months ended June 30, 2010, PG&E Corporation's subsidiary, Pacific Gas and Electric Company contributed \$20 million and \$45 million, respectively, after-tax, to support Proposition 16 - The Taxpayers Right to Vote Act.
4. For the six months ended June 30, 2010, Pacific Gas and Electric Company recognized a charge of \$20 million, after-tax, triggered by the elimination of the tax deductibility of Medicare Part D federal subsidies.
5. For the three and six months ended June 30, 2009, Pacific Gas and Electric Company recognized \$56 million, after-tax, for the interest benefit related to a tax settlement.
6. For the three and six months ended June 30, 2009, Pacific Gas and Electric Company recognized income of \$28 million, after-tax, for the recovery of costs previously incurred in connection with Pacific Gas and Electric Company's hydroelectric generation facilities.
7. For the three and six months ended June 30, 2009, Pacific Gas and Electric Company incurred \$11 million and \$16 million, respectively, after-tax, of costs to perform accelerated system-wide natural gas integrity surveys and associated remedial work.

Table 3: Reconciliation of Pacific Gas and Electric Company's Earnings from Operations to Consolidated Income Available for Common Stock in Accordance with GAAP  
Second Quarter and Year-to-Date, 2010 vs. 2009  
(in millions)

|  | Three months ended June 30, |        | Six months ended June 30, |        |
|--|-----------------------------|--------|---------------------------|--------|
|  | Earnings                    |        | Earnings                  |        |
|  | 2010                        | 2009   | 2010                      | 2009   |
| Pacific Gas and Electric Company Earnings from Operations <sup>(1)</sup> | \$ 355                      | \$ 314 | \$ 661                    | \$ 555 |
| Items Impacting Comparability: <sup>(2)</sup>                            |                             |        |                           |        |
| Statewide ballot initiative <sup>(3)</sup>                               | (20)                        | -      | (45)                      | -      |
| Federal healthcare law <sup>(4)</sup>                                    | -                           | -      | (20)                      | -      |
| Tax Refund <sup>(5)</sup>  | -                           | 56     | -                         | 56     |
| Recovery of hydro divestiture costs <sup>(6)</sup>                       | -                           | 28     | -                         | 28     |
| Accelerated work on gas system <sup>(7)</sup>                            | -                           | (11)   | -                         | (16)   |
| Pacific Gas and Electric Company Earnings on a GAAP basis                | \$ 335                      | \$ 387 | \$ 596                    | \$ 623 |

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. For the three and six months ended June 30, 2010, Pacific Gas and Electric Company contributed \$20 million and \$45 million, after-tax, to support Proposition 16 - The Taxpayers Right to Vote Act.
4. For the six months ended June 30, 2010, Pacific Gas and Electric Company recognized a charge of \$20 million, after-tax, triggered by the elimination of the tax deductibility of Medicare Part D federal subsidies.
5. For the three and six months ended June 30, 2009, Pacific Gas and Electric Company recognized income of \$56 million, after-tax, for the interest benefit related to a tax settlement.
6. For the three and six months ended June 30, 2009, Pacific Gas and Electric Company recognized \$28 million, after-tax, for the recovery of costs previously incurred in connection with Pacific Gas and Electric Company's hydroelectric generation facilities.
7. For the three and six months ended June 30, 2009, Pacific Gas and Electric Company incurred \$11 million and \$16 million, respectively, after-tax, of costs to perform accelerated system-wide natural gas integrity surveys and associated remedial work.

Table 4: Key Drivers of PG&E Corporation Earnings per Common Share from Operations  
 Second Quarter and Year-to-Date, 2010 vs. 2009  
 (\$/Share, Diluted)

|  |                |
|--|----------------|
| Second Quarter 2009 EPS from Operations <sup>(1)</sup> | \$ 0.83        |
| Increase in rate base revenues                         | 0.05           |
| Severance costs  | 0.01           |
| Uncollectibles expense, net                            | 0.01           |
| Environmental Liability                                | 0.01           |
| Miscellaneous items                                    | 0.03           |
| Market performance of benefit investment trusts        | (0.02)         |
| Increase in shares outstanding                         | (0.01)         |
| Second Quarter 2010 EPS from Operations <sup>(1)</sup> | <u>\$ 0.91</u> |
| 2009 YTD EPS from Operations <sup>(1)</sup>            | \$ 1.49        |
| Increase in rate base revenues                         | 0.10           |
| Nuclear Refueling Outage                               | 0.06           |
| Severance costs  | 0.03           |
| Uncollectibles expense, net                            | 0.02           |
| Environmental Liability                                | 0.01           |
| Miscellaneous items                                    | 0.06           |
| Storm and outage expenses <sup>(2)</sup>               | (0.03)         |
| Increase in shares outstanding                         | (0.03)         |
| 2010 YTD EPS from Operations <sup>(1)</sup>            | <u>\$ 1.71</u> |

1. See Table 2 for a reconciliation of EPS from operations to EPS on a GAAP basis.
2. Costs incurred due to storms and outages in Q1 2010

Table 5: PG&E Corporation Share Statistics  
 Second Quarter, 2010 vs. 2009  
 (shares in millions, except per share amounts)

|  | Second<br>Quarter<br>2010 | Second<br>Quarter<br>2009 | % Change |
|--|---------------------------|---------------------------|----------|
| <b>Common Stock Data</b>   |                           |                           |          |
| Book Value per share – end of period <sup>(1)</sup>                              | \$ 27.89                  | \$ 25.77                  | 8.23%    |
| Weighted average common shares outstanding, basic                                | 373                       | 368                       | 1.36%    |
| Employee share-based compensation  | 2                         | 1                         | 100%     |
| Weighted average common shares outstanding, diluted                              | 375                       | 369                       | 1.63%    |
| 9.5% Convertible Subordinated Notes (participating securities)                   | 15                        | 17                        | (11.76%) |
| Weighted average common shares outstanding and participating securities, diluted | 390                       | 386                       | 1.04%    |

1. Common shareholders' equity per common share outstanding at period end (includes the effect of participating securities).

Source: PG&E Corporation's Condensed Consolidated Financial Statements and the Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

Table 6: Operational Performance Metrics  
 Second Quarter Year-to-Date Actual 2010 vs. Targets 2010

|   | Percentage Weight <sup>(1)</sup> | 2010                    |                         |                         |
|---|----------------------------------|-------------------------|-------------------------|-------------------------|
|   |                                  | YTD Actual              | YTD Target              | EOY Target              |
| 1. Earnings From Operations (in millions)     | 50%                              | \$656                   | See note <sup>(2)</sup> | See note <sup>(2)</sup> |
| 2. Customer Satisfaction & Brand Health Index | 15%                              | 74.8                    | 77.7                    | 77.7                    |
| 3. Reliable Energy Delivery Index             | 15%                              | 0.602                   | 1.000                   | 1.000                   |
| 4. Safety Index                               | 10%                              | 1.000                   | 1.000                   | 1.000                   |
| 5. Employee Engagement Premier Survey         | 5%                               | See note <sup>(3)</sup> | See note <sup>(3)</sup> | 68.7%                   |
| 6. Environmental Leadership Index             | 5%                               | 1.67                    | 1.00                    | 1.00                    |

1. Represents weighting used in calculating PG&E Corporation Short-Term Incentive Plan performance for management employees.
2. Internal target not publicly disclosed but is consistent with publicly disclosed guidance for 2010 EPS from operations of \$3.35-\$3.50.
3. The Employee Engagement Premier Survey will be administered in October 2010 with results available in December 2010.

## DEFINITIONS OF 2010 OPERATIONAL PERFORMANCE METRICS FROM TABLE 6:

### 1. Earnings from Operations:

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 Tables 2 and 3 above.

The 2010 target for earnings from operations is not publicly reported but is consistent with PG&E Corporation's publicly disclosed guidance range provided for 2010 EPS from operations of \$3.35-\$3.50. For a reconciliation of 2010 EPS guidance on an earnings from operations basis to a GAAP basis, see Table 8.

### 2. Customer Satisfaction & Brand Health Index:

The Customer Satisfaction & Brand Health Index is a combination of a Customer Satisfaction Score, which has a 75 percent weighting and a Brand Favorability Score, which has a 25 percent weighting in the composite. The Customer Satisfaction Score is a measure of overall satisfaction with PG&E's operational performance in delivering services such as reliability, pricing of services, and customer service experience. The Brand Favorability Score is a measure of the overall favorability towards the PG&E brand, and measures the emotional connection that customers have with the brand and is based on assessing perceptions regarding PG&E's images, such as trust, heritage, and social responsibility. The Customer Satisfaction & Brand Health Index measures residential, small business, and medium business customer perceptions with weightings of 60 percent for residential customers and 40 percent for business customers. A higher index score indicates better performance in customer satisfaction and brand health.

### 3. Reliable Energy Delivery Index:

The Reliable Energy Delivery Index is a composite of three categories outlined below. Overall, these metrics provide a balanced view on the number and duration of electric system unplanned interruptions and performance improvement in the resurvey of the gas system. A higher index score indicates better performance in reliable energy delivery.

1. System Average Interruption Frequency Index (SAIFI) – 35% weight
2. Customer Average Interruption Duration Index (CAIDI) – 35% weight
3. Gas Leak Survey – 30% weight

### 4. Safety Index:

The Safety Index is a combination of the Occupational Safety & Health Administration (OSHA) Recordable Rate, which has a 75 percent weighting and the Motor Vehicle Incident (MVI) Rate, which has a 25 percent weighting in the composite. The OSHA Recordable Rate measures the number of OSHA Recordable injuries, illnesses, or exposures that (1) satisfy OSHA requirements for recordability, and (2) occur in the current year. In general, an injury must result in medical treatment beyond first aid or result in work restrictions, death, or loss of consciousness to be OSHA Recordable. The rate measures how frequently OSHA Recordable cases occur for every 200,000 hours worked, or for approximately every 100 employees. The MVI Rate measures the number of chargeable motor vehicle incidents per 1 million miles driven. A chargeable incident is one where the Company driver could have prevented an incident, but failed to take reasonable steps to do so. A higher index score indicates better safety performance.

### 5. Employee Engagement Premier Survey:

The Employee Engagement Score is derived by averaging the percent favorable responses to 40 survey items. A higher score indicates better performance in employee engagement.

### 6. Environmental Leadership Index:

The Environmental Leadership Index is a combination of environmental compliance, which has a 50 percent weighting and operational footprint, which has a 50 percent weighting in the composite. The environmental compliance is determined by the Notice of Violation (NOV) Rate which is defined as the rate of NOVs per 100 agency inspections. The operational footprint is measured by reducing energy and water use, and increasing the diversion of solid waste at company facilities. A higher index score indicates better performance in environmental leadership.

Table 7: Pacific Gas and Electric Company Operating Statistics  
Second Quarter and Year-to-Date, 2010 vs. 2009

|   | Three Months Ended June 30, |        | Six Months Ended June 30, |                 |
|---|-----------------------------|--------|---------------------------|-----------------|
|   | 2010                        | 2009   | 2010                      | 2009            |
| <b>Electric Sales (in millions kWh)</b>             |                             |        |                           |                 |
| Residential   | 6,905                       | 7,080  | 14,609                    | 14,750          |
| Commercial  | 8,119                       | 8,178  | 15,556                    | 15,572          |
| Industrial  | 3,643                       | 3,645  | 6,823                     | 7,160           |
| Agricultural  | 1,242                       | 1,622  | 1,875                     | 2,341           |
| BART, public street and highway lighting            | 183                         | 205    | 372                       | 410             |
| Sales from Energy Deliveries                        | 20,092                      | 20,730 | 39,235                    | 40,233          |
| Total Electric Customers at June 30                 |                             |        | 5,158,210                 | 5,135,192       |
| <b>Bundled Gas Sales (in millions MCF)</b>          |                             |        |                           |                 |
| Residential   | 43                          | 39     | 121                       | 120             |
| Commercial  | 13                          | 13     | 31                        | 33              |
| Total Bundled Gas Sales                             | 56                          | 52     | 152                       | 153             |
| Transportation Only                                 | 115                         | 109    | 264                       | 236             |
| Total Gas Sales                                     | 171                         | 161    | 416                       | 389             |
| Total Gas Customers at June 30                      |                             |        | 4,292,478                 | 4,268,352       |
| <b>Sources of Electric Energy (in millions kWh)</b> |                             |        |                           |                 |
| <b>Utility Generation</b>                           |                             |        |                           |                 |
| Nuclear   | 4,989                       | 4,871  | 9,712                     | 8,062           |
| Hydro (net)   | 2,867                       | 2,564  | 4,952                     | 4,633           |
| Fossil  | 542                         | 629    | 1,669                     | 1,333           |
| Total Utility Generation                            | 8,398                       | 8,064  | 16,333                    | 14,028          |
| <b>Purchased Power</b>                              |                             |        |                           |                 |
| Qualifying Facilities, including renewable          | 3,597                       | 3,642  | 6,852                     | 7,282           |
| Irrigation Districts                                | 1,170                       | 1,054  | 1,610                     | 1,355           |
| Renewable Resources, excluding QF's                 | 2,009                       | 1,458  | 3,566                     | 2,650           |
| Other Purchased Power                               | 1,459                       | 757    | 2,547                     | 5,948           |
| Spot Market Purchases/Sales, net                    | 1,473                       | 2,577  | 5,250                     | 2,479           |
| Total Purchased Power                               | 9,708                       | 9,488  | 19,825                    | 19,714          |
| Delivery from DWR                                   | 902                         | 2,831  | 2,049                     | 5,920           |
| Delivery to Direct Access Customers                 | 1,406                       | 1,341  | 2,637                     | 2,669           |
| Other (includes energy loss)                        | (322)                       | (994)  | (1,609)                   | (2,098)         |
| Total Electric Energy Delivered                     | 20,092                      | 20,730 | 39,235                    | 40,233          |
| <b>Diablo Canyon Performance</b>                    |                             |        |                           |                 |
| Overall capacity factor (including refuelings)      | 100%                        | 100%   | 101%                      | 83%             |
| Refueling outage period                             | None                        | None   | None                      | 1/25/09-3/24/09 |
| Refueling outage duration during the period (days)  | None                        | None   | None                      | 58.0            |



Table 8: PG&E Corporation EPS Guidance

| 2010 EPS Guidance                                      | Low     | High    |
|--|---------|---------|
| EPS Guidance on an Earnings from Operations Basis      | \$ 3.35 | \$ 3.50 |
| Estimated Items Impacting Comparability <sup>(1)</sup> |         |         |
| Statewide ballot initiative <sup>(2)</sup>             | (0.12)  | (0.12)  |
| Federal healthcare law <sup>(3)</sup>                  | (0.05)  | (0.05)  |
| Estimated EPS on a GAAP Basis                          | \$ 3.18 | \$ 3.33 |
| <br>   |         |         |
| 2011 EPS Guidance                                      | Low     | High    |
| EPS Guidance on an Earnings from Operations Basis      | \$ 3.65 | \$ 3.85 |
| Estimated Items Impacting Comparability                | -       | -       |
| Estimated EPS on a GAAP Basis                          | \$ 3.65 | \$ 3.85 |

1. Items impacting comparability reconcile earnings from operations with Consolidated Income Available for Common Shareholders in Accordance with GAAP.
2. Costs related to Proposition 16 – The Taxpayers’ Right to Vote Act.
3. Reduction in the deferred tax asset corresponding to the loss of tax deductibility of Medicare Part D federal subsidies.

Management's statements regarding guidance for earnings from operations per common share for PG&E Corporation and general earnings sensitivities, constitute forward-looking statements that are based on current expectations and assumptions that management believes are reasonable, including that the Utility earns its authorized rate of return. These statements and assumptions are necessarily subject to various risks and uncertainties, the realization or resolution of which may be outside of management’s control. Actual results may differ materially. Factors that could cause actual results to differ materially include:

- the Utility’s ability to efficiently manage capital expenditures and its operating and maintenance expenses within authorized levels;
- the outcome of pending and future regulatory proceedings and whether the Utility is able to timely recover its costs through rates;
- the adequacy and price of electricity and natural gas supplies and whether the new day-ahead, hour-ahead, and real-time wholesale electricity markets established by the California Independent System Operator (“CAISO”) will continue to function effectively, the extent to which the Utility can manage and respond to the volatility of electricity and natural gas prices, and the ability of the Utility and its counterparties to post or return collateral;
- explosions, fires, accidents, mechanical breakdowns, the disruption of information technology and systems, and similar events that may occur while operating and maintaining an electric and natural gas system in a large service territory with varying geographic conditions that can cause unplanned outages, reduce generating output, damage the Utility’s assets or operations, subject the Utility to third-party claims for property damage or personal injury, or result in the imposition of civil, criminal, or regulatory fines or penalties on the Utility;

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Table 8 (continued): PG&E Corporation EPS Guidance

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- the impact of storms, earthquakes, floods, drought, wildfires, disease, and similar natural disasters, or acts of terrorism or vandalism, that affect customer demand or that 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;
- the potential impacts of climate change on the Utility's electricity and natural gas businesses;
- changes in customer demand for electricity and natural gas resulting from unanticipated population growth or decline, general economic and financial market conditions, changes in technology that include the development of alternative technologies that enable customers to increase their reliance on self-generation, or other reasons;
- the occurrence of unplanned outages at the Utility's two nuclear generating units at Diablo Canyon, the availability of nuclear fuel, the outcome of the Utility's application to renew the operating licenses for Diablo Canyon, and potential changes in laws or regulations promulgated by the NRC or environmental agencies with respect to the storage of spent nuclear fuel, security, safety, or other matters associated with the operations at Diablo Canyon;
- whether the Utility earns incentive revenues or incurs obligations under incentive ratemaking mechanisms, such as the CPUC's incentive ratemaking mechanism relating to energy savings achieved through implementation of the utilities' customer energy efficiency programs;
- the impact of federal or state laws or regulations, or their interpretation, on energy policy and the regulation of utilities and their holding companies;
- whether the Utility can successfully implement its program to install advanced meters for its electric and natural gas customers and integrate the new meters with its customer billing and other systems, the outcome of the independent investigation ordered by the CPUC and the California Legislature into customer concerns about the new meters, and the ability of the Utility to implement various rate changes including "dynamic pricing" by offering electric rates that can vary with the customer's time of use and are more closely aligned with wholesale electricity prices;
- how the CPUC interprets and enforces the financial and other conditions imposed on PG&E Corporation when it became the Utility's holding company and the extent to which the interpretation or enforcement of these conditions has a material impact on PG&E Corporation;
- the outcome of litigation, including litigation involving the application of various California wage and hour laws, and the extent to which PG&E Corporation or the Utility incurs costs and liabilities in connection with litigation that are not recoverable through rates, from insurance, or from other third parties;
- the ability of PG&E Corporation, the Utility, and counterparties to access capital markets and other sources of credit in a timely manner on acceptable terms;
- the impact of environmental laws and regulations and the costs of compliance and remediation;
- the loss of customers due to various forms of bypass and competition, including municipalization of the Utility's electric distribution facilities, increasing levels of "direct access" by which consumers procure electricity from alternative energy providers, and implementation of "community choice aggregation," which permits cities and counties to purchase and sell electricity for their local residents and businesses;
- the outcome of federal or state tax audits and the impact of changes in federal or state tax laws, policies, or regulations; and
- other factors and risks discussed in PG&E Corporation and Pacific Gas and Electric Company's 2009 Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission.

Table 9: General Earnings Sensitivities  
PG&E Corporation and Pacific Gas and Electric Company

| Variable               | Description of Change  | Estimated 2010 Earnings Impact | Estimated 2011 Earnings Impact |
|------------------------|--|--------------------------------|--------------------------------|
| Rate base              | +/- \$100 million change in rate base  | +/- \$6 million                | +/- \$6 million                |
| Return on equity (ROE) | +/- 0.1% change in allowed ROE   | +/- \$11 million               | +/- \$13 million               |
| Share count            | +/- 1% change in average shares  | +/- \$.03 per share            | +/- \$.04 per share            |
| Revenues               | +/- \$7 million change in at-risk revenue (pre-tax), including Electric Transmission and California Gas Transmission | +/- \$.01 per share            | +/- \$.01 per share            |

These general earnings sensitivities that may affect 2010 and 2011 earnings are forward-looking statements that are based on various assumptions that may prove to be inaccurate. Actual results may differ materially. For a discussion of the factors that may affect future results, see Table 8.

Table 10: Cash Flow Sources and Uses  
Year-to-Date 2010  
PG&E Corporation Consolidated  
(in millions)

|   |                 |
|---|-----------------|
| Cash and Cash Equivalents, December 31, 2009                        | \$ 527          |
| <b>Sources of Cash</b>  |                 |
| Cash from operations  | \$ 1,373        |
| Decrease in restricted cash   | 50              |
| Net proceeds from issuance of commercial paper                      | 693             |
| Net proceeds from issuance of long-term debt                        | 295             |
| Borrowings under revolving credit facilities                        | 30              |
| Common stock issued   | 89              |
| Other   | 7               |
|   | <u>\$ 2,537</u> |
| <b>Uses of Cash</b>   |                 |
| Capital expenditures  | \$ 1,786        |
| Investments in and proceeds from nuclear decommissioning trust, net | 11              |
| Energy recovery bonds matured                                       | 182             |
| Short-term debt matured   | 500             |
| Common stock dividends paid   | 320             |
|   | <u>\$ 2,799</u> |
| Cash and Cash Equivalents, June 30, 2010                            | <u>\$ 265</u>   |

Source: PG&E Corporation's Condensed Consolidated Statement of Cash Flows included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

Table 11: PG&E Corporation's and Pacific Gas and Electric Company's Consolidated Cash Position  
Second Quarter, 2010 vs. 2009  
(in millions)

|  | 2010          | 2009            | Change          |
|--|---------------|-----------------|-----------------|
| <b>Cash Flow from Operating Activities (YTD June 30)</b> |               |                 |                 |
| PG&E Corporation   | \$ (9)        | \$ 104          | \$ (113)        |
| Pacific Gas and Electric Company                         | 1,382         | 1,650           | (268)           |
|  | <u>1,373</u>  | <u>\$ 1,754</u> | <u>\$ (381)</u> |
| <b>Consolidated Cash Balance (at June 30)</b>            |               |                 |                 |
| PG&E Corporation   | 205           | \$ 180          | \$ 25           |
| Pacific Gas and Electric Company                         | 60            | 158             | (98)            |
|  | <u>\$ 265</u> | <u>\$ 338</u>   | <u>\$ (73)</u>  |
| <b>Consolidated Restricted Cash Balance (at June 30)</b> |               |                 |                 |
| PG&E Corporation   | \$ -          | \$ -            | \$ -            |
| Pacific Gas and Electric Company <sup>(1)</sup>          | 596           | 1,296           | \$ (700)        |
|  | <u>\$ 596</u> | <u>\$ 1,296</u> | <u>\$ (700)</u> |

1. Includes \$13 million and \$11 million of restricted cash classified as Other Noncurrent Assets – Other in the Condensed Consolidated Balance Sheets at June 30, 2010 and 2009, respectively.

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarters ended June 30, 2010 and 2009.

Table 12: PG&E Corporation's and Pacific Gas and Electric Company's Long-Term Debt  
Second Quarter 2010 vs. Year-End 2009  
(in millions)

|  | Balance at       |                      |
|--|------------------|----------------------|
|  | June 30,<br>2010 | December 31,<br>2009 |
| <b>PG&amp;E Corporation</b>  |                  |                      |
| Convertible subordinated notes, 9.50%, due 2010                                      | \$ -             | \$ 247               |
| Less: current portion  | -                | (247)                |
| <b>Total convertible subordinated notes</b>  | <b>-</b>         | <b>-</b>             |
| Senior notes, 5.75%, due 2014  | 350              | 350                  |
| Unamortized discount   | (2)              | (2)                  |
| <b>Total senior notes</b>  | <b>348</b>       | <b>348</b>           |
| <b>Total PG&amp;E Corporation long-term debt, net of current portion</b>             | <b>348</b>       | <b>348</b>           |
| <b>Utility</b>   |                  |                      |
| Senior notes:  |                  |                      |
| 4.20% due 2011   | 500              | 500                  |
| 6.25% due 2013   | 400              | 400                  |
| 4.80% due 2014   | 1,000            | 1,000                |
| 5.625% due 2017  | 700              | 700                  |
| 8.25% due 2018   | 800              | 800                  |
| 6.05% due 2034   | 3,000            | 3,000                |
| 5.80% due 2037   | 950              | 700                  |
| 6.35% due 2038   | 400              | 400                  |
| 6.25% due 2039   | 550              | 550                  |
| 5.40% due 2040   | 550              | 550                  |
| Less: current portion  | (500)            | -                    |
| Unamortized discount, net of premium   | (37)             | (35)                 |
| <b>Total senior notes</b>  | <b>8,313</b>     | <b>8,565</b>         |
| Pollution control bonds:   |                  |                      |
| Series 1996 C, E, F, 1997 B, variable rates <sup>(1)</sup> , due 2026 <sup>(2)</sup> | 614              | 614                  |
| Series 1996 A, 5.35%, due 2016   | 200              | 200                  |
| Series 2004 A-D, 4.75%, due 2023   | 345              | 345                  |
| Series 2008 G and F, 3.75% <sup>(3)</sup> , due 2018 and 2026                        | 95               | 95                   |
| Series 2009 A-D, variable rates <sup>(4)</sup> , due 2016 and 2026 <sup>(5)</sup>    | 309              | 309                  |
| Series 2010 E, 2.25%, due 2026 <sup>(6)</sup>  | 50               | -                    |
| Less: current portion  | (95)             | (95)                 |
| <b>Total pollution control bonds</b>   | <b>1,518</b>     | <b>1,468</b>         |
| <b>Total Utility long-term debt, net of current portion</b>                          | <b>9,831</b>     | <b>10,033</b>        |
| <b>Total consolidated long-term debt, net of current portion</b>                     | <b>\$ 10,179</b> | <b>\$ 10,381</b>     |

<sup>(1)</sup> At June 30, 2010, interest rates on these bonds and the related loans ranged from 0.10% to 0.18%.

<sup>(2)</sup> Each series of these bonds is supported by a separate letter of credit that expires on February 26, 2012. Although the stated maturity date is 2026, each series will remain outstanding only if the Utility extends or replaces the letter of credit related to the series or otherwise obtains consent from the issuer to the continuation of the series without a credit facility.

<sup>(3)</sup> These bonds bear interest at 3.75% per year through September 19, 2010, are subject to mandatory tender on September 20, 2010, and may be remarketed in a fixed or variable rate mode.

<sup>(4)</sup> At June 30, 2010, interest rates on these bonds and the related loans ranged from 0.10% to 0.13%.

<sup>(5)</sup> Each series of these bonds is supported by a separate direct-pay letter of credit that expires on October 29, 2011. The Utility may choose to provide a substitute letter of credit for any series of these bonds, subject to a rating requirement.

<sup>(6)</sup> These bonds bear interest at 2.25% per year through April 1, 2012, are subject to mandatory tender on April 2, 2012, and may be remarketed in a fixed or variable rate mode.

Table 13: PG&E Corporation's and Pacific Gas and Electric Company's Repayment Schedule and Interest Rates - Long-Term Debt and Energy Recovery Bonds as of June 30, 2010  
(in millions, except interest rates)

|  | 2010        | 2011                  | 2012                  | 2013          | 2014            | Thereafter      | Total            |
|--|-------------|-----------------------|-----------------------|---------------|-----------------|-----------------|------------------|
| <b>LONG-TERM DEBT:</b>                     |             |                       |                       |               |                 |                 |                  |
| <b>PG&amp;E Corporation</b>                |             |                       |                       |               |                 |                 |                  |
| Average fixed interest rate                | -           | -                     | -                     | -             | 5.75%           | -               | 5.75%            |
| Fixed rate obligations                     | -           | -                     | -                     | -             | \$ 350          | -               | \$ 350           |
| <b>Utility</b>                             |             |                       |                       |               |                 |                 |                  |
| Average fixed interest rate                | 3.75%       | 4.20%                 | 2.25%                 | 6.25%         | 4.80%           | 6.12%           | 5.84%            |
| Fixed rate obligations                     | \$ 95       | \$ 500                | \$ 50                 | \$ 400        | \$ 1,000        | \$ 7,495        | \$ 9,540         |
| Variable interest rate as of June 30, 2010 | -           | 0.12%                 | 0.13%                 | -             | -               | -               | 0.13%            |
| Variable rate obligations                  | -           | \$ 309 <sup>(1)</sup> | \$ 614 <sup>(2)</sup> | -             | -               | -               | \$ 923           |
| Less: current portion                      | (95)        | (500)                 | -                     | -             | -               | -               | (595)            |
| <b>Total consolidated long-term debt</b>   | <b>\$ -</b> | <b>\$ 309</b>         | <b>\$ 664</b>         | <b>\$ 400</b> | <b>\$ 1,350</b> | <b>\$ 7,495</b> | <b>\$ 10,218</b> |

<sup>(1)</sup> These bonds, due from 2016 through 2026, are backed by a direct-pay letter of credit that expires on October 29, 2011. The bonds will be subject to a mandatory redemption unless the letter of credit is extended or replaced or the issuer consents to the continuation of these series without a credit facility. Accordingly, the bonds have been classified for repayment purposes in 2011.

<sup>(2)</sup> These bonds, due in 2026, are backed by letters of credit that expire on February 26, 2012. The bonds will be subject to a mandatory redemption unless the letters of credit are extended or replaced. Accordingly, the bonds have been classified for repayment purposes in 2012.

| <b>ENERGY RECOVERY BONDS <sup>(3)</sup>:</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>Total</b> |
|--|-------------|-------------|-------------|--------------|
| <b>Utility</b>                               |             |             |             |              |
| Average fixed interest rate                  | 4.55%       | 4.59%       | 4.66%       | 4.61%        |
| Energy recovery bonds                        | \$ 204      | \$ 404      | \$ 423      | \$ 1,031     |

<sup>(3)</sup> These bonds were issued by PG&E Energy Recovery Funding LLC ("PERF"), a wholly owned consolidated subsidiary of Pacific Gas and Electric Company. The proceeds were used by PERF to purchase from Pacific Gas and Electric Company the right, known as "recovery property," to be paid a specified amount from a dedicated rate component to be collected from Pacific Gas and Electric Company's electricity customers. While PERF is a wholly owned subsidiary of Pacific Gas and Electric Company, it is legally separate from Pacific Gas and Electric Company. The assets, including the recovery property, of PERF are not available to creditors of PG&E Corporation or Pacific Gas and Electric Company, and the recovery property is not legally an asset of PG&E Corporation or Pacific Gas and Electric Company.

Table 14: Pacific Gas and Electric Company  
Docket Numbers of Selected Regulatory Cases

| Name                                     | Brief Description   | Docket Number              |
|--|---|----------------------------|
| Transmission Owner (“TO”) 13 Rate Case   | On July 28, 2010, the Utility filed an application at the FERC requesting the FERC authorize a retail revenue requirement of \$1.026 billion, a \$151 million increase over the rates included in the FERC approved settlement discussed below. This increase is largely driven by the Utility’s expectation to make investments of \$765 million in 2010 and \$810 million in 2011 in various capital projects, including projects to add additional transmission capacity, expand automation technology, improve overall system reliability and maintenance and replace equipment at substations. The Utility requested that new rates become effective on October 1, 2010. In accordance with past practice, the Utility expects that the FERC will suspend the requested increase for an additional five months which would result in a March 1, 2011 effective date. | ER10-2026-000              |
| 2010 Long Term Procurement Plan (“LTPP”) | This is a CPUC proceeding to ensure a reliable and cost-effective electricity supply in California through integration and refinement of a comprehensive set of procurement policies, practices and procedures underlying long-term procurement plans. This Order establishes a multi-track proceeding with decisions for Track I, II, and III scheduled for 2011 or as appropriate.  | R.10-05-006                |
| Nuclear Relicensing                      | On January 29, 2010, the Utility filed an application with the CPUC to recover the costs associated with renewal of the Diablo Canyon Power Plant (“DCPP”) operating licenses for Units 1 and 2 for an additional 20 years to 2044 and 2045. The application requests authority to recover in rates, starting January 1, 2015, an initial revenue requirement of \$21.6 million for costs associated with obtaining the federal and state approvals required to seek license renewal. On June 23, 2010, a ruling was issued confirming the scope of issues to be addressed in the CPUC proceeding and setting the procedural schedule. Evidentiary hearings are scheduled for October 11-15, 2010 with a final decision expected in May 2011.   | A.10-01-022                |
| 2011 General Rate Case (“GRC”)           | On December 21, 2009, the Utility filed its 2011 GRC to determine the amount of base revenues that the Utility may collect in rates to recover costs for the Utility’s gas and electric distribution and electric generation operations for the period 2011 to 2013. The Utility has requested a final decision from the CPUC by the end of 2010. On March 22, 2010, the Utility filed its 2011 GRC Phase 2 application, proposing to revise its electric marginal costs, revenue allocation, and rate design. In addition, the Utility proposes to implement voluntary Real Time Pricing rates by May 2012 or 12 months after the CPUC issues the final decision, whichever is later.  | A.09-12-020<br>A.10-03-014 |
| Manzana Wind Project                     | On December 3, 2009, the Utility requested that the CPUC approve: (1) a purchase and sale agreement to acquire the Manzana wind project from Iberdrola Renewables, Inc. and (2) a project completion agreement under which a subsidiary of Iberdrola will develop and construct the project. The Utility estimates that it would incur capital costs of approximately \$900 million for the project. The Utility has requested a final decision from the CPUC by September 2010.  | A.09-12-002                |



Table 14 (continued): Pacific Gas and Electric Company  
Docket Numbers of Selected Regulatory Cases

| Name   | Brief Description  | Docket Number                             |
|--|--|---|
| Request for new Generation Offers and Potential New Utility-Owned Generation | On July 29, 2010, the CPUC determined that PG&E should procure between 950 – 1,000 MW of new generation resources. The final decision approved the Marsh Landing, Contra Costa 6 & 7, and Midway Sunset power purchase agreements, while denying the Oakley Project purchase and sales agreement.  | R.06-02-013<br>A.09-04-001<br>A.09-09-021 |
| 2011 Gas Transmission and Storage Rate Case                                  | On September 18, 2009, the Utility filed an application with the CPUC to determine the rates, terms, and conditions of the Utility's gas transmission and storage services beginning January 1, 2011. A final decision is expected in late 2010.   | A.09-09-013                               |
| Transmission Owner ("TO") 12 Rate Cases                                      | On July 27, 2010, FERC approved an uncontested settlement of the Utility's TO rate case that was originally filed on July 30, 2009. The settlement sets an annual retail base revenue requirement of \$875 million effective March 1, 2010. The Utility has been reserving the difference between expected revenues based on rates requested in the TO rate application and expected revenues based on rates proposed in the settlement. PG&E will refund any over-collected amounts to customers, with interest, through an adjustment to rates in 2011.  | ER.09-1521-000                            |
| Photovoltaic Program   | On April 22, 2010, the CPUC approved the Utility's five-year program to (1) develop up to 250 MW of Utility-owned renewable generation resources based on solar photovoltaic ("PV") technology for an aggregate cost of up to \$1.5 billion and (2) execute power purchase agreements for up to 250 MW of PV projects to be developed by independent power producers. The Utility-owned portion of the PV facilities is subject to traditional rate base treatment.  | A.09-02-019<br>D.10-04-052                |
| Energy Efficiency Order Instituting Rulemaking Post-2005                     | This is a CPUC proceeding to establish incentive ratemaking mechanisms for implementation of the California utilities' energy efficiency programs and to resolve the utilities' claims for 2006-2008 shareholder incentives. The CPUC has awarded the Utility \$33.4 million in incentive revenues for energy savings achieved over the 2006-2008 program cycle. Any additional incentive award for the 2006-2008 cycle is subject to verification and the final true-up process expected to be completed in 2010. The CPUC has not yet determined the incentive mechanism that will apply to energy efficiency programs in 2009 and future years. | R.09-01-019<br>D.09-12-045                |

Table 14 (continued): Pacific Gas and Electric Company  
Docket Numbers of Selected Regulatory Cases

| Name   | Brief Description   | Docket Number              |
|--|---|----------------------------|
| SmartGrid Order Instituting Rulemaking   | This is a CPUC proceeding to consider the development of SmartGrid technologies in California and to establish procedures for SCE, PG&E and SDG&E to obtain CPUC approval for Smart Grid-related investments through general rate cases or individual applications. On June 24, 2010, the CPUC issued a decision which requires SCE, PG&E and SDG&E to submit SmartGrid deployment plans by July 1, 2011. The plans should present a vision, strategy, and roadmap for how the SmartGrid will enable consumers to capture the benefits of a wide range of energy technologies, products, and services while protecting consumers' privacy. This rulemaking proceeding will have additional phases in 2010 and 2011. | R.08-12-009<br>D.09-12-046 |
| Proposed Electric Distribution Reliability Program (Cornerstone Improvement Program) | On June 24, 2010, the CPUC approved the Utility to implement electric distribution reliability improvement projects and incur capital expenditures of approximately \$357 million in capital and \$9 million in expense beginning in 2010 and continuing through 2013. Although the CPUC determined that the Utility had not demonstrated the need for the entirety of its proposed \$2 billion six-year electric distribution reliability improvement program, the CPUC has authorized the Utility to submit additional program requests in the 2014 GRC.  | A.08-05-023<br>D.10-06-048 |

Most of these regulatory cases are discussed in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, or PG&E Corporation's and Pacific Gas and Electric Company's combined Annual Report on Form 10-K for the year ended December 31, 2009.

Table 15: PG&E Corporation  
Condensed Consolidated Statements of Income  
(in millions, except per share amounts)

|  | (Unaudited)        |                |                  |                |
|--|--------------------|----------------|------------------|----------------|
|  | Three Months Ended |                | Six Months Ended |                |
|  | June 30,           |                | June 30,         |                |
|  | 2010               | 2009           | 2010             | 2009           |
| <b>Operating Revenues</b>                                  |                    |                |                  |                |
| Electric   | \$ 2,515           | \$ 2,554       | \$ 5,025         | \$ 4,980       |
| Natural gas  | 717                | 640            | 1,682            | 1,645          |
| <b>Total operating revenues</b>                            | <b>3,232</b>       | <b>3,194</b>   | <b>6,707</b>     | <b>6,625</b>   |
| <b>Operating Expenses</b>                                  |                    |                |                  |                |
| Cost of electricity  | 863                | 883            | 1,783            | 1,766          |
| Cost of natural gas  | 247                | 188            | 742              | 745            |
| Operating and maintenance                                  | 959                | 1,038          | 1,950            | 2,097          |
| Depreciation, amortization, and decommissioning            | 468                | 429            | 919              | 848            |
| <b>Total operating expenses</b>                            | <b>2,537</b>       | <b>2,538</b>   | <b>5,394</b>     | <b>5,456</b>   |
| <b>Operating Income</b>                                    | <b>695</b>         | <b>656</b>     | <b>1,313</b>     | <b>1,169</b>   |
| Interest income  | 2                  | 17             | 4                | 26             |
| Interest expense   | (175)              | (178)          | (343)            | (359)          |
| Other income (expense), net                                | 2                  | 22             | (4)              | 40             |
| <b>Income Before Income Taxes</b>                          | <b>524</b>         | <b>517</b>     | <b>970</b>       | <b>876</b>     |
| Income tax provision                                       | 187                | 125            | 372              | 240            |
| <b>Net Income</b>  | <b>337</b>         | <b>392</b>     | <b>598</b>       | <b>636</b>     |
| <b>Preferred stock dividend requirement of subsidiary</b>  | <b>4</b>           | <b>4</b>       | <b>7</b>         | <b>7</b>       |
| <b>Income Available for Common Shareholders</b>            | <b>\$ 333</b>      | <b>\$ 388</b>  | <b>\$ 591</b>    | <b>\$ 629</b>  |
| <b>Weighted Average Common Shares Outstanding, Basic</b>   | <b>373</b>         | <b>368</b>     | <b>372</b>       | <b>366</b>     |
| <b>Weighted Average Common Shares Outstanding, Diluted</b> | <b>390</b>         | <b>369</b>     | <b>389</b>       | <b>367</b>     |
| <b>Net Earnings Per Common Share, Basic</b>                | <b>\$ 0.88</b>     | <b>\$ 1.03</b> | <b>\$ 1.56</b>   | <b>\$ 1.68</b> |
| <b>Net Earnings Per Common Share, Diluted</b>              | <b>\$ 0.86</b>     | <b>\$ 1.02</b> | <b>\$ 1.54</b>   | <b>\$ 1.67</b> |
| <b>Dividends Declared Per Common Share</b>                 | <b>\$ 0.46</b>     | <b>\$ 0.42</b> | <b>\$ 0.91</b>   | <b>\$ 0.84</b> |

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

Table 16: PG&E Corporation  
Condensed Consolidated Balance Sheets  
(in millions)

|   | (Unaudited)      |                      |
|---|------------------|----------------------|
|   | Balance At       |                      |
|   | June 30,<br>2010 | December 31,<br>2009 |
| <b>ASSETS</b>   |                  |                      |
| <b>Current Assets</b>   |                  |                      |
| Cash and cash equivalents   | \$ 265           | \$ 527               |
| Restricted cash   | 583              | 633                  |
| Accounts receivable:  |                  |                      |
| Customers (net of allowance for doubtful accounts of \$71 at June 30, 2010 and \$68 at December 31, 2009)                   | 846              | 859                  |
| Accrued unbilled revenue  | 722              | 671                  |
| Regulatory balancing accounts   | 1,369            | 1,109                |
| Other   | 759              | 750                  |
| Inventories:  |                  |                      |
| Gas stored underground and fuel oil   | 142              | 114                  |
| Materials and supplies  | 192              | 200                  |
| Income taxes receivable   | -                | 127                  |
| Prepaid expenses and other  | 734              | 667                  |
| <b>Total current assets</b>   | <b>5,612</b>     | <b>5,657</b>         |
| <b>Property, Plant, and Equipment</b>   |                  |                      |
| Electric  | 31,408           | 30,481               |
| Gas   | 10,971           | 10,697               |
| Construction work in progress   | 2,149            | 1,888                |
| Other   | 14               | 14                   |
| <b>Total property, plant, and equipment</b>   | <b>44,542</b>    | <b>43,080</b>        |
| Accumulated depreciation  | (14,559)         | (14,188)             |
| <b>Net property, plant, and equipment</b>   | <b>29,983</b>    | <b>28,892</b>        |
| <b>Other Noncurrent Assets</b>  |                  |                      |
| Regulatory assets (\$944 and \$1,124 related to Energy Recovery Bonds at June 30, 2010 and December 31, 2009, respectively) | 5,610            | 5,522                |
| Nuclear decommissioning trusts  | 1,854            | 1,899                |
| Income taxes receivable   | 693              | 596                  |
| Other   | 466              | 379                  |
| <b>Total other noncurrent assets</b>  | <b>8,623</b>     | <b>8,396</b>         |
| <b>TOTAL ASSETS</b>   | <b>\$ 44,218</b> | <b>\$ 42,945</b>     |

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

Table 16 (continued): PG&E Corporation  
Condensed Consolidated Balance Sheets  
(in millions, except share amounts)

|  | (Unaudited)      |                      |
|--|------------------|----------------------|
|  | Balance At       |                      |
|  | June 30,<br>2010 | December 31,<br>2009 |
| <b>LIABILITIES AND EQUITY</b>  |                  |                      |
| <b>Current Liabilities</b>   |                  |                      |
| Short-term borrowings  | \$ 1,057         | \$ 833               |
| Long-term debt, classified as current  | 595              | 342                  |
| Energy recovery bonds, classified as current   | 395              | 386                  |
| Accounts payable:  |                  |                      |
| Trade creditors  | 920              | 984                  |
| Disputed claims and customer refunds   | 746              | 773                  |
| Regulatory balancing accounts  | 437              | 281                  |
| Other  | 356              | 349                  |
| Interest payable   | 839              | 818                  |
| Income taxes payable   | 634              | 214                  |
| Deferred income taxes  | 403              | 332                  |
| Other  | 1,237            | 1,501                |
| <b>Total current liabilities</b>   | <b>7,619</b>     | <b>6,813</b>         |
| <b>Noncurrent Liabilities</b>  |                  |                      |
| Long-term debt   | 10,179           | 10,381               |
| Energy recovery bonds  | 636              | 827                  |
| Regulatory liabilities   | 4,275            | 4,125                |
| Pension and other postretirement benefits  | 2,018            | 1,773                |
| Asset retirement obligations   | 1,600            | 1,593                |
| Deferred income taxes  | 4,637            | 4,732                |
| Other  | 2,131            | 2,116                |
| <b>Total noncurrent liabilities</b>  | <b>25,476</b>    | <b>25,547</b>        |
| <b>Commitments and Contingencies</b>   |                  |                      |
| <b>Equity</b>  |                  |                      |
| <b>Shareholders' Equity</b>  |                  |                      |
| Preferred stock, no par value, authorized 80,000,000 shares, \$100 par value, authorized 5,000,000 shares, none issued   | -                | -                    |
| Common stock, no par value, authorized 800,000,000 shares, 390,103,473 shares outstanding (including 476,312 restricted shares) at June 30, 2010 and 371,272,457 shares outstanding (including 670,552 restricted shares) at December 31, 2009 | 6,646            | 6,280                |
| Reinvested earnings  | 4,457            | 4,213                |
| Accumulated other comprehensive loss   | (232)            | (160)                |
| <b>Total shareholders' equity</b>  | <b>10,871</b>    | <b>10,333</b>        |
| <b>Noncontrolling Interest – Preferred Stock of Subsidiary</b>   | <b>252</b>       | <b>252</b>           |
| <b>Total equity</b>  | <b>11,123</b>    | <b>10,585</b>        |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>\$ 44,218</b> | <b>\$ 42,945</b>     |

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

Table 17: PG&E Corporation  
Condensed Consolidated Statements of Cash Flows  
(in millions)

|  | (Unaudited)                  |                |
|--|------------------------------|----------------|
|  | Six Months Ended<br>June 30, |                |
|  | 2010                         | 2009           |
| <b>Cash Flows from Operating Activities</b>  |                              |                |
| Net income   | \$ 598                       | \$ 636         |
| Adjustments to reconcile net income to net cash provided by operating activities:                            |                              |                |
| Depreciation, amortization, and decommissioning  | 1,038                        | 944            |
| Allowance for equity funds used during construction  | (57)                         | (47)           |
| Deferred income taxes and tax credits, net   | (3)                          | 377            |
| Other changes in noncurrent assets and liabilities   | (97)                         | (46)           |
| Effect of changes in operating assets and liabilities:   |                              |                |
| Accounts receivable  | (47)                         | 198            |
| Inventories  | (20)                         | 113            |
| Accounts payable   | 7                            | (143)          |
| Income taxes receivable/payable  | 458                          | 161            |
| Regulatory balancing accounts, net   | (206)                        | (228)          |
| Other current assets   | 28                           | 10             |
| Other current liabilities  | (326)                        | (224)          |
| Other  | -                            | 3              |
| <b>Net cash provided by operating activities</b>   | <b>1,373</b>                 | <b>1,754</b>   |
| <b>Cash Flows from Investing Activities</b>  |                              |                |
| Capital expenditures   | (1,786)                      | (2,077)        |
| Decrease in restricted cash  | 50                           | 15             |
| Proceeds from sales and maturities of nuclear decommissioning trust investments                              | 685                          | 954            |
| Purchases of nuclear decommissioning trust investments   | (696)                        | (985)          |
| Other  | 4                            | 12             |
| <b>Net cash used in investing activities</b>   | <b>(1,743)</b>               | <b>(2,081)</b> |
| <b>Cash Flows from Financing Activities</b>  |                              |                |
| Borrowings under revolving credit facilities   | 30                           | 300            |
| Repayments under revolving credit facilities   | -                            | (300)          |
| Net issuance (repayments) of commercial paper, net of discount of \$1 in 2010 and \$3 in 2009                | 693                          | (47)           |
| Proceeds from issuance of short-term debt, net of issuance costs of \$1 in 2009                              | -                            | 499            |
| Proceeds from issuance of long-term debt, net of discount and issuance costs of \$5 in 2010 and \$16 in 2009 | 295                          | 884            |
| Short-term debt matured  | (500)                        | -              |
| Long-term debt matured   | -                            | (600)          |
| Energy recovery bonds matured  | (182)                        | (174)          |
| Common stock issued  | 89                           | 182            |
| Common stock dividends paid  | (320)                        | (286)          |
| Other  | 3                            | (12)           |
| <b>Net cash provided by financing activities</b>   | <b>108</b>                   | <b>446</b>     |
| <b>Net change in cash and cash equivalents</b>   | <b>(262)</b>                 | <b>119</b>     |
| <b>Cash and cash equivalents at January 1</b>  | <b>527</b>                   | <b>219</b>     |
| <b>Cash and cash equivalents at June 30</b>  | <b>\$ 265</b>                | <b>\$ 338</b>  |

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

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Table 17 (continued): PG&E Corporation  
Condensed Consolidated Statements of Cash Flows  
(in millions)

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| <b>Supplemental disclosures of cash flow information</b>                      |          |          |
|---|----------|----------|
| Cash received (paid) for:   |          |          |
| Interest, net of amounts capitalized  | \$ (309) | \$ (298) |
| Income taxes, net   | 36       | 201      |
| <b>Supplemental disclosures of noncash investing and financing activities</b> |          |          |
| Common stock dividends declared but not yet paid                              | \$ 178   | \$ 155   |
| Capital expenditures financed through accounts payable                        | 209      | 245      |
| Noncash common stock issuances  | 253      | 39       |

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Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

Table 18: Pacific Gas and Electric Company  
Condensed Consolidated Statements of Income  
(in millions)

|   | (Unaudited)                    |               |                              |               |
|---|--------------------------------|---------------|------------------------------|---------------|
|   | Three Months Ended<br>June 30, |               | Six Months Ended<br>June 30, |               |
|   | 2010                           | 2009          | 2010                         | 2009          |
| <b>Operating Revenues</b>                       |                                |               |                              |               |
| Electric  | \$ 2,515                       | \$ 2,554      | \$ 5,025                     | \$ 4,980      |
| Natural gas                                     | 717                            | 640           | 1,682                        | 1,645         |
| <b>Total operating revenues</b>                 | <b>3,232</b>                   | <b>3,194</b>  | <b>6,707</b>                 | <b>6,625</b>  |
| <b>Operating Expenses</b>                       |                                |               |                              |               |
| Cost of electricity                             | 863                            | 883           | 1,783                        | 1,766         |
| Cost of natural gas                             | 247                            | 188           | 742                          | 745           |
| Operating and maintenance                       | 958                            | 1,037         | 1,948                        | 2,096         |
| Depreciation, amortization, and decommissioning | 468                            | 429           | 919                          | 848           |
| <b>Total operating expenses</b>                 | <b>2,536</b>                   | <b>2,537</b>  | <b>5,392</b>                 | <b>5,455</b>  |
| <b>Operating Income</b>                         | <b>696</b>                     | <b>657</b>    | <b>1,315</b>                 | <b>1,170</b>  |
| Interest income                                 | 2                              | 17            | 4                            | 26            |
| Interest expense                                | (164)                          | (166)         | (320)                        | (339)         |
| Other income (expense), net                     | 1                              | 15            | (5)                          | 36            |
| <b>Income Before Income Taxes</b>               | <b>535</b>                     | <b>523</b>    | <b>994</b>                   | <b>893</b>    |
| Income tax provision                            | 196                            | 132           | 391                          | 263           |
| <b>Net Income</b>                               | <b>339</b>                     | <b>391</b>    | <b>603</b>                   | <b>630</b>    |
| Preferred stock dividend requirement            | 4                              | 4             | 7                            | 7             |
| <b>Income Available for Common Stock</b>        | <b>\$ 335</b>                  | <b>\$ 387</b> | <b>\$ 596</b>                | <b>\$ 623</b> |

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.



Table 19: Pacific Gas and Electric Company  
Condensed Consolidated Balance Sheets  
(in millions)

|  | (Unaudited)      |                      |
|--|------------------|----------------------|
|  | Balance At       |                      |
|  | June 30,<br>2010 | December 31,<br>2009 |
| <b>ASSETS</b>  |                  |                      |
| <b>Current Assets</b>  |                  |                      |
| Cash and cash equivalents  | \$ 60            | \$ 334               |
| Restricted cash  | 583              | 633                  |
| Accounts receivable:   |                  |                      |
| Customers (net of allowance for doubtful accounts of \$71 at<br>June 30, 2010 and \$68 at December 31, 2009)                   | 846              | 859                  |
| Accrued unbilled revenue   | 722              | 671                  |
| Regulatory balancing accounts  | 1,369            | 1,109                |
| Other  | 794              | 751                  |
| Inventories:   |                  |                      |
| Gas stored underground and fuel oil  | 142              | 114                  |
| Materials and supplies   | 192              | 200                  |
| Income taxes receivable  | -                | 138                  |
| Prepaid expenses and other   | 733              | 662                  |
| <b>Total current assets</b>  | <b>5,441</b>     | <b>5,471</b>         |
| <b>Property, Plant, and Equipment</b>  |                  |                      |
| Electric   | 31,408           | 30,481               |
| Gas  | 10,971           | 10,697               |
| Construction work in progress  | 2,149            | 1,888                |
| <b>Total property, plant, and equipment</b>  | <b>44,528</b>    | <b>43,066</b>        |
| Accumulated depreciation   | (14,546)         | (14,175)             |
| <b>Net property, plant, and equipment</b>  | <b>29,982</b>    | <b>28,891</b>        |
| <b>Other Noncurrent Assets</b>   |                  |                      |
| Regulatory assets (\$944 and \$1,124 related to Energy Recovery Bonds at<br>June 30, 2010 and December 31, 2009, respectively) | 5,610            | 5,522                |
| Nuclear decommissioning trusts   | 1,854            | 1,899                |
| Income taxes receivable  | 740              | 610                  |
| Other  | 368              | 316                  |
| <b>Total other noncurrent assets</b>   | <b>8,572</b>     | <b>8,347</b>         |
| <b>TOTAL ASSETS</b>  | <b>\$ 43,995</b> | <b>\$ 42,709</b>     |

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

Table 19 (continued): Pacific Gas and Electric Company  
Condensed Consolidated Balance Sheets  
(in millions, except share amounts)

|   | (Unaudited)      |                      |
|---|------------------|----------------------|
|   | Balance At       |                      |
|   | June 30,<br>2010 | December 31,<br>2009 |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                  |                      |
| <b>Current Liabilities</b>  |                  |                      |
| Short-term borrowings   | \$ 1,027         | \$ 833               |
| Long-term debt, classified as current   | 595              | 95                   |
| Energy recovery bonds, classified as current  | 395              | 386                  |
| Accounts payable:   |                  |                      |
| Trade creditors   | 920              | 984                  |
| Disputed claims and customer refunds  | 746              | 773                  |
| Regulatory balancing accounts   | 437              | 281                  |
| Other   | 367              | 363                  |
| Interest payable  | 834              | 813                  |
| Income tax payable  | 662              | 223                  |
| Deferred income taxes   | 409              | 334                  |
| Other   | 1,032            | 1,307                |
| <b>Total current liabilities</b>  | <b>7,424</b>     | <b>6,392</b>         |
| <b>Noncurrent Liabilities</b>   |                  |                      |
| Long-term debt  | 9,831            | 10,033               |
| Energy recovery bonds   | 636              | 827                  |
| Regulatory liabilities  | 4,275            | 4,125                |
| Pension and other postretirement benefits   | 1,960            | 1,717                |
| Asset retirement obligations  | 1,600            | 1,593                |
| Deferred income taxes   | 4,688            | 4,764                |
| Other   | 2,099            | 2,073                |
| <b>Total noncurrent liabilities</b>   | <b>25,089</b>    | <b>25,132</b>        |
| <b>Commitments and Contingencies</b>  |                  |                      |
| <b>Shareholders' Equity</b>   |                  |                      |
| Preferred stock without mandatory redemption provisions:  |                  |                      |
| Nonredeemable, 5.00% to 6.00%, 5,784,825 shares outstanding at June 30, 2010 and December 31, 2009                                | 145              | 145                  |
| Redeemable, 4.36% to 5.00%, 4,534,958 shares outstanding at June 30, 2010 and December 31, 2009                                   | 113              | 113                  |
| Common stock, \$5 par value, authorized 800,000,000 shares, 264,374,809 shares outstanding at June 30, 2010 and December 31, 2009 | 1,322            | 1,322                |
| Additional paid-in capital  | 3,186            | 3,055                |
| Reinvested earnings   | 6,942            | 6,704                |
| Accumulated other comprehensive loss  | (226)            | (154)                |
| <b>Total shareholders' equity</b>   | <b>11,482</b>    | <b>11,185</b>        |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   | <b>\$ 43,995</b> | <b>\$ 42,709</b>     |

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

Table 20: Pacific Gas and Electric Company  
Condensed Consolidated Statements of Cash Flows  
(in millions)

|  | (Unaudited)      |                |
|--|------------------|----------------|
|  | Six Months Ended |                |
|  | June 30,         |                |
|  | 2010             | 2009           |
| <b>Cash Flows from Operating Activities</b>  |                  |                |
| Net income   | \$ 603           | \$ 630         |
| Adjustments to reconcile net income to net cash provided by operating activities:                            |                  |                |
| Depreciation, amortization, and decommissioning  | 1,016            | 932            |
| Allowance for equity funds used during construction  | (57)             | (47)           |
| Deferred income taxes and tax credits, net   | (1)              | 368            |
| Other changes in noncurrent assets and liabilities   | (63)             | (34)           |
| Effect of changes in operating assets and liabilities:   |                  |                |
| Accounts receivable  | (81)             | 199            |
| Inventories  | (20)             | 113            |
| Accounts payable   | 4                | (140)          |
| Income taxes receivable/payable  | 475              | 64             |
| Regulatory balancing accounts, net   | (206)            | (228)          |
| Other current assets   | 28               | 10             |
| Other current liabilities  | (316)            | (220)          |
| Other  | -                | 3              |
| <b>Net cash provided by operating activities</b>   | <b>1,382</b>     | <b>1,650</b>   |
| <b>Cash Flows from Investing Activities</b>  |                  |                |
| Capital expenditures   | (1,786)          | (2,077)        |
| Decrease in restricted cash  | 50               | 15             |
| Proceeds from sales and maturities of nuclear decommissioning trust investments                              | 685              | 954            |
| Purchases of nuclear decommissioning trust investments   | (696)            | (985)          |
| Other  | 11               | 5              |
| <b>Net cash used in investing activities</b>   | <b>(1,736)</b>   | <b>(2,088)</b> |
| <b>Cash Flows from Financing Activities</b>  |                  |                |
| Borrowings under revolving credit facilities   | -                | 300            |
| Repayments under revolving credit facilities   | -                | (300)          |
| Net issuance (repayments) of commercial paper, net of discount of \$1 in 2010 and \$3 in 2009                | 693              | (47)           |
| Proceeds from issuance of short-term debt, net of issuance costs of \$1 in 2009                              | -                | 499            |
| Proceeds from issuance of long-term debt, net of discount and issuance costs of \$5 in 2010 and \$12 in 2009 | 295              | 538            |
| Short-term debt matured  | (500)            | -              |
| Long-term debt matured   | -                | (600)          |
| Energy recovery bonds matured  | (182)            | (174)          |
| Preferred stock dividends paid   | (7)              | (7)            |
| Common stock dividends paid  | (358)            | (312)          |
| Equity contribution  | 130              | 653            |
| Other  | 9                | (6)            |
| <b>Net cash provided by financing activities</b>   | <b>80</b>        | <b>544</b>     |
| <b>Net change in cash and cash equivalents</b>   | <b>(274)</b>     | <b>106</b>     |
| <b>Cash and cash equivalents at January 1</b>  | <b>334</b>       | <b>52</b>      |
| <b>Cash and cash equivalents at June 30</b>  | <b>\$ 60</b>     | <b>\$ 158</b>  |

Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

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Table 20 (continued): Pacific Gas and Electric Company  
Condensed Consolidated Statements of Cash Flows  
(in millions)

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| <b>Supplemental disclosures of cash flow information</b>                      |          |          |
|---|----------|----------|
| Cash received (paid) for:   |          |          |
| Interest, net of amounts capitalized  | \$ (287) | \$ (286) |
| Income taxes, net   | 34       | 70       |
| <b>Supplemental disclosures of noncash investing and financing activities</b> |          |          |
| Capital expenditures financed through accounts payable                        | \$ 209   | \$ 245   |

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Source: PG&E Corporation's and Pacific Gas and Electric Company's Condensed Consolidated Financial Statements and Notes thereto included in PG&E Corporation's and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.