



***PG&E Corporation***<sup>®</sup>

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## **FIRST QUARTER EARNINGS CALL**

May 1, 2014



# Safe Harbor Statements

Management's statements and assumptions regarding the estimated ranges of pipeline-related expenses, capital expenditures, rate base, costs, equity issuances, general earnings sensitivities, and other factors that can affect PG&E Corporation's 2014 financial results, 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 Pacific Gas and Electric Company ("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:

- when and how the pending CPUC investigations and enforcement matters related to the Utility's natural gas system operating practices and the San Bruno accident are concluded, including the ultimate amount of fines the Utility will be required to pay to the State General Fund, the ultimate amount of pipeline-related costs the Utility will not recover through rates; whether the CPUC appoints a monitor to oversee the Utility's natural gas operations; and the cost of any remedial actions the Utility may be ordered to perform;
- developments that may occur in the federal criminal prosecution of the Utility for alleged violations of the Natural Gas Pipeline Safety Act, including whether federal prosecutors seek a superseding indictment to bring additional charges or fines against the Utility and whether the Utility is convicted and the amount of any criminal fines or penalties imposed, or whether additional investigations are commenced relating to the Utility's natural gas operating practices or specific incidents;
- 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 about the San Bruno accident, the CPUC investigations and their final outcomes, the federal criminal prosecution of the Utility and its final outcome, and the ongoing work to remove encroachments from transmission pipeline rights-of-way;
- the outcomes of pending ratemaking proceedings and whether the cost and revenue forecasts assumed in such outcomes prove to be accurate;
- higher electricity procurement costs and whether the Utility is able to recover such higher costs timely;
- the amount and timing of additional common stock issuances by PG&E Corporation, the proceeds of which are contributed as equity to maintain the Utility's authorized capital structure as the Utility incurs charges and costs that it cannot recover through rates, including costs and fines associated with natural gas matters and the pending investigations;
- the ability of PG&E Corporation and the Utility to access capital markets and other sources of debt and equity financing in a timely manner on acceptable terms;
- changes in credit ratings which could result in increased borrowing costs especially if PG&E Corporation or the Utility were to lose its investment grade credit ratings;
- the impact of federal or state laws or regulations, or their interpretation, on energy policy and the regulation of utilities and their holding companies, including 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 whether the ultimate outcome of the pending investigations relating to the Utility's natural gas operations affects the Utility's ability to make distributions to PG&E Corporation, and, in turn, PG&E Corporation's ability to pay dividends;
- the outcome of federal or state tax audits and the impact of any changes in federal or state tax laws, policies, regulations, or their interpretation;
- the impact of changes in GAAP, standards, rules, or policies, including those related to regulatory accounting, and the impact of changes in their interpretation or application; and
- the other factors disclosed in PG&E Corporation's and the Utility's joint 2013 Annual Report and Quarterly Report on Form 10-Q for the quarter ended March 31, 2014.

*This presentation is not complete without the accompanying statements made by management during the webcast conference call held on May 1, 2014.*

*This presentation, including Appendices, 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 May 1, 2014 and, along with the replay of the conference call, is 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 and legal proceedings as soon as possible

## Position company for success

- Rigorous multi-year planning
- Drive continuous improvement

## Partner effectively

- Strengthen local presence
- Engage in public policy development



# Operational and Regulatory Update

## Executing on Operations

### Gas Safety Work since 2011

- Tested, or validated through records, 676 miles of pipe
- Replaced 129 miles of pipe
- Installed 143 automatic or remote shutoff valves

### Electric Achievements Q1 2014

- Reliability technology deployment avoided 9.7 million customer interruption minutes

## Regulatory Update

- **General Rate Case** – anticipate Proposed Decision soon
- **Gas Transmission rate case** – final decision scheduled for Q1 2015. Motion for retroactivity of revenues pending at CPUC
- **TO 15** – settlement discussions ongoing



# Q1 2014: Earnings Results

	Q1	
	Earnings (millions)	EPS
Earnings from Operations	\$ 251	\$ 0.54
Items Impacting Comparability		
Natural Gas Matters	(24)	(0.05)
<b>Earnings on a GAAP Basis</b>	<b>\$ 227</b>	<b>\$ 0.49</b>

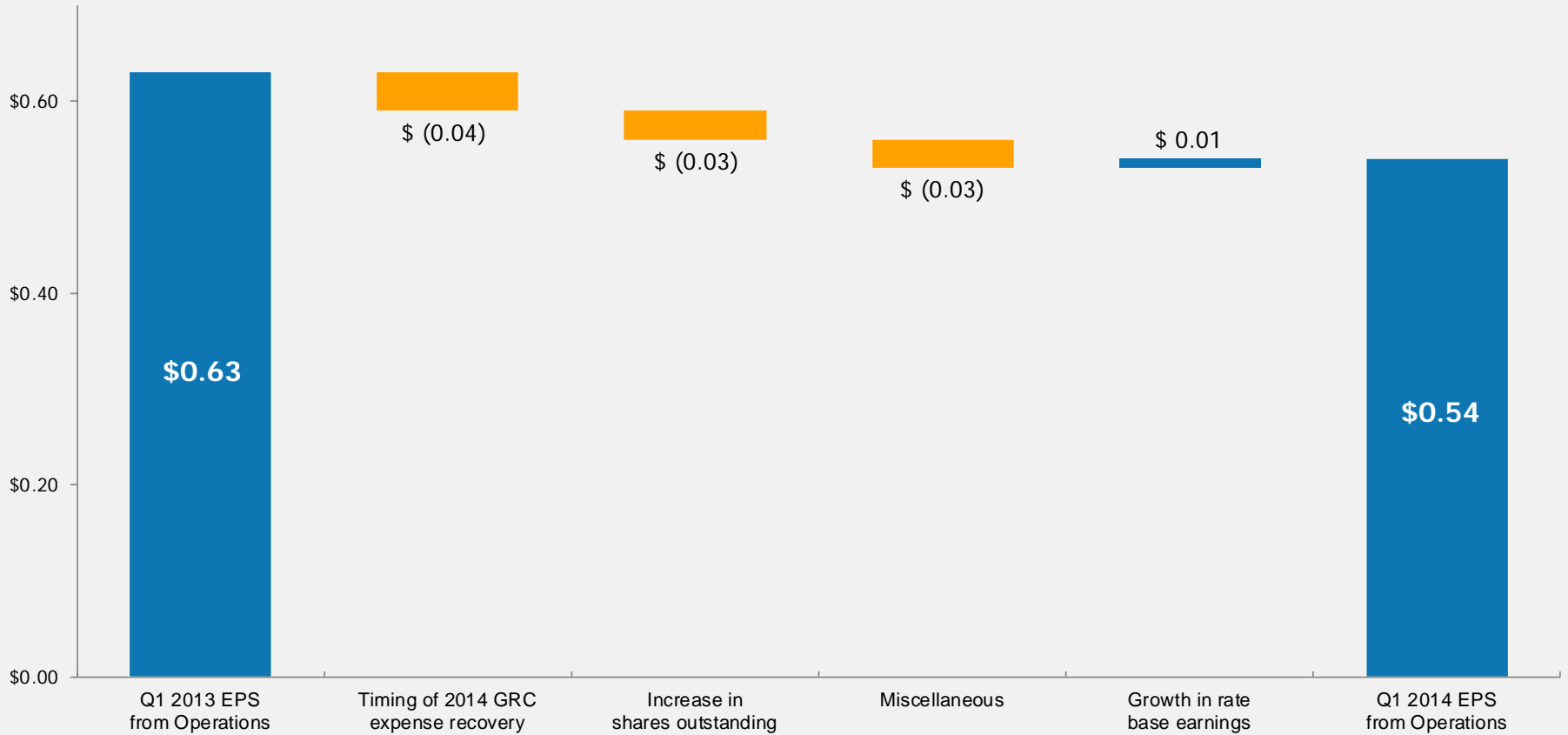
Natural Gas Matters (millions, pre-tax)	
	Q1
Pipeline-related expenses	\$ (40)
Accrued fines	-
Third-party liability claims	-
Insurance recoveries	-
<b>Total</b>	<b>\$ (40)</b>

Earnings from Operations is not calculated in accordance with GAAP and excludes items impacting comparability. See Exhibit A in Appendix 2 for a reconciliation of Earnings per Share ("EPS") from Operations to EPS on a GAAP basis.



# Q1 2014: Quarter over Quarter Comparison

## EPS from Operations



Earnings per Share from Operations is not calculated in accordance with GAAP and excludes items impacting comparability. See Exhibit A in Appendix 2 for a reconciliation of EPS from Operations to EPS on a GAAP basis.



# 2014 Natural Gas Matters

(\$ millions, pre-tax)	2014
Unrecovered PSEP Expenses	125 - 175
Non-PSEP Expenses	175 - 225
<i>Rights of Way Encroachment</i>	
<i>Integrity Management and Other Work</i>	
Legal and Other	25 - 50
<b>Pipeline Related Expenses</b>	<b>350* - 450</b>

\* Total does not equal the sum of the components

**Guidance range excludes potential future insurance recoveries and any fines or penalties resulting from the pending gas investigations.**

See Exhibit E in Appendix 2 for detailed 2014 Natural Gas Matters Item Impacting Comparability guidance.

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



# Appendix 1 – Regulatory and Guidance Matters

- Updates to Appendix 1 Since the Previous Quarter slide 9

## Financial Information: Current Year

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- 2014 Equity Issuance slide 11

## Financial Information: Looking Ahead

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- Looking Ahead: Rate Base Growth 2014-2016 slide 13

## Rate Cases

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- 2015 CPUC Gas Transmission Rate Case slide 15
- FERC Transmission Owner Rate Case slide 16

## Natural Gas Matters

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# Updates to Appendix 1 Since the Previous Quarter

- **Slide 15**      2015 CPUC Gas Transmission Rate Case
- **Slide 16**      FERC Transmission Owner Rate Case
- **Slide 17**      Gas Regulatory Proceedings Schedule



# Assumptions for 2014

## Capital Expenditures

(\$ millions)

	<u>Low</u>	<u>High</u>
Electric Distribution	1,850	2,200
Electric Transmission	1,000	1,050
Gas Transmission	350	350
Gas Distribution	800	1,050
Generation	600	800
<b>Separately Funded PSEP*</b>	<u>450</u>	<u>450</u>
<b>Total CapEx</b>	<b>~5 billion</b>	<b>~6 billion</b>

\*Includes \$400 M previously reserved for limits on PSEP authorized spend

## Authorized Rate Base (weighted average)

(\$ billions)

	<u>Low</u>	<u>High</u>
Electric Distribution	12.3	12.4
Electric Transmission*	4.6	4.6
Gas Transmission	1.8	1.8
Gas Distribution	3.6	3.8
Generation	5.1	5.3
<b>Separately Funded PSEP</b>	<u>0.6</u>	<u>0.6</u>
<b>Total Rate Base</b>	<b>~28.0</b>	<b>~28.5</b>

\*Electric Transmission rate base reflects full TO15 request

## Authorized Cost of Capital\*

<b>Return on Equity:</b>	10.4%
<b>Equity Ratio:</b>	52%

\*CPUC authorized

## Other Factors

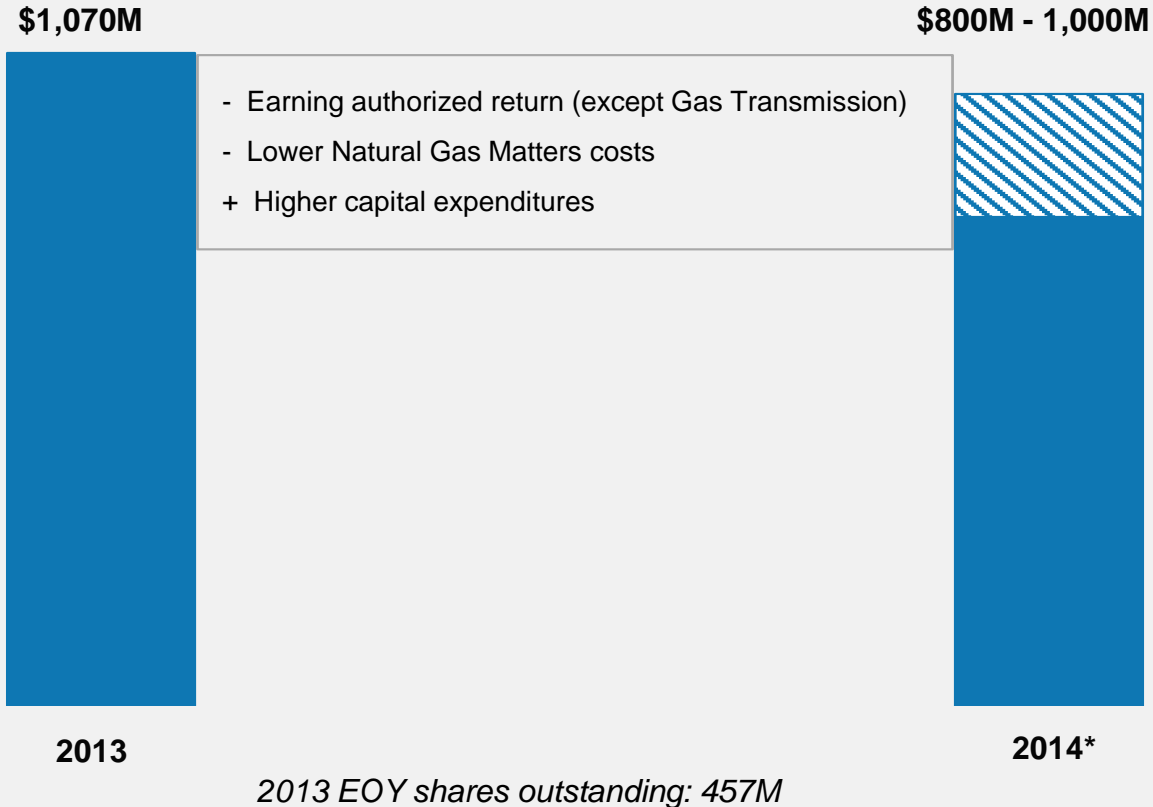
- Under-earning on Gas Transmission & Storage
  - Gas expense
  - Gas capital
  - Gas storage revenues
- + Energy Efficiency incentive revenues

CWIP earnings: offset by below-the-line costs



# 2014 Equity Issuance

Does not reflect resolution of gas investigations

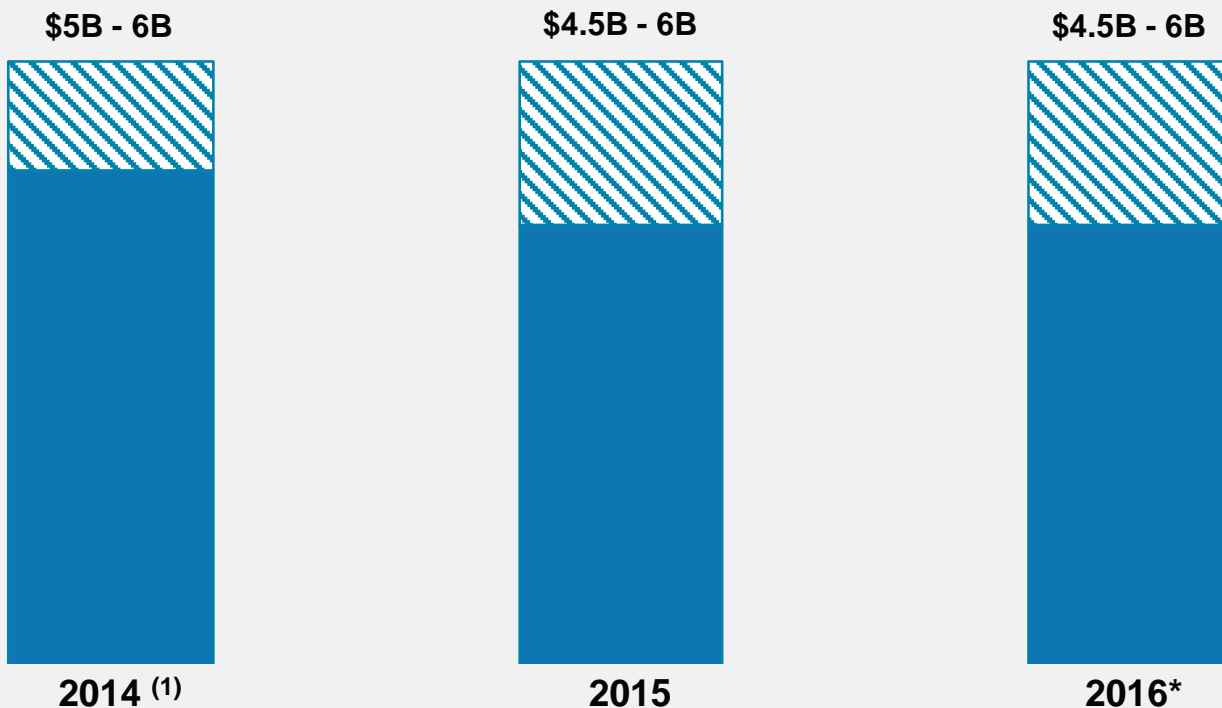


\* The guidance range for 2014 does not include potential penalties (other than those already accrued). It assumes the midpoint of the 2014 range for capital expenditures (~\$5.5B). It excludes any change in depreciation rates associated with the General Rate Case. And it assumes a timely decision in the General Rate Case.

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



# Looking Ahead: Capital Expenditures 2014-2016



The high end of the range reflects capex at GRC request levels, including attrition amounts for 2015 and 2016, capex requested in the 2015 Gas Transmission and Storage case, and current views of future electric proceedings.

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

<sup>(1)</sup> 2014 capex includes ~\$400 million that has already been reserved for PSEP capital exceeding authorized amounts.

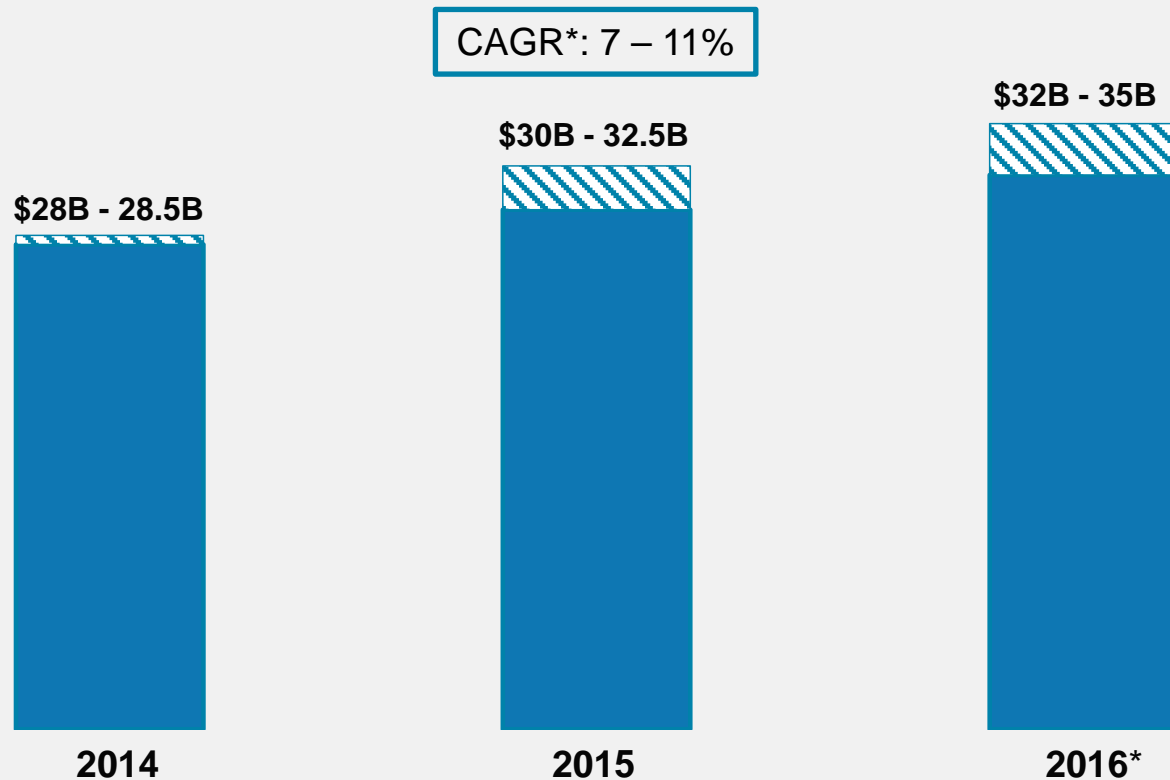
\*Excludes Oakley Plant

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



# Looking Ahead: Rate Base Growth 2014-2016

2014-2016 Weighted Average Rate Base



The high end of the range reflects capex at GRC request levels, including attrition amounts for 2015 and 2016, capex requested in the 2015 Gas Transmission and Storage case, and current views of future 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

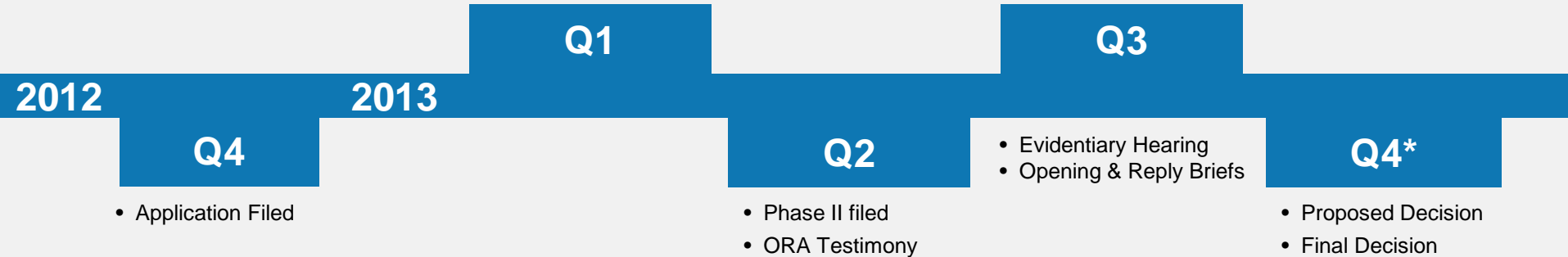
See the Safe Harbor Statements for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.



# 2014 CPUC General Rate Case

- **Request sets base revenue requirement for 2014-2016**
  - Includes operating costs and capital for generation and electric and gas distribution
  - Excludes fuel and purchased power, cost of capital, electric transmission, and gas transmission
- **2014 revenue requirement requests increase of \$1.16 billion**
  - Requested attrition increases of \$436 million and \$486 million in 2015 and 2016, respectively

**Assigned Commissioner:** Florio  
**Administrative Law Judge:** Pulsifer



\*Timeline is based on original schedule. PG&E has not yet received a Proposed or Final Decision

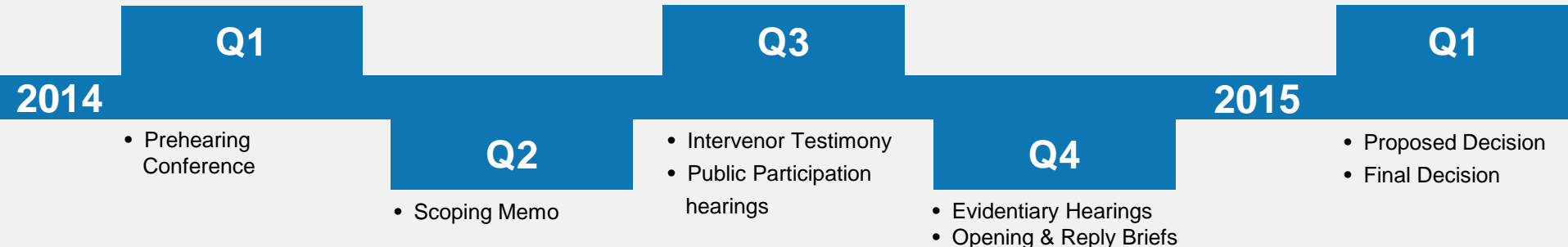


# 2015 CPUC Gas Transmission and Storage Rate Case

- **Application filed with the CPUC on December 19, 2013**
- **Request sets revenue requirement for 2015-2017**
  - Includes operating costs and capital for CPUC jurisdictional gas transmission and storage
- **2015 revenue requirement of \$1.2 billion is a requested increase of \$555 million**
  - Requested attrition increases of \$61 million and \$168 million in 2016 and 2017, respectively
  - Significant request reflecting expense and capital to comply with new requirements
- **PG&E motion for retroactivity of revenues filed on March 12, 2014**
- **Commissioner and ALJ ruling establishing scope and schedule April 17, 2014**

**Assigned Commissioner:** Peterman

**Administrative Law Judge:** Wong





# FERC Transmission Owner Rate Case

## TO 15

- **September 2013** – FERC accepted TO15 subject to refund and rates went into effect October 1, 2013
- Requested revenue requirement of \$1.072 billion and ROE of 10.9%
- **May 14 and 15, 2014** – Next settlement conference





# Gas Regulatory Proceedings Schedule

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

**1/30:** PSEP quarterly compliance filing

**3/3:** PSEP Update prehearing conference

**4/30:** PSEP quarterly compliance filing

**5/16:** PSEP Update prehearing conference

**Orders to Show Cause**

**1/17:** Pipeline pressure Order to Show Cause opening briefs  
**1/23:** PG&E Application for Rehearing  
**1/31:** Pipeline pressure Order to Show Cause reply briefs

**2/7:** Parties' responses to PG&E Application for Rehearing

**4/25:** Pipeline pressure Order to Show Cause proposed decision

**January**

**March**

**May**

**2014**

**February**

**April**

**Recordkeeping OII**  
I. 11-02-016

**Class Location OII**  
I. 11-11-009

**Gas Pipeline OII**  
I. 12-01-007



# Gas Pipeline Safety Costs

## Shareholder Funded Gas Transmission Safety-Related Costs

(\$ millions)

	2010-2013	2014 and Beyond Estimated Forecast	Total
<b><u>Pipeline Safety Enhancement Plan (PSEP)</u></b>			
PSEP Expense	736	~150 <sup>(1)</sup>	
PSEP Capital	114	~440 <sup>(2)</sup>	
<b>Total PSEP</b>	<b>850</b>	<b>~590</b>	<b>\$1,440</b>
<b>Gas Accord V*</b>	<b>~500</b>	<b>~760</b>	<b>\$1,260</b>
<b>Total Shareholder Funded (PSEP and Gas Accord V)</b>			<b>\$2,700</b>

<sup>(1)</sup> Assumes midpoint of 2014 Pipeline-Related Expenses range (\$125 - 175 million)

<sup>(2)</sup> Includes PSEP capital charges incurred in Q4 2012 and Q3 2013

\* Expenses in excess of amounts authorized in 2011-2014 Gas Transmission & Storage Rate Case ("Gas Accord V")

## PSEP Costs: Customer Recovery

(\$ millions)

Previously Authorized (Dec. 2012)		
	Expense	Capital
2011	0	47.2
2012	2.6	260.3
2013	73.3	348.2
2014	89.2	348.0
<b>Total</b>	<b>\$165.0</b>	<b>\$1,003.8</b>

Updated for 10/29 Filing (Oct. 2013)		
	Expense	Capital
2011	0	42.0
2012	2.6	194.0
2013	69.7	354.1
2014	61.4	176.1
<b>Total</b>	<b>\$133.7</b>	<b>\$766.2</b>

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

Excerpt from Q4 2013 Earnings Presentation



# CPSD Recommended Penalty – Total Shareholder Impact

(\$ millions)

Gas Pipeline Safety Costs Incurred or Committed <sup>(1)</sup>	2,700
Safety Division Recommendation - Fine	300
Safety Division Recommendation - Additional Shareholder Costs <sup>(2)</sup>	<u>1,515</u>
<b>Total Shareholder Impact</b>	<b>\$ 4,515</b>

<sup>(1)</sup> Actual and forecast costs borne by shareholders for gas pipeline safety work, 2010 and beyond. See slide 18 for additional detail.

<sup>(2)</sup> The CPSD penalty recommendation proposes a \$300 million fine and recognizes only \$435 million of shareholder-funded PSEP spending. The CPSD equates its recommendation to a total of \$2.25 billion, which would require \$1.515 billion in incremental shareholder-funded gas safety work.



# Incremental Equity Factors

## Incremental Equity Factors Associated with Gas Matters

<u>Equity Impacting Event</u>	<u>Multiplier</u>
Fine paid to state General Fund <sup>(1)</sup>	<b>100%</b>
Unrecovered expenses <sup>(2) (3)</sup>	<b>60%</b>
Capital write-off <sup>(3)</sup>	<b>30%</b>

<sup>(1)</sup> Applies to newly issued fines. Fines already accrued: 50% multiplier at time of payment

<sup>(2)</sup> Applies to expenses in the year in which they are incurred

<sup>(3)</sup> Assumes costs tax deductible



## Appendix 2 – Supplemental Earnings Materials

<b>Exhibit A:</b> Reconciliation of PG&E Corporation Earnings from Operations to Consolidated Income Available for Common Shareholders in Accordance with GAAP	slide 22
<b>Exhibit B:</b> Key Drivers of PG&E Corporation Earnings per Common Share from Operations	slide 23
<b>Exhibit C:</b> Operational Performance Metrics	slide 24-25
<b>Exhibit D:</b> Sales and Sources Summary	slide 26
<b>Exhibit E:</b> Guidance for Items Impacting Comparability	slide 27
<b>Exhibit F:</b> General Earnings Sensitivities	slide 28
<b>Exhibit G:</b> Summary of Selected Regulatory Cases	slide 29-33



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

**First Quarter, 2014 vs. 2013**  
(in millions, except per share amounts)

	<b>Three Months Ended March 31,</b>			
	<b>Earnings</b>		<b>Earnings per Common Share (Diluted)</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
PG&E Corporation Earnings from Operations <sup>(1)</sup>	\$251	\$ 276	\$ 0.54	\$ 0.63
Items Impacting Comparability: <sup>(2)</sup>				
Natural Gas Matters <sup>(3)</sup>	(24)	(37)	(0.05)	(0.08)
<b>PG&amp;E Corporation Earnings on a GAAP basis</b>	<b>\$ 227</b>	<b>\$ 239</b>	<b>\$ 0.49</b>	<b>\$ 0.55</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) The Utility incurred net costs of \$40 million, on a pre-tax basis, during the three months ended March 31, 2014 in connection with natural gas matters. These amounts included pipeline-related costs to validate safe operating pressures and perform other activities associated with safety improvements to the Utility’s natural gas system, as well as legal and other costs. There were no additional charges recorded for this period related to fines or third party liability claims, and no insurance recoveries.

<b>(pre-tax)</b>	<b>Three Months Ended March 31, 2014</b>
Pipeline-related expenses	\$ (40)
Accrued fines	-
Third-party liability claims	-
Insurance recoveries	-
<b>Natural Gas Matters</b>	<b>\$ (40)</b>



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

First Quarter, 2014 vs. 2013  
(\$/Share, Diluted)

First Quarter 2013 EPS from Operations <sup>(1)</sup>	\$ 0.63
Growth in rate base earnings	0.01
Timing of 2014 GRC expense recovery <sup>(2)</sup>	(0.04)
Increase in shares outstanding	(0.03)
Miscellaneous	(0.03)
<b>First Quarter 2014 EPS from Operations <sup>(1)</sup></b>	<b><u><u>\$ 0.54</u></u></b>

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

(2) Represents additional capital-related expenses during the three months ended March 31, 2014 as compared to the same period in 2013, with no corresponding increase in revenue. The Utility’s 2014 GRC request to increase revenues is pending a CPUC decision. After a final decision is issued, the Utility will be authorized to collect any increase in revenue requirements from January 1, 2014.



## Exhibit C: Operational Performance Metrics

	2014 Performance Results		
	Q1 Actual	EOY Target	Meets YTD Target <sup>(1)</sup>
<b>Safety (includes both public and employee safety metrics)</b>			
<u>Nuclear Operations Safety</u>			
Unit 1 Performance Indicator	78.99	94.00	-
Unit 2 Performance Indicator	81.60	88.00	-
<u>Gas Operations Safety</u>			
Gas Dig-ins Reduction	2.25	2.60	✓
Gas Emergency Response	20.06	21.00	✓
<u>Electric Operations Safety</u>			
Transmission & Distribution Wires Down	-34%	0%	-
911 Emergency Response	96.5%	93.6%	✓
<u>Employee Safety</u>			
Lost Workday Case Rate	0.105	0.271	✓
Serious Preventable Motor Vehicle Incident Rate	0.091	0.221	✓
<b>Customer</b>			
Customer Satisfaction Score	76.7	75.7	✓
Gas In-Line Inspection and Upgrade Index	2.00	1.00	✓
Gas Asset Mapping Duration	27	32	✓
Execute Gas Pipeline Safety Work Index	1.00	1.00	✓
System Average Interruption Duration Index (SAIDI)	28.18	115.00	✓
<b>Financial</b>			
Earnings from Operations	\$251	See note <sup>(2)</sup>	See note <sup>(2)</sup>

See following page for definitions of the operational performance metrics.

(1) It is possible to meet end-of-year (EOY) target while missing year-to-date (YTD) target, as some metrics have YTD targets that vary from EOY targets.

(2) The 2014 target for earnings from operations is not publicly reported.





## Definitions of 2014 Operational Performance Metrics from Exhibit C

The Operational Performance Metrics focus on three areas: safety (public and employee), customer service, and financial performance. The column titled “Meets YTD Target” shows illustratively whether or not the metric has met the year-to-date target, which may be different from the EOY target.

### **Safety**

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

1. The safety of the Utility’s nuclear power operations, Unit 1 and Unit 2, is an index comprised of 12 performance indicators for nuclear power generation that are regularly benchmarked against other nuclear power generators.
2. The safety of the Utility’s natural gas operations is represented by (a) the number of third party “dig-ins” (i.e., damage resulting in repair or replacement of underground facility) to Utility gas assets per 1,000 Underground Service Alert tickets; and (b) the timeliness (measured in minutes) of on-site response to gas emergency service calls.
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 compared to the same report period of the previous year, and (b) the percentage of time that Utility personnel are on site within 60 minutes after receiving a 911 call of a potential PG&E electric hazard.
4. The safety of the Utility’s employees is represented by (a) the number of lost workday cases incurred per 200,000 hours worked (or for approximately every 100 employees), and (b) the number of serious preventable motor vehicle incidents that the driver could have reasonably avoided, per one million miles driven.

### **Customer**

Customer satisfaction and service reliability are measured by:

1. The overall satisfaction (measured as a score of zero to 100) of customers with the products and services offered by the Utility, as measured through a quarterly survey performed by an independent third-party research firm.
2. The Utility’s ability to complete planned in-line inspections and pipeline retrofit projects, measured by two equally weighted components of (a) In-Line Inspections and (b) In-Line Upgrades.
3. The timeliness (measured in days) of gas asset information being entered into the Utility’s gas mapping system after a gas project is completed.
4. The efficient completion of certain committed work for gas operations-related programs. The index is comprised of three components related to the completion of committed work and the cost of completing the work.
5. The total time (measured in minutes) the average customer is without electric power during a given time period.

### **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 A.



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

### First Quarter and Year-to-Date, 2014 vs. 2013

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Sales from Energy Deliveries (in millions kWh)	19,384	20,326
Total Electric Customers at March 31	5,264,413	5,235,631
Total Gas Sales (in millions Mcf)	255	266
Total Gas Customers at March 31	4,391,156	4,374,235
<b>Sources of Electric Energy (in millions kWh)</b>		
Total Utility Generation	6,212	7,405
Total Purchased Power	12,468	10,886
Total Electric Energy Delivered <sup>(1)</sup>	19,384	20,326
<b>Diablo Canyon Performance</b>		
Overall Capacity Factor (including refuelings)	69%	73%
Refueling Outage Period	2/9/14 – 3/13/14	2/13/13 – 3/23/13
Refueling Outage Duration during the Period (days)	33	49

<sup>(1)</sup> Includes other sources of electric energy totaling 704 kWh and 2,035 kWh for the three months ended March 31, 2014 and 2013, respectively.

Please see the 2013 Annual Report on Form 10-K for additional information about operating statistics.



## Exhibit E: PG&E Corporation Guidance for Items Impacting Comparability (“IIC”)

<b>2014 IIC Guidance (in millions, after-tax)</b>	<b>Low Earnings</b>	<b>High Earnings</b>
Estimated Items Impacting Comparability: <sup>(1)</sup>		
Natural Gas Matters <sup>(2)</sup>	\$ (267)	\$ (207)
<b>Estimated IIC Guidance <sup>(3)</sup></b>	<b>\$ (267)</b>	<b>\$ (207)</b>

- (1) Items impacting comparability are those items that management believes do not reflect the normal course of operations. These items are excluded when calculating “earnings from operations” which is a non-GAAP measure that allows investors to compare the underlying financial performance of the business from one period to another. These items are included in calculating Consolidated Income Available for Common Shareholders in accordance with GAAP.
- (2) The pre-tax range of costs for specific items included in the range of after-tax costs associated with natural gas matters is shown below.

<b>(in millions, pre-tax)</b>	<b>2014</b>	
	<b>Low earnings guidance</b>	<b>High earnings guidance</b>
Pipeline-related expenses <sup>(a)</sup>	\$ (450)	\$ (350)
Accrued fines <sup>(b)</sup>	-	-
Third-party liability claims <sup>(c)</sup>	-	-
Insurance recoveries <sup>(d)</sup>	-	-
<b>Natural Gas Matters</b>	<b>\$ (450)</b>	<b>\$ (350)</b>

- (a) The range of \$350 million to \$450 million reflects pipeline-related expenses that are not recoverable through rates, including costs to perform work associated with the Utility’s PSEP, costs related to the Utility’s multi-year effort to identify and remove encroachments from transmission pipeline rights-of-way, costs related to the integrity management of transmission pipelines and other gas-related work, including some work at our compressor stations, and legal and other expenses.
- (b) The guidance provided does not include any potential future fines (other than those already accrued). The ultimate amount of fines imposed on the Utility that is payable to the State General Fund could be materially higher than the \$200 million previously accrued for the pending CPUC investigations. The CPUC and staff also could impose additional fines or take other enforcement action with respect to self-reported violations, the staff’s audit findings, or the Utility’s obligation to monitor and remove encroachments from pipeline rights-of-way.
- (c) The Utility’s best estimate of probable loss for third-party liability claims related to the San Bruno accident is \$565 million, the cumulative charges recorded through 2013.
- (d) Although the Utility believes that a significant portion of the costs it incurs for third-party liability claims and associated legal expenses will be recovered through its insurance, the amount and timing of future recoveries are uncertain. The Utility recognizes insurance recoveries only when they are deemed probable under applicable accounting standards.
- (3) Guidance does not include potential environmental-related costs that the Utility could incur in 2014 if the final order for Hinkley remediation is more onerous than the Utility’s proposal.



**Exhibit F: General Earnings Sensitivities**  
**PG&E Corporation and Pacific Gas and Electric Company**

<b>Variable</b>	<b>Description of Change</b>	<b>Estimated 2014 Earnings Impact</b>
Rate base	+/- \$100 million change in allowed rate base	+/- \$5 million
Return on equity (ROE)	+/- 0.1% change in allowed ROE	+/- \$15 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 Gas Transmission	+/- \$0.01 per share

These general earnings sensitivities on factors that may affect 2014 earnings are forward-looking statements that are based on various assumptions. Actual results may differ materially. For a discussion of the factors that may affect future results, see the Safe Harbor Statements.



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

Regulatory Case	Docket #	Key Dates
2014 General Rate Case	A.12-11-009	<p>Nov 15, 2012 – Application filed (Phase I)</p> <p>May 3, 2013 – ORA testimony</p> <p>May 17, 2013 – Intervenor testimony and Safety and Enforcement Division (SED) Liberty and Cycla reports</p> <p>May 22 - Jun 25, 2013 – Public Participation Hearings (11 sites)</p> <p>May 31, 2013 – SED Overland gas distribution report</p> <p>Jun 28, 2013 – Rebuttal testimony</p> <p>Jul 15 - Aug 9, 2013 – Evidentiary hearings</p> <p>Aug 12, 2013 – Mandatory settlement conference</p> <p>Aug 23, 2013 – Joint comparison exhibit</p> <p>Sep 6, 2013 – Opening briefs</p> <p>Sep 27, 2013 – Reply briefs</p> <p>Oct 4, 2013 – Update filing</p>
2014 General Rate Case <i>Phase II: Rate Designs for 2015-2017</i>	A.13-04-020	<p>Apr 18, 2013 – Application filed (Phase II)</p> <p>Nov 15, 2013 – ORA testimony</p> <p>Dec 13, 2013 – Intervenor testimony</p> <p>Apr 18, 2014 – Update report on settlement discussions</p> <p>May 16, 2014 – Update report on settlement discussions</p>
2015 Gas Transmission and Storage Rate Case	A.13-12-012	<p>Dec 19, 2013 – Application filed</p> <p>Jan 16, 2014 – PG&amp;E workshop</p> <p>Mar 7, 2014 – Supplemental testimony served</p> <p>Mar 12, 2014 – Prehearing conference</p> <p>Aug 11, 2014 – ORA and Intervenor testimony</p> <p>Sep 15, 2014 – Rebuttal testimony</p> <p>Oct 6-24, 2014 – Evidentiary hearings</p> <p>March 2015 – Final decision</p>
Transmission Owner Rate Case (TO15)	ER13-2022	<p>Jul 24, 2013 – PG&amp;E filed TO15 rate case seeking an annual revenue requirement for 2014</p> <p>Aug 14, 2013 – Comments/interventions due to FERC on TO15</p> <p>Sep 24, 2013 – FERC accepted filing making rates effective October 1, 2013 subject to refund</p> <p>Oct 16, 2013 – FERC settlement conference</p> <p>Jan 8-9, 2014 – FERC settlement conference</p> <p>Feb 11-12, 2014 – FERC settlement conference</p> <p>Apr 10-11, 2014 – FERC settlement conference</p> <p>May 14-15, 2014 – FERC settlement conference</p>



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

Regulatory Case	Docket #	Key Dates
Gas Pipeline Safety Order Instituting Rulemaking	R.11-02-019	Dec 20, 2012 – Final decision on Pipeline Safety Enhancement Plan
	D.11-03-047	Jan 28, 2013 – Intervenor requests for rehearing
	D.11-06-017	Feb 21, 2013 – Replies to requests for rehearing
	D.11-10-010	Apr 30, 2013 – PSEP quarterly compliance filing
	D.11-12-048	Jul 30, 2013 – PSEP quarterly compliance filing
	D.12-04-047	Aug 19, 2013 – Commission launches Orders to Show Cause on Rule 1.1 and pipeline pressures
	D.12-04-010	Aug 30, 2013 – PG&E verified statement on gas pipeline error discovery and subsequent actions
	D.12-12-030	Sep 6, 2013 – Order to Show Cause hearings
	A.13-10-017	Sep 26, 2013 – Parties’ recommendations on errata filing
	D.13-12-042	Oct 1, 2013 – Parties’ responses to recommendations on errata filing
	D.13-12-053	Oct 21, 2013 – Line 147 prehearing conference
	(Rule 1.1)	Oct 29, 2013 – PSEP Update application and PSEP quarterly compliance filing
	D.13-12-052	Nov 12, 2013 – Line 147 SED investigation report
	(Line 147)	Nov 18, 2013 – Cross examination of PG&E in Rule 1.1 Order to Show Cause
		Dec 6, 2013 – Line 147 proposed decision
		Dec 13, 2013 – Revised alternate proposed decision in Rule 1.1 Order to Show Cause
		Dec 19, 2013 – Decision on Rule 1.1 Order to Show Cause and decision allowing increased pressure on Line 147
		Jan 17, 2014 – Pipeline pressure Order to Show Cause opening briefs
		Jan 23, 2014 – PG&E Application for Rehearing on Rule 1.1 Order to Show Cause decision
		Jan 23, 2014 – ORA and City of San Carlos Application for Rehearing of Line 147 pressure restoration decision
		Jan 30, 2014 – PSEP quarterly compliance filing
		Jan 31, 2014 – Pipeline pressure Order to Show Cause reply briefs
		Feb 7, 2014 – Parties’ responses to PG&E Application for Rehearing
		Feb 7, 2014 – Responses to ORA and San Carlos Application for Rehearing
		Mar 3, 2014 – PSEP Update prehearing conference
		April 25, 2014 – Proposed decision in pipeline pressure Order to Show Cause
	Apr 30, 2014 – PSEP quarterly compliance filing	
	May 16, 2014 – PSEP Update prehearing conference	



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

Regulatory Case	Docket #	Key Dates
Gas Matters Fines & Remedies	I.11-02-016 I.11-11-009 I.12-01-007	Jan 11, 2013 – PG&E financial analysis testimony Feb 8, 2013 – CPSD rebuttal testimony Mar 4-5, 2013 – Evidentiary hearings on fines & remedies May 6, 2013 – Coordinated briefs on fines and remedies May 24, 2013 – PG&E coordinated reply briefs on fines and remedies Jun 7, 2013 – Coordinated rebuttal briefs on fines and remedies Jul 8, 2013 – CPSD request to file amended reply brief Jul 10, 2013 – Responses to CPSD request Jul 16, 2013 – CPSD amended brief Jul 18, 2013 – PG&E motion to reopen record Jul 26, 2013 – Responses to PG&E motion Jul 30, 2013 – ALJ ruling seeking comment on fines and disallowances Aug 1, 2013 – PG&E motion to reopen record denied Aug 21, 2013 – PG&E reply to first set of ALJs' financial questions Aug 28, 2013 – Parties file rebuttal briefs Sep 20, 2013 – Parties' comments responding to second set of ALJs' financial questions Oct 15, 2013 – Parties' reply comments on ALJs' financial questions
Gas Transmission System Records Order Instituting Investigation	I.11-02-016	Jan 7-18, 2013 – Evidentiary hearings Mar 25, 2013 – Concurrent opening briefs Apr 24, 2013 – Concurrent reply briefs
Class Location Designation Order Instituting Investigation	I.11-11-009	Nov 20, 2012 – Concurrent opening briefs 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 Mar 11, 2013 – Concurrent opening briefs Apr 26, 2013 – Concurrent reply briefs
Oakley Generating Station	A.09-09-021 D.10-07-045 D.10-12-050 D.11-05-049 A.12-03-026 D.12-12-035 D.13-04-032	Dec 20, 2012 – Final decision approving Oakley Jan 28, 2013 – Intervenor requests for rehearing Feb 12, 2013 – PG&E reply to requests for rehearing Apr 18, 2013 – CPUC denies requests to rehear decision approving Oakley May 17, 2013 – Parties appeal to California courts Jul 8, 2013 – PG&E response Aug 2, 2013 – Parties reply Oct 29, 2013 – California Court of Appeal agrees to review CPUC decision Feb 5, 2014 – Court of Appeal annuls CPUC decision



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

Regulatory Case	Docket #	Key Dates
Nuclear Decommissioning Cost Triennial Proceeding	A.12-12-012 D.14-02-024	<p>Dec 21, 2012 – Application filed            Mar 17, 2013 – Prehearing conference            Jun 17, 2013 – Scoping memo to bifurcate proceeding</p> <p><i>Track 1 – Humboldt Non-Rate Related Issues</i>            Jul 12, 2013 – Intervenor testimony            Jul 26, 2013 – Rebuttal testimony            Aug 7-9, 2013 – Evidentiary hearings            Sep 13, 2013 – Concurrent opening briefs            Sep 27, 2013 – Concurrent reply briefs            Jan 28, 2014 – Proposed decision            Feb 18, 2014 – Opening comments on proposed decision            Feb 24, 2014 – Reply comments on proposed decision            Feb 27, 2014 – Final decision</p> <p><i>Track 2 – All Remaining Issues</i>            July 22, 2013 – SCE supplemental testimony            Sep 20, 2013 – Intervenor testimony            Oct 11, 2013 – Rebuttal testimony            Oct 21-25, 2013 – Evidentiary hearings            Dec 16, 2013 – Concurrent opening briefs            Jan 21, 2014 – Concurrent reply briefs</p>
2012 and 2014 Long-Term Procurement Plan	D.13-02-015 R.12-03-014 D.14-02-040 D.14-03-004 R.13-12-010	<p>Feb 13, 2013 – Final decision in Track I (Southern CA LCR needs)            Sep 16, 2013 – Track II (system reliability/ renewable integration need) cancelled            Feb 27, 2014 - Final decision in Track III (procurement planning rules)            Mar 13, 2014 - Final decision in Track IV (Southern CA LCR needs without SONGS)</p>
Rulemaking to Reform Energy Efficiency Incentive Earnings Mechanism	R.12-01-005	Jun 30, 2014 – PG&E filing for 2012 and partial 2013 program year incentives
Residential Rate OIR	R.12-06-013	<p>Jan 28, 2014 – Summer 2014 rate design reform proposal (Phase 2) filed            Feb 28, 2014 – Long-term rate design reform proposal (Phase 1) filed            Mar 5, 2014 – PG&amp;E, ORA and TURN settle for Summer 2014 rate design issues in Phase 2            Mar 12, 2014 – Rebuttal Testimony in Phase 2 filed            Mar 25, 2014 – Phase 2 Evidentiary Hearings            Apr 7, 2014 – Phase 2 opening briefs            Apr 16, 2014 – Phase 2 reply Briefs            Jul 2014 – Phase 1 evidentiary hearings</p>





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

Regulatory Case	Docket #	Key Dates
Rate Case Plan Order Instituting Rulemaking	R. 13-11-006	<p>Nov 14, 2013 – Commission file rulemaking</p> <p>Dec 20, 2013 – Utilities respond to data request on current safety/risk programs</p> <p>Jan 15, 2014 – Comments on questions raised in rulemaking</p> <p>Jan 30, 2014 – Reply comments</p> <p>Feb 20, 2014 – Staff straw proposal</p> <p>Mar 19-21, 2014 – Workshops</p> <p>Apr 7, 2014 – Parties provide redline of straw proposal</p> <p>Apr 17, 2014 – Staff issues revised straw proposal</p> <p>Apr 29, 2014 – Prehearing conference</p> <p>May 12, 2014 – Comments on revised straw proposal</p> <p>May 30, 2014 – Reply comments</p> <p>December 2014 – Decision anticipated</p>
Wholesale Distribution Tariff Rate Case (WDT2)	ER13-1188	<p>Mar 29, 2013 – PG&amp;E filed WDT2 rate case seeking increase to initial generic WDT service rates and increase to rates for CCSF, the Western Area Power Administration, and six other WDT customers</p> <p>May 31, 2013 – FERC accepted filing making rates effective November 1, 2013 but ordered PG&amp;E to refile with lower ROE</p> <p>Jun 17, 2013 – PG&amp;E compliance filing with 8.6% ROE</p> <p>Jun 27, 2013 – FERC settlement conference</p> <p>Aug 21, 2013 – FERC settlement conference</p> <p>Nov 13-14, 2013 – FERC settlement conference</p> <p>Dec 11-12, 2013 – FERC settlement conference</p> <p>Jan 14, 2014 – FERC settlement teleconference on rates</p> <p>Jan 30, 2014 – FERC settlement teleconference on non rate terms &amp; conditions</p> <p>Feb 26-27, 2014 – FERC settlement conference on combined issues</p> <p>Apr 1, 2014 – FERC settlement conference on combined issues</p> <p>May 1, 2014 – FERC settlement conference on combined issues</p>

Most of these regulatory cases are discussed in PG&E Corporation and Pacific Gas and Electric Company's combined Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 or PG&E Corporation and Pacific Gas and Electric Company's combined Annual Report on Form 10-K for the year ended December 31, 2013.