PG&E Corporation

Third Quarter Earnings Call
November 3, 2011

This presentation is not complete without the accompanying statements made by management during the webcast conference call held on November 3, 2011. In addition, this presentation is complementary to the financial and other information contained in the exhibits attached to PG&E Corporation's Current Report on Form 8-K that was furnished to the Securities and Exchange Commission on November 3, 2011. The Form 8-K, attached exhibits, and replay of the conference call are available on PG&E Corporation's website at *www.pge-corp.com*

Safe Harbor Statement

This presentation contains forward-looking statements that relate to management's guidance for PG&E Corporation's 2011 and 2012 earnings per share from operations and various assumptions and estimates on which such guidance is based, including forecasts of costs related to planned gas and electric operations improvements, the amount of costs related to gas pipeline matters and the recoverability of such costs through rates, third-party liabilities associated with the September 9, 2010 natural gas pipeline accident in San Bruno, California, forecast capital expenditures, environmental remediation liability, and future equity issuances. These statements 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 outcome of pending and future regulatory proceedings and investigations related to the San Bruno accident and the safety of the Utility's natural gas transmission pipelines; the ultimate amount of costs the Utility incurs for natural gas pipeline matters that are not recoverable through rates; the ultimate amount of third-party claims associated with the San Bruno accident that will not be recovered through insurance; and the amount of any civil or criminal fines, penalties, or punitive damages the Utility may incur related to these matters;
- the outcome of future investigations or proceedings that may be commenced by the CPUC or other regulatory authorities relating to the Utility's compliance with law, rules, regulations, or orders applicable to the operation, inspection, and maintenance of its electric and gas facilities (in addition to investigations or proceedings related to the San Bruno accident and natural gas pipeline matters);
- explosions, fires, accidents, mechanical breakdowns, the disruption of information technology and systems (including the newly installed advanced electric and gas metering system), human errors, 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, which could 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;
- 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, the impact of environmental laws and regulations aimed at the reduction of carbon dioxide and other greenhouse gases, and whether the Utility is able to recover associated compliance costs including the cost of emission allowances and offsets that the Utility may incur under cap and trade regulations;
- the outcome of seismic studies the Utility is conducting that could affect the Utility's ability to continue operating Diablo Canyon or renew the operating licenses for Diablo Canyon, the issuance of NRC orders or the adoption of new legislation or regulations to address seismic and other risks at nuclear facilities, or to address the operations, decommissioning, storage of spent nuclear fuel, security, safety, cooling water intake, or other operating or licensing matters associated with Diablo Canyon and whether the Utility is able to comply with such new orders, legislation, or regulations and recover the increased costs of compliance through rates;
- whether the Utility's newly installed electric and gas SmartMeter™ devices and related software systems and wireless communications equipment continue to accurately and timely measure customer energy usage and generate billing information, whether the Utility can successfully implement the system design changes necessary to accommodate changing retail electric rates, and whether the Utility can continue to rely on third-party vendors and contractors to support the advanced metering system;
- the impact of environmental remediation laws and regulations, particularly those affecting the remediation of the Utility's former manufactured gas plants and natural gas compressor sites, the extent to which the Utility is able to recover compliance and remediation costs from third parties or through rates or insurance, and the ultimate amount of environmental remediation costs the Utility incurs related to the Hinkley natural gas compressor station;
- other factors and risks discussed in PG&E Corporation and the Utility's 2010 Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q that have been filed with the Securities and Exchange Commission.

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Today's Speakers

Tony Earley
Chairman, CEO and President, PG&E Corporation

Chris Johns
President, Pacific Gas and Electric Company

Kent Harvey
Senior Vice President and CFO, PG&E Corporation

Gabe Togneri
Vice President, Investor Relations, PG&E Corporation

Initial Observations at PG&E

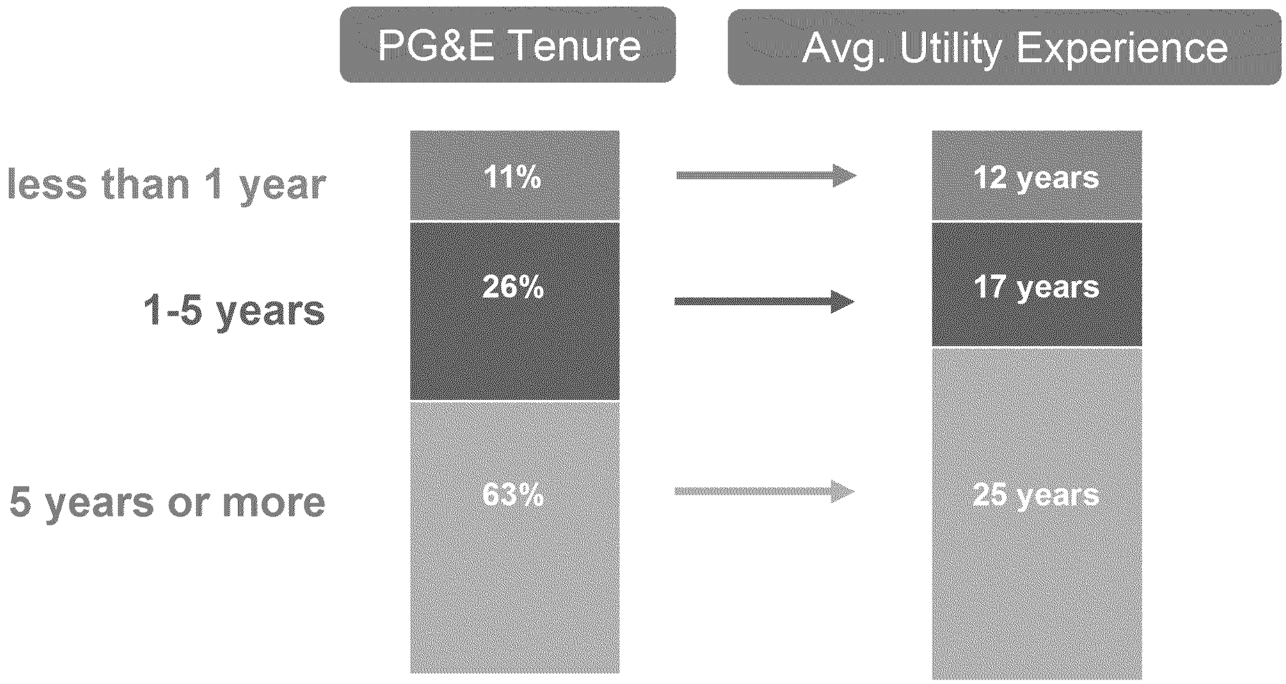
- **Commitment to Excellence in Operations**
- **Benchmark – Celebrate the Gaps**
- **Organizational Structure Supports Improvement**

PG&E Officer Team

Key Recent Additions

- Nick Stavropoulos, EVP, Gas Operations
- Karen Austin, SVP and Chief Information Officer

Leadership team includes strong, diverse experience at PG&E and other utilities



Improvement Plans

Additional Gas and Electric Spending

- Accelerate previously planned work
- Identified new work
- Will impact 2012 and 2013 earnings

Restore Confidence and Trust

- Work to improve operations is vital
- Consistently provide better service
- Drive to operational excellence and accountability

Benchmark to Drive Improvement

- Compare to the best in operations
- Identify gaps in performance
- Set meaningful goals

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Operational Review

Reviewed all areas of operations

Assessed opportunities to improve safety, reliability, and customer service

Identified work requiring additional expense spending

Additional Expenses in 2012

Annual Projections Beyond Previously Planned Expense Level

2012: ~$200 million | **2013: Comparable Amount**

Accelerated Gas and Electric Work

Gas
- Evaluate and remediate gas services vulnerable to corrosion
- Increase right of way clearances
- Protect or relocate gas distribution meters to prevent damage

Electric
- Accelerate pole reinforcement program and pole inspection cycles
- Increase hazard patrols in wildfire areas
- Accelerate overhead and underground line maintenance work

Performance Improvement Work

Gas
- Increase staffing and training for gas control center
- Shorten leak repair and leak recheck intervals
- Improve integrity management and class location programs

Electric
- Improve technology used for field asset inventory system

Customer
- Provide more support to small and medium business customers
- Increase overall customer communications and education efforts

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Natural Gas Pipeline Matters

Regulatory Proceedings

NTSB

Final Report Issued

CPUC

Investigation (OII)

Rulemaking (OIR)

Proceedings on parallel timeframes

Pipeline Work

Strength Testing

Q3: Tested 46 miles

YTD: Cleared > 100 mi

MAOP Validation

Met targets to date

End of 2011: 1,800 miles

Third Party Liability

Additional Accrual

Q3: $96 million charge

- New information about nature of claims
- Experience to date resolving key cases
- Developments in litigation and regulatory proceedings

Liability Range

$375 million - $600 million

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Environmental-Related Costs

Q3 2011 Accrual Increase: $125 million

Primary Drivers

- Hinkley - final remediation plan proposal
- Chromium plume extends farther than previously believed
- Order for permanent replacement water

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3Q 2011 EPS

	Earnings (millions)		EPS	
Earnings from Operations	$	436	$	1.08
Items Impacting Comparability				
Natural Gas Pipeline Matters		(162)		(0.40)
Environmental-Related Costs		(74)		(0.18)
EPS on a GAAP Basis	**$**	**200**	**$**	**0.50**

Natural Gas Pipeline Matters (millions, pre-tax)		
	3Q 2011	
Pipeline-related costs	$	(177)
Third-party liability claims		(96)
Insurance Recoveries		-
Total	**$**	**(273)**

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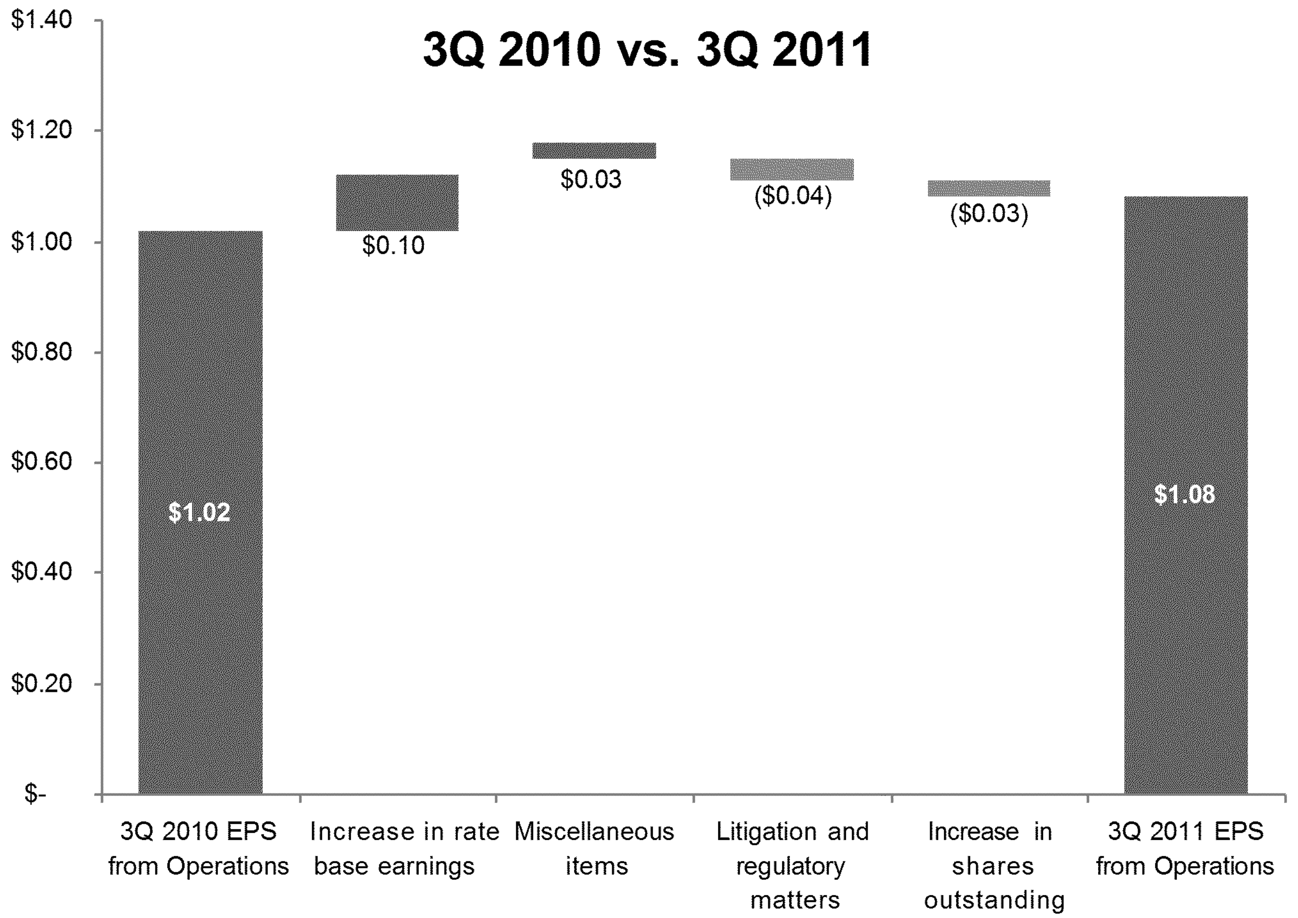
3Q 2011 Q over Q Comparison



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"Earnings from Operations" is not calculated in accordance with GAAP and excludes items impacting comparability.

2011 EPS Guidance

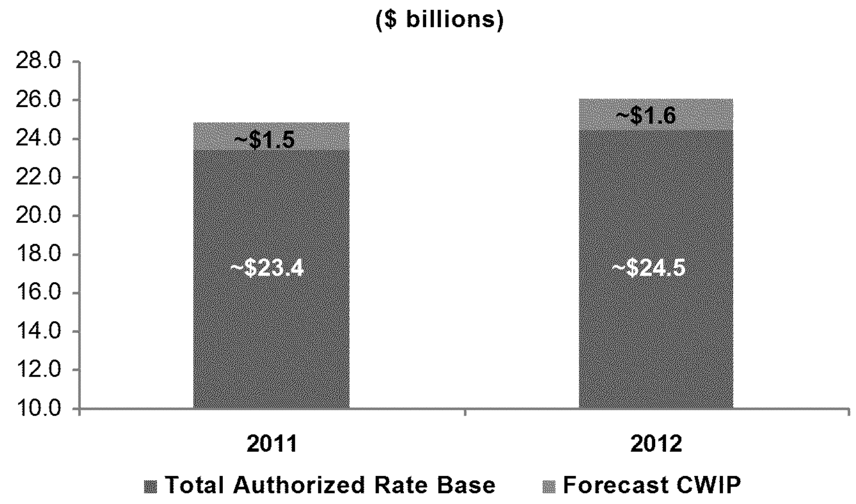
	Low	High
EPS from Operations	$ 3.45	$ 3.60
Estimated Items Impacting Comparability		
Natural Gas Pipeline Matters	(1.28)	(0.65)
Environmental-Related Costs	(0.18)	(0.18)
Estimated EPS on a GAAP Basis	**$ 1.99**	**$ 2.77**

Natural Gas Pipeline Matters (millions, pre-tax)		
	Low guidance range	**High guidance range**
Pipeline-related costs	$ (550)	$ (350)
Third-party liability claims	(380)	(155)
Insurance Recoveries	60	60
Total	**$ (870)**	**$ (445)**

Does not include additional insurance recoveries or potential fines, penalties, or punitive damages.

Assumptions for 2012 Guidance

Authorized Rate Base *(weighted average)*



Capital Expenditures Forecast ($ millions)

	2011	2012
Gas Distribution	375	500
Electric Distribution	1250	1400
Gas Transmission	175	275
Electric Transmission	750	775
Conventional Generation	450	550
Common Plant	400	425
Separately Funded		
Cornerstone	100	125
PV	300	275
SmartMeter	225	50
PSEP	69	384
Other	100	75
Total CapEx	**~4,200**	**~4,800**

Expect 2012 CapEx: ~$4,600 - $4,800 million

Cost of Capital

Authorized ROE: 11.35%

Equity Ratio: 52%

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2012 Additional Expenses

2012: ~$200 million more than previously planned

1/3 — Accelerate work previously planned over a number of years

Plan to complete by end of 2013

2/3 — Elevate ongoing performance to a higher level

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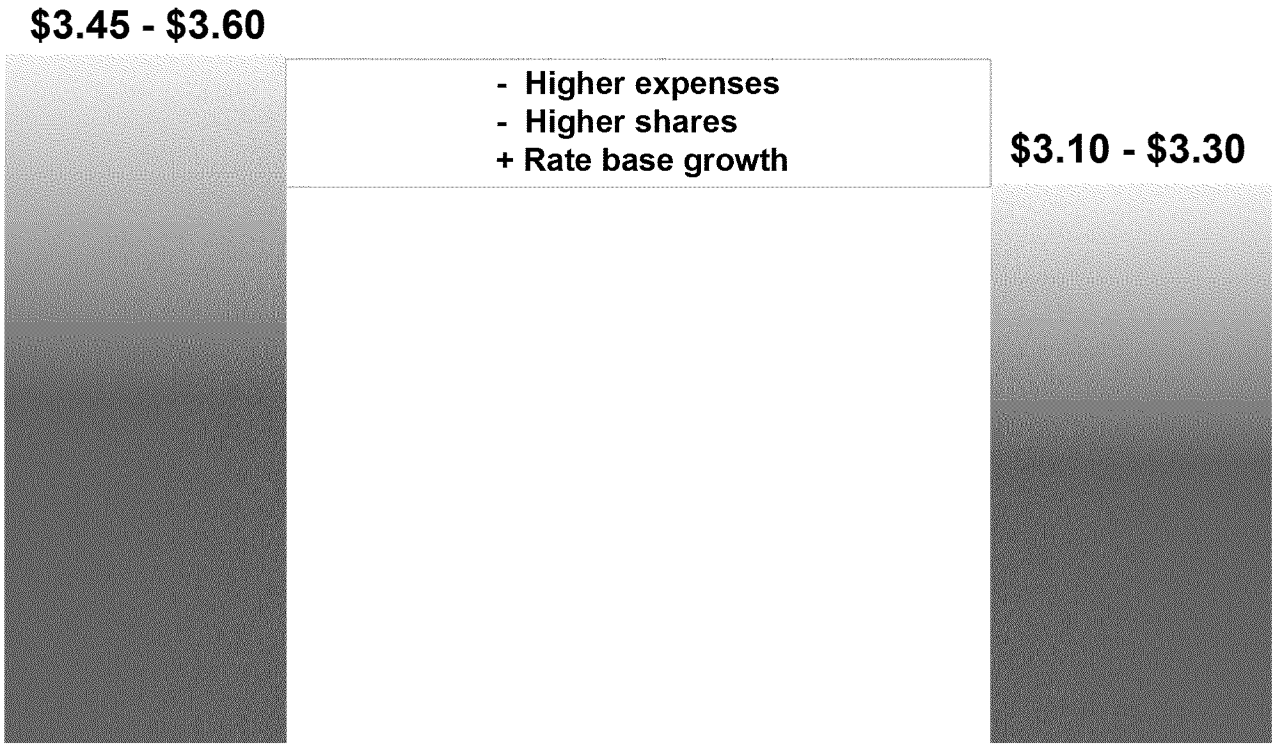
Earnings from Ops Comparison

2011 EPS from Operations | **2012 EPS from Operations**



"Earnings from Operations" is not calculated in accordance with GAAP and excludes items impacting comparability.

2012 EPS Guidance

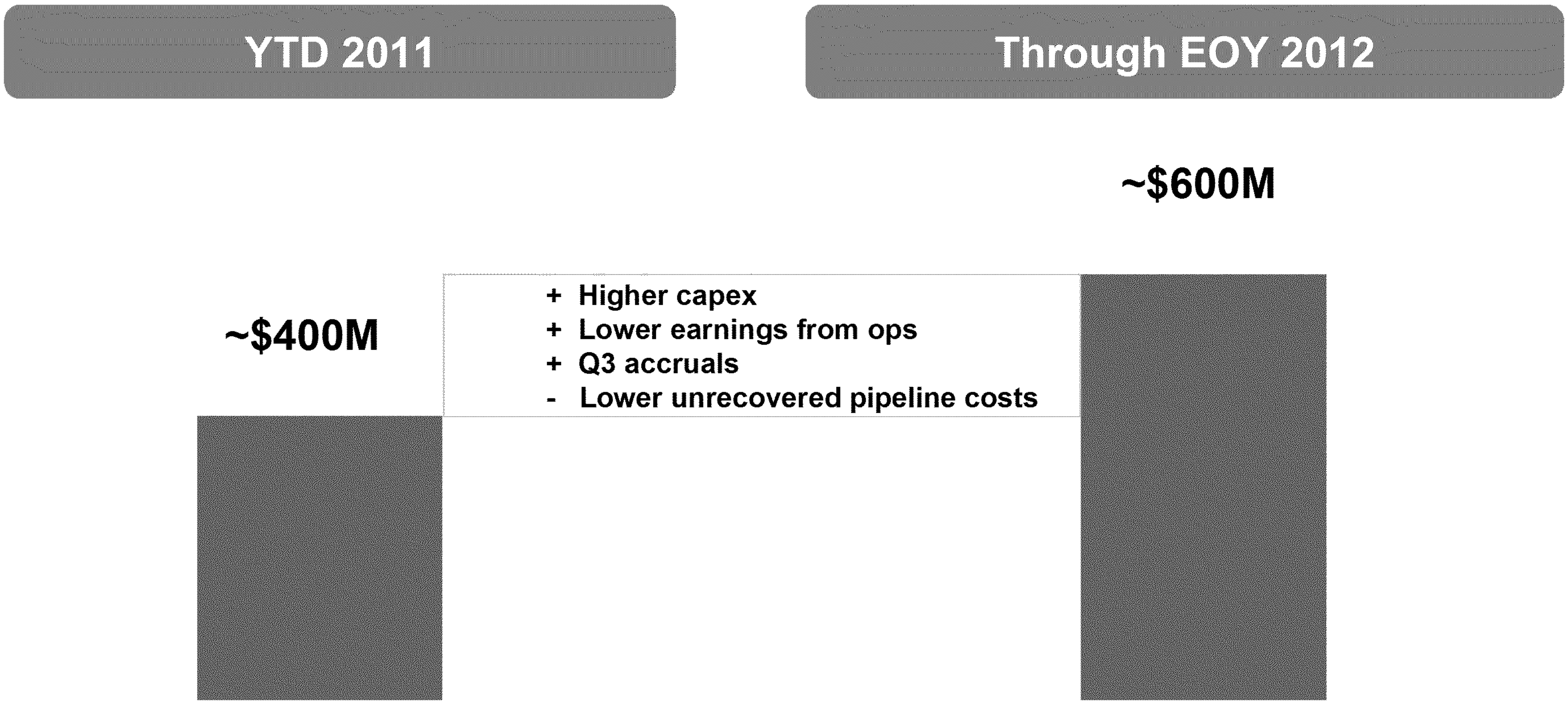
	Low	High
EPS from Operations	$ 3.10	$ 3.30
Estimated Items Impacting Comparability		
Natural Gas Pipeline Matters	(0.60)	(0.14)
Environmental-Related Costs	(0.14)	0.00
Estimated EPS on a GAAP Basis	**$ 2.36**	**$ 3.16**

Natural Gas Pipeline Matters
(millions, pre-tax)

	Low guidance range	High guidance range
Pipeline-related costs	$ (200)	$ (100)
Third-party liability claims	(225)	0
Insurance Recoveries	-	-
Total	**$ (425)**	**$ (100)**

Assumes approval of Pipeline Safety Enhancement Plan as proposed. Does not include insurance recoveries or potential fines, penalties, or punitive damages.

Equity Issuance



In Closing

The Plan

Resolve pipeline issues

Improve operational performance

Restore reputation with customers and regulators

Objective

Sustainable earnings and dividend growth

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