

From: Simon, Timothy A.
Sent: 11/3/2011 2:18:39 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: Re: REMINDER> PCG: Q3 2011 Earnings Conference Call 11/3/11 @ 9:00 AM ET

Thanks. I had read it through Bloomberg.

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Thursday, November 03, 2011 07:51 AM
To: Simon, Timothy A.
Subject: FW: REMINDER> PCG: Q3 2011 Earnings Conference Call 11/3/11 @ 9:00 AM ET

Timothy - attached is our press release announcing third quarter earnings and guidance for 2012-2013. Please note the following:

1. Net income for the third quarter of 2011 is \$0.50 per share, compared to \$0.66 per share in 2010.
2. Our spending in 2012 will be about \$200 million higher than that needed to earn the authorized return. In 2013, we expect to under-earn by about the same amount.
3. For the second year in a row, we will forgo raising the dividend. No increase in the dividend will be considered until a number of key gas operations issues are resolved.

None of these results or actions will be well-received by Wall Street. But we feel they are necessary to ensure that our gas and electric businesses have the resources needed to run safely.

If you would like additional information, please let me know.