

PACIFIC GAS AND ELECTRIC COMPANY
Implementation Plan Rate Impacts

Illustrative Class Average End-User Rates
(\$ per Therm)

| | Rates Effective June 1, 2011 (1) (6) | | | |
|--|---|---------------------------------|--|-----------------------|
| | Present June 2011 Rates | Gas Pipeline Safety Rate | Total Rate Including Gas Pipeline Safety Rate | Percent Change |
| CORE RETAIL - Bundled (2) | | | | |
| Residential Non-CARE (4) | \$1.223 | \$0.050 | \$1.272 | 4.1% |
| Small Commercial Non-CARE (4) | \$0.975 | \$0.050 | \$1.025 | 5.1% |
| Large Commercial | \$0.766 | \$0.050 | \$0.816 | 6.5% |
| NGV1 - (uncompressed service) | \$0.661 | \$0.050 | \$0.711 | 7.6% |
| NGV2 - (compressed service) | \$1.912 | \$0.050 | \$1.962 | 2.6% |
| CORE RETAIL - Transport Only (3) | | | | |
| Residential Non-CARE (4) | \$0.650 | \$0.050 | \$0.700 | 7.7% |
| Small Commercial Non-CARE (4) | \$0.418 | \$0.050 | \$0.468 | 11.9% |
| Large Commercial | \$0.248 | \$0.050 | \$0.298 | 20.1% |
| NONCORE - Transportation Only (3) | | | | |
| Industrial - Distribution | \$0.171 | \$0.025 | \$0.197 | 14.9% |
| Industrial - Transmission | \$0.069 | \$0.025 | \$0.095 | 36.7% |
| Industrial - Backbone | \$0.042 | \$0.006 | \$0.048 | 13.5% |
| Electric Generation - Transmission (G-EG-D/LT) | \$0.029 | \$0.025 | \$0.054 | 87.8% |
| Electric Generation - Backbone (G-EG-BB) | \$0.007 | \$0.006 | \$0.013 | 76.4% |
| NGV 4 - Distribution (uncompressed service) | \$0.155 | \$0.025 | \$0.180 | 16.5% |
| NGV 4 - Transmission (uncompressed service) | \$0.055 | \$0.025 | \$0.081 | 46.2% |
| WHOLESALE CORE AND NONCORE (G-WSL) (3) | | | | |
| Alpine Natural Gas | \$0.026 | \$0.025 | \$0.051 | 99.1% |
| Coalinga | \$0.026 | \$0.025 | \$0.051 | 98.8% |
| Island Energy | \$0.027 | \$0.025 | \$0.053 | 92.9% |
| Palo Alto | \$0.025 | \$0.025 | \$0.051 | 100.7% |
| West Coast Gas - Castle | \$0.100 | \$0.025 | \$0.126 | 25.4% |
| West Coast Gas - Mather Distribution | \$0.123 | \$0.025 | \$0.149 | 20.6% |
| West Coast Gas - Mather Transmission | \$0.026 | \$0.025 | \$0.051 | 98.0% |

ILLUSTRATIVE CLASS AVERAGE END-USER RATES
WITH PROXY NONCORE PROCUREMENT RATES (EQUAL TO CORE LARGE COMMERCIAL)
(\$/th; Annual Class Averages)

| | Rates Effective June 1, 2011 (5) | | | |
|---|---|---------------------------------|--|-----------------------|
| | Present June 2011 Rates | Gas Pipeline Safety Rate | Total Rate Including Gas Pipeline Safety Rate | Percent Change |
| NONCORE - With Proxy Noncore Procurement Rate (5) | | | | |
| Industrial - Distribution | \$0.689 | \$0.025 | \$0.714 | 3.7% |
| Industrial - Transmission | \$0.587 | \$0.025 | \$0.613 | 4.3% |
| Industrial - Backbone | \$0.560 | \$0.006 | \$0.566 | 1.0% |
| Electric Generation - Transmission (G-EG-D/LT) | \$0.547 | \$0.025 | \$0.572 | 4.7% |
| Electric Generation - Backbone (G-EG-BB) | \$0.525 | \$0.006 | \$0.531 | 1.1% |
| NGV 4 - Distribution (uncompressed service) | \$0.673 | \$0.025 | \$0.698 | 3.8% |
| NGV 4 - Transmission (uncompressed service) | \$0.573 | \$0.025 | \$0.598 | 4.4% |
| WHOLESALE CORE AND NONCORE (With Proxy Noncore Procurement Rate) (5) | | | | |
| Alpine Natural Gas | \$0.544 | \$0.025 | \$0.569 | 4.7% |
| Coalinga | \$0.544 | \$0.025 | \$0.569 | 4.7% |
| Island Energy | \$0.545 | \$0.025 | \$0.571 | 4.7% |
| Palo Alto | \$0.543 | \$0.025 | \$0.569 | 4.7% |
| West Coast Gas - Castle | \$0.618 | \$0.025 | \$0.643 | 4.1% |
| West Coast Gas - Mather Distribution | \$0.641 | \$0.025 | \$0.667 | 4.0% |
| West Coast Gas - Mather Transmission | \$0.544 | \$0.025 | \$0.569 | 4.7% |

Notes: See next page for notes

PACIFIC GAS AND ELECTRIC COMPANY
Notes Supporting Illustrative Class Average End User Rates

- (1) June 1, 2011 rates are based on PG&E's 2011 General Rate Case (GRC) rate implementation filing (Advice Letter 3206-G & 3207-G, 2010 BCAP Decision D.10-06-035 and the Gas Accord V D.11-04-031.
- (2) PG&E's bundled gas service is for core customers only. Intrastate backbone transmission costs are included in the end use rates paid by bundled core customers. Bundled service also includes a procurement cost for gas purchases, transportation on Canadian and Interstate pipelines, storage and core brokerage. An illustrative weighed average cost of gas (WACOG) of \$0.429 per therm, adjusted for intrastate backbone usage charges, is assumed in all present and proposed bundled core rates. Core bundled rates also include the cost of transportation and delivery of gas from the city gate to the customer's burner tip, including local transmission, distribution, customer, public purpose and customer access charges.
- (3) PG&E's end-use transportation-only gas service is for core and noncore customers. Transportation-only service begins at PG&E's city gate and includes the applicable costs of gas transportation and delivery on PG&E's local transmission (where applicable), distribution (where applicable), CPUC fees, customer access, public purpose program (where applicable) and customer class charges. Transportation-only customers must arrange for their own gas purchases and transportation to PG&E's city gate/local transmission system.
- (4) California Alternate Rates for Energy (CARE) Customers receive a 20% discount off of the total bundled rate and are exempt from the CARE portion of PG&E's Public Purpose Program Surcharge (G-PPPS) rates.
- (5) PG&E's proxy noncore procurement rate includes a procurement cost for gas purchases, transportation on Canadian and Interstate pipelines, backbone transmission, storage and core brokerage. An illustrative WACOG of \$0.429 per therm, adjusted for intrastate backbone usage charges, is assumed in all present and proposed proxy noncore rates.
- (6) Rates represent class averages. Actual transportation rates will vary depending on the customer's load factor and seasonal usage. Rates are rounded to three decimal places for ease of viewing. Percentage rate changes are calculated on a 5-digit basis.