

Gas OII Shareholder Spending

(in millions of expense dollars except where noted)

PSEP Decision Spend (CPUC-Ordered)	INCREMENTAL				
	Additional PSEP-Related Spend Above 2.2 Billion Program Cost	Gas Transmission Additional Safety Spend	San Bruno	Encroachment	Fines
\$585.4 Decision disallowance (includes 2011 voluntary contribution of \$220.7)	\$150.4 2011-12 Add'l spend not included in \$2.2 billion. Amount includes strength testing (water costs, permitting), records management, OII recommendations, unanticipated costs.	\$268.4 2011-12, includes integrity management, OII recommendations, station and pipeline maintenance, locate and mark, environmental expenses, etc.	\$70 Agreement with City	\$500 Centerline survey and remediation work	\$200 OIIs
\$429.6 Decision disallowance – Capital		\$20 2010 leak survey, records, camera testing, class review	\$44.2 Relief Fund, Value Assurance, Neighborhood Restoration, Trust, etc.		\$x Encroachment
Subtotals: \$1015	\$150.4	\$288.4	\$114.2	\$500	\$200
Total: \$2268 million					
Additional, Incremental Gas Safety Spend toward Transmission, PSEP-related, and OII recommendations in 2013-2014: \$200					
Grand Total for Shareholder Spend: \$2468 million					

PSEP-Related Shareholder Spend

EXPENSE

	2011	2012	2013	2014	Total
Filed Expense Spend	220.7	231.1	154.8	143.9	750.5
Authorized Revenue - Ratepayer ⁽¹⁾⁽²⁾	-	2.6	73.3	89.2	165.1
Decision Expense Disallowance - Shareholder	220.7	228.5	81.5	54.7	585.4
Additional Shareholder Spend beyond \$2.2 B application amount	111.0	39.4			
Total PSEP-Related Expense Shareholder Spend	331.7	267.9			

ties to \$150.4

(1) Authorized revenue amount excludes FF&U of \$2.3M.

(2) PG&E offered to forego 2011 and included \$220.7 million as estimate of those costs.

BREAKDOWN OF EXPENSE SHAREHOLDER SPEND BY YEAR AND CATEGORY

Strength Test	228.2	130.7
MAOP Phase II	90.5	120.3
GTAM	1.2	3.8
Valve Automation	0.0	0.5
In Line Inspection, ECA, Fatigue Analysis	0.0	0.0
Interim Safety	0.0	2.4
PMO	5.0	6.5
Other / Contingency	6.8	6.3

*Does not match exactly due to rounding

CAPITAL

Filed Capital Spend	68.9	384.3	480.3	499.9	1,433.4
Authorized Capital Expenditures - Ratepayer	47.2	260.3	348.2	348.1	1,003.8
Decision Capital Disallowance - Shareholder	21.7	124.0	132.1	151.8	429.6

Additional Gas Transmission Safety Spend Above Authorized

March 2013

	2011			2012		
	Authorized (SAP dollar)	Actual	Variance (Shareholder)	Authorized (SAP dollar)	Actual	Variance (Shareholder)
Outside of PSEP - Base Expense	109.7	98.3	-11.4	112.4	147.5	35.1
AB Misc Expense	0.0	0.0	0.0	0.0	5.2	5.2
AK Manage Environmental Oper	2.7	2.7	0.0	2.7	3.5	0.7
AY Habitat and Species Protection	0.1	0.0	-0.1	0.2	0.0	-0.1
BX Maint Gas Transm System		1.2			0.0	
JO GT Pipeline Maintenance		9.2			12.6	
JP GT Station Maintenance	59.8	25.1	7.2	61.3	30.0	35.4
JT GT Reliability & General Maint		31.5			54.0	
CM GT Operate System	11.4	10.6	-0.8	11.7	14.2	2.5
CR Mnge Waste Disp & Transp	0.3	0.4	0.1	0.3	0.2	-0.1
CX GT Marketing/Sales/Strategy	7.0	6.4	-0.5	7.1	7.0	-0.1
DF G&E T&D Locate and Mark	4.5	5.5	1.0	4.7	7.2	2.6
GZ R&D Non-Balancing Account	0.0	0.0	0.0	0.0	0.0	0.0
IH Shareholder Expense (BTL)	0.0	0.2	0.2	0.0	6.3	6.3
II GT Integrity Management	23.9	1.6	-22.3	24.5	4.1	-20.4
JV Maintain IT Apps & Infra	0.0	0.0	0.0	0.0	0.1	0.1
KF GT&D Impl Regulatory Change	0.0	3.9	3.9	0.0	3.1	3.1
Outside of PSEP - TIMP Balancing Account	0.0	30.8	30.8	0.0	59.7	59.7
HP CGT Balancing Accounts	0.0	30.8	30.8	0.0	59.7	59.7
Outside of PSEP - IIC Expense	0.0	62.3	62.3	0.0	102.2	102.2
TIMP - Strength Testing	0.0	0.0	0.0	0.0	37.8	37.8
TIMP - Balancing Acct Over Run	0.0	0.0	0.0	0.0	25.6	25.6
Gas Ops Other	0.0	62.3	62.3	0.0	28.4	28.4

*Authorized dollars are for totals, and are a translation from FERC dollars in Gas Accord V to SAP dollars.


Summary


GT Expense (Excludes PSEP & ROW):	109.7	191.4	81.7	112.4	299.1	186.7
2010 Expense						
Records		2				
Vintage pipe camera testing		2				
Leak Survey & Repair/ Class Review		15				
Other		1				
Total		20				

ties to
268.4

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City of San Bruno and PG&E Reach Agreement on \$70 Million Restitution for San Bruno Community to Support Recovery from Pipeline Accident

Release Date: March 12, 2012

Contact: PG&E External Communications (415) 973-5930

SAN BRUNO, Calif.—The City of San Bruno and Pacific Gas and Electric Company (PG&E) today announced an agreement for PG&E to pay San Bruno \$70 million in restitution to support the City and community's efforts to recover after the Sept. 9, 2010 PG&E pipeline tragedy.

"I am pleased to announce that San Bruno has reached a settlement with PG&E for restitution for the community of San Bruno," said Mayor Jim Ruane. "This money will be used for the benefit of all the citizens of our city and to help us, as a community, get beyond the tragedy and devastation caused by PG&E's explosion and fire."

"The community of San Bruno has suffered through a terrible tragedy and we understand that this accident will affect this community forever," said PG&E President Chris Johns. "We committed the night of the tragedy and continue to commit that we will help the victims and the community heal and rebuild. Today's announcement is another step in that process. It is one that we hope will provide the community with the assurance that the resources will be there to rebuild the infrastructure that was damaged and provide for improvements where the community sees fit. We will continue to work with the victims and the community as a whole to address their needs. All 20,000 PG&E employees are working hard to make sure we have the safest gas and electric system in the United States."

The agreement calls for a \$70 million payment to be made by PG&E within 30 days. With this money, the city will establish a separate not-for-profit public purpose entity to manage the funds and determine how the restitution should be spent for the benefit of the community as a whole. This \$70 million payment is in addition to PG&E's commitment to fund replacement and repair of the city's infrastructure and other costs related to the accident and restoration of the neighborhood. The utility will not seek to recover the contribution through insurance or customer rates.

"As a community and as a city we remain fully dedicated to assuring our community's full recovery," said Mayor Ruane. "We will continue to advocate for the highest standards of pipeline safety, not only for our City, but throughout the nation. The lasting legacy of Sept. 9, 2010 is San Bruno's dedication to ensure this type of disaster is never allowed to happen again. PG&E and all utilities must uphold the highest safety standards for the safety of all," Ruane said.

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Shareholder-Funded
PG&E - San Bruno

Third-Party Claim Payments Not Included in Insurance Claim
through 2/19/2013

<u>Payment Category</u>	<u>Total Unclaimed Amount</u>
Relief Fund Payments ("No-strings")	\$7,695,000
Value Assessment Program	\$927,454
Neighborhood Restoration Program	\$2,957,240
Rebuild and Purchase Program	\$8,114,565
Other Payments to Customers	\$8,890,793
Subtotal:	<u>\$28,585,053</u>
San Bruno Initial Contribution	\$3,000,000
San Bruno Trust	\$2,656,089
Subtotal:	<u>\$5,656,089</u>
Self-Insured Retention	\$10,000,000
Total	<u><u>\$44,241,142</u></u>

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PG&E Corporation and the Utility believe it is probable that the Utility will incur penalties of at least \$200 million in connection with these pending investigations and potential enforcement matters and have accrued this amount in their consolidated financial statements. PG&E Corporation and the Utility are unable to make a better estimate of probable losses or estimate the range of reasonably possible losses in excess of the amount accrued due to the many variables that could affect the final outcome of these matters and the ultimate amount of penalties imposed on the Utility could be materially higher than the amount accrued. These variables include how the CPUC and the SED will exercise their discretion in calculating the amount of penalties, including how the total number of violations will be counted; how the duration of the violations will be determined; whether the amount of penalties in each investigation will be determined separately or in the aggregate; how the financial resources testimony submitted by the SED and the Utility will be considered; whether the Utility's costs to perform any required remedial actions will be considered; and whether and how the financial impact of non-recoverable costs the Utility has already incurred, and will continue to incur, to improve the safety and reliability of its pipeline system, will be considered. (See "CPUC Gas Safety Rulemaking Proceeding" below.)

These estimates, and the assumptions on which they are based, are subject to change based on many factors, including rulings, orders, or decisions that may be issued by the ALJs; whether the outcome of the investigations is resolved through a fully litigated process or a stipulated outcome that is approved by the CPUC; whether the SED will take additional action with respect to the Utility's self-reports; and whether the CPUC or the SED takes any action with respect to the encroachment matter described above. Future changes in these estimates or the assumptions on which they are based could have a material impact on PG&E Corporation's and the Utility's financial condition, results of operations, and cash flows.

CPUC Gas Safety Rulemaking Proceeding

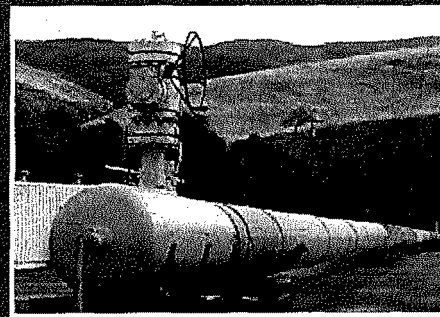
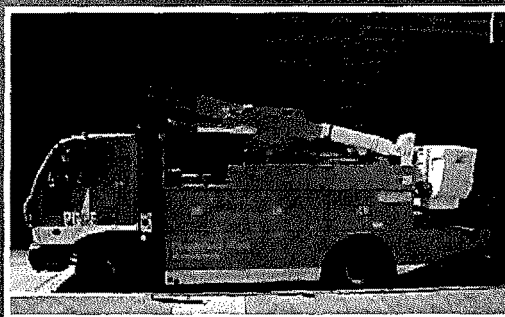
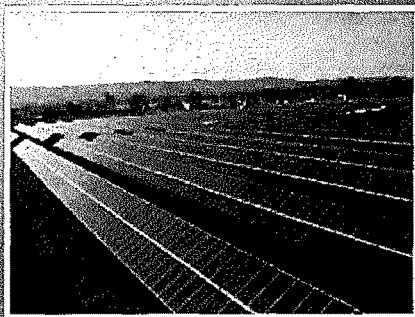
The CPUC is conducting a rulemaking proceeding to develop and adopt new safety and reliability regulations for natural gas transmission and distribution pipelines in California and the related ratemaking mechanisms. On December 28, 2012, the CPUC issued a decision that approved most of the Utility's proposed pipeline safety enhancement plan to modernize and upgrade its natural gas transmission system, but disallowed the Utility's request for rate recovery of a significant portion of plan-related costs the Utility forecasted it would incur over the first phase of the plan (2011 through 2014).

In its application filed in August 2011, the Utility forecasted that it would incur total plan-related costs of approximately \$2.2 billion, composed of \$1.4 billion in capital expenditures and \$750 million in expenses. The CPUC decision prohibited the Utility from recovering any expenses incurred before December 20, 2012, the effective date of the decision, and from recovering certain categories of expenses that the Utility forecasts it will incur in 2013 and 2014. The CPUC decision also limits the Utility's recovery of capital expenditures to \$1 billion. The Utility will be unable to recover any costs in excess of the adopted capital and expense amounts and the adopted amounts will be reduced by the cost of any plan project not completed and not replaced with a higher priority project. The CPUC also determined that the Utility should not recover in rates the costs of pressure testing pipeline placed into service after January 1, 1956 for which the Utility is unable to produce pressure test records. The CPUC may disallow additional costs based on the final results of the Utility's pipeline records search and pipeline pressure validation work, which the Utility expects to complete by May 2013. The Utility is required to update its plan and file an application within 30 days after this work is completed.

The following table compares the Utility's requested expense and capital amounts (based on forecasts included in the August 2011 application) with the amounts authorized by the CPUC:

(in millions)	2011	2012	2013	2014	Total
Expense					
Requested	\$ 221 ⁽¹⁾	\$ 231	\$ 155	\$ 144	\$ 751
Authorized	-	3	73	89	165
Difference	\$ 221 ⁽¹⁾	\$ 228	\$ 82	\$ 55	\$ 586
Capital					
Requested	\$ 69	\$ 384	\$ 480	\$ 500	\$ 1,433
Authorized	47	260	348	348	1,003
Difference	\$ 22	\$ 124	\$ 132	\$ 152	\$ 430

⁽¹⁾ The Utility's August 2011 application did not request recovery of forecast 2011 plan-related expenses of \$221 million.



PG&E Corporation

Fourth Quarter Earnings Call
February 21, 2013



This presentation is not complete without the accompanying statements made by management during the webcast conference call held on February 21, 2013.

This presentation, including Exhibits, 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 February 21, 2013 and, along with the replay of the conference call, are also available on PG&E Corporation's website at www.pge-corp.com.



Looking Ahead: Natural Gas Matters

Pipeline Related Costs

PSEP Costs	2014	Unrecovered costs continue
	2015	Future pipeline safety work incorporated in next Gas Transmission rate case
Emerging Work		
<i>Right of Way Encroachment</i>	2013-2017	Roughly \$500 million of unrecovered costs
<i>Integrity Management</i>	2014	Unrecovered costs continue
	2015	Incorporated in next Gas Transmission rate case
Legal and other costs	2014	Significant decrease