



PG&E Corporation

Barclays West Coast Utilities Conference
December 13-14, 2012





Key Focus Areas

Resolve gas issues

- Complete gas work planned in 2012
- Work to resolve regulatory and legal proceedings

Position company for success

- Conduct rigorous benchmarking
- Build culture of continuous improvement

Rebuild relationships with key stakeholders

- Provide excellent service
- Meet commitments to customers and regulators



Key Regulatory Proceedings

Gas Pipeline

PSEP Proposed Decision

- Approves work, but disallows recovery of significant amount
- 5-year reduction of ROE to cost of debt for 2012-2014 capex
- Company's reply accepts additional shareholder contribution of \$179 million
- Final decision possible on December 20, 2012

Pending Investigations

- Schedule postponed in November for the last time
- Hearings resume January 7, 2013

Potential Settlement

- Discussions continue

Other Regulatory

General Rate Case

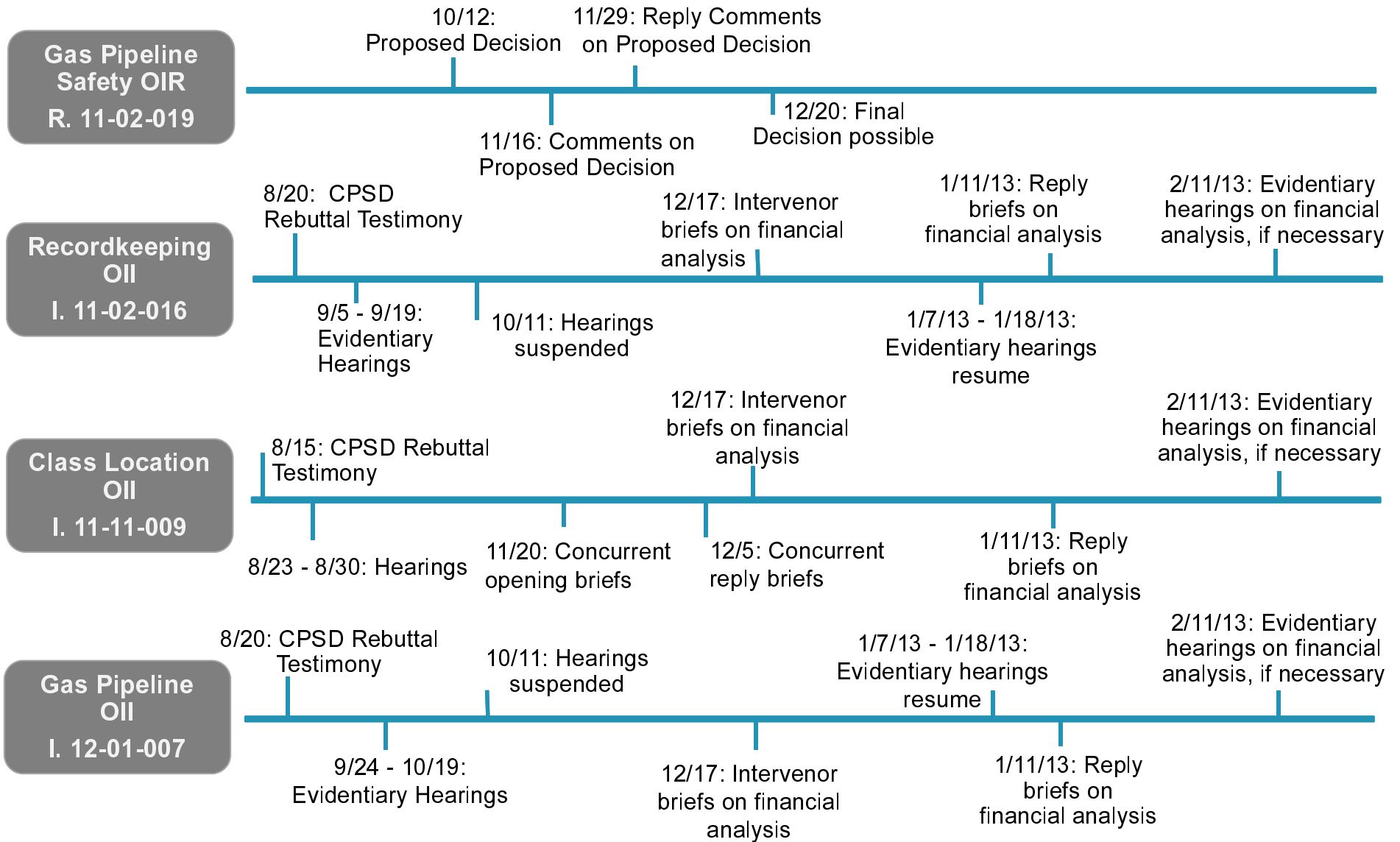
- Filed application for 2014-2016 GRC in November 2012
- 2014 revenue requirement requested increase: \$1.28B
- Replace and upgrade infrastructure
- Modernize technology – automation and asset management systems
- Reduce outage and leak response times

Cost of Capital

- Proposed decision issued November 19, as scheduled
- Authorizes requested equity ratio
 - 52% equity, 47% LTD, 1% preferred
- Authorizes 10.4% ROE
- Final decision expected December 20



Regulatory Calendar





Positioning for Success

Electric Operations

Accomplishments

- Record year in electric reliability
- Implemented risk-based model for equipment replacement
- Automating distribution circuits to isolate outages
- Refining work planning and scheduling to bring down unit costs

Benchmarks

- Public safety efforts – 911 response time, wires down

Gas Operations

Accomplishments

- Closed out 4 of 12 NTSB recommendations (aggressively addressing remaining 8 “open and acceptable”)
- Will have strength tested 160 miles of pipeline by end of 2012; total of 786 by end of 2014
- Automated 48 gas shut-off valves to enhance public safety
- First utility to use Picarro car-mounted gas leak detection device

Benchmarks

- Gas odor call response time – PG&E now top quartile