ATTACHMENTS

From: Susan Kennedy
Sent: 1/9/2013 5:42:22 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE: Meeting

Had my lunch with Peevey today. He was unusually harsh in his criticism of everyone at the CPUC for mishandling the PGE SB case - himself, Paul, Frank - everyone. He said it was a huge mistake to put Michelle Cook in there and an even bigger mistake to give this to Paul Harvey (right name? - I assume he's deputy legal). He hopes the General can bring something home - but that the crazies are so far out there it may not be possible. Blamed most of the craziness on the locals in SB and his personal prosecutor, Jerry Hill. Sounded like a settlement was highly unlikely but not completely off the table. Maybe he was referring to the penalty recommendation. Either way, I have a second date with the General on Monday. We are going to dinner in LA and I am taking him to the premiere of Arnold's new movie. God almighty please let him be happily married, not a Gen. Patraeus copycat, or at least aware that I am not a tree worth barking up for anything other than a night of cigar smoking and stories. If I can bring it up without it pushing him the wrong way, I will.

On Wed, Jan 9, 2013 at 5:26 PM, Cherry, Brian K <BKC7@pge.com> wrote:

> Although settlement talks are at a standstill, there is a lot of churn at the Commission on when CPSD should issue its penalty recommendation. Paul is recommending that CPSD issue their penalty estimate in February and get the number out there. Peevey isn't sure but is probably ok with that. The problem we have is that any number, once out there, is going to be the bogey. We are worried that neither Peevey or Paul is engaged at all with CPSD on this except for timing. We believe CPSD will issue a number that is unreasonable and will put the Commissioners in the position of having to reduce it – bad outcome for them – or accept it – very bad outcome for us. Peevey and Paul need to engage the General and work out a number that is acceptable for everyone. If Mike wants to increase it later, then he needs to make sure the number has room to move. We are EXTREMELY concerned that not enough attention is being given to this nor is the right amount of discussion happening with the General.
>
>

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Susan P Kennedy
461 2nd Street, Suite 452
San Francisco, CA 94107
(415) 717-3228

From: Cherry, Brian K
Sent: 1/10/2013 5:28:21 PM
To: Susan Kennedy (spkennedy4@gmail.com) (spkennedy4@gmail.com)
Cc:
Bcc:
Subject:

Another thing. I spoke with Sandoval today and she told me some interesting things. First, she said she heard that the settlement parties wanted [redacted]. She said that if she were to put her Munger Tolles hat on, she would advise us to tell them to take a hike because no one is going to [redacted] without convincing evidence by the other side. I found this interesting given that the General is suggesting we need to do more to work with the prosecutors. This suggests to me that Paul and Frank are the ones who are still pushing this idea and that Mike may be unaware that this is their only solution, when other members of the Commission see this as folly. She also mentioned that she believes some portion of the fine should go to the general fund, but that the largest portion should go to fixing the system. She noted the settlement we made with the Grieg estate that requires us to [redacted]. She didn't say how large the number would be. Something to think about when you talk to the General.

From: Susan
Sent: 4/24/2013 11:19:31 AM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject:

Had a very productive discussion with Dan - we came up with a strategy that, if I can get Florio to bite, will be an important game changer. More like a tourniquet than a life raft, but the best path I see. I'll fill you in tomorrow. I will see Florio and Peevey (separately) on Friday.

On another matter - the Citizens Energy Trans project - [redacted]

[redacted]

Talk soon
Susan

Sent from my iPhone

From: Cherry, Brian K
Sent: 4/25/2013 7:28:01 AM
To: Susan Kennedy (spkennedy4@gmail.com)
Cc:
Bcc:
Subject: RE:

I'm on Bart and will be in the office in 20 minutes. Should get them to you as soon as I get in.

Brian K. Cherry
PG&E Company
VP, Regulatory Relations
77 Beale Street
San Francisco, CA. 94105
(415) 973-4977

On Apr 25, 2013, at 7:26 AM, "Susan Kennedy" <spkennedy4@gmail.com> wrote:

> electronic works fine. as soon as you can - I want to outline my thoughts before the morning gets crazy.
> Hagan just pinged me asking to get together today. Florio said he connected with Hagan earlier this week (after Hagan and I spoke Monday night). That was faster than I expected and now I"m nervous that their combined inability to communicate is a serious obstacle. Plus, the idea that DR and I came up with is not on either radar yet, so I'm nervous that they had the critical communication without the right pieces in place.
>
> On Thu, Apr 25, 2013 at 7:21 AM, Cherry, Brian K <BKC7@pge.com> wrote:
>
>> Yes. You want the electronic copies or hard copies ?
>>
>> Brian K. Cherry
>> PG&E Company
>> VP, Regulatory Relations
>> 77 Beale Street
>> San Francisco, CA. 94105
>> (415) 973-4977
>>
>> On Apr 25, 2013, at 7:11 AM, "Susan Kennedy"

<spkennedy4@gmail.com> wrote:

> Hey... I left the copies of those charts with the numbers on it over in the East Bay (my g-friend's house where I stay). Can I get a copy this morning? I have an important lunch today and I want to demonstrate the magnitude of what's at stake.
>
> --
> Susan P Kennedy
> 461 2nd Street, Suite 452
> San Francisco, CA 94107
> (415) 717-3228

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Susan P Kennedy
461 2nd Street, Suite 452
San Francisco, CA 94107
(415) 717-3228

From: Cherry, Brian K
Sent: 4/25/2013 8:08:24 AM
To: Susan Kennedy (spkennedy4@gmail.com) (spkennedy4@gmail.com)
Cc:
Bcc:
Subject: FW: Shareholder Spending Follow-up

Here is the additional backup support.

From: Ramaiya, Shilpa R
Sent: Thursday, April 25, 2013 8:06 AM
To: Cherry, Brian K
Subject: FW: Shareholder Spending Follow-up

From: Ramaiya, Shilpa R
Sent: Thursday, March 14, 2013 6:56 PM
To: Robertson, Michael; richard.myers@cpuc.ca.gov
Cc: Doll, Laura; Ramaiya, Shilpa R
Subject: Shareholder Spending Follow-up

Mike, Rich,

Thanks again for meeting with us today. Attached is the updated summary sheet, and a full package of the supporting documentation. The relevant numbers in the supporting documentation are circled so they are easier to track.

Per our discussion, the summary sheet has been updated to remove the self-report citation of $16.8 million, fix the Gas Transmission spend amount, and for your suggested language edits. Rancho and the Citation information will be provided in a separate email tomorrow.

If you have further questions, let us know.

Thanks.

Shilpa

415-973-3186

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					

From: Cherry, Brian K
Sent: 4/25/2013 8:25:54 AM
To: Susan Kennedy (spkennedy4@gmail.com)
Cc:
Bcc:
Subject: Re: FW: Shareholder Spending Follow-up

Here are the slides.

Here is the link to listen to the webcast of the call. I will try and get a written transcript but it might take me a bit longer to do that.

http://investor.pgecorp.com/phoenix.zhtml?c=110138&p=irol-eventDetails&EventId=4895389

From: Susan Kennedy [mailto:spkennedy4@gmail.com]
Sent: Thursday, April 25, 2013 8:20 AM
To: Cherry, Brian K
Subject: Re: FW: Shareholder Spending Follow-up

Got it. Thnx. Re the Overland report - can you send me a transcript of the earnings call or shareholders call that was held most recently? The one Tom was telling me about and Florio mentioned... also I need to see if the P/E etc number they reference are still valid

On Thu, Apr 25, 2013 at 8:07 AM, Cherry, Brian K <BKC7@pge.com> wrote:

From: Ramaiya, Shilpa R
Sent: Thursday, April 25, 2013 8:06 AM
To: Cherry, Brian K
Subject: FW: Shareholder Spending Follow-up

From: Ramaiya, Shilpa R
Sent: Thursday, March 14, 2013 6:56 PM
To: Robertson, Michael; richard.myers@cpuc.ca.gov
Cc: Doll, Laura; Ramaiya, Shilpa R
Subject: Shareholder Spending Follow-up

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Thanks again for meeting with us today. Attached is the updated summary sheet, and a full package of the supporting documentation. The relevant numbers in the supporting documentation are circled so they are easier to track.

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If you have further questions, let us know.

Thanks.

Shilpa

415-973-3186

PG&E is committed to protecting our customers' privacy.
To learn more, please visit http://www.pge.com/about/company/privacy/customer/

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Susan P Kennedy

461 2nd Street, Suite 452

San Francisco, CA 94107

(415) 717-3228



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.

Key Focus Areas

Resolve gas issues	Position company for success	Rebuild relationships ar partner effectively
• Execute critical gas work • Complete regulatory proceedings as soon as possible	• Rigorous multi-year planning • Drive continuous improvement	• Strengthen local presence • Engage in public policy development

Regulatory and Operational Updates

Regulatory Update

- Cost of capital – 10.4% ROE, 52% equity ratio
- Oakley plant approved – rate base no earlier than 2016
- Pipeline Safety Enhancement Plan – through 2014
- Filed 2014 GRC request – schedule issued by ALJ
- Transmission Owner case – 9.1% ROE compliance filing

Executing on Operations

2012 Results

- Strength tested 175 miles and replaced 40 miles of pipe
- Installed 46 automatic or remote shutoff valves
- Enhanced electric reliability with smart distribution circuits
- Improved Customer Satisfaction Survey scores

Q4 and Full Year 2012: Earnings Results

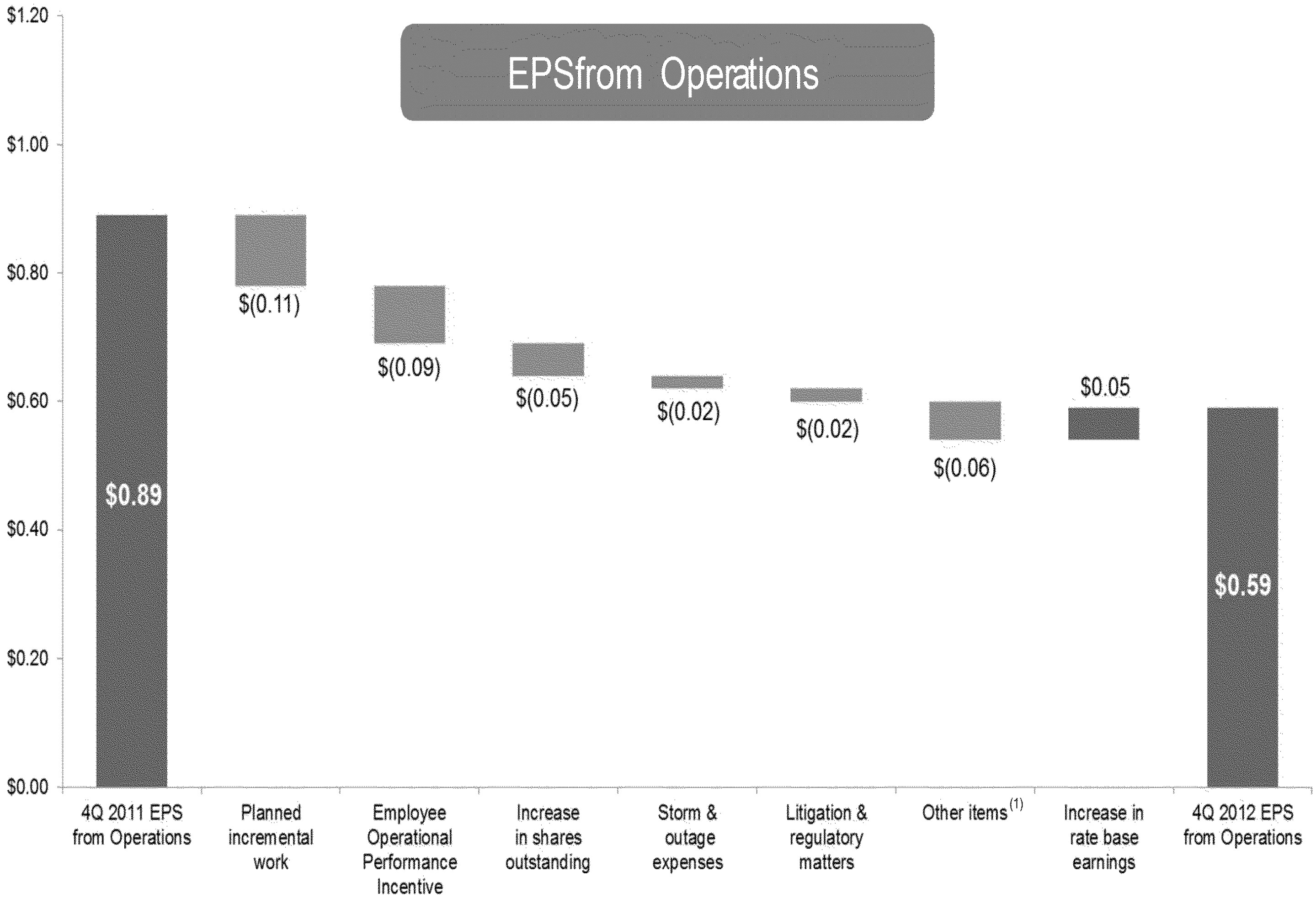
	Q4		2012	
	Earnings (millions)	EPS	Earnings (millions)	EPS
Earnings from Operations	$ 253	$ 0.59	$ 1,367	$ 3.22
Items Impacting Comparability				
Natural Gas Matters	(259)	(0.60)	(488)	(1.15)
Environmental-Related Costs	(7)	(0.02)	(63)	(0.15)
Earnings on a GAAP Basis	$ (13)	$ (0.03)	$ 816	$ 1.92

Natural Gas Matters (millions, pre-tax)

	Q4	2012
Pipeline-related costs	$ (106)	$ (477)
Disallowed capital	(353)	(353)
Penalties	(17)	(17)
Contribution to City of San Bruno	-	(70)
Third-party liability claims	-	(80)
Insurance recoveries	50	185
Total	$ (426)	$ (812)

See Exhibit 3 in the Appendix for additional detail.

Q4 2012: Q over Q Comparison



(1) Other items reflect energy efficiency incentive revenues and miscellaneous items. See Exhibit 5 in the Appendix for additional detail.

EPS from Operations is not calculated in accordance with GAAP and excludes items impacting comparability. See Exhibit 3 in the Appendix for a reconciliation of EPS from Operations to EPS on a GAAP basis.

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Assumptions for 2013 Guidance

Capital Expenditures Forecast
($ millions)

	2013
Electric Distribution	1,850
Electric Transmission	850
Gas Transmission	350
Gas Distribution	800
Generation	800
Separately Funded	
PSEP	450
Total CapEx	~5,100

Authorized Rate Base (weighted average)
($ billions)

	2013
Electric Distribution	11.9
Electric Transmission*	4.5
Gas Transmission	1.8
Gas Distribution	3.0
Generation	4.5
Separately Funded	
PSEP	0.3
Total Rate Base	~26.0

*Electric Transmission rate base reflects full TO14 request

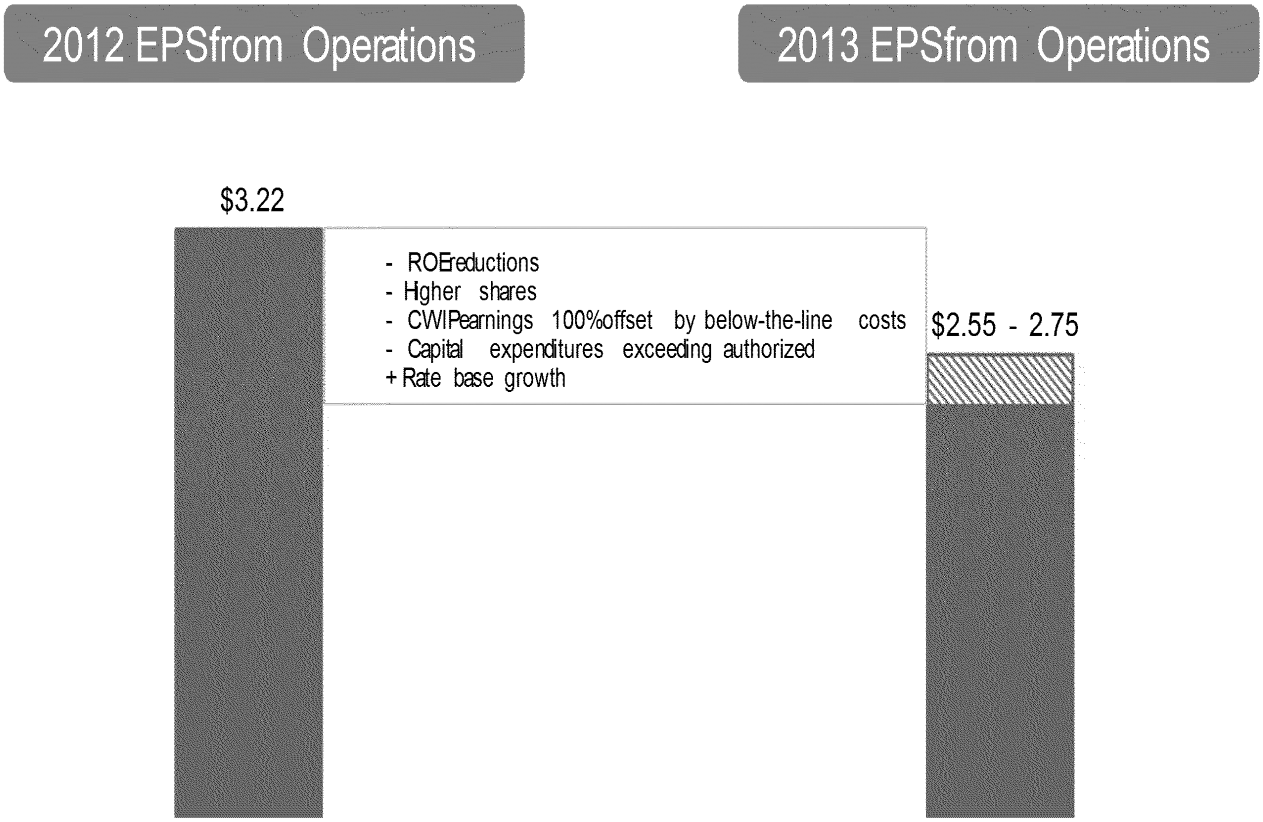
Cost of Capital

Authorized ROE:	10.4%	CPUC
	9.1%	FERC
Equity Ratio:	52%	

EPS Factors

- Incremental O&M spending ($250 M)
- Financing and depreciation costs for incremental capex (~$1B)
- CWIP earnings 100% offset
- Lower gas storage revenues
+ Energy efficiency incentive revenues

Earnings from Ops Comparison



Earnings from Operations is not calculated in accordance with GAAP and excludes items impacting comparability.
See Exhibits 3 and 8 in the Appendix for additional detail.

2013 Natural Gas Matters

($ millions)	2013
Unrecovered PSEP Expense [1]	150 - 200
Emerging Work [2]	175 - 225
Rights of Way Encroachment	
Integrity Management and Other Work	
Legal and other costs	50 - 100
Pipeline Related Costs	**400 - 500***

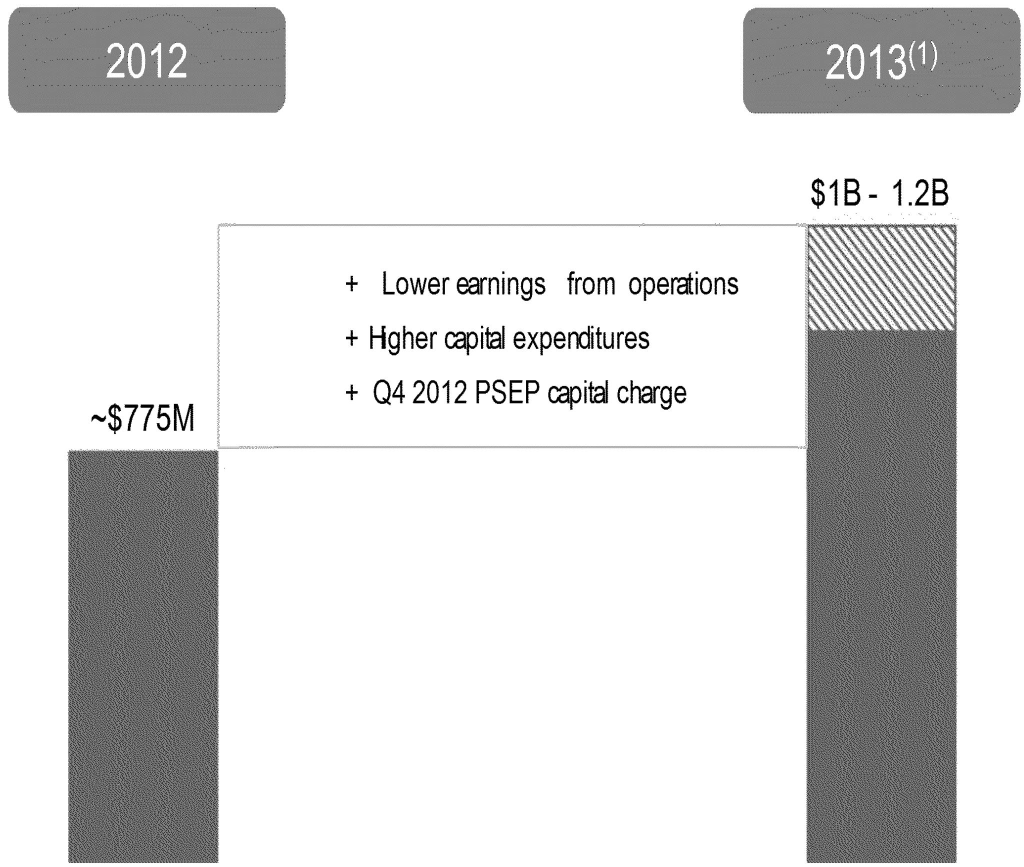
* Total does not equal the sum of the components

Penalties	Timing and magnitude depend on outcome of investigations
Third Party Liabilities	0 - 145
Insurance Recoveries	Follows third-party claims

(1) Unrecovered PSEP Expense includes what was previously called "PSEP" and "PSEP- Not Requested." Assumes no additional disallowed capital.

(2) For 2013 and 2014, right-of-way expense is expected to represent more than half of Emerging Work costs.

2013 Equity Issuance



(1) The guidance range for 2013 does not include potential penalties (other than those already accrued).

See Exhibit 1 in the Appendix for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

2013 EPS Guidance

	Low	High
EPS from Operations	$ 2.55	$ 2.75
Estimated Items Impacting Comparability		
Natural Gas Matters	(0.85)	(0.53)
Environmental-Related Costs	(0.04)	0.00
Estimated EPS on a GAAP Basis	$ 1.66	$ 2.22

Natural Gas Matters (1)
(millions, pre-tax)

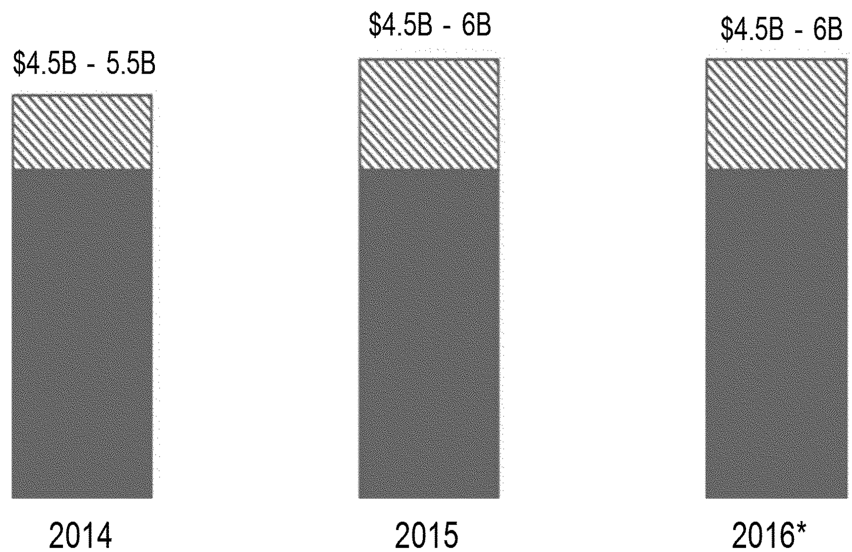
	Low guidance range	High guidance range
Pipeline-related costs	$ (500)	$ (400)
Penalties	-	-
Third-party liability claims	(145)	0
Insurance recoveries	-	-
Total	$ (645)	$ (400)

(1) The guidance range for 2013 does not include future insurance recoveries or potential penalties (other than those already incurred) or any potential punitive damages.

See Exhibit 1 in the Appendix for factors that could cause actual results to differ materially from the guidance presented and underlying assumptions.

Looking Ahead: Capital Expenditures

Capital Expenditures 2014 - 2016

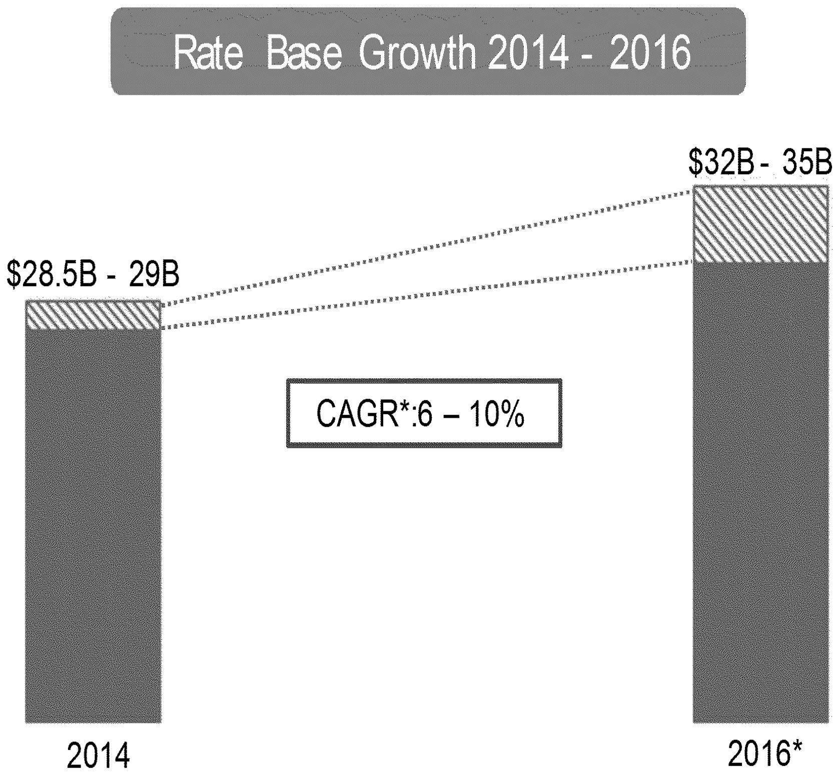


The high end of the range reflects capex at GRC request levels, including attrition amounts for 2015 and 2016, and current views of other future gas and electric proceedings.

The low end reflects capex consistent with 2013 pending levels, adjusted for completion of the Cornerstone and Utility-owned Solar PV programs.

*Excludes Oakley Plant

Looking Ahead: Rate Base Growth



The high end of the range reflects capex at GRC request levels, including attrition amounts for 2015 and 2016, and current views of other future gas and electric proceedings.

The low end reflects capex consistent with 2013 pending levels, adjusted for completion of the Cornerstone and Utility-owned Solar PV programs.

*Excludes Oakley Plant

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		
Right of Way Encroachment	2013-2017	Roughly $500 million of unrecovered costs
Integrity Management	2014	Unrecovered costs continue
	2015	Incorporated in next Gas Transmission rate case
Legal and other costs	2014	Significant decrease

Appendix

Table of Contents

Exhibit 1: Safe Harbor Statement

Management's statements regarding guidance for PG&E Corporation's future financial results and earnings from operations per common share, general earnings sensitivities, and the underlying assumptions about the future levels of capital expenditures, rate base, costs, and equity issuances, constitute forward-looking statements that are necessarily subject to various risks and uncertainties. These statements reflect management's judgment and opinions, which are based on current expectations and various forecasts, estimates, and projections, the realization or resolution of which may be outside of management's control. PG&E Corporation and the Utility are not able to predict all the factors that may affect future results. Some of the factors that could cause actual results to differ materially include:

- the outcome of pending investigations related to the Utility's natural gas system operating practices and the San Bruno accident, including the ultimate amount of penalties (including criminal penalties, if any) and third-party liability the Utility incurs;
- the outcomes of ratemaking proceedings, such as the 2014 General Rate Case, the Transmission Owner rate case, and the 2015 Gas Transmission and Storage rate case;
- the ultimate costs the Utility incurs in the future that are not recovered through rates, including costs to perform work under the Pipeline Safety Enhancement Plan, to identify and remove encroachments from transmission pipeline easements, and to perform incremental work to improve the safety and reliability of electric and natural gas operations;
- the outcome of future investigations or enforcement proceedings relating to the Utility's compliance with laws, rules, regulations, or orders applicable to the operation, inspection, and maintenance of its electric and gas facilities;
- whether PG&E Corporation and the Utility are able to repair the reputational harm that they have suffered, and may suffer in the future, due to the negative publicity surrounding the San Bruno accident, the related civil litigation, and the pending investigations, including any charge or finding of criminal liability;
- the level of equity contributions that PG&E Corporation must make to the Utility to enable the Utility to maintain its authorized capital structure as the Utility incurs charges and costs, including costs associated with natural gas matters and penalties imposed in connection with the pending investigations, that are not recoverable through rates or insurance;
- the impact of environmental remediation laws, regulations, and orders; the ultimate amount of environmental remediation costs; the extent to which the Utility is able to recover such costs from third parties or through rates or insurance; and the ultimate amount of environmental remediation costs the Utility incurs in connection with environmental remediation liabilities that are not recoverable through rates or insurance, such as the remediation costs associated with the Utility's natural gas compressor station site located near Hinkley, California;
- the impact of new legislation, regulations, recommendations, policies, decisions, or orders relating to the operations, seismic design, security, safety, or decommissioning of nuclear generation facilities, the storage of spent nuclear fuel or cooling water intake;
- the occurrence of events, including cyber-attacks, that can cause unplanned outages, reduce generating output, disrupt the Utility's service to customers, or 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; and whether the occurrence of such events subject the Utility to third-party liability for property damage or personal injury, or the imposition of civil, criminal, or regulatory penalties on the Utility; and
- the other factors and risks discussed in PG&E Corporation and the Utility's 2012 Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission.

Exhibit 2: Regulatory Calendar

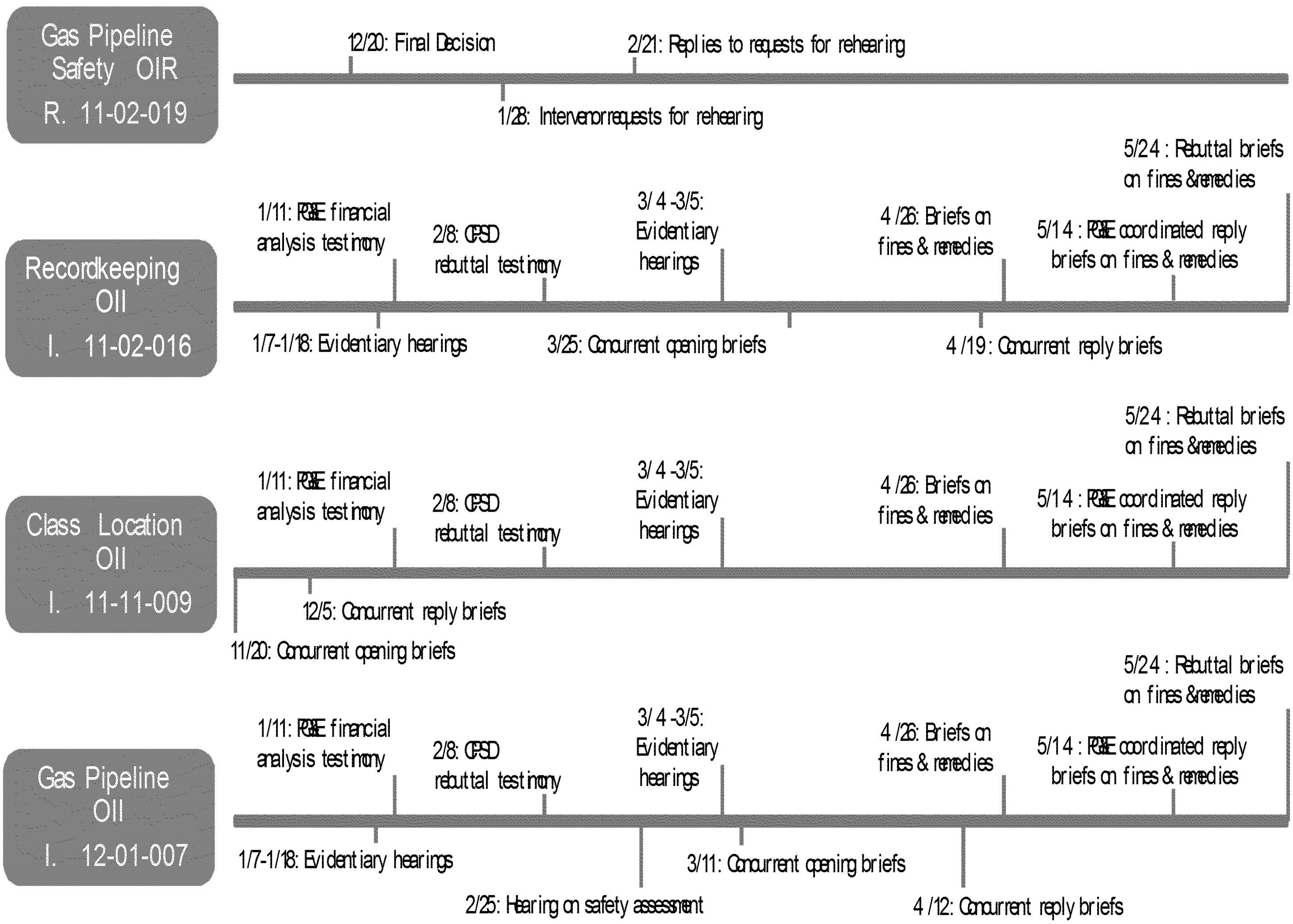


Exhibit 3: Reconciliation of PG&E Corporation Earnings from Operations to Consolidated Income Available for Common Shareholders in Accordance with Generally Accepted Accounting Principles ("GAAP")

Fourth Quarter and Year-to-Date, 2012 vs. 2011
(in millions, except per share amounts)

	Three months ended December 31,				Twelve months ended December 31,			
	Earnings		Earnings per Common Share (Diluted)		Earnings		Earnings per Common Share (Diluted)	
	2012	2011	2012	2011	2012	2011	2012	2011
PG&E Corporation Earnings from Operations (1)	$ 253	$ 366	$ 0.59	$ 0.89	$ 1,367	$ 1,438	$ 3.22	$ 3.58
Items Impacting Comparability: (2)								
Natural gas matters (3)	(259)	(283)	(0.60)	(0.69)	(488)	(520)	(1.15)	(1.30)
Environmental-related costs (4)	(7)	-	(0.02)	-	(63)	(74)	(0.15)	(0.18)
PG&E Corporation Earnings on a GAAP basis	$ (13)	$ 83	$ (0.03)	$ 0.20	$ 816	$ 844	$ 1.92	$ 2.10

(1) "Earnings from operations" is not calculated in accordance with GAAP and excludes items impacting comparability as described in Note (2) below.

(2) Items impacting comparability reconcile earnings from operations with Consolidated Income Available for Common Shareholders as reported in accordance with GAAP.

(3) PG&E Corporation's subsidiary, Pacific Gas and Electric Company ("Utility") incurred net costs of $426 million and $812 million, pre-tax, during the three and twelve months ended December 31, 2012, respectively, in connection with natural gas matters. These amounts included pipeline-related expenses that will not be recoverable through rates to validate safe operating pressures, conduct strength testing, and perform other activities associated with the Utility's natural gas pipeline system, as well as legal and regulatory costs. In addition, a charge was recorded for disallowed capital expenditures related to the Utility's pipeline safety enhancement plan that are forecasted to exceed the California Public Utilities Commission's ("CPUC") authorized levels or that were specifically disallowed. These amounts also included an additional provision for penalties deemed probable of being imposed on the Utility in connection with pending CPUC investigations and other enforcement matters regarding the Utility's natural gas operating practices. Costs incurred for the twelve months ended December 31, 2012 also included an increase in the accrual for third-party claims related to the San Bruno accident and a contribution to the City of San Bruno. These costs were partially offset by insurance recoveries.

(pre-tax)	Three months ended December 31, 2012	Twelve months ended December 31, 2012
Pipeline-related expenses	$(106)	$ (477)
Disallowed capital expenditures	(353)	(353)
Penalties	(17)	(17)
Third-party claims	-	(80)
Insurance recoveries	50	185
Contribution to City of San Bruno	-	(70)
Natural gas matters	$(426)	$(812)

(4) The Utility recorded charges of $11 million and $106 million, pre-tax, during the three and twelve months ended December 31, 2012, respectively, for environmental remediation costs associated with the Hinkley natural gas compressor site.

Exhibit 4: Reconciliation of Pacific Gas and Electric Company Earnings from Operations to Consolidated Income Available for Common Stock in Accordance with GAAP

Fourth Quarter and Year-to-Date, 2012 vs. 2011
(in millions)

	Three months ended December 31,		Twelve months ended December 31,	
	Earnings		Earnings	
	2012	2011	2012	2011
Pacific Gas and Electric Company Earnings from Operations [1]	$ 275	$ 368	$ 1,348	$ 1,425
Items Impacting Comparability: [2]				
Natural gas matters [3]	(259)	(283)	(488)	(520)
Environmental-related costs [4]	(7)	-	(63)	(74)
Pacific Gas and Electric Company Earnings on a GAAP basis	$ 9	$ 85	$ 797	$ 831

See Exhibit 3 for accompanying footnotes.

Exhibit 5: Key Drivers of PG&E Corporation Earnings per Common Share ("EPS") from Operations

Fourth Quarter and Year-to-Date, 2012 vs. 2011
($/Share, Diluted)

Fourth Quarter 2011 EPS from Operations [1]	$ 0.89
Increase in rate base earnings	0.05
Planned incremental work	(0.11)
Employee operational performance incentive	(0.09)
Storm and outage expenses	(0.02)
Litigation and regulatory matters	(0.02)
Energy efficiency incentive revenues	(0.01)
Increase in shares outstanding	(0.05)
Miscellaneous	(0.05)
Fourth Quarter 2012 EPS from Operations [1]	$ 0.59
2011 YTD EPS from Operations [1]	$3.58
Increase in rate base earnings	0.19
Storm and outage expenses	0.06
Litigation and regulatory matters	0.06
Gas transmission revenues	0.04
Planned incremental work	(0.36)
Employee operational performance incentive	(0.08)
Energy efficiency incentive revenues	(0.01)
Increase in shares outstanding	(0.19)
Miscellaneous	(0.07)
2012 Year-to-Date EPS from Operations [1]	$ 3.22

(1) See Exhibit 3 for a reconciliation of EPS from Operations to EPS on a GAAP basis.

Exhibit 6: Operational Performance Metrics

Fourth Quarter 2012 Performance

	2012 Improvement/Results		
	EOY Actual	EOY Target	Meets Target
Safety (includes both public and employee safety metrics)			
Nuclear Operations	1st Quartile	1st Quartile	
Leak Repair Performance	42.1%	42.1%	
Gas Emergency Response	23.6%	14.7%	
Transmission & Distribution Wires Down(unplanned out	(10.3%)	3.0%	-
Electric Emergency Response	16.9%	7.0%	
Lost Workday Case Rate	(16.8%)	12.0%	-
Preventable Motor Vehicle Incident Rate	14.9%	7.0%	
Customer			
Customer Satisfaction	1.4%	0.8%	
Gas Operations Reliability	98.7%	98.0%	
Electric Operations Reliability - SAIDI	7.3%	6.2%	
Financial			
Earnings from Operations	$ 1,367	See note[1]	

See following page for definitions of the operational performance metrics

[1] The 2012 target for earnings from operations is not publicly reported but is consistent with the guidance range provided for 2012 EPS from operations of $3.10 to $3.30.

Definitions of 2012 Operational Performance Metrics from Exhibit 6

The Operational Performance Metrics focus on three areas: safety (public and employee), customer service, and financial. The EOY targets for each metric except for nuclear performance are stated relative to percentage improvement in prior year performance. The EOY actual column provides percentage improvement (or decline) through the entire year. The column titled "Meets Target" shows illustratively whether the metric has met or not met the EOY target.

Safety

Public safety metrics focus on Utility operations in three areas:

1. The safety of the Utility's nuclear power operations is represented by 12 performance indicators for nuclear power generation reported to the Institute of Nuclear Power Operations ("INPO") and compared to industry benchmarks.
2. The safety of the Utility's natural gas operations is represented by (a) the percentage improvement in the number of Grade 2 leak repairs completed, and (b) the percentage improvement in emergency response times of when utility gas personnel are on-site within one hour, and within 30 minutes, of receiving an immediate response gas emergency order.
3. The safety of the Utility's electric operations is represented by (a) the percentage improvement in the number of wire down events with resulting sustained unplanned outages, and (b) the percentage improvement in emergency response times of when utility electric personnel are on-site of a 911 call of a potential PG&E electric hazard within 60 minutes.

Employee safety metrics focus on two areas:

1. The percentage improvement in the number of Lost Workday Cases incurred per 200,000 hours worked. A lost workday case is an OSHA-recordable incident that has resulted in at least one lost workday.
2. The percentage improvement in the Preventable MVI Rate, which measures the number of chargeable motor vehicle incidents per million miles driven. A chargeable incident is one where the employee-driver could have prevented an incident, but failed to take reasonable steps to d

Customer

Customer satisfaction and service reliability are measured in three areas.

1. The percentage improvement in the Customer Satisfaction Score, which measures overall satisfaction with the Utility's delivering reliable service, pricing of services, and customer service experience. The score is weighted 60 percent for residential customers and 40 percent for small and medium business customers, based on a quarterly survey performed by an independent third-party research firm.
2. Gas Operations Reliability is measured by the percentage improvement in the timeliness of jobs entered into the gas mapping system.
3. Electric Operations Reliability is measured by the percentage improvement in the System Average Interruption Duration Index ("SAIDI"), which reflects the total time the average customer is without electric power, measured in minutes.

Financial

Earnings from operations measures PG&E Corporation's earnings power from ongoing core operations. It allows investors to compare the underlying financial performance of the business from one period to another, exclusive of items that management believes do not reflect the normal course of operations (items impacting comparability). The measurement is not in accordance with GAAP. For a reconciliation of earnings from operations to consolidated earnings in accordance with GAAP, see Exhibit 3 PG&E Corporation Earnings from Operations and GAAP Income.

Exhibit 7: Pacific Gas and Electric CompanySales and Sources Summary

Fourth Quarter and Year-to-Date, 2012 vs. 2011

	Three Months Ended December31,		Twelve Months Ended December31,	
	2012	2011	2012	2011
Sales from Energy Deliveries (in millions kV	20,895	20,706	86,113	83,688
Total Electric Customersat December31			5,228,140	5,188,638
Total Gas Sales (in millions Mcf)	231	197	899	770
Total Gas Customersat December31			4,364,939	4,327,407
Sources of Electric Energy (in millions kWh				
Total Utility Generation	8,106	9,083	31,570	35,345
Total Purchased Power	12,394	10,376	48,933	41,958
Total Electric Energy Delivered	20,895	20,706	86,113	83,688
Diablo Canyon Performance				
Overall Capacity Factor (including refuelings	94%	100%	90%	95%
Refueling Outage Period	None	None	4/22/12-6/17/12	5/1/11-6/5/11
Refueling Outage Duration During the Period	None	None	55.5	35.8

Exhibit 8: PG&E Corporation EPS Guidance

2013 EPS Guidance	Low	High
Estimated EPS on an Earnings from Operations Basis	$ 2.55	$ 2.75
Estimated Items Impacting Comparability[1]		
Natural Gas Matters[2]	(0.85)	(0.53)
Environmental-Related Costs[3]	(0.04)	0.00
Estimated EPS on a GAAP Basis	$ 1.66	$ 2.22

(1) Items impacting comparability reconcile earnings from operations with consolidated Income Available for Common Shareholders consistent with GAAP.

(2) The range includes pipeline-related costs associated with the scope of work that the Utility expects to undertake on its natural gas pipeline system, as well as other items described below.

(in millions, pre-tax)	2013 Low EPS guidance range	2013 High EPS guidance range
Pipeline-related costs[a]	$ (500)	$ (400)
Penalties[b]	-	-
Third-party claims[c]	(145)	0
Insurance recoveries[d]	-	-
Natural gas matters	$ (645)	$ (400)
Natural gas matters, after tax	$ (382)	$ (237)

(a) The range of $400 million to $500 million reflects pipeline-related expenses that are not recoverable through rates, including costs to perform work associated with the Utility's pipeline safety enhancement plan and work related to the Utility's multi-year effort to identify and remove encroachments from transmission pipeline rights-of-way, the integrity management of transmission pipelines and other gas-related work, and legal and regulatory expenses.

(b) Although the Utility believes the ultimate amount of penalties could be materially higher than the $200 million accrued as of December 31, 2012, losses for penalties are recognized only when deemed probable and reasonably estimable under applicable accounting standards.

(c) Based on the cumulative charges recorded through 2012 of $455 million, the cumulative range for third-party claims is $455 million to $600 million.

(d) Although the Utility believes that a significant portion of the costs it incurs for third-party claims will be recovered through insurance, insurance recoveries are recognized only when deemed probable under applicable accounting standards. The guidance provided does not include potential future insurance recoveries or penalties (other than those already accrued) or any potential punitive damages.

(3) The environmental-related cost range of $0 to $30 million primarily reflects additional potential costs related to the Utility's whole house water replacement program and other remedial measures associated with the Hinkley natural gas compressor site. This range assumes the final remediation plan is adopted as proposed.

Actual financial results for 2013 may differ materially from the EPS guidance provided. For a discussion of the factors that may affect future results, see Exhibit 1.

Exhibit 9: General Earnings Sensitivities
PG&E Corporation and Pacific Gas and Electric Company

Variable	Description of Change	Estimated 2013 Earnings Impact
Rate base	+/- $100 million change in allowed rate base	+/- $5 million
Return on equity (“ROE	+/- 0.1% change in allowed ROE	+/- $14 million
Share count	+/- 1% change in average shares	+/- $0.03 per share
Revenues	+/- $8 million change in at-risk revenue (pre-tax), i Electric Transmission and California Gas Transmission	+/- $0.01 per share

Actual financial results for 2013 may differ materially from the guidance provided. For a discussion of the factors that may affect future results, see Exhibit 1.

Exhibit 10: Pacific Gas and Electric Company
Summary of Selected Regulatory Cases

Regulatory Case	Docket #	Key Dates
2014 General Rate Case	A.12-11-009	Nov 15, 2012 – Application filed (Phase I) Q1 2013 – Phase II expected to be filed May 3, 2013 – DRA testimony May 17, 2013 – Intervenor testimony and Safety and Enforcement Division reports May 31, 2013 – Safety and Enforcement Audit report Jun 28, 2013 – Rebuttal testimony Jul 15 - Aug 9, 2013 – Evidentiary hearings Aug 12-13, 2013 – Mandatory settlement conference Sep 6, 2013 – Opening briefs Sep 27, 2013 – Reply briefs Nov 19, 2013 – Proposed decision Dec 19, 2013 – Final decision expected
Cost of Capital Proceeding Phase I - 2013 Cost of Capital Phase II - Multi-year Adjustment Mechanism	A.12-04-018	Dec 20, 2012 – Phase I final decision Jan 14, 2013 – Phase II hearing Mar 15, 2013 – Phase II proposed decision expected Apr 18, 2013 – Phase II final decision expected
Gas Pipeline Safety Order Instituting Rulemaking	R.11-02-019 D.11-03-047 D.11-06-017 D.11-10-010 D.11-12-048 D.12-04-047 D.12-04-010	Dec 20, 2012 – Final decision on Pipeline Safety Enhancement Plan Dec 20, 2012 – Decision on Gas Safety Plans Jan 28, 2013 – Intervenor requests for rehearing Feb 21, 2013 – Replies to requests for rehearing
Gas Matters Fines & Remedies	I.11-02-016 I.11-11-009 I.12-01-007	Jan 11, 2013 – PG&E financial analysis testimony Feb 8, 2013 – SED rebuttal testimony Mar 4-5, 2013 – Evidentiary hearings Apr 26, 2013 – Coordinated briefs on fines and remedies May 14, 2013 – PG&E coordinated reply briefs on fines and remedies May 24, 2013 – Coordinated rebuttal briefs on fines and remedies
Gas Transmission System Records Order Instituting Investigation	I.11-02-016	Jan 7-18, 2013 – Evidentiary hearings Mar 25, 2013 – Concurrent opening briefs Apr 19, 2013 – Concurrent reply briefs
Class Location Designation Order Instituting Investigation	I.11-11-009	Nov 20, 2012 – Concurrent opening briefs Dec 5, 2012 – Concurrent reply briefs
Order Instituting Investigation into PG& Operations and Practices in Connection wi San Bruno Explosion and Fire	I.12-01-007	Jan 7-18, 2013 – Evidentiary hearings Feb 25, 2013 – Evidentiary hearing on safety assessment Mar 11, 2013 – Concurrent opening briefs Apr 12, 2013 – Concurrent reply briefs
Nuclear Decommissioning Cost Triennial Proceeding	A.12-12-012	Dec 21, 2012 – Application filed Feb 15, 2013 – Prehearing conference Mar 13, 2013 – Intervenor testimony Apr 8, 2013 – Rebuttal testimony May 21-24, 2013 – Evidentiary hearings Jun 24, 2013 – Opening briefs Jul 8, 2013 – Reply briefs Sep 6, 2013 – Proposed decision Nov 2013 – Final decision expected

Exhibit 10: Pacific Gas and Electric Company
Summary of Selected Regulatory Cases (continued)

Regulatory Case	Docket #	Key Dates
Smart Grid Order Instituting Rulemaking	R.08-12-009 D.09-12-046 D.10-06-047 D.11-07-056 D.12-04-025 D.12-08-045 A.11-06-029 A.11-11-017 A.12-03-002	Mar 5, 2012 – PG&E filed Customer Data Access application Apr 24, 2012 – CPUC decision adopting metrics to measure Smart Grid deployments Aug 23, 2012 – CPUC decision extending privacy protections to customers of gas corporations and community choice aggregators, and to residential and small commercial customers of electric service providers Oct 1, 2012 – PG&E's first Smart Grid Annual Report
Oakley Generating Station	A.09-09-021 D.10-07-045 D.10-12-050 D.11-05-049 A.12-03-026	Dec 20, 2012 – Final decision approving Oakley Jan 28, 2013 – Intervenor requests for rehearing Feb 12, 2013 – PG&E reply to requests for rehearing
Application to Recover Costs Associated w Nuclear Relicensing	A.10-01-022 D.12-02-004	Feb 1, 2012 – ALJ dismissed proceeding until additional seismic studies are complete, at which point PG&E may file motion to re-open
Diablo Canyon Seismic Studies	A.10-01-014 D.10-08-003 D.12-09-008	Apr 18, 2012 – Evidentiary hearings Sep 13, 2012 – Final decision authorizing PG&E to recover up to $64.25 million for Diablo Canyon seismic studies
2010 & 2012 Long Term Procurement Plan	R.10-05-006 D.12-01-033 Track II R.12-03-014	Feb 13, 2013 – Final decision in Track I (Southern CA LCR needs) Late 2013 – Final decision in Track II (system reliability/ renewable integration need) expected 2013/2014 – Final decision in Track III (procurement rules) expected
SmartMeter Program Modifications	A.11-03-014 D.12-02-014	Dec 13-20, 2012 – Public participation hearings Jan 11, 2013 – Opening briefs Jan 25, 2013 – Reply briefs, request for final oral argument Feb 2013 – Final decision expected on Community Opt-Out and Medical Issues Apr 2013 – Proposed decision expected on Cost Allocation and Recovery May 2013 – Final decision expected on Cost Allocation and Recovery
Catastrophic Event Memorandum Account ("CEMA")	A.11-09-014	Q1 2013 – Proposed decision expected
2013 – 2015 Energy Efficiency Incentive Mechanism and 2010 Incentive Award	R.12-01-005 D.12-12-032	Dec 20, 2012 – CPUC approved $21 million award Q1 2013 – Proposed decision expected on 2013-2014 risk-reward incentive mechanism (RRIM) Q2 2013 – Comments/reply on RRIM modifications for 2015 and beyond
Transmission Owner Rate Case (TO14)	ER12-2701	Sep 28, 2012 – PG&E filed TO14 rate case seeking an annual revenue requirement for 2013 Nov 29, 2012 – FERC accepted filing making rates effective May 1, 2013 but ordered PG&E to refile with lower ROE Dec 21, 2012 – PG&E refiled TO14 with 9.1% ROE and sought rehearing of FERC's order on ROE Feb 25-26, 2013 – FERC settlement conference
Existing Transmission Contracts (ETC) Rate Case	ER13-616	Dec 21, 2012 – PG&E filed to increase the ETC rates for CDWR, BART and the Transmission Agency of Northern California

Most of these regulatory cases are discussed in PG&E Corporation and Pacific Gas and Electric Company's combined Annual Report on Form 10-K for the year ended December 31, 2012.

PG&E Corporation

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PG&E CORPORATION REPORTS FULL-YEAR AND FOURTH-QUARTER 2012 RESULTS

PG&E Also Provides Guidance for 2013 Earnings, and Future Business Outlook

SAN FRANCISCO, Calif.—As it released its fourth-quarter and full-year 2012 earnings, PG&E Corporation (NYSE: PCG) said it will continue to invest heavily in upgrading its gas and electric infrastructure to provide safer, more reliable service for its customers and position the company for long-term success.

PG&E Corporation's full-year 2012 net income after dividends on preferred stock (also called "income available for common shareholders") was $816 million or $1.92 per share, as reported in accordance with generally accepted accounting principles (GAAP). This compares with $844 million, or $2.10 per share, for the full year 2011. For the fourth quarter of 2012, GAAP results were a loss of $0.03 per share, compared to $0.20 for the same quarter in 2011.

GAAP results include items that management does not consider part of normal, ongoing operations (items impacting comparability), which totaled $918 million pre-tax, or $1.30 per share, for the year and $437 million pre-tax, or $0.62 per share, for the quarter. The items impacting comparability relate to natural gas matters (pipeline-related costs, penalties, third-party claims, and insurance recoveries), and environmental costs associated with historic operations at the natural gas compressor station in Hinkley, California.

"Our results continue to reflect the significant impact of legacy issues, but we are encouraged by our continued progress in building a stronger utility to serve our customers," said Tony Earley, Chairman, CEO, and President of PG&E Corporation. "In 2012, we accomplished all of our ambitious work plans aimed at making us a better performing company and resolved many of the uncertainties related to our Pipeline Safety Enhancement Plan and third-party claims. We are starting to transition from the uncertainties of the past couple of years, and regain the confidence and support of our customers and our other stakeholders as we continue to deliver on our commitments."

Pipeline-related expenses and capital expenditures that were absorbed by shareholders in 2012 were the largest items impacting comparability reflected in GAAP results. Pipeline-related expenses consisted of continuing work to validate safe pipeline operating pressures and conduct strength testing, as well as legal and other expenses in connection with the San Bruno accident. These expenses totaled $477 million pre-tax for the year and $106 million pre-tax for the fourth quarter. In addition, the company took a charge of $353 million pre-tax in the fourth quarter for capital improvements to the gas pipeline system that were identified in its Pipeline Safety Enhancement Plan, but that are not authorized to be recovered in rates.

The total cost for natural gas pipeline-related actions since the San Bruno accident in 2010 is now approximately $1.4 billion on a pre-tax basis, all of which has been incurred at shareholders' expense.

Full-Year and Fourth-Quarter Earnings from Operations

On a non-GAAP basis, excluding items impacting comparability, PG&E Corporation's earnings from operations in 2012 were $1.37 billion, or $3.22 per share, compared with $1.44 billion, or $3.58 per share, in 2011.

For the fourth quarter, earnings from operations were $253 million, or $0.59 per share. During the same period in 2011, earnings from operations were $366 million, or $0.89 per share. The quarter-over-quarter difference primarily reflects a number of factors that negatively impacted this year's fourth quarter. Planned incremental spending on operational improvements being made across the utility accounted for $0.11 of the decrease, and employee compensation accounted for $0.09 of the decrease. Additional shares outstanding accounted for a $0.05 decrease, while storm costs, litigation, and other items accounted for a combined $0.10 decrease. Partially offsetting those decreases was a $0.05 per share increase due to additional revenue from capital investments authorized by the California Public Utilities Commission (CPUC).

2013 Earnings Guidance

The company is initiating guidance for 2013 non-GAAP earnings from operations in the range of $2.55 to $2.75 per share. Guidance is based on various assumptions, including a lower authorized return on equity and additional equity issuances of $1.0 billion to $1.2 billion. These and other assumptions are provided in the slide presentation that accompanies the earnings release and is available on the corporation website at http://www.pgecorp.com/news/pdf/2012Q4EarningsSlides.pdf.

On a GAAP basis, including the estimated amounts for the items impacting comparability related to gas pipeline matters and environmental costs, the range for projected earnings per share is $1.66 to $2.22 per share for 2013. The company expects to incur between $400 million and $500 million pre-tax in unrecovered pipeline-related costs in 2013. This range encompasses unrecovered expenses for the Pipeline Safety Enhancement Plan and emerging pipeline work, including costs to survey and clear pipeline rights of way. GAAP guidance for 2013 also reflects a range of $0 to $145 million pre-tax for third-party liability. The low end of the range corresponds to the total accrual of $455 million since the San Bruno accident. The high end corresponds to the upper end of the range for third-party liability stemming from the accident, which remains at $600 million. Guidance does not include any potential future insurance recoveries or penalties (other than those already accrued) or any potential punitive damages.

The company also expects to incur between $0 and $30 million pre-tax for environmental-related costs in 2013 associated with historic natural gas compressor station operations in Hinkley, California.

PG&E Corporation discloses historical financial results and provides guidance based on “earnings from operations” in order to provide a measure that allows investors to compare the underlying financial performance of the business from one period to another, exclusive of items that management believes do not reflect the normal course of operations. Earnings from operations are not a substitute or alternative for consolidated income available for common shareholders presented in accordance with GAAP. See the accompanying exhibits for a reconciliation of the differences between results and guidance based on earnings from operations and results and guidance based on consolidated income available for common shareholders.

Future Business Outlook

The company is targeting 2014 to significantly recover from the uncertainties of the past several years, pending resolution of the San Bruno investigations and the company’s 2014 general rate case. Its future gas pipeline work is expected to be addressed in the company’s 2015 gas transmission rate case.

The company expects to be making infrastructure investments of $4.5 billion to $6.0 billion per year in the 2014-2016 period in order to maintain safe and reliable electric and gas service. It also anticipates needing substantial amounts of equity to fund a portion of these investments. The company estimates its average authorized rate base in 2014 will range from $28.5 billion to $29 billion, and grow to between $32 billion and $35 billion in 2016.

Supplemental Financial Information

In addition to the financial information accompanying this release, presentation slides for today's conference call with the financial community have been furnished to the Securities and Exchange Commission and are available on PG&E Corporation's web site at: http://www.pgecorp.com/news/press_releases/Release_Archive2013/130221press_release.shtml.

Conference Call with the Financial Community to Discuss Financial Results

Today's call at 10:00 a.m., Eastern Time, is open to the public on a listen-only basis via webcast. Please visit http://www.pgecorp.com/investors/investor_info/conference/ for more information and instructions for accessing the webcast. The call will be archived on the website. Alternatively, a toll-free replay of the conference call may be accessed shortly after the live call until 8:00 p.m. Eastern Time, March 7, 2013, by dialing 866-415-9493. International callers may dial 585-419-6446. For both domestic and international callers, the replay pin 23911# will be required to access the replay.

Management's statements regarding guidance for PG&E Corporation's future financial results and earnings from operations per common share, general earnings sensitivities, and the underlying assumptions about the future levels of capital expenditures, rate base, costs, and equity issuances, constitute forward-looking statements that are necessarily subject to various risks and uncertainties. These statements reflect management's judgment and opinions, which are based on current expectations and various forecasts, estimates, and projections, the realization or resolution of which may be outside of management's control. PG&E Corporation and the Utility are not able to predict all the factors that may affect future results. Some of the factors that could cause actual results to differ materially include:

- the outcome of pending investigations related to the Utility's natural gas system operating practices and the San Bruno accident, including the ultimate amount of penalties (including criminal penalties, if any) and third-party liability the Utility incurs;

- the outcomes of ratemaking proceedings, such as the 2014 General Rate Case, the Transmission Owner rate case, and the 2015 Gas Transmission and Storage rate case;

- the ultimate costs the Utility incurs in the future that are not recovered through rates, including costs to perform work under the Pipeline Safety Enhancement Plan, to identify and remove encroachments from transmission pipeline easements, and to perform incremental work to improve the safety and reliability of electric and natural gas operations;

- the outcome of future investigations or enforcement proceedings relating to the Utility's compliance with laws, rules, regulations, or orders applicable to the operation, inspection, and maintenance of its electric and gas facilities;

- whether PG&E Corporation and the Utility are able to repair the reputational harm that they have suffered, and may suffer in the future, due to the negative publicity surrounding the San Bruno accident, the related civil litigation, and the pending investigations, including any charge or finding of criminal liability;

- the level of equity contributions that PG&E Corporation must make to the Utility to enable the Utility to maintain its authorized capital structure as it incurs charges and costs, including costs associated with natural gas matters and penalties imposed in connection with the pending investigations, that are not recoverable through rates or insurance;

- the impact of environmental remediation laws, regulations, and orders; the ultimate amount of environmental remediation costs; the extent to which the Utility is able to recover such costs from third parties or through rates or insurance; and the ultimate amount of environmental remediation costs the Utility incurs that are not recoverable through rates or insurance, such as the remediation costs associated with the Utility's natural gas compressor station site located near Hinkley, California ("Hinkley natural gas compressor site");

- the impact of new legislation, regulations, recommendations, policies, decisions, or orders relating to the operations, seismic design, security, safety, or decommissioning of nuclear generation facilities, the storage of spent nuclear fuel or cooling water intake;

- the occurrence of events, including cyber-attacks, that can cause unplanned outages, reduce generating output, disrupt the Utility's service to customers, or 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; and whether the occurrence of such events subject the Utility to third-party liability for property damage or personal injury, or result in the imposition of civil, criminal, or regulatory penalties on the Utility; and

- the other factors and risks discussed in PG&E Corporation and the Utility's 2012 Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission.

PG&E Corporation
Consolidated Statements of Income
(in millions, except per share amounts)

	Year ended December 31,		
	2012	2011	2010
Operating Revenues			
Electric	$ 12,019	$ 11,606	$ 10,645
Natural gas	3,021	3,350	3,196
Total operating revenues	**15,040**	**14,956**	**13,841**
Operating Expenses			
Cost of electricity	4,162	4,016	3,898
Cost of natural gas	861	1,317	1,291
Operating and maintenance	6,052	5,466	4,439
Depreciation, amortization, and decommissioning	2,272	2,215	1,905
Total operating expenses	**13,347**	**13,014**	**11,533**
Operating Income	1,693	1,942	2,308
Interest income	7	7	9
Interest expense	(703)	(700)	(684)
Other income, net	70	49	27
Income Before Income Taxes	**1,067**	**1,298**	**1,660**
Income tax provision	237	440	547
Net Income	**830**	**858**	**1,113**
Preferred stock dividend requirement of subsidiary	14	14	14
Income Available for Common Shareholders	**$ 816**	**$ 844**	**$ 1,099**
Weighted Average Common Shares Outstanding, Basic	**424**	**401**	**382**
Weighted Average Common Shares Outstanding, Diluted	**425**	**402**	**392**
Net Earnings Per Common Share, Basic	**$ 1.92**	**$ 2.10**	**$ 2.86**
Net Earnings Per Common Share, Diluted	**$ 1.92**	**$ 2.10**	**$ 2.82**
Dividends Declared Per Common Share	**$ 1.82**	**$ 1.82**	**$ 1.82**

Reconciliation of PG&E Corporation Earnings from Operations to Consolidated Income Available for Common Shareholders in Accordance with Generally Accepted Accounting Principles ("GAAP")
Fourth Quarter and Year-to-Date, 2012 vs. 2011
(in millions, except per share amounts)

	Three months ended December 31,				Twelve months ended December 31,			
	Earnings		Earnings per Common Share (Diluted)		Earnings		Earnings per Common Share (Diluted)	
	2012	2011	2012	2011	2012	2011	2012	2011
PG&E Corporation Earnings from Operations [1]	$ 253	$ 366	$ 0.59	$ 0.89	$ 1,367	$ 1,438	$ 3.22	$ 3.58
Items Impacting Comparability: [2]								
Natural gas matters [3]	(259)	(283)	(0.60)	(0.69)	(488)	(520)	(1.15)	(1.30)
Environmental-related costs [4]	(7)	-	(0.02)	-	(63)	(74)	(0.15)	(0.18)
PG&E Corporation Earnings on a GAAP basis	**$ (13)**	**$ 83**	**$ (0.03)**	**$ 0.20**	**$ 816**	**$ 844**	**$ 1.92**	**$ 2.10**

(1) "Earnings from operations" is not calculated in accordance with GAAP and excludes items impacting comparability as described in Note (2) below.

(2) Items impacting comparability reconcile earnings from operations with Consolidated Income Available for Common Shareholders as reported in accordance with GAAP.

(3) PG&E Corporation's subsidiary, Pacific Gas and Electric Company ("Utility") incurred net costs of $426 million and $812 million, pre-tax, during the three and twelve months ended December 31, 2012, respectively, in connection with natural gas matters. These amounts included pipeline-related expenses that will not be recoverable through rates to validate safe operating pressures, conduct strength testing, and perform other activities associated with safety improvements to the Utility's natural gas pipeline system, as well as legal and regulatory costs. In addition, a charge was recorded for disallowed capital expenditures related to the Utility's pipeline safety enhancement plan that are forecasted to exceed the California Public Utilities Commission's ("CPUC") authorized levels or that were specifically disallowed. These amounts also included an additional provision for penalties deemed probable of being imposed on the Utility in connection with pending CPUC investigations and other potential enforcement matters regarding the Utility's natural gas operating practices. Costs incurred for the twelve months ended December 31, 2012 also included an increase in the accrual for third-party claims related to the San Bruno accident and a contribution to the City of San Bruno. These costs were partially offset by insurance recoveries.

(pre-tax)	Three months ended December 31, 2012	Twelve months ended December 31, 2012
Pipeline-related expenses	$ (106)	$ (477)
Disallowed capital expenditures	(353)	(353)
Penalties	(17)	(17)
Third-party claims	-	(80)
Insurance recoveries	50	185
Contribution to City of San Bruno	-	(70)
Natural gas matters	**$(426)**	**$(812)**

(4) The Utility recorded charges of $11 million and $106 million, pre-tax, during the three and twelve months ended December 31, 2012, respectively, for environmental remediation costs associated with the Hinkley natural gas compressor site.

Reconciliation of Pacific Gas and Electric Company Earnings from Operations to Consolidated Income Available for Common Stock in Accordance with GAAP
Fourth Quarter and Year-to-Date, 2012 vs. 2011
(in millions)

	Three months ended December 31, Earnings		Twelve months ended December 31, Earnings	
	2012	2011	2012	2011
Pacific Gas and Electric Company Earnings from Operations (1)	$ 275	$ 368	$ 1,348	$ 1,425
Items Impacting Comparability: (2)				
Natural gas matters (3)	(259)	(283)	(488)	(520)
Environmental-related costs (4)	(7)	-	(63)	(74)
Pacific Gas and Electric Company Earnings on a GAAP basis	**$ 9**	**$ 85**	**$ 797**	**$ 831**

See the previous page for accompanying footnotes.

Key Drivers of PG&E Corporation Earnings per Common Share ("EPS") from Operations
Fourth Quarter and Year-to-Date, 2012 vs. 2011
($/Share, Diluted)

Fourth Quarter 2011 EPS from Operations [1]	$ 0.89
Increase in rate base earnings	0.05
Planned incremental work	(0.11)
Employee operational performance incentive	(0.09)
Storm and outage expenses	(0.02)
Litigation and regulatory matters	(0.02)
Energy efficiency incentive revenues	(0.01)
Increase in shares outstanding	(0.05)
Miscellaneous	(0.05)
Fourth Quarter 2012 EPS from Operations [1]	**$ 0.59**

2011 YTD EPS from Operations [1]	$3.58
Increase in rate base earnings	0.19
Storm and outage expenses	0.06
Litigation and regulatory matters	0.06
Gas transmission revenues	0.04
Planned incremental work	(0.36)
Employee operational performance incentive	(0.08)
Energy efficiency incentive revenues	(0.01)
Increase in shares outstanding	(0.19)
Miscellaneous	(0.07)
2012 Year-to-Date EPS from Operations [1]	**$ 3.22**

[1] See Reconciliation of PG&E Corporation Earnings from Operations to Consolidated Income Available for Common Shareholders in Accordance with GAAP for a reconciliation of EPS from Operations to EPS on a GAAP basis.

PG&E Corporation EPS Guidance

2013 EPS Guidance	Low	High
Estimated EPS on an Earnings from Operations Basis	$ 2.55	$ 2.75
Estimated Items Impacting Comparability [(1)]		
Natural gas matters [(2)]	(0.85)	(0.53)
Environmental-related costs [(3)]	(0.04)	0.00
Estimated EPS on a GAAP Basis	$ 1.66	$ 2.22

(1) Items impacting comparability reconcile earnings from operations with consolidated Income Available for Common Shareholders in accordance with GAAP.

(2) The range includes pipeline-related costs associated with the scope of work that the Utility expects to undertake on its natural gas pipeline system, as well as other items described below.

	2013	
(in millions, pre-tax)	Low EPS guidance range	High EPS guidance range
Pipeline-related costs [(a)]	$ (500)	$ (400)
Penalties [(b)]	-	-
Third-party claims [(c)]	(145)	0
Insurance recoveries [(d)]	-	-
Natural gas matters	**$ (645)**	**$ (400)**
Natural gas matters, after tax	**$ (382)**	**$ (237)**

(a) The range of $400 million to $500 million reflects pipeline-related expenses that are not recoverable through rates, including to perform work associated with the Utility's pipeline safety enhancement plan, and work related to the Utility's multi-year effort to identify and remove encroachments from transmission pipeline rights-of-way, the integrity management of transmission pipelines and other gas-related work, and legal and regulatory expenses.

(b) Although the Utility believes the ultimate amount of penalties could be materially higher than the $200 million at December 31, 2012, losses for penalties are recognized only when deemed probable and reasonably estimable under applicable accounting standards.

(c) Based on the cumulative charges recorded through 2012 of $455 million, the cumulative range for third-party claims is $455 million to $600 million.

(d) Although the Utility believes that a significant portion of the costs it incurs for third-party claims will be recovered through its insurance, insurance recoveries are recognized only when deemed probable under applicable accounting standards. The guidance provided does not include any potential future insurance recoveries or penalties (other than those already accrued), or any potential punitive damages.

(3) The environmental-related cost range of $0 to $30 million primarily reflects additional potential costs related to the Utility's whole house water replacement program and other remedial measures associated with the Hinkley natural gas compressor site. This range assumes the final groundwater remediation plan is adopted as proposed.

Actual financial results for 2013 may differ materially from the EPS guidance provided. Please see the accompanying discussion of factors that could cause actual results to differ materially.

From: Cherry, Brian K
Sent: 4/25/2013 8:27:02 AM
To: Susan Kennedy (spkennedy4@gmail.com) (spkennedy4@gmail.com)
Cc:
Bcc:
Subject: Fw: latest version of fines summary

Not sure if you need this too.

California Utilities	Fatalities	Penalty	Remedies	**Total**
SCE (2008); false PBR reward data	0	$30 million	$115.7 million	**$145.7 million**
SEMPRA (2006); inadequate resource planning	0	$2 million	$105.7 million restitution	**$107.7 million**
PG&E (2011); Rancho Cordova gas explosion/fire	1	$38 million		**$38 million**
PG&E(2007); Metering and bill issuance discrepancies	0		$35 million restitution	**$35 million**
Cingular Wireless (2004); marketing violations	0	$12.4 million	$17.7 million Customer reimb	**$29.9 million**
Pacific Bell (2001); Caller ID and price disclosure violations	0	$25 million		**$25 million**
Qwest/LCI (2002); marketing violations and unauthorized charges to customers	0	$20.3 million		**$20.3 million**
PG&E (2012); Missing leak survey records (ALJ 274)	0	$16.8 million		**$16.8 million**
SDG&E (2010); Witch, Rice, Guejito fires settlement	0	$14.35 million	$400,000 to CPSD	**$14.75 million**

Note: Data from CPUC website; includes fines over $10 million in past 10 years.

Other US Utilities	Fatalities	Penalty	Remedies	**Total**
TVA (2011); Kingston Plant coal ash spill	0	$11.5 million TN; $10 million USEPA	$352 million	**$373.5 million**
Performance Coal (fmr. Massey Energy) (2011); Upper Big Branch Mine Disaster	29	$10.8 million	$210 million	**$220.8 million**
El Paso Natural Gas Co.(2007); Carlsbad NM pipeline explosion	12	$15.5 million	$86 million	**$101.5 million (lgst. under Fed. Pipeline Safety laws)**
Equilon & Olympic Pipeline (2002); Bellingham Pipeline Rupture and Fire	3	$15 million	$75 million for new safety programs	**$90 million**
BP (2010; Texas City Refinery inspection failure	0	$30.7 million (OSHA)	$56.7 million	**$87.4 million**
BP (2005); Texas City Refinery Explosion	15	$21 million (OSHA)		**$21 million**
National Grid (2012); MA storm outages – *two separate fines*	N/A	$10.5 million; $8.2 million		**$18.7 million**
UGI Utilities (2011); Allentown pipeline explosion	5	$ 0.5 million		**$0.5 million**

Note: This list is representative, based on publicly available data.

From: Cherry, Brian K
Sent: 4/25/2013 8:27:55 AM
To: Susan Kennedy (spkennedy4@gmail.com)
Cc:
Bcc:
Subject: Re: FW: Shareholder Spending Follow-up

Yes. I just need to find out who and when.

From: Susan Kennedy [mailto:spkennedy4@gmail.com]
Sent: Thursday, April 25, 2013 8:28 AM
To: Cherry, Brian K
Subject: Re: FW: Shareholder Spending Follow-up

Florio says he read a transcript. Somebody mustve given it to him,

On Thu, Apr 25, 2013 at 8:25 AM, Cherry, Brian K <BKC7@pge.com> wrote:

Here are the slides.

Here is the link to listen to the webcast of the call. I will try and get a written transcript but it might take me a bit longer to do that.

http://investor.pgecorp.com/phoenix.zhtml?c=110138&p=irol-eventDetails&EventId=4895389

From: Susan Kennedy [mailto:spkennedy4@gmail.com]

Sent: Thursday, April 25, 2013 8:20 AM
To: Cherry, Brian K
Subject: Re: FW: Shareholder Spending Follow-up

Got it. Thnx. Re the Overland report - can you send me a transcript of the earnings call or shareholders call that was held most recently? The one Tom was telling me about and Florio mentioned... also I need to see if the P/E etc number they reference are still valid

On Thu, Apr 25, 2013 at 8:07 AM, Cherry, Brian K <BKC7@pge.com> wrote:

From: Ramaiya, Shilpa R
Sent: Thursday, April 25, 2013 8:06 AM
To: Cherry, Brian K
Subject: FW: Shareholder Spending Follow-up

From: Ramaiya, Shilpa R
Sent: Thursday, March 14, 2013 6:56 PM
To: Robertson, Michael; richard.myers@cpuc.ca.gov
Cc: Doll, Laura; Ramaiya, Shilpa R
Subject: Shareholder Spending Follow-up

Mike, Rich,

Thanks again for meeting with us today. Attached is the updated summary sheet, and a full package of the supporting documentation. The relevant numbers in the supporting documentation are circled so they are easier to track.

Per our discussion, the summary sheet has been updated to remove the self-report citation of

$16.8 million, fix the Gas Transmission spend amount, and for your suggested language edits. Rancho and the Citation information will be provided in a separate email tomorrow.

If you have further questions, let us know.

Thanks.

Shilpa

415-973-3186

--
Susan P Kennedy

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(415) 717-3228

PG&E is committed to protecting our customers' privacy.
To learn more, please visit http://www.pge.com/about/company/privacy/customer/

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Susan P Kennedy

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San Francisco, CA 94107

(415) 717-3228

From: Cherry, Brian K
Sent: 4/25/2013 8:29:30 AM
To: Susan Kennedy (spkennedy4@gmail.com) (spkennedy4@gmail.com)
Cc:
Bcc:
Subject: FW: Written Transcript of Last Earnings Call

Here it is.

From: Togneri, Gabriel
Sent: Thursday, April 25, 2013 8:29 AM
To: Cherry, Brian K
Subject: RE: Written Transcript of Last Earnings Call

Here it is....

Gabe Togneri / VP Investor Relations / PG&E Corporation / 415.973.9725

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Thursday, April 25, 2013 8:26 AM
To: Togneri, Gabriel
Subject: Written Transcript of Last Earnings Call

Gabe – can I get a copy of the transcript ? I need it ASAP.

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

PCG - Q4 2012 PG&E Corporation Earnings Conference Call

EVENT DATE/TIME: FEBRUARY 21, 2013 / 3:00PM GMT

OVERVIEW:

Management discussed 4Q12 and 2012 results, reporting EPS of $0.59 and $3.22 for the respective periods. Guidance was for 2013 EPS from operations of $2.55-2.75.

THOMSON REUTERS

CORPORATE PARTICIPANTS

Gabe Togneri PG&E Corporation - VP IR

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

Chris Johns Pacific Gas and Electric Company - President

Kent Harvey PG&E Corporation - SVP, CFO

Tom Bottorff Pacific Gas and Electric Company - SVP Regulatory Affairs

CONFERENCE CALL PARTICIPANTS

Angie Storozynski Macquarie Research - Analyst

Leslie Rich JPMorgan - Analyst

Dan Eggers Credit Suisse - Analyst

Jonathan Arnold Deutsche Bank - Analyst

Hugh Wynne Sanford C. Bernstein & Co. - Analyst

Brian Chin Citigroup - Analyst

Ashar Khan Visium Asset Management - Analyst

Michael Lapides Goldman Sachs - Analyst

Anthony Crowdell Jefferies & Company - Analyst

Jon Cohen ISI Group - Analyst

Travis Miller Morningstar - Analyst

Kevin Fallon SIR Capital Management - Analyst

PRESENTATION

Operator

Good morning and welcome to the PG&E Corporation fourth-quarter earnings conference call. All lines will be muted during the presentation portion of the call, with an opportunity for questions and answers at the end.

At this time I would like to introduce your host, Gabe Togneri with PG&E. Thank you and enjoy your conference. You may proceed, Mr. Togneri.

Gabe Togneri - PG&E Corporation - VP IR

Thank you, Jackie, and good morning, everyone. Thanks for joining us today.

Before you hear from Tony Earley, Chris Johns, and Kent Harvey, let me give you the usual reminders, and that being the discussion will include forward-looking statements that are based on assumptions and expectations reflecting information currently available to management. Some of the important factors that could affect the Company's results are described in Exhibit 1, located in the Appendix for today's slides. We also encourage you to review the discussion of risk factors that appears in the 2012 annual report and in the Form 10-K, both of which will be filed with the SEC later today.

With that, I'll hand it over to Tony.

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

Good morning, and thanks for joining us today. We have a lot to cover this morning, starting with our results over the past year, and then we will discuss our outlook for 2013 and beyond. I'll begin, and then turn it over to Chris and Kent.

Our focus continues to be on the areas outlined at the beginning of last year -- resolving gas issues; positioning the Company for long-term success; and rebuilding relationships and partnering effectively with stakeholders. We've made significant progress in all of these areas in the last year.

As you know, we have been working diligently to resolve the outstanding gas issues. Unfortunately, we reached an impasse in settlement discussions with the other parties in the investigations, and we are now moving forward with the scheduled regulatory proceedings. We're committed to bringing this to a conclusion that is fair to all the parties involved, including our shareholders.

You know, since the San Bruno accident we've spent $1.4 billion in shareholder dollars on unrecovered pipeline-related expenses and capital investment. And the total cost is $1.9 billion when we add the charge we've taken related to potential penalties, the contribution we made to the City of San Bruno, and the incremental work we've done to improve our performance across the utility.

While the investigations remain undecided, we are well on the path to resolving many of the other issues. The decision on the Pipeline Safety Enhancement Plan was an important step forward in closing out some of the cost uncertainties. While the result was not what we originally had in mind, it was an improvement over the proposed decision.

We've also continued to make substantial progress on third-party liabilities. We've settled all of the most serious cases, and we're now focused on resolving the remaining cases.

As a result of the settlements, the judge in the case recently took the trial off the court's calendar and encouraged the parties to continue settlement discussions on the remaining cases. And we continue to receive insurance payments.

As we've reported to you each quarter, we've also made substantial progress on gas operational issues. One area where our assessment is not complete is the encroachment issue on our gas pipeline rights-of-way; but we are including a range of costs in our guidance today, and Kent will get to that later.

We continue to be focused on that issue, as well as resolving the CPUC and criminal investigations.

We are starting to transition from the uncertainties of the past couple of years, and we have taken steps to position the Company for long-term success. As I've mentioned before, we've adopted a more rigorous multi-year planning process, which has put us on a positive trajectory towards operational and financial success.

As part of our planning process, we established key operating metric targets at the beginning of last year, and we closed the year with strong performance against those metrics. Our continuous improvement program is up and running.

And we filed our 2014 General Rate Case application, which is intended to re-baseline the Company's distribution and generation operations. Our objective is to execute well on the programs outlined in the GRC, enabling us to earn our authorized return in 2014, with the exception of the gas transmission business.

As I've said since arriving at PG&E, we can't rebuild our Company without also rebuilding relationships and being a trusted partner. The first step has been meeting our operational commitments.

In 2012, for the second year in a row, we executed an unprecedented level of gas work, and we've gotten much better at communicating with our stakeholders about the work that we're doing. We've been collaborating with public officials in Sacramento on important policy issues such as residential electric rates and greenhouse gas emissions. We're also improving our relationships with the cities and towns across our service territory.

Last year, we piloted an initiative to strengthen our local PG&E presence. And we're so pleased with the results that we're expanding those pilots across our system. In addition, the customer outreach and education effort that we launched in 2012 is delivering results. We're seeing strong momentum in our Customer Satisfaction Survey scores, and our brand favorability numbers have moved up sharply.

But we recognize that relationships with our customers are still fragile. To continue to earn back their trust, we simply have to keep our focus on improving the safety and reliability of our system and our service. We believe that delivering strong operational results for our customers will lead to strong financial results over time.

So now I'm going to turn things over to Chris, who will cover regulatory and operational items in a little more detail. Chris?

Chris Johns - Pacific Gas and Electric Company - President

Thanks Tony. First, I'll start with our regulatory activity. In December of 2012, we saw resolution of several significant cases at the CPUC.

First, the Commission voted out the cost of capital case, resulting in a 10.4% return on equity for 2013 and a capital structure of 52% equity. In addition, last month the parties filed a settlement that would essentially extend the previous adjustment mechanism through the end of 2015.

The CPUC also approved our application for the Oakley Generating Station, a 586 megawatt high-efficiency gas plant to be built in Contra Costa County. We expect to take ownership of the facility from the developer sometime in 2016 or 2017.

Also in December the CPUC awarded us $21 million in energy efficiency incentive revenues associated with the successful results of our 2010 customer energy efficiency programs.

As you know, the PUC also voted out our Pipeline Safety Enhancement Plan, or PSEP. Although the vote provides certainty on how the Plan will be implemented, the punitive disallowance is disappointing. The PSEP decision and the current Gas Transmission rate case remain in effect through the end of 2014, and we'll incorporate future pipeline spending in the 2015 Gas Transmission rate case.

Looking at significant regulatory items in 2013, as Tony mentioned, we filed our $1.28 billion application for the 2014 General Rate Case in December. The Administrative Law Judge on that case has approved a schedule that, if followed, would allow the case to be resolved by the end of this year. As part of this rate case, we are participating in a new CPUC process where a third party performs an independent safety overview of our filing.

We also filed our Transmission Owner case, or TO14, with the FERC, and re-filed the application at the end of the year under order from FERC staff to use a much lower return on equity. We have filed a request for rehearing, as we believe the resulting ROE is insufficient to attract capital.

Moving on to operations. 2012 was a very busy year across the entire Company as we executed on our plans to enhance the safety and reliability of our system.

In the gas business, in 2012 we completed pressure tests on 175 miles of pipeline. This level of strength testing in a single year on pipes already in service exceeds anything any other utility has done before.

We also replaced 40 miles of pipe and installed 46 remote or automatic shutoff valves across the system. This year we will complete our comprehensive validation of the maximum allowable operating pressure on all of our gas transmission pipelines.

As you know, we have brought in an experienced gas leadership team and tasked them with ensuring that we have a safe and reliable system. As part of their evaluation, they've identified additional work related to integrity management requirements and maintaining pipeline rights-of-way across our system, both of which we've discussed with you in the past.

On the integrity management side, we've made some changes to our risk assessment methodology to better align with leading practices. So for example, we've strengthened our procedures associated with identifying manufacturing and construction defects and internal corrosion on our pipes. We're now incorporating assessment and testing for these and other potential challenges into our integrity management program, where we'll also use the information for asset management and investment planning.

Much of this work was not included in our last Gas Transmission rate case. The costs for the work we do this year and next will not be recovered, but we do plan to include this enhanced integrity management approach in our request for the next Gas Transmission case starting in 2015.

With regard to the encroachment on our rights-of-way and the necessary mitigation we'll have to undertake, we're conducting a detailed survey to ascertain the exact coordinates of the pipeline within the rights-of-way across our entire service area. We expect to complete this survey later this year.

Meanwhile, we've relied on aerial photography and other inputs to develop preliminary cost estimates. Our information thus far confirms that the encroachments are numerous and significant. And because this issue arises from our ineffective patrolling in the past, we will not be able to recover these costs in rates.

We expect the total cost for this right-of-way work to be on the order of $500 million over the next five years. Obviously this is a significant cost, but it's work we're committed to get done and to get done effectively and efficiently.

Shifting gears, we're really pleased with the work being done to provide reliable customer service in electric operations and in energy supply. For example, in electric operations, installing SmartGrid technology such as intelligent switches on more than 100 distribution circuits helped us reach record reliability for PG&E for the fourth year in a row.

While we're not yet at the first-quartile level we aspire to be, our consistent improvements give me confidence that we're making good progress in that direction.

At Diablo Canyon, we had another year of strong performance on safety and operations, and ended the year with a 90% capacity factor overall. Earlier this month, we began a regularly scheduled refueling outage on Unit 2.

Finally, we continue to progress on the renewables area and are on target to meet our commitment of having 33% renewable power by 2020. However, as part of that process we have decided not to continue with our utility-owned solar PV program after this year, as we are getting better pricing for our customers through competitive bidding.

We're seeing the results of our focus on operations and planned incremental spending and capital investments, all of which continue in 2013. This year, the additional capital spending will support things like consolidating our electric and gas distribution control centers and installing more SCADA technology.

We believe it makes sense to continue these efforts going into the next General Rate Case, given our progress in improving our operations across the board. Our customers are responding to these efforts. Last year, our Customer Satisfaction Survey results were the highest they've been since 2009. This reflects our customers' appreciation for our team's commitment to restoring power quickly and safely.

With that, I'll turn things over to Kent.

Kent Harvey - PG&E Corporation - SVP, CFO

Thanks Chris. Good morning. I plan to briefly go through Q4 and 2012 results, and then spend most of my time on guidance going forward.

Slide 4 summarizes the results for the quarter and the full year. Earnings from operations were $0.59 for the quarter and $3.22 for the year. GAAP results are also shown here and reflect the items impacting comparability for natural gas matters and for environmental-related costs. The natural gas item is laid out in pre-tax dollars in the table at the bottom.

Pipeline-related costs came in at $106 million pre-tax for the quarter and $477 million for the year, well within our guidance range of $450 million to $550 million. We had been trending toward the upper end of the range during much of the year, but some of our expected legal costs were pushed into 2013 given delays in the pipeline investigations while settlement discussions were underway.

Importantly, during the quarter we took a pre-tax charge of $353 million for the capital that was disallowed in connection with our Pipeline Safety Enhancement Plan. Going forward, we don't expect additional capital write-offs unless our costs trend higher than our current assumptions.

During Q4, we accrued an additional $17 million for possible penalties related to the gas matters. Our original accrual of $200 million done in Q4 of 2011 included potential fines for missing maps in our gas leak survey program. Since those fines have been paid, we took an additional accrual in Q4 in order to restore the total accrual to $200 million.

We continue to believe that this represents the low end of the range for possible penalties. During the quarter there were no additional accruals for third-party liability claims, but we did book additional insurance recoveries of $50 million, which you see near the bottom. That brings total insurance recoveries to $185 million during 2012 and $284 million since the accident.

In terms of the item impacting comparability for environmental-related costs, which is back in the top part of the slide, we accrued an additional charge of about $0.02 per share in Q4, reflecting updated cost estimates related to property purchases and whole-house water replacement.

Slide 5 shows the quarter-over-quarter comparison for earnings from operations, including the main drivers that take us from $0.89 in Q4 2011 to $0.59 in Q4 2012. Most of these drivers are consistent with items we've seen in past quarters.

Planned incremental work across the utility totaled $0.11 negative. And employee incentive compensation accounted for a $0.09 difference, since the annual incentive in the prior year was well below target.

In addition, increased shares outstanding drove a $0.05 decline; storm costs and litigation costs were each $0.02 negative; and we had various other items that totaled $0.06 negative. A few of these items include somewhat lower awards for our energy efficiency programs when compared to the prior year, and then lower tax settlements. These factors were partially offset by a $0.05 increase in rate base earnings compared to a year ago.

In terms of our equity issuance, we issued a total of $775 million of common stock during the year, bringing our year-end share count to 431 million shares.

That's it for 2012 results, and I'd like to now move on to our outlook going forward. I plan to walk through our guidance for 2013 and then I'll also provide some thoughts about 2014 and beyond.

As we've discussed before, 2013 is going to be a down year for us due to the impact of our lower authorized return, the additional dilution from share issuance year-over-year, and our continued incremental spend across the utility prior to a reset in our 2014 General Rate Case.

Let's start by going through some of the key assumptions in our guidance, which are shown on slide 6. First, we're assuming capital expenditures for the year of a little over $5 billion, somewhat higher than last year's level. You can see the key components of the planned CapEx on the left.

We're also assuming an average authorized rate base of about $26 billion in 2013. This reflects past regulatory decisions, like our 2011 General Rate Case, as well as pending proceedings, such as our current electric transmission case with the FERC.

The authorized return on equity for most of our rate base other than electric transmission is assumed to be the 10.4% that we recently received from the California PUC. However, we are assuming an ROE of only 9.1% on the electric transmission business for guidance purposes, given where we currently are with the FERC on that issue. Our authorized equity ratio continues to be 52% across the board.

We assume that we'll continue to incur about $250 million of expenses across the utility in excess of levels authorized in recent rate cases, in order to enhance the level of service we're providing customers. We've requested recovery of most of these costs starting in 2014 in our next General Rate Case. There is roughly about $50 million of the total that relates to gas transmission, and that's expected to be incorporated in our next Gas Transmission case in 2015.

Because the CapEx program described above will exceed levels authorized in our last General Rate Case and other proceedings by about $1 billion this year, we expect to incur some additional financing and depreciation expense that won't be recovered in 2013. We do anticipate truing up rate base in our upcoming General Rate Case to include recovery of most of these investments beginning in 2014.

As we've previously discussed, we expect our below-the-line costs in 2013 to fully offset CWIP earnings. So that's another assumption underlying our guidance.

And, as has been the case for the past couple years, we continue to experience lower revenues for our gas storage business due to market conditions being less favorable than was assumed in our last Gas Transmission case. Roughly offsetting this last item is the assumption that we earn an incentive award for our customer energy efficiency programs this year that approximates the one we earned late in 2012.

Turning to slide 7, you'll see that these assumptions lead us to provide a guidance range for earnings from operations in 2013 of $2.55 to $2.75 per share. The primary drivers year-over-year are the reduction in authorized ROE for both the PUC and FERC jurisdictional assets; the additional dilution due to share issuance year-over-year; the impact of below-the-line costs, which are expected to fully offset CWIP earnings as compared to partially offset in 2012; and then planned CapEx in excess of authorized levels. These factors are partially offset by the growth in authorized rate base.

Moving on to slide 8, you can see our guidance for the item impacting comparability for gas matters in 2013. We're providing guidance for pipeline-related costs that we expect to incur but not recover during 2013 of $400 to $500 million pre-tax. Let's go through each of those components.

In terms of the Pipeline Safety Enhancement Plan, we wrote off the capital that was disallowed by the CPUC in Q4. So our guidance in 2013 includes the expenses that we expect to incur but not recover through rates. Our pre-tax guidance range for this component is $150 to $200 million.

In terms of the emerging work, we're looking at the costs to survey and begin clearing our pipeline rights-of-way and the higher level of activity we've undertaken on our integrity management program. Our pre-tax guidance for these emerging work categories is $175 to $225 million.

We expect the right-of way work to represent more than half of this spend in 2013, and as Chris indicated, to be carried out over a five-year period. We do not expect to recover these costs through rates. We'll continue to refine our estimates once we've completed the centerline survey late in the year.

We expect the integrity management work to represent less than half of the spend in 2013 and to continue in future years. However, we plan to seek recovery of these ongoing costs beginning in 2015 in the next Gas Transmission case.

Finally, we're showing a range of $50 million to $100 million for legal and other costs, since some costs we planned in 2012 were pushed out with the delayed proceedings at the CPUC. We would expect these costs to decline significantly after this year.

You'll notice also that the guidance range we're using for total pipeline-related costs is somewhat narrower than just the sum of the ranges for each piece. At the bottom of the slide are the other categories we've been tracking related to gas matters.

As we've done in the past, we're not providing guidance for additional penalties coming out of the investigations; and the range we show for third-party liabilities continues to reflect the difference between what we've accrued to date -- $455 million – and then the upper end of the estimate we've disclosed, which is $600 million. We're also not providing guidance for insurance recoveries, but anticipate those to continue to follow from the resolution of the third-party claims.

On slide 9, you can see our estimated equity issuance of $1 to $1.2 billion for 2013. This range is consistent with our guidance assumptions and does not reflect any equity issuance that would result from fines greater than the $200 million we've already accrued.

Key factors driving our equity issuance in 2013 compared to 2012 are lower earnings from operations in 2013, somewhat higher CapEx, and the PSEP capital charge at the end of last year. We'll continue to utilize various ways to raise equity efficiently and effectively, including our Dividend Reinvestment 401(k) programs, and our dribble program.

Slide 10 summarizes 2013 guidance, including earnings from operations and the gas matters item. As you can see, we're also including a modest guidance range for environmental-related costs in connection with the Hinkley clean-up.

The range here reflects some true-ups we may experience on our whole-house water program during the year as well as habitat protection activities we may undertake. You'll remember, we've already accrued the expected costs associated with our proposed final remedy to clean up the groundwater. Our guidance does not include additional costs in the event a more onerous final remedy is ordered.

I know many of you recognize that 2013 is an unusual year for us, and you are interested in getting a read on what things might look like in 2014 and beyond. So while we're not providing earnings guidance beyond 2013 at this point, I do want to share with you our current view of our CapEx and our rate base going forward.

Slide 11 shows a range of estimated CapEx for 2014 through 2016. The upper end of the range provided for each year reflects the CapEx level included in our 2014 General Rate Case and attrition requests. It also represents our current views of future regulatory requests for electric transmission and gas transmission.

The lower end of the ranges reflects current spending levels across the utility, with some adjustment for known changes, such as the end of the Cornerstone program and the utility photovoltaic program.

I should also point out that we've excluded the recently approved Oakley Generating project from the 2016 CapEx numbers shown here, just in the interest of being conservative. Our turnkey purchase of that plant will occur when it's ready to go operational, and that could be as early as 2016.

The level of CapEx I've described would provide for significant growth over the next few years. And as you'd expect, we'd continue to issue a meaningful amount of equity to support this growth.

Slide 12 shows ranges for our authorized rate base consistent with the CapEx numbers. Under these assumptions, average authorized rate base for 2014 ranges from $28.5 billion to $29 billion and would grow to between $32 and $35 billion in 2016. The compound growth rate over this period ranges from 6% to 10%, excluding the Oakley Plant.

These numbers reflect our intent in the 2014 General Rate Case to true up our rate base in order to reflect the higher CapEx we're undertaking this year. In addition, we hope to true up our revenues to recover most of the incremental expenses we've been incurring across the utility to improve service both last year and this year. As a result, our objective is to earn our authorized return for the non-pipeline segments of our business starting in 2014.

Slide 13 just addresses the fact that in future years we still expect to incur some costs for gas pipeline work that will not be recovered. You already know that the PSEP decision did not sufficiently fund our planned expense work, and that affects us through the end of 2014.

After that, we anticipate incorporating our ongoing pipeline safety work into our 2015 Gas Transmission case. By then, there will be even more data to demonstrate the true cost of doing this work.

In terms of the emerging work, Chris mentioned that our current estimate for the right-of-way activities is roughly $500 million over five years, so we expect those unrecovered costs to continue through 2017. We also expect our enhanced integrity management program to continue next year and beyond. Though we won't recover those costs in 2014, we do plan to incorporate them into our 2015 Gas Transmission case.

Finally, we expect our legal costs to decline significantly in 2014. On this slide, we have not included things like third-party liabilities, insurance, and penalties, and our objective is to resolve those as much as possible this year.

Obviously, there may be some things that don't get fully wrapped up. We plan to continue to break out these costs so you can keep track of the impact that they have on our GAAP results.

I'm going to stop here. I know I've covered a lot. Hopefully, the information that we covered today will be helpful to you in assessing our financial prospects going forward. Tony?

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

Thanks Kent. Let me just reiterate some of the points from this morning's call.

We weren't able to resolve all of the San Bruno-related issues last year, as we had hoped to do. But we have resolved many of them, including the Pipeline Safety Enhancement Plan and much of the third-party liability, and I'm pleased with that.

Operationally, 2012 was a very productive year for us. We accomplished the work we set out to do, and I'm proud of the employees who have been working hard toward our goal of becoming a safer, high-performing Company.

Though challenges remain, our recovery is clearly underway, and our progress will continue in 2013. We have a good team in place, a solid fundamental operating plan, and some successes under our belt. We're committed to becoming a high-performing gas and electric utility that our customers, regulators, and shareholders deserve.

So with that, let me open the floor for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Angie Storozynski, Macquarie.

Angie Storozynski - Macquarie Research - Analyst

Thank you very much. I might have missed the statements about how much you have accrued for the potential penalty versus the $1 to $1.2 billion equity guidance. Your slide 9 says that does not include potential penalties above the accrued level. So what is the accrued level?

Kent Harvey - PG&E Corporation - SVP, CFO

The accrued level is $200 million.

Angie Storozynski - Macquarie Research - Analyst

Wow. So you are assuming that that issue is largely a function of basically unrecoverable expenses?

Kent Harvey - PG&E Corporation - SVP, CFO

And our capital expenditure program.

Angie Storozynski - Macquarie Research - Analyst

Okay. Now if you -- I'm basically a little bit stunned that this is how much equity you would need in 2013. I would have assumed that this is partly a function of the penalty, well in excess of the $200 million that you have already accrued for. But that's fine.

Now can you talk a little bit more about the FERC transmission ROE? It seems extremely low.

Kent Harvey - PG&E Corporation - SVP, CFO

Yes, we were served a – received a FERC staff order in our Transmission Owner case that essentially ordered us to file with a 9.1% return on equity. It's obviously something we don't think is adequate to attract capital.

We think it is a very narrow way to actually consider what our true cost of equity is, and we hope to be able to resolve it through settlement discussions or else through the legal process. But that's going to take us a while to actually resolve. So we have assumed the 9.1% return on equity for the electric transmission component of our business in our 2013 guidance.

Angie Storozynski - Macquarie Research - Analyst

Okay. Then lastly, the pipeline-related expenses, if I look beyond 2014 where you have your legal expenses significantly down, is it fair to assume that the only unrecoverable expense that I should assume is the right-of-way payment of roughly $100 million, say '15, 16, 17?

Kent Harvey - PG&E Corporation - SVP, CFO

Yes, if you look at slide 13, it really lays out the natural gas matters beyond 2013. You can see most of those items we would be either completing the expenditures on or pursuing them through our normal pipeline rate case. So it really is the right-of-way encroachment that is the multiyear item that we do not intend to pursue recovery of.

Angie Storozynski - Macquarie Research - Analyst

Okay, thank you.

Operator

Leslie Rich, JPMorgan.

Leslie Rich - JPMorgan - Analyst

Good morning. Just a couple quick questions. Can you remind me the purchase price for Oakley, when you do have to pay for it and it goes into rates?

Chris Johns - Pacific Gas and Electric Company - President

Hey, Leslie, this is Chris. We have not put out the price for Oakley. It is under a confidentiality agreement; and we still have to negotiate some of the pieces of getting the contract completed.

But what I can tell you is it is 586 megawatts. It is a modern facility. It is dry cooled, and it is in California with all our related regulatory costs that go with that.

Leslie Rich - JPMorgan - Analyst

Okay. Then on your comment on solar, you said that you would not continue with utility-owned solar investments beyond this year. I recall you had a solar program for X number of megawatts over a multiyear period. Was that scheduled to finish this year, or are you building less than you had originally thought?

Chris Johns - Pacific Gas and Electric Company - President

Leslie, we completed the first three years of a five-year program; so basically we are not completing the last two years. And as I said in my prepared remarks, we are just seeing prices that are much better through the contracting process.

Leslie Rich - JPMorgan - Analyst

Okay, thank you.

Operator

Dan Eggers, Credit Suisse.

Dan Eggers - Credit Suisse - Analyst

Hey, good morning, guys. Say, Tony, just on the OII proceedings and the outlook given the fact that the settlement talks fell apart a little while ago, is this something from your perspective that is going to have to go through the full regulatory process to come to conclusion? Or do you think there is leeway or interest in finding a workable solution for all the parties, given what you guys have been through so far?

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

Yes, we made it clear that we are open to settlement. As I have said time and again, we need to get these proceedings behind us.

That said, we have got to get the other parties to the same position. I was disappointed toward the end of last year; we thought we were getting very close, and it became apparent that we weren't as close as we had hoped.

But we made it clear to everyone we are ready to sit down. But what I don't want to do is go into expanded settlement discussions and defer resolution of the proceedings.

As we saw from the PSEP proceeding, while the result wasn't what we had wanted, it is a result. We know where we are; we had the plan approved; and we can now move forward and deal with it.

So it is almost more important to us to keep the proceedings moving, to get them done. But that said, these settlements can occur very quickly if in fact we get all the parties agreeing that is what we want to do.

Dan Eggers - Credit Suisse - Analyst

Okay, got it. Then I guess on the encroachment issue, how did you guys come to the $500 million number based on what you have surveyed so far? How high is your confidence that is going to be the ultimate cost?

Chris Johns - Pacific Gas and Electric Company - President

Dan, this is Chris again. What we did is that, as I said, we are going to go through a detailed centerline project, but that project is going to take us through the end of this year to get completed. So we wanted to be able to provide some overview of what we think the numbers would be.

So we used a lot of our aerial photography capability to look over the lines. Then we also used some inputs from testing that we have been doing over the last year, including some pilots that we had in place.

So what we tried to do is estimate based on what we have seen in the past how many -- how much vegetation is out there around our lines, how many structures might be in and around them, and then estimate what those costs would look like in doing that. So as you can imagine, the large part of that $500 million is construction-type cost and vegetation management-type costs that are associated with that.

So we feel like we have done a lot of due diligence around it. Obviously, we will have to tweak it as we physically get out and walk the line to make sure. But we think we have a pretty good estimate there.

Dan Eggers - Credit Suisse - Analyst

Okay. I guess one last one, Kent. When you look at the range of CapEx, the high end to base case, can you just maybe help bucket a little bit more that span? How much of that is going to be pipeline-related versus electric transmission-related versus other stuff? Just so we can try and gauge the potential for the high versus low.

Kent Harvey - PG&E Corporation - SVP, CFO

Dan, I think on the slide we kind of -- at least for 2013 show our pipeline spend broken out in the assumptions page which was, I think, slide 6. So you get a sense of our electric transmission CapEx for this year is about $800 million. Excuse me, are you saying electric or gas? I'm sorry.

Dan Eggers - Credit Suisse - Analyst

Both, actually.

Kent Harvey - PG&E Corporation - SVP, CFO

Okay. Yes, that slide shows you how much is electric transmission; it shows about $850 million. Then you see the gas transmission, which is in the $350 million range.

So those are kind of -- then you want to add the PSEP down below, which is $450 million. So there are comparable sizes to those two parts of our business.

Dan Eggers - Credit Suisse - Analyst

So you expect to continue at that rate, and just the sensitivity due to that spending is going to affect the range?

Kent Harvey - PG&E Corporation - SVP, CFO

Well, you know, it is not exactly the same number in future years. But you will see overall we are increasing, and those would be some part of those increases.

Dan Eggers - Credit Suisse - Analyst

Okay. Thank you, guys.

Operator

Jonathan Arnold, Deutsche Bank.

Jonathan Arnold - Deutsche Bank - Analyst

Good morning, guys. I am just curious. I think Tony made the comment at the beginning that in 2014 you targeted earning the allowed return everywhere except the gas transmission business. Given that a lot of these emerging work costs and other stuff here, if I am understanding you right, they are excluded from operating earnings, will you comment on the GAAP results? Or are there other things that are causing you not to earn that allowed return in '14?

Kent Harvey - PG&E Corporation - SVP, CFO

Jonathan, this is Kent. In 2014, it is just that the gas pipeline profile is what it is. We are spending dollars in a lot of areas that weren't in our last gas transmission case.

Our intent is in 2015 to be able to true that up for the items other than the right-of-way work. So that is really why 2015 is a really important year for us on the gas transmission business.

The other lines of business we would be addressing through our General Rate Case in 2014, and then our Transmission Owner case for electric transmission which we tend to do just about annually.

Jonathan Arnold - Deutsche Bank - Analyst

Okay, so it is really the integrity management and other work? Or is that below the line?

Kent Harvey - PG&E Corporation - SVP, CFO

Well, the integrity management, you are right, we have been breaking out as a big new category where we are spending a lot. But even within the gas transmission business, notwithstanding the item impacting comparability, I indicated that of our incremental spend across the utility of $250 million this year and last year, about $50 million of that is in the gas transmission business. So that piece of the $250 million also wouldn't be trued up until 2015.

Jonathan Arnold - Deutsche Bank - Analyst

Okay. Understood. Thank you.

Then on the equity, Kent, you have listed out the various, DRIP, 401(k), dribble. Can you just remind me what's a reasonable expectation for how much you could raise through those programs collectively, and at what level you would be looking to step outside of those plans?

Kent Harvey - PG&E Corporation - SVP, CFO

Well, if you look at our 2012 equity issuance, for example, which was $775 million, we did those in three fairly equal pieces. So we got about a third of that through our internal programs, our DRIP and our 401(k). We got about a third of that through our dribble program. And then the remaining third, about $250 million, we did through a block transaction early last year.

So that is not to put a cap on how much you could do, for example, through the dribble program. That is just how much we did last year.

And we are going to continue to evaluate the options that make sense for us, given our profile and the timing and so forth in 2013. Obviously, one factor will be when and how the pipeline matters get additionally resolved.

Jonathan Arnold - Deutsche Bank - Analyst

Sure. But does it seem -- is there a scenario where you could do the number you have put out? I guess the number is likely to be bigger whatever. But would you use those base assumptions from last year? About two-thirds of last year's number through the programs and the rest as a block, is that a good working assumption?

Kent Harvey - PG&E Corporation - SVP, CFO

Jonathan, I think the key will be we will probably get up to about $300 million through our internal programs. And we would want to optimize the rest of our issuance.

Jonathan Arnold - Deutsche Bank - Analyst

Okay.

Kent Harvey - PG&E Corporation - SVP, CFO

So undoubtedly the dribble will be a significant component of that, but we are going to really use the various options that we have in the way that makes the most sense, so that we can have issuance that is both efficient and effective.

Jonathan Arnold - Deutsche Bank - Analyst

Fair, all right. Thank you.

Operator

Hugh Wynne, Sanford Bernstein.

Hugh Wynne - Sanford C. Bernstein & Co. - Analyst

Hi. Tony, as you know, the normal utility business model is you provide safe and reliable service; you get to invest a lot of capital doing it; you earn a nice return on that; and then you pass through the operating cost to the customer. On the gas side, PG&E seems to be running kind of an anti-utility, where the service isn't safe and reliable; you spend a lot of capital trying to catch up on the safety and incur a lot of integrity management costs; and then you just write it off. It is kind of like burning $100 bills.

How confident are you that this is over now? Or do you fear that there could be other items like the right-of-way clearance that are still looming ahead and might limit your ability to recover capital and operating costs in future?

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

Well, we are clearly playing catch-up in investing in the system. But I think we are starting to see certainty emerge.

So for example the Pipeline Safety Enhancement Plan, as we said, went through the proceeding. We had proposed that we recover about 85% of the plan. Some of the interveners in the case said -- no, you ought to recover nothing. We ended up in the 60% range or so, which is less than we wanted, but it gives us some certainty about what we are going to recover going forward in the future.

In terms of what other expectations -- one of the other things that we have done is we have reviewed and are in the process of reviewing every single aspect of our gas business. Kind of divided the system into asset classes -- so gas transmission, rights-of-way, gas storage. And we prioritized based upon where we thought the largest risks might be.

We are comfortable that we think we have identified all of the large risks. We are not through all of the asset classes yet, but the ones that we are working through and we want to be through are top to bottom reviews, certainly by the end of 2013. But since they are lower-risk areas, we don't expect numbers to emerge that would be anywhere near what we are seeing from the right-of-way clearance numbers.

Hugh Wynne - Sanford C. Bernstein & Co. - Analyst

Great. And Kent if you have already said this, I apologize, but can you remind me what FERC ROE is assumed in the earnings guidance for '13?

Kent Harvey - PG&E Corporation - SVP, CFO

Yes, Hugh. We are assuming the 9.1% which was what we were ordered to refile with the FERC. So that is assumed for 2013.

Hugh Wynne - Sanford C. Bernstein & Co. - Analyst

Great. Thank you very much.

Operator

Brian Chin, Citi.

Brian Chin - Citigroup - Analyst

Asked and answered, actually. Thank you very much.

Operator

Ashar Khan, Visium.

Ashar Khan - Visium Asset Management - Analyst

Hi, good morning. Kent can I just ask, what -- I might have missed this in your presentations, I apologize, running. What is the average shares outstanding in the '13 guidance?

Kent Harvey - PG&E Corporation - SVP, CFO

I actually didn't provide a share count for the '13 guidance. But we have indicated that the year-end count was 431 million shares and that our guidance, based on the assumptions we provided, is to issue equity of between $1 billion and $1.2 billion during 2013.

That all is based on our current accrual for the fine. So if the fine ends up being an incremental amount above that, then you would want to adjust those estimates accordingly.

Ashar Khan - Visium Asset Management - Analyst

Okay. If I can then ask another related question, where did that book value per share end up for the Corporation at the end of the year?

Kent Harvey - PG&E Corporation - SVP, CFO

I don't have that with me, Ashar, but that will be available when we get our 10-K out later today.

Ashar Khan - Visium Asset Management - Analyst

Okay, okay. Fair enough. Thank you, sir.

Operator

Michael Lapides, Goldman Sachs.

Michael Lapides - Goldman Sachs - Analyst

Hey, guys. A couple questions, looking at both page 6 and page 8, the guidance on the natural gas matters. First question, I completely understand the moving all the PSEP and all the San Bruno items into the IIC.

But just curious; what went behind the decision to move things like the right-of-way work? Doing work for the next five years strikes me as a recurring item a little bit. That is the first question.

Second, can you clarify that second bullet point on financing and depreciation costs? Are you saying that is $1 billion and therefore you would apply whatever depreciation rate to that to get to what the earnings drag from that would be?

Kent Harvey - PG&E Corporation - SVP, CFO

Yes, this is Kent. Let's take your second question first. You are interpreting the bullet on slide 6 correctly.

We expect our CapEx to be roughly $1 billion over what was authorized in our last GRC and other proceedings. So during this year we will incur the associated financing and depreciation costs on that; and then that is what we would true up in the 2014 General Rate Case. So that is the correct interpretation.

Your other question about the natural gas matters is – you are correct that the right-of-way work is for a long period of time. What we've tried to do with all the gas matters is give you the full picture of them because every – all of this really relates to the recovery following the accident at San Bruno. So what we are trying to do is give you as much transparency as possible so that you can understand what is in there, as compared to just have it all blended into our overall GAAP results.

Michael Lapides - Goldman Sachs - Analyst

Got it. When we look at your rate base guidance slides through 2016, I think it is slide 12, does that include or exclude the CWIP balance? And can you just give us an update on what that CWIP balance is?

Kent Harvey - PG&E Corporation - SVP, CFO

It did not include the CWIP balance, and I have indicated in our guidance that we would expect our below-the-line costs that we normally incur to largely offset our equity AFUDC. So we have not included that on the slide.

In terms of what CWIP has usually run for us, I would say over the last two years it's probably averaged in the $1.5 billion range, something like that. So you could probably use that as a ballpark estimate.

Michael Lapides - Goldman Sachs - Analyst

Got it. I guess one final question, just when you think about financing and over the next 12 to 24 months, really the next several years. Would you ever consider using anything other than just straight common? Meaning converts or something like that. We have seen some other companies in the industry use that to help finance when they have got a multiyear high-growth and CapEx plan. Or from a regulatory standpoint does that make it harder to use instruments like that?

Kent Harvey - PG&E Corporation - SVP, CFO

No, I would say those are instruments that we are definitely considering in the future. We have a lot of different alternatives, and we are really trying to figure out which ones make the most sense for us given our profile, the timing and nature of our needs. But those are definitely on the radar screen.

Michael Lapides - Goldman Sachs - Analyst

Got it. Thanks, guys. Much appreciated.

Operator

Anthony Crowdell, Jefferies.

Anthony Crowdell - Jefferies & Company - Analyst

Good morning, guys. I just want to know, when I look at the midpoint of your 2013 guidance, and I look at your forecasted rate base, I calculate an earned ROE of somewhere like 5.0%, 5.1%. Can you break out what you think the earned ROEs will be in '13 for your electric and gas business?

And going forward in '14 and '15, any comments on where you expect those ROEs to be?

Kent Harvey - PG&E Corporation - SVP, CFO

This is Kent. I don't intend to break out earned ROE that specifically, but I would point you again to slide 6, which essentially shows you what our authorized returns are. And then in the lower right-hand corner we have what we label as EPS factors. Those are the key items that will affect our ability to earn the authorized returns.

We have been telling you for a while about our incremental spend across the utility, and that includes both the gas and the electric parts of our business, of $250 million. We just spoke briefly about the impact of higher CapEx for 2013. We talked about the fact that we are expecting our below-the-line costs to essentially offset our CWIP earnings this year.

And then we have continued to have a little bit lower gas storage revenues than was assumed in our gas pipeline case. And that is comparable to last year, but it has been a bit of a drag compared to an authorized return.

Then the offset to that is that we do assume that we get energy efficiency incentive as we got late last year.

Anthony Crowdell - Jefferies & Company - Analyst

Okay. If I look then, I guess, past '14 -- and I just want to make sure I have heard the correct statements. I think Tony had said earlier in the call that in '14 you expect to earn your allowed return in electric. Is that correct?

And possibly in '15 when you file your gas case, is it reasonable to assume that you earn your allowed return? Or I guess the only cost that you are not putting in there would be the right-of-way encroachment; is that accurate?

Kent Harvey - PG&E Corporation - SVP, CFO

Yes, I think that's right. When you say gas, in this case what we're talking about is the gas pipeline part of our Company. Gas distribution will be addressed in our General Rate Case in 2014.

Anthony Crowdell - Jefferies & Company - Analyst

Okay, and it's reasonable to say that '14 you guys earn the allowed return in, I guess, gas distribution and electric. And '15 you hope to have all the gas pipeline costs except right-of-way in that rate case for new rates January 1 of '15.

Kent Harvey - PG&E Corporation - SVP, CFO

That is what our objective is.

Anthony Crowdell - Jefferies & Company - Analyst

Great. Thank you, guys.

Operator

Jon Cohen, ISI Group.

Jon Cohen - ISI Group - Analyst

Hey, good morning. I just had a question about the timing of the equity issuance. So if we are standing at the end of 2013 and you would have issued the $1 to $1.2 billion, can we assume that all of the unrecovered costs through '13 are now going to be incorporated in your capital structure and you're going to be sitting at a 52% equity ratio? And really beyond 2013, the only equity that you will have to issue other than normal course of business, CapEx, and the fine, is going to be for the integrity management, the PSEP, O&M in '14, and the integrity -- and sorry, the encroachment beyond 2013.

Kent Harvey - PG&E Corporation - SVP, CFO

This is Kent. I think you are thinking about it the right way. We don't really necessarily manage to be at exactly our authorized equity ratio, say, December 31 of 2013. But we do have to manage our capital structure over a period of time such that it averages to that level.

So sometimes we are slightly below, sometimes we are slightly above. But the intent of your statement is correct, which is that we try to keep up with our equity needs over time. And I think the way you articulated some of the costs beyond 2013 that we would need to fund with incremental equity sounds appropriate to me.

Jon Cohen - ISI Group - Analyst

Okay. Then can you just let us know, in that $1 to $1.2 billion, do you assume any incremental insurance recoveries above what has already been received?

Kent Harvey - PG&E Corporation - SVP, CFO

We have not provided in our guidance any assumptions about insurance. When we do our internal forecasting and determine some of the ranges of what financing needs we have, we usually try to come up with some assumptions about insurance proceeds. But we are not disclosing what those are, baked into our equity assumptions.

Jon Cohen - ISI Group - Analyst

Okay, thanks, and then the last question is, do you have some flexibility over when you issue the equity? So if you think that you might get closer to a settlement between now and year-end, could you put off the equity issuance and sort of lean on short-term debt or the parent revolver and do one big equity issuance later in the year?

Kent Harvey - PG&E Corporation - SVP, CFO

Yes, we do have flexibility about the timing, although we do need to maintain our capital structure over time. So we wouldn't want to get too far off on that issue.

But we do have some flexibility there, and we do intend to issue it in a way that is efficient and to not be -- to not have to be rushed to issue equity in a way that wouldn't make sense for our Company and our shareholders. So we would try to manage that. And I would anticipate if we needed to manage the timing of an issuance that we could do some short-term measures to give us that flexibility, such as you describe.

Jon Cohen - ISI Group - Analyst

Okay, great. Thanks a lot.

Operator

Travis Miller, Morningstar.

Travis Miller - Morningstar - Analyst

Good morning. Thanks. Wonder if you could quantify the difference in the drop from 2012 EPS to 2013 midpoint guidance that came from that cut in the allowed ROE? And then also perhaps the cash flow impact from that.

Kent Harvey - PG&E Corporation - SVP, CFO

Well, that is the biggest item, Travis, there is no doubt about it. I think you can pretty much just get there by taking the rate base amounts, which we have broken up by line of business.

So you can take electric transmission, for example, and you could go from what was implicitly in our guidance before for last year of 11.35% and take it down to 9.1%, 52% of that rate base. And then you could do the same calculation for the other lines of business going from 11.35% to our new assumption of 10.4% based on the PUC's decision. And I think you'll pretty much land with what we landed with.

Travis Miller - Morningstar - Analyst

Okay, great. Then real quick, how much incremental debt do you expect to issue in 2013? Obviously we've heard about equity but what about debt?

Kent Harvey - PG&E Corporation - SVP, CFO

You know, we have been -- if you look over the last several years we have been issuing long-term debt annually. That probably averages about $1 billion; and I wouldn't expect a significant difference in that in terms of an order of magnitude change or anything. So somewhere in that very rough range would probably be a reasonable expectation for 2013.

Travis Miller - Morningstar - Analyst

Okay, great. Thanks a lot.

Operator

Kevin Fallon, SIR Capital Management.

Kevin Fallon - SIR Capital Management - Analyst

Good morning. Just a question. Do your financing plans and your rate base guidance include the impact of bonus depreciation?

Kent Harvey - PG&E Corporation - SVP, CFO

You know, they do for this most recent bonus depreciation. But the reality of our situation is, given the pancaking we have had from the last several years of bonus depreciation, even before 2013 bonus was approved we already were expecting to be in a net operating loss position for 2013.

So it is really not going to be providing us any financing benefit incrementally in 2013. And we will probably see that benefit actually next year, just given our current situation.

Kevin Fallon - SIR Capital Management - Analyst

Okay. Just to clarify, on slide 12, the rate base slide. Those are average rate bases or year-end rate bases for the shown years?

Kent Harvey - PG&E Corporation - SVP, CFO

Those are average rate bases.

Kevin Fallon - SIR Capital Management - Analyst

Okay. Finally, just if you could give some color on the FERC rate case process. As you go through the settlement talks, when you ultimately come to the end point, however it turns out, is the ROE adjusted for the change in the 10-year Treasury? So if interest rates move higher, do they make adjustment? Or are you stuck at that base 8.6% for this proceeding no matter what?

Tom Bottorff - Pacific Gas and Electric Company - SVP Regulatory Affairs

This is Tom Bottorff, Senior Vice President of Regulatory Affairs. The rate of return is yet to be determined in that proceeding. But if we settle the case the rate of return is sort of implicit. It is not explicitly adopted as part of the settlement.

So as in prior rate cases, there really is no adopted rate of return. That would only happen in the event of going to litigation and having a decision.

Kevin Fallon - SIR Capital Management - Analyst

But that is what I mean. They gave you a point estimate to change rates on under the current 8.6% base ROE. And that is what I am asking. That was an administrative determination by the FERC.

Is there an administrative process, ex something in a settlement, that changes that? Or is that 8.6% the base unless you reach a different number in the settlement?

Tom Bottorff - Pacific Gas and Electric Company - SVP Regulatory Affairs

If we reach a different number in the settlement, then the rates will be based on that adopted settlement figure.

Kevin Fallon - SIR Capital Management - Analyst

But if the case is litigated and rates move higher, is it adjusted upward or is it stuck at that 8.6%?

Kent Harvey - PG&E Corporation - SVP, CFO

Right now the issue is we had to submit our application with the 9.1%; it has the 8.6% plus a 50 basis point adder for the California ISO. And that is based on data that was available when we did the filing. It essentially looks at a number of comparable utilities.

And it is prescriptive in that we are required to use the DCF model, which of course is particularly disadvantageous in this current economic environment and we don't think representative of our true cost of equity. So we would have to litigate that. And unless the FERC ended up with something that was more reasonable, then we would have to seek legal review of that decision.

Kevin Fallon - SIR Capital Management - Analyst

Okay. Thank you very much.

Gabe Togneri - PG&E Corporation - VP IR

Jackie, this is Gabe. We have reached the one-hour point and we have some time constraints on this end. Is there one more question that is in the queue?

Operator

Ashar Khan.

Gabe Togneri - PG&E Corporation - VP IR

Let's go ahead and take that one.

Ashar Khan - Visium Asset Management - Analyst

Kent, I just went back and looked at your 10-K from the third quarter. So I guess you were around $30; and then I've got the GAAP earnings and the dividend. Am I -- tell me if I am doing my utility math wrong or right.

GAAP earnings you are showing this year $1.66 to $2.00. The dividend is around that level. So assuming we come out or book value does not increase, it remains at $30 or so, then is it fair to look at it that if the Company earns around a 10% by the end of '13 that the earning power is more like $3 a share or something like that?

Kent Harvey - PG&E Corporation - SVP, CFO

I don't know; I can't follow your logic over the phone. So if you want to follow-up with our IR team about your question, maybe we can handle it that way, Ashar.

Ashar Khan - Visium Asset Management - Analyst

Okay. Thank you.

Gabe Togneri - PG&E Corporation - VP IR

All right, I apologize for breaking in and if there are any questions remaining, but we do have some constraints on this end. Please call the Investor Relations line if you have any follow-up questions.

And we will wish you a great day, and talk to you the next time. Thank you.

Operator

Ladies and gentlemen, thank you for attending the PG&E Corporation fourth-quarter earnings conference call. This now concludes the conference. Enjoy the rest of your day.

From: Cherry, Brian K
Sent: 4/25/2013 10:44:04 AM
To: Susan Kennedy (spkennedy4@gmail.com)
Cc:
Bcc:
Subject: RE: FW: Q4 2012 earnings call transcript

Kent is happy to chat. Will you be able to call him?

From: Susan Kennedy [mailto:spkennedy4@gmail.com]
Sent: Thursday, April 25, 2013 9:59 AM
To: Cherry, Brian K
Subject: Re: FW: Q4 2012 earnings call transcript

So... I want to use the Overland report with my lunch date. As I read it, it says PCG can afford $2.25 in external capital ABOVE the $600 million assumed in its forecast in 2012. Additionally it says PCG has other ways to use internal equity to pay penalties without external capital (ex: forego dividends).

If you were me, how exactly would you say the Overland report indicates the limits on what PCG can afford to pay from shareholders before it hurts PGE's ability to finance integrity programs or before customers might feel an impact through higher cost of capital, etc.

Is there anything about the Overland report that you can point to that is flat out wrong or now outdated in its assumptions of PCG's financial strength? The report basically says you are pretty much as healthy as your peers in terms of P/E ratio and P/E to book value

On Thu, Apr 25, 2013 at 9:07 AM, Cherry, Brian K <BKC7@pge.com> wrote:

The charge we've taken to earnings is $200 million we set aside last year in anticipation of paying a penalty. SEC rules require you to take a charge if there is a certainty of penalty. At the time, we believed it not to exceed $200 million. The contribution to San Bruno was what we paid to the city to set up a fund and for another account. Shilpa can give you the details. The incremental work is all the work done that is not recoverable from customers related to the San Bruno event.

From: Susan Kennedy [mailto:spkennedy4@gmail.com]
Sent: Thursday, April 25, 2013 9:05 AM
To: Cherry, Brian K
Subject: Re: FW: Q4 2012 earnings call transcript

What does this sentence from Tony Earley mean and how does it relate to the numbers on the chart: (Par 4): ... And the total cost is $1.9 billion when we add the charge we've taken related to potential penalties, the contribution we made to the City of San Bruno, and the incremental work we've done to improve our performance across the utility."

what does "charge we've taken related to potential penalties" mean? And what chart numbers add up to $1.9 billion...?

--
Susan P Kennedy

461 2nd Street, Suite 452

San Francisco, CA 94107

(415) 717-3228

From: Susan
Sent: 4/26/2013 1:28:05 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: Re: RE: Re:

Florio loved the idea. Will support The G

Sent from my iPhone

On Apr 26, 2013, at 12:36 PM, "Cherry, Brian K" <BKC7@pge.com> wrote:

> He must be on meth
>
> Brian K. Cherry
> PG&E Company
> VP, Regulatory Relations
> 77 Beale Street
> San Francisco, CA. 94105
> (415) 973-4977
>
>
> On Apr 26, 2013, at 12:16 PM, "Susan" <spkennedy4@gmail.com<mailto:spkennedy4@gmail.com>> wrote:
>
> OMG. Mark Toney is lecturing CFEE on how bad it is to use penalties as a weapon to change behavior and how we should switch to encouraging them with rewards.
>
> He is focusing on customers not companies of course
>
>
> Sent from my iPhone
>
> On Apr 26, 2013, at 11:27 AM, "Cherry, Brian K" <BKC7@pge.com<mailto:BKC7@pge.com>> wrote:
>
> World…
>
> From: Susan [mailto:spkennedy4@gmail.com]
> Sent: Friday, April 26, 2013 11:24 AM
> To: Cherry, Brian K
> Subject: Re: RE:
>
> I know. I was with G until 8:30 - then he came to my niece's art show. Tom and I spoke.
>
> Sent from my iPhone
>
> On Apr 26, 2013, at 11:23 AM, "Cherry, Brian K" <BKC7@pge.com<mailto:BKC7@pge.com>> wrote:
> Agreed on all counts. Tom was with G until 715pm last night.
>
> From: Susan [mailto:spkennedy4@gmail.com]
> Sent: Friday, April 26, 2013 11:22 AM
> To: Cherry, Brian K

> Subject: Re:
>
> Could be part of a "fund" for safety purposes - but it can't be too far off from direct investment in safety (preventing accidents as opposed to responding faster). Also you want to engage labor unions in this so use the $$ for employee involvement in safety culture.
>
> Key point - need to call the whole $2.25 billion a "fine" and not differentiate between the penalty on shareholders and money to legislators. It's the same dollar being taken from shareholders.
>
>
>
> Sent from my iPhone
>
> On Apr 26, 2013, at 11:07 AM, "Cherry, Brian K" <BKC7@pge.com<mailto:BKC7@pge.com>> wrote:
> Instead of a fine, what about forming an entity with several hundred million dollars that would create a network linking first responders to the state and local utilities for statewide emergency planning ? Perhaps something the G might even head up ?
>
> ________________________________
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>
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From: Susan
Sent: 5/10/2013 9:59:28 AM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7); Doll, Laura (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=LRDD)
Cc:
Bcc:
Subject: Fwd: Chron Question

Here it is -

Sent from my iPhone

Begin forwarded message:

> **From:** Dan Richard <DRICHARD@well.com>
> **Date:** May 10, 2013, 6:55:34 PM GMT+02:00
> **To:** Susan Kennedy <SPKennedy4@gmail.com>
> **Subject: Re: Chron Question**
>
> Good conversation with Florio. I told him that the issue comes down to those who want to punish PG&E versus those who want to make sure there's never another San Bruno. Mike agreed. I asked him about his views on the tax deduction issue and he said they knew that was coming but it doesn't change is view of things. When I talked about people just wanting to punish PG&E, he said "yeah, but the customers get punished also." I mentioned that Baker was doing a piece on Sunday. I think you should have Baker call Florio.
> Dan
>
> On May 9, 2013, at 10:41 PM, Susan Kennedy wrote:
>
>> Look at this colloquy with Frank Lindh re tax deductibility issue. How did your time with Florio go? Any chance we can get him to weigh in on the approach vis a vis what is best for ratepayers? Dave Baker doing a big Sunday story for Chron - this might be a good vehicle to get Florio quote in.
>>
>> ---------- Forwarded message ----------
>> From: **Susan** <spkennedy4@gmail.com>
>> Date: Thu, May 9, 2013 at 10:27 PM
>> Subject: Re: Chron Question
>> To: Frank Lindh <FrankLindh@comcast.net>

Also - I think the general is in the position to say the tax issue is part if the reason he went with the "maximum penalty without jeopardizing safety". He looked at doing a lower penalty with a fine that would not have been tax deductible but its the ratepayers that lose. So he INCREASED the penalty to what he felt was the maximum you could take out of their cash flow to compensate for the tax deductibility.

TURNs recommendation was LOWER than the combined total of Hagan's penalty.

Sent from my iPhone

On May 10, 2013, at 2:32 AM, Frank Lindh <FrankLindh@comcast.net> wrote:

> More on this...
>
> Begin forwarded message:
>
>> **From:** "Lindh, Frank" <frank.lindh@cpuc.ca.gov>
>> **Date:** May 9, 2013, 5:29:02 PM PDT
>> **To:** Hagan, Jack (Brigadier General – CA) <emory.hagan@cpuc.ca.gov>
>> **Cc:** "Prosper, Terrie D." <terrie.prosper@cpuc.ca.gov>, "Clanon, Paul" <paul.clanon@cpuc.ca.gov>
>> **Subject: Re: Chron Question**
>>
>> I like the General's theme, and we should stick to it. Every dollar he has recommended by way of a penalty will be spent on making the system safer. This is an investment that is sorely needed. It's the best way to honor the memories of the

people who perished in San Bruno.

The points I made in my email are subsidiary points. The General is right in sticking to the main point.

On May 9, 2013, at 5:21 PM, "Hagan, Jack (Brigadier General – CA)" <emory.hagan@cpuc.ca.gov> wrote:

> Tax advantage or not. The penalty route ensures that $2.25 is spent on safety of Shareholder money. I we had fined them the shareholders would have paid that but
> it would have deducted that the fine amount from the amount spent of shareholder cost on Safety.
>
> Example 1B
> in fines then 1.25B in safety total 2.25B which is the cap. Then ratepayers would have to pick up the that 1B that went to the fine to pay for the 1,25B in safety which still needs to be spent.
> the real question is what is the total PGE will have to

spend 9on safety to get it all fixed.
My guess several B more. No one knows what PSEP two is going to cost yet. But it will have to be in ratepayer finds.

Brigadier General (CA)
Emory J. Hagan, III

Director

Safety and Enforcement Division

California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

(916) 267-7201 Mobile

ejh@cpuc.ca.gov

"No one dies on my watch!"

"No better friend - no worse enemy!"

Effective 1 Jan 2013, Consumer Protection and Safety Division (PCSD) will become the "Safety and Enforcement Division" (SED)

From: Lindh, Frank
Sent: Thursday, May 09, 2013 16:39
To: Prosper, Terrie D.; Clanon,

Paul; Hagan, Jack (Brigadier General – CA); Randolph, Edward F.
Subject: RE: Chron Question

(1) It's true that the type of penalty General Hagan has recommended, which involves shareholder-funded safety investments in the gas system, is different from a "fine" in its tax effects. A "fine" paid to the state general fund cannot be deducted from the company's income for income tax purposes. In contrast, a penalty of the type General Hagan has proposed (because it involves expenditures invested in the gas system) would be deductible for income tax purposes.

(2) When a utilities commission sets the rates for a public utility, one of the costs put into the rates (and paid by ratepayers) is the cost of income taxes the utility pays on its profits. Just as

ratepayers pick up the cost of pipes, wires, power plants, etc., so too they also pick up the cost of the income taxes the utility pays – both state and federal.

(3) Therefore, while PG&E will be able to deduct from its income the costs of the investments General Hagan has proposed ($2.25 billion, in total), this reduction in the utility's income taxes will redound to ratepayers as a benefit to them in the form of lower rates.

Ed has agreed to run this past his rates experts, to make sure it's correct.

From: Prosper, Terrie D.
Sent: Thursday, May 09, 2013 4:16 PM
To: Clanon, Paul; Lindh, Frank; Hagan, Jack (Brigadier General – CA); Randolph, Edward F.
Subject: Chron Question

Terrie,

David Baker from the Chronicle is doing a story for Sunday taking another look at the proposed San Bruno penalties, as well as the money PG&E has already spent responding to the pipeline rupture. David says he say Paul’s testimony in Sacramento yesterday in which he said that PG&E's penalties would be tax deductible, but Paul wasn’t sure what percentage of the penalties could be deducted. Davis would like to find out that number. He is asking if the entire penalty amount could be deducted, or just a portion? Are the penalties deductible only from state taxes or from federal too? And are fines (as distinct from penalties) deductible as well (I know they are not and can answer that).

I know our talking point on this is that normal tax rules will apply; the CPUC does not have the ability to change tax codes. But is there more information we have on this issue that we want to provide to David? I think the more open we are about this the better, and we should point out that even with the tax benefits the penalty is still in the

ballpark of what other
parties are
suggesting.

Deadline is 2 p.m.
Friday.

Thanks,

Terrie

****

Terrie Prosper

Director, News and
Public Information
Office

California Public
Utilities
Commission

(415) 703-2160

tdp@cpuc.ca.gov

Facebook I Twitter
I www.cpuc.ca.gov

--
Susan P Kennedy
461 2nd Street, Suite 452
San Francisco, CA 94107
(415) 717-3228

From: Susan P Kennedy
Sent: 5/22/2014 4:07:58 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE:

No - But I assumed when you said you wouldn't know until next week that I should hold off on pushing for a date with him.

On May 22, 2014, at 4:02 PM, Cherry, Brian K wrote:

> Heard from Mike yet ?
>
> Brian K. Cherry
> PG&E Company
> VP, Regulatory Relations
> 77 Beale Street
> San Francisco, CA. 94105
> (415) 973-4977
>
>
>
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From: Cherry, Brian K
Sent: 5/22/2014 5:09:17 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc: Susan P Kennedy (spkennedy4@gmail.com)
Bcc:
Subject: RE:

Call Toms office if you can

Brian K. Cherry
PG&E Company
VP, Regulatory Relations
77 Beale Street
San Francisco, CA. 94105
(415) 973-4977

> On May 22, 2014, at 4:37 PM, "Cherry, Brian K" <BKC7@pge.com> wrote:
>
> Sorry. Calling you now.
>
> Brian K. Cherry
> PG&E Company
> VP, Regulatory Relations
> 77 Beale Street
> San Francisco, CA. 94105
> (415) 973-4977
>
>
>> On May 22, 2014, at 4:33 PM, "Susan P Kennedy" <spkennedy4@gmail.com> wrote:
>>
>> Mike told me to call him tonight (after your call). So I should cancel that. Please confirm. You guys are confusing me. I thought you wanted me to be the one to Speak The Truth to Peevey to say things you could not say so bluntly.
>>
>> Confirm you will have the conversation with Ike and I should cancel my call with him.
>>
>>
>>> On May 22, 2014, at 4:29 PM, Cherry, Brian K wrote:
>>>
>>> Just heard from Mike. Tom and I will call him at 5 pm. You are off the hook.
>>>
>>> Brian K. Cherry
>>> PG&E Company
>>> VP, Regulatory Relations
>>> 77 Beale Street
>>> San Francisco, CA. 94105
>>> (415) 973-4977
>>>
>>>
>>>> On May 22, 2014, at 4:20 PM, "Susan P Kennedy" <spkennedy4@gmail.com> wrote:
>>>>

>>>> Jeezus Brian - I thought you guys wanted radio silence until a decision had been made by Tony. If Peevey leaves tomorrow it means a drive by phone conversation with him when he's rushed. This may not go well. You also have to assume that he will share things with whomever he is traveling with. You want me to try to reach him tonight... right?
>>>>
>>>>> On May 22, 2014, at 4:14 PM, Cherry, Brian K wrote:
>>>>>
>>>>> Need his input first. He leaves tomorrow for Europe. His input just might help Tom and I prevail. Thanks
>>>>>
>>>>> Brian K. Cherry
>>>>> PG&E Company
>>>>> VP, Regulatory Relations
>>>>> 77 Beale Street
>>>>> San Francisco, CA. 94105
>>>>> (415) 973-4977
>>>>>
>>>>>
>>>>>> On May 22, 2014, at 4:08 PM, "Susan P Kennedy" <spkennedy4@gmail.com> wrote:
>>>>>>
>>>>>> Do you want me to tee this up with Mike before you make a decision?
>>>>>>
>>>>>>
>>>>>>> On May 22, 2014, at 4:02 PM, Cherry, Brian K wrote:
>>>>>>>
>>>>>>> Heard from Mike yet ?
>>>>>>>
>>>>>>> Brian K. Cherry
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>>

From: Cherry, Brian K
Sent: 5/22/2014 5:09:45 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc: Susan P Kennedy (spkennedy4@gmail.com)
Bcc:
Subject: RE:

You are back on the hook

Brian K. Cherry
PG&E Company
VP, Regulatory Relations
77 Beale Street
San Francisco, CA. 94105
(415) 973-4977

> On May 22, 2014, at 4:29 PM, "Cherry, Brian K" <BKC7@pge.com> wrote:
>
> Just heard from Mike. Tom and I will call him at 5 pm. You are off the hook.
>
> Brian K. Cherry
> PG&E Company
> VP, Regulatory Relations
> 77 Beale Street
> San Francisco, CA. 94105
> (415) 973-4977
>
>
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>>>
>>>
>>> PG&E is committed to protecting our customers' privacy.
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>>

From: Cherry, Brian K
Sent: 5/23/2014 7:14:25 AM
To: Susan P Kennedy (spkennedy4@gmail.com)
Cc:
Bcc:
Subject: RE:

Thank. Should be available 930-10 and then after 1045.

Brian K. Cherry
PG&E Company
VP, Regulatory Relations
77 Beale Street
San Francisco, CA. 94105
(415) 973-4977

> On May 23, 2014, at 6:52 AM, "Susan P Kennedy" <spkennedy4@gmail.com> wrote:
>
> I'll call you this morning. Mike was in a good mood and very chatty. The result is as we expected.
>
>> On May 22, 2014, at 4:14 PM, Cherry, Brian K wrote:
>>
>> Need his input first. He leaves tomorrow for Europe. His input just might help Tom and I prevail. Thanks
>>
>> Brian K. Cherry
>> PG&E Company
>> VP, Regulatory Relations
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