PG&E Corporation

Investor Conference

March 1, 2010

This presentation is not complete without the accompanying statements made by management on March 1, 2010.
A replay is available on PG&E Corporation's homepage at www.pge-corp.com

Agenda

March 1, 2010 2:00pm – 5:00pm: *Presentation*

- PG&E's Investment Case

  Peter A. Darbee
  Chairman, CEO and President
  PG&E Corporation

- PG&E's Operational Outlook

  Chris Johns
  President
  Pacific Gas and Electric Company

- PG&E's Financial Outlook

  Kent Harvey
  Senior Vice President and Chief Financial Officer
  PG&E Corporation

March 1, 2010 5:00pm – 6:00 pm: *Reception*

Cautionary Language Regarding Forward-Looking Statements

This presentation contains management's guidance for PG&E Corporation's 2010 and 2011 earnings per share from operations, projections of Pacific Gas and Electric Company's (Utility) capital expenditures, rate base and rate base growth, and projections of PG&E Corporation's and the Utility's financing needs. These statements and projections, as well as the underlying assumptions, are forward-looking statements that are based on current expectations which management believes are reasonable. These statements and assumptions are necessarily subject to various risks and uncertainties, the realization or resolution of which may be outside of management's control. Actual results may differ materially. Factors that could cause actual results to differ materially include:

- the Utility's ability to manage capital expenditures and its operating and maintenance expenses within authorized levels
- the outcome of pending and future regulatory proceedings and whether the Utility is able to timely recover its costs through rates;
- the adequacy and price of electricity and natural gas supplies, and the ability of the Utility to manage and respond to the volatility of the electricity and natural gas markets, including the ability of the Utility and its counterparties to post or return collateral;
- explosions, fires, accidents, mechanical breakdowns, the disruption of information technology and systems, and similar events that can cause unplanned outages, reduce generating output, damage the Utility's assets or operations, subject the Utility to third-party claims for property damage or personal injury, or result in the imposition of civil, criminal, or regulatory fines or penalties on the Utility;
- the impact of storms, earthquakes, floods, drought, wildfires, disease and similar natural disasters, or acts of terrorism or vandalism, that affect customer demand, or that 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;
- the potential impacts of climate change on the Utility's electricity and natural gas businesses;
- changes in customer demand for electricity and natural gas resulting from unanticipated population growth or decline, general economic and financial market conditions, changes in technology, including the development of alternative technologies that enable customers to increase their reliance on self-generation, or other reasons;
- the occurrence of unplanned outages at the Utility's two nuclear generating units at Diablo Canyon, the availability of nuclear fuel, the outcome of the Utility's application to renew the operating licenses for Diablo Canyon, and potential changes in laws or regulations with respect to the storage of spent nuclear fuel, security, safety or other matters associated with the operations at Diablo Canyon;
- whether the Utility can maintain the cost savings it has recognized from operating efficiencies it has achieved and identify and successfully implement additional sustainable cost-saving measures;
- whether the Utility earns incentive revenues or incurs obligations under incentive ratemaking mechanisms;
- the impact of changes in federal or state laws, or their interpretation, on energy policy and the regulation of utilities and their holding companies;
- whether the new wholesale electricity markets in California will continue to function effectively and whether the Utility can successfully implement "dynamic pricing" for its electricity customers;
- how the CPUC administers the conditions imposed on PG&E Corporation when it became the Utility's holding company;
- the extent to which PG&E Corporation or the Utility incurs costs and liabilities in connection with litigation that are not recoverable through rates, from insurance, or from other third parties;
- the ability of PG&E Corporation, the Utility, and counterparties to access capital markets and other sources of credit in a timely manner on acceptable terms;
- the impact of environmental laws and regulations and the costs of compliance and remediation;
- the effect of municipalization, direct access, community choice aggregation, or other forms of bypass;
- the outcome of federal or state tax audits and the impact of changes in federal or state tax laws, policies, or regulations; and
- other factors and risks discussed in PG&E Corporation's and the Utility's 2008 Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission.

PG&E's Investment Case

Peter Darbee

Chairman, Chief Executive Officer
and President
PG&E Corporation

PCG: Key Takeaways

We have a solid strategy

- customer focus

- excellence in operations

- strong regulatory relations

- environmentally responsible

- community oriented

We execute on our strategy

- a proven management team

- delivering consistent solid results

for our *customers* and *shareholders*

PCG Investment Case

Excellent service at reasonable cost

Constructive regulatory environment

Investment in infrastructure-
providing solid, regulated growth

Clean generation and world-class energy
efficiency programs

Stable capital structure and return

Reliable, growing dividend

Vision & Values

OUR VISION

The leading utility in the United States

OUR GOALS

Delighted Customers
Energized Employees
Rewarded Shareholders
Environmental Leadership

OUR STRATEGIES

Customer Focus
Operational Excellence

OUR VALUES

- We act with integrity and communicate honestly and openly
- We are passionate about meeting our customers' needs and delivering for our shareholders
- We are accountable for all of our own actions: these include safety, protecting the environment, and supporting our communities
- We work together as a team and are committed to excellence and innovation
- We respect each other and celebrate our diversity

PG&E®

2009 Report Card

	Our Plan	*Our Results*
Earnings from Operations*	**$3.15 - $3.25**	**$3.21**
Capital Expenditures	**$3.6 to $3.7 B**	**$3.9 B**
15% Reduction in Injuries**	**2.76 cases / 200,000 hours**	**2.38 cases**
On Time, On Budget Execution	**SmartMeter™**	✓
	Gateway Generating Station	✓
	Nuclear Projects	✓
	New Gas Fired Facilities (on line in 2010)	✓

* Reg G reconciliation to GAAP for 2009 EPS from Operations available in Appendix and at www.pge-corp.com

** Measured by OSHA Recordable Injuries

Analysts' Top Questions

Do you foresee any change in your regulatory environment?

What is the impact of the California economy on PG&E?

What is the outlook for your General Rate Case?

What is your long-term earnings growth trajectory?

CPUC and Regulation

"We want to actually work with the people of the state of California, and the utilities and the sources of capital, to effect this multi-decade transformation…"
(Commissioner Bohn, Feb 4, 2010)

"We have a need for critical infrastructure. It is crucial that California continue to invest in critical infrastructure, not only in order to augment our portfolio of preferred resources, but also enhance reliability and help grow the economy"
(Commissioner Simon, Dec 17, 2009)

"No matter how one looks at it, California will have to make significant investments in transmission and power plants, be they conventional or renewable, to meet the demands of a growing population and economy."
(President Peevey, June 23, 2009)

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Impact of Election

Under a new governor, what changes?

May Change	Not Likely to Change
RPS Standards for 2020	Decoupling
Cap & Trade Rules	Pass Through of Procurement Costs
CPUC Composition	ROE / Equity Ratio Remains through 2012
	Previously Approved Projects and Contracts
	Emphasis on Energy Efficiency, Renewables and Load Management

State Energy Policy

AB 32: Developing Implementation Plan

33% RPS: Executive Order and Legislation

PG&E

Customer Environment

PG&E is sensitive to customer needs

- Proposing plan to restructure residential tiers
  - Making customers aware of options to tiered rates
    - Managing revenue changes to keep average rates flat in 2011

Recap

Our team delivers results

We understand the regulatory environment and can work constructively in it

We actively participate in the development of policies that will shape California's energy future

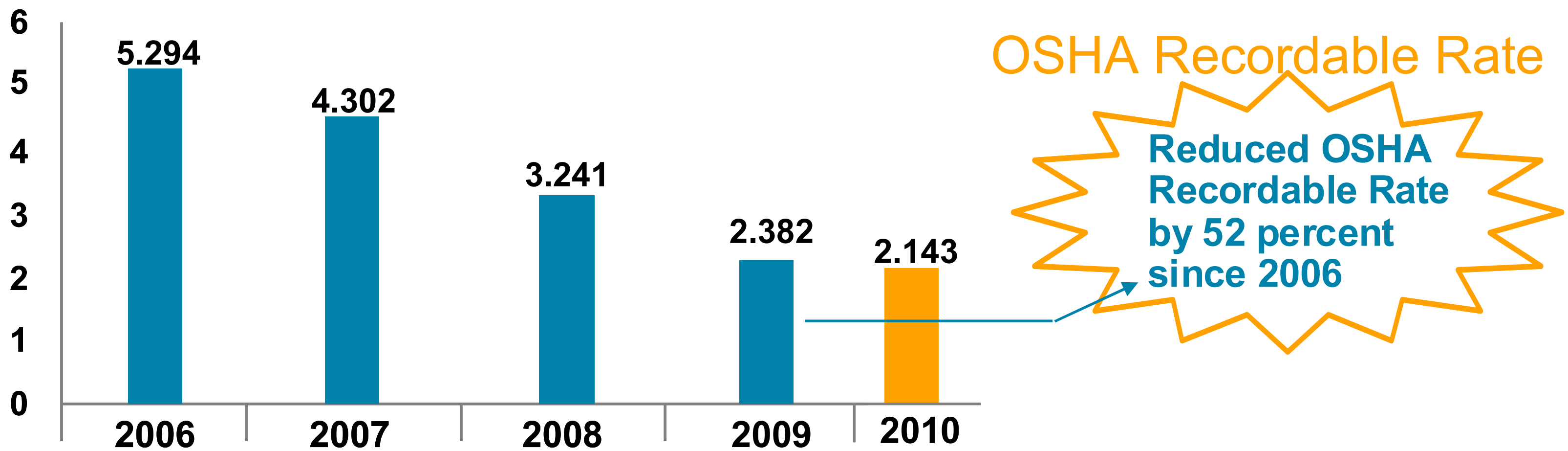
We are sensitive to our customers and the economy

PG&E's Operational Outlook

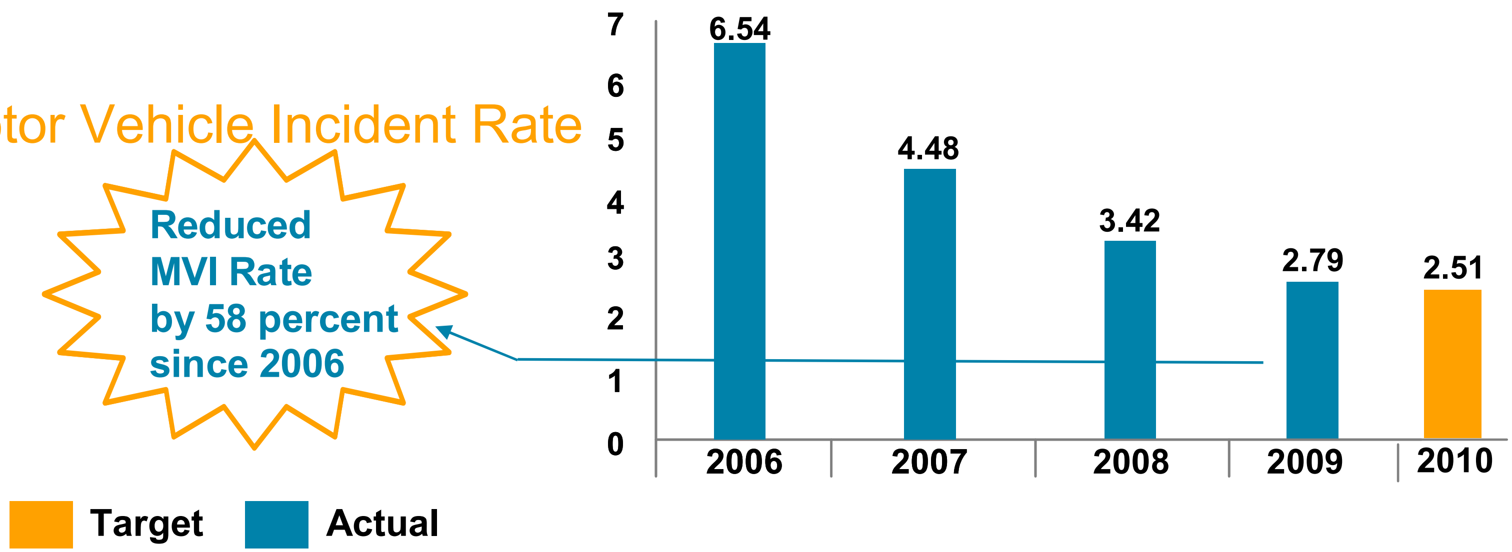
Chris Johns
President
Pacific Gas and Electric Company

Focus on Safety

OSHA Recordable Rate



Motor Vehicle Incident Rate



Excellence in Operations

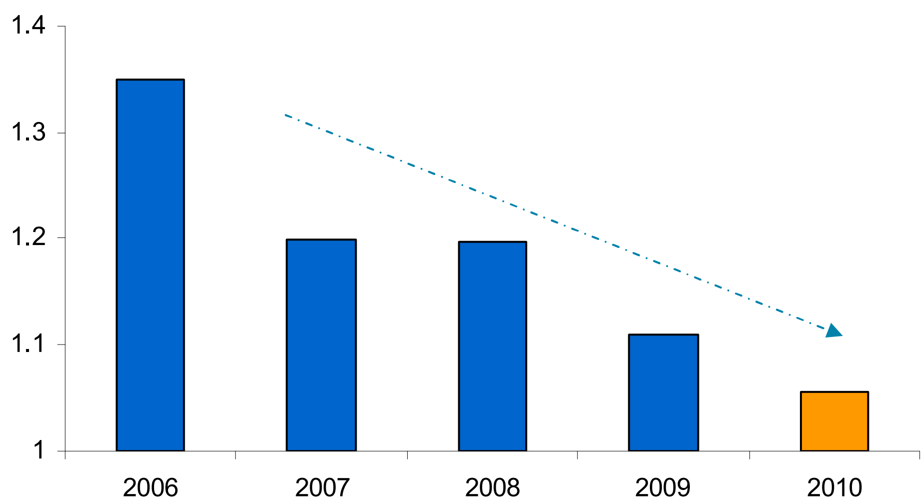
Sustained Improvement in Human Performance

Improved estimating tool reduced paperwork by *65%*

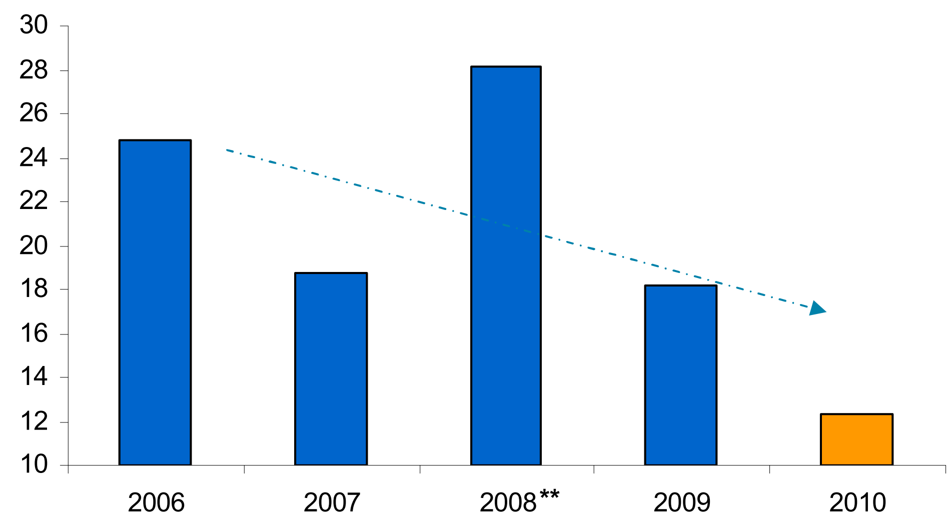
Information given to crews improved in actionable content by *60%*

Reliability Performance

Annual SAIFI*



Annual CAIDI*



PG&E's performance has improved in both the *frequency* (SAIFI) and *duration* (CAIDI) of outages

Target **Actual**

*** Excludes major events and planned outages.**
**** Results reflect severe non-excludable storms and wildfires experienced in 2008.**

Accelerated Gas Surveys

2009 Target: Survey 1.05 million service lines on our pipeline

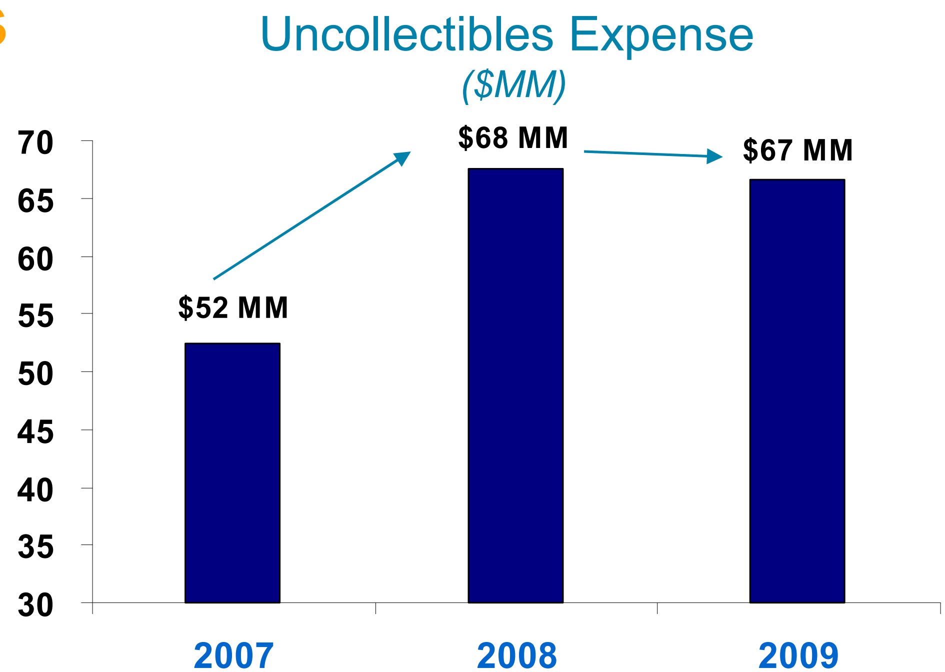
2009 Actual: 1.11 million service lines surveyed

Result: Greater confidence in the safety and quality of our gas system

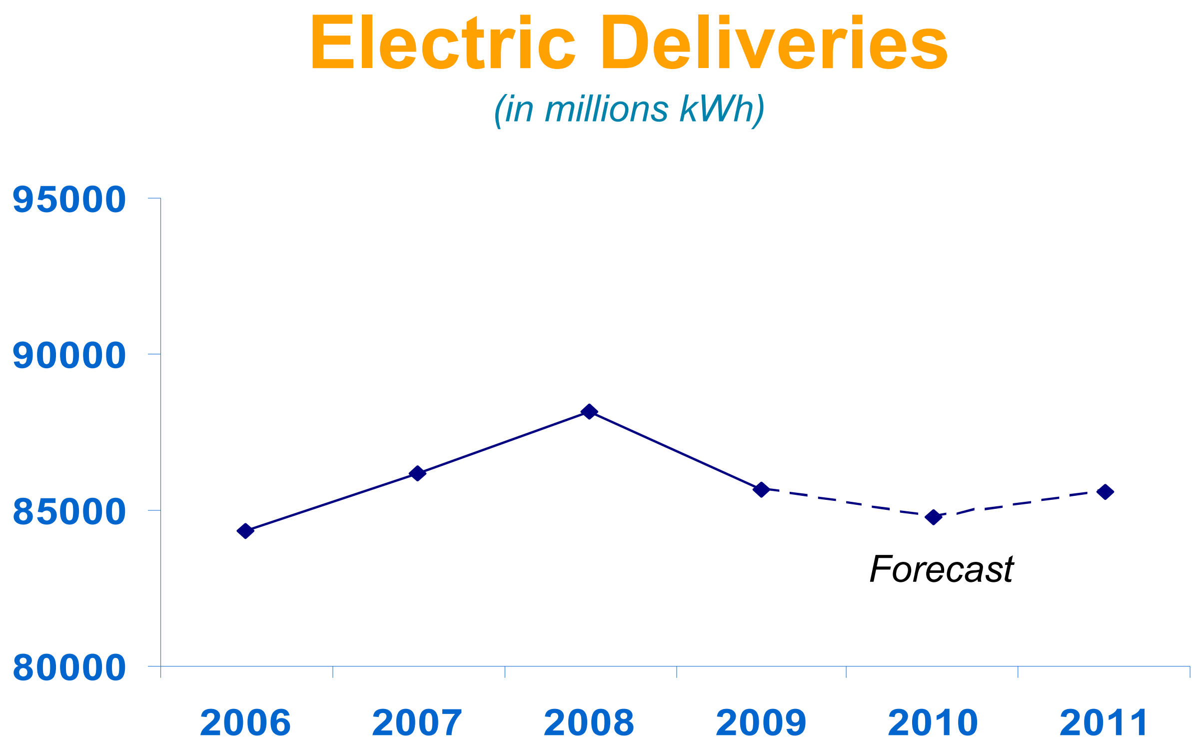
California Economy

PG&E's bad debt levels stable

Key Drivers:
- **Customer Assistance**
- **Better collections**



Electric Demand



Investment in Infrastructure

Gas & Electric Distribution

Estimated Categories of Capital Spend (2010)	
Reliability	20%
Maintenance	25%
Customer Directed Work	30%
Gas Work	25%

Total Estimated Capital Spend (2010): $1.3B

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Investment in Infrastructure

Electric Transmission

Estimated Categories of Capital Spend (2010)	
System Expansion / Congestion Relief	50%
Maintenance and Replacement	35%
Automation Technology Expansion	10%
New Generation Interconnection	5%

Total Estimated Capital Spend (2010): $800 MM

Investment in Infrastructure

Natural Gas Transmission

Estimated Categories of Capital Spend (2010)	
Pipeline capacity and integrity	50%
Reliability	25%
Environmental Compliance	25%

Total Estimated Capital Spend (2010): $250 MM

Investment in Infrastructure

Generation

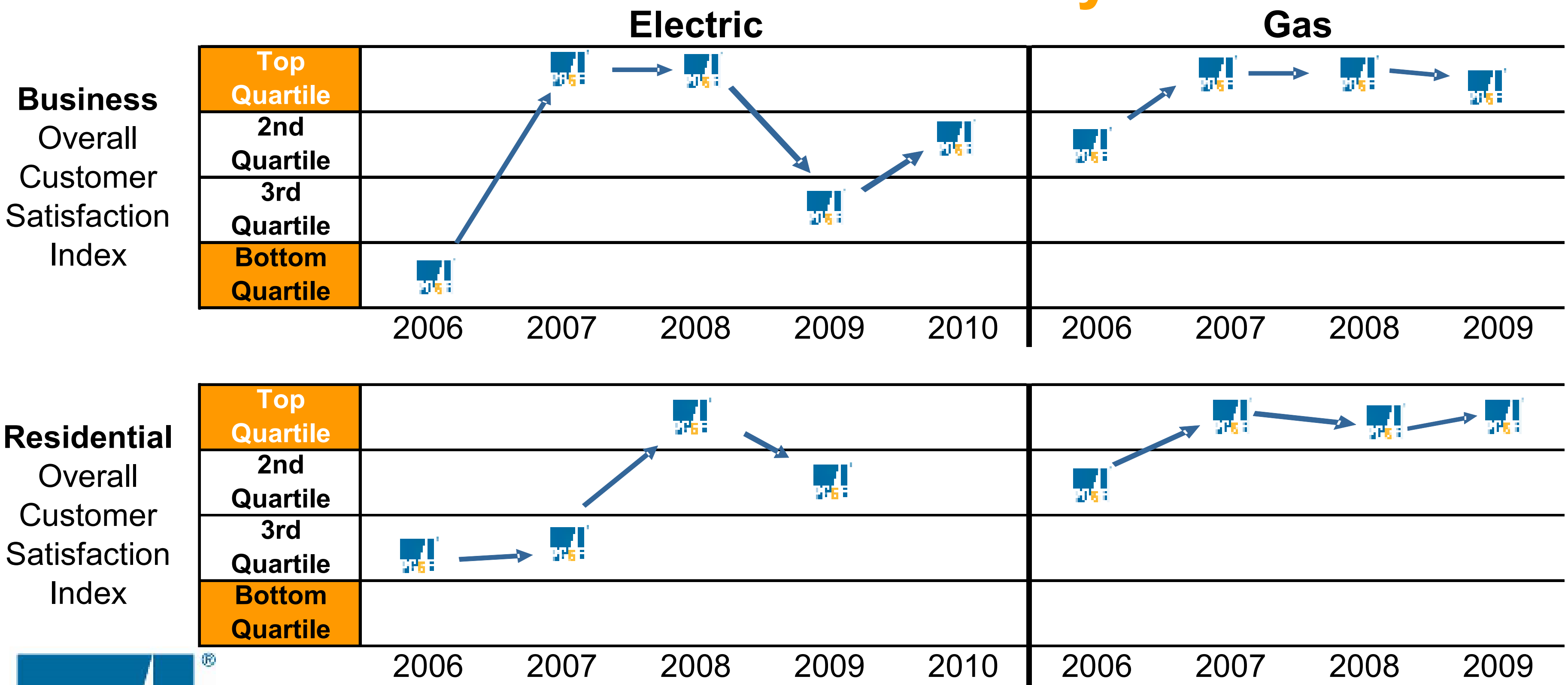
Estimated Categories of Capital Spend (2010)*	
Nuclear (Diablo Canyon Power Plant)	25%
Colusa / Humboldt (construction completion)	35%
Operating Conventional	35%
Fossil Decommisioning	5%

Total Estimated Capital Spend (2010): $750 MM

* Does not include PV Project or Manzana Wind

Customer Satisfaction

J D Power Surveys



Outlook for Rates

Proposed narrowing of tier differentials to mitigate high bills

Overall average rates expected to remain flat in 2011

Longer term outlook depends on price of carbon, natural gas, and renewables

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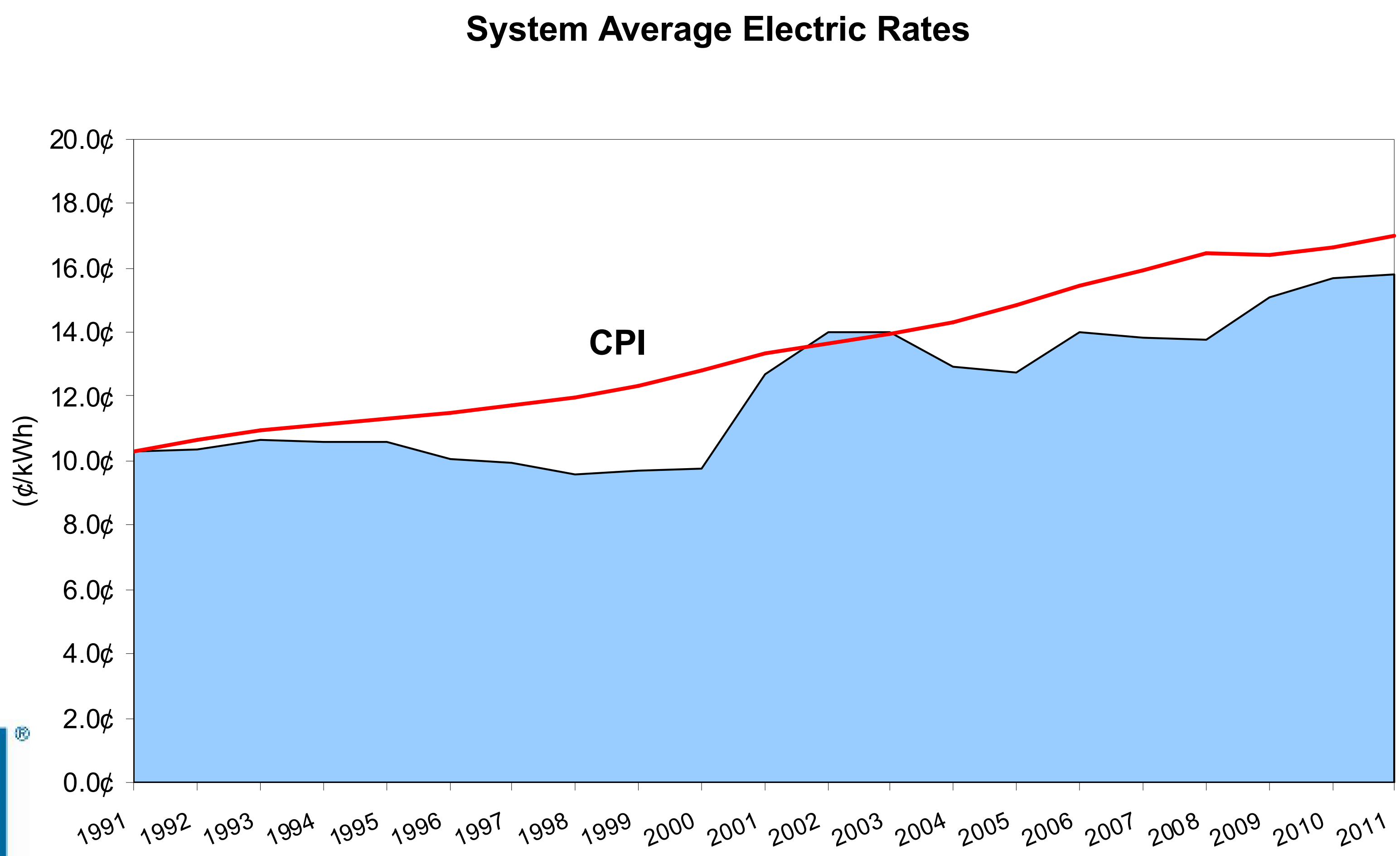
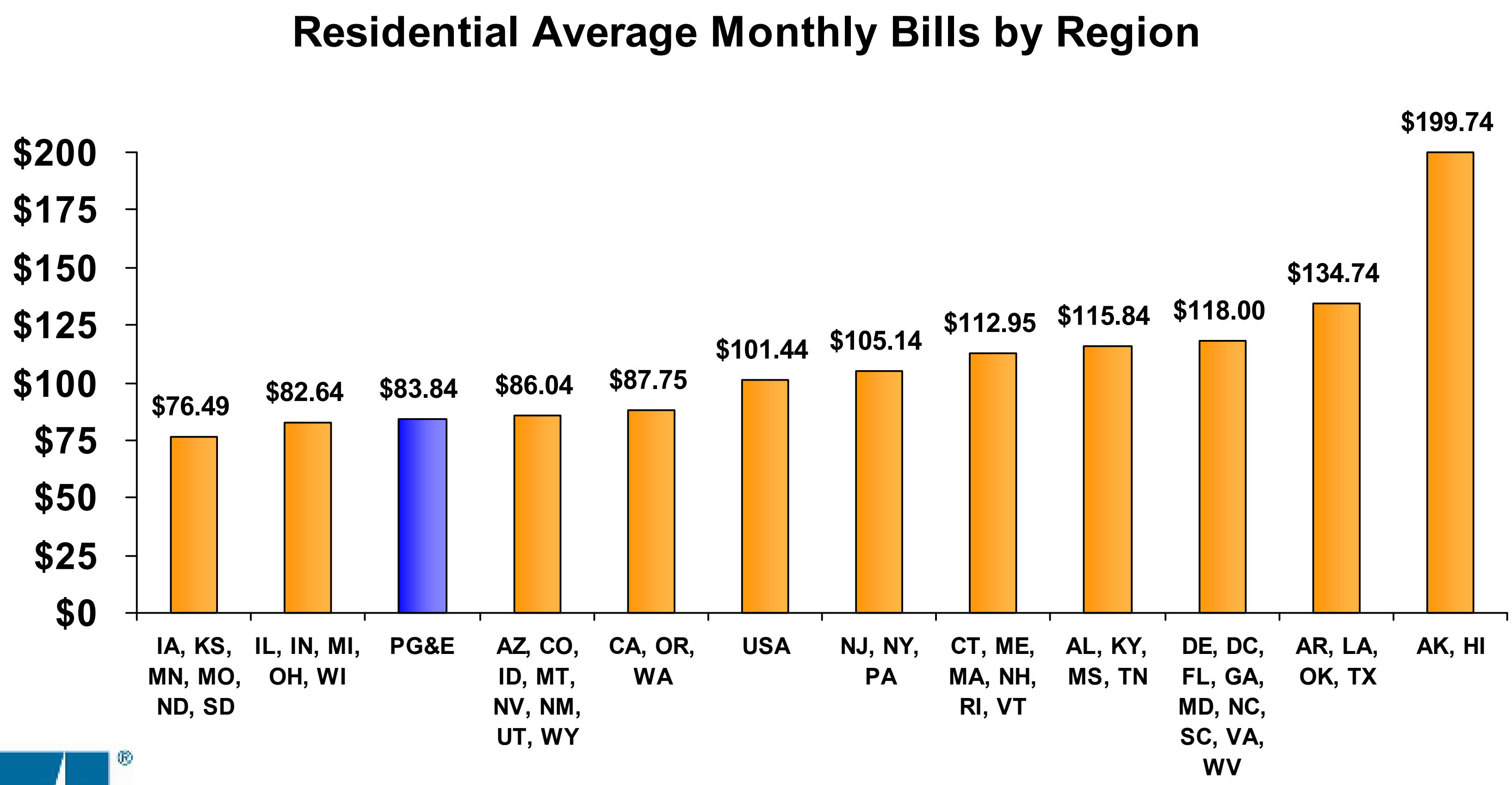
Electric Rates



Residential Bills



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Source: Edison Electric Institute, Statistical Yearbook, Year 2008

Customer Programs

Family Electric Rate Assistance (FERA): *Low-to middle income households of three or more pay a lower rate for part of their electricity usage; If denied for CARE due to income level, customers are considered for FERA*	**Breathe Easy Solutions:** *The California Alternative Rates for Energy (CARE) provides a 20% discount on gas and electricity services for low-income or newly unemployed customers and excludes state imposed energy surcharges*
Energy Partners: *Provides income-qualified customers free energy education, weatherization measures and energy-efficient appliances to reduce gas and electric usage*	**Balance Payment Plan**: *Our billing system will calculate your monthly payment amount based on your average energy use costs*
Medical baseline allowance: *Allows customers to get additional quantities of energy at the lowest (baseline) price for residential customers*	**Bill Guaranty:** *PG&E will accept a cosigner for an eligible customer's credit deposit.*
3rd Party Notification: *PG&E will notify you or any other person designated as a third party when the person you're concerned about ever receives a late notice due to an unpaid PG&E bill*	**Cooling Centers:** *PG&E provides grants to communities to provide a place for residents to go during times of extreme heat*

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Energy Efficiency Programs

World Class Programs

$1.3B program budget (2010-2012)

126 Programs for Customers

Partnership with Governments

$75 MM in incentive awards in 2008-09

National Recognition:

- EnergySTAR Sustained Excellence Award
- Platts Energy Efficiency Initiative of the Year
- EEI National Key Accounts Customer Service Award

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SmartMeter^{TM} Rollout

SmartMeters^{TM} installed through 2009: 4.5 million

Goal for year-end 2010:   8.0 million installed cumulative

Total Installations: 10 million by mid-2012

Largest AMI deployment in the US

Regulatory

Key Regulatory Cases

- General Rate Case
- Gas Transmission & Storage
- Transmission Owner Case

GRC Outlook

GRC Statistics

PG&E's 2007 GRC Request	$5.246B	($532 MM increase)
DRA's First Filing	$4.695B	($19 MM decrease)
Adoped Settlement	$5.057B	($251MM increase)
Edison's 2009 GRC Request	$5.199B	($871 MM increase)
Edison's Final Decision	$4.829B	($495 MM increase)

RPS Progress

Getting to the Goal

Progress towards 2010 goal

Pursuing all opportunities

14.5% delivered from renewable resources in 2009

Over 6,000 MW in renewables under contract at end of 2009

Other 2010 Items

Diablo Canyon Relicensing

Remediation of former Manufactured Gas Sites

Taxpayer Right to Vote Act

Positioned for the Future

Excellence in Operations

Improved Safety Performance

Increased Productivity

Higher Reliability

Capital Spending “On Plan”

Customer Service Options

Good Customer Service at a Reasonable Cost

PG&E's Financial Outlook

Kent Harvey
Senior Vice President and
Chief Financial Officer
PG&E Corporation

2009 Financial Accomplishments

Highlights

2009 Earnings per share (from Operations): $3.21*

Earned incentive revenues for successful energy efficiency programs

Managed large CapEx program

Strong cash flow

PG&E®

** Reg G reconciliation to GAAP for 2009 EPS from Operations available in Appendix and at www.pge-corp.com*

Cost of Capital

Providing Stability for the Future

Current mechanism extended through 2012

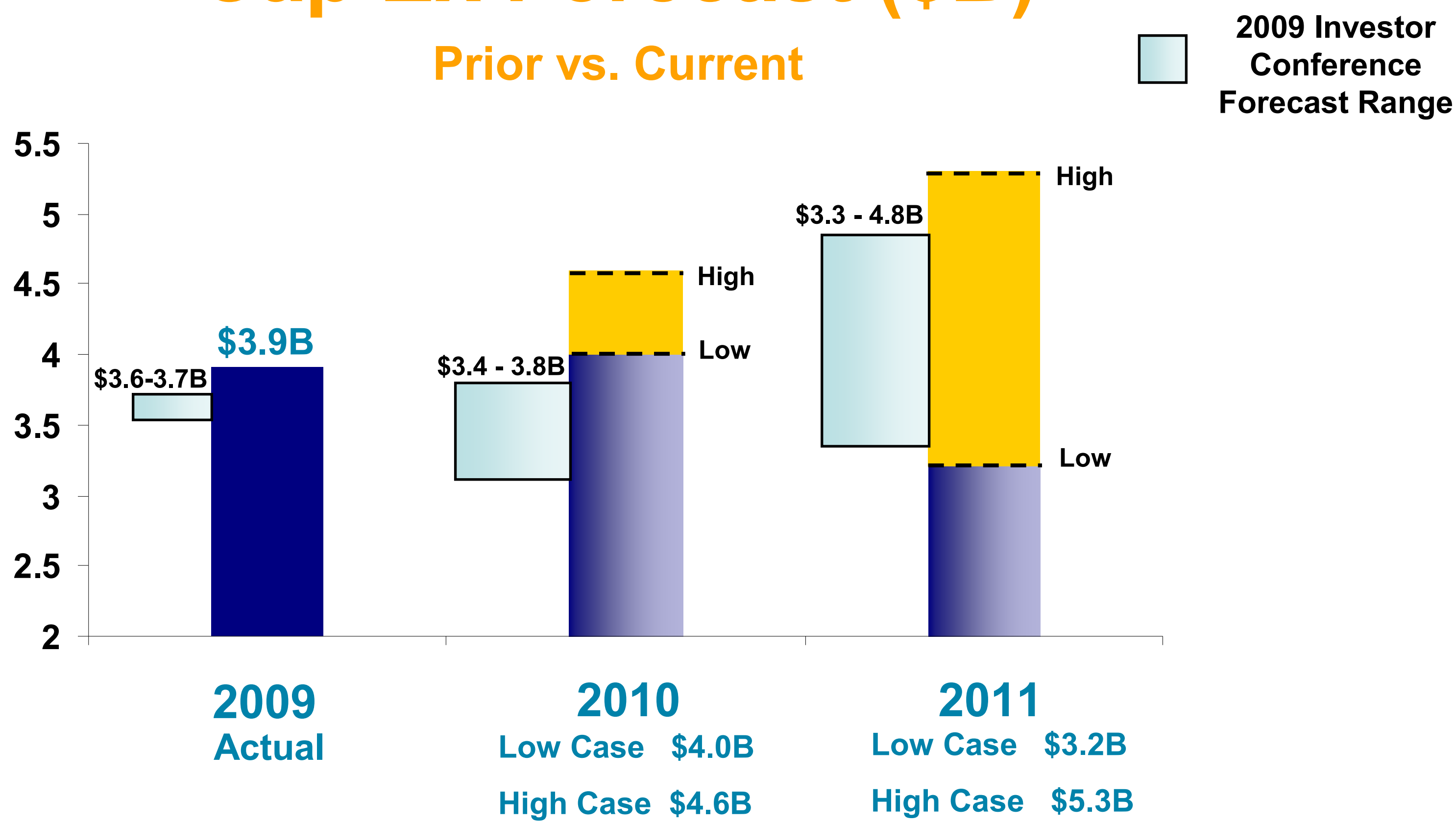
52% equity layer remains in place

11.35% ROE, subject to adjustment based on Moody's bond index

Capital Expenditure Outlook

Cap Ex Forecast ($B)

Prior vs. Current



CapEx Forecast 2010

Capital Expenditure Forecast ($MM)*

	2010	
Gas & Electric Distribution	$1,300	
Conventional Generation	$750	
Common Plant	$265	
Natural Gas Transmission	$250	
Electric Transmission	$800	
SmartMeter™ Program	$535	
	Low	High
Cornerstone Program	$0	$100
PV Project	$0	$160
Manzana Wind Project	$0	$280
Dynamic Pricing	$75	$115
Total	$3,975	$4,555

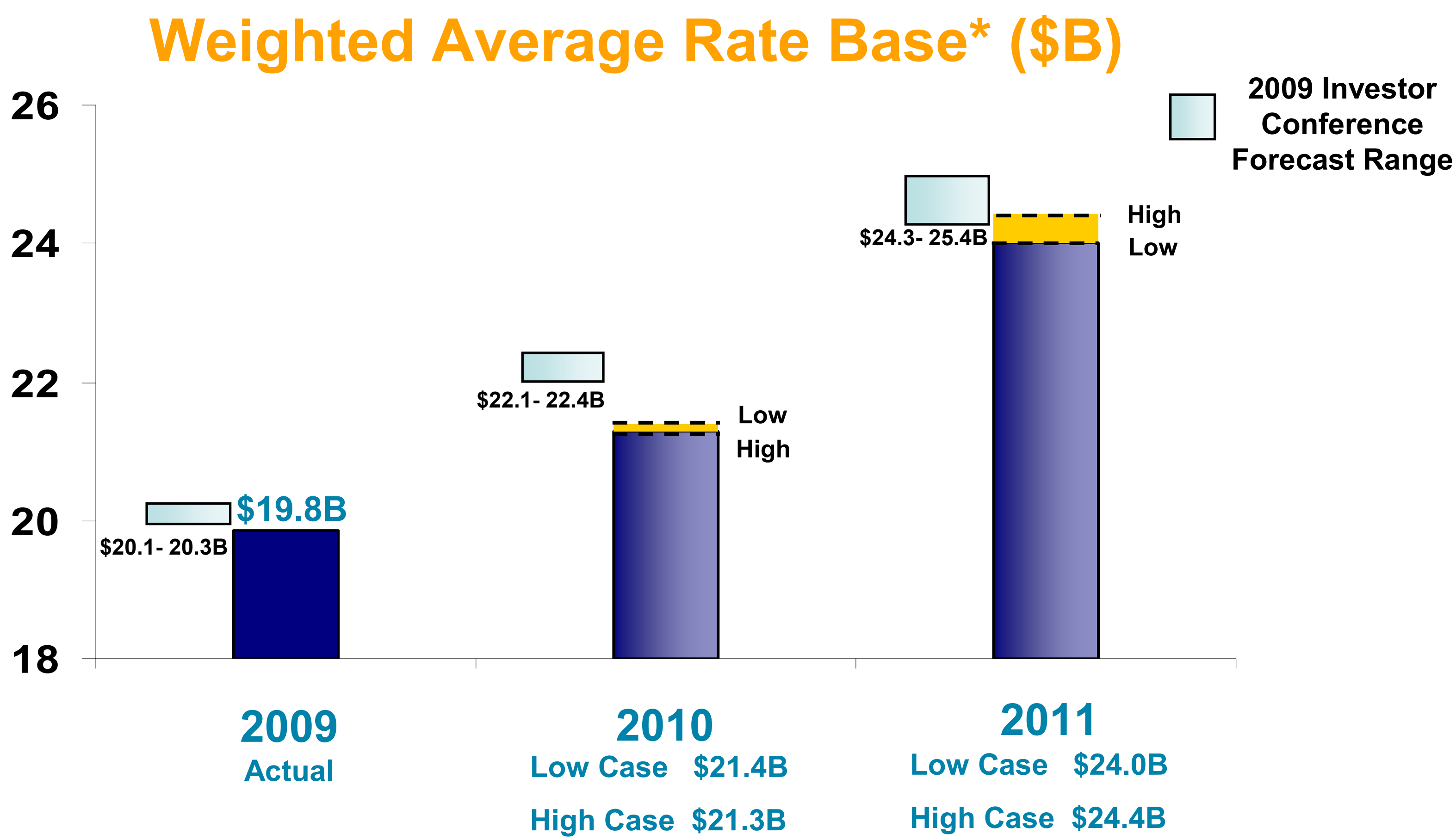
* Excludes tax equity investment outside of the Utility

CapEx Forecast 2011

Capital Expenditure Forecast ($MM)

	2011	
	Low	High
Gas & Electric Distribution	$1,375	$1,900
Conventional Generation	$360	$450
Common Plant	$270	$390
Natural Gas Transmission	$215	$235
Electric Transmission	$775	$925
SmartMeter™ Program	$165	
	Low	High
Cornerstone Program	$0	$285
PV Project	$0	$300
Manzana Wind Project	$0	$580
Dynamic Pricing	$0	$35
Total	$3,160	$5,265

Rate Base Growth



* 2009 actual rate base reflects bonus depreciation of approximately $400 million for 2009 as well as a true-up of 2008 bonus depreciation of approximately $100 million. The current forecast ranges for 2010 and 2011 rate base reflect these same items as well as 2010 bonus depreciation of approximately $400 million assumed in the high case only. The previous investor conference forecast reflected none of these items.

Future Capital Opportunities

Conventional Generation

Renewable Generation

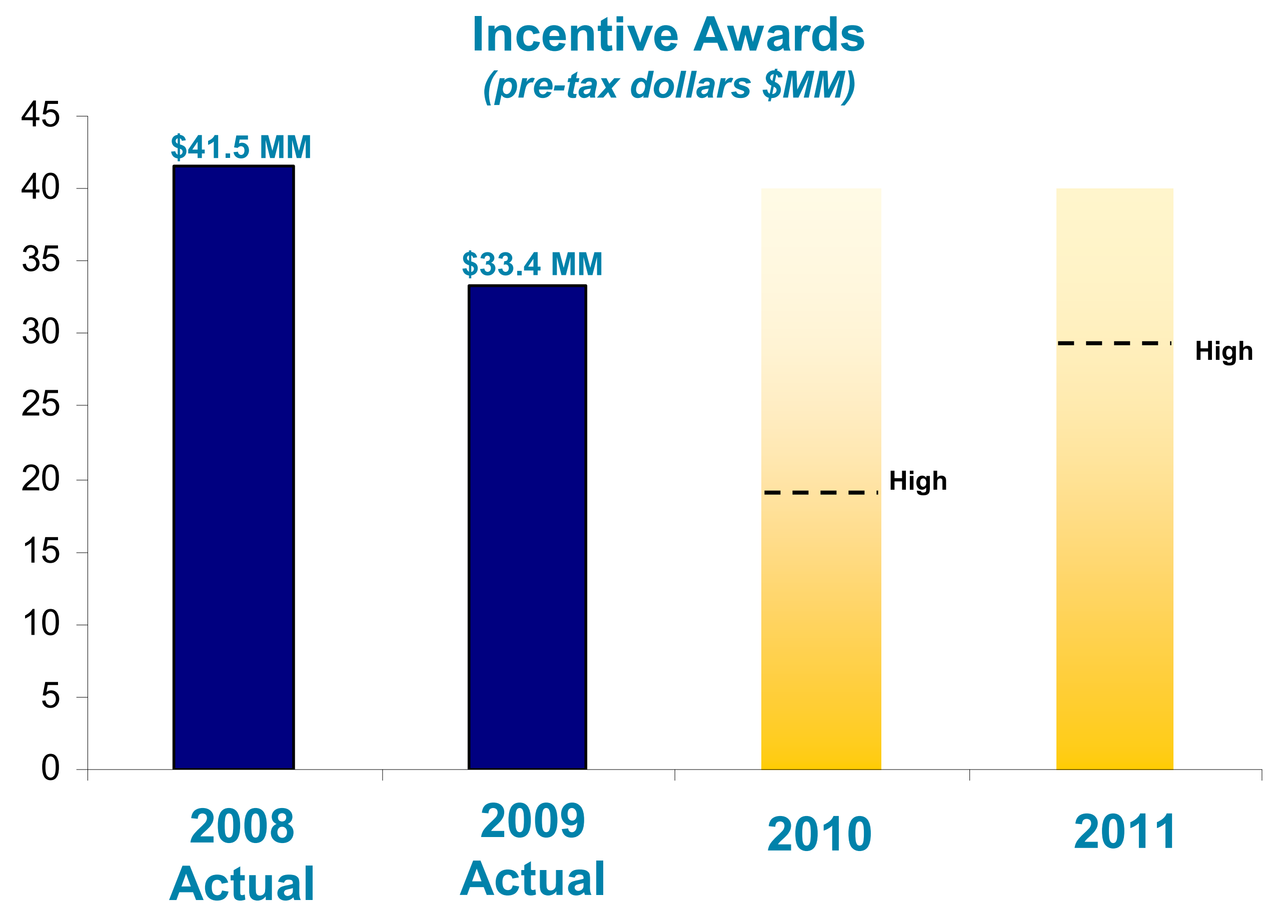
SmartGrid Investments

Energy Storage

Electric Vehicle Infrastructure

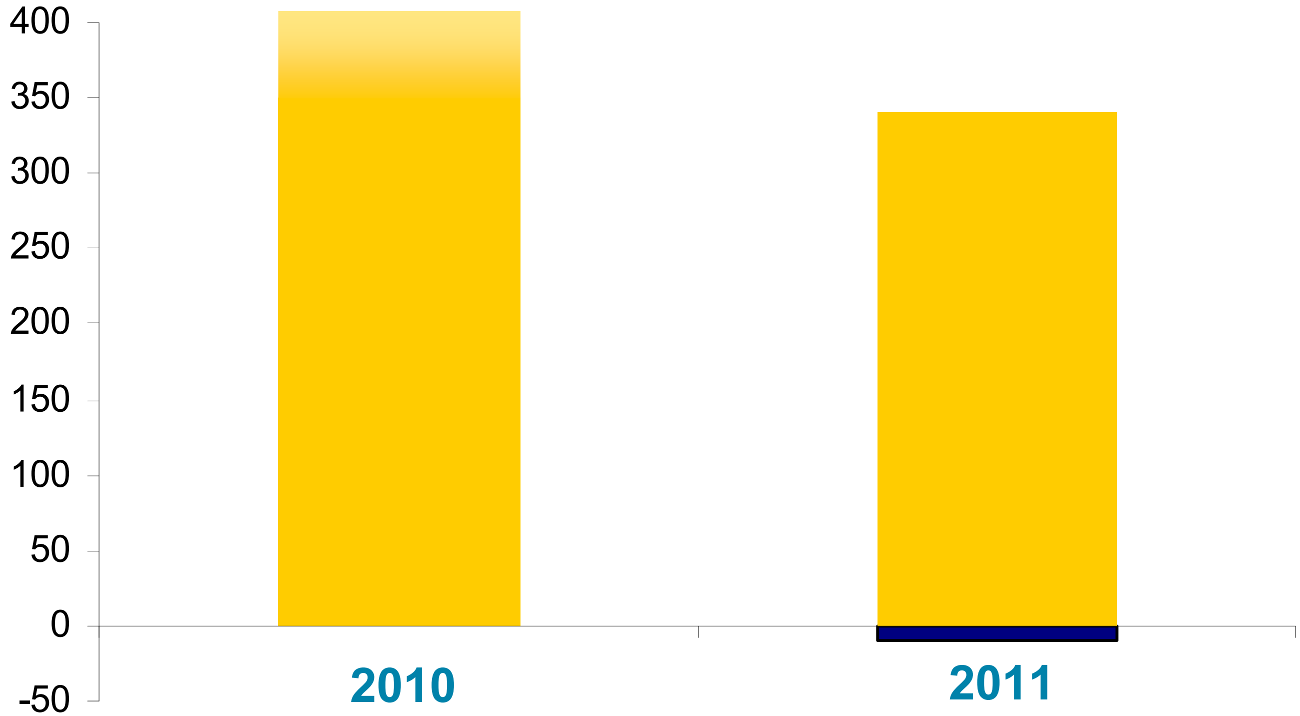
Transmission for Renewables

Energy Efficiency Incentives



	2010	2011
Low Case	$0 MM	$0 MM
High Case	$20 MM	$30 MM

Impact to Cash Flow from Tax



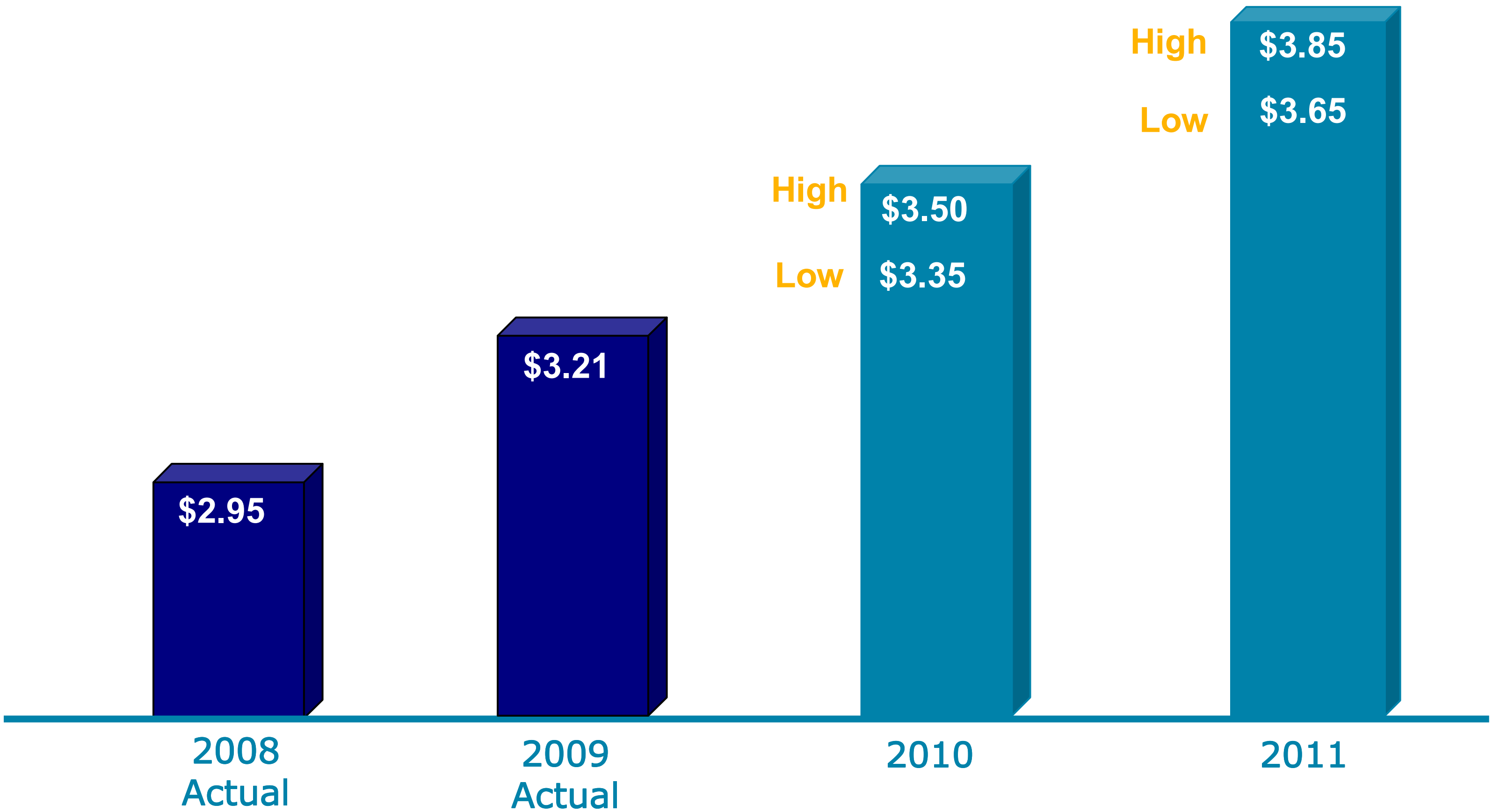
2010
Low Case $0 MM
High Case $400 MM*

2011
Low Case $(10) MM
High Case $340 MM

** Estimate of 2010 bonus depreciation impact, but amount could vary based on actual capital additions*

EPS Guidance

Earnings per Share from Operations*



* Reg G reconciliation to GAAP for 2008 and 2009 EPS from Operations, and 2010-2011 EPS Guidance available in Appendix and at www.pge-corp.com

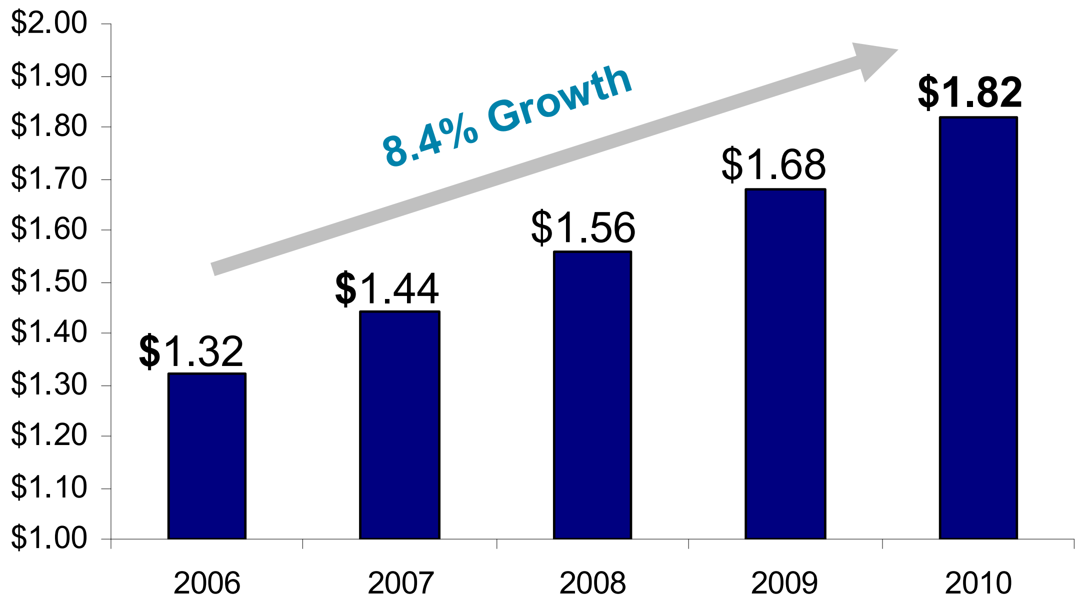
Dividend Policy

Sustainable, comparable dividend

Payout ratio range of 50% - 70%

Dividend growth in line with EPS growth

Annualized Dividends per Share



Cash Flow and Equity Needs

Internal Equity forecasted to provide **$100 to $200 MM** per year

(in $MM)

	2010			2011		
	Low		High	Low		High
Cash from Operations (Total Sources)	2,765	to	3,395	3,355	to	3,930
Primary Uses						
Capital Expenditures	(3,975)	to	(4,555)	(3,160)	to	(5,265)
Dividends*	(675)	to	(725)	(760)	to	(865)
Total Uses	(4,650)	to	(5,280)	(3,920)	to	(6,130)
Uses in Excess of Sources	(1,885)	to	(1,885)	(565)	to	(2,200)
Debt Maturities	0	to	0	(500)	to	(500)
Required Funding	(1,885)	to	(1,885)	(1,065)	to	(2,700)
Financing						
Long-Term Debt Issuances	1,445	to	1,385	705	to	1,845
Equity Needs	150	to	250	430	to	900
Utilization of Cash (Inc ST Borrowing)	290	to	250	(70)	to	(45)
Total Financings and Cash Utilization	1,885		1,885	1,065		2,700

* Includes both common and preferred dividends

Financial Assumptions: 2010-2011

GUIDANCE REFLECTS:

Capital expenditures consistent with low and high case ranges

Utility earns ROE of at least 11.35%

Ratemaking capital structure maintained at 52% equity

CEE incentives and tax cash flow consistent with high and low case ranges

Resolution of FERC generator claims in 2011 results in financing needs partially in 2011 (low case) or entirely in 2012 and beyond (high case)

Long-Term Forecast

Key Drivers

- General Rate Case
- Regulated Capital Opportunities
- Energy Efficiency Incentive Structure
- Holding Company Opportunities

PCG Investment Case

Excellent service at reasonable cost

Constructive regulatory environment

**Investment in infrastructure-
providing solid, regulated growth**

Clean generation and world-class energy efficiency programs

Stable capital structure and return

Reliable, growing dividend

Conclusion

Peter Darbee
Chairman, Chief Executive Officer and President
PG&E Corporation

Sustaining Excellence

10 years from now,
the industry will be different

SmartGrid will be implemented

Electric Vehicles will be in the marketplace

Distributed Generation will continue to increase

Planning Ahead: SmartGrid

Automation and Managing Usage

- Implementation of Home Area Network
- Opportunity for load-shifting
- Redundancy helps reliability

Planning Ahead: Electric Vehicles

Developing infrastructure

- Creates significant load
- Currently testing “smart” charging port
- A significant investment opportunity

Planning Ahead: Distributed Generation

Growing rapidly in Northern California

Relatively small percentage of load (~2%)

Opportunity for further investment

Strategic Outlook

Investing in a “smarter” future

Building on our green reputation

Aligning investments
with opportunities for the future

Notes

Appendix

Navigation of Key Questions

Do you foresee any change in your regulatory environment?	**Slides 10-12**
What is the impact of the California economy on PG&E?	**Slides 13, 20-21, 30**
What is the outlook for your General Rate Case?	**Slides 27-28, 33-34, 43-44**
What is your long-term earnings growth trajectory?	**Slide 52**

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Pacific Gas and Electric Company (PG&E)

- **Provides energy to approximately 15 million people**
- **70,000 square-mile service territory**
- **Four main operational units:**

  Electric and gas distribution

  Electric transmission

  Natural gas transmission

  Electric generation

PG&E Financial Highlights

	2008	2009
Revenues	$14.628 billion	$13.399 billion
Consolidated Net Income	$1.34 billion	$1.22 billion
Assets	$40.860 billion	$42.945 billion

Electric and Gas Distribution

Business Scope

- Retail electricity and natural gas distribution service (construction, operations and maintenance)
- Customer services (call centers, meter reading, billing)
- 5.1 million electric and 4.3 million gas customer accounts

Primary Assets

- $12.4 billion of rate base (2009 wtd. avg.)

Regulation

- California state regulation (CPUC)
- Cost of service ratemaking: General Rate Case (1)

(1) Authorized revenues = operating costs + (rate of return × rate base)
Rate base = net plant ± adjustments to approximate invested capital

Electric Transmission

Business Scope

- Wholesale electric transmission services (construction, maintenance)
- Operation by CA Independent System Operator

Primary Assets

- $3.1 billion of rate base (2009 wtd. avg.)

Regulation

- Federal regulation (FERC)
- Cost of service ratemaking: Transmission Owner Rate Case
- Revenues vary with system load

Natural Gas Transmission

Business Scope

- Natural gas transportation, storage, parking and lending services
- Customers: PG&E natural gas distribution and electric generation businesses, industrial customers, California electric generators

Primary Assets

- $1.5 billion of rate base (2009 wtd. avg.)

Regulation

- California state regulation (CPUC)
- Incentive ratemaking framework: Gas Transmission & Storage Rate Case
- Revenues vary with throughput

Electric Procurement & Owned Generation

Business Scope

- Electricity and ancillary services from owned and controlled resources
- Energy procurement program

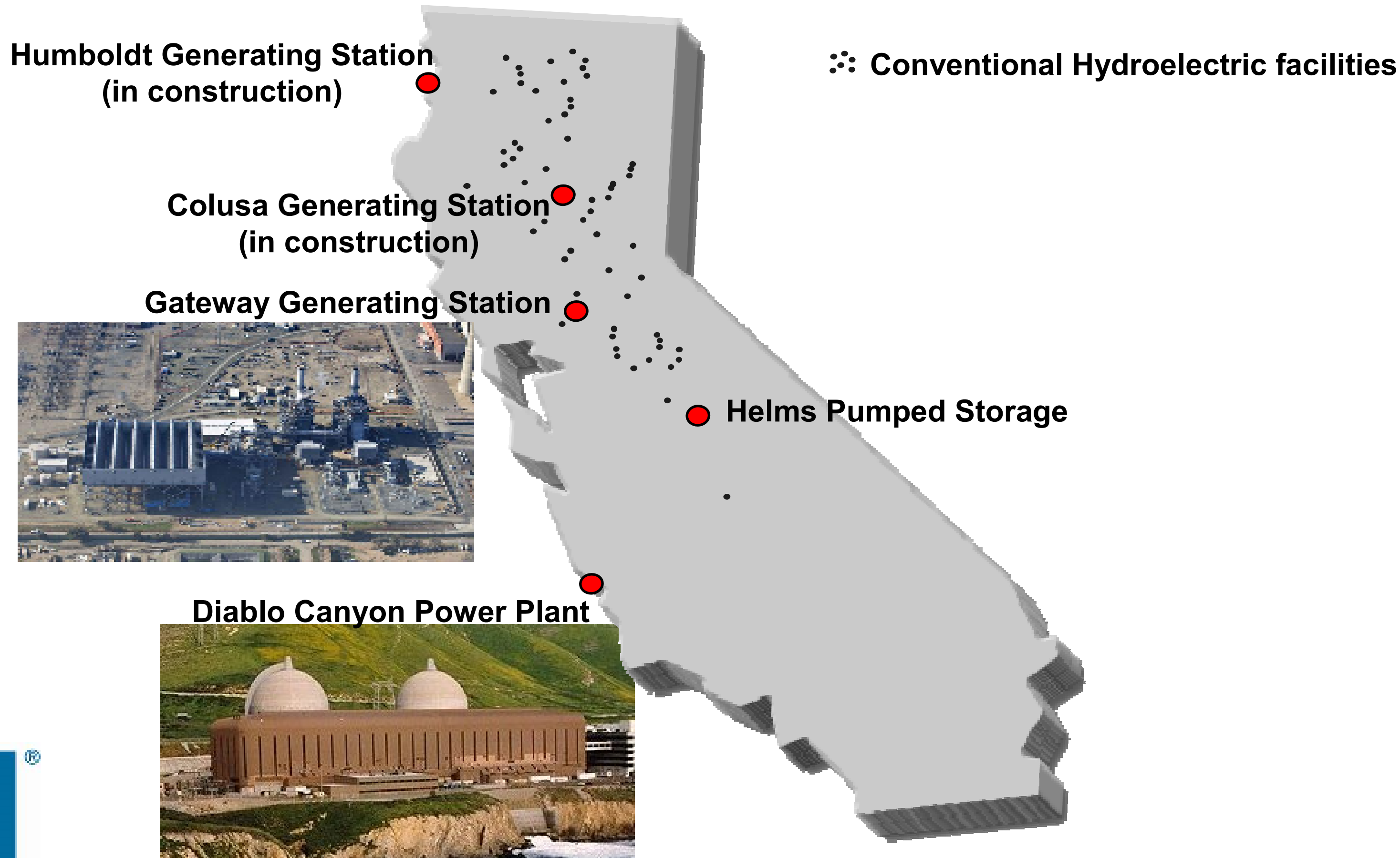
Primary Assets

- $2.8 billion of rate base (2009 wtd. avg.)
- Diablo Canyon Nuclear Power Plant (2,240 MW)
- Gateway Generating Station (530 MW)
- Largest privately owned hydro system (3,896 MW)
- Funded nuclear plant decommissioning trusts of $2.0 billion

Regulation

- California state regulation (CPUC)
- Cost of service ratemaking for utility-owned generation: General Rate Case
- Pass through of power procurement costs

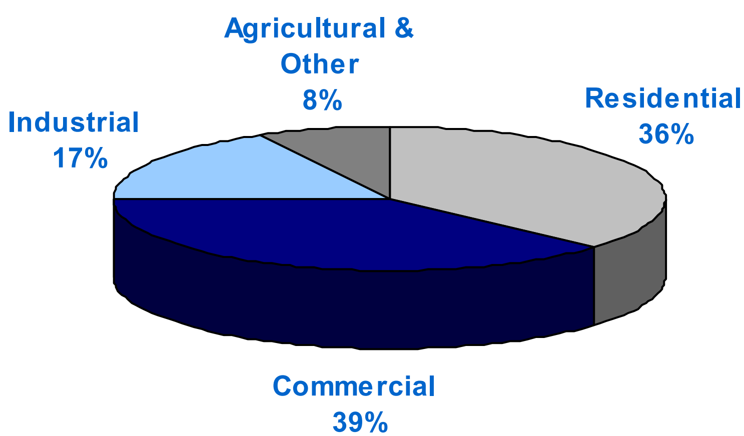
PG&E Generation in California



2009 Customer Profiles - % of Sales

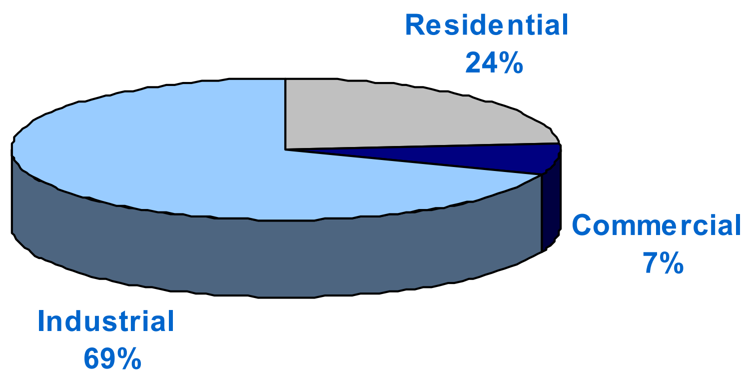
Electric Customers

(85,629 GWh delivered)



Gas Customers

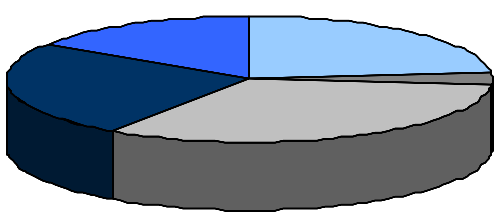
(822 Bcf delivered)



Existing Resource Mix

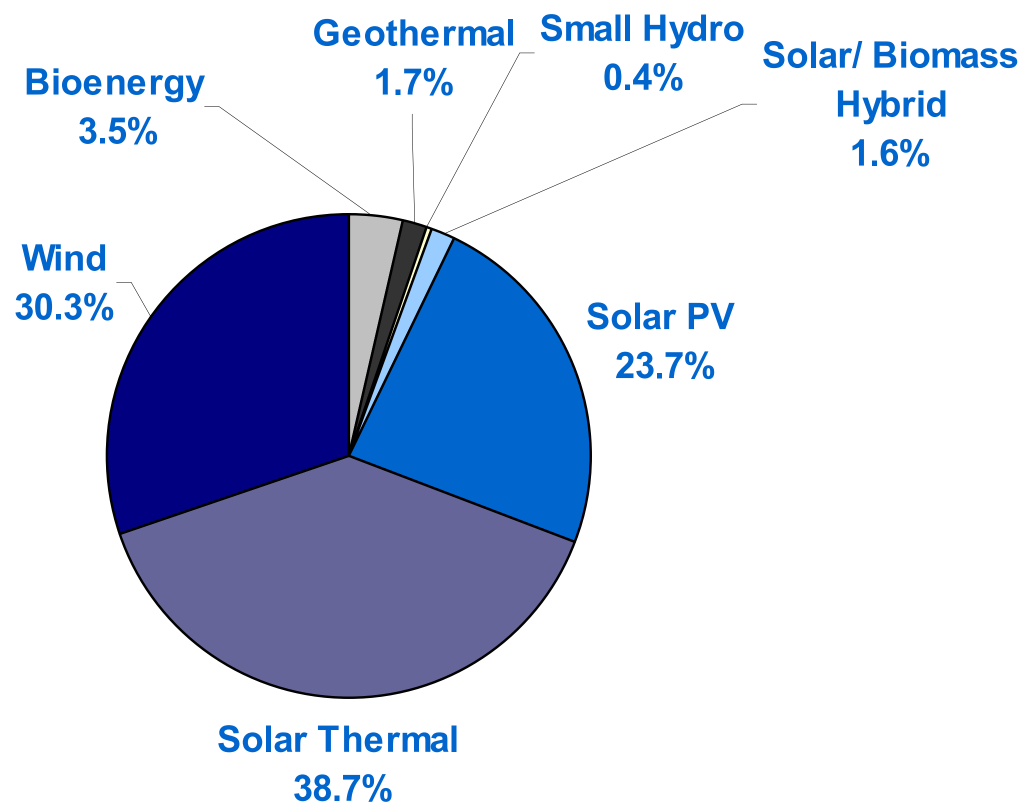
Owned Generation	Type	Status	Net Capacity (MW)
Hydroelectric Facilities (total)	Hydroelectric Power Houses	On-line	3,896
Diablo Canyon	Nuclear Reactors	On-line	2,240
Gateway Generating Station	Gas Combined Cycle Generators	On-line	530
Humboldt Bay Power Plant	Fossil Fired Steam Boilers	On-line until 2H 2010	135
Humboldt Bay Generating Station	Gas Reciprocating Engines	Operational 2H 2010	163
Colusa Generating Station	Gas Combined Cycle Generators	Operational 2H 2010	657
		Current Total On-line	**6,801**
		Total On-line 2H 2010	**7,486**

2009 Total Sources of Electric Energy



RPS Contracts Signed Since 2002

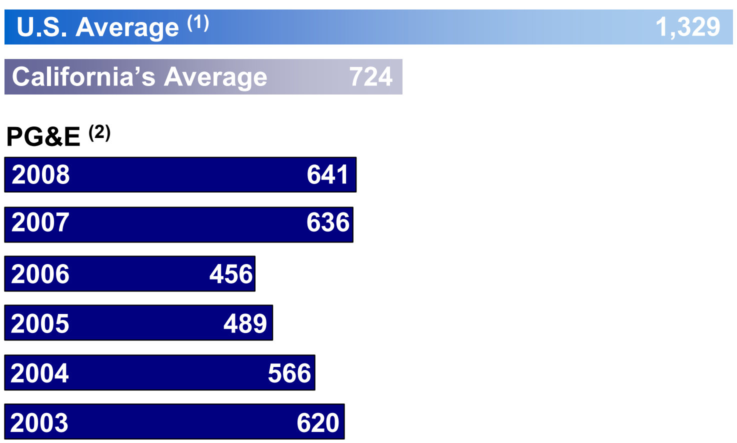
Over 6,000 MW in RPS Contracts



Greenhouse Gas Emissions

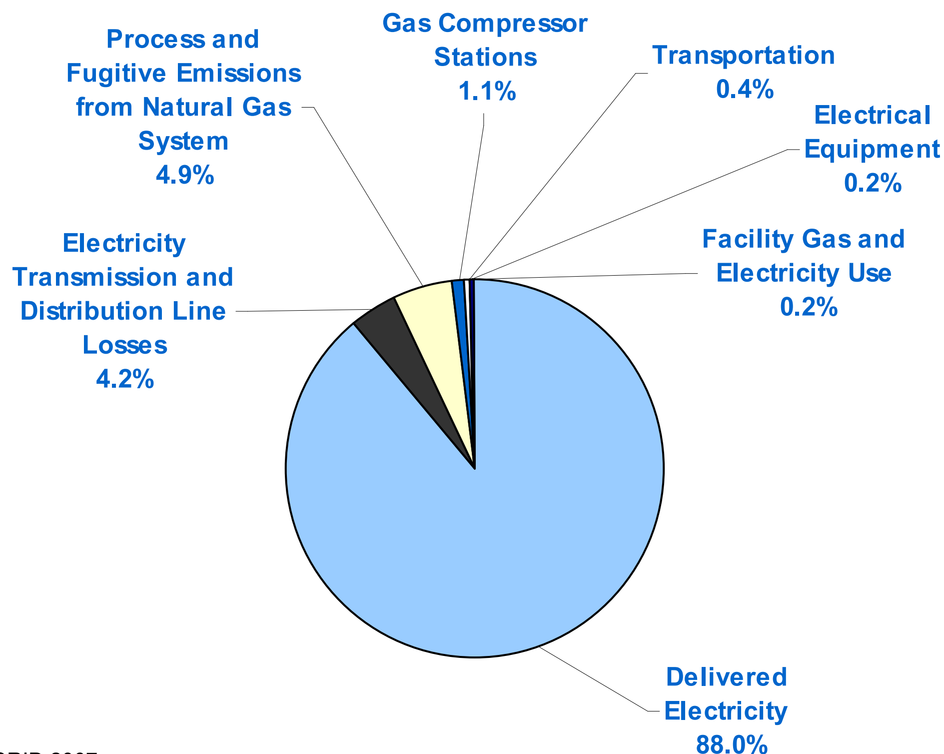
Benchmarking Greenhouse Gas Emissions for Delivered Electricity

(Pounds of CO_2 per MWh)



Total 2008 Greenhouse Gas Emissions by Source Category

(Total 27.1 million metric tons CO_2-e (2))



(1) Source: U.S. Environmental Protection Agency eGRID 2007 Version 1.1 (updated December 2008 and based on 2005 data).

(2) PG&E's emissions rates for delivered electricity were independently verified and registered with the California Climate Action Registry. Given that a portion of the electricity that PG&E delivers comes from unspecified generation sources, the company's total emissions, and associated emissions rates may vary from registered figures.

Key Regulatory Proceedings

Regulatory Case	Docket #	Expected Decision Date
Nuclear Relicensing	A.10-01-022	TBD
2011 General Rate Case (“GRC”)	A.09-12-020	Final decision is requested in Q4 2010
SmartGrid Compressed Energy Storage Demonstration Project	A.09-09-019 D.10-01-025	Final decision approving PG&E's request received on January 21, 2010
Manzana Wind Project	A.09-12-002	Final decision is requested by the end of Q4 2010
Request for New Generation Offers and Potential New Utility-Owned Generation	R.06-02-013 A.09-04-001 A.09-09-021	TBD
Gas Transmission & Storage Rate Case	A.09-09-013	Final decision is requested in Q4 2010
Transmission Owner (“TO”) 12 Rate Case	ER09-1521-000	Final decision is requested in Q3 2010
Photovoltaic Program	A.09-02-019	Final decision is requested by Q2 2010
Energy Efficiency Order Instituting Rulemaking Post-2005	R.09-01-019 D.09-12-045	Final decision is requested in 2H 2010
SmartGrid OIR	R.08-12-009 D.09-12-046	Initial policy decision issued in December 2009, timing of subsequent rulemaking proceedings in 2010 and 2011 TBD
Cornerstone Improvement Program	A.08-05-023	Final decision is requested by Q2 2010

PG&E®

Cost of Capital

52% Equity Level · 11.35% ROE · Adjustment Mechanism

- Decided separately from General Rate Case
- Current terms in place until **2013**

Mechanism

- **Triggers change to ROE if average Moody's Utility (A or Baa) bond yield index over a 12 month period moves up or down by 100 basis points over benchmarks.**
- **12 month period is October through the following September (i.e. October 2009 through September 2010).**

Monthly Values for 2011 Test Year	**A**	**Baa**
Oct-09	**5.55**	**6.14**
Nov-09	**5.64**	**6.18**
Dec-09	**5.79**	**6.26**
Jan-10	**5.77**	**6.16**
Oct-Jan '10 Average	**5.69**	**6.19**
Benchmark (Dec. 08-05-035)	**6.02**	**6.26**

2011 General Rate Case

Docket # A. 09-12-020

Sets revenue requirements for Gas and Electric Distribution and Electric Generation businesses for 2011 – 2013

Revenue Requirement Request: $6.7B

$1.048 billion increase

$2.7B average capital expenditures per year

Allows for necessary investments in energy infrastructure to deliver energy safely and reliably to customers

Key capital projects will focus on:

- **replacement of gas and electric systems that are at or near the end of their useful lives**
- **replacement of aging generation infrastructure, hydro relicensing requirements**
- **replacement of aging fleet, buildings and IT systems**

2011 General Rate Case

Filing includes a flexible attrition mechanism adjusting for:

- labor cost adjustments
- materials and services adjustments
- capital related adjustments
- other adjustments, such as changes in franchise, payroll or other taxes

Attrition revenues are currently forecasted to be $275M and $343M in 2012 and 2013

Items not included in the 2011 GRC:

- SmartMeter™ and SmartMeter™ Upgrade programs
- Cornerstone, PV Filing and Manzana

Jan - July*	June - July	August	Nov	*New Rates in Effect*
Discovery	Hearings	Opening/ Reply Briefs	Proposed Decision	*Jan 1 2011*

** Dates are approximate and subject to approval by ALJ*

FERC TO12 Filing

Docket # ER09-1521-000

Sets revenue requirements for PG&E's Electric Transmission business in 2010-2011

Revenue Requirement Request: $946 million
$800M Capital Expenditures

Adds additional transmission capacity and performance of maintenance and replacement work on our substations improving overall reliability of our system

	Request	Settlement
TO 10	$760.5M	$718M
TO 11	$846M	$776M

Final decision expected in Q3 2010

2011 Gas Transmission and Storage Rate Case

Docket # A. 09-09-013

Sets revenue requirements, rates, terms and conditions for PG&E's Gas Transmission and Storage services for 2011 – 2014

Revenue Requirement Request: $529M
- **$67M Increase**
- **$235M Capital Expenditures**

Allows for upgrades to backbone transmission, local transmission, and storage facilities, and maintenance of equipment

Proposed attrition mechanism similar to General Rate Case

Attrition revenues are currently forecasted to be $32.4M, $30.7M, and 22.6M for 2012, 2013 and 2014

Final decision requested by Q4 2010

Cornerstone Improvement Program

Docket # A. 08-05-023

Sets revenue requirements aimed at improving the reliability of PG&E's electric distribution system

Request: $2.0 billion capital spend

Enables installation of new substation transformers, feeders, conductors and other equipment to add capacity and relieve points of strain

Focuses on improving reliability, while 2011 GRC maintains current reliability levels

PG&E®

Hearings completed in 2Q 2009 – Next Step Proposed Decision

Solar PV Program

Docket # A. 09-02-019

Sets revenue requirements to develop and own 250MW of PV and sign PPAs for an additional 250MW of PV over a five year period

Request: $1.45 billion (all capital) for the Utility-owned 250MW

PD issued on 01/26/2010 proposes:

- development and installation of up to 250MW Utility owned PV facilities, ranging in capacity from 1MW to 20MW, up to 50MW per year
- recovery of project costs through performance based pricing resulting from the PPA portion of the program, rather than ratebase
- approval of the 2MW PV pilot constructed at the Vaca-Dixon substation in 2010

Reply comments filed Feb 16, final oral arguments on Feb 24

Next Step: Final Decision

Manzana Wind Project

Docket # A. 09-12-002

Sets revenue requirements to acquire, own, and operate the 189 - 246MW Manzana wind project in the Tehachapi region of Southern California

Request: $900 million (all capital) at 246MW capacity

Manzana Wind Project would be developed, designed and constructed by Iberdrola Renewables, Inc.

- PG&E will make progress payments throughout construction and will take full ownership at completion
- final size of the project will depend upon permitting requirements, completion of land rights acquisition and turbine supply
- the proposed wind facility is targeted to be operational as early as December 2011

Final decision is requested by the end of Q4 2010

Dynamic Pricing

Docket # A. 09-02-022

Sets revenue requirements to implement peak-day pricing and time-of-use pricing

Request: $160 million spend in 2008-2010, approximately $110 in capital

In February, CPUC issued revised PD approving $123 million of our request and approving default Peak Day Pricing rates beginning:

May 1, 2010: large commercial and industrial customers
February 1, 2011: large agricultural customers
November 1, 2011: small and medium commercial and industrial
February 1, 2011: Small agriculture customers will default to Time-of-Use rates

Final decision is expected in Q1 2010

Phase II costs associated with real-time pricing will be filed under 2011 GRC Phase II filing

Carrying Cost Credit Impacts

Estimated Average Deferred Tax Balances and Carrying Cost Credit Impacts ($MM)

($MM)	2010	2011	2012
Energy Recovery Bond Average Deferred Tax Balance	$396	$243	$82
Estimated After-tax Carrying Cost Credit*	$(23)	$(14)	$(5)

* Estimated carrying cost credits include only the equity portion and assume a utility equity ratio of 52% and ROE at 11.35%.

ERB Amortization Schedule

($MM)	2010	2011	2012
Annual ERB Amortization	$386	$404	$423
End-of-year ERB balance	$827	$423	$0

Credit Profile

Current Ratings

- Utility Corporate Credit/Issuer: BBB+ (S&P) and A3 (Moody's)
- Utility Senior unsecured debt: BBB+ (S&P) and A3 (Moody's)

Average Utility Metrics (2010-2012)*

- S&P Business Profile Rating: Excellent
- Total Debt to capitalization (EOY): 55.1%
- Funds from Operations Cash Interest Coverage: 5.2x
- Funds from Operations to Average Total Debt: 21.4%

** Metrics include debt equivalents for long-term power purchase contracts*

2008 EPS - Reg G Reconciliation

	2008
EPS on an Earnings from Operations Basis*	$2.95
Items Impacting Comparability**	0.68
EPS on a GAAP Basis	$3.63

** Earnings per share from operations is a non-GAAP measure. This non-GAAP measure is used because it allows investors to compare the core underlying financial performance from one period to another, exclusive of items that do not reflect the normal course of operations.*

*** Items impacting comparability reconcile earnings from operations with consolidated net income as reported in accordance with GAAP. For the three and twelve months ended December 31, 2008, PG&E Corporation recognized $257 million of net income resulting from a settlement of tax audits for tax years 2001 through 2004. Of this amount, $154 million was related to PG&E Corporation's former subsidiary, National Energy & Gas Transmission, Inc., and was recorded as income from discontinued operations*

2009 EPS – Reg G Reconciliation

	2009
EPS on an Earnings from Operations Basis(1)	$3.21
Items Impacting Comparability(2)	
Tax Benefit(3)	0.18
Recovery of hydro divestiture costs(4)	0.07
Accelerated work on gas system(5)	(0.16)
Severance costs(6)	(0.10)
Tax settlement(7)	0.00
EPS on a GAAP Basis	$3.20

(1) Earnings per share from operations is a non-GAAP measure. This non-GAAP measure is used because it allows investors to compare the core underlying financial performance from one period to another, exclusive of items that do not reflect the normal course of operations.

(2) Items impacting comparability reconcile earnings from operations with consolidated net income as reported in accordance with GAAP.

(3) For the twelve months ended December 31, 2009, PG&E Corporation recognized $66 million, after-tax, for the interest and state tax benefit associated with a federal tax refund, for 1998 and 1999.

(4) For the twelve months ended December 31, 2009, PG&E Corporation recognized $28 million, after-tax, related to the CPUC's authorization to recover costs previously incurred in connection with the Utility's hydroelectric generation facilities.

(5) For the twelve months ended December 31, 2009, PG&E Corporation incurred $59 million, after-tax of costs to perform accelerated system-wide natural gas integrity surveys and associated remedial work.

(6) For the twelve months ended December 31, 2009, PG&E Corporation accrued $38 million, after-tax of severance costs related to the elimination of approximately 2% percent of the Utility's workforce.

(7) For the twelve months ended December 31, 2008, PG&E Corporation recognized $257 million of net income resulting from a settlement of tax audits for tax years 2001 through 2004. Of this amount, $154 million was related to PG&E Corporation's former subsidiary, National Energy & Gas Transmission, Inc., and was recorded as income from discontinued operations.

EPS Guidance – Reg G Reconciliation

2010	Guidance Range Low	Guidance Range High
EPS Guidance on an Earnings from Operations Basis[1]	$3.35	$3.50
Estimated Items Impacting Comparability[2]	(0.09)	($0.06)
Estimated EPS on a GAAP Basis	$3.26	$3.44

2011	Guidance Range Low	Guidance Range High
EPS Guidance on an Earnings from Operations Basis[1]	$3.65	$3.85
Estimated Items Impacting Comparability	0.00	0.00
Estimated EPS on a GAAP Basis	$3.65	$3.85

(1) ***Earnings per share from operations is a non-GAAP measure. This non-GAAP measure is used because it allows investors to compare the core underlying financial performance from one period to another, exclusive of items that do not reflect the normal course of operations.***

(2) ***Expenses related to the California Taxpayers' Right to Vote Act.***

Officer Biographies

PETER A. DARBEE
Chairman of the Board, Chief Executive Officer and President
PG&E Corporation

Peter A. Darbee is Chairman of the Board, Chief Executive Officer and President of PG&E Corporation. Since becoming CEO in 2005, Darbee has spearheaded major new initiatives to establish PG&E as an industry front-runner in customer satisfaction, operational excellence and environmental leadership.

With a record of success in both competitive and regulated businesses, Darbee joined PG&E Corporation in 1999 as Senior Vice President and Chief Financial Officer.

Before joining PG&E, Darbee was Vice President and Chief Financial Officer of Advanced Fibre Communications, Inc. Prior to that, he was CFO and Controller at Pacific Bell. Earlier, as an investment banker with Goldman Sachs, he was Vice President and co-head of the company's energy and telecommunications group. He also held positions at Salomon Brothers and AT&T.

Darbee earned his bachelor's degree in economics from Dartmouth College and an M.B.A. from the Amos Tuck School of Business at Dartmouth. He has also successfully completed the Nuclear Reactor Technology Program at the Massachusetts Institute of Technology.

Darbee has become one of the industry's most active leaders on the issues of climate change, energy efficiency, renewable energy, the "smart grid" and other aspects of energy and environmental policy.

Darbee also is active in numerous civic and community organizations at the national and state levels, including The Business Council, the California Business Roundtable, the California Commission for Jobs and Economic Growth, the San Francisco Committee on JOBS, and the San Francisco Symphony Board of Governors.

CHRISTOPHER P. JOHNS
President
Pacific Gas and Electric Company

Christopher P. Johns is President of Pacific Gas and Electric Company and a member of the Utility's Board of Directors.

Johns joined Pacific Gas and Electric Company in 1996 as Vice President and Controller. Johns was named Senior Vice President and Controller of PG&E Corporation in September 2001 and elected Chief Financial Officer in January 2005. He was named President of Pacific Gas and Electric Company in August 2009.

Before joining PG&E Corporation, Johns was a partner in KPMG Peat Marwick LLP.

Johns earned a bachelor's degree in accounting from the University of Notre Dame. He has also completed the Nuclear Reactor Technology Program at the Massachusetts Institute of Technology. Johns is a Certified Public Accountant in the states of California and Florida. He also serves as a member of the board for the California Chamber of Commerce, and he is a member of the Board of Trustees for the San Francisco Ballet.

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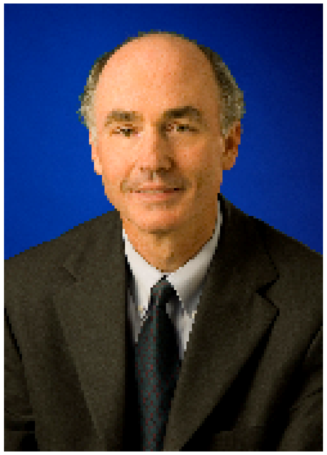
KENT M. HARVEY
Senior Vice President and Chief Financial Officer, PG&E Corporation
Senior Vice President, Financial Services, Pacific Gas and Electric Company

Kent M. Harvey is Senior Vice President and Chief Financial Officer for PG&E Corporation. Harvey oversees the financial activities of the $40 billion company, including accounting, treasury, tax, risk, business and financial planning, and investor relations.

Harvey began his career at PG&E in 1982. He has served the company in many different capacities, including as Director of Financial Analysis; Director of Investor Relations; Corporate Secretary; Vice President and Treasurer; and Senior Vice President, Chief Financial Officer and Treasurer of Pacific Gas and Electric Company. In 2005, Harvey became Senior Vice President and Chief Risk and Audit Officer for PG&E Corporation. He assumed his current position in August 2009.

Harvey holds a bachelor's degree in economics and a master's degree in engineering – economic systems, both from Stanford University. He serves as trustee of the American Conservatory Theater and director of the North Bay Leadership Council.

TOM BOTTORFF
Senior Vice President, Regulatory Relations
Pacific Gas and Electric Company



Tom Bottorff is Senior Vice President, Regulatory Relations, at Pacific Gas and Electric Company. Bottorff is responsible for developing, coordinating and managing policy with state and federal regulatory agencies, including the California Public Utilities Commission (CPUC), the California Energy Commission (CEC) and the Federal Energy Regulatory Commission (FERC). He also is responsible for developing and filing rate proposals with the CPUC, and for oversight of the company's gas and electric tariffs. Bottorff joined PG&E in 1982 and has served in a number of regulatory, rates and customer service areas prior to his current assignment.

Before joining the utility, Bottorff was a power supply analyst for the Nuclear Regulatory Commission in Washington, D.C. He has also developed and built over 25 new homes in Northern California. Bottorff received a Bachelor of Science degree in electrical engineering from the University of California, Berkeley, and a Master of Science degree in engineering economic systems from Stanford University. He holds both general building and engineering contractor licenses in the state of California.

Bottorff also serves on the board of directors of the Silicon Valley Leadership Group.

PG&E®

HELEN BURT
Senior Vice President and Chief Customer Officer
Pacific Gas and Electric Company

Helen Burt is Senior Vice President and Chief Customer Officer for Pacific Gas and Electric Company.

An acknowledged expert in the utility industry, Burt is responsible for leading marketing, product development, sales and services, as well as all meter-to-cash operations, call centers, and field gas and electric service at PG&E. She also leads a $2.0 billion SmartMeter™ deployment as well as an extensive energy efficiency, solar, and demand response portfolio. Prior to joining PG&E, Burt served as Vice President for TXU Energy.

As an accomplished and visionary business leader, Burt is a sought-after speaker on customer service, marketing and quality assurance programs, both nationally and internationally. She has been a selected lecturer at the International Energy Marketing Forum, at the State of Victoria Quality Council conferences in Melbourne, Australia, and at various venues within the United States.

Burt was recently named to the 100 Most Influential Women in the Bay Area by the San Francisco Business Times for the third year in a row. She is a member of the Board of Directors for The Commonwealth Club, the Retail Energy Services Executive Advisory Committee for the Edison Electric Institute, the Green California Advisory Board, the Board of Directors for the Electric Drive Transportation Association, the Board of Directors for the Global Energy Efficiency Forum and is a working member of the Executive Women in Energy Forum. Burt also works closely with the Alliance to Save Energy Board of Directors.

As a new resident of the Bay Area, Burt is just beginning to become a part of the region’s many philanthropic and community-related endeavors. Prior to coming to California, she spent several years working with a variety of Texas community organizations including United Way and Rotary Club. Burt also held board positions with the Girl Scouts and Boy Scouts of America and various Chambers of Commerce.

FONG WAN
Senior Vice President, Energy Procurement
Pacific Gas and Electric Company

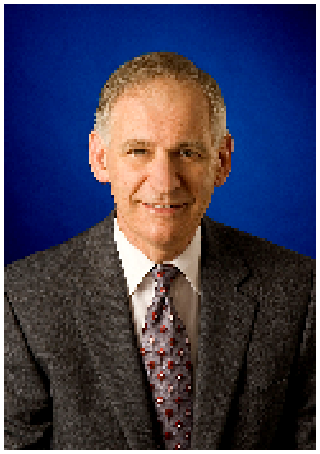
Fong Wan is Senior Vice President, Energy Procurement, for Pacific Gas and Electric Company, and is responsible for gas and electric supply planning and policies, wholesale market design, quantitative analysis, power plant development, commodity procurement and settlements.

Wan joined Pacific Gas and Electric Company in 1988 as a financial analyst and spent six years in the Financial Planning and Analysis organization. He served as director in the Gas Supply and Electric Transmission business units before moving in 1997 to PG&E Energy Trading, an unregulated subsidiary of PG&E Corporation, where he served as Vice President, Structured Transactions.

In 2000, Wan moved to PG&E Corporation and served for four years as Vice President, Risk Initiatives. He was named Vice President, Power Contracts and Electric Resource Development at Pacific Gas and Electric Company in 2004 and Vice President, Energy Procurement in January 2006. He was promoted to his current position in 2008.

Wan has a Bachelor of Science in chemical engineering from Columbia University and a Master of Business Administration from the University of Michigan.

GABRIEL B. TOGNERI
Vice President, Investor Relations
PG&E Corporation



Gabriel B. Togneri is Vice President, Investor Relations for PG&E Corporation. With more than 25 years of experience in energy and finance, Togneri is responsible for providing the investment community with information about the corporation and its operational and financial performance.

Togneri joined Pacific Gas and Electric Company, the corporation's utility unit, in 1977 and has held positions of increasing responsibility in sales forecasting, financial planning, cash management and financings. He was named assistant treasurer in 1994 and joined PG&E Corporation in 1997. He assumed his current position as vice president, Investor Relations in 2000.

Togneri received a bachelor's degree in mathematics from the University of California, Davis and holds master's degrees in statistics, operations research and business administration from the University of California, Berkeley. He is an elder in the Moraga Valley Presbyterian Church and a member of the board of directors of both the National Investor Relations Institute's San Francisco Chapter and the Lindsay Wildlife Museum.

Notes