



Pacific Gas and Electric Company Securitization

A. 20-04-023

TURN HEARING EXHIBIT

TURN-14

**EXCERPTS FROM PG&E BUSINESS OUTLOOK PRESENTATION
(FEBRUARY 2020)**



PG&E Business Outlook

February 2020



Forward-Looking Statements

This presentation contains statements regarding management's expectations and objectives for future periods as well as forecasts and estimates regarding PG&E Corporation's and Pacific Gas and Electric Company's (the "Utility") Chapter 11 emergence, improvements and investments, and growth outlook; their planned operational, safety and structural improvements, including but not limited to the expected participation in the AB 1054 Wildfire Fund and the Utility's 2020-2022 Wildfire Mitigation Plan; clean energy opportunities; and five-year financial outlook, including but not limited to ratebase growth through 2024, capital expenditure through 2024, 2020 and 2021-2024 earnings overview and assumptions, planned cost savings and rates and bills trajectory and potential capital raise. These statements and other statements that are not purely historical constitute forward-looking statements that are necessarily subject to various risks and uncertainties. Actual results may differ materially from those described in forward-looking statements. PG&E Corporation and the Utility are not able to predict all the factors that may affect future results. Factors that could cause actual results to differ materially include, but are not limited to:

- the risks and uncertainties associated with PG&E Corporation's and the Utility's Chapter 11 cases, including, but not limited to, their ability to develop, consummate, and implement a plan of reorganization, the ability to obtain applicable bankruptcy court, creditor or regulatory approvals, the effect of any alternative proposals, views or objections related to the plan of reorganization, potential complexities that may arise in connection with concurrent proceedings involving the bankruptcy court, the CPUC, and the FERC, increased costs related to the Chapter 11 cases, the ability to obtain sufficient financing sources for ongoing and future operations, the ability to satisfy the conditions precedent to financing under the debt and equity commitments to finance the proposed plan of reorganization and the risk that such agreements may be terminated, disruptions to PG&E Corporation's and the Utility's business and operations and the potential impact on regulatory compliance;
- whether PG&E Corporation and the Utility will be able to emerge from Chapter 11 by June 30, 2020 with a plan of reorganization that meets the requirements of AB 1054, and whether PG&E Corporation and the Utility will need to undertake significant changes in ownership, management

and governance in connection therewith;

- the impact of the 2018 Camp fire and 2017 Northern California wildfires, including whether the Utility will be able to timely recover costs incurred in connection therewith through rates; the timing and outcome of the remaining wildfire investigations and the extent to which the Utility will have liabilities associated with these fires; the timing and amount of insurance recoveries; and potential liabilities in connection with fines or penalties that could be imposed on the Utility if the CPUC or any other law enforcement agency were to bring an enforcement action, including a criminal proceeding, and determined that the Utility failed to comply with applicable laws and regulations (which actions could also adversely impact a timely emergence from Chapter 11);
- the risks and uncertainties associated with the 2019 Kincadee fire;
- whether the Utility can obtain wildfire insurance at a reasonable cost in the future, or at all, and whether insurance coverage is adequate for future losses or claims; and whether the Utility will be able to obtain full recovery of its significantly increased insurance premiums, and the timing of any such recovery;
- whether the ability of PG&E Corporation and the Utility to finance costs, expenses and other possible losses with respect to claims related to the 2018 Camp fire and the 2017 Northern California wildfires, through securitization mechanisms or otherwise, which potential financings are not addressed by AB 1054 as it only applies to wildfires occurring after July 12, 2019;
- the timing and outcome of future regulatory and legislative developments in connection with the potential financing of the Utility's wildfire-related liabilities, SB 901, future wildfire reforms, inverse condemnation reform, and other wildfire mitigation measures or other reforms targeted at the Utility;
- the occurrence, timing and extent of damages in connection with future wildfires, the associated financial impact on the Utility and the potential for AB 1054 to mitigate such impact (if at all);
- the outcome of the Utility's CWSP, including the Utility's ability to comply with the targets and metrics set forth in its 2020-2022 Wildfire Mitigation Plan; the cost of the program; and the timing and outcome of any proceeding to recover such cost through rates;

- the impact of the Utility's implementation of its PSPS program, including the timing and outcome of the PSPS OII and whether any fines or penalties will be imposed on the Utility as a result; and the costs in connection with PSPS events;
- the timing and outcomes of the 2020 GRC, FERC TO18, TO19, and TO20 rate cases, 2018 and 2019 CEMA applications, WEMA application, future applications for FHPMA, FRMMA, and WMPMA, future cost of capital proceedings, and other ratemaking and regulatory proceedings;
- the timing and outcomes of CPUC OIIs that remain open;
- the Utility's ability to efficiently manage capital expenditures and its operating and maintenance expenses within the authorized levels of spending and timely recover its costs through rates, and the extent to which the Utility incurs unrecoverable costs that are higher than the forecasts of such costs;
- the outcome of the probation and the monitorship, and the costs that the Utility may incur as a result, including the costs of complying with any additional conditions of probation, including expenses associated with any material expansion of the Utility's vegetation management program;
- the ability of PG&E Corporation and the Utility to continue as going concerns; and
- the other factors disclosed in PG&E Corporation and the Utility's joint annual report on Form 10-K for the year ended December 31, 2018, as updated in their subsequent joint quarterly reports on Form 10-Q and their joint annual report on Form 10-K for the year ended December 31, 2019, and other reports filed with the SEC, which are available on PG&E Corporation's website at www.pgecorp.com and on the SEC website at www.sec.gov.

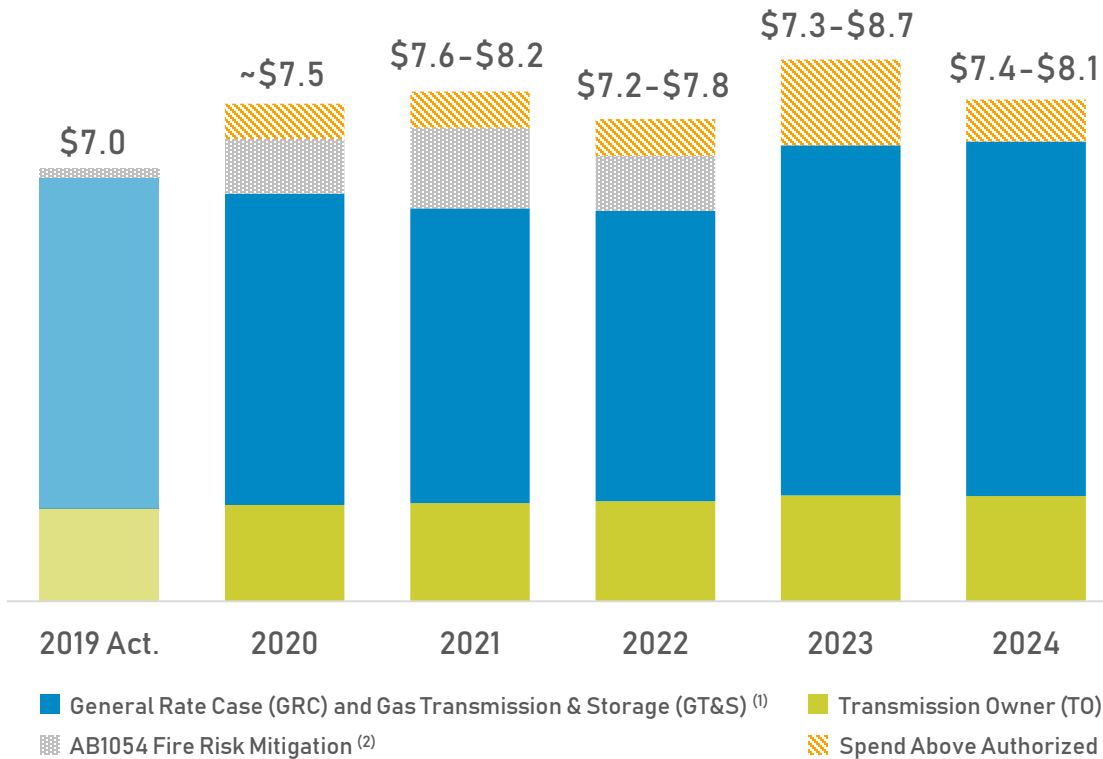
Unless otherwise indicated, the statements in this presentation are made as of February 18, 2020. PG&E Corporation and the Utility undertake no obligation to update information contained herein. This presentation was attached to PG&E Corporation and the Utility's joint current report on Form 8-K that was furnished to the SEC on February 18, 2020 and is also available on PG&E Corporation's website at www.pgecorp.com.



Substantial Capital Investments

Unprecedented level of system investments, accelerated wildfire risk reduction, and continued execution of gas safety commitments drive substantial capital investments.

2019-2024 CAPEX FORECAST (\$B)



Subject to Ongoing and Future Recovery Requests

Spend driven by:

- Wildfire Mitigation Plan Memorandum Account (WMPMA)
- Catastrophic Event Memorandum Account (CEMA)

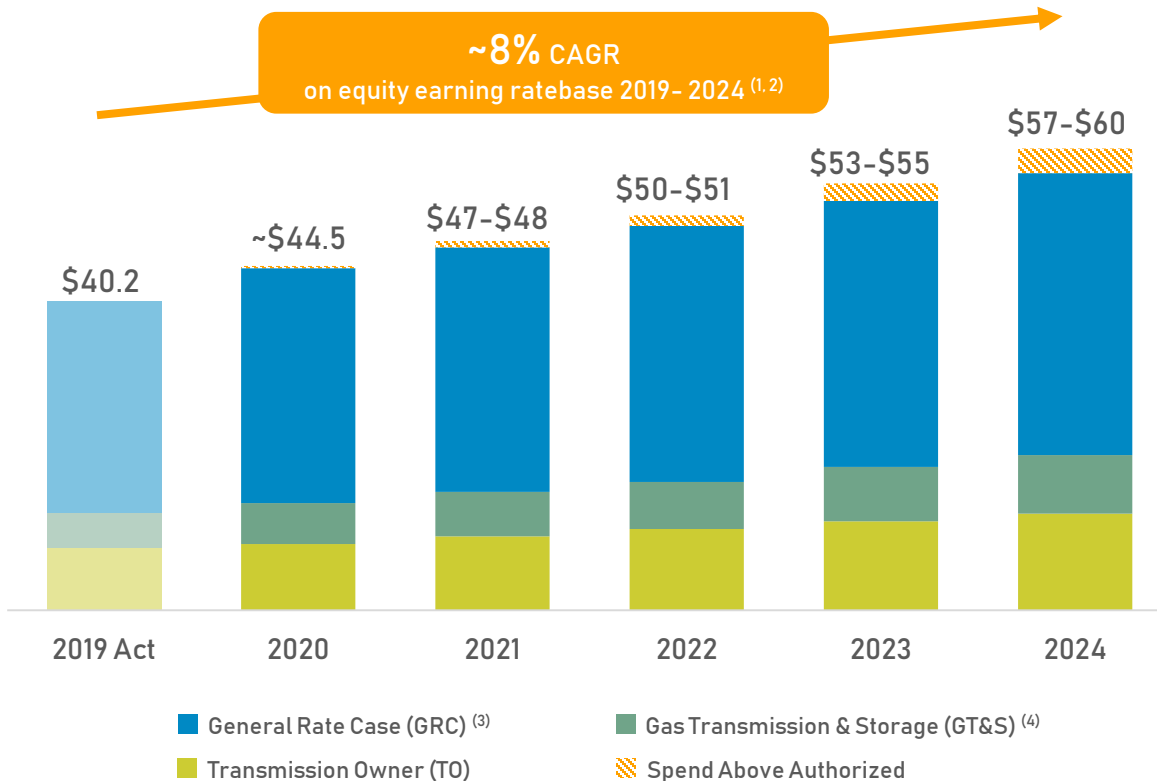
(1) The 2023 GRC will include gas transmission and storage.
 (2) Capex forecast includes ~\$3.2B of fire risk mitigation capital expenditures included in the Utility's approved wildfire mitigation plans on which PG&E Corporation and the Utility will not earn an equity return.
 (3) Low end of the range reflects authorized capital expenditures, including the full amount recoverable through a balancing account where applicable. High end of the range includes capital spend above authorized.



SUSTAINABLE FINANCIALS

Ratebase Growth Forecast

WEIGHTED AVERAGE RATEBASE FORECAST BY RATE CASE (\$B)



Potential Growth Opportunities

- Additional wildfire mitigation
- Transportation electrification (Phase II Light Duty)
- Additional distributed generation-enabled microgrids
- Grid modernization

(1) Ratebase reflects reductions for the following capital items: (a) \$240M disallowance by the CPUC in the 2019 GT&S rate case; (b) \$3.2B of fire risk mitigation excluded from earning a ROE, pursuant to AB 1054; and (c) \$403M the Utility agreed not to seek recovery of as part of the Wildfire OII settlement.
 (2) Ratebase growth including non-equity earnings ratebase is ~9%.
 (3) The 2023 GRC will include gas transmission and storage and will move to a four year case cycle.
 (4) Includes \$400M for 2011-2014 spend subject to audit added in 2020.