



Kerry C. Klein
Attorney

Mailing Address
P.O. Box 7442
San Francisco, CA 94120

Street/Courier Address
Law Department
77 Beale Street
San Francisco, CA 94105

(415) 973-3251
Fax: (415) 973-5520
Internet: KCK5@pge.com

September 26, 2012

VIA EMAIL: MAB@CPUC.CA.GOV

ALJ Maribeth A. Bushey
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Order Instituting Rulemaking on the Commission's Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanisms - R.11-02-019

Dear ALJ Bushey:

During the course of the Cost of Capital hearing (A. 12-04-018), PG&E discovered that four values for the "Authorized Return on Equity" column (for the years 1998, 1999, 2000, and 2006) in Exhibit 29 (entered into the record during the hearings for PG&E's Pipeline Safety Enhancement Plan) were erroneous. The corrections to Exhibit 29 from the PSEP hearing are summarized below.

Year	Authorized Return on Equity	
	Original Exhibit 29	Corrected Exhibit 29
2006	11.22%	11.35%
2000	10.60%	11.22%
1999	11.20%	10.60%
1998	11.60%	11.20%

Attached please find a corrected Exhibit 29, with the corrected Authorized Return on Equity for those years.

Very truly yours,

/s/ Kerry C. Klein

Kerry C. Klein

KCK:dl

Enclosures

ALJ Maribeth A. Bushey
September 26, 2012
Page 2

cc: Via Email
Commissioner Michel Peter Florio (mfl@cpuc.ca.gov)
Official Service list for R.11-02-019

Year	Authorized Return on Equity	Actual Return on Equity			Amount of Disallowances if any		ROE Penalty if Any	S&P Credit Rating	Adopted Cost of Debt
		\$ Millions	earnings per share	%	\$	\$ per share			
2012	11.35%						BBB	6.05%	
2011	11.35%						BBB,BBB+	6.05%	
2010	11.35%	\$ 1,107		11.19%			BBB+	6.05%	
2009	11.35%	\$ 1,236		11.18%			BBB+	6.05%	
2008	11.35%	\$ 1,185		12.16%			BBB+	6.05%	
2007	11.35%	\$ 1,010		12.37%			BBB,BBB+	6.05%	
2006	11.35%	\$ 971		11.80%			BBB	6.02%	
2005	11.22%	\$ 918		11.57%			BBB-,BBB	6.10%	
2004	11.22%	\$ 3,961		10.60%			D,BBB-	6.20%	
2003	11.22%	\$ 901		7.34%			D	7.57%	
2002	11.22%	\$ 1,794		7.65%			D	7.26%	
2001	11.22%	\$ 990		19.28%			A+,BBB-,CC,D	7.26%	
2000	11.22%	\$ (3,508)		-65.85%			A+	7.26%	
1999	10.60%	\$ 763		7.49%			A+	7.09%	
1998	11.20%	\$ 702		6.07%			A+	7.36%	
1997	11.60%	\$ 735					A, A+	7.52%	
1996	11.60%	\$ 722					A	7.52%	
1995	12.10%	\$ 1,269					A	7.62%	
1994	11.00%	\$ 950					A	7.53%	
1993	11.90%	\$ 1,002					A	8.61%	
1992	12.65%	\$ 1,092					A	9.15%	
1991	12.90%	\$ 937					A	9.35%	
1990	12.90%	\$ 889					A	9.32%	

^(a) Recorded ROEs for years 1998 through 2001 exclude incentive income for Diablo. Authorized ROE for years 1997 through 2001 has not been adjusted to reflect the reduction in authorized ROE for electric generation rate base.