

From: ronknecht@aol.com
Sent: 10/5/2012 12:31:12 AM
To: Patterson, Dick (/O=PG&E/OU=Corporate/cn=Recipients/cn=RAP5); marcel@turn.org (marcel@turn.org); Hughes, John (Reg Rel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=J8HS); ek@a-klaw.com (ek@a-klaw.com); CManzuk@SempraUtilities.com (CManzuk@SempraUtilities.com); KHassan@SempraUtilities.com (KHassan@SempraUtilities.com); jonathan.bromson@cpuc.ca.gov (jonathan.bromson@cpuc.ca.gov); paul.hunt@sce.com (paul.hunt@sce.com); jerry.oh@cpuc.ca.gov (jerry.oh@cpuc.ca.gov); norman.furuta@navy.mil (norman.furuta@navy.mil); janreid@coastecon.com (janreid@coastecon.com); learl@SempraUtilities.com (learl@SempraUtilities.com); Rita.Liotta@navy.mil (Rita.Liotta@navy.mil); john.cummins@navy.mil (john.cummins@navy.mil); Gleason, Patrick (/O=PG&E/OU=Corporate/cn=Recipients/cn=PJGL); mihee.moon@sce.com (mihee.moon@sce.com); mgorman@consultbai.com (mgorman@consultbai.com)
Cc: Woo, Shirley A (Law) (/O=PG&E/OU=Corporate/cn=Recipients/cn=SAW0)
Bcc:
Subject: RE: COC: Exhibit 35a

Dick,

Thanks for the note and proposals. I think Roger Morin reported some multi-stage results.

In any event, it would be ok with us for you to list our DCF 1st-stage G values in the table with a very prominent footnote (sidenote, whatever) indicating that we use only three-stage models and the third stage G rate is 4.04%, the per-capita LR expected growth rate of the economy (to account for expected growth in shares outstanding). You would also want to note that the 2nd stage G values are interpolated between the 1st- and 3rd-stage values. We do not want to cause a problem, but it is important not to distort the inputs/outputs in the report.

Also, I think it would be a good idea to use another page for the ECAPM results, but they could also be presented with the CAPMs if it can all be fitted to one table.

Thx, and let me know if you need any other info. Thx,

RK

-----Original Message-----

From: Patterson, Dick <RAP5@pge.com>
To: 'ronknecht@aol.com' <ronknecht@aol.com>; Marcel <Marcel@turn.org>; jerry.oh <jerry.oh@cpuc.ca.gov>; jonathan.bromson <jonathan.bromson@cpuc.ca.gov>; Paul.Hunt <Paul.Hunt@sce.com>; CManzuk <CManzuk@semprautilities.com>; ek <ek@a-klaw.com>; Hughes, John (Reg Rel) (Reg Rel) <J8HS@pge.com>; KHassan <KHassan@semprautilities.com>; LEarl <LEarl@semprautilities.com>; Mihee.Moon <Mihee.Moon@sce.com>; Gleason, Patrick <PJGL@pge.com>; mgorman <mgorman@consultbai.com>; norman.furuta <norman.furuta@navy.mil>; john.cummins <john.cummins@navy.mil>; Rita.Liotta <Rita.Liotta@navy.mil>; janreid <janreid@coastecon.com>
Cc: Woo, Shirley A (Law) (Law) <SAW0@pge.com>

Sent: Thu, Oct 4, 2012 10:16 pm
Subject: RE: COC: Exhibit 35a

Ron,

I think you're the only party using a multi-stage DCF, so I don't think it makes sense to have a separate table for just one party since the idea from the commissioner is to compare the inputs of the parties for each model. Could we do this: Include your initial stage G with the DCF models of the other parties, and then footnote the final-stage G? Alternatively, we could just take the numbers in your word doc below and just add them as you show them as a footnote on the DCF page. Do either of these work for you? Let's try and resolve tomorrow. Also not sure how to handle ECAPM, since 3 parties use that. Maybe we should add a fourth model page. Any thoughts?

From: ronknecht@aol.com [mailto:ronknecht@aol.com]

Sent: Thursday, October 04, 2012 6:02 PM

To: Patterson, Dick; Marcel@turn.org; jerry.oh@cpuc.ca.gov; jonathan.bromson@cpuc.ca.gov; Paul.Hunt@sce.com; CManzuk@semprautilities.com; ek@a-klaw.com; Hughes, John (Reg Rel); KHassan@semprautilities.com; LEarl@semprautilities.com; Mihee.Moon@sce.com; Gleason, Patrick; mgorman@consultbai.com; norman.furuta@navy.mil; john.cummins@navy.mil; Rita.Liotta@navy.mil; janreid@coastecon.com

Cc: Woo, Shirley A (Law)

Subject: Re: COC: Exhibit 35a

We have reviewed PG&E's draft and have some corrections that require only slight additional data display. Details in the attached Word doc.

Ron Knecht

-----Original Message-----

From: Patterson, Dick >

To: Marcel Hawiger <Marcel@turn.org>; Oh, Jerry <jerry.oh@cpuc.ca.gov>; Bromson, Jonathan <jonathan.bromson@cpuc.ca.gov>; 'Paul.Hunt@sce.com' <Paul.Hunt@sce.com>; CManzuk <CManzuk@semprautilities.com>; ek <ek@a-klaw.com>; Hughes, John (Reg Rel) (Reg Rel) <J8HS@pge.com>; 'Hassan, Kim' <KHassan@semprautilities.com>; Earl, Laura M <LEarl@semprautilities.com>; Mihee.Moon <Mihee.Moon@sce.com>; Gleason, Patrick <PJGL@pge.com>; Knecht, Ron <ronknecht@aol.com>; 'mgorman@consultbai.com' <mgorman@consultbai.com>; Furuta, Norman J CIV NAVFAC SW (norman.furuta@navy.mil) (norman.furuta@navy.mil) <norman.furuta@navy.mil>; Cummins, John M CIV NAVFAC SW <john.cummins@navy.mil> (john.cummins@navy.mil) (john.cummins@navy.mil) <john.cummins@navy.mil>; Liotta, Rita M CIV WEST Counsel (Rita.Liotta@navy.mil) (Rita.Liotta@navy.mil) <Rita.Liotta@navy.mil>; Jan Reid <janreid@coastecon.com>

Cc: Woo, Shirley A (Law) (Law) <SAW0@pge.com>

Sent: Thu, Oct 4, 2012 1:29 pm

Subject: COC: Exhibit 35a

Attached is a draft exhibit 35a, with text explaining the exhibit and providing a number of qualifications, and the spreadsheet behind the exhibit. We have attempted to pull the right data for the non-utility parties in order to get a start on this, but the intention now is to have each party review the form of this exhibit, and put in/review their numbers (we have DRA's in, but not the other utilities). We intend to send a draft to Ferron's adviser Colvin tomorrow just to check in with him and make sure the form is what he's expecting, so it doesn't have to be perfected by tomorrow. Please send any comments, filled-in spreadsheets back to us, and

we'll consolidate into one workbook. And please send to anyone I missed.

Email or call with any questions

Thanks

Dick
(415) 973-1428

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