

Investigation: A. 12-04-015, A. 12-04-016, A. 12-04-017, A. 12-04-018 _____

Exhibit No.: _____ 35A _____

Date: _____ October 9, 2012 _____

**COMPARISON OF MODELING INFORMATION FOR PARTIES
SPONSORING ROE RECOMMENDATIONS**

COST OF CAPITAL 2013

Exhibit 35a contains four tables and associated graphs.

The Table 1 shows the ROE recommendations of each party.

Tables 2 -4 show each of the nine parties' inputs to the three major models used in this proceeding – the DCF model (also called the Gordon model, the perpetual DCF model, or single-stage DCF model), the capital asset pricing model (CAPM), and the historical risk premium model (HRP). Not included are the inputs to other models used by the parties, such as the expected earnings model (PG&E), the Fama-French model (Reid), multi-stage DCF models etc. As a result, these tables may not show the full range of a party's modeling efforts, nor indicate which model(s) a party most relied on for their ROE recommendation. Generally, the model input values cannot be used alone to obtain a particular parties' ROE recommendation, nor necessarily the ROE output of a party's particular model. Adjustments are often made to model inputs, and those adjustments may not be reflected in the model inputs shown here. Adjustments to model outputs are also not shown in this exhibit. In some cases, a party has indicated in a footnote any adjustments they have used in the models included in this exhibit.

Table 1: ROE Recommendations

| | Utility Proposed | DRA | TURN | FEA | EPUC | Reid |
|----------|------------------|-------|-------|-------|-------|-------|
| PG&E | 11.00% | 8.75% | 9.40% | 9.00% | 9.20% | 9.00% |
| SCE | 11.10% | 8.75% | 9.40% | 9.00% | 9.10% | |
| SDG&E | 11.00% | 8.50% | 9.40% | 8.75% | | |
| SoCalGas | 10.90% | 8.50% | 9.25% | 8.75% | | |

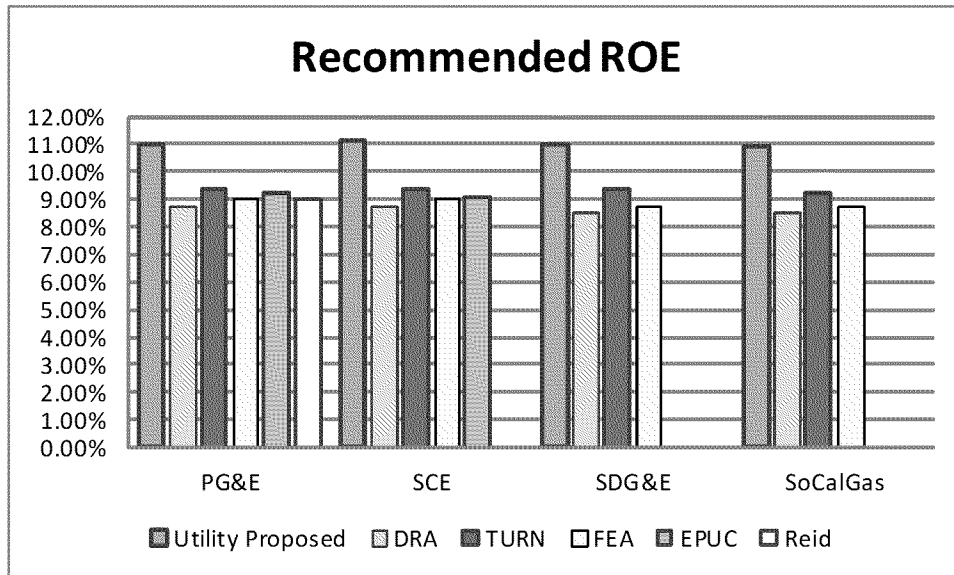
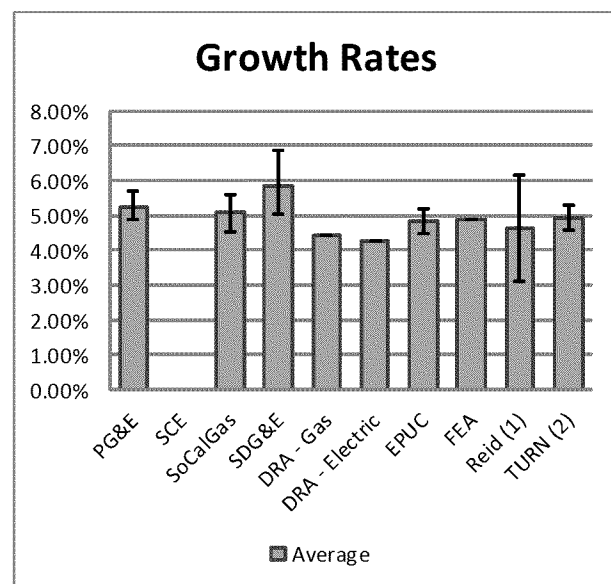
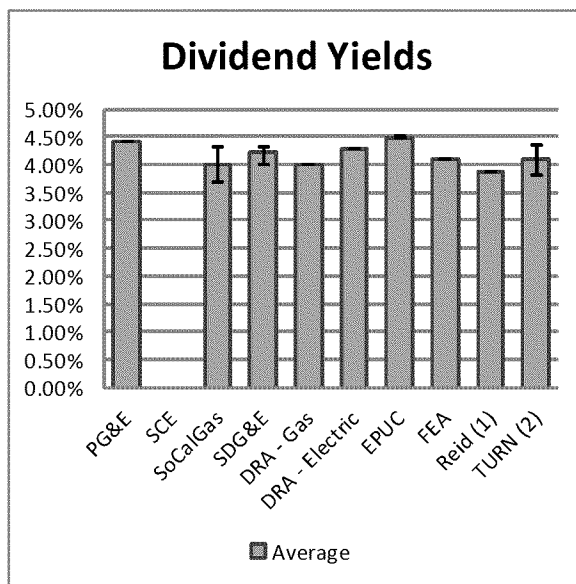


Table 2: Discounted Cash Flow (DCF) Model Inputs

| Discounted Cash Flow Model | | | | | | |
|----------------------------|----------------|---------|---------|-------------|---------|---------|
| Party | Dividend Yield | | | Growth Rate | | |
| | Lowest | Average | Highest | Lowest | Average | Highest |
| PG&E | 4.40% | 4.40% | 4.40% | 4.90% | 5.23% | 5.70% |
| SCE | 0.00% | #DIV/0! | 0.00% | 0.00% | #DIV/0! | 0.00% |
| SoCalGas | 3.69% | 4.01% | 4.32% | 4.55% | 5.10% | 5.59% |
| SDG&E | 4.00% | 4.21% | 4.32% | 5.03% | 5.85% | 6.88% |
| DRA - Gas | 4.00% | 4.00% | 4.00% | 4.40% | 4.40% | 4.40% |
| DRA - Electric | 4.30% | 4.30% | 4.30% | 4.25% | 4.25% | 4.25% |
| EPUC | 4.47% | 4.49% | 4.51% | 4.45% | 4.82% | 5.19% |
| FEA | 4.09% | 4.09% | 4.09% | 4.89% | 4.89% | 4.89% |
| Reid (1) | 3.88% | 3.88% | 3.88% | 3.09% | 4.62% | 6.15% |
| TURN (2) | 3.80% | 4.09% | 4.34% | 4.60% | 4.93% | 5.30% |



(1) Reid utilizes only three-stage DCF models, for ease of display only the first-stage growth rates (6.15% for ValueLine Earnings DCF and 3.09% for Sustainable Growth DCF) are shown in the table. The third-stage growth rates (4.04% for ValueLine Earnings DCF and 3.09% for Sustainable Growth DCF) are not shown, nor are the second-stage growth rates which are interpolated between the first- and third-stage rates.

(2) TURN utilizes both single-stage models as well as multi-stage models. For the ease of display, only the single stage models are shown.

Table 3: Capital Asset Pricing Model (CAPM) Inputs

Capital Asset Pricing Model (CAPM) Inputs for the Utilities' and Interveners' models.
Source: Testimony

| Party | CAPM Model | | | | | | | ECAPM Adjustment | | |
|----------------|------------|--------|---------|---------|---------------------|---------|---------|-------------------|---------|---------|
| | Risk Free | Beta | | | Market Risk Premium | | | $\alpha(1-\beta)$ | | |
| | Average | Lowest | Average | Highest | Lowest | Average | Highest | Lowest | Average | Highest |
| PG&E | 3.80% | 0.73 | 0.73 | 0.73 | 9.70% | 9.70% | 9.70% | 0.00% | 0.00% | 0.00% |
| SCE | 3.75% | 0.80 | 0.83 | 0.86 | 8.28% | 8.28% | 8.28% | 0.07% | 0.17% | 0.30% |
| SoCalGas | 4.20% | 0.72 | 0.72 | 0.72 | 7.90% | 7.90% | 7.90% | 0.00% | 0.00% | 0.00% |
| SDG&E | 4.20% | 0.74 | 0.74 | 0.74 | 7.90% | 7.90% | 7.90% | 0.00% | 0.00% | 0.00% |
| DRA - Gas | 4.00% | 0.68 | 0.68 | 0.68 | 5.01% | 5.01% | 5.01% | 0.00% | 0.00% | 0.00% |
| DRA - Electric | 4.00% | 0.73 | 0.73 | 0.73 | 5.01% | 5.01% | 5.01% | 0.00% | 0.00% | 0.00% |
| EPUC | 3.60% | 0.73 | 0.73 | 0.73 | 5.70% | 6.60% | 7.50% | 0.00% | 0.00% | 0.00% |
| FEA | 3.75% | 0.68 | 0.68 | 0.68 | 6.00% | 6.00% | 6.00% | 0.00% | 0.00% | 0.00% |
| Reid | 2.48% | 0.73 | 0.73 | 0.73 | 5.45% | 5.93% | 6.41% | 0.00% | 0.00% | 0.00% |
| TURN | 3.90% | 0.73 | 0.73 | 0.73 | 6.80% | 6.80% | 6.80% | 0.00% | 0.00% | 0.00% |

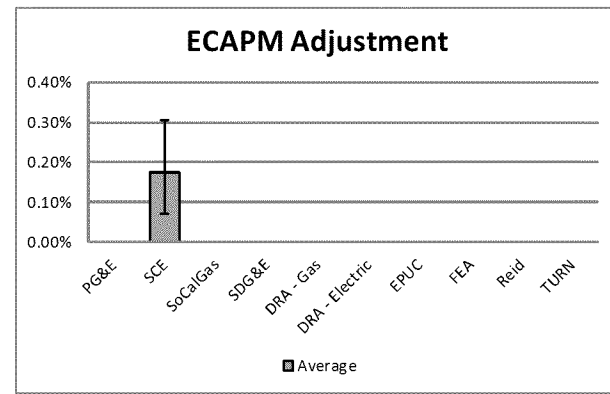
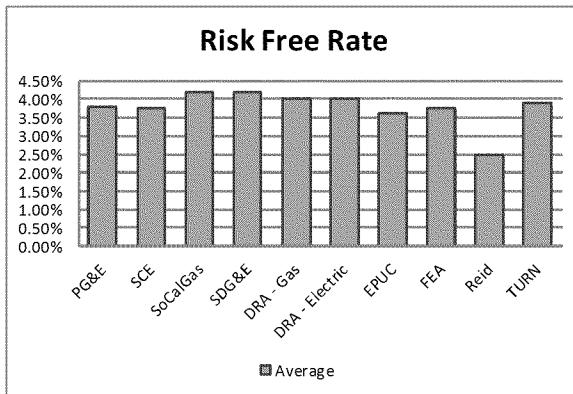
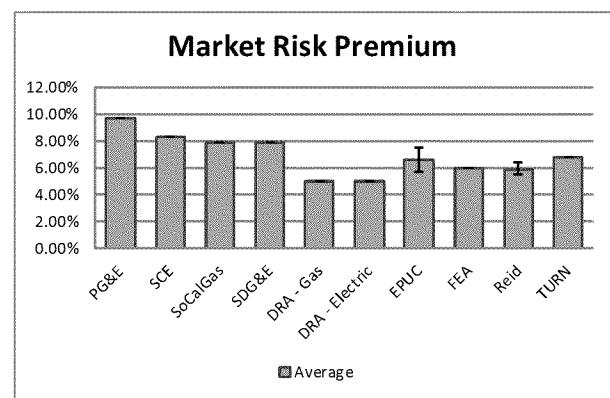
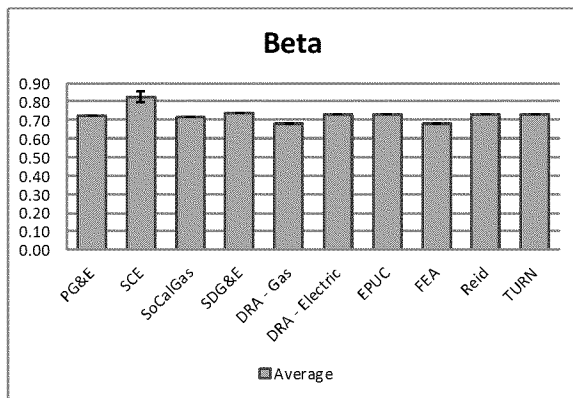
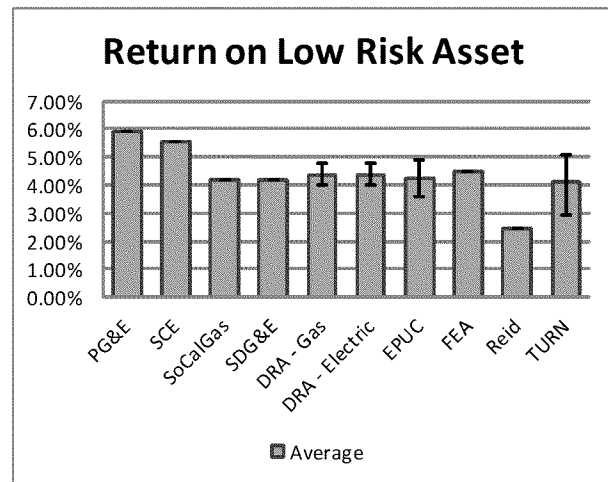
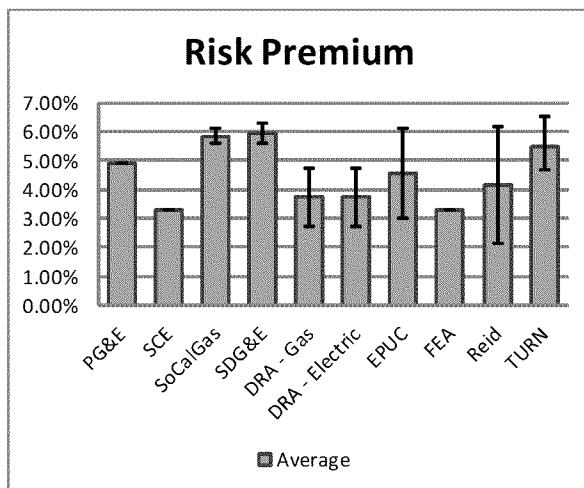


Table 4: Historical Risk Premium (HRP) Model Inputs

| Historical Risk Premium | | | | | | |
|-------------------------|--------------|---------|---------|------------------------------|---------|---------|
| Party | Risk Premium | | | Return on Low Risk Asset (1) | | |
| | Lowest | Average | Highest | Lowest | Average | Highest |
| PG&E | 4.89% | 4.89% | 4.89% | 5.88% | 5.88% | 5.88% |
| SCE | 3.31% | 3.31% | 3.31% | 5.52% | 5.52% | 5.52% |
| SoCalGas | 5.60% | 5.81% | 6.14% | 4.20% | 4.20% | 4.20% |
| SDG&E | 5.60% | 5.95% | 6.30% | 4.20% | 4.20% | 4.20% |
| DRA - Gas | 2.74% | 3.74% | 4.73% | 4.00% | 4.38% | 4.75% |
| DRA - Electric | 2.74% | 3.74% | 4.73% | 4.00% | 4.38% | 4.75% |
| EPUC | 3.03% | 4.55% | 6.13% | 3.60% | 4.26% | 4.91% |
| FEA | 3.31% | 3.31% | 3.31% | 4.50% | 4.50% | 4.50% |
| Reid | 2.15% | 4.17% | 6.19% | 2.48% | 2.48% | 2.48% |
| TURN | 4.65% | 5.46% | 6.53% | 2.94% | 4.11% | 5.09% |



(1) The Return on Low Risk Asset means different things to each party. In some instances it is the return on a various treasuries, in other cases it is the return on various corporate and utility bonds.