

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.

I.12-01-007
(Filed January 12, 2012)

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.

I.11-02-016

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with Higher Population Density.

I.11-11-009
(Filed November 10, 2011)

NOT CONSOLIDATED

**CONFIDENTIAL VERSION OF P. 46 OF THE
REPLY BRIEF OF THE UTILITY REFORM NETWORK CONCERNING FINES
AND PENALTIES AND OTHER REMEDIES**

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DESIGNATED AS CONFIDENTIAL DURING THE EVIDENTIARY HEARINGS HELD
IN THESE PROCEEDINGS.)**



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But PG&E admits that it “is projecting that 2013 will be a comparatively low earnings year, [Redacted]”¹ Indeed, PG&E’s attempt to discredit Overland by [Redacted] fails precisely because the [Redacted] [Redacted] PG&E’s confidential “2012-2016 Financial Outlook” shows that PG&E forecasts [Redacted] [Redacted] for both the “base case” and the “pessimistic case” scenarios.² During cross-examination, Mr. Lubow explained that the 2013 number [Redacted] [Redacted] [Redacted]”³ Using the low 2013 EPS number does not reflect the long-term financial health of the company. Moreover, given the timing of this proceeding, it is more likely that any equity issuances to account for potential disallowances or penalties will occur in Q4 2013 or, more likely, in 2014. The EPS forecasts [Redacted] are similar to the numbers used by Overland in its financial analysis.

¹ PG&E CRB, p. 77.

² Ex. Joint-65 at 3. PG&E already disclosed this information in its opening brief, so has presumably waived confidentiality at least with respect to the general trend of its EPS forecast.

³ 14 Confidential Jt. RT 1422:12-25, Lubow/CPSD.