PG&E CORP. NYSE-PCG

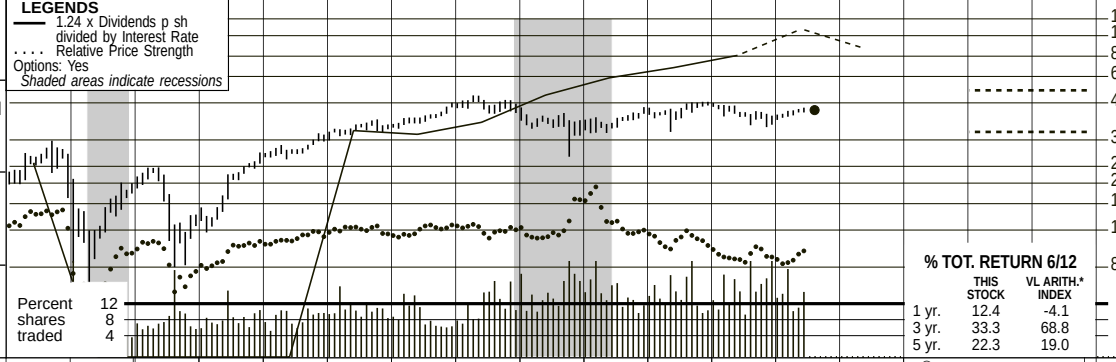
RECENT PRICE	44.44	P/E RATIO	19.3 (Trailing: 15.1 / Median: 15.0)	RELATIVE P/E RATIO	1.36	DIV'D YLD	4.1%	VALUE LINE

TIMELINESS 3 Lowered 11/11/11
SAFETY 3 Lowered 2/3/12
TECHNICAL 3 Raised 8/3/12
BETA .55 (1.00 = Market)

High:	20.9	23.8	28.0	34.5	40.1	48.2	52.2	45.7	45.8	48.6	48.0	45.8
Low:	6.5	8.0	11.7	25.9	31.8	36.3	42.6	26.7	34.5	34.9	36.8	39.8

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 1.24 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+25%)	9%
Low	35	(-20%)	-1%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	0	0	0	0	1	0	0
Options	0	0	1	0	0	0	2	0	1
to Sell	0	0	2	0	0	0	7	0	1

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	183	207	194
to Sell	198	186	210
Hld's(000)	285620	293053	322524

% TOT. RETURN 6/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	12.4	-4.1
3 yr.	33.3	68.8
5 yr.	22.3	19.0

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
23.82	36.87	52.12	57.74	67.75	63.18	32.74	25.05	26.47	31.78	36.02	37.42	40.51	36.15	35.02	36.28	**35.25**	**36.30**	Revenues per sh	**42.75**
5.24	5.98	6.08	7.15	.80	5.66	1.14	4.80	5.71	7.12	7.76	8.02	8.44	8.37	8.22	8.08	**7.90**	**8.55**	"Cash Flow" per sh	**10.00**
2.16	1.57	1.88	2.24	d9.21	3.02	d2.36	2.05	2.12	2.35	2.76	2.78	3.22	3.03	2.82	2.78	**2.30**	**2.75**	Earnings per sh A	**3.75**
1.77	1.20	1.20	1.20	1.20	- -	- -	- -	- -	1.23	1.32	1.44	1.56	1.68	1.82	1.82	**1.82**	**1.82**	Div'd Decl'd per sh B ■ †	**2.00**
3.05	4.36	4.23	4.39	4.54	7.33	7.94	4.08	3.72	4.90	6.90	7.83	10.05	10.68	9.62	9.79	**11.20**	**11.05**	Cap'l Spending per sh	**12.50**
20.73	21.30	21.08	19.10	8.19	11.89	9.47	10.12	20.62	19.60	22.44	24.18	25.97	27.88	28.55	29.35	**30.25**	**31.45**	Book Value per sh C	**36.25**
403.50	417.67	382.60	360.59	387.19	363.38	381.67	416.52	418.62	368.27	348.14	353.72	361.06	370.60	395.23	412.26	**428.50**	**435.00**	Common Shs Outst'g D	**435.00**
10.9	15.5	16.8	13.1	- -	4.8	- -	9.5	13.8	15.4	14.8	16.8	12.1	13.0	15.8	15.5	*Bold figures are*		Avg Ann'l P/E Ratio	**12.0**
.68	.89	.87	.75	- -	.25	- -	.54	.73	.82	.80	.89	.73	.87	1.01	.98	*Value Line*		Relative P/E Ratio	**.80**
7.5%	4.9%	3.8%	4.1%	4.8%	- -	- -	- -	- -	3.4%	3.2%	3.1%	4.0%	4.3%	4.1%	4.2%	*estimates*		Avg Ann'l Div'd Yield	**4.5%**

CAPITAL STRUCTURE as of 3/31/12
Total Debt $13539 mill. **Due in 5 yrs** $4445 mill.
LT Debt $11767 mill. **LT Interest** $615.0 mill.
Incl. $212 mill. capitalized leases.
(LT interest earned: 3.6x)
Pension Assets-12/11 $11.0 bill. **Oblig.** $14.0 bill.
Pfd Stock $252.0 mill. **Pfd Div'd** $14.0 mill.
4,534,958 shs. 4.36% to 5%, cumulative and $25 par, redeemable from $25.75 to $27.25; 5,784,825 shs. 5.00% to 6.00%, cumulative nonredeemable and $25 par.
Common Stock 422,320,110 shs.
as of 4/24/12
MARKET CAP: $19 billion (Large Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
12495	10435	11080	11703	12539	13237	14628	13399	13841	14956	**15100**	**15800**	Revenues ($mill)	**18650**
d874.0	791.0	901.0	904.0	1005.0	1020.0	1198.0	1168.0	1113.0	1132.0	**985**	**1210**	Net Profit ($mill)	**1685**
- -	36.7%	35.0%	37.6%	35.5%	34.6%	26.2%	31.1%	33.0%	30.3%	**32.0%**	**32.0%**	Income Tax Rate	**32.0%**
- -	3.7%	3.6%	5.6%	6.7%	9.4%	9.5%	11.9%	14.4%	11.2%	**13.0%**	**11.0%**	AFUDC % to Net Profit	**9.0%**
51.5%	42.4%	45.1%	48.3%	51.7%	52.6%	52.2%	51.4%	49.6%	48.8%	**48.5%**	**46.5%**	Long-Term Debt Ratio	**48.5%**
42.8%	53.9%	53.2%	50.0%	46.8%	46.1%	46.5%	47.4%	49.3%	50.2%	**50.5%**	**52.5%**	Common Equity Ratio	**51.0%**
8438.0	7815.0	16242	14446	16696	18558	20163	21793	22863	24119	**25575**	**25950**	Total Capital ($mill)	**31000**
16928	18107	18989	19955	21785	23656	26261	28892	31449	33655	**36025**	**38325**	Net Plant ($mill)	**45800**
NMF	16.3%	7.6%	8.1%	7.6%	7.4%	7.8%	6.7%	6.2%	5.9%	**5.0%**	**6.0%**	Return on Total Cap'l	**6.5%**
NMF	17.6%	10.1%	12.1%	12.5%	11.6%	12.4%	11.0%	9.6%	9.2%	**7.5%**	**8.5%**	Return on Shr. Equity	**10.5%**
NMF	18.5%	10.3%	12.3%	12.7%	11.8%	12.6%	11.2%	9.7%	9.2%	**7.5%**	**9.0%**	Return on Com Equity E	**10.5%**
NMF	18.5%	10.3%	7.7%	6.8%	6.0%	6.8%	5.5%	3.9%	3.4%	**1.5%**	**3.0%**	Retained to Com Eq	**5.0%**
- -	2%	1%	39%	47%	50%	47%	52%	61%	63%	**79%**	**66%**	All Div'ds to Net Prof	**53%**

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-2.8	-2.0	-.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.2	+.5	+.4
Fixed Charge Cov. (%)	296	303	295

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	-5.5%	2.5%	*3.0%*
"Cash Flow"	6.0%	3.5%	*3.5%*
Earnings	- -	3.5%	*4.5%*
Dividends	8.5%	16.0%	*2.0%*
Book Value	8.0%	6.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3431	3194	3235	3539	13399
2010	3475	3232	3513	3621	13841
2011	3597	3684	3860	3815	14956
2012	3641	**3700**	**3900**	**3859**	**15100**
2013	**3950**	**3800**	**4000**	**4050**	**15800**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.65	.87	.80	.71	3.03
2010	.67	.86	.66	.63	2.82
2011	.50	.91	.68	.69	2.78
2012	.66	**.54**	**.55**	**.55**	**2.30**
2013	**.60**	**.70**	**.75**	**.70**	**2.75**

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.36	.39	.39	.39	1.53
2009	.39	.42	.42	.42	1.65
2010	.42	.455	.455	.455	1.79
2011	.455	.455	.455	.455	1.82
2012	.455	.455	.455		

BUSINESS: PG&E Corporation is a holding company for Pacific Gas and Electric Company and nonutility subsidiaries. Supplies electricity and gas to most of northern and central California. Has 5.1 million electric and 4.3 million gas customers. Electric revenue breakdown: residential, 40%; commercial, 38%; industrial, 12%; agricultural, 7%; other, 3%. Generating sources: nuclear, 24%; hydro, 15%; gas, 7%; purchased, 54%. Fuel costs: 36% of revenues. '11 reported depreciation rate (utility): 3.7%. Has 19,400 employees. Chairman, President & Chief Executive Officer: Anthony F. Earley, Jr. Incorporated: California. Address: One Market, Spear Tower, Suite 2400, San Francisco, California 94105. Telephone: 415-267-7000. Internet: www.pgecorp.com.

The aftermath of the pipeline explosion in San Bruno, California in September of 2010 remains a major investment consideration for PG&E. The explosion caused fatalities, injuries, and significant property damage. Since then, PG&E has incurred millions of dollars of costs and third-party claims associated with the accident, and these are continuing in 2012. (Some of the third-party claims are covered by insurance.) The company estimates that its pipeline-related expenses will amount to $450 million-$550 million this year, and that third-party liability claims will amount to as much as $225 million. Separately, PG&E made a $70 million contribution to San Bruno in the March quarter. (All figures are pretax.) We are *including* these expenses (and any insurance recoveries) in our presentation, which is one reason why we expect an earnings decline this year. Another is that average shares outstanding will be higher, as the company expects to issue $700 million of common equity in 2012. PG&E is still facing a substantial fine from the state commission, which we will *exclude* from our presentation.

We estimate that earnings will rebound in 2013. PG&E hasn't stated its expectation for pipeline-related expenses, but we believe they will not be as high as in 2012. One disadvantage, however, is that the utility's allowed return on equity is likely to be lower than it is this year.

A cost-of-capital filing is pending. PG&E proposed an allowed ROE of 11% (compared with 11.35% now) and a common-equity ratio of 52%. This would reduce annual rates by about $100 million. An order is expected by yearend, and will take effect at the start of 2013.

The utility has made its preliminary filing for its general rate case. (This proceeding is separate from the cost-of-capital case.) It plans to ask for rate increases of $1.25 billion in 2014, and $500 million in each of the following two years. A ruling is expected in 2013, with new tariffs taking effect at the start of 2014.

We don't recommend this stock. Despite the ongoing uncertainties surrounding the San Bruno explosion, the stock's yield is only average for a utility, and 3- to 5-year total return potential is low.

Paul E. Debbas, CFA *August 3, 2012*

(A) Diluted EPS. Excl. nonrec. gains (losses): '96, (41¢); '97, 18¢; '99, ($2.44); '04, $6.95; '09, 18¢; '11, (68¢); '12, (10¢); gain from disc. ops.: '08, 41¢. Incl. nonrec. loss: '00, $11.83. Next earnings report due early Aug. (B) Div'ds historically paid in mid-Jan., Apr., July and Oct. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. intangibles. In '11: $11.48/sh. (D) In mill. (E) Rate base: net orig. cost. Rate allowed on com. eq. in '07: 11.35%; earned on avg. com. eq., '11: 9.5%. Regulatory Climate: Above Average.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	90
Earnings Predictability	90

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