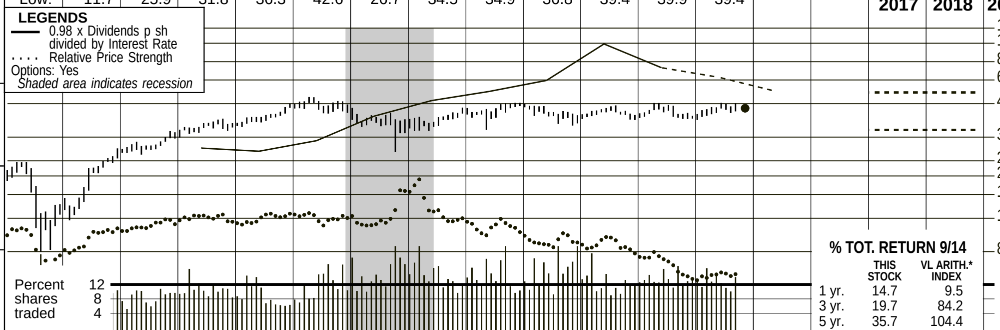
PG&E CORP. NYSE-PCG

RECENT PRICE 45.49 | P/E RATIO 20.1 (Trailing: 28.3, Median: 15.0) | RELATIVE P/E RATIO 1.13 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 3 Lowered 9/19/14
SAFETY 3 Lowered 2/3/12
TECHNICAL 3 Lowered 10/10/14
BETA .65 (1.00 = Market)

High:	28.0	34.5	40.1	48.2	52.2	45.7	45.8	48.6	48.0	47.0	48.5	48.6
Low:	11.7	25.9	31.8	36.3	42.6	26.7	34.5	34.9	36.8	39.4	39.9	39.4

Target Price Range 2017 2018 2019



2017-19 PROJECTIONS

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

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	1
to Sell	0	0	0	6	0	1	0	0	0

Institutional Decisions

	4Q2013	1Q2014	2Q2014
to Buy	213	217	206
to Sell	196	203	205
Hld's(000)	360041	370504	387652

Percent shares traded 12 8 4

% TOT. RETURN 9/14

	THIS STOCK	VL ARITH.* INDEX
1 yr.	14.7	9.5
3 yr.	19.7	84.2
5 yr.	35.7	104.4

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	34.92	34.16	***33.95***	***35.05***	Revenues per sh	***40.00***
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	7.32	6.33	***6.60***	***7.15***	"Cash Flow" per sh	***8.75***
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	2.07	1.83	***2.15***	***2.50***	Earnings per sh A	***3.00***
1.20	1.20	1.20	- -	- -	- -	- -	1.23	1.32	1.44	1.56	1.68	1.82	1.82	1.82	1.82	***1.82***	***1.82***	Div'd Decl'd per sh B ■ †	***2.10***
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	10.74	11.40	***11.10***	***10.30***	Cap'l Spending per sh	***10.50***
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	30.35	31.41	***32.30***	***33.20***	Book Value per sh C	***36.50***
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	430.72	456.67	***477.00***	***485.00***	Common Shs Outst'g D	***500.00***
16.8	13.1	- -	4.8	- -	9.5	13.8	15.4	14.8	16.8	12.1	13.0	15.8	15.5	20.7	23.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***15.0***
.87	.75	- -	.25	- -	.54	.73	.82	.80	.89	.73	.87	1.01	.97	1.32	1.33			Relative P/E Ratio	***.95***
3.8%	4.1%	4.8%	- -	- -	- -	- -	3.4%	3.2%	3.1%	4.0%	4.3%	4.1%	4.2%	4.2%	4.2%			Avg Ann'l Div'd Yield	***4.7%***

CAPITAL STRUCTURE as of 6/30/14
Total Debt $15418 mill. **Due in 5 yrs** $3875 mill.
LT Debt $13966 mill. **LT Interest** $629 mill.
Incl. $90 mill. capitalized leases.
(LT interest earned: 2.2x)
Pension Assets-12/13 $12527 mill. **Oblig.** $14077 mill.
Pfd Stock $252 mill. **Pfd Div'd** $14 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 471,411,575 shs. **as of 7/22/14**
MARKET CAP: $21 billion (Large Cap)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		17-19
11080	11703	12539	13237	14628	13399	13841	14956	15040	15598	***16200***	***17000***	Revenues ($mill)	***20000***
901.0	904.0	1005.0	1020.0	1198.0	1168.0	1113.0	1132.0	893.0	828.0	***1030***	***1235***	Net Profit ($mill)	***1530***
35.0%	37.6%	35.5%	34.6%	26.2%	31.1%	33.0%	30.3%	23.9%	24.5%	***25.0%***	***25.5%***	Income Tax Rate	***27.0%***
3.6%	5.6%	6.7%	9.4%	9.5%	11.9%	14.4%	11.2%	17.5%	17.9%	***15.0%***	***12.0%***	AFUDC % to Net Profit	***10.0%***
45.1%	48.3%	51.7%	52.6%	52.2%	51.4%	49.6%	48.8%	48.7%	46.6%	***48.5%***	***47.5%***	Long-Term Debt Ratio	***48.5%***
53.2%	50.0%	46.8%	46.1%	46.5%	47.4%	49.3%	50.2%	50.4%	52.5%	***50.5%***	***51.5%***	Common Equity Ratio	***51.0%***
16242	14446	16696	18558	20163	21793	22863	24119	25956	27311	***30425***	***31200***	Total Capital ($mill)	***35800***
18989	19955	21785	23656	26261	28892	31449	33655	37523	41252	***44425***	***47150***	Net Plant ($mill)	***55000***
7.6%	8.1%	7.6%	7.4%	7.8%	6.7%	6.2%	5.9%	4.7%	4.2%	***4.5%***	***5.0%***	Return on Total Cap'l	***5.5%***
10.1%	12.1%	12.5%	11.6%	12.4%	11.0%	9.6%	9.2%	6.7%	5.7%	***6.5%***	***7.5%***	Return on Shr. Equity	***8.5%***
10.3%	12.3%	12.7%	11.8%	12.6%	11.2%	9.7%	9.2%	6.7%	5.7%	***6.5%***	***7.5%***	Return on Com Equity E	***8.5%***
10.3%	7.7%	6.8%	6.0%	6.8%	5.5%	3.9%	3.4%	1.0%	.2%	***1.0%***	***2.0%***	Retained to Com Eq	***2.5%***
1%	39%	47%	50%	47%	52%	61%	63%	85%	96%	***84%***	***72%***	All Div'ds to Net Prof	***69%***

ELECTRIC OPERATING STATISTICS

	2011	2012	2013
% Change Retail Sales (KWH)	-.3	+6.0	+.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	9.51	9.17	9.28
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.4	+.5	+.3
Fixed Charge Cov. (%)	295	231	223

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Revenues	-1.5%	-1.5%	*2.0%*
"Cash Flow"	6.5%	-2.0%	*3.0%*
Earnings	9.5%	-5.5%	*5.0%*
Dividends	- -	5.0%	*2.5%*
Book Value	11.0%	4.5%	*3.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	3597	3684	3860	3815	14956
2012	3641	3593	3976	3830	15040
2013	3672	3776	4175	3975	15598
2014	3891	3952	***4257***	***4100***	***16200***
2015	***4150***	***4150***	***4450***	***4250***	***17000***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.50	.91	.68	.69	2.78
2012	.66	.55	.87	d.01	2.07
2013	.55	.74	.36	.19	1.83
2014	.49	.57	***.69***	***.40***	***2.15***
2015	***.60***	***.65***	***.75***	***.50***	***2.50***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	.42	.455	.455	.455	1.79
2011	.455	.455	.455	.455	1.82
2012	.455	.455	.455	.455	1.82
2013	.455	.455	.455	.455	1.82
2014	.455	.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 5.3 million electric and 4.4 million gas customers. Electric revenue breakdown: residential, 41%; commercial, 39%; industrial, 11%; agricultural, 8%; other, 1%. Generating sources: nuclear, 24%; hydro, 11%; gas, 8%; purchased, 57%. Fuel costs: 38% of revenues. '13 reported depreciation rate (utility): 3.5%. Has 21,200 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.

PG&E's utility subsidiary has been hit with a heavy proposed penalty stemming from a gas pipeline explosion in San Bruno, California in September of 2010. The accident killed eight people, injured dozens more, and caused extensive property damage. Pacific Gas and Electric has already incurred (or committed to) $2.7 billion of gas pipeline safety costs, which are being borne by PG&E shareholders, that continue to hurt earnings. Beyond these costs, two administrative law judges from the California Public Utilities Commission (CPUC) proposed a $950 million fine, a $400 million refund of previously authorized revenues, and disallowed $50 million more of costs. This would have a total pretax effect on earnings (factoring in the nondeductibility of the fine) of $4.75 billion. The company has appealed the recommendation to the CPUC, which will put forth its ruling. (There is no statutory time frame for it.) Note that the company is also facing a federal indictment due to the explosion.

Our earnings presentation will include all of the aforementioned costs, except the fine. PG&E has already taken a $200 million reserve for a possible fine, which we treated as a nonrecurring item. However, the proposed fine would require a significant cash outlay, which the company would finance with equity.

The CPUC has issued its order in the utility's general rate case. Pacific Gas and Electric will receive a rate hike of $460 million (6.9%), retroactive to the start of 2014. In addition, the utility will receive attrition increases of $324 million in 2015 and $371 million in 2016.

A gas transmission and storage case is pending. The utility is seeking an increase of $555 million in 2015, followed by attrition hikes of $61 million in 2016 and $168 million in 2017. However, some inappropriate e-mails between the utility and the CPUC regarding this case were discovered, which might complicate this matter. Three regulatory officers left PG&E.

We advise investors to look elsewhere. The dividend yield is only about average for a utility. In our view, this doesn't adequately compensate investors for the uncertainties PG&E is facing, or for the lack of near-term dividend growth potential.

Paul E. Debbas, CFA *October 31, 2014*

(A) Diluted EPS. Excl. nonrec. gains (losses): '99, ($2.44); '04, $6.95; '09, 18¢; '11, (68¢); '12, (15¢); gain from disc. ops.: '08, 41¢. Incl. nonrec. loss: '00, $11.83. '13 EPS don't add due to rounding. Next earnings report due mid-Feb. **(B)** Div'ds historically paid in mid-Jan., Apr., July, and Oct. ■ Div'd reinvest. plan avail. † Shareholder investment plan avail. **(C)** Incl. intang. In '13: $10.76/sh. **(D)** In mill. **(E)** Rate base: net orig. cost. Rate allowed on com. eq. in '13: 10.4%; earned on avg. com. eq., '13: 5.9%. Regulatory Climate: Above Average.

Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	45
Earnings Predictability	80