

Decision 06-02-042 February 23, 2006

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

Application of Pacific Gas and Electric Company for Authority to establish Its Authorized Rate of Return on Common Equity for Electric Utility Generation and Distribution Operations and Gas Distribution for Test Year 2006. (U 39 M)

Application 05-05-006  
(Filed May 9, 2005)

Application of Southern California Edison Company (U 338-E) for Authorized Capital Structure, Rate of Return on Common Equity, Embedded Cost of Debt and Preferred Stock, and Overall Rate of Return for Utility Operations for 2006.

Application 05-05-011  
(Filed May 9, 2005)

Application of San Diego Gas & Electric Company (U 902-M) for Authority to:  
(i) Increase its Authorized Return on Common Equity, (ii) Adjust its Authorized Capital Structure, (iii) Adjust its embedded Cost of Debt and Preferred Stock, (iv) Increase its Overall Rate of Return, and (v) Revise its Electric Distribution and Gas rates Accordingly, and for Related Substantive and Procedural Relief.

Application 05-05-012  
(Filed May 9, 2005)

**ORDER CORRECTING TYPOGRAPHICAL  
ERROR IN DECISION 05-12-043**

Decision 05-12-043, dated December 15, 2005 adopted, among other matters, a test year 2006 cost of capital for Southern California Edison Company (SCE.) However, Ordering Paragraph 2 of that decision inadvertently identified 2005 as the test year applicable to SCE's adopted cost of capital.

The typographical error in Ordering Paragraph 2 should be corrected to show that SCE's adopted cost of capital is applicable to test year 2006, and not 2005.

Pursuant to Resolution A-4661, **IT IS ORDERED** that:

1. Ordering Paragraph 2 of Decision 05-12-043 is corrected to read as follows: Southern California Edison Company's cost of capital for test year 2006 is as follows:

	Capital Ratio	Cost Factor	Weighted Cost
Long-Term Debt	43.00%	6.17%	2.65%
Preferred Stock	9.00	6.09	0.55
Common Stock	<u>48.00</u>	11.60	<u>5.57</u>
Total	100.00%		8.77%

2. Applications (A.) 05-05-006, A.05-05-011, and A.05-05-012 are closed.

This order is effective today.

Dated February 23, 2006, at San Francisco, California.

/s/ STEVE LARSON

STEVE LARSON  
Executive Director