BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED
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In the Matter of the Application of Pacific Gas and Electric Company for Approval of its 2012- 2014 Electric Program Investment Charge Investment Plan U 39 E	A.12-11-___

A1211003

APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) FOR APPROVAL OF ITS 2012- 2014 ELECTRIC PROGRAM INVESTMENT CHARGE INVESTMENT PLAN

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Dated: November 1, 2012

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BEFORE THE PUBLIC UTILITIES COMMISSION
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APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) FOR APPROVAL OF ITS 2012- 2014 ELECTRIC PROGRAM INVESTMENT CHARGE INVESTMENT PLAN

Pursuant to Ordering Paragraph 11 of Decision (D.) No. 12-05-037 and Article 2 of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) hereby files this "Application For Approval of Its 2012- 2014 Electric Program Investment Charge Investment Plan."

PG&E's 2012- 2014 Electric Program Investment Charge Investment Plan ("EPIC Investment Plan") is provided as Attachment 1 to this Application.

I. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory Authority

This Application is filed pursuant to D.12-05-037 and Public Utilities Code Sections 740.1 and 8360.

B. Categorization - Rule 2.1. (c)

PG&E proposes that this Application be categorized as a "quasi-legislative" or compliance proceeding.

C. Need for Hearing - Rule 2.1(c)

PG&E anticipates that evidentiary hearings will not be needed. PG&E's proposed schedule is set forth in subsection E, below.

D. Issues to be Considered - Rule 2.1(c)

The principal issue presented in this Application is whether the Commission should approve PG&E's request for approval of its 2012- 2014 EPIC Investment Plan in compliance with the requirements of D.12-05-037.

E. Proposed Schedule – Rule 2.1(c)

File Application	November 1, 2012
Protests Due	December 3, 2012
Reply to Protests	December 13, 2012
Prehearing Conference	January 4, 2013
Scoping Memo	January 14, 2013
Stakeholder workshops	January 29- 30, 2013
Opening comments	February 15, 2013
Reply comments	March 1, 2013
Proposed Decision	April 12, 2013
Opening Comments on Proposed Decision	May 13, 2013
Reply Comments on Proposed Decision	May 20, 2013
Decision	May 23, 2013

F. Legal Name and Principal Place of Business – Rule 2.1(a)

The legal name of the Applicant is Pacific Gas and Electric Company. PG&E's principal place of business is San Francisco, California. Its post office address is Post Office Box 7442, San Francisco, California 94120.

G. Correspondence and Communication Regarding This Application - Rule 2.1.(b)

All correspondence and communications regarding this Application should be addressed to Christopher J. Warner and Eileen Cotroneo at the addresses listed below:

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Overnight hardcopy delivery:

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77 Beale Street, B30A
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H. Articles of Incorporation – Rule 2.2

PG&E is, and since October 10, 1905, has been, an operating public utility corporation organized under California law. It is engaged principally in the business of furnishing electric and gas services in California. A certified copy of PG&E's Restated Articles of Incorporation, effective April 12, 2004, is on record before the Commission in connection with PG&E's Application 04-05-005, filed with the Commission on May 3, 2004. These articles are incorporated herein by reference pursuant to Rule 2.2 of the Commission's Rules.

I. Balance Sheet and Income Statement - Rule 3.2(a)(1)

PG&E's balance sheet and an income statement for the year ended December 31, 2011, are contained in Exhibit A of this Application.

J. Statement of Presently Effective Rates - Rule 3.2(a)(2)

No presently effective electric rates will be modified by PG&E's application.

K. Statement of Proposed Changes and Results of Operations at Proposed Rates - Rule 3.2(a)(3)

Electric Program Investment Charge rates already have been approved by the Commission in D.11-10-003 and D.12-05-037. Therefore, there will be no changes in revenues at present rates.

L. General Description of PG&E's Electric and Gas Department Plant - Rule 3.2(a)(4)

Because this submittal is not a general rate application, this requirement is not applicable.

M. Summary of Earnings - Rules 3.2(a)(5) and 3.2(a)(6)

Because this submittal is not a general rate application, this requirement is not applicable.

N. Statement of Election of Method of Computing Depreciation Deduction for Federal Income Tax - Rule 3.2(a)(7)

Because this submittal is not a general rate application, this requirement is not applicable.

O. Most Recent Proxy Statement - Rule 3.2(a)(8)

Because this submittal is not a general rate application, this requirement is not applicable.

P. Type of Rate Change Requested - Rule 3.2(a)(10)

No rate change is requested by this application.

Q. Notice and Service of Application – Rule 3.2(b)-(d)

Because this Application does not propose a general rate increase, PG&E does not have a statutory obligation to provide notice thereof. Nevertheless, pursuant to Ordering Paragraph 11 of D.12-05-037, PG&E has served this Application on all parties to Rulemaking 11-10-003, the Electric Program Investment Charge proceeding, and all parties to Application 09-12-020, PG&E's most recent general rate case.

R. Exhibit List and Statement of Readiness

PG&E is ready to proceed with this case based on the Application and the attached PG&E 2012- 2014 EPIC Investment Plan.

II. REQUEST FOR COMMISSION ORDERS

PG&E requests that the Commission issue appropriate orders:

1. Approving PG&E's 2012- 2014 EPIC Investment Plan; and

3. Granting such additional relief as the Commission may deem proper.

Respectfully Submitted,

CHRISTOPHER J. WARNER

By: *\/s/ Christopher J. Warner*
CHRISTOPHER J. WARNER

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Dated: November 1, 2012

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

VERIFICATION

I, the undersigned, say:

I am an officer of Pacific Gas and Electric Company, a corporation, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 1, 2012, at San Francisco, California.

/s/ Trina Horner
Name: Trina Horner
Vice President, Regulatory Proceedings & Rates

Exhibit A

Balance Sheet and Income Statement

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	(Unaudited)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2012**	**2011**	**2012**	**2011**
Operating Revenues				
Electric	$ 3,321	$ 3,187	$ 9,022	$ 8,691
Natural gas	653	672	2,184	2,447
Total operating revenues	**3,974**	**3,859**	**11,206**	**11,138**
Operating Expenses				
Cost of electricity	1,283	1,224	3,104	3,018
Cost of natural gas	118	170	593	936
Operating and maintenance	1,343	1,497	4,134	3,951
Depreciation, amortization, and decommissioning	617	566	1,807	1,648
Total operating expenses	**3,361**	**3,457**	**9,638**	**9,553**
Operating Income	**613**	**402**	**1,568**	**1,585**
Interest income	2	2	5	6
Interest expense	(172)	(171)	(511)	(511)
Other income, net	19	19	64	52
Income Before Income Taxes	**462**	**252**	**1,126**	**1,132**
Income tax provision	122	56	328	376
Net Income	**340**	**196**	**798**	**756**
Preferred stock dividend requirement	3	3	10	10
Income Available for Common Stock	**$ 337**	**$ 193**	**$ 788**	**$ 746**

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	(Unaudited)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2012**	**2011**	**2012**	**2011**
Net Income	**$ 340**	**$ 196**	**$ 798**	**$ 756**
Other Comprehensive Income				
Pension and other postretirement benefit plans				
Unrecognized prior service credit (net of income tax of $5 and $7 in the three months ended September 30, 2012 and 2011, respectively, and $15 and $18 in the nine months ended September 30, 2012 and 2011, respectively)	7	9	19	28
Unrecognized net gain (net of income tax of $12 and $6 in the three months ended September 30, 2012 and 2011, respectively, and $38 and $17 in the nine months ended September 30, 2012, and 2011, respectively)	18	8	58	23
Unrecognized net transition obligation (net of income tax of $2 and $3 in the three months ended September 30, 2012 and 2011, respectively, and $6 and $7 in the nine months ended September 30, 2012 and 2011, respectively)	4	4	12	12
Transfer to regulatory account (net of income tax of $14 and $8 in the three months ended September 30, 2012 and 2011, respectively, and $44 and $26 in the nine months ended September 30, 2012 and 2011, respectively)	(21)	(13)	(63)	(37)
Total other comprehensive income	**8**	**8**	**26**	**26**
Comprehensive Income	**$ 348**	**$ 204**	**$ 824**	**$ 782**

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions)	(Unaudited) Balance at September 30, 2012	(Unaudited) Balance at December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	$ 86	$ 304
Restricted cash ($88 and $51 related to energy recovery bonds at September 30, 2012 and December 31, 2011, respectively)	418	380
Accounts receivable		
Customers (net of allowance for doubtful accounts of $85 and $81 at September 30, 2012 and December 31, 2011, respectively)	1,185	992
Accrued unbilled revenue	779	763
Regulatory balancing accounts	908	1,082
Other	667	840
Regulatory assets ($0 and $336 related to energy recovery bonds at September 30, 2012 and December 31, 2011, respectively)	567	1,090
Inventories		
Gas stored underground and fuel oil	158	159
Materials and supplies	296	261
Income taxes receivable	-	242
Other	295	213
Total current assets	**5,359**	**6,326**
Property, Plant, and Equipment		
Electric	37,635	35,851
Gas	12,280	11,931
Construction work in progress	2,095	1,770
Total property, plant, and equipment	**52,010**	**49,552**
Accumulated depreciation	(16,360)	(15,898)
Net property, plant, and equipment	**35,650**	**33,654**
Other Noncurrent Assets		
Regulatory assets	6,527	6,506
Nuclear decommissioning trusts	2,155	2,041
Income taxes receivable	331	384
Other	324	331
Total other noncurrent assets	**9,337**	**9,262**
TOTAL ASSETS	**$ 50,346**	**$ 49,242**

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)	(Unaudited) Balance At September 30, 2012	(Unaudited) Balance At December 31, 2011
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 397	$ 1,647
Long-term debt, classified as current	-	50
Energy recovery bonds, classified as current	110	423
Accounts payable		
Trade creditors	1,054	1,177
Disputed claims and customer refunds	164	673
Regulatory balancing accounts	459	374
Other	444	417
Interest payable	811	838
Income taxes payable	29	118
Deferred income taxes	-	199
Other	1,777	1,628
Total current liabilities	**5,245**	**7,544**
Noncurrent Liabilities		
Long-term debt	12,566	11,417
Regulatory liabilities	5,107	4,733
Pension and other postretirement benefits	3,496	3,325
Asset retirement obligations	1,661	1,609
Deferred income taxes	6,888	6,160
Other	2,006	2,070
Total noncurrent liabilities	**31,724**	**29,314**
Commitments and Contingencies (Note 10)		
Shareholders' Equity		
Preferred stock	258	258
Common stock, $5 par value, authorized 800,000,000 shares, 264,374,809 shares outstanding at September 30, 2012 and December 31, 2011	1,322	1,322
Additional paid-in capital	4,511	3,796
Reinvested earnings	7,461	7,210
Accumulated other comprehensive loss	(175)	(202)
Total shareholders' equity	**13,377**	**12,384**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 50,346**	**$ 49,242**