

Attachment 1

SETTLEMENT AGREEMENT
AMONG
PACIFIC GAS AND ELECTRIC COMPANY,
DIVISION OF RATEPAYER ADVOCATES,
THE UTILITY REFORM NETWORK,
AGLET CONSUMER ALLIANCE,
CALIFORNIA CITY-COUNTY STREET LIGHT ASSOCIATION,
CALIFORNIA FARM BUREAU FEDERATION,
COALITION OF CALIFORNIA UTILITY EMPLOYEES,
CONSUMER FEDERATION OF CALIFORNIA,
DIRECT ACCESS CUSTOMER COALITION,
DISABILITY RIGHTS ADVOCATES,
ENERGY PRODUCERS AND USERS COALITION,
ENGINEERS AND SCIENTISTS OF CALIFORNIA, LOCAL 20,
MERCED IRRIGATION DISTRICT,
MODESTO IRRIGATION DISTRICT,
SOUTH SAN JOAQUIN IRRIGATION DISTRICT,
WESTERN POWER TRADING FORUM,
AND WOMEN’S ENERGY MATTERS

ARTICLE 1

In accordance with Article 12 of the California Public Utilities Commission’s (Commission or CPUC) Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E); the Division of Ratepayer Advocates (DRA); The Utility Reform Network (TURN); Aglet Consumer Alliance (Aglet); California City-County Street Light Association (CAL-SLA); California Farm Bureau Federation (CFBF); Coalition of California Utility Employees (CCUE); Consumer Federation of California (CFC); Direct Access Customer Coalition (DACC); Disability Rights Advocates (DisabRA);^{1/} Energy Producers and Users Coalition (EPUC); Engineers and Scientists of California, Local 20

^{1/} DisabRA joins only in the following portions of this Agreement: Article 1, Article 2, Article 3.12(j), and Article 4.

(ESC); Merced Irrigation District (Merced ID);^{2/} Modesto Irrigation District (Modesto ID);^{3/} South San Joaquin Irrigation District (SSJID); Western Power Trading Forum (WPTF); and Women’s Energy Matters (WEM) (collectively, the “Settling Parties”) hereby enter into this Settlement Agreement (the “Agreement”) as a compromise among their respective litigation positions to resolve all disputed issues raised by parties in the revenue requirement phase of PG&E’s test year 2011 General Rate Case (GRC), Application 09-12-020, with the exception of one issue set forth in Section 3.9(d) related to whether PG&E should earn its authorized rate of return on its undepreciated investment in electric and gas meters replaced by SmartMeter devices.

ARTICLE 2

PROCEDURAL HISTORY

2.1 On December 21, 2009, PG&E filed its 2011 GRC Application. On February 19, 2010, the Commission convened a prehearing conference before Administrative Law Judge (ALJ) David Fukutome.

2.2 On March 5, 2010, Assigned Commissioner Michael P. Peevey issued an “Assigned Commissioner’s Ruling and Scoping Memo” setting the procedural schedule, assigning ALJ Fukutome as the Presiding Officer, and addressing the scope of the proceeding and other procedural matters.

2.3 On May 5, 2010, DRA served its testimony in response to PG&E’s 2011 GRC Application and supporting testimony.

2.4 On May 19, 2010, TURN, Aglet, CAL-SLA, CCUE, CFBF, DACC, EPUC, ESC, the Greenlining Institute (Greenlining), Merced ID, Modesto ID, SSJID, and WPTF served their testimony. On May 20, CFC served its testimony, and on May 26, WEM served its testimony. Also on May 26, DisabRA and PG&E submitted joint testimony concerning certain accessibility issues.

^{2/} Merced ID joins only in the following portions of this Agreement: Article 1, Article 2, Article 3.5.1(b), and Article 4.

^{3/} Modesto ID joins only in the following portions of this Agreement: Article 1, Article 2, Article 3.5.1(b), and Article 4.

2.5 On June 4, 2010, PG&E served its rebuttal testimony to DRA's and intervenors' testimony. Also on June 4, EPUC, SSJID, and WEM served reply testimony, and CCUE, Greenlining, and Southern California Edison (SCE) served rebuttal testimony.

2.6 Evidentiary hearings began on June 21, 2010 and continued through July 16, 2010, with one final witness appearing on July 22, 2010.

2.7 On July 30, 2010, PG&E served the Joint Comparison Exhibit (Exhibit PG&E-69) that provided a detailed comparison of the revenue requirement positions of PG&E and DRA, and included (as Appendix H thereto) descriptions of various intervenors' positions.

2.8 In late July 2010 and continuing during the months thereafter, parties engaged in settlement discussions. These discussions led to various extensions of the procedural schedule for this GRC.

2.9 On August 5, 2010, the Commission issued an order instituting investigation (OII) on the Commission's own motion into the rates, operations, practices, service, and facilities of PG&E. The OII is dated July 29, 2010.

2.10 On October 7, 2010, pursuant to Rule 12.1(b), PG&E notified all parties on the service list of a settlement conference to be held on October 15, 2010 to discuss the terms of the Agreement. Following the settlement conference, the Settling Parties signed this Agreement on October 15, 2010.

ARTICLE 3

SETTLEMENT OF ISSUES

3.1 2011 GRC Revenue Requirement

The Settling Parties agree that, for the issues resolved in this Agreement, PG&E's 2011 CPUC jurisdictional GRC retail revenue requirement shall be \$5,977 million, a 2011 revenue requirement increase of \$395 million as compared to PG&E's requested increase of \$1,064 million (Ex. PG&E-69, p. 1-5, Table 1-1), to be constructed based on

other terms herein.^{4/} The retail revenue requirement for electric distribution is \$3,190 million, for gas distribution is \$1,131 million, and for electric generation is \$1,656 million. The increases are \$183 million for electric distribution, \$47 million for gas distribution, and \$166 million for electric generation.^{5/} This information is shown in Appendix A.

3.2 Electric Distribution

3.2.1 Revenue Requirement Issues

The Settling Parties agree to \$571 million for electric distribution expense and \$1,270 million for capital expenditures for 2011.^{6/} The test year revenue requirement increase set forth in Section 3.1 above reduces PG&E's forecast for electric distribution expense by at least \$52 million and consists in part of the following:

- (a) A reduction of \$8 million in Major Work Categories (MWCs) EV and EW for New Business/Work at the Request of Others (WRO).^{7/}
- (b) A reduction of \$18.5 million in MWC HN for vegetation management.
- (c) A reduction of \$2 million to reflect CAL-SLA's position on PG&E's Light Emitting Diode (LED) Streetlight Replacement Project.

3.2.2 Other Electric Distribution Issues

(a) PG&E shall retain its current one-way Vegetation Management Balancing Account (VMBA) and the separate tracking account described in the "Incremental Inspection and Removal Cost Tracking Account Accounting Procedure" in PG&E's Electric Preliminary Statement Part BU, and the annual cap for both accounts shall be set at \$161 million (Fully Burdened dollars).

^{4/} These amounts, and all other amounts in this Agreement, are in Federal Energy Regulatory Commission (FERC) dollars unless noted otherwise. Where amounts are listed as "Fully Burdened dollars," these amounts include payroll taxes and employee benefit burdens.

^{5/} The \$1 million difference is due to rounding.

^{6/} The expense amount for Electric Distribution includes Shared Services costs. The capital amount for Electric Distribution includes capital expenditures for Customer Care.

^{7/} MWCs EV and EW are allocated to both Electric and Gas Distribution.

(b) PG&E shall allocate work credits at the same level and in the same amount as PG&E's Rule 20A annual budgeted project amount for 2010, in order to stop the escalation of work credit allocations. Communities with projects already in progress shall be allowed to continue with their projects, even if they exceed the 5-year allowable borrowing period under the modified Rule 20A allocation method adopted herein.

(c) Electric Research Development and Demonstration (RD&D) project costs shall be reasonably allocated between generation and distribution as PG&E preliminarily outlined in Table 31-2, Exhibit PG&E-18 v3c, p. 31-11 (except for energy storage, for which PG&E has revised its forecast allocation to 50/50 generation/distribution) and, for the test year 2011 GRC cycle, the results of PG&E's prospective electric RD&D projects described in Exhibit PG&E-18 v3c, Chapter 31 shall be placed in the public domain to the extent allowed by grid security considerations.

3.3 Gas Distribution

3.3.1 Revenue Requirement Issues

The Settling Parties agree to \$196 million for gas distribution expense and \$258 million for capital expenditures for 2011.^{8/} The test year revenue requirement increase set forth in Section 3.1 above reduces PG&E's forecast for gas distribution expense by at least \$30 million in the test year revenue requirement and consists in part of the following:

(a) A reduction of \$4 million in MWC EX to reflect DRA's position on the gas meter protection program.

(b) A reduction of \$4.6 million in MWC DG to reflect DRA's and TURN's positions on cathodic protection of isolated services.

(c) Maintaining currently mandated levels of gas leak inspection work.

^{8/} The expense amount for Gas Distribution includes Shared Services costs. The capital amount for Gas Distribution includes capital expenditures for Customer Care.

The Agreement provides sufficient funding for PG&E to perform all gas distribution operations and maintenance work at currently mandated levels.

3.3.2 Other Gas Distribution Issues

The Settling Parties agree that PG&E will create a new MWC for its Distribution Integrity Management Program (DIMP). There shall be a one-way balancing account mechanism with a cap of \$60 million for DIMP costs for the term of the GRC cycle (2011-2013). Any net unspent DIMP funds at the end of this GRC cycle would be returned to customers in the next GRC. The types of work that this funding would cover include development and improvements in the following areas: DIMP program, preventive maintenance, leak surveys, operator qualifications, training, and programs such as cross-bored sewer, marker ball installation, and Aldyl-A.

3.4 Energy Supply

3.4.1 Revenue Requirement Issues

The Settling Parties agree to \$541 million for energy supply expense and \$330 million for capital expenditures for 2011.^{9/} The test year revenue requirement increase set forth in Section 3.1 above reduces PG&E's forecast for Energy Supply Operations and Maintenance (O&M) expense and capital-related revenue requirement by at least \$42 million in the test year revenue requirement and consists in part of the following:

(a) New small hydroelectric generation plants installed after test year 2011 are not approved in this proceeding but shall be reviewed in PG&E's next GRC. Review shall include cost comparison with other renewable resource alternatives.

(b) A reduction of \$5 million related to the cancelled Tesla Power Plant (\$1.6 million related to cancellation expense and \$3.5 million related to Plant Held for Future Use (PHFU)) to resolve Settling Parties' issues regarding Tesla. PG&E reserves the right to address Tesla PHFU treatment in another proceeding.

(c) Removal of the capital costs of Britton powerhouse from PG&E's test year 2011 GRC cycle. This project will be reviewed in the next GRC.

^{9/} The expense amount for Energy Supply includes Shared Services costs.

(d) Removal from this GRC of the \$27 million revenue requirement and request for a one-way balancing account for Renewable Resource Development (RRD). There shall be no memorandum account for RRD costs during the test year 2011 GRC cycle.

(e) A reduction of \$8 million for energy procurement to resolve issues associated with utility renewable investments.

(f) Removal of PG&E's requested rate of return adder on the Kilarc-Cow decommissioning project. (Ex. PG&E-69, p. G-5-4.)

(g) A reduction in revenue requirement of \$2 million to reflect reductions in hydroelectric generation capital expenditures, in addition to removal of capital costs of Britton powerhouse discussed above in subsection (c).

(h) A reduction in revenue requirement associated with the requirement that during the test year 2011 GRC cycle PG&E shall record 50% of its forecasted costs for Nuclear Energy Institute (NEI) fees below-the-line. For the 2011 test year, PG&E had forecast a total of \$930,000 in NEI fees.

(i) For PG&E's new fossil generation plants, only one long-term service agreement (LTSA) payment shall be collected through normalized funding per plant. This results in a test year reduction of the O&M revenue requirement for the Gateway Generating Station.

3.4.2 Other Energy Supply Issues

(a) PG&E shall treat Diablo Canyon Power Plant labor costs associated with spent nuclear fuel removal, drying, loading, and encapsulation as operating expense, not capital expenditures.

(b) Since the Diablo Canyon Steam Generator Replacement Project was completed at a final cost below the costs (as adjusted) adopted in Decision (D.) 05-02-052, the costs shall be recovered in generation rates without the need for further reasonableness review.

(c) PG&E shall be allowed to transfer the balance in the Gateway Settlement Balancing Account to the Utility Generation Balancing Account (UGBA) when the total costs of the project are known, and PG&E shall be allowed to close out the Gateway balancing account at that time.

(d) With respect to the true-up of the initial cost of the Colusa Generating Station (CGS), in accordance with D.06-11-048, which orders PG&E to retroactively true-up the CGS project's initial capital cost in the next GRC following operation to reflect 50 percent of any other savings relative to the project's initial capital cost, PG&E is authorized to file an advice letter to true-up the project's initial capital cost, subject to the requirements of D.06-11-048, when the final project costs are known.

(e) With respect to the true-up of the initial cost of Humboldt Bay Generating Station (HBGS), in accordance with D.06-11-048, which orders PG&E to retroactively true-up the difference between the estimated capital cost and the actual capital cost of the project in the next GRC following commercial operation, PG&E is authorized to file an advice letter to true-up the project's initial capital cost, subject to the requirements of D.06-11-048, when the final project costs are known.

(f) With respect to the recovery of costs in excess of the authorized initial cost of HBGS, in accordance with D.06-11-048, which authorizes PG&E to seek recovery of costs in excess of the authorized initial capital cost of \$238.6 million for HBGS, if such excess costs are incurred as a result of "changes to the project as a result of new regulatory requirements or other external events," PG&E has demonstrated that an additional \$25 million was incurred at HBGS due to an increase in California sales and use taxes and to address a change in configuration at the plant required by the California Energy Commission (CEC) permit to address changes in the building code and air emissions criteria. Therefore, PG&E is authorized to increase the initial capital cost target approved for the project by up to \$25 million by advice letter to the extent the project's actual costs exceed the initial cost target. If the actual project costs exceed the cap by more than \$25 million, as specified in D.06-11-048, PG&E shall

be required to file an application with the Commission demonstrating the reasonableness of any excess amounts.

(g) PG&E stands by its prior commitment to remediate the Hunters Point Power Plant site to residential standards that are appropriate for the type of future residential development and consistent with the direction of regulators. PG&E may file a subsequent application to recover additional site-specific environmental remediation costs to the extent necessary to accommodate the development plan ultimately approved for the Hunters Point site.

(h) PG&E agrees to provide in its next GRC a status report on spent nuclear fuel payments made to the U.S. Department of Energy, associated lawsuits, and responsibility for the costs of on-site spent fuel storage at PG&E facilities. (Ex. Aglet-3, p. 2, line 24, p. 45, lines 3-16.)

3.5 Customer Care

3.5.1 Revenue Requirement Issues

The Settling Parties agree to \$329 million for customer care expense for 2011.^{10/} The test year revenue requirement increase set forth in Section 3.1 above reduces PG&E's forecast for Customer Care expense by at least \$137 million and consists of: removal of \$113 million (Fully Burdened dollars) forecast meter reading costs, \$10 million of peak day pricing expense, and \$14 million for other issues, as further described below.

(a) PG&E shall remove \$113 million (Fully Burdened dollars) in forecast meter reading costs from requested GRC revenue requirements. PG&E shall record actual meter reading costs in a new balancing account, up to an annual cap of \$76.2 million (Fully Burdened dollars), for recovery in annual revenue consolidation proceedings. In advance of the Commission's approval of this Agreement, the Settling Parties support the establishment of a memorandum account (through an advice letter to be filed by PG&E) that would allow PG&E to record such meter reading costs starting

^{10/} The expense amount for Customer Care includes Shared Services costs.

January 1, 2011. The purpose of this memorandum account would be to enable the recovery of these meter reading costs incurred between January 1, 2011 and the date that a new balancing account is established pursuant to the Commission's approval of this Agreement. The treatment of these meter reading costs shall be limited to the test year 2011 GRC cycle.

(b) The test year revenue requirement increase set forth in Section 3.1 above reduces PG&E's forecast by \$7 million (Fully Burdened dollars) for customer retention and economic development programs (i.e., PG&E's entire request in MWC FK). During the test year 2011 GRC cycle, PG&E shall record the customer retention costs (i.e., those historically booked to MWC FK and forecast at \$4 million (Fully Burdened dollars) for 2011) incurred by its Customer Care organization below-the-line.

(c) The test year revenue requirement set forth in Section 3.1 above reduces GRC revenue requirement by \$10 million for peak day pricing expenses. PG&E shall not request rate recovery of the peak day pricing activities for which expenses were requested in this GRC in another proceeding.

3.5.2 Other Customer Care Issues

(a) PG&E's uncollectibles factor shall be 0.3105% for the 2011-2013 GRC cycle. PG&E's proposals for a rolling average and for a balancing account with a deadband are not adopted.

(b) At PG&E's expense, the Commission's Energy Division shall oversee an independent audit of PG&E SmartMeter-related costs to determine whether costs that should have been recorded in the SmartMeter balancing accounts were instead recorded in other accounts, for example, accounts related to the GRC, demand response, or dynamic pricing programs. The cost to PG&E of the audit shall not exceed \$200,000 and shall be recoverable through the SmartMeter balancing accounts. The purpose of the audit shall be to ensure proper booking and allocation of costs and benefits related to PG&E's SmartMeter program, including the SmartMeter upgrade, and to evaluate whether PG&E's internal cost management guidelines are adequate to ensure

that all PG&E labor and non-labor costs are properly booked to its SmartMeter balancing accounts. The audit shall not include prudence or reasonableness review, or cost effectiveness of recorded costs.

(c) The SmartMeter Benefits Realization Mechanism adopted by the Commission in D.06-07-027 and D.09-03-026 shall be continued through the 2011 GRC cycle. For this period, the per-meter amounts shall be adjusted as proposed by PG&E in Table 13-3 of Exhibit PG&E-4, except that in conjunction with the removal of forecast meter reading costs from the GRC, PG&E shall also remove the meter reading savings from the electric and gas SmartMeter crediting mechanism, effective January 1, 2011.

(d) The CPUC's consultant costs for the SmartMeter evaluation described in Exhibit PG&E-13 shall be treated as any other eligible costs in the SmartMeter balancing accounts.

(e) Direct Access (DA) and Community Choice Aggregation (CCA) fees shall be conditionally adopted as proposed. PG&E commits to file an application by January 1, 2012 to comprehensively reassess all of its DA and CCA service fees. PG&E shall be allowed to cease recording costs and revenues to the Direct Access Discretionary Cost/Revenue Memorandum Account (DADCRMA), pending review of the account balance in the upcoming application.

(f) PG&E's proposal to adjust reconnection fees shall not be adopted.

(g) PG&E's proposal to adjust local office hours shall be adopted.

(h) PG&E's proposed expansion of Non-Tariffed Products and Services (NTP&S) shall be adopted, and the costs and revenues associated with the expansion of services shall be treated on a cost of service basis. PG&E's proposals concerning the 50/50 net revenue sharing mechanism and a sharing mechanism for shareholder capital shall not be adopted.

(i) PG&E's Non-sufficient Funds (NSF) Fee shall be reduced to \$9 from its current level of \$11.50.

3.6 Administrative and General (A&G)

3.6.1 Revenue Requirement Issues

The Settling Parties agree to \$768 million for A&G expense for 2011.^{11/} The test year revenue requirement increase set forth in Section 3.1 above reduces PG&E's forecast for A&G expense and capital by at least \$89 million and consists in part of the following: (1) a reduction of \$45 million to reflect parties' arguments regarding the Short Term Incentive Plan (STIP) (including a reduction of \$2.8 million in PG&E's STIP request for PG&E Corporation); (2) a reduction of \$11.4 million to reflect parties' arguments with respect to the following departments and areas: (a) Public Affairs (includes \$2.5 million reduction); (b) Corporate Relations (includes \$2.5 million reduction); and (c) PG&E Corporation (Corporate Services and holding company corporate items; includes \$6.4 million reduction); and (3) a reduction of \$1.9 million to reflect 50/50 sharing of Directors and Officers liability insurance.

The test year revenue requirement increase set forth in Section 3.1 above reflects no reduction for PG&E's test year 2011 forecast of Post-Retirement Benefits other than Pensions (PBOP)/Long-term Disability (LTD) expenses.

3.6.2 Other A&G Issues

(a) PG&E's current PBOP/LTD balancing account shall remain a one-way account. The estimate of total contributions for 2011 to the PBOPs medical and life, and LTD trusts will be \$163.3 million (total company before allocation to capital and other non-GRC Unbundled Cost Categories (UCCs)). This total amount will also apply to the attrition years. In compliance with D.92-12-015 and D.95-12-055, PG&E will file a consolidated true-up of the revenue requirements associated with the PBOPs medical, life, and LTD contributions at the end of the 2011 GRC cycle.

^{11/} The expense amount for A&G includes Shared Services costs.

(b) During the test year 2011 GRC cycle, the factors used to calculate franchise fees will be 0.007593 (electric) and 0.009789 (gas).

(c) PG&E shall modify its current Below-the-Line Guidelines to provide for: (1) Establishment and maintenance of above-the-line and below-the-line orders that would provide sufficient detail to identify discrete matters and/or activities and to enable the undertaking of an annual compliance review. This compliance review would be undertaken by PG&E and would be made available to interested parties on an annual basis. (2) Below-the-line accounting for certain PG&E activities, including all marketing and lobbying activities, in response to initiatives or proposals of local agencies for municipalization or for the formation or ongoing activities of CCAs, not just activities in response to ballot measures. (3) Annual e-mails to all employees regarding their obligation to comply with the Below-the-Line Guidelines, including the name(s) and contact information for persons to contact with questions, and a link to the guideline document. (4) Annual training on Below-the-Line Guidelines for departments that regularly direct charge to below-the-line orders. (5) Extending applicability of Below-the-Line Guidelines to PG&E Corporation employees.

(d) During the term of this 2011 test year GRC cycle, PG&E shall not accept a permanent transfer of an employee from an affiliate (including PG&E Corporation) unless PG&E is able to demonstrate that there was a need for that employee, that the employee was fully qualified for the position compared to other persons (including non-employees) that may be reasonably available to PG&E, and that the compensation to be paid the employee is within market range. Prior to any such transfer, PG&E shall memorialize its assessment of need and qualifications, including whether PG&E interviewed other candidates to fill the position. To the extent that costs associated with such transfer of employees are sought in the next GRC, PG&E shall make its assessments available to interested parties in the next GRC.

(e) Concerning meals expenses, PG&E shall keep records of business reasons for all meals, the number of attendees, and, where practical, a list of attendees by the dates shown below: (1) Beginning January 1, 2011, all meals over

\$1,000, whether the meals are billed through Concur Central, to Commercial Credit cards, or to any other program or system PG&E uses to track the expenses; (2) Beginning April 1, 2011, all meals under \$1,000, billed through Concur Central; and (3) Beginning July 1, 2011, all meals under \$1,000, purchased through Commercial Credit cards or similar types of credit cards.

3.7 Shared Services

The Settling Parties agree to \$519 million for capital expenditures for 2011. The test year revenue requirement increase set forth in Section 3.1 above reduces PG&E's forecast for Shared Services expense and capital-related revenue requirement by at least \$55 million (with an additional \$4.6 million reflected in A&G above) in test year revenue requirement and consists in part of the following:

(a) A reduction of at least \$50 million, to resolve DRA and intervenor arguments regarding information technology (IT) costs, including TURN's arguments about Business Transformation "Foundational" programs.

(b) A reduction of \$14.5 million (\$4.6 million in expense, which is included in the A&G reduction above, and \$9.9 million in capital for 2011) relating to the costs of sale of 111 Almaden Blvd., San Jose, and associated relocation, severance and retraining costs. No such costs shall be approved in this GRC. If PG&E sells 111 Almaden, PG&E will file a Section 851 application and may request rate recovery of the costs in the Section 851 application.

(c) A reduction of \$4 million to account for the California Air Resources Board's September 9, 2010 approval of an alternative compliance plan for meeting existing California diesel fleet regulations.

3.8 Depreciation

The test year revenue requirement increase set forth in Section 3.1 above accounts for a reduction of: (1) PG&E's forecasted depreciation revenue requirement of no more than \$105 million, including \$22 million related to specific acceptance of DRA's position on negative net salvage, set forth in Exhibit DRA-18, p. 7, Table 18-6; and

(2) \$2.5 million of generation decommissioning costs, which comprises \$2 million for the Old Humboldt fossil plant and \$0.5 million for Gateway, Colusa, and New Humboldt.

The 2011 depreciation parameters resulting from the Agreement are shown in Appendix B.

3.9 Capital-Related Costs, Including Rate Base and Method for Income Taxes

The test year revenue requirement increase set forth in Section 3.1 above consists in part of the following:

(a) A reduction of \$35 million to reflect (1) capital expenditure reduction for New Business/WRO; (2) recalculation of 2011 rate base set forth in the December 21, 2009 application using updated estimates of bonus depreciation-related deferred tax balances from 2008 and 2009 Federal stimulus legislation; and (3) resolution of issues raised by TURN regarding income taxes, customer deposits, and materials and supplies. (In addition to the \$35 million referenced above, the corresponding amount associated with PG&E's 2011 gas transmission and storage rate case is \$3 million.)

(b) PG&E shall withdraw its proposal to include nuclear fuel and fuel oil inventory in rate base, reducing revenue requirement by \$49 million associated with nuclear fuel, plus additional dollars associated with fuel oil. Nuclear fuel and fuel oil carrying costs will continue to be recovered through the Energy Resource Recovery Account (ERRA) at short-term commercial paper rates.

(c) PG&E's removal of all Market Redesign and Technology Upgrade (MRTU) related revenue requirements from its GRC request, totaling \$20 million in 2011. For the duration of this GRC cycle, PG&E shall seek recovery of MRTU-related costs in ERRA proceedings or other proceedings if so directed by the Commission.

(d) A reduction of \$44 million (revenue requirement) to reflect TURN's position to allow no rate of return on undepreciated electric and gas meters replaced by SmartMeter devices. The parties will brief the dispute for the Commission's

decision in this proceeding. If PG&E prevails on the issue, the test year revenue requirement will be increased accordingly, effective January 1, 2011.

(e) The following tables reflect 2011 Rate Base and Capital Expenditure levels.

**Pacific Gas and Electric Company
2011 PG&E GRC Settlement Comparison
Capital Expenditures - Functional Groups Summary
(Millions of Dollars)**

Line No.	Test Year 2011	Capital Expenditures			Line No.
	Functional Groups	PG&E	Settlement	Settlement > PG&E	
1	Electric Distribution	1,370	1,270	(100)	1
2	Gas Distribution	258	258	0	2
3	Generation	370	330	(40)	3
4	Shared Services	622	519	(103)	4
5	Total	2,619	2,376	(243)	5

**Pacific Gas and Electric Company
2011 PG&E GRC Settlement Comparison
Rate Base Summary
(Millions of Dollars)**

Line No.	Test Year 2011				Line No.
	Functional Groups	PG&E	Settlement	Settlement > PG&E	
1	Electric Distribution	10,218	10,094	(125)	1
2	Gas Distribution	2,459	2,449	(10)	2
3	Generation	4,565	4,080	(485)	3
4	Total	17,242	16,622	(620)	4

3.10 Balancing Accounts

PG&E's proposed new balancing accounts shall not be adopted for health care costs; New Business/WRO/Rule 20A; renewable energy projects; uncollectibles; emergencies and catastrophic events; and RD&D expenses. PG&E shall continue with

current electric and gas sales mechanism balancing accounts (DRAM, UGBA, CFCA, and NCA) through 2013.

3.11 Attrition Years

3.11.1 Attrition Authorized for Implementation by Advice Letter

The Settling Parties agree that attrition relief for 2012 and 2013 will be authorized in this GRC, and implemented by advice letter.

3.11.2 Attrition Amounts for 2012 and 2013

The Settling Parties agree that PG&E's annual attrition adjustment for 2012 and 2013 will be fixed dollar amounts of \$180 million in 2012, and \$185 million in 2013, except as provided for in Section 3.11.3 below. As shown in Appendix C to this Agreement, the 2012 increase shall be \$123 million for electric distribution, \$35 million for gas distribution, and \$22 million for electric generation; and the 2013 increase shall be \$123 million for electric distribution, \$35 million for gas distribution, and \$27 million for electric generation.

3.11.3 Exogenous Changes

The Settling Parties agree that PG&E's attrition mechanism will allow 2012 and 2013 revenue requirement adjustments for exogenous changes, limited to five factors (postage rate changes, franchise fee changes, income tax rate changes, payroll tax rate changes, *ad valorem* tax changes), with a \$10 million deductible amount applicable to each factor each year.

3.12 Accounting and Other Items

(a) The forecasts of adopted gas and electric revenues at present rates as set forth in PG&E's showing (Ex. PG&E-69, p. 1-5, Table 1-1) shall be adopted.

(b) CPUC-jurisdictional Other Operating Revenues (OOR) shall be \$97.9 million for electric distribution, \$22.9 million for gas distribution, and \$11.6 million for electric generation.

(c) The resulting revenue requirements from future cost of capital proceedings shall be calculated using the adopted 2011 rate base amounts.

(d) The revenue requirement adopted by this Agreement incorporates the following capitalization rates: 24.65% for STIP; 38.41% for Severance, Workers' Compensation, Remaining Vacation, and Pension and Benefits; and 9.3% for Third Party Claims payments.

(e) The revenue requirement adopted by this Agreement incorporates a change in the threshold after which PG&E capitalizes the development of application software from \$5 million to \$1 million.

(f) Capitalization factors are adopted for A&G Study departments of 7.33% for labor and 4.44% for materials.

(g) Allocation factors associated with non-utility activities are adopted for PG&E Corporation corporate items of 32.68%, below the line for workers' compensation and benefits of 0.31%, and non-utility affiliates for benefits of 0.06%.

(h) Regarding common cost (A&G and common plant) allocation factors, O&M labor factors will be calculated from 2008 recorded adjusted O&M labor. The factors are shown in Appendix D.

(i) The Settling Parties agree that A&G expenses allocated to the UCCs adopted in this 2011 GRC shall be used in determining the A&G expenses in related proceedings in 2011 and future years until PG&E's next test year GRC, if the outcome of those proceedings would otherwise require specific calculation of A&G expenses. Specifically, the UCCs and related proceedings are: Gas Transmission (Gas Accord III and subsequent PG&E Gas Transmission and Storage proceedings) and Nuclear Decommissioning (including SAFSTOR), the 2009 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) and subsequent NDCTP filing.

(j) The Memorandum of Understanding (MOU) between DisabRA and PG&E included in Exhibit PG&E-16 as Attachment A shall be approved

by the Commission. The costs set forth in Section D of Exhibit PG&E-16 are included in the amounts set forth in Section 3.1 of this Agreement.

(k) Aglet's proposal to eliminate the requirement in D.86-12-095 that requires PG&E to prepare total factor productivity studies shall be adopted.

(l) PG&E shall be relieved of the requirement in D.04-05-055 (p. 108) to include information about long-term incentives, which are not funded by ratepayers, in future total compensation studies.

(m) Prior to submission of a Results of Operation (RO) model in PG&E's Notice of Intent (NOI) to file its next GRC application, DRA and PG&E shall review PG&E's Excel-based RO model used for the 2011 GRC, and jointly determine what changes should be made to enhance the model.

Prior to DRA's initial review of the new RO model that will be used in PG&E's 2014 GRC, PG&E shall develop a draft of the RO that: (1) shall be 100% Excel-based; (2) shall comply with the RO modeling guidelines contained in D.00-07-050; (3) shall comply with Public Utilities Code Section 1822(a); and (4) shall not require any manual movement or copying of data or files from one section of the model to another. Prior to DRA's initial review of the RO model, PG&E shall also provide DRA with the appropriate user manuals for the model.

The new PG&E RO model shall be easier to use, more functional, more transparent, and faster to run than the RO model in PG&E's 2011 GRC. The new PG&E RO model should incorporate improved logic and structure, which DRA will discuss with PG&E during the initial review, and where DRA may reference various aspects and desired features of another utility's RO model that PG&E should emulate. To ensure PG&E has adequate time to enhance the model for submission in its 2014 GRC application NOI, PG&E and DRA shall attempt to reach agreement on all changes by June 1, 2011. PG&E shall also provide DRA with a fully functional version of the model six months prior to the presentation of PG&E's NOI, with comments due back from DRA within two months. Milestones thereafter, and as necessary, shall be jointly determined by DRA and PG&E.

(n) In future GRCs, PG&E will not add a new type of cost to the revenue requirement without estimating and including in the revenue requirement the cost savings to be achieved by the new type of cost or an explanation of the reasons there will be no cost savings.

(o) PG&E shall affirmatively establish the reasonableness of all aspects of its next GRC application. For purposes of this current rate case, the Settling Parties agree that opinion testimony should have a factual foundation.

(p) PG&E shall suspend Allowance for Funds Used During Construction (AFUDC) accruals for ten Transform Operations projects identified by TURN. PG&E shall ensure that future requests for capital recovery of the projects do not include AFUDC for the period starting with the dates (November 2008 for seven projects, and February 2009 for three projects) identified in TURN's testimony and continuing until spending on the projects resumes.

(q) PG&E withdraws its testimony on the economic impacts of its capital spending during the test year 2011 GRC cycle. (Ex. PG&E-1, Appx. 2A.)

(r) Aglet withdraws the following recommendations and proposals: (1) Aglet's recommended disallowance for Reserve and Efficiency Funds (Ex. Aglet-3, p. 1, line 22, p. 14, line 1 to p. 17, line 12; Ex. PG&E-69, p. H-2, line 4); (2) Aglet's recommendation regarding sunk benefits in future Diablo Canyon cost benefit studies (Ex. Aglet-3, p. 3, line 1, p. 47, line 2 to p. 48, line 20; Ex. PG&E-69, p. H-3, line 13); (3) Aglet's recommendation to treat Diablo Canyon critical spares as plant held for future use (Ex. Aglet-3, p. 3, line 11, p. 49, line 16 to p. 50, line 5; Ex. PG&E-69, p. H-4, line 15); (4) Aglet's proposal to incorporate additional labor productivity factors into test year 2011 revenue requirements that are derived from base year 2008 recorded expenses (Ex. Aglet-3, p. 3, line 18, p. 52, line 5 to p. 53, line 15; Ex. PG&E-69, p. H-4, line 17); and (5) Aglet's recommendation for a Commission investigation into PG&E's procurement of IT products and services (Ex. Aglet-1, p. 6, line 3, p. 13, line 5 to p. 15, line 4; Ex. PG&E-69, p. H-5, line 22).

(s) PG&E and ESC have resolved certain issues associated with periodic reporting of outsourced work through the collective bargaining process. In PG&E's next GRC, PG&E shall submit testimony on the status of its workforce training programs. PG&E shall also submit testimony on the status and other results of its program for hiring in advance of employee attrition at the Diablo Canyon Power Plant and its request for additional hydroelectric department engineering and project management resources.

(t) PG&E and CCUE have decided to address CCUE's issues through a separate agreement as part of the collective bargaining process. As a result, CCUE is withdrawing its recommendations in this proceeding without prejudice to making such recommendations in other proceedings.

ARTICLE 4

GENERAL PROVISIONS AND RESERVATIONS

4.1 As a compromise among their respective litigation positions, the Settling Parties hereby agree that this Agreement resolves all disputed issues raised in this GRC, except the issue concerning rate of return on unused meters addressed in Section 3.9(d) of this Agreement. (This Agreement does not resolve the separate complaint filed by Merced ID and Modesto ID that is being considered in C.10-05-017.) The Agreement is presented to the Commission pursuant to Article 12 of the Commission's Rules of Practice and Procedure.

4.2 In accordance with Commission Rule 12.5, the Settling Parties agree that this Agreement does not constitute precedent regarding any principle or issue in this proceeding or in any future proceeding.

4.3 The Settling Parties agree that this Agreement represents a compromise, not agreement or endorsement of disputed facts and law presented by the Settling Parties in the 2011 GRC.

4.4 The Settling Parties shall jointly request Commission approval of this Agreement. The Settling Parties additionally agree to actively support prompt approval

of the Agreement. Active support shall include briefing, comments on the proposed decision, written and oral testimony if testimony is required, appearances, and other means as needed to obtain the approvals sought. The Settling Parties further agree to participate jointly in briefings to Commissioners and their advisors as needed regarding the Agreement and the issues compromised and resolved by it.

4.5 This Agreement embodies the entire understanding and agreement of the Settling Parties with respect to the matters described herein, and, except as described herein, supersedes and cancels any and all prior oral or written agreements, principles, negotiations, statements, representations, or understandings among the Settling Parties.

4.6 The Agreement may be amended or changed only by a written agreement signed by the Settling Parties.

4.7 Each of the Settling Parties hereto and their respective counsel and advocates have contributed to the preparation of this Agreement. Accordingly, the Settling Parties agree that no provision of this Agreement shall be construed against any Party because that Party or its counsel drafted the provision.

4.8 This document may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.9 This Agreement shall become effective among the Settling Parties on the date the last Settling Party executes the Agreement as indicated below.

4.10 Settling Parties intend the Agreement to be interpreted and treated as a unified, integrated agreement. In the event the Commission rejects or modifies the Agreement, Settling Parties reserve all rights set forth in Rule 12.4 of the Commission's Rules of Practice and Procedure.

4.11 The fact that Settling Parties set forth specific amounts for certain categories of costs is not intended to limit PG&E's management discretion to spend funds as it sees fit in a manner consistent with its obligation to provide reliable service and

consistent with its obligation to maintain the safe operation of its utility systems. Nor does it limit the discretion of other parties to argue in future proceedings that it is unjust or unreasonable to make ratepayers pay a second time for activities explicitly authorized by the Commission in this proceeding or that PG&E has not provided safe and reliable service.

4.12 The fact that Settling Parties set forth specific treatment for the accounting of certain costs during the test year 2011 GRC cycle is not intended to limit the discretion of PG&E or other parties to propose different accounting treatment for such costs in the next GRC.

4.13 This Agreement constitutes the entire agreement among the Settling Parties and, except as expressly provided herein, settles all differences among them, including differences that overlap with positions taken by non-settling parties, as to the issues presented in this proceeding. Unless otherwise provided in this Agreement, all proposals and recommendations by the parties, including, but not limited to, those set forth in the Joint Comparison Exhibit (Ex. PG&E-69), are withdrawn or considered subsumed without adoption by this Agreement.

In Witness Whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

//

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PACIFIC GAS AND ELECTRIC COMPANY

DIVISION OF RATEPAYER ADVOCATES

By: /s/ Jane Yura

By: /s/ Joseph P. Como

Name: JANE YURA

Name: JOSEPH P. COMO

Date: October 15, 2010

Date: October 15, 2010

THE UTILITY REFORM NETWORK

AGLET CONSUMER ALLIANCE

By: /s/ Robert Finkelstein

By: /s/ James Weil

Name: ROBERT FINKELSTEIN

Name: JAMES WEIL

Date: October 15, 2010

Date: October 15, 2010

CALIFORNIA CITY-COUNTY STREET
LIGHT ASSOCIATION

CALIFORNIA FARM BUREAU
FEDERATION

By: /s/ David J. Byers

By: /s/ Ronald Liebert

Name: DAVID J. BYERS

Name: RONALD LIEBERT

Date: October 15, 2010

Date: October 15, 2010

COALITION OF CALIFORNIA UTILITY
EMPLOYEES

CONSUMER FEDERATION OF
CALIFORNIA

By: /s/ Rachael E. Koss

By: /s/ Alexis K. Wodtke

Name: RACHAEL E. KOSS

Name: ALEXIS K. WODTKE

Date: October 15, 2010

Date: October 15, 2010

DIRECT ACCESS CUSTOMER COALITION

By: /s/ Mark Fulmer

Name: MARK FULMER

Date: October 15, 2010

ENERGY PRODUCERS AND USERS
COALITION

By: /s/ Nora Sheriff

Name: NORA SHERIFF

Date: October 15, 2010

MERCED IRRIGATION DISTRICT

By: /s/ Ann L. Trowbridge

Name: ANN L. TROWBRIDGE

Date: October 15, 2010

SOUTH SAN JOAQUIN IRRIGATION
DISTRICT

By: /s/ Salle E. Yoo

Name: SALLE E. YOO

Date: October 15, 2010

WOMEN'S ENERGY MATTERS

By: /s/ Martin Homec

Name: MARTIN HOMECEC

Date: October 15, 2010

DISABILITY RIGHTS ADVOCATES

By: /s/ Karla Gilbride

Name: KARLA GILBRIDE

Date: October 15, 2010

ENGINEERS AND SCIENTISTS OF
CALIFORNIA, LOCAL 20

By: /s/ Brian Cragg

Name: BRIAN CRAGG

Date: October 15, 2010

MODESTO IRRIGATION DISTRICT

By: /s/ Ann L. Trowbridge

Name: ANN L. TROWBRIDGE

Date: October 15, 2010

WESTERN POWER TRADING FORUM

By: /s/ D. W. Douglass

Name: D. W. DOUGLASS

Date: October 15, 2010

APPENDIX A
Results Of Operations Summary
Pacific Gas and Electric Company
2011 General Rate Case - Position Summary
Results of Operations - Test Year 2011
(Millions of Dollars)

Line No.	Description	Joint Comparison Exhibit (PG&E-69)							PG&E Reduction	Line No.
		PG&E			DRA		Settlement			
		2011 Authorized	2011 Proposed	Difference from Authorized	2011 Proposed	Difference from Authorized	2011 Proposed	Difference from Authorized		
(A)	(B)	(C) = (B) - (A)	(D)	(E) = (D) - (A)	(F)	(G) = (F) - (A)	(H) = (G) - (C)			
REVENUE:										
1	Revenue Collected in Rates	5,582	6,646	1,064	5,763	181	5,977	395	(669)	1
2	Plus Other Operating Revenue	131	151	19	151	20	149	17	(2)	2
3	Total Operating Revenue	5,713	6,797	1,083	5,914	201	6,126	413	(671)	3
OPERATING EXPENSES:										
4	Energy Costs	0	0	0	0	0	0	0	0	4
5	Production	533	574	41	471	(62)	535	2	(40)	5
6	Storage	0	4	4	3	3	4	4	0	6
7	Transmission	10	7	(3)	7	(3)	7	(3)	0	7
8	Distribution	684	852	167	625	(59)	762	78	(89)	8
9	Customer Accounts	455	483	28	390	(65)	320	(135)	(163)	9
10	Uncollectibles	15	19	4	16	0	19	4	(0)	10
11	Customer Services	17	15	(2)	9	(8)	9	(8)	(6)	11
12	Administrative and General	673	857	184	642	(32)	768	95	(89)	12
13	Franchise Requirements	46	54	8	47	1	49	2	(5)	13
14	Amortization	7	6	(1)	5	(3)	6	(1)	0	14
15	Wage Change Impacts	0	0	0	0	0	0	0	0	15
16	Other Price Change Impacts	0	0	0	0	0	0	0	0	16
17	Other Adjustments	(2)	0	2	0	2	(49)	(47)	(49)	17
18	Subtotal Expenses:	2,440	2,872	432	2,214	(226)	2,430	(10)	(442)	18
TAXES:										
19	Superfund	0	0	0	0	0	0	0	0	19
20	Property	169	208	39	204	36	208	39	(0)	20
21	Payroll	89	105	16	82	(7)	92	3	(13)	21
22	Business	1	1	0	1	0	1	0	(0)	22
23	Other	0	2	2	4	4	2	2	0	23
24	State Corporation Franchise	122	119	(3)	111	(11)	105	(17)	(14)	24
25	Federal Income	513	489	(23)	458	(55)	463	(49)	(26)	25
26	Total Taxes	893	924	32	860	(33)	871	(21)	(53)	26
27	Depreciation	1,082	1,444	362	1,376	293	1,325	243	(119)	27
28	Fossil Decommissioning	(24)	41	65	35	59	38	63	(3)	28
29	Nuclear Decommissioning	0	0	0	0	0	0	0	0	29
30	Total Operating Expenses	4,391	5,281	890	4,484	93	4,665	274	(616)	30
31	Net for Return	1,322	1,516	193	1,430	107	1,461	139	(54)	31
32	Rate Base	15,041	17,242	2,200	16,264	1,223	16,622	1,581	(620)	32
RATE OF RETURN:										
33	On Rate Base	8.79%	8.79%		8.79%		8.79%			33
34	On Equity	11.35%	11.35%		11.35%		11.35%			34

Col (A) These amounts include revenues from PG&E's 2007 GRC Decision 07-03-044, adjusted for 2008 attrition, 2008 cost of capital, and 2009 & 2010 attrition. These amounts also include the 2011 revenue requirements associated with the Diablo Canyon Power Plant (DCPP) Steam Generator Replacement Project, as well as the Gateway, Humboldt, and Colusa Generating Stations. These amounts exclude pension costs, which were resolved by the Commission in D.09-09-020.

APPENDIX A
Summary of Increase by Electric, Gas Distribution, and Generation

PACIFIC GAS AND ELECTRIC COMPANY
SUMMARY OF INCREASE OVER 2011 ESTIMATED AUTHORIZED
(Millions of Dollars)

Line	Joint Comparison Exhibit (PG&E-69)								
	PG&E			DRA		Settlement		PG&E Reduction	Line
	2011 Authorized (A)	2011 Proposed (B)	Difference from Authorized (C) = (B) - (A)	2011 Proposed (D)	Difference from Authorized (E) = (D) - (A)	2011 Proposed (F)	Difference from Authorized (G) = (F) - (A)		
Electric Distribution									
1	535	627	92	486	(49)	571	36	(56)	1
2	270	290	20	231	(40)	192	(79)	(98)	2
3	318	431	113	323	5	386	68	(45)	3
4	(95)	(116)	(21)	(116)	(21)	(114)	(19)	2	4
5	73	88	15	73	1	34	(38)	(53)	5
6	1,906	2,214	308	2,153	247	2,120	214	(94)	6
7	3,007	3,534	527	3,151	144	3,190	183	(344)	7
Gas Distribution									
8	153	229	76	142	(11)	196	42	(34)	8
9	202	208	6	169	(33)	138	(64)	(71)	9
10	178	212	34	159	(19)	190	12	(22)	10
11	(26)	(23)	3	(23)	3	(23)	3	-	11
12	37	45	7	35	(2)	38	1	(7)	12
13	540	622	82	590	50	593	53	(29)	13
14	1,084	1,293	208	1,072	(12)	1,131	47	(161)	14
Electric Generation									
15	539	581	42	477	(62)	541	2	(40)	15
16	-	-	-	-	-	-	-	-	16
17	177	214	37	160	(18)	192	15	(22)	17
18	(10)	(12)	(2)	(12)	(2)	(12)	(2)	0	18
19	47	56	9	46	(1)	47	0	(8)	19
20	737	981	244	869	132	887	151	(93)	20
21	1,490	1,820	329	1,540	49	1,656	166	(164)	21
Total									
22	1,228	1,437	209	1,105	(122)	1,308	80	(129)	22
23	472	498	26	400	(73)	329	(143)	(169)	23
24	673	857	184	642	(31)	768	95	(89)	24
25	(131)	(151)	(19)	(151)	(20)	(149)	(17)	2	25
26	157	188	31	154	(3)	120	(37)	(68)	26
27	3,183	3,816	634	3,613	430	3,601	418	(216)	27
28	5,582	6,646	1,064	5,763	181	5,977	395	(669)	28

Col (A) These amounts include revenues from PG&E's 2007 GRC Decision 07-03-044, adjusted for 2008 attrition, 2008 cost of capital, and 2009 & 2010 attrition. These amounts also include the 2011 revenue requirements associated with the Diablo Canyon Power Plant (DCPP) Steam Generator Replacement Project, as well as the Gateway, Humboldt, and Colusa Generating Stations. These amounts exclude pension costs, which were resolved by the Commission in D.09-09-020.

Note: Columns and rows may not add due to rounding.

Appendix A
Electric and Gas Distribution Expense
TY2011
Settlement Amounts by Major Work Category
(In Thousands of Dollars)

Major Work Category (a)	Description (b)	PG&E Proposed (c)	DRA Recommended (d)	Settlement Amount (e)	PG&E > Settlement (f = e-c)
BF	Patrols and Inspections	\$ 40,712	\$ 33,225	\$ 40,712	\$ -
BG	Preventive Maintenance & Equipment Repair	84,810	61,474	72,665	(12,145)
BK	Maintenance of Other Equipment	2,057	1,785	2,057	-
GA	Poles Test/Treat, Restoration, Joint Utilities Coord	16,462	13,173	16,462	-
HN ¹	Vegetation Management	180,000	160,667	161,500	(18,500)
EV	New Business	17,488	16,519	13,488	(4,000)
EW	Work at the Request of Others	25,296	21,983	21,296	(4,000)
GC	Operate and Maintain Substations	37,938	30,908	34,423	(3,515)
HX	Distribution Automation & Protection Support	1,900	1,233	1,900	-
GB	Underground Asset Mgmt. Splice/Connector Replacement Exp	800	378	800	-
BA	Operate Electric Distribution	39,081	32,965	36,023	(3,058)
HG	Electric Distribution Operations Tech	750	750	750	-
BH	Corrective Maintenance-Expense	68,441	60,794	64,618	(3,823)
IF	Major Emergency- Expense	24,199	18,282	21,240	(2,959)
FZ	Electric Engineering & Planning	25,062	20,761	25,062	-
GE	Operations Distrb-Electric Mapping	7,114	5,341	7,114	-
GF	Operations Distrb-Gas Mapping	1,600	1,445	1,600	-
AB	Electric Research Development & Demo	2,800	1,400	2,800	-
AB	Operations Support Expense	5,935	4,224	5,935	-
	Electric Distribution Total	582,445	487,307	530,445	(52,000)
DE	Leak Survey	15,482	10,480	15,482	-
DF	Mark & Locate	29,902	28,222	29,902	-
DG	Cathodic Protection	15,357	8,802	10,757	(4,600)
FH	Preventive Maint.	16,924	11,990	16,924	-
FI	Correct. Maint.	48,496	18,325	35,656	(12,840)
FG	Opr. Gas Sys	3,945	3,945	3,945	-
GG	Gas Engineering	3,060	3,060	3,060	-
GZ	Gas Dist. Res.	1,500	750	1,500	-
New MWC ²	Distribution Integrity Management Program (DIMP)	23,546	10,410	19,500	(4,046)
EX	Meter Protection	5,200	527	1,200	(4,000)
AB	Technical Training	19,083	500	14,569	(4,514)
AB	Applied Tech	1,751	835	1,751	-
	Gas Distribution Total	184,246	97,846	154,246	(30,000)
	Electric & Gas Distribution Total	\$ 766,691	\$ 585,153	\$ 684,691	\$ (82,000)

¹ Continuation of 1-way balancing account

² Creation of a 1-way balancing account

Appendix B

Pacific Gas and Electric Company
2011 General Rate Case

Settlement Net Salvage and Accrual Rates

Ln	Asset Class	Note	FERC Acct.	Description	Net Salvage Rates			Accrual Rates		
					PG&E Proposed	DRA Proposed	Settlement	PG&E Proposed	DRA Proposed	Settlement
					(%)	(%)	(%)	(%)	(%)	(%)
ELECTRIC										
<u>Intangible Plant</u>										
1	EIP30201		302	Franchises and Consents	0		0	2.23		2.23
2	EIP30301		303	USBR - Limited Term Electric	0		0	0.00		0.00
3	EIP30303		303	Software	0		0	0.00		0.00
<u>Steam Production Plant - Combined Cycle</u>										
4	ESF31103		311	Structures & Improvements	0		0	3.52		3.52
5	ESF31203/E SF31205		312	Boiler Plant Equipment	0		0	3.52		3.52
6	ESF31403		314	Turbogenerator Units	0		0	3.52		3.52
7	ESF31503		315	Accessory Electrical Equipment	0		0	3.52		3.52
8	ESF31603		316	Miscellaneous Power Plant Equipment	0		0	3.52		3.52
<u>Steam Production Plant - Other Steam Production</u>										
9	ESF31101		311	Structures & Improvements	0		0	8.36		8.36
10	ESF31201		312	Boiler Plant Equipment	0		0	8.36		8.36
11	ESF31301		313	Engines and Engine-Driven Generators	0		0	8.36		8.36
12	ESF31401		314	Turbogenerator Units	0		0	8.36		8.36
13	ESF31501		315	Accessory Electrical Equipment	0		0	8.36		8.36
14	ESF31601		316	Miscellaneous Power Plant Equipment	0		0	8.36		8.36
<u>Nuclear Production - 2001 & Prior</u>										
15	ENP32100		321	Structures & Improvements	-3		-3	0.17		0.17
16	ENP32200		322	Reactor Plant Equipment	-5		-5	0.40		0.40
17	ENP32300		323	Turbogenerator Units	-2		-2	0.13		0.13
18	ENP32400	1	324	Accessory Electrical Equipment	-5		-2	0.34		0.12
19	ENP32500	1	325	Miscellaneous Power Plant Equipment	-4		-2	0.27		0.13
<u>Nuclear Production - 2002 & Subsequent</u>										
20	ENP32102		321	Structures & Improvements	-3		-3	6.58		6.58
21	ENP32201		322	Reactor Plant Equipment U2	-5		-5	6.59		6.59
22	ENP32202		322	Reactor Plant Equipment	-5		-5	6.59		6.59
23	ENP32302		323	Turbogenerator Units	-2		-2	6.46		6.46
24	ENP32402	1	324	Accessory Electrical Equipment	-5		-2	6.57		6.38
25	ENP32502	1	325	Miscellaneous Power Plant Equipment	-4		-2	6.48		6.35
<u>Hydroelectric Production excluding Helms Pumped Storage</u>										
26	EHP33101/ EHP33102/ EHP33103 EHP33201/ EHP33202/		331	Structures & Improvements	0		0	1.90		1.90
27	EHP33203		332	Reservoirs, Dams & Waterways	0		0	1.43		1.43
28	EHP33300	1	333	Waterwheels, Turbines & Generators	-2		0	2.49		2.39
29	EHP33400	1	334	Accessory Electrical Equipment	-14		0	4.12		3.29
30	EHP33500	1	335	Miscellaneous Power Plant Equipment	-8		0	3.83		3.42
31	EHP33600		336	Roads, Railroads & Bridges	0		0	3.06		3.06
<u>Hydroelectric Production - Helms Pumped Storage</u>										
32	EHH33101		331	Structures & Improvements	-1		-1	0.00		0.00
33	EHH33201		332	Reservoirs, Dams & Waterways	-1		-1	0.00		0.00

Ln	Asset Class	Note	FERC Acct.	Description	Net Salvage Rates			Accrual Rates		
					PG&E Proposed (%)	DRA Proposed (%)	Settlement (%)	PG&E Proposed (%)	DRA Proposed (%)	Settlement (%)
34	EHH33300		333	Waterwheels, Turbines & Generators	-4		-4	0.35		0.35
35	EHH33400		334	Accessory Electrical Equipment	-15		-15	0.89		0.89
36	EHH33500		335	Miscellaneous Power Plant Equipment	-10		-10	0.64		0.64
37	EHH33600		336	Roads, Railroads & Bridges	0		0	0.00		0.00
<u>Other Production - Combined Cycle Production</u>										
38	EOP34101		341	Structures & Improvements	0		0	3.52		3.52
39	EOP34201		342	Fuel Holders, Producers and Accessories	0		0	3.52		3.52
40	EOP34301		343	Prime Movers	0		0	3.52		3.52
41	EOP34401		344	Generators	0		0	3.52		3.52
42	EOP34501		345	Accessory Electrical Equipment	0		0	3.52		3.52
43	EOP34601		346	Miscellaneous Power Plant Equipment	0		0	3.52		3.52
<u>Other Production - Solar</u>										
44	EOP34602		346	Miscellaneous Power Plant Eqp - Solar	0		0	3.97		3.97
<u>All Other Production</u>										
45	EOP34100		341	Structures & Improvements	0		0	3.33		3.33
46	EOP34200		342	Fuel Holders, Producers and Accessories	0		0	33.40		33.40
47	EOP34300		343	Prime Movers	0		0	0.00		0.00
48	EOP34400		344	Generators	0		0	2.85		2.85
49	EOP34500		345	Accessory Electrical Equipment	0		0	4.31		4.31
50	EOP34600		346	Miscellaneous Power Plant Equipment	0		0	13.35		13.35
<u>Electric Transmission (Generation (ETC))</u>										
51	ETC35201		352	Structures & Improvements	-20		-20	1.54		1.54
52	ETC35301	1, 2	353	Station Equipment	-50	-30	-30	3.10	2.51	2.51
53	ETC35302		353	Step Up Transformers	-5		-5	2.67		2.67
54	ETP35303		353	Step Up Transformers (Combined Cycle)	-5		-5	4.74		4.74
55	ETC35400	1, 2	354	Towers & Fixtures	-80	-60	-60	2.41	1.96	1.96
56	ETP35401		354	Towers & Fixtures (Combined Cycle)	-80		-80	5.99		5.99
57	ETC35500		355	Poles & Fixtures	-80		-80	3.19		3.19
58	ETC35600		356	OH Conductor/Devices - Twr/PI Ln	-80		-80	3.21		3.21
59	ETP35601		356	OH Conductors & Devices (Combined Cycle)	-80		-80	5.99		5.99
60	ETC35700		357	UG Conduit	0		0	0.60		0.60
61	ETC35800		358	UG Conductor/Devices	0		0	0.75		0.75
62	ETC35900		359	Roads & Trails	0		0	1.38		1.38
<u>Nuclear Transmission Plant</u>										
63	NTP35201		352	Structures & Improvements	-20		-20	1.27		1.27
64	NTP35202		352	Structures & Improvements-Equipment	-20		-20	1.26		1.26
65	NTP35301		353	Station Equipment	-50		-50	3.26		3.26
66	NTP35302		353	Step-up Transformers	-5		-5	1.60		1.60
<u>Electric Distribution</u>										
67	EDP36101		361	Structures & Improvements	-20		-20	2.21		2.21
68	EDP36102		361	Structures & Improvements-Eqpt	-20		-20	2.37		2.37
69	EDP36200	1, 2	362	Station Equipment	-40	-25	-15	3.79	3.27	2.92
70	EDP36300		363	Storage Battery Equipment	0		0	35.04		35.04
71	EDP36400	1	364	Poles, Towers, & Fixtures	-90		-80	5.05		4.70
72	EDP36500	1	365	OH Conductors & Devices	-85		-77	4.93		4.64
73	EDP36600	1	366	Underground Conduit	-25		-20	2.54		2.42
74	EDP36700		367	UG Conductors & Devices	-40		-40	3.42		3.42
75	EDP36801	1	368	Line Transformers-Overhead	-10		-6	3.63		3.44
76	EDP36802		368	Line Transformers-Underground	5		5	3.36		3.36
77	EDP36901	1	369	Services-Overhead	-100		-75	4.05		3.25
78	EDP36902	1	369	Services-Underground	-40		-29	3.15		2.78
79	EDP37000	1, 2	370	Meters	-30	-15	-15	4.71	3.96	3.96
80	EDP37100		371	Installation on Customer Premises	0		0	0.00		0.00
81	EDP37200		372	Leased Property on Cust. Prem.	0		0	0.00		0.00
82	EDP37301		373	Street Light-Overhead Conductors	-35		-35	2.23		2.23
83	EDP37302		373	Street Light-Conduit & Cables	-10		-10	5.01		5.01
84	EDP37303	1	373	Street Light-Lamps & Equipment	-15		-5	2.61		1.90
85	EDP37304		373	Street Light-Electroliers	-10		-10	2.61		2.61

Ln	Asset Class	Note	FERC Acct.	Description	Net Salvage Rates			Accrual Rates		
					PG&E Proposed (%)	DRA Proposed (%)	Settlement (%)	PG&E Proposed (%)	DRA Proposed (%)	Settlement (%)
<i>Electric General</i>										
86	EGP39000		390	Structures & Improvements	-10		-10	2.13		2.13
87	EGP39100		391	Office Furniture & Equipment	0		0	9.72		9.72
88	EGP39400		394	Tools, Shop & Garage Equipment	0		0	3.44		3.44
89	EGP39500		395	Laboratory Equipment	0		0	8.09		8.09
90	EGP39600		396	Power Operated Equipment	0		0	5.86		5.86
91	EGP39700		397	Communication Equipment	0		0	4.32		4.32
92	EGP39800		398	Miscellaneous Equipment	0		0	13.84		13.84
<i>Nuclear General Plant</i>										
93	NGP39100		391	Office Furniture & Equipment	0		0	0.00		0.00
94	NGP39800		398	Miscellaneous Equipment	0		0	0.00		0.00
GAS										
<i>Intangible Plant</i>										
95	GIP30202		302	Franchises and Consents	0		0	9.60		9.60
96	GIP30302		303	Software	0		0	0.00		0.00
<i>Local Storage Plant</i>										
97	GLS36101		361	Structures & Improvements	10		10	1.80		1.80
98	GLS36200		362	Gas Holders	-15		-15	4.17		4.17
99	GLS36300		363	Purification Equipment	0		0	4.14		4.14
100	GLS36330		363.3	Compressor Equipment	-20		-20	4.84		4.84
101	GLS36340		363.4	Measuring & Regulating Equipment	10		10	2.85		2.85
102	GLS36350		363.5	Other Equipment	-5		-5	2.87		2.87
<i>Gas Distribution</i>										
103	GDP37500		375	Structures & Improvements	-20		-20	2.46		2.46
104	GDP37601	1	376	Mains	-60		-52	2.94		2.72
105	GDP37700		377	Compressor Station Equipment	0		0	2.81		2.81
106	GDP37800	1, 2	378	Odorizing/Meas & Reg Sta Equipment	-55	-45	-45	3.09	2.78	2.78
107	GDP38000	1	380	Services	-120		-105	3.76		3.36
108	GDP38100	1, 2	381	Meters	-50	-25	-5	8.22	6.49	5.10
109	GDP38300		383	House Regulators	0		0	3.22		3.22
110	GDP38500		385	Meas & Reg Sta Equip-Industrial	0		0	1.75		1.75
111	GDP38600		386	Other Property on Customer Premises	0		0	2.58		2.58
112	GDP38700		387	Other Equipment	5		5	2.30		2.30
<i>Gas General</i>										
113	GGP39000		390	Structures & Improvements	-10		-10	2.55		2.55
114	GGP39100		391	Office Furniture & Equipment	0		0	8.20		8.20
115	GGP39400		394	Shop Equipment	0		0	4.12		4.12
116	GGP39500		395	Laboratory Equipment	0		0	9.87		9.87
117	GGP39600		396	Power Operated Equipment	0		0	18.90		18.90
118	GGP39800		398	Miscellaneous Equipment	0		0	6.30		6.30
119	GGP39900		399	Other Tangible Property	0		0	12.37		12.37

Ln	Asset Class	Note	FERC Acct.	Description	Net Salvage Rates			Accrual Rates		
					PG&E Proposed (%)	DRA Proposed (%)	Settlement (%)	PG&E Proposed (%)	DRA Proposed (%)	Settlement (%)

COMMON

Common Plant

120	CMP30302		303	Computer Software	0		0	19.81		19.81
121	CMP30304		303	Computer Software - CIS	0		0	6.59		6.59
122	CMP39000	1	390	Structures & Improvements	-10		-10	2.59		2.23
123	CMP39101		391	Office Machines & Computer Eqpt	0		0	19.51		19.51
124	CMP39102	1	391	PC Hardware	0		0	33.84		20.00
125	CMP39103	1	391	Office Furniture & Equipment	0		0	6.28		3.33
126	CMP39104		391	Off Mach & Computer Eqpt - CIS	0		0	6.39		6.39
127	CMP39201		392	Transportation Equipment - Air	50		50	2.64		2.64
128	CMP39202		392	Transportation Equipment - Class P	10		10	8.30		8.30
129	CMP39203		392	Transportation Equipment - Class C2	10		10	6.71		6.71
130	CMP39204		392	Transportation Equipment - Class C4	10		10	15.57		15.57
131	CMP39205		392	Transportation Equipment - Class T1 - Body	10		10	9.85		9.85
132	CMP39255		392	Transportation Equipment - Class T1 - Chassis	10		10	9.73		9.73
133	CMP39206		392	Transportation Equipment - Class T3 - Body	10		10	7.90		7.90
134	CMP39256		392	Transportation Equipment - Class T3 - Chassis	10		10	7.93		7.93
135	CMP39207		392	Transportation Equipment - Class T4 - Body	10		10	5.94		5.94
136	CMP39257		392	Transportation Equipment - Class T4 - Chassis	10		10	6.08		6.08
137	CMP39208		392	Transportation Equipment - Vessels	10		10	0.00		0.00
138	CMP39209		392	Transportation Equipment - Trailers	10		10	0.88		0.88
139	CMP39300		393	Stores Equipment	0		0	6.29		6.29
140	CMP39400		394	Tools, Shop & Garage Equipment	0		0	2.81		2.81
141	CMP39500		395	Laboratory Equipment	0		0	6.34		6.34
142	CMP39600		396	Power Operated Equipment	20		20	7.66		7.66
143	CMP39701		397	Communication Equipment - Non-Computer	0		0	15.93		15.93
144	CMP39702		397	Communication Equipment - Computer	0		0	19.08		19.08
145	CMP39703		397	Communication Equipment - Radio Systems	0		0	14.28		14.28
146	CMP39704	1	397	Communication Equipment - Voice Systems	-15		-4	18.18		14.42
147	CMP39705		397	Communication Equipment - Transm Systems	0		0	6.74		6.74
148	CMP39800		398	Miscellaneous Equipment	0		0	6.17		6.17
149	CMP39900		399	Other Tangible Property	0		0	5.97		5.97

Common Plant - Nuclear

150	CNP30302		303	DCPP Software	0		0	10.59		10.59
151	CNP39000		390	Structures & Improvements	-10		-10	1.54		1.54
152	CNP39101		391	Office Machines & Computer Equipment	0		0	35.02		35.02
153	CNP39102		391	PC Hardware	0		0	35.54		35.54
154	CNP39103		391	Office Furniture & Equipment	0		0	0.95		0.95
155	CNP39202		392	Transportation Equipment - Class P	10		10	0.00		0.00
156	CNP39203		392	Transportation Equipment - Class C2	10		10	7.04		7.04
157	CNP39204		392	Transportation Equipment - Class C4	10		10	7.18		7.18
158	CNP39205		392	Transportation Equipment - Class T1	10		10	6.15		6.15
159	CNP39206		392	Transportation Equipment - Class T3	10		10	6.83		6.83
160	CNP39207		392	Transportation Equipment - Class T4	10		10	4.59		4.59
161	CNP39208		392	Transportation Equipment - Vessels	10		10	0.00		0.00
162	CNP39209		392	Transportation Equipment - Trailers	10		10	0.28		0.28
163	CNP39300		393	Stores Equipment	0		0	5.71		5.71
164	CNP39400		394	Tools, Shop & Garage Equipment	0		0	0.00		0.00
165	CNP39500		395	Laboratory Equipment	0		0	2.33		2.33
166	CNP39600		396	Power Operated Equipment	20		20	5.07		5.07
167	CNP39701		397	Communications Equipment - Non-Computer	0		0	16.12		16.12
168	CNP39702		397	Communications Equipment - Computer	0		0	22.67		22.67
169	CNP39703		397	Communications Equipment - Radio Systems	0		0	15.00		15.00
170	CNP39704		397	Communications Equipment - Voice Systems	0		0	14.46		14.46
171	CNP39705		397	Communications Equipment - Trans Systems	0		0	1.53		1.53
172	CNP39800		398	Miscellaneous Equipment	0		0	4.20		4.20

Notes:

173	1	Account with settlement net salvage and accrual rates that are different from those proposed by PG&E in the 2011 GRC Application
174	2	Account specifically identified by DRA for net salvage reduction

Appendix C
Pacific Gas and Electric Company
2011 GRC Settlement Agreement
Attrition

(Millions of Dollars)

	<u>2012</u> <u>Increase</u>	<u>2013</u> <u>Increase</u>
1 Electric Distribution	123	123
2 Gas Distribution	35	35
3 Electric Generation	<u>22</u>	<u>27</u>
4 Total	<u>180</u>	<u>185</u>

**Appendix D
Pacific Gas and Electric Company
2011 GRC Settlement Agreement
O&M Labor Factors**

Line	Unbundled Cost Category (UCC)	Comparison Exhibit		Reclass EP Labor ^[3]	Settlement Agreement	
		2008 Recorded	Adjusted Labor ^[1]		2008 Recorded	Adjusted Labor ^[1]
		\$	%		\$	%
Electric Department						
1	100 EG - Power Generation	-	0.00%	-	-	0.00%
2	101 EG - Fossil Facilities	-	0.00%	-	-	0.00%
3	102 EG - Fossil Transmission	126	0.01%	-	126	0.01%
4	103 EG - Gateway	2,755	0.26%	-	2,755	0.26%
5	104 EG - Colusa	2,052	0.20%	-	2,052	0.20%
6	105 EG - Humboldt Bay GS Repower	1,411	0.14%	-	1,411	0.14%
7	106 EG - Other Generation Solar	-	0.00%	-	-	0.00%
8	107 EG - Tesla	-	0.00%	-	-	0.00%
9	120 EG - Hydro Facilities	48,927	4.69%	-	48,927	4.69%
10	121 EG - Hydro Transmission	822	0.08%	-	822	0.08%
11	122 EG - New Renewable Hydro	-	0.00%	-	-	0.00%
12	123 EG - Helms Generation Facilities	3,815	0.37%	-	3,815	0.37%
13	124 EG - Helms Transmission	1,192	0.11%	-	1,192	0.11%
14	130 EG - Diablo Canyon Nuclear Generation Facilities	148,241	14.21%	-	148,241	14.21%
15	131 EG - Diablo Canyon Transmission	-	0.00%	-	-	0.00%
16	132 EG - Diablo Canyon Steam Generator Replacement	-	0.00%	-	-	0.00%
17	133 EG - Diablo Canyon Decommissioning (incl. SAFSTOR)	-	0.00%	-	-	0.00%
18	135 EG - Humboldt Unit 3 Decommissioning	-	0.00%	-	-	0.00%
19	140 EG - Power Purchase Payments	-	0.00%	-	-	0.00%
20	141 EG - Electric Procurement (incl. QF & Other Power Payment Admin)	19,220	1.84%	1,377	20,597	1.97%
21	142 EG - Market Redesign Technology Update - MRTU	1,377	0.13%	(1,377)	-	0.00%
22	Power Generation (GRC) Total	229,937	22.03%	GRC^[2]	229,937	22.03%
23	134 EG - Humboldt Unit 3 SAFSTOR Costs	4,987	0.48%	-	4,987	0.48%
24	Power Generation (Other) Total	4,987	0.48%	-	4,987	0.48%
23	200 ET - Network Transmission	-	0.00%	-	-	0.00%
24	201 ET - High Voltage Network Facilities	32,690	3.13%	-	32,690	3.13%
25	202 ET - Low Voltage Network Facilities	33,890	3.25%	-	33,890	3.25%
26	203 ET - Partnership Agreement Generation-Ties	38	0.00%	-	38	0.00%
27	204 ET - Third-Party Generation-Ties	465	0.04%	-	465	0.04%
28	205 ET - Canadian Line	-	0.00%	-	-	0.00%
29	Transmission Total	67,083	6.43%	-	67,083	6.43%
30	301 ED - Wires and Services	398,692	38.21%	-	398,692	38.21%
31	302 ED - Transmission-Level Direct Connects	326	0.03%	-	326	0.03%
32	303 ED - Public Purpose Program Administration	64,014	6.13%	-	64,014	6.13%
33	304 ED - Demand Response	-	0.00%	-	-	0.00%
34	305 ED - Dynamic Pricing	-	0.00%	-	-	0.00%
35	306 ED - Cornerstone	-	0.00%	-	-	0.00%
36	Electric Distribution Total	463,032	44.37%	GRC^[2]	463,032	44.37%
37	307 ED - SmartMeter Electric	3,846	0.37%	-	3,846	0.37%
38	400 EP - Electric PPP Programs	-	0.00%	-	-	0.00%
39	Other Total	3,846	0.37%	-	3,846	0.37%
40	Electric Department Total	768,886	73.68%	-	768,886	73.68%
Gas Department						
41	500 GT - Gas Transmission and Storage	-	0.00%	-	-	0.00%
42	501 GT - Gathering	2,321	0.22%	-	2,321	0.22%
43	510 GS - Storage Services - All	-	0.00%	-	-	0.00%
44	511 GS - Storage Services - McDonald Island	4,166	0.40%	-	4,166	0.40%
45	512 GS - Storage Services - Los Medanos/Pleasant Creek	2,467	0.24%	-	2,467	0.24%
46	513 GS - Storage Services - Gill Ranch	8	0.00%	-	8	0.00%
47	520 GT - Local Transmission	18,609	1.78%	-	18,609	1.78%
48	521 GT - Transmission: Northern Path - Line 401	577	0.06%	-	577	0.06%
49	522 GT - Transmission: Northern Path - Line 400	3,090	0.30%	-	3,090	0.30%
50	523 GT - Transmission: Northern Path - Line 2	-	0.00%	-	-	0.00%
51	524 GT - Transmission: Southern Path - Line 300 North Milpitas to Panoche	1,011	0.10%	-	1,011	0.10%
52	525 GT - Transmission: Southern Path - Line 300 South Topock to Panoche	10,919	1.05%	-	10,919	1.05%
53	526 GT - Transmission: Bay Area Loop	1,768	0.17%	-	1,768	0.17%
54	527 GT - Excess Line 401	-	0.00%	-	-	0.00%
55	528 GT - Customer Access Charge (CAC)	858	0.08%	-	858	0.08%
56	Gas Transmission Total	45,794	4.39%	-	45,794	4.39%
57	600 GD - Gas Distribution	-	0.00%	-	-	0.00%
58	601 GD - Pipes and Services	217,606	20.85%	-	217,606	20.85%
59	602 GD - Gas Procurement	2,329	0.22%	-	2,329	0.22%
60	603 GD - Public Purpose Program Administration	7,402	0.71%	-	7,402	0.71%
61	Gas Distribution Total	227,338	21.79%	GRC^[2]	227,338	21.79%
62	604 GD - SmartMeter Gas	1,515	0.15%	-	1,515	0.15%
63	Gas Department Total	274,647	26.32%	-	274,647	26.32%
64	PG&E Total Labor	1,043,533	100.00%	-	1,043,533	100.00%
65	PG&E 2011 General Rate Case Factor		88.19%	GRC^[2]		88.19%

^[1] Adjusted for plants no longer in service and new plants that will be in service in 2011, Smart Meter and Public Purpose Programs

^[2] GRC Total = 88.19%

^[3] Reclass Energy Procurement Labor to align with 2011 Forecast.

Attachment 2

Table 1-1

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)
General Rate Case Revenues: Electric Distribution
Available from Present and Proposed Rates
(Thousands of Dollars)

Line No.	Description	PG&E 2011 (A)	SETTLEMENT 2011 (B)	Difference SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	Difference SETTLEMENT v DRA (E)=(B)-(D)	Line No.
<u>REVENUES AT PRESENT RATES</u>							
CPUC Revenues (Retail)							
1	Retail Revenue Collected in Rates	3,007,541	3,007,541	0	3,007,000	541	1
2	Plus: Other Operating Revenue (Adopted in GRC)	80,099	80,099	0	80,099	0	2
3	Total CPUC Jurisdiction Revenue	3,087,640	3,087,640	0	3,087,099	541	3
FERC Jurisdiction Wholesale Revenue							
4	Wholesale Wheeling & Resale Revenue	15,799	15,799	0	15,799	0	4
5	Plus: Wholesale Other Operating Revenue	0	0	0	0	0	5
6	Total Wholesale Revenue	15,799	15,799	0	15,799	0	6
7	Total Operating Revenue (Present)	3,103,439	3,103,439	0	3,102,898	541	7
<u>REVENUES AT PROPOSED RATES</u>							
8	Revenue Requirement (Test Year 2011, line 3, tab RO_Proposed)	3,649,588	3,303,846	(345,742)	3,267,058	36,788	8
9	Less: Total Wholesale Revenue-FERC (Line 6)	15,799	15,799	0	15,799	0	9
10	Less: Wholesale Allocation of Increase-FERC [(Line 8 - Line 7) x Line 6 / Line 7]	2,376	643	(1,734)	977	(334)	10
11	Required Retail Revenue	3,631,413	3,287,404	(344,009)	3,250,282	37,122	11
12	Less: Proposed Other Operating Revenue-CPUC	97,880	97,880	0	99,702	(1,822)	12
13	Total Proposed Retail Revenue Requirement	3,533,533	3,189,524	(344,009)	3,150,580	38,944	13
Increase in Proposed Revenue Over Adopted Revenue							
14	Proposed Retail Revenue Requirement (Line 13)	3,533,533	3,189,524	(344,009)	3,150,580	38,944	14
15	Less: Adopted Retail Revenue (Line 1)	3,007,541	3,007,541	0	3,007,000	541	15
16	Increase in Retail Revenue Requirement over Adopted Revenue	525,992	181,983	(344,009)	143,580	38,403	16

Wholesale Wheeling & Resale Revenue (line 4) and Wholesale Allocation of Increase-FERC (line 10) are attributable only to ED - Wires and Services.

Table 1-2

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Results of Operations at Proposed Rates
Electric Distribution

(Thousands of Dollars)

Line No.	Description	PG&E	SETTLEMENT	Difference	Difference	Line No.	
		2011	2011	SETTLEMENT v. PG&E	DRA SETTLEMENT v. DRA		
		(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	
REVENUE:							
1	Revenue Collected in Rates	3,533,533	3,189,524	(344,009)	3,150,580	38,944	1
2	Plus Other Operating Revenue	116,055	114,321	(1,734)	116,477	(2,156)	2
3	Total Operating Revenue	3,649,588	3,303,846	(345,742)	3,267,058	36,788	3
OPERATING EXPENSES:							
4	Energy Costs	0	0	0	0	0	4
5	Production	0	0	0	0	0	5
6	Storage	0	0	0	0	0	6
7	Transmission	1,137	1,137	0	1,122	16	7
8	Distribution	626,077	570,310	(55,767)	485,063	85,247	8
9	Customer Accounts	280,259	187,347	(92,912)	226,680	(39,333)	9
10	Uncollectibles	10,393	10,240	(153)	8,632	1,608	10
11	Customer Services	9,600	4,153	(5,446)	4,132	22	11
12	Administrative and General	431,232	386,453	(44,779)	323,422	63,032	12
13	Franchise Requirements	27,584	24,965	(2,619)	24,698	267	13
14	Amortization	0	0	0	0	0	14
15	Wage Change Impacts	0	0	0	0	0	15
16	Other Price Change Impacts	0	0	0	0	0	16
17	Other Adjustments	0	(44,000)	(44,000)	0	(44,000)	17
18	Subtotal Expenses:	1,386,282	1,140,606	(245,677)	1,073,749	66,857	18
TAXES:							
19	Superfund	0	0	0	0	0	19
20	Property	129,822	129,822	0	127,903	1,919	20
21	Payroll	47,870	41,427	(6,443)	37,323	4,104	21
22	Business	508	508	0	508	0	22
23	Other	1,171	1,171	0	2,214	(1,043)	23
24	State Corporation Franchise	63,913	57,649	(6,264)	63,383	(5,734)	24
25	Federal Income	272,257	269,149	(3,108)	271,107	(1,958)	25
26	Total Taxes	515,541	499,726	(15,814)	502,439	(2,712)	26
27	Depreciation	849,568	776,287	(73,281)	820,549	(44,262)	27
28	Fossil Decommissioning	0	0	0	0	0	28
29	Nuclear Decommissioning	0	0	0	0	0	29
30	Total Operating Expenses	2,751,391	2,416,619	(334,772)	2,396,736	19,883	30
31	Net for Return	898,197	887,226	(10,971)	870,322	16,905	31
32	Rate Base	10,218,396	10,093,589	(124,807)	9,901,269	192,320	32
RATE OF RETURN:							
33	On Rate Base	8.79%	8.79%		8.79%		33
34	On Equity	11.35%	11.35%		11.35%		34

Table 1-3

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)
Income Taxes at Proposed Rates
Electric Distribution
(Thousands of Dollars)

Line No.	Description	Difference			Difference		Line No.
		PG&E 2011 (A)	SETTLEMENT 2011 (B)	SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	SETTLEMENT v DRA (E)=(B)-(D)	
1	Revenues	3,649,588	3,303,846	(345,742)	3,267,058	36,788	1
2	O&M Expenses	1,386,282	1,140,606	(245,677)	1,073,749	66,857	2
3	Nuclear Decommissioning Expense	0	0	0	0	0	3
4	Superfund Tax	0	0	0	0	0	4
5	Taxes Other Than Income	179,371	172,928	(6,443)	167,948	4,980	5
6	Subtotal	2,083,935	1,990,312	(93,623)	2,025,361	(35,049)	6
DEDUCTIONS FROM TAXABLE INCOME:							
7	Interest Charges	284,071	280,602	(3,470)	275,255	5,347	7
8	Fiscal/Calendar Adjustment	3,510	3,510	0	2,397	1,113	8
9	Operating Expense Adjustments	(21,890)	(21,991)	(101)	(19,532)	(2,459)	9
10	Capitalized Interest Adjustment	0	0	0	0	0	10
11	Capitalized Inventory Adjustment	0	0	0	0	0	11
12	Vacation Accrual Reduction	(1,535)	(1,535)	0	(1,535)	0	12
13	Capitalized Other	5,408	5,408	0	5,129	278	13
14	Subtotal Deductions	269,564	265,993	(3,570)	261,714	4,279	14
CCFT TAXES:							
15	State Operating Expense Adjustment	2,420	2,420	0	2,420	0	15
16	State Tax Depreciation - Declining Balance	0	0	0	0	0	16
17	State Tax Depreciation - Fixed Assets	847,558	838,375	(9,183)	804,303	34,072	17
18	State Tax Depreciation - Other	0	0	0	0	0	18
19	Removal Costs	107,960	100,093	(7,867)	112,671	(12,577)	19
20	Repair Allowance	91,497	89,351	(2,146)	85,305	4,046	20
21	Subtotal Deductions	1,318,999	1,296,232	(22,767)	1,266,413	29,819	21
22	Taxable Income for CCFT	764,936	694,080	(70,857)	758,948	(64,869)	22
23	CCFT	67,620	61,357	(6,264)	67,091	(5,734)	23
24	State Tax Adjustment	0	0	0	0	0	24
25	Current CCFT	67,620	61,357	(6,264)	67,091	(5,734)	25
26	Deferred Taxes - Reg Asset	0	0	0	0	0	26
27	Deferred Taxes - Interest	214	214	0	214	0	27
28	Deferred Taxes - Vacation	(136)	(136)	0	(136)	0	28
29	Deferred Taxes - Other	0	0	0	0	0	29
30	Deferred Taxes - Fixed Assets	(3,786)	(3,786)	0	(3,786)	0	30
31	Total CCFT	63,913	57,649	(6,264)	63,383	(5,734)	31
FEDERAL TAXES:							
32	CCFT - Prior Year	46,473	46,559	87	54,094	(7,535)	32
33	Federal Operating Expense Adjustment	4,864	4,864	0	4,864	0	33
34	Fed. Tax Depreciation - Declining Balance	0	0	0	0	0	34
35	Federal Tax Depreciation - SLRL	0	0	0	0	0	35
36	Federal Tax Depreciation - Fixed Assets	774,806	756,156	(18,650)	725,295	30,861	36
37	Federal Tax Depreciation - Other	0	0	0	0	0	37
38	Removal Costs	107,960	100,093	(7,867)	112,671	(12,577)	38
39	Repair Allowance	13,555	13,237	(318)	11,679	1,558	39
40	Preferred Dividend Credit	306	306	0	306	0	40
41	Subtotal Deductions	1,217,528	1,187,210	(30,318)	1,170,624	16,586	41
42	Taxable Income for FIT	866,407	803,102	(63,305)	854,737	(51,636)	42
43	Federal Income Tax	303,242	281,086	(22,157)	299,158	(18,072)	43
44	Deferred Taxes - Reg Asset	0	0	0	0	0	44
45	Tax Effect of MTD & Prod Tax Credits	0	0	0	0	0	45
46	Deferred Taxes - Interest	781	781	0	781	0	46
47	Deferred Taxes - Vacation	(490)	(490)	0	(490)	0	47
48	Deferred Taxes - Other	(9,109)	(9,109)	0	0	(9,109)	48
49	Deferred Taxes - Fixed Assets	(22,167)	(3,119)	19,049	(28,342)	25,223	49
50	Total Federal Income Tax	272,257	269,149	(3,108)	271,107	(1,958)	50

Table 1-4

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Total Escalation
Electric Distribution

(Thousands of Dollars)

Line No.	Description	PG&E	SETTLEMENT	Difference	DRA	Difference	Line No.
		2011	2011	SETTLEMENT v PG&E	2011	SETTLEMENT v DRA	
		(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	
<u>Total Escalated</u>							
1	Energy Cost	0	0	0	0	0	1
2	Production	0	0	0	0	0	2
3	Storage	0	0	0	0	0	3
4	Transmission	1,137	1,137	0	1,122	16	4
5	Distribution	626,077	570,310	(55,767)	485,063	85,247	5
6	Customer Accounts	280,259	187,347	(92,912)	226,680	(39,333)	6
7	Customer Services	9,600	4,153	(5,446)	4,132	22	7
8	Administrative and General	410,617	365,838	(44,779)	310,659	55,179	8
9	Other	0	(44,000)	(44,000)	0	(44,000)	9
10	Total Escalated	1,327,690	1,084,786	(242,904)	1,027,656	57,130	10
11	Wage Related A&G Escalated	20,615	20,615	0	12,763	7,853	11
<u>Total Non-Escalated</u>							
12	Energy Cost	0	0	0	0	0	12
13	Production	0	0	0	0	0	13
14	Storage	0	0	0	0	0	14
15	Transmission	1,052	1,052	0	1,052	0	15
16	Distribution	587,058	532,333	(54,725)	458,125	74,208	16
17	Customer Accounts	252,247	168,099	(84,148)	206,327	(38,228)	17
18	Customer Services	8,648	3,750	(4,898)	3,758	(8)	18
19	Administrative and General	385,177	342,937	(42,240)	292,318	50,619	19
20	Other	0	(44,000)	(44,000)	(2,251)	(41,749)	20
21	Total Non-Escalated	1,234,182	1,004,171	(230,011)	959,328	44,843	21
22	Wage Related A&G Non-Escalated	18,460	18,460	0	11,428	7,032	22
<u>Total Escalation</u>							
23	Energy Cost	0	0	0	0	0	23
24	Production	0	0	0	0	0	24
25	Storage	0	0	0	0	0	25
26	Transmission	86	86	0	70	16	26
27	Distribution	39,019	37,977	(1,042)	26,938	11,039	27
28	Customer Accounts	28,012	19,248	(8,764)	20,353	(1,105)	28
29	Customer Services	952	403	(549)	374	29	29
30	Administrative and General	25,440	22,901	(2,539)	18,342	4,559	30
31	Other	0	0	0	2,251	(2,251)	31
32	Total Escalation	93,507	80,615	(12,893)	68,327	12,287	32
33	Wage Related A&G Escalation	2,156	2,156	0	1,334	821	33
34	Acct 926 M&S - Empl Pensions & Benefits	0	0	0	0	0	34
35	Acct 924 Other - Property Insurance	7,624	7,624	0	7,624	0	35
36	Acct 926 Other - Empl Pensions & Benefits	0	0	0	0	0	36

Table 1-5

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Franchise and Uncollectibles at Proposed Rates**Electric Distribution**

\$(000)

Line No.	Description	Difference			Difference		Line No.
		PG&E 2011 (A)	SETTLEMENT 2011 (B)	SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	SETTLEMENT v DRA (E)=(B)-(D)	
Uncollectible Accounts							
1	Rate Case Revenues	3,649,588	3,303,846	(345,742)	3,267,058	36,788	1
2	Percent of Revenue from Customers	0.998200	0.998200	0.000000	0.998200	0.000000	2
3	Rate Case Revenues from Customers	3,643,019	3,297,899	(345,120)	3,261,177	36,722	3
4	Uncollectible Rate	0.00285	0.00311	0.00025	0.00265	0.00046	4
5	Uncollectible Accounts Expense	10,393	10,240	(153)	8,632	1,608	5
Franchise Fees							
6	Rate Case Revenues from Customers	3,643,019	3,297,899	(345,120)	3,261,177	36,722	6
7	Uncollectible Accounts Expense	10,393	10,240	(153)	8,632	1,608	7
8	Net Rate Case Revenue from Customers	3,632,626	3,287,659	(344,967)	3,252,545	35,114	8
9	Franchise Rate	0.00759	0.00759	0.00000	0.00759	0.00000	9
10	Franchise Fees Expense	27,584	24,965	(2,619)	24,698	267	10

Table 1-6

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Payroll and Other Taxes**Electric Distribution**

(Thousands of Dollars)

Line <u>No.</u>	<u>Description</u>	PG&E <u>2011</u> (A)	SETTLEMENT <u>2011</u> (B)	Difference SETTLEMENT <u>v PG&E</u> (C) = (B)-(A)	DRA <u>2011</u> (D)	Difference SETTLEMENT <u>v DRA</u> (E)=(B)-(D)	Line <u>No.</u>
<u>Property (Ad Valorem) Tax:</u>							
1	Fiscal Year Tax	133,332	133,332	0	130,300	3,032	1
2	Calendar Year Tax	129,822	129,822	0	127,903	1,919	2
<u>Payroll Taxes</u>							
3	Federal Insurance Contribution Act (FICA)	41,401	35,822	(5,578)	32,303	3,519	3
4	Federal Unemployment Insurance (FUI)	404	350	(55)	316	34	4
5	State Unemployment Insurance (SUI)	2,225	1,925	(300)	1,736	189	5
6	San Francisco Employee Tax	3,840	3,330	(510)	2,968	361	6
7	Total Payroll Taxes	47,870	41,427	(6,443)	37,323	4,104	7
<u>Other Taxes</u>							
8	Business	508	508	0	508	0	8
9	Hazardous Waste	0	0	0	0	0	9
10	Windfall Profits	0	0	0	0	0	10
11	Other	1,171	1,171	0	2,214	(1,043)	11
12	Total Other Taxes	1,679	1,679	0	2,722	(1,043)	12
13	Total Taxes Other Than Income	179,371	172,928	(6,443)	167,948	4,980	13

Table 1-7

Pacific Gas and Electric Company
 2011 PG&E GRC (SETTLEMENT)
Plant In Service - Test Year 2011
Electric Distribution
 (Thousands of Dollars)

Line No.	Description	Annual Plant in Service					Weighted Average Plant in Service					Line No.
		PG&E Position (A)	SETTLEMENT Position (B)	Difference SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	Difference SETTLEMENT v DRA (E)=(B)-(D)	PG&E Position (F)	SETTLEMENT Position (G)	Difference SETTLEMENT v PG&E (H) = (G)-(F)	DRA 2011 (I)	Difference SETTLEMENT v DRA (J)=(G)-(I)	
<u>Year 2008</u>												
1	Total End-of-Year Plant	18,466,658	18,466,658	0	18,466,658	0	17,986,753	17,986,753	0	17,986,753	0	1
<u>Year 2009</u>												
2	Total Full-Year Net Additions	679,275	679,275	0	613,232	66,043	332,522	332,522	0	298,228	34,295	2
3	Total End-of-Year Plant	19,145,933	19,145,933	0	19,079,890	66,043	18,799,180	18,799,180	0	18,764,886	34,295	3
<u>Year 2010</u>												
4	Total Full-Year Net Additions	827,695	827,695	0	666,252	161,443	372,692	372,692	0	277,723	94,969	4
5	Total End-of-Year Plant	19,973,628	19,973,628	0	19,746,142	227,486	19,518,625	19,518,625	0	19,357,613	161,012	5
<u>Year 2011</u>												
6	Total Full-Year Net Additions	1,068,974	956,855	(112,120)	795,966	160,889	471,539	363,812	(107,727)	344,583	19,228	6
7	Total End-of-Year Plant	21,042,602	20,930,483	(112,120)	20,542,108	388,375	20,445,167	20,337,440	(107,727)	20,090,726	246,714	7

Table 1-8

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Depreciation
Electric Distribution

(Thousands of Dollars)

Line		PG&E	SETTLEMENT	Difference	DRA	Difference	Line
<u>No.</u>	<u>Description</u>	<u>2011</u>	<u>2011</u>	<u>v PG&E</u>	<u>2011</u>	<u>v DRA</u>	<u>No.</u>
		(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	
	<u>Depreciation</u>						
1	Annual	849,568	776,287	(73,281)	820,549	(44,262)	1
2	Reserve	8,968,612	8,918,989	(49,623)	8,922,198	(3,210)	2
3	Weighted Average Reserve	8,766,948	8,748,990	(17,958)	8,717,118	31,872	3

Table 1-9

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

**Working Cash Capital
Electric Distribution**

(Thousands of Dollars)

Line No.	Description	PG&E 2011 (A)	SETTLEMENT 2011 (B)	Difference	DRA 2011 (D)	Difference	Line No.
				SETTLEMENT v PG&E (C) = (B)-(A)		SETTLEMENT v DRA (E)=(B)-(D)	
Operational Cash Requirements:							
1	Required Bank Balances	0	0	0	0	0	1
2	Special Deposits and Working Funds	71	70	(0)	71	(0)	2
3	Other Receivables	40,738	40,674	(64)	40,957	(283)	3
4	Prepayments	22,521	22,521	0	23,141	(620)	4
5	Deferred Debits, Company-Wide	(70)	(70)	0	(74)	4	5
Less:							
6	Working Cash Capital not Supplied by Investors	5,414	5,414	0	5,848	(434)	6
7	Goods Delivered to Construction Sites	6,466	6,466	0	6,466	0	7
8	Accrued Vacation	75,010	64,903	(10,107)	58,526	6,376	8
Add:							
9	Prepayment, Departmental	0	0	0	0	0	9
10	Total Operational Cash Requirement	(23,631)	(13,587)	10,043	(6,746)	(6,841)	10
Plus Working Cash Capital Requirement Resulting from the Lag in Collection of Revenues being greater than the Lag in the Payment of Expenses							
11		51,395	46,918	(4,477)	38,521	8,398	11
12	Working Cash Capital Supplied by Investors	27,764	33,331	5,567	31,774	1,557	12

Table 1-10

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Ratebase
Electric Distribution

(Thousands of Dollars)

Line No.	Description	Difference			Difference		Line No.
		PG&E 2011 (A)	SETTLEMENT 2011 (B)	SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	SETTLEMENT v DRA (E)=(B)-(D)	
WEIGHTED AVERAGE PLANT:							
1	Plant Beginning Of Year (BOY)	19,973,628	19,973,628	0	19,746,142	227,486	1
2	Net Additions	471,539	363,812	(107,727)	344,583	19,228	4
3	Total Weighted Average Plant	20,445,167	20,337,440	(107,727)	20,090,726	246,714	5
WORKING CAPITAL:							
4	Material and Supplies - Fuel	0	0	0	0	0	6
5	Material and Supplies - Other	74,827	74,827	0	63,954	10,873	7
6	Working Cash	27,764	33,331	5,567	31,774	1,557	8
7	Total Working Capital	102,591	108,158	5,567	95,728	12,430	9
ADJUSTMENTS FOR TAX REFORM ACT:							
8	Deferred Capitalized Interest	775	775	0	775	0	10
9	Deferred Vacation	18,660	18,660	0	18,660	0	11
10	Deferred CIAC Tax Effects	302,984	302,984	0	302,984	0	12
11	Total Adjustments	322,418	322,418	0	322,418	0	13
12	CUSTOMER ADVANCES	89,342	89,342	0	89,342	0	14
DEFERRED TAXES							
13	Accumulated Regulatory Assets	0	0	0	0	0	15
14	Accumulated Fixed Assets	1,774,457	1,815,061	40,604	1,756,498	58,562	16
15	Accumulated Other	(23,611)	(23,611)	0	0	(23,611)	17
16	Deferred ITC	44,645	44,645	0	44,645	0	18
17	Deferred Tax - Other	0	0	0	0	0	19
18	Total Deferred Taxes	1,795,490	1,836,094	40,604	1,801,143	34,951	20
19	DEPRECIATION RESERVE	8,766,948	8,748,990	(17,958)	8,717,118	31,872	21
20	TOTAL Ratebase	10,218,396	10,093,589	(124,807)	9,901,269	192,320	22

Table 1-11

PG&E
2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier

Test Year 2011

PG&E Final Position - Electric Department

Line No.	<u>Description</u>	<u>Component</u> (A)	Post Deduction <u>Revenue</u> (B)	<u>Cumulative</u> <u>Components</u> (C)	<u>Net-To</u> <u>Gross</u> <u>Multiplier</u> (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.998200		1
	Less:					
2	Uncollectible Accounts	0.002853	0.997152	0.002848	1.002856	2
3	Franchise Requirements	0.007593	0.989594	0.007558	1.010515	3
4	Super Fund Tax	0.000000	0.989594	0.000000	1.010515	4
5	State Income Tax	0.088400	0.902114	0.087480	1.108507	5
6	Federal Income Tax	0.350000	0.555756	0.346358	1.799351	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12

Table 1-12

SETTLEMENT
2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier

Test Year 2011

SETTLEMENT - Position Electric Department

Line No.	Description	Component (A)	Post Deduction Revenue (B)	Cumulative Components (C)	Net-To Gross Multiplier (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.998200		1
	Less:					
2	Uncollectible Accounts	0.003105	0.996901	0.003099	1.003109	2
3	Franchise Requirements	0.007593	0.989344	0.007556	1.010770	3
4	Super Fund Tax	0.000000	0.989344	0.000000	1.010770	4
5	State Income Tax	0.088400	0.901886	0.087458	1.108787	5
6	Federal Income Tax	0.350000	0.555616	0.346271	1.799805	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12

Table 1-13

DRA
2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier

Test Year 2011

DRA Final Position - Electric Department

Line No.	<u>Description</u>	<u>Component</u> (A)	Post Deduction Revenue (B)	Cumulative Components (C)	Net-To Gross Multiplier (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.998200		1
	Less:					
2	Uncollectible Accounts	0.002647	0.997358	0.002642	1.002649	2
3	Franchise Requirements	0.007593	0.989798	0.007560	1.010307	3
4	Super Fund Tax	0.000000	0.989798	0.000000	1.010307	4
5	State Income Tax	0.088400	0.902300	0.087498	1.108279	5
6	Federal Income Tax	0.350000	0.555871	0.346429	1.798980	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12

Table 2-1

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)
General Rate Case Revenues: Gas Distribution
Available from Present and Proposed Rates
(Thousands of Dollars)

Line No.	Description	PG&E 2011 (A)	SETTLEMENT 2011 (B)	Difference SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	Difference SETTLEMENT v DRA (E)=(B)-(D)	Line No.
<u>REVENUES AT PRESENT RATES</u>							
<u>CPUC Revenues (Retail)</u>							
1	Retail Revenue Collected in Rates	1,084,066	1,084,066	0	1,084,000	66	1
2	Plus: Other Operating Revenue (Adopted in GRC)	26,024	26,024	0	26,024	0	2
3	Total CPUC Jurisdiction Revenue	1,110,090	1,110,090	0	1,110,024	66	3
<u>FERC Jurisdiction Wholesale Revenue</u>							
4	Wholesale Wheeling & Resale Revenue	0	0	0	0	0	4
5	Plus: Wholesale Other Operating Revenue	0	0	0	0	0	5
6	Total Wholesale Revenue	0	0	0	0	0	6
7	Total Operating Revenue (Present)	1,110,090	1,110,090	0	1,110,024	66	7
<u>REVENUES AT PROPOSED RATES</u>							
8	Revenue Requirement (Test Year 2011, line 3, tab RO_Proposed)	1,315,666	1,154,351	(161,315)	1,095,451	58,900	8
9	Less: Total Wholesale Revenue-FERC (Line 6)	0	0	0	0	0	9
10	Less: Wholesale Allocation of Increase-FERC [(Line 8 - Line 7) x Line 6 / Line 7]	0	0	0	0	0	10
11	Required Retail Revenue	1,315,666	1,154,351	(161,315)	1,095,451	58,900	11
12	Less: Proposed Other Operating Revenue-CPUC	22,922	22,922	0	23,338	(416)	12
13	Total Proposed Retail Revenue Requirement	1,292,744	1,131,429	(161,315)	1,072,113	59,316	13
<u>Increase in Proposed Revenue Over Adopted Revenue</u>							
14	Proposed Retail Revenue Requirement (Line 13)	1,292,744	1,131,429	(161,315)	1,072,113	59,316	14
15	Less: Adopted Retail Revenue (Line 1)	1,084,066	1,084,066	0	1,084,000	66	15
16	Increase in Retail Revenue Requirement over Adopted Revenue	208,678	47,363	(161,315)	(11,887)	59,250	16

Table 2-2

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Results of Operations at Proposed Rates**Gas Distribution**

(Thousands of Dollars)

Line No.	Description	PG&E	SETTLEMENT	Difference	Difference	Line No.	
		2011	2011	SETTLEMENT v PG&E	DRA SETTLEMENT v DRA		
		(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	
REVENUE:							
1	Revenue Collected in Rates	1,292,744	1,131,429	(161,315)	1,072,113	59,316	1
2	Plus Other Operating Revenue	22,922	22,922	0	23,338	(416)	2
3	Total Operating Revenue	1,315,666	1,154,351	(161,315)	1,095,451	58,900	3
OPERATING EXPENSES:							
4	Energy Costs	0	0	0	0	0	4
5	Gathering	0	0	0	0	0	5
6	Storage	3,565	3,565	0	2,664	901	6
7	Transmission	0	0	0	0	0	7
8	Distribution	225,618	192,076	(33,543)	139,726	52,350	8
9	Customer Accounts	202,987	132,594	(70,393)	163,768	(31,174)	9
10	Uncollectibles	3,664	3,499	(165)	2,831	668	10
11	Customer Services	5,315	5,049	(266)	5,008	42	11
12	Administrative and General	211,721	189,736	(21,985)	158,790	30,946	12
13	Franchise Requirements	12,538	10,998	(1,540)	10,442	556	13
14	Amortization	0	0	0	0	0	14
15	Wage Change Impacts	0	0	0	0	0	15
16	Other Price Change Impacts	0	0	0	0	0	16
17	Other Adjustments	0	0	0	0	0	17
18	Subtotal Expenses:	665,409	537,518	(127,891)	483,228	54,290	18
TAXES:							
19	Superfund	0	0	0	0	0	19
20	Property	29,493	29,493	0	29,269	223	20
21	Payroll	27,758	22,832	(4,926)	20,720	2,112	21
22	Business	250	250	0	250	0	22
23	Other	575	575	0	1,087	(512)	23
24	State Corporation Franchise	20,295	18,079	(2,216)	18,707	(628)	24
25	Federal Income	67,564	66,061	(1,503)	63,611	2,451	25
26	Total Taxes	145,934	137,290	(8,645)	133,644	3,646	26
27	Depreciation	288,216	264,319	(23,897)	269,237	(4,918)	27
28	Fossil Decommissioning	0	0	0	0	0	28
29	Nuclear Decommissioning	0	0	0	0	0	29
30	Total Operating Expenses	1,099,559	939,126	(160,433)	886,109	53,017	30
31	Net for Return	216,107	215,225	(882)	209,342	5,883	31
32	Rate Base	2,458,553	2,448,519	(10,034)	2,381,593	66,926	32
RATE OF RETURN:							
33	On Rate Base	8.79%	8.79%		8.79%		33
34	On Equity	11.35%	11.35%		11.35%		34

Table 2-3

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)
Income Taxes at Proposed Rates
Gas Distribution
(Thousands of Dollars)

Line No.	Description	Difference			Difference		Line No.
		PG&E 2011 (A)	SETTLEMENT 2011 (B)	SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	SETTLEMENT v DRA (E)=(B)-(D)	
1	Revenues	1,315,666	1,154,351	(161,315)	1,095,451	58,900	1
2	O&M Expenses	665,409	537,518	(127,891)	483,228	54,290	2
3	Nuclear Decommissioning Expense	0	0	0	0	0	3
4	Superfund Tax	0	0	0	0	0	4
5	Taxes Other Than Income	58,075	53,149	(4,926)	51,326	1,823	5
6	Subtotal	592,182	563,684	(28,497)	560,897	2,787	6
DEDUCTIONS FROM TAXABLE INCOME:							
7	Interest Charges	68,348	68,069	(279)	66,208	1,861	7
8	Fiscal/Calendar Adjustment	557	557	0	221	336	8
9	Operating Expense Adjustments	(11,332)	(11,319)	13	(9,932)	(1,387)	9
10	Capitalized Interest Adjustment	0	0	0	0	0	10
11	Capitalized Inventory Adjustment	0	0	0	0	0	11
12	Vacation Accrual Reduction	(850)	(850)	0	(850)	0	12
13	Capitalized Other	3,572	3,572	0	3,648	(76)	13
14	Subtotal Deductions	60,295	60,030	(266)	59,295	734	14
CCFT TAXES:							
15	State Operating Expense Adjustment	292	292	0	292	0	15
16	State Tax Depreciation - Declining Balance	0	0	0	0	0	16
17	State Tax Depreciation - Fixed Assets	257,994	254,924	(3,069)	243,485	11,439	17
18	State Tax Depreciation - Other	0	0	0	0	0	18
19	Removal Costs	20,782	20,689	(92)	22,971	(2,282)	19
20	Repair Allowance	0	0	0	0	0	20
21	Subtotal Deductions	339,363	335,935	(3,428)	326,044	9,892	21
22	Taxable Income for CCFT	252,819	227,749	(25,070)	234,854	(7,105)	22
23	CCFT	22,349	20,133	(2,216)	20,761	(628)	23
24	State Tax Adjustment	0	0	0	0	0	24
25	Current CCFT	22,349	20,133	(2,216)	20,761	(628)	25
26	Deferred Taxes - Reg Asset	0	0	0	0	0	26
27	Deferred Taxes - Interest	26	26	0	26	0	27
28	Deferred Taxes - Vacation	(75)	(75)	0	(75)	0	28
29	Deferred Taxes - Other	0	0	0	0	0	29
30	Deferred Taxes - Fixed Assets	(2,005)	(2,005)	0	(2,005)	0	30
31	Total CCFT	20,295	18,079	(2,216)	18,707	(628)	31
FEDERAL TAXES:							
32	CCFT - Prior Year	15,533	15,554	21	18,987	(3,432)	32
33	Federal Operating Expense Adjustment	781	781	0	781	0	33
34	Fed. Tax Depreciation - Declining Balance	0	0	0	0	0	34
35	Federal Tax Depreciation - SLRL	0	0	0	0	0	35
36	Federal Tax Depreciation - Fixed Assets	260,709	254,411	(6,298)	242,039	12,372	36
37	Federal Tax Depreciation - Other	0	0	0	0	0	37
38	Removal Costs	20,782	20,689	(92)	22,971	(2,282)	38
39	Repair Allowance	0	0	0	0	0	39
40	Preferred Dividend Credit	43	43	0	43	0	40
41	Subtotal Deductions	358,143	351,508	(6,635)	344,115	7,393	41
42	Taxable Income for FIT	234,039	212,176	(21,863)	216,782	(4,606)	42
43	Federal Income Tax	81,914	74,262	(7,652)	75,874	(1,612)	43
44	Deferred Taxes - Reg Asset	0	0	0	0	0	44
45	Tax Effect of MTD & Prod Tax Credits	0	0	0	0	0	45
46	Deferred Taxes - Interest	162	162	0	162	0	46
47	Deferred Taxes - Vacation	(271)	(271)	0	(271)	0	47
48	Deferred Taxes - Other	(2,024)	(2,024)	0	0	(2,024)	48
49	Deferred Taxes - Fixed Assets	(12,216)	(6,067)	6,149	(12,154)	6,087	49
50	Total Federal Income Tax	67,564	66,061	(1,503)	63,611	2,451	50

Table 2-4

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

**Total Escalation
Gas Distribution**

(Thousands of Dollars)

Line No.	Description	PG&E	SETTLEMENT	Difference	DRA	Difference	Line No.
		2011 (A)	2011 (B)	SETTLEMENT v PG&E (C) = (B)-(A)	2011 (D)	SETTLEMENT v DRA (E)=(B)-(D)	
<u>Total Escalated</u>							
1	Energy Cost	0	0	0	0	0	1
2	Gathering	0	0	0	0	0	2
3	Storage	3,565	3,565	0	2,664	901	3
4	Transmission	0	0	0	0	0	4
5	Distribution	225,618	192,076	(33,543)	139,726	52,350	5
6	Customer Accounts	202,987	132,594	(70,393)	163,768	(31,174)	6
7	Customer Services	5,315	5,049	(266)	5,008	42	7
8	Administrative and General	201,599	179,615	(21,985)	152,524	27,091	8
9	Other	0	0	0	0	0	9
10	Total Escalated	639,084	512,899	(126,186)	463,689	49,209	10
11	Wage Related A&G Escalated	10,121	10,121	0	6,266	3,855	11
<u>Total Non-Escalated</u>							
12	Energy Cost	0	0	0	0	0	12
13	Gathering	0	0	0	0	0	13
14	Storage	3,216	3,216	0	2,450	766	14
15	Transmission	0	0	0	0	0	15
16	Distribution	205,895	173,335	(32,559)	129,325	44,010	16
17	Customer Accounts	182,733	119,296	(63,437)	149,060	(29,764)	17
18	Customer Services	4,795	4,556	(238)	4,555	1	18
19	Administrative and General	189,109	168,371	(20,739)	143,518	24,852	19
20	Other	0	0	0	0	0	20
21	Total Non-Escalated	585,747	468,774	(116,973)	428,908	39,866	21
22	Wage Related A&G Non-Escalated	9,063	9,063	0	5,611	3,452	22
<u>Total Escalation</u>							
23	Energy Cost	0	0	0	0	0	23
24	Gathering	0	0	0	0	0	24
25	Storage	350	350	0	214	135	25
26	Transmission	0	0	0	0	0	26
27	Distribution	19,724	18,740	(983)	10,401	8,339	27
28	Customer Accounts	20,254	13,298	(6,956)	14,708	(1,410)	28
29	Customer Services	520	493	(27)	452	41	29
30	Administrative and General	12,490	11,244	(1,246)	9,005	2,239	30
31	Other	0	0	0	0	0	31
32	Total Escalation	53,337	44,124	(9,213)	34,781	9,343	32
33	Wage Related A&G Escalation	1,058	1,058	0	655	403	33
34	Acct 926 M&S - Empl Pensions & Benefits	0	0	0	0	0	34
35	Acct 924 Other - Property Insurance	3,743	3,743	0	3,743	0	35
36	Acct 926 Other - Empl Pensions & Benefits	0	0	0	0	0	36

Table 2-5

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

**Franchise and Uncollectibles at Proposed Rates
Gas Distribution**

\$(000)

Line No.	Description	PG&E 2011 (A)	SETTLEMENT 2011 (B)	Difference	DRA	Difference	Line No.
				SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	SETTLEMENT v DRA (E)=(B)-(D)	
Uncollectible Accounts							
1	Rate Case Revenues	1,315,666	1,154,351	(161,315)	1,095,451	58,900	1
2	Percent of Revenue from Customers	0.976300	0.976300	0.000000	0.976300	0.000000	2
3	Rate Case Revenues from Customers	1,284,484	1,126,993	(157,491)	1,069,489	57,504	3
4	Uncollectible Rate	0.00285	0.00311	0.00025	0.00265	0.00046	4
5	Uncollectible Accounts Expense	3,664	3,499	(165)	2,831	668	5
Franchise Fees							
12	Rate Case Revenues from Customers	1,284,484	1,126,993	(157,491)	1,069,489	57,504	12
13	Uncollectible Accounts Expense	3,664	3,499	(165)	2,831	668	13
14	Net Rate Case Revenue from Customers	1,280,820	1,123,494	(157,326)	1,066,658	56,835	14
						0	
15	Franchise Rate	0.00979	0.00979	0.00000	0.00979	0.00000	15
16	Franchise Fees Expense	12,538	10,998	(1,540)	10,442	556	16

Table 2-6

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

**Payroll and Other Taxes
Gas Distribution**

(Thousands of Dollars)

Line <u>No.</u>	<u>Description</u>	PG&E <u>2011</u> (A)	SETTLEMENT <u>2011</u> (B)	Difference SETTLEMENT <u>v PG&E</u> (C) = (B)-(A)	DRA <u>2011</u> (D)	Difference SETTLEMENT <u>v DRA</u> (E)=(B)-(D)	Line <u>No.</u>
<u>Property (Ad Valorem) Tax:</u>							
1	Fiscal Year Tax	30,050	30,050	0	29,490	560	1
2	Calendar Year Tax	29,493	29,493	0	29,269	223	2
<u>Payroll Taxes</u>							
3	Federal Insurance Contribution Act (FICA)	24,189	19,883	(4,306)	18,083	1,800	3
4	Federal Unemployment Insurance (FUI)	236	194	(42)	177	18	4
5	State Unemployment Insurance (SUI)	1,300	1,068	(231)	972	97	5
6	San Francisco Employee Tax	2,033	1,686	(347)	1,488	197	6
7	Total Payroll Taxes	27,758	22,832	(4,926)	20,720	2,112	7
<u>Other Taxes</u>							
8	Business	250	250	0	250	0	8
9	Hazardous Waste	0	0	0	0	0	9
10	Windfall Profits	0	0	0	0	0	10
11	Other	575	575	0	1,087	(512)	11
12	Total Other Taxes	825	825	0	1,337	(512)	12
13	Total Taxes Other Than Income	58,075	53,149	(4,926)	51,326	1,823	13

Table 2-7

Pacific Gas and Electric Company
 2011 PG&E GRC (SETTLEMENT)
Plant In Service - Test Year 2011
Gas Distribution
 (Thousands of Dollars)

Line No.	Description	Annual Plant in Service					Weighted Average Plant in Service					Line No.
		PG&E Position	SETTLEMENT Position	Difference		DRA 2011	SETTLEMENT Position	SETTLEMENT Position	Difference		DRA 2011	
				v PG&E	SETTLEMENT				v DRA	v PG&E		
(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	(F)	(G)	(H) = (G)-(F)	(I)	(J)=(G)-(I)			
<u>Year 2008</u>												
1	Total End-of-Year Plant	6,341,708	6,341,708	0	6,341,708	0	6,241,770	6,241,770	0	6,241,770	0	1
<u>Year 2009</u>												
2	Total Full-Year Net Additions	217,960	217,960	0	226,090	(8,130)	108,141	108,141	0	112,626	(4,485)	2
3	Total End-of-Year Plant	6,559,668	6,559,668	0	6,567,798	(8,130)	6,449,848	6,449,848	0	6,454,333	(4,485)	3
<u>Year 2010</u>												
4	Total Full-Year Net Additions	229,141	229,141	0	172,341	56,800	108,466	108,466	0	78,412	30,054	4
5	Total End-of-Year Plant	6,788,808	6,788,808	0	6,740,138	48,670	6,668,134	6,668,134	0	6,646,210	21,924	5
<u>Year 2011</u>												
6	Total Full-Year Net Additions	289,084	275,956	(13,128)	205,636	70,320	137,598	124,592	(13,007)	97,352	27,239	6
7	Total End-of-Year Plant	7,077,892	7,064,765	(13,128)	6,945,774	118,990	6,926,406	6,913,400	(13,007)	6,837,490	75,909	7

Table 2-8

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

**Depreciation
Gas Distribution**

(Thousands of Dollars)

Line		PG&E	SETTLEMENT	Difference	DRA	Difference	Line
<u>No.</u>	<u>Description</u>	<u>2011</u>	<u>2011</u>	<u>v PG&E</u>	<u>2011</u>	<u>v DRA</u>	<u>No.</u>
		(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	
	<u>Depreciation</u>						
1	Annual	288,216	264,319	(23,897)	269,237	(4,918)	1
2	Reserve	4,363,291	4,344,831	(18,460)	4,349,311	(4,480)	2
3	Weighted Average Reserve	4,269,873	4,261,071	(8,802)	4,257,851	3,220	3

Table 2-9

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

**Working Cash Capital
Gas Distribution**

(Thousands of Dollars)

Line No.	Description	PG&E	SETTLEMENT	Difference	DRA	Difference	Line No.
		2011 (A)	2011 (B)	v PG&E (C) = (B)-(A)	2011 (D)	v DRA (E)=(B)-(D)	
Operational Cash Requirements:							
1	Required Bank Balances	0	0	0	0	0	1
2	Special Deposits and Working Funds	35	35	(0)	35	0	2
3	Other Receivables	20,445	20,422	(23)	20,431	(9)	3
4	Prepayments	11,057	11,057	0	11,361	(304)	4
5	Deferred Debits, Company-Wide	(38)	(37)	0	(39)	1	5
Less:							
6	Working Cash Capital not Supplied by Investors	2,658	2,658	0	2,871	(213)	6
7	Goods Delivered to Construction Sites	3,175	3,175	0	3,175	0	7
8	Accrued Vacation	43,826	36,024	(7,801)	32,763	3,261	8
Add:							
9	Prepayment, Departmental	0	0	0	0	0	9
10	Total Operational Cash Requirement	(18,159)	(10,381)	7,778	(7,020)	(3,360)	10
Plus Working Cash Capital Requirement Resulting from the Lag in Collection of Revenues being greater than the Lag in the Payment of Expenses							
11		26,866	23,669	(3,197)	19,164	4,505	11
12	Working Cash Capital Supplied by Investors	8,708	13,288	4,581	12,144	1,144	12

Table 2-10

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Ratebase
Gas Distribution

(Thousands of Dollars)

Line No.	Description	Difference			Difference		Line No.
		PG&E 2011 (A)	SETTLEMENT 2011 (B)	SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	SETTLEMENT v DRA (E)=(B)-(D)	
WEIGHTED AVERAGE PLANT:							
1	Plant Beginning Of Year (BOY)	6,788,808	6,788,808	0	6,740,138	48,670	1
2	Net Additions	137,598	124,592	(13,007)	97,352	27,239	4
3	Total Weighted Average Plant	6,926,406	6,913,400	(13,007)	6,837,490	75,909	5
WORKING CAPITAL:							
4	Material and Supplies - Fuel	0	0	0	0	0	6
5	Material and Supplies - Other	6,503	6,503	0	6,038	465	7
6	Working Cash	8,708	13,288	4,581	12,144	1,144	8
7	Total Working Capital	15,211	19,792	4,581	18,182	1,609	9
ADJUSTMENTS FOR TAX REFORM ACT:							
8	Deferred Capitalized Interest	(277)	(277)	0	(277)	0	10
9	Deferred Vacation	10,330	10,330	0	10,330	0	11
10	Deferred CIAC Tax Effects	127,805	127,805	0	127,805	0	12
11	Total Adjustments	137,857	137,857	0	137,857	0	13
12	CUSTOMER ADVANCES	39,310	39,310	0	39,310	0	14
DEFERRED TAXES							
13	Accumulated Regulatory Assets	0	0	0	0	0	15
14	Accumulated Fixed Assets	293,718	304,128	10,410	293,507	10,621	16
15	Accumulated Other	(3,249)	(3,249)	0	0	(3,249)	17
16	Deferred ITC	21,269	21,269	0	21,269	0	18
17	Deferred Tax - Other	0	0	0	0	0	19
18	Total Deferred Taxes	311,738	322,148	10,410	314,776	7,372	20
19	DEPRECIATION RESERVE	4,269,873	4,261,071	(8,802)	4,257,851	3,220	21
20	TOTAL Ratebase	2,458,553	2,448,519	(10,034)	2,381,593	66,926	22

Table 2-11

PG&E
2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier

Test Year 2011

PG&E Final Position - Gas Department

Line No.	<u>Description</u>	<u>Component</u> (A)	Post Deduction Revenue (B)	Cumulative Components (C)	Net-To Gross Multiplier (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.976300		1
	Less:					
2	Uncollectible Accounts	0.002853	0.997215	0.002785	1.002793	2
3	Franchise Requirements	0.009789	0.987685	0.009530	1.012469	3
4	Super Fund Tax	0.000000	0.987685	0.000000	1.012469	4
5	State Income Tax	0.088400	0.900373	0.087311	1.110650	5
6	Federal Income Tax	0.350000	0.554684	0.345690	1.802829	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12

Table 2-12

SETTLEMENT
 2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier
 Test Year 2011
 SETTLEMENT - Gas Department

Line No.	<u>Description</u>	<u>Component</u> (A)	Post Deduction <u>Revenue</u> (B)	<u>Cumulative</u> <u>Components</u> (C)	<u>Net-To</u> <u>Gross</u> <u>Multiplier</u> (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.976300		1
	Less:					
2	Uncollectible Accounts	0.003105	0.996969	0.003031	1.003041	2
3	Franchise Requirements	0.009789	0.987441	0.009528	1.012719	3
4	Super Fund Tax	0.000000	0.987441	0.000000	1.012719	4
5	State Income Tax	0.088400	0.900151	0.087290	1.110925	5
6	Federal Income Tax	0.350000	0.554547	0.345604	1.803274	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12

Table 2-13

DRA
2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier

Test Year 2011

DRA Final Position - Gas Department

Line No.	<u>Description</u>	<u>Component</u> (A)	Post Deduction Revenue (B)	Cumulative Components (C)	Net-To Gross Multiplier (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.976300		1
	Less:					
2	Uncollectible Accounts	0.002647	0.997416	0.002584	1.002591	2
3	Franchise Requirements	0.009789	0.987884	0.009532	1.012265	3
4	Super Fund Tax	0.000000	0.987884	0.000000	1.012265	4
5	State Income Tax	0.088400	0.900555	0.087329	1.110427	5
6	Federal Income Tax	0.350000	0.554795	0.345759	1.802466	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12

Table 3-1

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)
General Rate Case Revenues: Electric Generation
Available from Present and Proposed Rates
(Thousands of Dollars)

Line No.	Description	PG&E 2011 (A)	SETTLEMENT 2011 (B)	Difference SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	Difference SETTLEMENT v DRA (E)=(B)-(D)	Line No.
<u>REVENUES ADOPTED and PENDING</u>							
<u>CPUC Jurisdiction Revenue</u>							
1	Retail Revenue Collected in Rates	1,490,498	1,490,498	0	1,490,498	0	1
2	Plus: Other Operating Revenue (Adopted in GRC)	10,120	10,120	0	10,120	0	2
3	Total CPUC Jurisdiction Revenue	1,500,618	1,500,618	0	1,500,618	0	3
<u>FERC Jurisdiction Wholesale Revenue</u>							
4	Wholesale Wheeling & Resale Revenue	27	27	0	27	0	4
5	Plus: Wholesale Other Operating Revenue	0	0	0	0	0	5
6	Total Wholesale Revenue	27	27	0	27	0	6
7	Total Operating Revenue (Present)	1,500,645	1,500,645	0	1,500,645	0	7
<u>REVENUES AT PROPOSED RATES</u>							
8	Revenue Requirement (Test Year 2011, line 3, tab RO_Proposed)	1,831,379	1,667,848	(163,531)	1,551,488	116,360	8
9	Less: Total Wholesale Revenue-FERC (Line 6)	27	27	0	27	0	9
10	Less: Wholesale Allocation of Increase-FERC [(Line 8 - Line 7) x Line 6 / Line 7]	12	10	(2)	6	4	10
11	Required Retail Revenue	1,831,340	1,667,810	(163,529)	1,551,455	116,355	11
12	Less: Proposed Other Operating Revenue-CPUC	11,608	11,608	0	11,608	0	12
13	Total Proposed Retail Revenue Requirement	1,819,732	1,656,202	(163,529)	1,539,847	116,355	13
<u>Increase in Proposed Revenue Over Adopted Revenue</u>							
14	Proposed Retail Revenue Requirement (Line 13)	1,819,732	1,656,202	(163,529)	1,539,847	116,355	14
15	Less: Adopted Retail Revenue (Line 1)	1,490,498	1,490,498	0	1,490,498	0	15
16	Increase in Retail Revenue Requirement over Adopted Revenue	329,234	165,704	(163,529)	49,349	116,355	16

PG&E's column (A) revenues include MRTU and Tesla.

PG&E's present revenues for New Projects (column (A), row 1) were updated subsequent to filing the Joint Comparison Exhibit.

Table 3-2

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Results of Operations at Proposed Rates**Electric Generation**

(Thousands of Dollars)

Line No.	Description	PG&E	SETTLEMENT	Difference	DRA	Difference	Line No.
		2011	2011	v PG&E	2011	v DRA	
		(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	
REVENUE:							
1	Revenue Collected in Rates	1,819,732	1,656,202	(163,529)	1,539,847	116,355	1
2	Plus Other Operating Revenue	11,647	11,645	(2)	11,641	4	2
3	Total Operating Revenue	1,831,379	1,667,848	(163,531)	1,551,488	116,360	3
OPERATING EXPENSES:							
4	Energy Costs	0	0	0	0	0	4
5	Production	574,462	534,586	(39,876)	470,680	63,906	5
6	Storage	0	0	0	0	0	6
7	Transmission	6,301	6,301	0	6,214	87	7
8	Distribution	0	0	0	0	0	8
9	Customer Accounts	0	0	0	0	0	9
10	Uncollectibles	5,215	5,169	(46)	4,099	1,070	10
11	Customer Services	0	0	0	0	0	11
12	Administrative and General	214,142	191,905	(22,236)	159,643	32,262	12
13	Franchise Requirements	13,842	12,603	(1,239)	11,729	874	13
14	Amortization	6,180	6,180	0	4,572	1,607	14
15	Wage Change Impacts	0	0	0	0	0	15
16	Other Price Change Impacts	0	0	0	0	0	16
17	Other Adjustments	74	(5,082)	(5,156)	74	(5,156)	17
18	Subtotal Expenses:	820,215	751,663	(68,553)	657,012	94,651	18
TAXES:							
19	Superfund	0	0	0	0	0	19
20	Property	48,666	48,520	(146)	47,198	1,321	20
21	Payroll	29,433	27,768	(1,665)	23,949	3,819	21
22	Business	252	252	0	251	2	22
23	Other	581	581	0	1,093	(511)	23
24	State Corporation Franchise	34,602	29,200	(5,402)	28,423	777	24
25	Federal Income	149,260	128,074	(21,186)	122,972	5,103	25
26	Total Taxes	262,796	234,397	(28,400)	223,886	10,511	26
27	Depreciation	306,348	284,889	(21,459)	285,989	(1,101)	27
28	Fossil Decommissioning	40,786	38,286	(2,500)	34,668	3,618	28
29	Nuclear Decommissioning	0	0	0	0	0	29
30	Total Operating Expenses	1,430,145	1,309,234	(120,912)	1,201,555	107,679	30
31	Net for Return	401,234	358,614	(42,620)	349,933	8,681	31
32	Rate Base	4,564,660	4,079,794	(484,867)	3,981,030	98,763	32
RATE OF RETURN:							
33	On Rate Base	8.79%	8.79%		8.79%		33
34	On Equity	11.35%	11.35%		11.35%		34

Table 3-3

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)
Income Taxes at Proposed Rates
Electric Generation
(Thousands of Dollars)

Line No.	Description	Difference			Difference		Line No.
		PG&E 2011 (A)	SETTLEMENT 2011 (B)	SETTLEMENT $\underline{\text{v}}$ PG&E (C) = (B)-(A)	DRA 2011 (D)	SETTLEMENT $\underline{\text{v}}$ DRA (E)=(B)-(D)	
1	Revenues	1,831,379	1,667,848	(163,531)	1,551,488	116,360	1
2	O&M Expenses	820,215	751,663	(68,553)	657,012	94,651	2
3	Nuclear Decommissioning Expense	0	0	0	0	0	3
4	Superfund Tax	0	0	0	0	0	4
5	Taxes Other Than Income	78,933	77,122	(1,811)	72,492	4,630	5
6	Subtotal	932,230	839,063	(93,167)	821,984	17,079	6
DEDUCTIONS FROM TAXABLE INCOME:							
7	Interest Charges	126,898	113,418	(13,479)	110,673	2,746	7
8	Fiscal/Calendar Adjustment	6,967	6,906	(61)	6,304	602	8
9	Operating Expense Adjustments	14,925	14,936	11	16,265	(1,329)	9
10	Capitalized Interest Adjustment	0	0	0	0	0	10
11	Capitalized Inventory Adjustment	0	0	0	0	0	11
12	Vacation Accrual Reduction	(747)	(747)	0	(747)	0	12
13	Capitalized Other	1,294	1,286	(8)	828	458	13
14	Subtotal Deductions	149,336	135,799	(13,537)	133,323	2,477	14
CCFT TAXES:							
15	State Operating Expense Adjustment	2,295	2,297	2	2,297	0	15
16	State Tax Depreciation - Declining Balance	0	0	0	0	0	16
17	State Tax Depreciation - Fixed Assets	351,371	340,858	(10,513)	325,074	15,784	17
18	State Tax Depreciation - Other	0	0	0	0	0	18
19	Removal Costs	2,749	2,297	(452)	2,300	(3)	19
20	Repair Allowance	0	0	0	0	0	20
21	Subtotal Deductions	505,751	481,251	(24,499)	462,994	18,258	21
22	Taxable Income for CCFT	426,480	357,812	(68,668)	358,990	(1,179)	22
23	CCFT	37,701	31,631	(6,070)	31,735	(104)	23
24	State Tax Adjustment	0	0	0	0	0	24
25	Current CCFT	37,701	31,631	(6,070)	31,735	(104)	25
26	Deferred Taxes - Reg Asset	1,107	1,107	0	1,107	0	26
27	Deferred Taxes - Interest	203	203	0	203	0	27
28	Deferred Taxes - Vacation	(66)	(66)	0	(66)	0	28
29	Deferred Taxes - Other	0	0	0	0	0	29
30	Deferred Taxes - Fixed Assets	(4,342)	(3,675)	668	(4,556)	882	30
31	Total CCFT	34,602	29,200	(5,402)	28,423	777	31
FEDERAL TAXES:							
32	CCFT - Prior Year	17,580	16,640	(940)	19,441	(2,801)	32
33	Federal Operating Expense Adjustment	4,194	4,198	3	4,198	0	33
34	Fed. Tax Depreciation - Declining Balance	0	0	0	0	0	34
35	Federal Tax Depreciation - SLRL	0	0	0	0	0	35
36	Federal Tax Depreciation - Fixed Assets	330,055	310,098	(19,957)	301,420	8,678	36
37	Federal Tax Depreciation - Other	0	0	0	0	0	37
38	Removal Costs	2,749	2,297	(452)	2,300	(3)	38
39	Repair Allowance	0	0	0	0	0	39
40	Preferred Dividend Credit	2,321	2,321	(0)	2,321	0	40
41	Subtotal Deductions	506,234	471,352	(34,882)	463,002	8,350	41
42	Taxable Income for FIT	425,996	367,711	(58,285)	358,982	8,728	42
43	Federal Income Tax	149,099	128,699	(20,400)	125,644	3,055	43
44	Deferred Taxes - Reg Asset	3,996	3,996	0	3,996	0	44
45	Tax Effect of MTD & Prod Tax Credits	(13,124)	(11,647)	1,477	(10,710)	(936)	45
46	Deferred Taxes - Interest	594	595	1	595	0	46
47	Deferred Taxes - Vacation	(238)	(238)	0	(238)	0	47
48	Deferred Taxes - Other	0	0	0	0	0	48
49	Deferred Taxes - Fixed Assets	8,934	6,670	(2,264)	3,686	2,984	49
50	Total Federal Income Tax	149,260	128,074	(21,186)	122,972	5,103	50

Table 3-4

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Total Escalation
Electric Generation
(Thousands of Dollars)

Line No.	Description	PG&E	SETTLEMENT	Difference	DRA	Difference	Line No.
		2011	2011	v PG&E	2011	v DRA	
		(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	
Total Escalated							
1	Energy Cost	0	0	0	0	0	1
2	Production	574,462	534,586	(39,876)	470,680	63,906	2
3	Storage	0	0	0	0	0	3
4	Transmission	6,301	6,301	0	6,214	87	4
5	Distribution	0	0	0	0	0	5
6	Customer Accounts	0	0	0	0	0	6
7	Customer Services	0	0	0	0	0	7
8	Administrative and General	203,904	181,668	(22,236)	153,344	28,325	8
9	Other	74	(5,082)	(5,156)	74	(5,156)	9
10	Total Escalated	784,741	717,474	(67,268)	630,312	87,162	10
11	Wage Related A&G Escalated	10,237	10,237	0	6,300	3,937	11
Total Non-Escalated							
12	Energy Cost	0	0	0	0	0	12
13	Production	531,442	493,353	(38,089)	443,721	49,632	13
14	Storage	0	0	0	0	0	14
15	Transmission	5,827	5,827	0	5,827	0	15
16	Distribution	0	0	0	0	0	16
17	Customer Accounts	0	0	0	0	0	17
18	Customer Services	0	0	0	0	0	18
19	Administrative and General	191,272	170,296	(20,976)	144,290	26,006	19
20	Other	74	(5,082)	(5,156)	74	(5,156)	20
21	Total Non-Escalated	728,614	664,394	(64,220)	593,912	70,482	21
22	Wage Related A&G Non-Escalated	9,167	9,167	0	5,641	3,526	22
Total Escalation							
23	Energy Cost	0	0	0	0	0	23
24	Production	43,021	41,233	(1,787)	26,959	14,274	24
25	Storage	0	0	0	0	0	25
26	Transmission	474	474	0	387	87	26
27	Distribution	0	0	0	0	0	27
28	Customer Accounts	0	0	0	0	0	28
29	Customer Services	0	0	0	0	0	29
30	Administrative and General	12,633	11,372	(1,261)	9,054	2,319	30
31	Other	0	0	0	0	0	31
32	Total Escalation	56,128	53,080	(3,048)	36,400	16,680	32
33	Wage Related A&G Escalation	1,070	1,070	0	659	412	33
34	Acct 926 M&S - Empl Pensions & Benefits	0	0	0	0	0	34
35	Acct 924 Other - Property Insurance	3,786	3,786	0	3,763	23	35
36	Acct 926 Other - Empl Pensions & Benefits	0	0	0	0	0	36

Table 3-5

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

**Franchise and Uncollectibles at Proposed Rates
Electric Generation**

\$(000)

Line No.	Description	PG&E 2011 (A)	SETTLEMENT 2011 (B)	Difference	DRA 2011 (D)	Difference	Line No.
				SETTLEMENT v PG&E (C) = (B)-(A)		SETTLEMENT v DRA (E)=(B)-(D)	
Uncollectible Accounts							
1	Rate Case Revenues	1,831,379	1,667,848	(163,531)	1,551,488	116,360	1
2	Percent of Revenue from Customers	0.998200	0.998200	0.000000	0.998200	0.000000	2
3	Rate Case Revenues from Customers	1,828,082	1,664,845	(163,237)	1,548,695	116,150	3
4	Uncollectible Rate	0.00285	0.00311	0.000252	0.00265	0.00046	4
5	Uncollectible Accounts Expense	5,215	5,169	(46)	4,099	1,070	5
Franchise Fees							
6	Rate Case Revenues from Customers	1,828,082	1,664,845	(163,237)	1,548,695	116,150	6
7	Uncollectible Accounts Expense	5,215	5,169	(46)	4,099	1,070	7
8	Net Rate Case Revenue from Customers	1,822,867	1,659,676	(163,191)	1,544,596	115,080	8
9	Franchise Rate	0.00759	0.00759	0.00000	0.00759	0.00000	9
10	Franchise Fees Expense	13,842	12,603	(1,239)	11,729	874	10

Table 3-6

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Payroll and Other Taxes**Electric Generation**

(Thousands of Dollars)

Line <u>No.</u>	<u>Description</u>	PG&E <u>2011</u> (A)	SETTLEMENT <u>2011</u> (B)	Difference SETTLEMENT <u>v PG&E</u> (C) = (B)-(A)	DRA <u>2011</u> (D)	Difference SETTLEMENT <u>v DRA</u> (E)=(B)-(D)	Line <u>No.</u>
<u>Property (Ad Valorem) Tax:</u>							
1	Fiscal Year Tax	55,633	55,426	(207)	53,502	1,924	1
2	Calendar Year Tax	48,666	48,520	(146)	47,198	1,321	2
<u>Payroll Taxes</u>							
3	Federal Insurance Contribution Act (FICA)	24,634	23,504	(1,130)	20,303	3,201	3
4	Federal Unemployment Insurance (FUI)	241	230	(11)	198	31	4
5	State Unemployment Insurance (SUI)	1,324	1,263	(61)	1,091	172	5
6	San Francisco Employee Tax	3,235	2,771	(464)	2,357	414	6
7	Total Payroll Taxes	29,433	27,768	(1,665)	23,949	3,819	7
<u>Other Taxes</u>							
8	Business	252	252	0	251	2	8
9	Hazardous Waste	0	0	0	0	0	9
10	Windfall Profits	0	0	0	0	0	10
11	Other	581	581	0	1,093	(511)	11
12	Total Other Taxes	834	834	0	1,344	(510)	12
13	Total Taxes Other Than Income	78,933	77,122	(1,811)	72,492	4,630	13

Table 3-7

Pacific Gas and Electric Company
 2011 PG&E GRC (SETTLEMENT)
Plant In Service - Test Year 2011
Electric Generation
 (Thousands of Dollars)

Line No.	Description	Annual Plant in Service					Weighted Average Plant in Service					Line No.
		PG&E Position	SETTLEMENT Position	Difference		DRA 2011	DRA 2011	Difference		DRA 2011		
				SETTLEMENT v PG&E	SETTLEMENT v DRA			SETTLEMENT v PG&E	SETTLEMENT v DRA			
(A)	(B)	(C) = (B)-(A)	(E)=(B)-(D)	(F)	(G)	(H) = (G)-(F)	(J)=(G)-(I)					
<u>Year 2008</u>												
1	Total End-of-Year Plant	10,253,451	10,251,206	(2,245)	10,251,206	0	10,151,923	10,149,722	(2,202)	10,149,722	0	1
<u>Year 2009</u>												
2	Total Full-Year Net Additions	725,963	676,193	(49,770)	614,130	62,063	484,757	457,965	(26,792)	416,613	41,352	2
3	Total End-of-Year Plant	10,979,414	10,927,399	(52,015)	10,865,336	62,063	10,738,208	10,709,171	(29,037)	10,678,379	30,792	3
<u>Year 2010</u>												
4	Total Full-Year Net Additions	1,193,551	1,182,959	(10,592)	1,078,748	104,211	250,886	250,399	(486)	222,422	27,977	4
5	Total End-of-Year Plant	12,172,966	12,110,358	(62,608)	11,944,085	166,274	11,230,300	11,177,798	(52,502)	11,102,960	74,838	5
<u>Year 2011</u>												
6	Total Full-Year Net Additions	306,009	250,144	(55,865)	256,751	(6,608)	68,249	35,813	(32,436)	54,263	(18,450)	6
7	Total End-of-Year Plant	12,478,975	12,360,502	(118,473)	12,200,836	159,666	12,241,215	12,146,171	(95,044)	12,013,582	132,589	7

Table 3-8

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Depreciation
Electric Generation

(Thousands of Dollars)

Line		PG&E	SETTLEMENT	Difference	DRA	Difference	Line
<u>No.</u>	<u>Description</u>	<u>2011</u>	<u>2011</u>	<u>v PG&E</u>	<u>2011</u>	<u>v DRA</u>	<u>No.</u>
		(A)	(B)	(C) = (B)-(A)	(D)	(E)=(B)-(D)	
	<u>Depreciation</u>						
1	Annual	306,348	284,889	(21,459)	285,989	(1,101)	1
2	Reserve	7,794,515	7,769,399	(25,116)	7,775,284	(5,885)	2
3	Weighted Average Reserve	7,693,461	7,675,264	(18,197)	7,676,271	(1,007)	3

Table 3-9

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

**Working Cash Capital
Electric Generation**

(Thousands of Dollars)

Line No.	Description	PG&E 2011 (A)	SETTLEMENT 2011 (B)	Difference SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	Difference SETTLEMENT v DRA (E)=(B)-(D)	Line No.
Operational Cash Requirements:							
1	Required Bank Balances	0	0	0	0	0	1
2	Special Deposits and Working Funds	35	35	(0)	34	1	2
3	Other Receivables	20,152	20,138	(14)	19,614	524	3
4	Prepayments	11,183	11,183	0	11,422	(239)	4
5	Deferred Debits, Company-Wide	(34)	(34)	0	(33)	(2)	5
Less:							
6	Working Cash Capital not Supplied by Investors	2,689	2,689	0	2,887	(198)	6
7	Goods Delivered to Construction Sites	3,211	3,211	0	3,192	19	7
8	Accrued Vacation	44,631	42,585	(2,046)	36,785	5,800	8
Add:							
9	Prepayment, Departmental	(4,934)	(4,934)	0	4,373	(9,307)	9
10	Total Operational Cash Requirement	(24,129)	(22,097)	2,032	(7,453)	(14,645)	10
Plus Working Cash Capital Requirement Resulting from the Lag in Collection of Revenues being greater than the Lag in the Payment of Expenses							
11		34,714	38,307	3,593	32,265	6,043	11
12	Working Cash Capital Supplied by Investors	10,585	16,210	5,625	24,812	(8,602)	12

Table 3-10

Pacific Gas and Electric Company
2011 PG&E GRC (SETTLEMENT)

Ratebase
Electric Generation

(Thousands of Dollars)

Line No.	Description	Difference			Difference		Line No.
		PG&E 2011 (A)	SETTLEMENT 2011 (B)	SETTLEMENT v PG&E (C) = (B)-(A)	DRA 2011 (D)	SETTLEMENT v DRA (E)=(B)-(D)	
WEIGHTED AVERAGE PLANT:							
1	Plant Beginning Of Year (BOY)	12,172,966	12,110,358	(62,608)	11,959,319	151,039	1
2	Net Additions	68,249	35,813	(32,436)	54,263	(18,450)	4
3	Total Weighted Average Plant	12,241,215	12,146,171	(95,044)	12,013,582	132,589	5
WORKING CAPITAL:							
4	Material and Supplies - Fuel	379,680	0	(379,680)	0	0	6
5	Material and Supplies - Other	91,672	91,672	0	81,273	10,399	7
6	Working Cash	10,585	16,210	5,625	24,812	(8,602)	8
7	Total Working Capital	481,938	107,883	(374,055)	106,085	1,797	9
ADJUSTMENTS FOR TAX REFORM ACT:							
8	Deferred Capitalized Interest	3,374	3,376	1	3,376	0	10
9	Deferred Vacation	9,082	9,080	(3)	9,080	0	11
10	Deferred CIAC Tax Effects	0	0	0	0	0	12
11	Total Adjustments	12,456	12,455	(1)	12,455	0	13
12	CUSTOMER ADVANCES	0	0	0	0	0	14
DEFERRED TAXES							
13	Accumulated Regulatory Assets	(36,427)	(36,427)	0	(36,427)	0	15
14	Accumulated Fixed Assets	504,235	538,209	33,974	501,579	36,630	16
15	Accumulated Other	0	0	0	0	0	17
16	Deferred ITC	9,680	9,670	(10)	9,670	0	18
17	Deferred Tax - Other	0	0	0	0	0	19
18	Total Deferred Taxes	477,487	511,451	33,964	474,822	36,630	20
19	DEPRECIATION RESERVE	7,693,461	7,675,264	(18,197)	7,676,271	(1,007)	21
20	TOTAL Ratebase	4,564,660	4,079,794	(484,867)	3,981,030	98,763	22

Table 3-11

PG&E
2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier

Test Year 2011

PG&E Final Position - Electric Department

Line No.	<u>Description</u>	<u>Component</u> (A)	Post Deduction Revenue (B)	Cumulative Components (C)	Net-To Gross Multiplier (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.998200		1
	Less:					
2	Uncollectible Accounts	0.002853	0.997152	0.002848	1.002856	2
3	Franchise Requirements	0.007593	0.989594	0.007558	1.010515	3
4	Super Fund Tax	0.000000	0.989594	0.000000	1.010515	4
5	State Income Tax	0.088400	0.902114	0.087480	1.108507	5
6	Federal Income Tax	0.350000	0.555756	0.346358	1.799351	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12

Table 3-12

SETTLEMENT
 2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier
 Test Year 2011
 SETTLEMENT - Electric Department

Line No.	<u>Description</u>	<u>Component</u> (A)	Post Deduction <u>Revenue</u> (B)	<u>Cumulative</u> <u>Components</u> (C)	<u>Net-To</u> <u>Gross</u> <u>Multiplier</u> (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.998200		1
	Less:					
2	Uncollectible Accounts	0.003105	0.996901	0.003099	1.003109	2
3	Franchise Requirements	0.007593	0.989344	0.007556	1.010770	3
4	Super Fund Tax	0.000000	0.989344	0.000000	1.010770	4
5	State Income Tax	0.088400	0.901886	0.087458	1.108787	5
6	Federal Income Tax	0.350000	0.555616	0.346271	1.799805	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12

Table 3-13

DRA
2011 PG&E GRC (SETTLEMENT)
Development of the Net-To-Gross Multiplier

Test Year 2011

DRA Final Position - Electric Department

Line No.	<u>Description</u>	<u>Component</u> (A)	Post Deduction Revenue (B)	Cumulative Components (C)	Net-To Gross Multiplier (D)	Line No.
Including F&U						
1	Gross Operating Revenue		1.000000	0.998200		1
	Less:					
2	Uncollectible Accounts	0.002647	0.997358	0.002642	1.002649	2
3	Franchise Requirements	0.007593	0.989798	0.007560	1.010307	3
4	Super Fund Tax	0.000000	0.989798	0.000000	1.010307	4
5	State Income Tax	0.088400	0.902300	0.087498	1.108279	5
6	Federal Income Tax	0.350000	0.555871	0.346429	1.798980	6
Excluding F&U						
7	Gross Operating Revenue		1.000000	1.000000		7
	Less:					
8	Uncollectible Accounts	0.000000	1.000000	0.000000	1.000000	8
9	Franchise Requirements	0.000000	1.000000	0.000000	1.000000	9
10	Super Fund Tax	0.000000	1.000000	0.000000	1.000000	10
11	State Income Tax	0.088400	0.911600	0.088400	1.096972	11
12	Federal Income Tax	0.350000	0.561600	0.350000	1.780627	12