

Application: 11-03-014  
(U 39 M)  
Exhibit No.: (PG&E-5)  
Date: November 30, 2012  
Witnesses: Various



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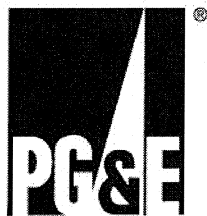
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**PACIFIC GAS AND ELECTRIC COMPANY**

**SMARTMETER™ OPT-OUT PROGRAM PHASE 2**

**LATE-FILED EXHIBIT**  
**REVISED REVENUE REQUIREMENTS AND**  
**SUPPORTING COST WORKPAPERS**

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**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER A**  
**INTRODUCTION**

This late-filed Exhibit (PG&E-5) was reserved by Administrative Law Judge (ALJ) Yip-Kikugawa during the November 8, 2012 hearing held in Phase 2 of Pacific Gas and Electric Company's (PG&E) Application 11-03-014. (TR 625-629)

As described at page 1 of Exhibit (PG&E-3), Errata to Prepared and Rebuttal Testimony, PG&E has revised its proposed revenue requirement request following the conclusion of hearings and hereby submits the revised request with the permission of Administrative Law Judge Yip-Kikugawa. Specifically, PG&E has revised Table 6-1, 2012-2013 Net Revenue Requirement Request, of Exhibit (PG&E-1). The revised revenue requirement reflects two changes that were included in the record of the proceeding following PG&E's initial calculation of the revenue requirement request:

1. The increased revenues from customer charges shown in the revised Table 1-3 of Exhibit (PG&E-3); and
2. The decreased capital costs for Meter Exchanges shown in the revised Table 3-1 of Exhibit (PG&E-3).

For the convenience of the parties, in addition to the revised Table 6-1 and the workpapers supporting the revenue requirement calculations, PG&E has also included in this Exhibit (PG&E-5) the workpapers containing the cost inputs to the revenue requirement calculations.

**PACIFIC GAS AND ELECTRIC COMPANY  
SMARTMETER™ OPT-OUT PROGRAM PHASE 2**

**WORKPAPERS SUPPORTING  
REVISED REVENUE REQUIREMENTS**

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**Table 1-2 Revised**  
**Pacific Gas and Electric Company**  
**SmartMeter™ Opt-Out Program**  
**Forecast Costs for 2012-2013**

Line No.	Description	Chapter Reference	2012 Forecast	2013 Forecast	2012-13 Total
	[a]	[b]	[c]	[d]	[e]
1	<b>Customer Operations Support</b>	Ch 2			
2	Expenses		5,174,636	1,373,001	6,547,637
3	Capital		1,275,428	926,476	2,201,904
4	<b>Total Customer Operations Support</b>		6,450,064	2,299,477	8,749,541
5	<b>Metering</b>	Ch 3			
6	Expenses		2,350,467	4,689,002	7,039,469
7	Capital		4,977,009	7,193,276	12,170,285
8	<b>Total Metering</b>		7,327,476	11,882,278	19,209,754
9	<b>Information Technology</b>	Ch 4			
10	Expenses		57,771	399,100	456,871
11	Capital		8,169,396	1,724,800	9,894,196
12	<b>Total Information Technology</b>		8,227,167	2,123,900	10,351,067
13	<b>Total Program Costs</b>	Ch 1			
14	Expenses		7,582,874	6,461,103	14,043,977
15	Capital		14,421,833	9,844,552	24,266,385
16	<b>Total Opt-Out Program Costs</b>		22,004,707	16,305,655	38,310,362

**Table 1-3**  
**Pacific Gas and Electric Company**  
**SmartMeter™ Opt-Out Program**  
**Forecast Revenues for 2012-2013**

Line No.	Description	Chapter Reference	2012 Forecast	2013 Forecast	2012-13 Total
[a]	[b]	[c]	[d]	[e]	[e]
1	<b>Revenues from Customer Charges</b>				
2	Revenues - Initial One-Time Charge		1,521,815	1,442,885	2,964,699
3	Revenues - Monthly Charge		1,654,120	4,367,203	6,021,323
4	<b>Total Revenues</b>	Ch 1	3,175,934	5,810,088	8,986,023

Pacific Gas and Electric Company  
 SmartMeter™ Opt-Out Program Cost Estimate  
 Forecast Customer Participation Rate

Line	Cost Category	2012												TOTAL			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
1	2012 Customers Participating in SOP																
2	Cumulative - Actual and Forecast	N/A	8,998	14,723	22,132	28,468	28,932	29,517	30,101	30,686	31,271	31,856	32,440	32,440	31,856	31,271	30,686
3	Monthly - Actual	N/A	8,998	5,725	7,409	6,336	464	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Monthly - Forecast	N/A	N/A	N/A	N/A	N/A	N/A	585	585	585	585	585	585	585	585	585	585
5	Cumulative Meters - Forecast	N/A	N/A	N/A	N/A	N/A	N/A	49,176	50,150	51,125	52,099	53,073	54,047	54,047	53,073	52,099	51,125
6	2013 Customers Participating in SOP																
7	Forecast - Cumulative	34,236	36,032	37,828	39,624	41,420	43,216	45,012	46,808	48,604	50,399	52,195	53,991	53,991	52,195	50,399	48,604
8	Forecast - Monthly	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796	1,796
9	Cumulative Meters - Forecast	57,039	60,031	63,023	66,015	69,007	72,000	74,992	77,984	80,976	83,968	86,960	89,952	89,952	86,960	83,968	80,976

Derivation of Forecast Opt-Out Participants

	2012		2013		TOTAL	
	Meters	Customers	Meters	Customers	Meters	Customers
10 Remaining UTCs to be Attempted via the SOP 7/1/12 - 12/31/13 [1]	35,000	21,008	215,000	129,048	250,000	150,056
11 Subset Assumed to Opt-Out (16.71%)	5,845	3,508	35,905	21,551	41,750	25,059
12 Derivation of Opt-Out Rate Based on Tariffed Delay List Population Response						
13 Delay List Customers sent Certified Letters in February 2012	173,113					
14 Opt-Out Customers as of July 1, 2012	28,932					
15 Ratio of Opt-Out Customer Participation	16.7%					
16 Ratio of Opt-Out Meters/Customers as of July 1, 2012 [2]	60%					

[1] Total estimated remaining SmartMeter™ UTCs (Unable to Complete) for which PG&E has made the full allotment of attempts to contact the customer.

[2] Assumes that the current ratio of meters to customers as of July 1, 2012, persists.

WP#3



**Table 2-1**  
**Pacific Gas and Electric Company**  
**SmartMeter™ Opt-Out Program**  
**Customer Operations Support 2012-2013**

No.	Description	2012 Forecast	2013 Forecast	2012-13 Total
	[a]	[b]	[c]	[d]
1	<b>Customer Communications</b>			
2	Expense	1,432,009	91,550	1,523,559
3	Capital	0	0	0
4	<b>Total Communications</b>	1,432,009	91,550	1,523,559
5	<b>Customer Inquiries</b>			
6	Expense	1,207,104	32,500	1,239,604
7	Capital	0	0	0
8	<b>Total Inquiries</b>	1,207,104	32,500	1,239,604
9	<b>Billing Operations</b>			
10	Expense	1,948,776	714,427	2,663,203
11	Capital	0	0	0
12	<b>Total Billing Operations</b>	1,948,776	714,427	2,663,203
13	<b>Program Management</b>			
14	Expense	586,747	534,524	1,121,272
15	Capital	1,275,428	926,476	2,201,904
16	<b>Total Program Management</b>	1,862,175	1,461,000	3,323,175
17	Total Expense	5,174,636	1,373,001	6,547,637
18	Total Capital	1,275,428	926,476	2,201,904
19	<b>Total Operations Support Costs</b>	<b>6,450,064</b>	<b>2,299,477</b>	<b>8,749,541</b>



Pacific Gas and Electric Company  
 SmartMeter™ Opt-Out Program Cost Estimate  
 Billing Operations Costs

Line	Cost Category	2012												TOTAL			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
1	2012 Billing Operations Costs																
2	Billing Operations Expense [1]	N/A	218,367	272,293	218,849	177,682	127,048	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	1,948,776
3	Billing Operations Capital Costs	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Total 2012 Billing Ops Costs	N/A	218,367	272,293	218,849	177,682	127,048	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	1,948,776
		<b>2013</b>															
5	2013 Billing Operations Costs																
6	Billing Operations Expense [2]	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	714,427
7	Billing Operations Capital Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Total 2013 Billing Ops Costs	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	59,536	714,427

**SOURCE DATA**

- [1] Incremental expenses are for manual opt-out processes, including enrolling customers in the Program in CC&B, notifying field dispatch of required meter exchanges, and billing customers while the Opt-Out Automation IT Project is built. Forecast assumes continuation of average actual spending level (Feb-Jun) through the December completion of the IT Project.
- [2] After IT Project is operational in December 2012, assumes required incremental labor decreases to a team of seven incremental CSRs who will process exception handling for SOP bills and enroll new SOP customers. Assumes an average annual Billing Operations CSR Salary in 2013 dollars of \$102,061.

Pacific Gas and Electric Company  
**SmartMeter™ Opt-Out Program Cost Estimate**  
**Program Management Office Costs**

Line	Cost Category	2012												TOTAL		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1	2012 PMO Costs [1]															
2	PMO Expense	N/A	13,901	42,811	176,574	27,031	46,633	46,633	46,633	46,633	46,633	46,633	46,633	46,633	46,633	586,747
3	PMO Capital Allocation [2]	N/A	30,218	93,060	383,823	58,757	101,367	101,367	101,367	101,367	101,367	101,367	101,367	101,367	101,367	1,275,428
4	Total PMO Costs in 2012		44,119	135,871	560,397	85,788	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	1,862,175
		2013												TOTAL		
5	2013 PMO Costs [3]															
6	PMO Expense	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	54,148	534,524
7	PMO Capital Allocation [2]	93,852	93,852	93,852	93,852	93,852	93,852	93,852	93,852	93,852	93,852	93,852	93,852	93,852	93,852	928,476
8	Total PMO Costs in 2013	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	1,461,000

**SOURCE DATA**

- [1] Includes costs for incremental labor of small team that manages the opt-out program.
- [2] Allocation to capital represents the portion of time PMO resources spend supporting the meter and network installation and IT processes.
- [3] Assumes PMO costs will ramp down following CPUC's decision in Phase 2 after work is completed to implement the Phase 2 Opt-Out decision.

Allocation to Expense and Capital	2012	2013
Expense Less PMO	32%	37%
Capital Less PMO	68%	63%
Total Forecast SOP Cost Less PMO Cost	100%	100%

**Table 3-1 Revised**  
**Pacific Gas and Electric Company**  
**SmartMeter™ Opt-Out Program**  
**Metering 2012-2013**

No.	Description	2012 Forecast	2013 Forecast	2012-13 Total
	[a]	[b]	[c]	[d]
1	<b>Meter Purchases</b>			
2	Expense	0	0	0
3	Capital	1,474,911	266,415	1,741,326
4	<b>Total Meter Purchases</b>	1,474,911	266,415	1,741,326
5	<b>Gas Module Removal</b>			
6	Expense	0	0	0
7	Capital	711,101	0	711,101
8	<b>Total Gas Module Removal</b>	711,101	0	711,101
9	<b>Meter Exchanges</b>			
10	Expense	0	158,000	158,000
11	Capital	2,790,997	6,926,861	9,717,857
12	<b>Total Meter Exchanges</b>	2,790,997	7,084,861	9,875,857
13	<b>Meter Reading</b>			
14	Expense	2,350,467	4,531,002	6,881,469
15	Capital	0	0	0
16	<b>Total Meter Reading</b>	2,350,467	4,531,002	6,881,469
17	Total Expense	2,350,467	4,689,002	7,039,469
18	Total Capital	4,977,009	7,193,276	12,170,285
19	<b>Total Metering Costs</b>	<b>7,327,476</b>	<b>11,882,278</b>	<b>19,209,754</b>

Pacific Gas and Electric Company  
**SmartMeter™ Opt-Out Program Cost Estimate**  
**Meter Purchases and Gas Module Removal Costs**

Line	Cost Category	2012												TOTAL				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec					
1	Meter Purchases 2012																	
2	Electric Meter Purchases	N/A	0	328,216	695,686	-1,274	1,214	0	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	1,039,594
3	Gas Meter Purchases	N/A	103	3,727	151,898	82,988	155,713	13,270	5,524	5,524	5,524	5,524	5,524	5,524	5,524	5,524	5,524	435,317
4	Total Meter Purchases Capital Cost 2012	N/A	103	331,943	847,584	81,714	156,927	13,270	8,674	8,674	8,674	8,674	8,674	8,674	8,674	8,674	8,674	1,474,911
5	Total Gas Module Removal [1]	N/A	109,875	165,303	146,376	138,017	134,389	17,142	0	0	0	0	0	0	0	0	0	711,401

Line	Cost Category	2013												TOTAL				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec					
6	Meter Purchases 2013																	
7	Electric Meter Purchases	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	96,764
8	Gas Meter Purchases	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	14,138	169,651
9	Total Meter Purchases Capital Cost 2013	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	266,415

Line	Description	Ref.	2012		2013		TOTAL	
			Meters	Customers	Meters	Customers	Meters	Customers
10	<b>SOURCE DATA</b>							
11	<b>Derivation of Forecast Meters</b>							
12	Remaining UTCs to be attempted via the SOP 7/11/12 -	[2]	35,000	21,008	215,000	129,048	250,000	150,056
13	Electric (55%)		19,250	11,554	118,250	70,976	137,500	82,531
14	Gas (45%)		15,750	9,454	96,750	58,072	112,500	67,525
15	Subset assumed to Opt-Out (16.7%)	[2]	3,215	1,930	19,748	11,853	22,963	13,783
16	Electric (55%)		2,630	1,579	16,157	9,698	18,788	11,277
17	Gas (45%)		2,046	1,228	12,567	7,543	14,613	8,771
18	Percent of Opt-Out customers requiring analog meters (35%)	[3]	1,125	675	6,912	4,149	8,037	4,824
19	Electric (55%)		921	553	5,655	3,394	6,576	3,947
20	Gas (45%)							
21	<b>Forecast Analog Meter Purchase Costs</b>	[4]						
22	Materials: Electric Meter Cost		\$28.00					
23	Materials: Gas Meter Cost		\$60.00					
24	<b>Notes:</b>							
25	[1] The costs for removing gas SmartMeter™ modules from gas mechanical meters is the actual cost incurred for this work from February to July 2012.							
	[2] Number of forecast meters derived from Participant forecast (see WP 1-3).							
	[3] Percent of Opt-Out Customers Requiring Meter Exchange. Assumes analog meters already in place at the remaining premises. (Source of 35%: Opt-Out Program actuals as of 7/11/12)							
	[4] Forecast assumes purchases for only 50% of the remaining installations, relying on inventory for the remaining 50%, using the costs below. Source: Cost of the Form 2S L+G Focus electric meter, per manufacturer quote dated December 7, 2011. Gas cost includes Battery Pack, connector, and specialized cover. Additional cost for stickers, seals and door hangers.							

WP 3-2



Pacific Gas and Electric Company  
**SmartMeter™ Opt-Out Program Cost Estimate**  
**Meter Reading Expenses**

Line	Cost Category	2012												TOTAL				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec					
1	2012 Meter Reading Expense																	
2	Electric Meter Reading Expense	N/A	34,103	60,774	92,194	132,660	121,434	135,235	137,914	140,592	143,271	145,950	148,629	148,629	1,292,757			
3	Gas Meter Reading Expense	N/A	27,902	49,725	75,432	108,540	99,355	110,646	112,838	115,030	117,222	119,414	121,606	121,606	1,057,710			
4	Total 2012 Meter Reading Expense	N/A	62,005	110,499	167,626	241,200	220,789	245,881	250,752	255,623	260,493	265,364	270,235	270,235	2,350,467			
		2013												TOTAL				
5	2013 Meter Reading Expense																	
6	Electric Meter Reading Expense	161,171	169,626	178,080	186,535	194,989	203,444	211,898	220,353	228,807	237,262	245,716	254,171	254,171	2,492,051			
7	Gas Meter Reading Expense	131,867	138,785	145,702	152,619	159,537	166,454	173,371	180,289	187,206	194,123	201,041	207,958	207,958	2,038,951			
8	Total 2013 Meter Reading Expense	293,038	308,410	323,782	339,154	354,526	369,898	385,269	400,641	416,013	431,385	446,757	462,129	462,129	4,531,002			

**SOURCE DATA**

Assumptions underlying meter reading expense estimate follow:

- [1] Meter reading forecast assumes Opt-Out Program participants of 32,440 by 12/31/12 and 53,991 by 12/31/13. See WP 1-3 for monthly participant numbers.
- [2] Electric and gas split is 55/45 based on monthly average number of electric and gas customers in PG&E's 2011 FERC Form 1 and FERC Form 2, respectively.
- [3] The 2012 Meter Reading Unit Cost per Read is based on the average actual unit cost per read for the period February - June 2012. This unit cost includes labor, labor burdens, and vehicle charges. The 2013 Unit Costs is the 2012 Unit Cost, escalated based on escalation rates adopted in PG&E's 2011 GRC Decision and used in PG&E's 2014 GRC NOI. Note that as PG&E's SmartMeter™ deployment is completed and meter-reading routes become more dispersed, the unit cost per meter read will increase over the 2012 actual expenses.

Total Average Monthly Cost per Manual Read 2012 \$5.00  
 Total Average Monthly Cost per Manual Read 2013 \$5.14

WP 3-4

**Table 4-1**  
**Pacific Gas and Electric Company**  
**SmartMeter™ Opt-Out Program**  
**Information Technology 2012-2013**

Line No.	Description	2012 Forecast	2013 Forecast	2012-13 Total
	[a]	[b]	[c]	[d]
1	<b>Customer Operations Support IT</b>			
2	Expense	57,771	129,100	186,871
3	Capital	4,083,443	0	4,083,443
4	<b>Total Operations Support IT</b>	<u>4,141,214</u>	<u>129,100</u>	<u>4,270,314</u>
5	<b>Network IT</b>			
6	Expense	0	270,000	270,000
7	Capital	3,535,953	1,724,800	5,260,753
8	<b>Total Network IT</b>	<u>3,535,953</u>	<u>1,994,800</u>	<u>5,530,753</u>
9	<b>Meter-Reading Devices</b>			
10	Expense	0	0	0
11	Capital	550,000	0	550,000
12	<b>Total Meter-Reading Devices</b>	<u>550,000</u>	<u>0</u>	<u>550,000</u>
13	Total Expense	57,771	399,100	456,871
14	Total Capital	8,169,396	1,724,800	9,894,196
15	<b>Total Information Technology</b>	<u>8,227,167</u>	<u>2,123,900</u>	<u>10,351,067</u>

**TABLE 4-3**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**SmartMeter™ Opt-Out Program Automated IT Project**  
**Costs By Component**

Line No.	Cost Component	2012 Forecast
<b>1</b>	<b>Phase 1: Rates and Billing</b>	
2	Direct Capital IT Costs	1,139,201
3	Capitalized A&G	146,975
4	AFUDC	31,650
5	Subtotal Phase 1 Capital Cost	1,317,827
6	Contingency on IT Costs: 15%	197,674
7	Total Phase 1 Capital Cost	1,515,501
<b>8</b>	<b>Phase 2: Enrollment and Field Work</b>	
9	Direct Capital IT Costs	2,009,514
10	Capitalized A&G	162,992
11	AFUDC	60,488
12	Subtotal Phase 2 Capital Cost	2,232,994
13	Contingency on IT Costs: 15%	334,949
14	Total Phase 2 Capital Cost	2,567,943
<b>15</b>	<b>Total Automated IT Project Cost</b>	<b>4,083,443</b>

Pacific Gas and Electric Company  
**SmartMeter™ Opt-Out Program Cost Estimate**  
**Customer Operations Support IT Costs**

Line	Cost Category	2012												TOTAL			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
1	2012 Customer Operations Support IT Costs																
2	SOP IT Support - Expense [1]	N/A	3,412	1,119	692	4,015	18,533	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	57,771
3	Opt-Out Billing IT Project - Capital [2]	N/A	224,727	485,613	178,087	256,490	352,321	677,850	865,216	535,788	279,186	219,823	219,823	279,186	219,823	8,341	4,083,443
4	Total 2012 Customer Ops IT Costs	N/A	228,139	486,732	178,780	260,505	370,854	682,850	870,216	540,788	284,186	224,823	224,823	284,186	224,823	13,341	4,141,214
		2013															
5	2013 Customer Operations Support IT Costs																
6	SOP IT Expense																
7	Billing IT Support Expense [2]	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
8	Billing IT Phase 2 Changes [3]	0	0	0	0	0	20,000	0	0	0	0	0	0	0	0	0	20,000
9	IVR Enrollment IT Project Expense [4]	0	0	60,000	25,000	12,100	0	0	0	0	0	0	0	0	0	0	97,100
10	Total 2013 Customer Ops IT Costs	1,000	1,000	61,000	26,000	13,100	21,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	129,100

**SOURCE DATA**

- [1] Includes daily manual Mass Transactions and billing and enrollment support. Includes minimal continued support post-operation of the Opt-Out Program Automated IT Project.
- [2] Includes AFUDC and capitalized A&G and 15% contingency. Functionality includes Rates and Billing, Enrollment and De-enrollment, and Field Work.
- [3] Includes minimal CC&B soft-table changes needed for minor Opt-Out Phase 2 CPUC Decision impacts. Major changes are not included.
- [4] Includes expense project to incorporate opt-out choices into new IVR solution once it is implemented.

WP 4-3

SmartMeter™ Opt-Out Program Automated IT Project  
 IT Cost Estimate - Direct Capital Costs  
 Phases 1 and 2

Line	Description	2012												TOTAL			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
1	<b>Ph 1 - Rates and Billing Direct Costs</b>																
3	Capital Expenditures																
4	PG&E	0	100,908	293,148	50,381	65,867	90,245	213,600	172,600	0	0	0	0	0	0	0	986,750
5	Contractor	0	1,386	18,547	13,464	21,770	87,285	10,000	0	0	0	0	0	0	0	0	152,452
6	Total	0	102,294	311,696	63,845	87,637	177,530	223,600	172,600	0	0	0	0	0	0	0	1,139,201
									*Go Live 8/31/12								
7	<b>Ph 2 - Enrollment and Fieldwork Direct Costs</b>																
9	Capital Expenditures																
10	PG&E	0	66,209	52,140	55,074	80,941	49,989	90,400	155,900	205,000	200,000	200,000	200,000	200,000	6,340	6,340	1,115,486
11	Contractor	0	909	3,299	14,718	26,753	48,349	220,000	360,000	220,000	0	0	0	0	0	0	894,028
12	Total	0	67,118	55,439	69,793	107,694	98,337	310,400	515,900	425,000	200,000	200,000	200,000	200,000	6,340	6,340	2,009,514
13	<b>Total Opt-Out Program Automated IT Project Direct Costs</b>																
14	Total IT Direct Costs	0	169,413	367,134	133,637	195,331	275,867	534,000	688,500	425,000	200,000	200,000	200,000	200,000	153,493	6,340	3,148,715

WP 4-4

**SmartMeter™ Opt-Out Program Automated IT Project**  
**IT Capital Cost Estimate - Including AFUDC and Capitalized Overheads**  
**Phase 1: Rates and Billing**  
 (Actual Costs Through June 2012)

Line No.	Description	Total	1 Jan-12	2 Feb-12	3 Mar-12	4 Apr-12	5 May-12	6 Jun-12	7 Jul-12	8 Aug-12	9 Sep-12	10 Oct-12	11 Nov-12	12 Dec-12
1	Direct Cost													
2	Labor	986,750	0	100,908	293,148	50,381	65,867	90,245	213,600	172,600	0	0	0	0
3	Construct	152,452	0	1,386	18,547	13,464	21,770	87,285	10,000	0	0	0	0	0
4	Total Direct Costs	1,139,201	0	102,294	311,696	63,845	87,637	177,530	223,600	172,600	0	0	0	0
5	Capitalized A&G	146,975	0	15,273	44,324	7,805	9,600	14,361	30,758	24,854	0	0	0	0
6	AFUDC	31,650	0	427	2,262	3,482	4,121	5,327	7,161	8,870	0	0	0	0
7	Total Capital Expenditures	1,317,827	0	117,995	358,281	75,132	101,358	197,217	261,520	206,324	0	0	0	0
8	Contingency	197,674	0	17,699	53,742	11,270	15,204	29,583	39,228	30,949	0	0	0	0
9	Total Plus Contingency	1,515,501	0	135,694	412,023	86,402	116,562	226,800	300,748	237,273	0	0	0	0
10	AFUDC Calculation													
11	AFUDC Rate	8.79%												
12	CWIP balance, BOP				117,995	476,275	551,407	652,765	849,983	1,111,503	1,317,827			
13	Capital spending	1,286,177		117,567	356,019	71,650	97,237	191,891	254,358	197,454				
14	AFUDC	31,650		427	2,262	3,482	4,121	5,327	7,161	8,870				
15	CWIP balance, EOP			117,995	476,275	551,407	652,765	849,983	1,111,503	1,317,827				
16	Plant Additions													
17	Plant Balance EOP													
18	Assumptions													
19	Construction Start Date													
20	Commercial Operation Date													
21	End Date													
22	Capitalized A&G Rate - 2012													
23	Contingency Percentage													

WP 4-5

**SmartMeter™ Opt-Out Program Automated IT Project**  
**IT Capital Cost Estimate - Including AFUDC and Capitalized Overheads**  
**Phase 2: Enrollment and Fieldwork**  
 (Actual Costs Through June 2012)

Line No.	Description	Total	1 Jan-12	2 Feb-12	3 Mar-12	4 Apr-12	5 May-12	6 Jun-12	7 Jul-12	8 Aug-12	9 Sep-12	10 Oct-12	11 Nov-12	12 Dec-12
1	Direct Cost													
2	Labor	1,115,486	0	66,209	52,140	55,074	80,941	49,989	90,400	155,900	205,000	200,000	153,493	6,340
3	Contract	894,028	0	909	3,299	14,718	26,753	48,349	220,000	360,000	220,000	0	0	0
4	Total Direct Costs	2,009,514	0	67,118	55,439	69,793	107,694	98,337	310,400	515,900	425,000	200,000	153,493	6,340
5	Capitalized A&G	162,992	0	10,021	7,883	8,532	11,796	7,955	13,018	22,450	29,520	28,800	22,103	913
6	AFUDC	60,488	0	280	670	1,402	2,187	2,856	4,498	7,688	11,383	13,970	15,555	0
7	Total Capital Expenditures	2,232,994	0	77,420	63,991	79,727	121,677	109,148	327,915	546,038	465,903	242,770	191,151	7,253
8	Contingency	334,949	0	11,613	9,599	11,959	18,252	16,372	49,187	81,906	69,865	36,416	28,673	1,088
9	Total Plus Contingency	2,567,943	0	89,033	73,590	91,686	139,929	125,521	377,102	627,944	535,788	279,186	219,823	8,341
10	AFUDC Calculation													
11	AFUDC Rate	8.79%		280	670	1,402	2,187	2,856	4,498	7,688	11,383	13,970	15,555	-
12	CWIP balance, BOP		-	-	77,420	141,411	221,138	342,815	451,964	779,879	1,325,917	1,791,820	2,034,590	2,225,741
13	Capital spending		-	77,140	63,322	78,325	119,491	106,292	323,418	538,350	454,520	228,800	175,596	7,253
14	AFUDC	60,488	-	280	670	1,402	2,187	2,856	4,498	7,688	11,383	13,970	15,555	-
15	CWIP balance, EOP		-	77,420	141,411	221,138	342,815	451,964	779,879	1,325,917	1,791,820	2,034,590	2,225,741	-
16	Plant Additions	2,232,994	-	-	-	-	-	-	-	-	-	-	-	2,232,994
17	Plant Balance EOP	2,232,994	-	-	-	-	-	-	-	-	-	-	-	2,232,994
18	Assumptions													
19	Construction Start Date	1/1/2012												
20	Commercial Operation Date	12/1/2012												
21	End Date	12/31/2012												
22	Capitalized A&G Rate - 2012	14.40%												
23	Contingency Percentage	15.0%												

WPA-6

Pacific Gas and Electric Company  
 SmartMeter™ Opt-Out Program Cost Estimate  
 Mesh Network Costs

Line	Cost Category	2012												TOTAL	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
1	2012 Mesh Network Costs														
2	Mesh Network Engineering Project Capital [1]	N/A	73,310	196,745	786,742	331,106	526,039	164,343	164,343	164,343	164,343	164,343	164,343	164,343	2,900,000
3	Mesh Network Device Installation Capital [2]	N/A	0	0	0	8,753	0	0	125,440	125,440	125,440	125,440	125,440	125,440	635,953
4	Total 2012 Mesh Network Costs	N/A	73,310	196,745	786,742	339,859	526,039	164,343	289,783	289,783	289,783	289,783	289,783	289,783	3,535,953
5	2013 Mesh Network Costs														
6	Ongoing Network Monitoring Expense (SMOC)[3]	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	270,000
7	Mesh Network Device Installation Capital [2]	143,733	143,733	143,733	143,733	143,733	143,733	143,733	143,733	143,733	143,733	143,733	143,733	143,733	1,724,800
8	Total 2013 Mesh Network Costs	166,233	166,233	166,233	166,233	166,233	166,233	166,233	166,233	166,233	166,233	166,233	166,233	166,233	1,994,800

**NOTES**

[1] Network engineering capital costs will be allocated to node installation costs as they are incurred.

[2] Compensating Electric Mesh Network Devices: Capital Cost Per Node

[2a] Materials Costs (Includes handling and Sales Tax) \$1,210

[2b] PG&E Labor Cost (Site-specific Engineering) 200

[2c] Contractor Labor Cost (Installation and Inspection) 2,310

[2d] Attachment Fees \* 200

[2e] Total Device Cost Per Node \*\* \$3,920

\* Attachment fees represent a one-time payment, which is the present value of 20-years of annual payments. Assumes 20% of the devices are installed on non-PG&E-owned poles, based on actual data for the SM project to date.

\*\* Nodes are assumed to be Operative as Installed; AFUDC is not included.

[3] Based on the 2013 annual labor cost for a SMOC analyst of \$135k.

Number of Nodes Forecast to be Installed  
 Assuming 54,000 Opt-Out Participants by 12/31/13

2012	2013	Nodes
160	440	

Pacific Gas and Electric Company  
 SmartMeter™ Opt-Out Program Cost Estimate  
 Meter Reading Devices Costs (Field Collection System Project)

Line	Cost Category	2012												TOTAL				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec					
1	2012 Meter Reading Capital Costs																	
2	Hand-Held Meter Reading Device Capital Costs	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
3	Total 2012 Meter Reading Capital Costs	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	550,000		
<b>SOURCE DATA</b>																		
4	Capital costs for new Itron hand-held devices are assumed to be funded by the Opt-Out Program and GRC, using a 50/50 split. Expenses for training meter readers to use the new devices are assumed to be funded 100% by the GRC.																	
5	Device Cost Estimate Provided by Manufacturer:																	
6	Hand-Held Devices (FC300; includes \$200 trade-in of G5)	Quantity	Unit Cost	Total Cost														
7	Docking Stations (FC300S)	350	2,695	943,250														
8	Software and Implementation Costs	350	190	66,500														
9	Software and Implementation Costs	N/A	N/A	90,250														
10	Total				1,100,000													
11	Opt-Out Portion (50%)				550,000													

NP 4-8

TABLE 6-1 REVISED  
PACIFIC GAS AND ELECTRIC COMPANY  
SMARTMETER™ OPT-OUT PROGRAM  
2012-2013 NET REVENUE REQUIREMENT REQUEST  
(\$ DOLLARS)

Line No.	Year	Total	Gas	Electric
<b>1</b>	<b>Program Revenue Requirements</b>			
2	2012	5,452,793	2,301,531	3,151,262
3	2013	10,349,167	4,150,165	6,199,002
4	Subtotal	15,801,960	6,451,695	9,350,265
<b>5</b>	<b>Revenues From Customer Charges</b>			
6	2012	3,175,935	1,429,171	1,746,764
7	2013	5,810,088	2,614,540	3,195,548
8	Subtotal	8,986,023	4,043,711	4,942,312
<b>9</b>	<b>Net Revenue Requirements (a)</b>			
10	2012	2,276,858	872,360	1,404,498
11	2013	4,539,079	1,535,625	3,003,454
12	Total	6,815,937	2,407,984	4,407,953

(a) Net Revenue Requirement = Program Revenue Requirement less Revenue from Customer Charges.

**Pacific Gas and Electric Company**  
**SmartMeter Opt Out Phase 2 Electric**  
**Revised Workpapers Supporting Chapter 6, Revenue Requirement**  
**Revenue Requirements Estimation Model**  
**Results of Operations Calculations (\$)**

<u>Ln.No.</u>		<u>2012</u>	<u>2013</u>
1	<b>Operating Revenue:</b>	3,151,262	6,199,002
	<b>Operating Expenses:</b>		
2	Expenses	4,170,581	3,746,207
3	Production	-	-
4	Storage	-	-
5	Transmission	-	-
6	IT	-	-
7	Customer Accounts	-	-
8	Customer Services	-	-
9	Administrative and General	-	-
10	Uncollectibles	9,785	19,248
11	Franchise Requirements	23,781	46,781
12	Subtotal Expenses	<u>4,204,147</u>	<u>3,812,236</u>
	<b>Taxes:</b>		
13	Property	-	29,207
14	Payroll	-	-
15	Other Taxes	-	-
16	State Corporation Franchise	(323,203)	120,430
17	Federal Income	(1,251,539)	668,609
18	Subtotal Taxes	<u>(1,574,742)</u>	<u>818,247</u>
19	<b>Depreciation</b>	<u>190,664</u>	<u>617,284</u>
20	<b>Total Operating Expenses</b>	<u>2,820,069</u>	<u>5,247,766</u>
21	<b>Net for Return</b>	331,194	951,236
22	<b>Weighted Average Rate Base</b>	3,767,847	10,821,798
23	<b>Rate of Return:</b> On Rate Base	8.79%	8.79%
24	On Equity	11.35%	11.35%
	<b><u>Jurisdictional Allocations</u></b>		
	<b>Fixed Costs</b>		
25	CPUC 100.0000%	(1,052,884)	2,386,767
26	FERC 00.0000%	-	-
27	Total	<u>(1,052,884)</u>	<u>2,386,767</u>
	<b>Variable Costs</b>		
28	CPUC 100.0000%	4,204,147	3,812,236
29	FERC 00.0000%	-	-
30	Total	<u>4,204,147</u>	<u>3,812,236</u>
31	Total CPUC Jurisdictional Revenue Requirement	3,151,262	6,199,002
32	<b>Capital Revenue Requirement</b>	(1,019,319)	2,452,795
33	<b>Expense Revenue Requirement</b>	4,170,581	3,746,207

**Pacific Gas and Electric Company**  
**SmartMeter Opt Out Phase 2 Electric**  
**Revised Workpapers Supporting Chapter 6, Revenue Requirement**  
**Revenue Requirements Estimation Model**  
**Results of Operations Calculations (\$)**

<u>Ln.No.</u>		<u>2012</u>	<u>2013</u>
<b>Taxable Income:</b>			
1	Operating Revenue	3,151,262	6,199,002
2	Less: O&M Expenses	4,204,147	3,812,236
4	Taxes Other Than Income	-	29,207
5	Interest Charges	104,859	301,171
6	Fiscal/Calendar Adjustment		
7	Flow-thru Tax	2,245,893	-
8	Capitalized Interest Adjustment		
9	Capitalized Inventory Adjustment		
10	Vacation Accrual Reduction		
11	Subtotal Deductions	6,554,899	4,142,613
12	Taxable Income before Depreciation	(3,403,636)	2,056,389
<b>California Corporation Franchise Tax (CCFT)</b>			
13	State Depreciation	252,506	694,055
14	Removal Costs	-	-
15	Repair Allowance	-	-
16	State Taxable Income	(3,656,143)	1,362,334
17	CCFT	(323,203)	120,430
18	Deferred Taxes - Depreciation	-	-
19	Deferred Taxes - Interest		
20	Deferred Taxes - Vacation		
21	Deferred Taxes- Other		
22	Total CCFT	(323,203)	120,430
<b>Federal Income Tax</b>			
23	Prior Year CCFT	-	(323,203)
24	Federal Depreciation	3,995,931	3,627,383
25	Removal Costs	-	-
26	Repair Allowance	-	-
27	Preferred Dividend Credit		
28	Federal Taxable Income	(7,399,567)	(1,247,790)
29	Federal Income Tax	(2,589,848)	(436,727)
30	Deferred Taxes - Depreciation	1,338,310	1,105,336
31	Deferred Taxes - Interest		
32	Deferred Taxes - Vacation		
33	Deferred Taxes - Other		
34	Total Federal Income Tax	(1,251,539)	668,609
<b>Weighted Cost of Capital</b>			
1	Debt	2.78%	2.78%
2	Preferred Stock	0.11%	0.11%
3	Common Equity	5.89%	5.89%
4	Total %	8.79%	8.79%
5	Debt	104,859	301,171
6	Preferred Stock	4,280	12,294
7	Common Equity	222,054	637,772
8	Total \$	331,194	951,236
<b>Weighted Average Rate Base</b>			
9	Plant	4,194,764	12,941,269
<b>Working Capital</b>			
10	Fuel	-	-
11	Materials and Supplies	-	-
12	Working Cash	-	-

**Pacific Gas and Electric Company**  
**SmartMeter Opt Out Phase 2 Electric**  
**Revised Workpapers Supporting Chapter 6, Revenue Requirement**  
**Revenue Requirements Estimation Model**  
**Results of Operations Calculations (\$)**

<u>Ln.No.</u>		<u>2012</u>	<u>2013</u>
13	Subtotal	-	-
14	Total Plant	4,194,764	12,941,269
	Less:		
15	Accumulated Deferred Taxes	370,676	1,641,926
16	Deferred Investment Tax Credit	-	-
17	Customer Advances	-	-
18	Deferred CIAC Tax	-	-
19	Vacation Pay Deferral	-	-
20	Capitalized Interest	-	-
21	Subtotal	370,676	1,641,926
22	Accumulated Depreciation	56,241	477,546
23	Weighted Average Rate Base	3,767,847	10,821,798

Pacific Gas and Electric Company  
 SmartMeter Opt Out Phase 2 Electric  
 Revised Workpapers Supporting Chapter 6, Revenue Requirement  
 Revenue Requirements Estimation Model  
 Model Inputs (\$)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1																	
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Pacific Gas and Electric Company  
 SmartMeter Opt Out Phase 2 Electric  
 Revised Workpapers Supporting Chapter 6, Revenue Requirement  
 Revenue Requirements Estimation Model  
 Model Inputs (\$)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
114					Input =====>												
115					Incentive %												
116					50%												
117					0%												
118					50%												
119					0%												
120					50%												
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Life	Method	Factor	Basis Adj.	Accumulated Deferred Tax
30	ADR_SYD	2.0	1,000,000	
3	SL 3	1.0		
30	ADR_SYD	2.0	1,000,000	
6	ADR_SYD	2.0	1,000,000	
12	ADR_SYD	2.0	1,000,000	

Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
Electric	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%	0.311%
Electric	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%	0.757%

Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)	Capital Structure (%)
Debt	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%	46.00%
Equity	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%	52.00%
Preferred	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)	Cost of Capital (%)
Debt	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%
Equity	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%	11.35%
Preferred	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%
Weighted Avg.	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%	8.79%

Pacific Gas and Electric Company  
 SmartMeter Opt Out Phase 2 Electric  
 Revised Workpapers Supporting Chapter 6, Revenue Requirement  
 Revenue Requirements Estimation Model  
 Model Inputs (\$)

	A	B	C	D	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
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	A	B	C	D	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13				
4																
114	Federal Tax Depreciation - Amounts															
115	comm - Transm Sys AM-E (EGP39708)															
116	Internal Comp Software - CIS (CMP30304)															
117	Electric Meters (EDP37000)															
118	0															
119	0															
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121																
122	State Tax Depreciation - Factors															
123	comm - Transm Sys AM-E (EGP39708)															
124	Internal Comp Software - CIS (CMP30304)															
125	Electric Meters (EDP37000)															
126	0															
127	0															
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142																
143	Software Expense Adjustment															
144	Deferred Investment Tax Credit															
145	Removal Costs															
149																
150	<b>Factors</b>															
151	Pension & Benefit															
152	F&J Revenue Factors:															
153	Uncollectibles (Avg. Rate)															
154	Franchise															
159																
160	<b>Capital Structure (%)</b>															
161	Debt															
162	Equity															
163	Preferred															
164	Total															
165																
166	<b>Cost of Capital (%)</b>															
167	Debt															
168	Equity															
169	Preferred															
170	Weighted Avg.															

**Pacific Gas and Electric Company**  
**SmartMeter Opt Out Phase 2 Gas**  
**Revised Workpapers Supporting Chapter 6, Revenue Requirement**  
**Revenue Requirements Estimation Model**  
**Results of Operations Calculations (\$)**

<u>Ln.No.</u>		<u>2012</u>	<u>2013</u>
1	<b>Operating Revenue:</b>	2,301,531	4,150,165
	<b>Operating Expenses:</b>		
2	Expenses	3,412,293	2,714,896
3	Production	-	-
4	Storage	-	-
5	Transmission	-	-
6	IT	-	-
7	Customer Accounts	-	-
8	Customer Services	-	-
9	Administrative and General	-	-
10	Uncollectibles	7,146	12,886
11	Franchise Requirements	22,391	40,376
12	Subtotal Expenses	3,441,830	2,768,158
	<b>Taxes:</b>		
13	Property	-	13,693
14	Payroll	-	-
15	Other Taxes	-	-
16	State Corporation Franchise	(273,835)	84,435
17	Federal Income	(1,081,242)	438,232
18	Subtotal Taxes	(1,355,077)	536,360
19	<b>Depreciation</b>	85,644	356,185
20	<b>Total Operating Expenses</b>	2,172,398	3,660,703
21	<b>Net for Return</b>	129,133	489,462
22	<b>Weighted Average Rate Base</b>	1,469,090	5,568,395
23	<b>Rate of Return:</b> On Rate Base	8.79%	8.79%
24	On Equity	11.35%	11.35%
	<b><u>Jurisdictional Allocations</u></b>		
	Fixed Costs		
25	CPUC 100.0000%	(1,140,300)	1,382,007
26	FERC 00.0000%	-	-
27	Total	(1,140,300)	1,382,007
	Variable Costs		
28	CPUC 100.0000%	3,441,830	2,768,158
29	FERC 00.0000%	-	-
30	Total	3,441,830	2,768,158
31	<b>Total CPUC Jurisdictional Revenue Requirement</b>	2,301,531	4,150,165
32	<b>Capital Revenue Requirement</b>	(1,110,762)	1,435,269
33	<b>Expense Revenue Requirement</b>	3,412,293	2,714,896

**Pacific Gas and Electric Company**  
**SmartMeter Opt Out Phase 2 Gas**  
**Revised Workpapers Supporting Chapter 6, Revenue Requirement**  
**Revenue Requirements Estimation Model**  
**Results of Operations Calculations (\$)**

<u>Ln.No.</u>		<u>2012</u>	<u>2013</u>
<b>Taxable Income:</b>			
1	Operating Revenue	2,301,531	4,150,165
2	Less: O&M Expenses	3,441,830	2,768,158
4	Taxes Other Than Income	-	13,693
5	Interest Charges	40,885	154,968
6	Fiscal/Calendar Adjustment		
7	Flow-thru Tax	1,837,549	-
8	Capitalized Interest Adjustment		
9	Capitalized Inventory Adjustment		
10	Vacation Accrual Reduction		
11	Subtotal Deductions	5,320,264	2,936,820
12	Taxable Income before Depreciation	(3,018,734)	1,213,345
<b>California Corporation Franchise Tax (CCFT)</b>			
13	State Depreciation	78,948	258,193
14	Removal Costs	-	-
15	Repair Allowance	-	-
16	State Taxable Income	(3,097,682)	955,152
17	CCFT	(273,835)	84,435
18	Deferred Taxes - Depreciation	-	-
19	Deferred Taxes - Interest		
20	Deferred Taxes - Vacation		
21	Deferred Taxes- Other		
22	Total CCFT	(273,835)	84,435
<b>Federal Income Tax</b>			
23	Prior Year CCFT	-	(273,835)
24	Federal Depreciation	1,437,853	2,010,762
25	Removal Costs	-	-
26	Repair Allowance	-	-
27	Preferred Dividend Credit		
28	Federal Taxable Income	(4,456,586)	(523,582)
29	Federal Income Tax	(1,559,805)	(183,254)
30	Deferred Taxes - Depreciation	478,564	621,485
31	Deferred Taxes - Interest		
32	Deferred Taxes - Vacation		
33	Deferred Taxes - Other		
34	Total Federal Income Tax	(1,081,242)	438,232
<b>Weighted Cost of Capital</b>			
1	Debt	2.78%	2.78%
2	Preferred Stock	0.11%	0.11%
3	Common Equity	5.89%	5.89%
4	Total %	8.79%	8.79%
5	Debt	40,885	154,968
6	Preferred Stock	1,669	6,326
7	Common Equity	86,579	328,168
8	Total \$	129,133	489,462
<b>Weighted Average Rate Base</b>			
9	Plant	1,622,038	6,461,100
<b>Working Capital</b>			
10	Fuel	-	-
11	Materials and Supplies	-	-
12	Working Cash	-	-

**Pacific Gas and Electric Company**  
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**Revised Workpapers Supporting Chapter 6, Revenue Requirement**  
**Revenue Requirements Estimation Model**  
**Results of Operations Calculations (\$)**

<u>Ln.No.</u>		<u>2012</u>	<u>2013</u>
13	Subtotal	-	-
14	Total Plant	1,622,038	6,461,100
	Less:		
15	Accumulated Deferred Taxes	129,679	644,488
16	Deferred Investment Tax Credit	-	-
17	Customer Advances	-	-
18	Deferred CIAC Tax	-	-
19	Vacation Pay Deferral	-	-
20	Capitalized Interest	-	-
21	Subtotal	129,679	644,488
22	Accumulated Depreciation	23,269	248,217
23	Weighted Average Rate Base	1,469,090	5,568,395

Pacific Gas and Electric Company  
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 Model Inputs (\$)

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Pacific Gas and Electric Company  
 SmartMeter Opt Out Phase 2 Gas  
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 Revenue Requirements Estimation Model  
 Model Inputs (\$)

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					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
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114				Federal Tax Depreciation - Amounts													
115			0	Internal Comp Software - CIS (CMP30304)	50%												
116				Gas Meter Purchase/Exchange (GDP38100)	50%												
117				Gas Meter Module Removal (CMP39706)	50%												
118			0														
119																	
120																	
121				State Tax Depreciation - Factors													
122			0	Internal Comp Software - CIS (CMP30304)													
123				Gas Meter Purchase/Exchange (GDP38100)													
124				Gas Meter Module Removal (CMP39706)													
125			0														
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142				Software Expense Adjustment													
143				Deferred Investment Tax Credit													
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150				Factors													
151				Pension & Benefit													
152				F&J Revenue Factors:													
153				Uncollectibles (Avg. Rate)													
154				Franchise													
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160				Capital Structure (%)													
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162				Equity													
163				Preferred													
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166				Cost of Capital (%)													
167				Debt													
168				Equity													
169				Preferred													
170				Weighted Avg.													

Pacific Gas and Electric Company  
 SmartMeter Opt Out Phase 2 Gas  
 Revised Workpapers Supporting Chapter 6, Revenue Requirement  
 Revenue Requirements Estimation Model  
 Model Inputs (\$)

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Pacific Gas and Electric Company  
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 Revised Workpapers Supporting Chapter 6, Revenue Requirement  
 Revenue Requirements Estimation Model  
 Model Inputs (\$)

	A	B	C	D	R	S	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	
4	Federal Tax Depreciation - Amounts																	
114	0																	
115	Internal Comp Software - CIS (CMP30304)																	
116	Gas Meter Purchase/Exchange (GDP38100)																	
117	Gas Meter Module Removal (CMP39706)																	
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121	State Tax Depreciation - Factors																	
122	0																	
123	Internal Comp Software - CIS (CMP30304)																	
124	Gas Meter Purchase/Exchange (GDP38100)																	
125	Gas Meter Module Removal (CMP39706)																	
126	0																	
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150	<b>Factors</b>																	
151	Pension & Benefit																	
152	F&J Revenue Factors:																	
153	Uncollectibles (Avg. Rate)																	
154	Franchise																	
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160	<b>Capital Structure (%)</b>																	
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