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Commissioner	:	<u>M. Picker</u>
ALJ	:	<u>S. Roscow</u>
Witness	:	<u>J. Oh</u>



**OFFICE OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Report on the Results of Operations
for
Pacific Gas and Electric Company
Test Year 2017
General Rate Case**

**Summary of Earnings
and Taxes**

San Francisco, California
April 8, 2016

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1 **SUMMARY OF EARNINGS and TAXES**

2 **I. INTRODUCTION**

3 This exhibit presents the analysis and recommendations of the Office of
4 Ratepayer Advocates (ORA) regarding Pacific Gas and Electric Company's (PG&E)
5 forecast of the Summary of Earnings and Taxes for Test Year (TY) 2017.

6 The Summary of Earnings tables for electric distribution, gas distribution, and
7 electric generation are displayed in this exhibit. The revenue requirements are
8 calculated by a computer model developed by PG&E and referred to as the Results
9 of Operations (RO) model. The data inputs are provided by the various ORA
10 witnesses. These inputs are then used by the RO model to calculate the Summary
11 of Earnings.

12 Regulated tax expense comprises the following items: (1) Federal Income
13 Taxes (FIT) and State Income Taxes (California Corporate Franchise Taxes
14 (CCFT)); (2) payroll taxes; and (3) property, or ad valorem taxes. These tax
15 expense categories are the composite of projected taxable income streams, book
16 expenses, special tax deductions, and tax credits, calculated within the combined
17 contexts of "real world" tax law, and "regulatory" tax policy. Tax expense also
18 includes taxes, which are not a function of income streams, but of the payment of
19 employee compensation, and the ownership of property.

20 ORA's forecasted tax expenses are computed in the RO model, since they
21 are dependent upon ORA's forecasts of income, expenses, and plant balances.

22 The combined impact of the repair allowance deduction and 50% bonus
23 depreciation is to significantly mitigate the TY 2017 revenue requirement effects
24 associated with the 2017 capital expenditures and to a lesser extent the 2016 capital
25 expenditures.

1 **II. SUMMARY OF RECOMMENDATIONS**

2 **A. Summary of Earnings**

3 The Results of Operations for electric and gas distribution are summarized in
4 four tables shown at the end of this exhibit:

- 5 • Table 2-1 contains ORA’s recommended revenue requirements for
6 electric and gas distribution at present and proposed rates.
- 7 • Table 2-2 shows PG&E’s requested revenue requirements for
8 electric and gas distribution at present and proposed rates.
- 9 • Table 2-3 displays the comparison between ORA and PG&E
10 revenue requirements for electric distribution at proposed rates.
- 11 • Table 2-4 compares ORA and PG&E’s revenue requirements for
12 gas distribution at proposed rates.

13 The Results of Operations for total electric generation are summarized in
14 three tables:

- 15 • Table 2-5 displays ORA’s recommended revenue requirements for
16 total electric generation at present and proposed rates.
- 17 • Table 2-6 shows PG&E’s requested revenue requirements for total
18 electric generation at present and proposed rates.
- 19 • Table 2-7 compares ORA and PG&E’s revenue requirements for
20 total electric generation at proposed rates.

21 **B. Rate Base**

22 Rate Base is summarized in five tables at the end of this exhibit:

- 23 • Table 2-8 displays electric generation, electric distribution, and gas
24 distribution rate base at ORA’s proposed rates.
- 25 • Table 2-9 displays electric generation, electric distribution, and gas
26 distribution rate base at PG&E’s proposed rates.
- 27 • Table 2-10 compares ORA’s and PG&E’s electric distribution rate
28 base at proposed rates.
- 29 • Table 2-11 compares ORA’s and PG&E’s gas distribution rate base
30 at proposed rates.
- 31 • Table 2-12 compares ORA’s and PG&E’s electric generation rate
32 base at proposed rates.

1 **C. Taxes**

2 The following summarizes ORA’s tax-related recommendations:

- 3 • ORA does not oppose the method by which PG&E calculated
4 income, payroll, and property taxes for TY2017.

5 **III. RESULTS OF OPERATIONS MODEL**

6 PG&E filed its TY2017 GRC application on September 1, 2015, and provided
7 ORA with an accompanying RO model. PG&E states that the RO model is
8 structurally the same as the RO model used in PG&E’s 2014 GRC.¹

9 PG&E updated that RO model on October 19, 2015 to provide several
10 enhancements in the capital input module based on feedback received at the
11 September 29, 2015 workshop, and to correct an Excel linkage issue identified in the
12 attrition model on the RO CD.²

13 PG&E provided another updated version of the RO model on February 22,
14 2016 to include all the Errata and tax law changes. ORA used this version to
15 calculate the Summary of Earnings depicted in this report.

16 The various ORA witnesses provided input data for the RO model.
17 Discussions and analyses of the input data are contained in the corresponding ORA
18 exhibits. ORA made some minor modifications to PG&E’s February 22, 2016
19 version of the RO model and some manual inputs to accommodate some witnesses’
20 request, so that the RO could reflect their recommendations.

21 The values shown in the following tables were extracted from the same RO
22 model with different inputs. The numbers shown in the PG&E columns were
23 extracted from the RO version that was provided by PG&E on February 22, 2016.
24 The figures displayed in the ORA columns were extracted from the same RO models
25 with ORA’s recommended adjustments to expenses and capital.

¹ Ex. PG&E-10, p. 18-3

² PG&E RO Model update letter October 2015

1 **IV. INCOME TAXES**

2 The following section provides a brief background of regulated tax expense
3 and a discussion of certain specific tax deductions, credits and other tax policy
4 issues related to determining taxable income for ratemaking purposes, as well as
5 other issues affecting revenue requirements for taxes other than income. Unless
6 otherwise noted, all discussions apply equally to both federal and state income tax
7 expense.

8 **A. Basis for Regulated Income Tax Expense**

9 While the mathematical model used to calculate tax expense is seemingly
10 unequivocal, the underlying accounting conventions, applicable tax rates, and the
11 determination of what constitutes allowable deductions is a function of current
12 federal and state tax law, including new laws expected to affect the test year;
13 regulatory tax policy as determined by numerous Commission decisions; and ORA
14 recommended tax policy. Much of existing Commission tax policy was established
15 in Order Instituting Investigation 24 (OII 24), Decision (D.) 84-05-036.³ Numerous
16 subsequent decisions adopted a variety of changes in ratemaking tax policy in order
17 to comply with changes in federal and state tax laws. Consequently, although a
18 mathematical model may be used, there are a number of estimated factors driving
19 income tax expense requiring a review to attempt to assess the reasonableness of
20 the utilities request.

21 ORA also attempts to ensure that the test year's income tax expense
22 estimate reflects, to the extent possible, the current deduction of expenses in which
23 there is a book/tax timing difference. In D.84-05-036, the Commission stated, "[f]or
24 the present, we will continue our current policy regarding flow-through treatment of
25 timing differences consistent with applicable tax law."⁴ ORA assumes the

³ 15 CPUC 2d 42 (1984).

⁴ See D.84-05-036, discussion at Section I, pp. 32-33a. The Commission did not adopt additional normalization requirements beyond those required for depreciation

1 Commission will continue to adopt policies which result in the test year tax estimate
2 reflecting, to the extent possible,⁵ the flow-through of forecasted expenditures.

3 Another important factor is the ratemaking concept of normalization. Its aim
4 is to adjust a utility's operating expenses in the test year by eliminating abnormal,
5 non-annual events that are known and certain to change in a regularly recurring
6 manner. For example, accelerated depreciation is a tax expense, which is
7 normalized over the life of an asset when computing ratemaking tax expense. It is
8 known and certain that, toward the end of the life of an asset, straight-line (book)
9 depreciation will exceed accelerated tax depreciation. However, at the conclusion of
10 the asset's life, the total depreciation charges under both book and tax methods will
11 be equivalent.

12 Income tax normalization permits a utility to include as its current ratemaking
13 expense an amount of income tax expense that is higher than what the utility will
14 actually pay. This is based on the theory that the taxes saved by the accelerated
15 depreciation (taken on the real world tax returns) are merely deferred. Utilities
16 generally use accelerated methods of depreciation on their real world tax returns,
17 while using the straight-line method for book purposes. Internal Revenue Service
18 (IRS) rules require that utilities use book depreciation rates on all plant purchased or
19 constructed after 1980 when computing regulated tax expense. To mitigate the
20 effect of normalization, the tax effect of the differences between accelerated and
21 straight-line depreciation is booked to a deferred tax reserve. The deferred taxes
22 are used to reduce rate base.

23 Because of current tax law, utilities are required to adopt normalization for
24 depreciation on assets placed in service after 1980. However there is no federal tax
25 requirement that normalization be used for other tax timing differences. In fact, it is
26 the policy of this Commission to flow through non-plant tax timing differences.
27 Consequently, all federal and state tax timing differences should be flowed through

⁵ ORA's recommended treatment for certain tax deductions and benefits is limited by Income Tax Normalization requirements of the Internal Revenue Code, as well as tax policy established in D.84-05-036. For example, currently, disallowed expenses cannot be used as tax deductions.

1 to the ratepayer to the extent allowed by Commission policy, and federal and state
2 tax law.

3 **B. Overview of PG&E's Request**

4 For Federal Income Tax (FIT) purposes, PG&E used the corporate tax rate of
5 35%. For state income tax purposes, PG&E used the corporate tax rate of 8.84% to
6 compute California Corporate Franchise Taxes (CCFT). Payroll taxes and their
7 respective rates and wage bases used in the results of operations are: Federal
8 Insurance Contribution Act (FICA) 6.2%, \$126,300 salary cap for 2017; and
9 Medicare rate of 1.45%, no salary cap.

10 **C. ORA's Analysis**

11 ORA reviewed PG&E's testimony, workpapers, and discovery responses and
12 does not oppose the methodologies used by PG&E to calculate tax expenses.

13 **1. Interest Charge Adjustment**

14 For FIT purposes, rate base derived interest expense is computed by
15 applying the weighted average cost of long-term debt cost factor to estimate its rate
16 base interest expense deduction. ORA's position on Rate Base is described in
17 Exhibit (Ex.) ORA-20. ORA does not dispute PG&E's method of calculating the total
18 amount of rate base interest expense deductible for regulated income tax purposes.

19 **2. Federal and State Tax Depreciation Deductions**

20 For FIT purposes, tax depreciation for all post-1980 plant has been
21 normalized using book lives and rates. For 1980 and prior years' plant, the
22 appropriate accelerated depreciation has been flowed through. For CCFT purposes,
23 tax depreciation has been flowed-through in estimating CCFT taxable income.

24 ORA's depreciation witness makes recommendation to adjust net salvage
25 and remaining life curve for some asset classes, and the impact of those
26 recommendations are reflected in ORA's federal and state tax depreciation
27 deduction recommendations.

1 **3. Cost of Removal Deductions**

2 The cost of removal deduction is estimated on the basis of forecasted plant
3 retirements for the test year. Removal costs are incurred when plant is physically
4 removed from service. Removal costs are deductible for tax purpose when incurred.

5 ORA does not dispute PG&E’s methodology for estimating the cost of
6 removal deductions.

7 **4. Repair Allowance Deductions**

8 The cost of plant construction is capitalized for book purposes. However, a
9 percentage of these capitalized costs are deductible for income tax purposes as
10 repairs (repair allowance). A repair allowance deduction is generally available for
11 1980 and prior years’ vintage assets for FIT purposes, and on all vintages for CCFT
12 purposes.

13 In its February 22, 2016 update testimony, PG&E stated that the Internal
14 Revenue Service (IRS) and PG&E agreed to the results of the electric transmission
15 and distribution repair tax audit and that with the completion of the 2011 audit, PG&E
16 is able to reduce the uncertainty regarding the scope of the repairs deduction and to
17 thus increase the size of the repair deduction forecast for 2017.⁶

18 ORA does not take issue with PG&E’s updated estimate for repair deduction.

19 **5. Capitalized Software Adjustment**

20 Section 167(f) of the IRC requires taxpayers to capitalize and depreciate
21 certain software acquired in the open market. Section 174 of the IRC provides that
22 some portion of the cost of certain self-developed software may be deducted
23 currently. As in previous GRCs, PG&E has used flow-through tax accounting
24 treatment for the amounts that are deductible under Section 174

25 ORA does not oppose PG&E’s capitalized software adjustment.

⁶ Ex.PG&E-19, p. 3-4

1 **V. PAYROLL AND OTHER TAXES**

2 PG&E states that the payroll and other taxes PG&E must pay are as follows:
3 (1) taxes associated with the Federal Insurance Contribution Act (FICA); (2) taxes
4 associated with the Federal Unemployment Insurance (FUI); (3) taxes associated
5 with State Unemployment Insurance (SUI); (4) San Francisco gross receipt tax and
6 payroll expense tax; (5) business license taxes; (6) the federal highway use tax; and
7 (7) taxes from PG&E's sale of timber.⁷

8 **A. Overview of PG&E's Request**

9 PG&E requests that the Commission adopt PG&E's calculation method and
10 the resulting 2017 forecast of \$76.07 million for distribution-related payroll and other
11 taxes.⁸ PG&E states that the 2017 forecast is an increase of \$1.05 million, or 1.4
12 percent, over the 2014 recorded adjusted base year amount of \$75.02 million for gas
13 and electric distribution service.⁹

14 PG&E requests that the Commission adopt PG&E's calculation method and
15 the resulting 2017 forecast of \$34.35 million for generation-related payroll and other
16 taxes.¹⁰ PG&E states that the 2017 forecast is an increase of \$3.50 million, or
17 11.4%, over the 2014 recorded adjusted base year amount of \$30.84 million for
18 generation operations.¹¹

19 **B. ORA's Analysis**

20 After reviewing PG&E's testimony, workpapers, and discovery responses,
21 ORA does not take issue with PG&E's payroll tax calculation methodology. ORA

⁷ Ex. PG&E-10, p. 8-2

⁸ Ex. PG&E-10, p. 8-1

⁹ Ex. PG&E-10, p. 8-1

¹⁰ Ex. PG&E-10, p. 8-1

¹¹ Ex. PG&E-10, p. 8-1

1 concurs in the Federal Insurance Contribution Act (FICA) tax rate of 6.20% on the
2 first \$117,000 in 2014 and \$118,500 in 2015; Medicare tax rate of 1.45% without
3 limit; Federal Unemployment Insurance (FUI) tax rate of 6.0% on the first \$7,000
4 paid to each employees; State Unemployment Insurance (SUI) tax rate of 6.2% on
5 the first \$7,000 paid to each employee; and San Francisco Gross Receipts Tax and
6 Payroll Tax rate of 0.3% in 2017 of San Francisco apportioned gross receipts.

7 **VI. PROPERTY TAXES**

8 PG&E states that the California Constitution requires the California State
9 Board of Equalization (SBE) to annually assess public utilities at Fair Market Value
10 (FMV) on the lien date of January 1, and that the taxes are levied and collected in
11 the same manner as county assessed properties.¹²

12 PG&E states that the FMV was developed using SBE valuation methods
13 appropriate for cost of service regulated public utilities and that the SBE uses
14 Historical Cost Less Depreciation (HCLD) and the Capitalized Earnings Ability (CEA)
15 value indicators to determine PG&E's systemwide assessment and that this
16 valuation method should not result in a valuation significantly different from rate
17 base.¹³

18 **A. Overview of PG&E's Request**

19 For the test year 2017, property tax forecasts were determined by multiplying
20 the taxable HCLD by the property tax factor. The property tax factor is comprised of
21 the adjusted base year market-to-cost ratio multiplied by the composite tax rate.
22 The adjusted market-to-cost ratio is the relationship between the most current
23 assessment (adjusted) for fiscal year 2014/2015 and the taxable HCLD. The
24 adjusted assessment reflects a change in the CEA indicator to remove nonrecurring
25 operating expenses from the recorded year 2014. The effect of making this

¹² Ex. PG&E-10, p. 12-12

¹³ Ex. PG&E-10, p. 12-12

1 adjustment is to increase the CEA indicator, and thus the computation of property
2 tax expense, to a level closer to test year expectations based on the RO.

3 The composite tax rate is computed based on assessment and tax data from
4 the latest known fiscal tax period (fiscal year 2014/2015). For fiscal year 2015/2016
5 through 2017/2018, the tax rate was escalated based on the 5-year average
6 increase, applied to the recorded base year, to reflect the continuing increase in
7 special assessments and local tax rate increases.¹⁴

8 The final expense amount is determined using two estimated fiscal period
9 assessment. For example, test year 2017 property tax expense is comprised of
10 one-half of fiscal year 2016/2017 and one-half of fiscal year 2017/2018.¹⁵

11 For 2017, PG&E forecasts property tax of \$278.943 million.¹⁶

12 **B. ORA's Analysis**

13 ORA reviewed PG&E's testimony and workpapers and does not oppose
14 PG&E's property tax estimating methodology.

15 **VII. DEFERRED TAXES**

16 There can be differences between when deductions are recognized for
17 ratemaking purposes versus when they are recognized for income tax purposes.
18 The majority of these differences occur when depreciation expense is allowed for
19 income tax purposes but, due to tax law, they are not recognized for rate making
20 until the year in which they are recognized for accounting.

21 The 50% bonus depreciation provision became effective on January 1, 2008
22 and was originally scheduled to expire after December 31, 2009. However, the
23 bonus depreciation provision has been extended numerous times, most recently on

¹⁴ Ex. PG&E-10, p. 12-12.

¹⁵ Ex. PG&E-10, p. 12-12.

¹⁶ Ex. PG&E-10, p. 12-18, Table 12-4

1 December 18, 2015 when President Obama signed into law the “Protecting
2 Americans from Tax Hikes Act of 2015” (PATH Act). The PATH Act extended the
3 existing 50% bonus depreciation to qualifying property placed in service in 2015,
4 2016 and 2017. The PATH Act also provided for 40% and 30% bonus depreciation
5 for qualifying assets placed in service in 2018 and 2019, respectively.¹⁷

6 **A. Overview of PG&E’s Request**

7 PG&E estimates that the incremental 2017 GRC revenue requirement
8 reduction associated with the bonus depreciation extension is forecast to be \$78.0
9 million in 2017, based on PG&E’s capital expenditure forecasts.¹⁸

10 **B. ORA’s Analysis**

11 ORA reviewed PG&E testimony and workpapers and does not oppose the
12 method by which PG&E incorporated bonus depreciation into the calculation of
13 deferred taxes. Given that the February 22, 2016 version of the RO model includes
14 the bonus depreciation provisions extended by the PATH Act, ORA’s revenue
15 requirement forecast includes the bonus depreciation impacts.

16 **VIII. REPORTING REQUIREMENTS / BALANCING ACCOUNTS**

17 This section discusses P&GE’s proposal for continuation of its Tax Act
18 Memorandum Accounts.¹⁹

19 **A. PG&E’s Request and ORA’s Recommendation**

20 PG&E proposes to continue the one-way electric and gas Tax Act
21 Memorandum Accounts (TAMA), to reflect any future extension of bonus
22 depreciation that is not reflected in this GRC. The TAMAs are one-way balancing

¹⁷ Ex. PG&E-19, p. 3

¹⁸ Ex. PG&E-19, p. 3

¹⁹ Ex. PG&E-12, p. 9-5

1 accounts established pursuant to Resolution L411-A and records decreases in
2 revenue requirements resulting from increase in the deferred tax reserve and
3 increases in revenue requirements to reflect additional costs ore expenses incurred
4 as a result of taking advantage of the tax acts, including additional utility
5 infrastructure investment.²⁰

6 ORA does not oppose the continuation of the Tax Act Memorandum
7 Accounts.

8

²⁰ Ex. PG&E-12, p. 9-5 to 9-6

1 **IX. WITNESS QUALIFICATIONS**

2 My name is K. Jerry Oh. My business address is 505 Van Ness Avenue, San
3 Francisco, California. I am employed by the California Public Utilities Commission
4 as a Public Utilities Regulatory Analyst V in the Office of Ratepayer Advocates
5 Energy Cost of Service and Natural Gas Branch.

6 I have a Bachelor of Arts degree in Business Economics from the University
7 of California, Los Angeles. Prior to joining the Commission, I was employed as a
8 Bank Examiner with the California Department of Financial Institutions conducting
9 financial soundness and safety examinations.

10 In 2000, I joined the Commission's Energy Division and worked on different
11 accounting and financial issues, including procurement and ERRRA. In 2007, I
12 transferred to ORA's Water Branch and have worked on large water utility general
13 rate cases. I have been ORA's expert witness in Administrative and General
14 expenses, Operations and Maintenance expenses, Cost of Capital, Affiliate
15 Transactions, Taxes, and Results of Operations. In 2011, I transferred to ORA's
16 Energy Cost of Service and Natural Gas Branch and since then have worked as a
17 contract manager, and as an expert witness in Taxes, Results of Operations, Cost of
18 Capital, Information Technology, and Corporate Center / Shared Services / Shared
19 Assets. I have testified previously in formal Commission hearings.

20 This completes my prepared testimony.

21

Table 2-1
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
ORA's Summary of Earnings
Electric And Gas Distribution
(Thousands of Dollars)

Line No.	Description	Revenues at Present Rates		Revenues at Proposed Rates		Difference (\$)		Difference (%)	
		Electric Distribution	Gas Distribution	Electric Distribution	Gas Distribution	Electric Distribution	Gas Distribution	Electric Distribution	Gas Distribution
REVENUE:									
1	Revenue Collected in Rates	4,209,681	1,741,546	4,067,141	1,683,069	(142,540)	(58,477)	-3.39%	-3.36%
2	Plus Other Operating Revenue	95,970	25,228	117,558	28,091	21,587	2,863	22.49%	11.35%
3	Total Operating Revenue	4,305,651	1,766,774	4,184,698	1,711,160	(120,953)	(55,615)	-2.81%	-3.15%
OPERATING EXPENSES:									
4	Energy Costs	0	0	0	0	0	0	0.00%	0.00%
5	Production / Procurement	0	3,286	0	3,286	0	0	0.00%	0.00%
6	Storage	0	0	0	0	0	0	0.00%	0.00%
7	Transmission	1,066	0	1,066	0	0	0	0.00%	0.00%
8	Distribution	665,443	383,192	665,443	383,192	0	0	0.00%	0.00%
9	Customer Accounts	162,097	112,968	162,097	112,968	0	0	0.00%	0.00%
10	Uncollectibles	14,578	5,642	14,169	5,465	(410)	(178)	-2.81%	-3.15%
11	Customer Services	19,451	22,573	19,451	22,573	0	0	0.00%	0.00%
12	Administrative and General	371,836	251,785	371,836	251,785	0	0	0.00%	0.00%
13	Franchise & SFGFR Tax Requirement	33,632	16,292	32,687	15,779	(945)	(513)	-2.81%	-3.15%
14	Amortization	0	0	0	0	0	0	0.00%	0.00%
15	Wage Change Impacts	0	0	0	0	0	0	0.00%	0.00%
16	Other Price Change Impacts	0	0	0	0	0	0	0.00%	0.00%
17	Other Adjustments	(6,062)	(3,297)	(6,062)	(3,297)	0	0	0.00%	0.00%
18	Subtotal Expenses:	1,262,041	792,442	1,260,687	791,751	(1,354)	(690)	-0.11%	-0.09%
TAXES:									
19	Superfund	0	0	0	0	0	0	0.00%	0.00%
20	Property	167,516	53,849	167,516	53,849	0	0	0.00%	0.00%
21	Payroll	36,549	28,689	36,549	28,689	0	0	0.00%	0.00%
22	Business	453	297	453	297	0	0	0.00%	0.00%
23	Other	1,076	707	1,076	707	0	0	0.00%	0.00%
24	State Corporation Franchise	81,663	(9,847)	71,090	(14,702)	(10,573)	(4,855)	-12.95%	49.31%
25	Federal Income	223,130	(31,572)	181,271	(50,795)	(41,860)	(19,224)	-18.76%	60.89%
26	Total Taxes	510,387	42,123	457,955	18,044	(52,432)	(24,079)	-10.27%	-57.16%
27	Depreciation	1,351,424	482,605	1,351,424	482,605	0	0	0.00%	0.00%
28	Fossil/Hydro Decommissioning	0	0	0	0	0	0	0.00%	0.00%
29	Nuclear Decommissioning	0	0	0	0	0	0	0.00%	0.00%
30	Total Operating Expenses	3,123,851	1,317,170	3,070,065	1,292,400	(53,786)	(24,769)	-1.72%	-1.88%
31	Net for Return	1,181,800	449,605	1,114,633	418,759	(67,167)	(30,846)	-5.68%	-6.86%
32	Rate Base	13,829,197	5,195,522	13,829,197	5,195,522	0	0	0.00%	0.00%
RATE OF RETURN:									
33	On Rate Base	8.55%	8.65%	8.06%	8.06%	-0.49%	-0.59%	-5.68%	-6.86%
34	On Equity	11.34%	11.55%	10.40%	10.40%	-0.93%	-1.14%	-8.24%	-9.89%

Table 2-2
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
PG&E's Summary of Earnings
Electric And Gas Distribution
(Thousands of Dollars)

Line No.	Description	Revenues at Present Rates		Revenues at Proposed Rates		Difference (\$)		Difference (%)	
		Electric Distribution	Gas Distribution	Electric Distribution	Gas Distribution	Electric Distribution	Gas Distribution	Electric Distribution	Gas Distribution
REVENUE:									
1	Revenue Collected in Rates	4,209,681	1,741,546	4,283,895	1,804,247	74,214	62,701	1.76%	3.60%
2	Plus Other Operating Revenue	95,970	25,228	118,322	17,722	22,351	(7,507)	23.29%	-29.76%
3	Total Operating Revenue	4,305,651	1,766,774	4,402,217	1,821,969	96,565	55,195	2.24%	3.12%
OPERATING EXPENSES:									
4	Energy Costs	0	0	0	0	0	0	0.00%	0.00%
5	Production / Procurement	0	3,286	0	3,286	0	0	0.00%	0.00%
6	Storage	0	0	0	0	0	0	0.00%	0.00%
7	Transmission	1,066	0	1,066	0	0	0	0.00%	0.00%
8	Distribution	722,292	446,408	722,292	446,408	0	0	0.00%	0.00%
9	Customer Accounts	192,972	122,744	192,972	122,744	0	0	0.00%	0.00%
10	Uncollectibles	14,578	5,642	14,905	5,818	327	176	2.24%	3.12%
11	Customer Services	22,270	24,106	22,270	24,106	0	0	0.00%	0.00%
12	Administrative and General	407,434	276,484	407,434	276,484	0	0	0.00%	0.00%
13	Franchise & SFGR Tax Requirement	33,632	16,292	34,386	16,801	754	509	2.24%	3.12%
14	Amortization	0	0	0	0	0	0	0.00%	0.00%
15	Wage Change Impacts	0	0	0	0	0	0	0.00%	0.00%
16	Other Price Change Impacts	0	0	0	0	0	0	0.00%	0.00%
17	Other Adjustments	(1,864)	(1,529)	(1,864)	(1,529)	0	0	0.00%	0.00%
18	Subtotal Expenses:	1,392,379	893,434	1,393,461	894,119	1,081	685	0.08%	0.08%
TAXES:									
19	Superfund	0	0	0	0	0	0	0.00%	0.00%
20	Property	167,763	54,464	167,763	54,464	0	0	0.00%	0.00%
21	Payroll	41,520	32,595	41,520	32,595	0	0	0.00%	0.00%
22	Business	453	297	453	297	0	0	0.00%	0.00%
23	Other	1,076	707	1,076	707	0	0	0.00%	0.00%
24	State Corporation Franchise	65,168	(20,135)	73,609	(15,317)	8,441	4,819	12.95%	-23.93%
25	Federal Income	135,478	(70,355)	168,898	(51,276)	33,419	19,078	24.67%	-27.12%
26	Total Taxes	411,459	(2,427)	453,319	21,470	41,860	23,897	10.17%	-984.55%
27	Depreciation	1,434,837	483,928	1,434,837	483,928	0	0	0.00%	0.00%
28	Fossil/Hydro Decommissioning	0	0	0	0	0	0	0.00%	0.00%
29	Nuclear Decommissioning	0	0	0	0	0	0	0.00%	0.00%
30	Total Operating Expenses	3,238,676	1,374,934	3,281,617	1,399,516	42,941	24,582	1.33%	1.79%
31	Net for Return	1,066,976	391,840	1,120,600	422,453	53,624	30,612	5.03%	7.81%
32	Rate Base	13,903,224	5,241,348	13,903,224	5,241,348	0	0	0.00%	0.00%
RATE OF RETURN:									
33	On Rate Base	7.67%	7.48%	8.06%	8.06%	0.39%	0.58%	5.03%	7.81%
34	On Equity	9.66%	9.28%	10.40%	10.40%	0.74%	1.12%	7.68%	12.10%

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Table 2-3
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
Comparison of Summary of Earnings at Proposed Rates
Electric Distribution
(Thousands of Dollars)

Line No.	Description	ORA	PG&E	PG&E	PG&E
				Exceeds	Exceeds
				ORA	ORA
				\$	%
REVENUE:					
1	Revenue Collected in Rates	4,067,141	4,283,895	216,754	5.33%
2	Plus Other Operating Revenue	117,558	118,322	764	0.65%
3	Total Operating Revenue	4,184,698	4,402,217	217,519	5.20%
OPERATING EXPENSES:					
4	Energy Costs	0	0	0	0.00%
5	Production / Procurement	0	0	0	0.00%
6	Storage	0	0	0	0.00%
7	Transmission	1,066	1,066	0	0.00%
8	Distribution	665,443	722,292	56,849	8.54%
9	Customer Accounts	162,097	192,972	30,874	19.05%
10	Uncollectibles	14,169	14,905	736	5.20%
11	Customer Services	19,451	22,270	2,819	14.49%
12	Administrative and General	371,836	407,434	35,598	9.57%
13	Franchise & SFGR Tax Requireme	32,687	34,386	1,699	5.20%
14	Amortization	0	0	0	0.00%
15	Wage Change Impacts	0	0	0	0.00%
16	Other Price Change Impacts	0	0	0	0.00%
17	Other Adjustments	(6,062)	(1,864)	4,198	-69.25%
18	Subtotal Expenses:	1,260,687	1,393,461	132,774	10.53%
TAXES:					
19	Superfund	0	0	0	0.00%
20	Property	167,516	167,763	247	0.15%
21	Payroll	36,549	41,520	4,972	13.60%
22	Business	453	453	0	0.00%
23	Other	1,076	1,076	0	0.00%
24	State Corporation Franchise	71,090	73,609	2,519	3.54%
25	Federal Income	181,271	168,898	(12,373)	-6.83%
26	Total Taxes	457,955	453,319	(4,636)	-1.01%
27	Depreciation	1,351,424	1,434,837	83,414	6.17%
28	Fossil/Hydro Decommissioning	0	0	0	0.00%
29	Nuclear Decommissioning	0	0	0	0.00%
30	Total Operating Expenses	3,070,065	3,281,617	211,552	6.89%
31	Net for Return	1,114,633	1,120,600	5,967	0.54%
32	Rate Base	13,829,197	13,903,224	74,026	0.54%
RATE OF RETURN:					
33	On Rate Base	8.06%	8.06%	0.00%	0.00%
34	On Equity	10.40%	10.40%	0.00%	0.00%

Table 2-4
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
Comparison of Summary of Earnings at Proposed Rates
Gas Distribution
(Thousands of Dollars)

Line No.	Description	ORA	PG&E	PG&E	PG&E
				Exceeds	Exceeds
				ORA	ORA
				\$	%
REVENUE:					
1	Revenue Collected in Rates	1,683,069	1,804,247	121,179	7.20%
2	Plus Other Operating Revenue	28,091	17,722	(10,369)	-36.91%
3	Total Operating Revenue	1,711,160	1,821,969	110,810	6.48%
OPERATING EXPENSES:					
4	Energy Costs	0	0	0	0.00%
5	Production / Procurement	3,286	3,286	0	0.00%
6	Storage	0	0	0	0.00%
7	Transmission	0	0	0	0.00%
8	Distribution	383,192	446,408	63,216	16.50%
9	Customer Accounts	112,968	122,744	9,776	8.65%
10	Uncollectibles	5,465	5,818	354	6.48%
11	Customer Services	22,573	24,106	1,534	6.79%
12	Administrative and General	251,785	276,484	24,698	9.81%
13	Franchise & SFGR Tax Requireme	15,779	16,801	1,022	6.48%
14	Amortization	0	0	0	0.00%
15	Wage Change Impacts	0	0	0	0.00%
16	Other Price Change Impacts	0	0	0	0.00%
17	Other Adjustments	(3,297)	(1,529)	1,768	-53.62%
18	Subtotal Expenses:	791,751	894,119	102,368	12.93%
TAXES:					
19	Superfund	0	0	0	0.00%
20	Property	53,849	54,464	615	1.14%
21	Payroll	28,689	32,595	3,906	13.61%
22	Business	297	297	0	0.00%
23	Other	707	707	0	0.00%
24	State Corporation Franchise	(14,702)	(15,317)	(614)	4.18%
25	Federal Income	(50,795)	(51,276)	(481)	0.95%
26	Total Taxes	18,044	21,470	3,425	18.98%
27	Depreciation	482,605	483,928	1,323	0.27%
28	Fossil/Hydro Decommissioning	0	0	0	0.00%
29	Nuclear Decommissioning	0	0	0	0.00%
30	Total Operating Expenses	1,292,400	1,399,516	107,116	8.29%
31	Net for Return	418,759	422,453	3,694	0.88%
32	Rate Base	5,195,522	5,241,348	45,826	0.88%
RATE OF RETURN:					
33	On Rate Base	8.06%	8.06%	0.00%	0.00%
34	On Equity	10.40%	10.40%	0.00%	0.00%

Table 2-5
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
ORA's Summary of Earnings
Total Generation
(Thousands of Dollars)

Line No.	Description	Revenue at Present Rates	Revenue at Proposed Rates	Difference \$	Difference %
REVENUE:					
1	Revenue Collected in Rates	1,960,756	2,081,140	120,383	6.14%
2	Plus Other Operating Revenue	17,989	6,023	(11,967)	-66.52%
3	Total Operating Revenue	1,978,746	2,087,162	108,417	5.48%
OPERATING EXPENSES:					
4	Energy Costs	0	0	0	0.00%
5	Production / Procurement	619,469	619,469	0	0.00%
6	Storage	0	0	0	0.00%
7	Transmission	6,050	6,050	0	0.00%
8	Distribution	0	0	0	0.00%
9	Customer Accounts	1,684	1,684	0	0.00%
10	Uncollectibles	6,700	7,067	367	5.48%
11	Customer Services	0	0	0	0.00%
12	Administrative and General	264,708	264,708	0	0.00%
13	Franchise & SFGR Tax Requireme	15,456	16,303	847	5.48%
14	Amortization	176	176	0	0.00%
15	Wage Change Impacts	0	0	0	0.00%
16	Other Price Change Impacts	0	0	0	0.00%
17	Other Adjustments	(20,000)	(20,000)	0	0.00%
18	Subtotal Expenses:	894,243	895,457	1,214	0.14%
TAXES:					
19	Superfund	0	0	0	0.00%
20	Property	56,171	56,171	0	0.00%
21	Payroll	31,480	31,480	0	0.00%
22	Business	308	308	0	0.00%
23	Other	733	733	0	0.00%
24	State Corporation Franchise	15,035	24,512	9,477	63.03%
25	Federal Income	61,365	95,686	34,320	55.93%
26	Total Taxes	165,093	208,890	43,797	26.53%
27	Depreciation	550,140	550,140	0	0.00%
28	Fossil/Hydro Decommissioning	3,094	3,094	0	0.00%
29	Nuclear Decommissioning	0	0	0	0.00%
30	Total Operating Expenses	1,612,570	1,657,581	45,011	2.79%
31	Net for Return	366,175	429,581	63,406	17.32%
32	Rate Base	5,329,791	5,329,791	0	0.00%
RATE OF RETURN:					
33	On Rate Base	6.87%	8.06%	1.19%	17.32%
34	On Equity	8.12%	10.40%	2.29%	28.19%

Table 2-6
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
PG&E's Summary of Earnings
Total Generation
(Thousands of Dollars)

Line No.	Description	Revenue at Present Rates	Revenue at Proposed Rates	Difference \$	Difference %
REVENUE:					
1	Revenue Collected in Rates	1,960,756	2,161,065	200,308	10.22%
2	Plus Other Operating Revenue	17,989	3,565	(14,424)	-80.18%
3	Total Operating Revenue	1,978,746	2,164,629	185,884	9.39%
OPERATING EXPENSES:					
4	Energy Costs	0	0	0	0.00%
5	Production / Procurement	653,317	653,317	0	0.00%
6	Storage	0	0	0	0.00%
7	Transmission	6,050	6,050	0	0.00%
8	Distribution	0	0	0	0.00%
9	Customer Accounts	5,129	5,129	0	0.00%
10	Uncollectibles	6,700	7,329	629	9.39%
11	Customer Services	0	0	0	0.00%
12	Administrative and General	290,938	290,938	0	0.00%
13	Franchise & SFGR Tax Requireme	15,456	16,908	1,452	9.39%
14	Amortization	176	176	0	0.00%
15	Wage Change Impacts	0	0	0	0.00%
16	Other Price Change Impacts	0	0	0	0.00%
17	Other Adjustments	(20,000)	(20,000)	0	0.00%
18	Subtotal Expenses:	957,766	959,848	2,081	0.22%
TAXES:					
19	Superfund	0	0	0	0.00%
20	Property	56,794	56,794	0	0.00%
21	Payroll	33,791	33,791	0	0.00%
22	Business	308	308	0	0.00%
23	Other	733	733	0	0.00%
24	State Corporation Franchise	8,542	24,790	16,248	190.21%
25	Federal Income	38,386	97,482	59,096	153.95%
26	Total Taxes	138,555	213,899	75,344	54.38%
27	Depreciation	552,189	552,189	0	0.00%
28	Fossil/Hydro Decommissioning	3,094	3,094	0	0.00%
29	Nuclear Decommissioning	0	0	0	0.00%
30	Total Operating Expenses	1,651,604	1,729,030	77,426	4.69%
31	Net for Return	327,142	435,600	108,458	33.15%
32	Rate Base	5,404,463	5,404,463	0	0.00%
RATE OF RETURN:					
33	On Rate Base	6.05%	8.06%	2.01%	33.15%
34	On Equity	6.54%	10.40%	3.86%	58.97%

Table 2-7
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
Comparison of Summary of Earnings at Proposed Rates
Total Generation
(Thousands of Dollars)

Line No.	Description	ORA	PG&E	PG&E	PG&E
				Exceeds	Exceeds
				ORA	ORA
				\$	%
REVENUE:					
1	Revenue Collected in Rates	2,081,140	2,161,065	79,925	3.84%
2	Plus Other Operating Revenue	6,023	3,565	(2,458)	-40.81%
3	Total Operating Revenue	2,087,162	2,164,629	77,467	3.71%
OPERATING EXPENSES:					
4	Energy Costs	0	0	0	0.00%
5	Production / Procurement	619,469	653,317	33,849	5.46%
6	Storage	0	0	0	0.00%
7	Transmission	6,050	6,050	0	0.00%
8	Distribution	0	0	0	0.00%
9	Customer Accounts	1,684	5,129	3,444	204.49%
10	Uncollectibles	7,067	7,329	262	3.71%
11	Customer Services	0	0	0	0.00%
12	Administrative and General	264,708	290,938	26,230	9.91%
13	Franchise & SFGR Tax Requireme	16,303	16,908	605	3.71%
14	Amortization	176	176	0	0.00%
15	Wage Change Impacts	0	0	0	0.00%
16	Other Price Change Impacts	0	0	0	0.00%
17	Other Adjustments	(20,000)	(20,000)	0	0.00%
18	Subtotal Expenses:	895,457	959,848	64,390	7.19%
TAXES:					
19	Superfund	0	0	0	0.00%
20	Property	56,171	56,794	623	1.11%
21	Payroll	31,480	33,791	2,311	7.34%
22	Business	308	308	0	0.00%
23	Other	733	733	0	0.00%
24	State Corporation Franchise	24,512	24,790	278	1.14%
25	Federal Income	95,686	97,482	1,797	1.88%
26	Total Taxes	208,890	213,899	5,010	2.40%
27	Depreciation	550,140	552,189	2,049	0.37%
28	Fossil/Hydro Decommissioning	3,094	3,094	0	0.00%
29	Nuclear Decommissioning	0	0	0	0.00%
30	Total Operating Expenses	1,657,581	1,729,030	71,449	4.31%
31	Net for Return	429,581	435,600	6,019	1.40%
32	Rate Base	5,329,791	5,404,463	74,672	1.40%
RATE OF RETURN:					
33	On Rate Base	8.06%	8.06%	0.00%	0.00%
34	On Equity	10.40%	10.40%	0.00%	0.00%

Table 2-8
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
ORA's 2017 Ratebase
Electric And Gas Departments
(Thousands of Dollars)

Line No.	Description	Electric Generation (A)	Electric Distribution (B)	Gas Distribution (C)	Total Year 2017 (D)
WEIGHTED AVERAGE PLANT:					
1	Plant Beginning Of Year (BOY)	15,433,581	29,496,692	11,190,184	56,120,457
2	Net Additions	191,100	680,519	462,281	1,333,901
3	Total Weighted Average Plant	15,624,681	30,177,212	11,652,465	57,454,358
WORKING CAPITAL:					
4	Material and Supplies - Fuel	0	0	0	0
5	Material and Supplies - Other	130,334	75,586	19,803	225,722
6	Working Cash	207,200	223,565	140,322	571,087
7	Total Working Capital	337,534	299,151	160,125	796,809
ADJUSTMENTS FOR TAX REFORM ACT:					
8	Deferred Capitalized Interest	28,354	(2,647)	(442)	25,265
9	Deferred Vacation	11,341	16,652	10,925	38,918
10	Deferred CIAC Tax Effects	395	368,418	95,369	464,182
11	Total Adjustments	40,091	382,424	105,851	528,366
12	CUSTOMER ADVANCES	0	70,007	26,414	96,421
DEFERRED TAXES					
13	Accumulated Regulatory Assets	(15,478)	0	0	(15,478)
14	Accumulated Fixed Assets	1,130,356	3,410,714	962,797	5,503,867
15	Accumulated Other	0	0	0	0
16	Deferred ITC	193,208	31,125	15,881	240,214
17	Deferred Tax - Other	0	0	0	0
18	Total Deferred Taxes	1,308,086	3,441,839	978,678	5,728,603
19	DEPRECIATION RESERVE	9,364,429	13,517,744	5,717,827	28,599,999
				0	
20	TOTAL Ratebase	5,329,791	13,829,197	5,195,522	24,354,510

Table 2-9
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
PG&E's 2017 Ratebase
Electric And Gas Departments
(Thousands of Dollars)

Line No.	<u>Description</u>	Electric Generation (A)	Electric Distribution (B)	Gas Distribution (C)	Total Year 2017 (D)
WEIGHTED AVERAGE PLANT:					
1	Plant Beginning Of Year (BOY)	15,493,317	29,543,595	11,250,043	56,286,955
2	Net Additions	194,750	737,383	466,973	1,399,106
3	Total Weighted Average Plant	15,688,066	30,280,979	11,717,016	57,686,061
WORKING CAPITAL:					
4	Material and Supplies - Fuel	0	0	0	0
5	Material and Supplies - Other	130,334	75,586	19,803	225,722
6	Working Cash	219,153	217,729	131,381	568,263
7	Total Working Capital	349,487	293,315	151,184	793,986
ADJUSTMENTS FOR TAX REFORM ACT:					
8	Deferred Capitalized Interest	28,354	(2,647)	(442)	25,265
9	Deferred Vacation	11,341	16,652	10,925	38,918
10	Deferred CIAC Tax Effects	395	368,418	95,369	464,182
11	Total Adjustments	40,091	382,424	105,851	528,366
12	CUSTOMER ADVANCES	0	70,007	26,414	96,421
DEFERRED TAXES					
13	Accumulated Regulatory Assets	(15,478)	0	0	(15,478)
14	Accumulated Fixed Assets	1,139,368	3,412,906	974,942	5,527,215
15	Accumulated Other	0	0	0	0
16	Deferred ITC	193,208	31,125	15,881	240,214
17	Deferred Tax - Other	0	0	0	0
18	Total Deferred Taxes	1,317,098	3,444,031	990,823	5,751,952
19	DEPRECIATION RESERVE	9,356,083	13,539,457	5,715,466	28,611,005
20	TOTAL Ratebase	5,404,463	13,903,224	5,241,348	24,549,034

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Table 2-10
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
Comparison of 2017 Ratebase
Electric Distribution
(Thousands of Dollars)

Line No.	Description	ORA	PG&E	PG&E	PG&E
				Exceeds	Exceeds
				ORA	ORA
				\$	%
WEIGHTED AVERAGE PLANT:					
1	Plant Beginning Of Year (BOY)	29,496,692	29,543,595	46,903	0.16%
2	Net Additions	680,519	737,383	56,864	8.36%
3	Total Weighted Average Plant	30,177,212	30,280,979	103,767	0.34%
WORKING CAPITAL:					
4	Material and Supplies - Fuel	0	0	0	0.00%
5	Material and Supplies - Other	75,586	75,586	0	0.00%
6	Working Cash	223,565	217,729	(5,836)	-2.61%
7	Total Working Capital	299,151	293,315	(5,836)	-1.95%
ADJUSTMENTS FOR TAX REFORM ACT:					
8	Deferred Capitalized Interest	(2,647)	(2,647)	0	0.00%
9	Deferred Vacation	16,652	16,652	0	0.00%
10	Deferred CIAC Tax Effects	368,418	368,418	0	0.00%
11	Total Adjustments	382,424	382,424	0	0.00%
12	CUSTOMER ADVANCES	70,007	70,007	0	0.00%
DEFERRED TAXES					
13	Accumulated Regulatory Assets	0	0	0	0.00%
14	Accumulated Fixed Assets	3,410,714	3,412,906	2,192	0.06%
15	Accumulated Other	0	0	0	0.00%
16	Deferred ITC	31,125	31,125	0	0.00%
17	Deferred Tax - Other	0	0	0	0.00%
18	Total Deferred Taxes	3,441,839	3,444,031	2,192	0.06%
19	DEPRECIATION RESERVE	13,517,744	13,539,457	21,713	0.16%
20	TOTAL Ratebase	13,829,197	13,903,224	74,026	0.54%

Table 2-11
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
Comparison of 2017 Ratebase
Gas Distribution
(Thousands of Dollars)

Line No.	Description	ORA	PG&E	PG&E	PG&E
				Exceeds	Exceeds
				ORA	ORA
				\$	%
WEIGHTED AVERAGE PLANT:					
1	Plant Beginning Of Year (BOY)	11,190,184	11,250,043	59,860	0.53%
2	Net Additions	462,281	466,973	4,691	1.01%
3	Total Weighted Average Plant	11,652,465	11,717,016	64,551	0.55%
WORKING CAPITAL:					
4	Material and Supplies - Fuel	0	0	0	0.00%
5	Material and Supplies - Other	19,803	19,803	0	0.00%
6	Working Cash	140,322	131,381	(8,941)	-6.37%
7	Total Working Capital	160,125	151,184	(8,941)	-5.58%
ADJUSTMENTS FOR TAX REFORM ACT:					
8	Deferred Capitalized Interest	(442)	(442)	0	0.00%
9	Deferred Vacation	10,925	10,925	0	0.00%
10	Deferred CIAC Tax Effects	95,369	95,369	0	0.00%
11	Total Adjustments	105,851	105,851	0	0.00%
12	CUSTOMER ADVANCES	26,414	26,414	0	0.00%
DEFERRED TAXES					
13	Accumulated Regulatory Assets	0	0	0	0.00%
14	Accumulated Fixed Assets	962,797	974,942	12,145	1.26%
15	Accumulated Other	0	0	0	0.00%
16	Deferred ITC	15,881	15,881	0	0.00%
17	Deferred Tax - Other	0	0	0	0.00%
18	Total Deferred Taxes	978,678	990,823	12,145	1.24%
19	DEPRECIATION RESERVE	5,717,827	5,715,466	(2,361)	-0.04%
20	TOTAL Ratebase	5,195,522	5,241,348	45,826	0.88%

Table 2-12
Pacific Gas and Electric Company
2017 CPUC General Rate Case (Application (incl. Errata & Updates))
Comparison of 2017 Ratebase
Total Generation
(Thousands of Dollars)

Line No.	Description	ORA	PG&E	PG&E	PG&E
				Exceeds	Exceeds
				ORA	ORA
				\$	%
WEIGHTED AVERAGE PLANT:					
1	Plant Beginning Of Year (BOY)	15,433,581	15,493,317	59,735	0.39%
2	Net Additions	191,100	194,750	3,650	1.91%
3	Total Weighted Average Plant	15,624,681	15,688,066	63,385	0.41%
WORKING CAPITAL:					
4	Material and Supplies - Fuel	0	0	0	0.00%
5	Material and Supplies - Other	130,334	130,334	0	0.00%
6	Working Cash	207,200	219,153	11,953	5.77%
7	Total Working Capital	337,534	349,487	11,953	3.54%
ADJUSTMENTS FOR TAX REFORM ACT:					
8	Deferred Capitalized Interest	28,354	28,354	0	0.00%
9	Deferred Vacation	11,341	11,341	0	0.00%
10	Deferred CIAC Tax Effects	395	395	0	0.00%
11	Total Adjustments	40,091	40,091	0	0.00%
12	CUSTOMER ADVANCES	0	0	0	0.00%
DEFERRED TAXES					
13	Accumulated Regulatory Assets	(15,478)	(15,478)	0	0.00%
14	Accumulated Fixed Assets	1,130,356	1,139,368	9,012	0.80%
15	Accumulated Other	0	0	0	0.00%
16	Deferred ITC	193,208	193,208	0	0.00%
17	Deferred Tax - Other	0	0	0	0.00%
18	Total Deferred Taxes	1,308,086	1,317,098	9,012	0.69%
19	DEPRECIATION RESERVE	9,364,429	9,356,083	(8,346)	-0.09%
20	TOTAL Ratebase	5,329,791	5,404,463	74,672	1.40%