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Exhibit Number : DRA-2
Commissioner : Peevey
ALJ : Fukutome
Witness : Jarjoura



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

**Report on the Results of Operations
for
Pacific Gas and Electric Company
General Rate Case
Test Year 2011**

Summary of Earnings

San Francisco, California
May 5, 2010

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SUMMARY OF EARNINGS

2 **I. INTRODUCTION**

3 The summary of earnings tables for gas distribution, electric distribution, and
4 electric generation are displayed in this exhibit. The revenue requirements are
5 calculated by a computer model developed by Pacific Gas & Electric Company
6 (PG&E) and referred to as the Results of Operations (RO) model. The data inputs
7 are provided by the various witnesses for the Division of Ratepayer Advocates
8 (DRA). These inputs are then used by the RO model to calculate the results of
9 operations.

10 **II. SUMMARY OF RECOMMENDATIONS**

11 The results of operation for electric and gas distribution are summarized in
12 four tables shown at the end of this exhibit:

- 13 • Table 2-1 contains DRA's recommended revenue requirements for electric
14 and gas distribution at present and proposed rates.
- 15 • Table 2-2 shows PG&E's requested revenue requirements for electric and
16 gas distribution at present and proposed rates.
- 17 • Table 2-3 displays the comparison between DRA and PG&E revenue
18 requirements for **electric** distribution at proposed rates.
- 19 • Table 2-4 compares DRA and PG&E's revenue requirements for **gas**
20 distribution at proposed rates.

21 The results of operation for total electric generation are summarized in three
22 tables:

- 23 • Table 2-5 displays DRA's recommended revenue requirements for total
24 electric generation at present and proposed rates.
- 25 • Table 2-6 shows PG&E's requested revenue requirements for total electric
26 generation at present and proposed rates.
- 27 • Table 2-7 compares DRA and PG&E's revenue requirements for total
28 electric generation at proposed rates.

1 DRA recommends that the Commission order PG&E to address issues
2 related to the RO model's presentation, as identified in Section III (Discussion) in
3 time for the utility's next General Rate Case (GRC) filing.

4 **III. DISCUSSION**

5 **A. Background on The Results of Operation Model**

6 Based on the experience of running the RO in PG&E's Test Year (TY) 1999
7 GRC, the Commission in D.00-07-050, in addition to delaying the 2002 GRC,
8 ordered PG&E to streamline its RO model and make it simple and transparent.
9 PG&E and its consultants developed a new RO model for the 2003 Test Year and
10 used it to calculate the results of operation for that application. DRA tested that RO
11 model filed with the TY 2003 application and found it to reflect a reasonable method
12 of determining the summary of earnings.

13 In the last GRC application, for TY 2007, PG&E made several changes and
14 modifications to the original RO model. Based on the initial review of the RO, DRA
15 found some of these changes to add confusion and reduce the model's ability to
16 dynamically account for changes made at the input level without intervention by the
17 modeler. The following were some of the concerns that DRA had:

- 18 • The inputs to that RO model were not marked clearly nor were they
19 consistent.
- 20 • The inputs for Operations and Maintenance (O&M) expenses were in
21 nominal dollars and were stated for each major work category (MWC), but
22 the inputs for Administrative and General (A&G) expenses were in 2004
23 constant dollars, and stated in labor, Materials & Supplies (M&S) dollars,
24 and others for each Federal Energy Regulatory Commission (FERC)
25 account.
- 26 • The RO could not recalculate the revenue requirement if the embedded
27 escalation rates were changed or updated.

1 In that RO model, the Allowance for Funds Used During Construction
2 (AFUDC) and overhead rates were also embedded in PG&E's forecast of capital
3 expenditures. These capital expenditures were entered in the RO model fully
4 loaded. If the AFUDC or overhead rate needed to be changed due to changes in
5 some interest rate or in A&G expenses, the RO could not update the capital
6 expenditures automatically without manual intervention by the modeler. In the TY
7 2007 GRC, therefore, DRA recommended that the Commission order PG&E to
8 address and remedy the issues outlined above, and improve the model's
9 presentation, in time for the utility's next GRC filing.

10 **B. Presentation of the Current TY2011 RO Model**

11 In the spring of 2008, PG&E informed DRA that a new RO model was being
12 considered. After some discussion, PG&E gave DRA two options to choose from:
13 the first was Access-based model, and the second was Excel-based one. DRA
14 chose the Excel option and conveyed to PG&E some of the problems with PG&E's
15 TY 2007 GRC RO model.

16 PG&E ignored DRA's choice, developed an Access-based model and
17 submitted that model when it tendered the Notice of Intent NOI in July 2009. DRA
18 and PG&E met several times and tried to modify the Access model to alleviate
19 DRA's many concerns regarding the ability to validate and run ne RO. In December
20 2009, DRA concluded that the RO model in its current form did not meet the
21 Commission's requirement and rejected PG&E's NOI. PG&E protested DRA's
22 rejection and the Commission's executive director accepted the NOI with the
23 condition that PG&E develop an Excel-based model by January 31, 2010. PG&E
24 filed its application on December 21, 2009, and filed the Excel-based RO model on
25 January 29, 2010.

26 Since the January 2010 version, there have been three or four modifications
27 to correct some errors. DRA did not have sufficient time to validate this RO model,
28 remains concerned that some aspects of the model may not be working properly.

29 In its current form, the RO model is cumbersome to operate and is prone to
30 error. Numerous steps must be manually undertaken in order to get the model to

1 run successfully. This model is very large and is a “memory hog.” While the total
2 run time is about 25 minutes on a specially modified computer, it takes over an hour
3 to make a couple adjustments and go through all the steps to complete one run.
4 One hour is too long considering that DRA and/ or the Energy Division is sometimes
5 requested to make several runs in one day.

6 DRA recommends that the Commission order PG&E to modify its current RO
7 model to meet the needs of the Commission. Such modifications should be
8 completed, demonstrated, and submitted to the Commission at least six months
9 prior to the tendering of PG&E’s NOI for its next GRC.

10 **C. RO Models Provided by PG&E in this GRC**

11 DRA received several versions of the PG&E RO model in this GRC. DRA
12 used the latest version, provided by PG&E on March 26, 2010, that has the recorded
13 2009 capital expenditures and the April 15, 2010 fixes, to calculate the results of
14 operations depicted in this report. The various DRA witnesses provided the input
15 data for the RO model. Discussions and analyses of the input data are contained in
16 various DRA exhibits. DRA made some minor modifications to PG&E’s latest
17 version of the RO model and some manual inputs to accommodate some witnesses’
18 request, so that the RO could reflect their recommendations.

19 The values shown in the following tables were extracted from two RO runs.
20 The numbers shown in the PG&E columns were extracted from the RO version that
21 was provided by PG&E on March 15, 2010. The figures displayed in the DRA
22 columns were extracted from a DRA scenario adapted from the RO version provided
23 by PG&E on March 26, 2010 that has the recorded 2009 capital expenditures.

Table 2-1										
Pacific Gas and Electric Company										
2011 General Rate Case Application										
DRA'S Summary of Earnings										
Electric and Gas Distribution										
(Thousands of Dollars)										
Line No.	Description	Revenues At Present Rates*		Revenues At Proposed Rates		Difference (\$)		Difference (%)		Line No.
		Electric	Gas	Electric	Gas	Electric	Gas	Electric	Gas	
1	Revenue at Effective Rates	3,007,000	1,084,000	3,183,439	1,078,258	176,439	(5,742)	5.87%	(0.53%)	1
2	Plus Non-General Revenue	95,898	26,024	115,734	23,130	19,836	(2,894)	20.68%	(11.12%)	2
3	General Rate Case Revenue	3,102,898	1,110,024	3,299,173	1,101,388	196,275	(8,636)	6.33%	(0.78%)	3
4	Energy Costs	0	0	0	0	0	0	NA	NA	4
5	Other Production	0	0	0	0	0	0	NA	NA	5
6	Storage	0	2,664	0	2,664	0	0	NA	0.00%	6
7	Transmission	1,122	0	1,122	0	0	0	0.00%	NA	7
8	Distribution	484,062	142,314	484,062	142,314	0	0	0.00%	0.00%	8
9	Customer Accounts	226,648	163,776	226,648	163,776	0	0	0.00%	0.00%	9
10	Uncollectibles	8,199	2,869	8,717	2,846	519	(22)	6.33%	(0.78%)	10
11	Customer Services	4,132	5,009	4,132	5,009	0	0	0.00%	0.00%	11
12	Administrative and General	320,075	157,146	320,075	157,146	0	0	0.00%	0.00%	12
13	Franchise Requirements	23,457	10,581	24,941	10,498	1,484	(82)	6.33%	(0.78%)	13
14	Project Amortization	0	0	0	0	0	0	NA	NA	14
15	Wage Change Impacts	0	0	0	0	0	0	NA	NA	15
16	Other Price Change Impacts	0	0	0	0	0	0	NA	NA	16
17	Other Adjustments	0	0	0	0	0	0	NA	NA	17
18	Subtotal Expenses:	1,067,694	484,358	1,069,696	484,254	2,002	(105)	0.19%	(0.02%)	18
19	Superfund	0	0	0	0	0	0	NA	NA	19
20	Property	129,497	29,572	129,497	29,572	0	0	0.00%	0.00%	20
21	Payroll	37,076	20,693	37,076	20,693	0	0	0.00%	0.00%	21
22	Business	508	250	508	250	0	0	0.00%	0.00%	22
23	Other	2,214	1,087	2,214	1,087	0	0	0.00%	0.00%	23
24	State Corporation Franchise	48,546	19,662	65,719	18,908	17,174	(754)	35.38%	(3.84%)	24
25	Federal Income	214,229	68,948	282,224	65,962	67,996	(2,986)	31.74%	(4.33%)	25
26	Total Taxes	432,069	140,211	517,239	136,471	85,169	(3,740)	19.71%	(2.67%)	26
27	Depreciation	828,211	268,672	828,211	268,672	0	0	0.00%	0.00%	27
28	Fossil Decommissioning	0	0	0	0	0	0	NA	NA	28
29	Nuclear Decommissioning	0	0	0	0	0	0	NA	NA	29
30	Total Operating Expenses	2,327,974	893,241	2,415,146	889,396	87,172	(3,845)	3.74%	(0.43%)	30
31	Net for Return	774,924	216,783	884,028	211,992	109,104	(4,791)	14.08%	(2.21%)	31
32	Rate Base	10,057,197	2,411,739	10,057,197	2,411,739	0	0	0.00%	0.00%	32
RATE OF RETURN:										
33	On Rate Base	7.71%	8.99%	8.79%	8.79%	1.08%	(0.20%)	14.08%	(2.21%)	33
34	On Equity	9.26%	11.73%	11.35%	11.35%	2.09%	(0.38%)	22.53%	(3.26%)	34
* DRA adjusted Revenues at Presents Rates to match those shown in Table 3 on page 3 of the Application.										

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Table 2-2
Pacific Gas and Electric Company
2011 General Rate Case Application
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 (%)		Line No.
		Electric	Gas	Electric	Gas	Electric	Gas	Electric	Gas	
REVENUE:										
1	Revenue at Effective Rates	3,149,046	1,119,397	3,563,662	1,297,321	414,616	177,924	13.17%	15.89%	1
2	Plus Non-General Revenue	95,898	26,024	115,878	22,922	19,980	(3,102)	20.83%	(11.92%)	2
3	General Rate Case Revenue	3,244,944	1,145,421	3,679,540	1,320,243	434,596	174,822	13.39%	15.26%	3
OPERATING EXPENSES:										
4	Energy Costs	0	0	0	0	0	0	NA	NA	4
5	Other Production	0	0	0	0	0	0	NA	NA	5
6	Storage	0	3,565	0	3,565	0	0	NA	0.00%	6
7	Transmission	1,137	0	1,137	0	0	0	0.00%	NA	7
8	Distribution	628,798	226,986	628,798	226,986	0	0	0.00%	0.00%	8
9	Customer Accounts	287,206	207,449	287,206	207,449	0	0	0.00%	0.00%	9
10	Uncollectibles	9,241	3,190	10,478	3,677	1,238	487	13.39%	15.26%	10
11	Customer Services	9,608	5,315	9,608	5,315	0	0	0.00%	0.00%	11
12	Administrative and General	434,190	213,173	434,190	213,173	0	0	0.00%	0.00%	12
13	Franchise Requirements	24,526	10,916	27,811	12,582	3,285	1,666	13.39%	15.26%	13
14	Project Amortization	0	0	0	0	0	0	NA	NA	14
15	Wage Change Impacts	0	0	0	0	0	0	NA	NA	15
16	Other Price Change Impacts	0	0	0	0	0	0	NA	NA	16
17	Other Adjustments	0	0	0	0	0	0	NA	NA	17
18	Subtotal Expenses:	1,394,707	670,595	1,399,229	672,748	4,522	2,153	0.32%	0.32%	18
TAXES:										
19	Superfund	0	0	0	0	0	0	NA	NA	19
20	Property	129,907	29,522	129,907	29,522	0	0	0.00%	0.00%	20
21	Payroll	48,373	28,017	48,373	28,017	0	0	0.00%	0.00%	21
22	Business	508	250	508	250	0	0	0.00%	0.00%	22
23	Other	2,214	1,087	2,214	1,087	0	0	0.00%	0.00%	23
24	State Corporation Franchise	24,159	3,818	62,177	19,082	38,018	15,264	157.37%	399.80%	24
25	Federal Income	122,300	3,317	272,825	63,751	150,526	60,434	123.08%	1822.13%	25
26	Total Taxes	327,460	66,011	516,004	141,709	188,544	75,698	57.58%	114.68%	26
27	Depreciation	857,231	288,493	857,231	288,493	0	0	0.00%	0.00%	27
28	Fossil Decommissioning	0	0	0	0	0	0	NA	NA	28
29	Nuclear Decommissioning	0	0	0	0	0	0	NA	NA	29
30	Total Operating Expenses	2,579,397	1,025,098	2,772,464	1,102,950	193,067	77,851	7.48%	7.59%	30
31	Net for Return	665,547	120,323	907,076	217,294	241,529	96,971	36.29%	80.59%	31
32	Rate Base	10,319,409	2,472,056	10,319,409	2,472,056	0	0	0.00%	0.00%	32
RATE OF RETURN:										
33	On Rate Base	6.45%	4.87%	8.79%	8.79%	2.34%	3.92%	36.29%	80.59%	33
34	On Equity	6.85%	3.80%	11.35%	11.35%	4.50%	7.54%	65.76%	198.39%	34
* Revenues at Present Rates do not match those shown in Table 3 on page 3 of the Application.										

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Table 2-3						
Pacific Gas and Electric Company						
2011 General Rate Case Application						
Comparison of Summary of Earnings At Proposed Rates						
Electric Distribution						
(Thousands of Dollars)						
Line No.	Description	DRA	PG&E	PG&E Exceeds DRA (\$)	PG&E Exceeds DRA (%)	
1	Revenue at Effective Rates	3,183,439	3,563,662	380,223	11.94%	
2	Plus Non-General Revenue	115,734	115,878	144	0.12%	
3	General Rate Case Revenue	3,299,173	3,679,540	380,367	11.53%	
OPERATING EXPENSES:						
4	Energy Costs	0	0	0	NA	
5	Other Production	0	0	0	NA	
6	Storage	0	0	0	NA	
7	Transmission	1,122	1,137	16	1.40%	
8	Distribution	484,062	628,798	144,736	29.90%	
9	Customer Accounts	226,648	287,206	60,559	26.72%	
10	Uncollectibles	8,717	10,478	1,761	20.20%	
11	Customer Services	4,132	9,608	5,477	132.56%	
12	Administrative and General	320,075	434,190	114,115	35.65%	
13	Franchise Requirements	24,941	27,811	2,870	11.51%	
14	Project Amortization	0	0	0	NA	
15	Wage Change Impacts	0	0	0	NA	
16	Other Price Change Impacts	0	0	0	NA	
17	Other Adjustments	0	0	0	NA	
18	Subtotal Expenses:	1,069,696	1,399,229	329,533	30.81%	
TAXES:						
19	Superfund	0	0	0	NA	
20	Property	129,497	129,907	410	0.32%	
21	Payroll	37,076	48,373	11,297	30.47%	
22	Business	508	508	0	0.00%	
23	Other	2,214	2,214	0	0.00%	
24	State Corporation Franchise	65,719	62,177	(3,542)	(5.39%)	
25	Federal Income	282,224	272,825	(9,399)	(3.33%)	
26	Total Taxes	517,239	516,004	(1,235)	(0.24%)	
27	Depreciation	828,211	857,231	29,020	3.50%	
28	Fossil Decommissioning	0	0	0	NA	
29	Nuclear Decommissioning	0	0	0	NA	
30	Total Operating Expenses	2,415,146	2,772,464	357,318	14.79%	
31	Net for Return	884,028	907,076	23,048	2.61%	
32	Rate Base	10,057,197	10,319,409	262,212	2.61%	
RATE OF RETURN:						
33	On Rate Base	8.79%	8.79%	0.00%	0.00%	
34	On Equity	11.35%	11.35%	0.00%	0.00%	

Table2-4						
Pacific Gas and Electric Company						
2011 General Rate Case Application						
Comparison of Summary of Earnings At Proposed Rates						
Gas Distribution						
(Thousands of Dollars)						
Line No.	Description	DRA	PG&E	PG&E Exceeds DRA (\$)	PG&E Exceeds DRA (%)	
1	Revenue at Effective Rates	1,078,258	1,297,321	219,063	20.32%	
2	Plus Non-General Revenue	23,130	22,922	(208)	(0.90%)	
3	General Rate Case Revenue	1,101,388	1,320,243	218,855	19.87%	
4	Energy Costs	0	0	0	NA	
5	Other Production	0	0	0	NA	
6	Storage	2,664	3,565	901	33.82%	
7	Transmission	0	0	0	NA	
8	Distribution	142,314	226,986	84,673	59.50%	
9	Customer Accounts	163,776	207,449	43,673	26.67%	
10	Uncollectibles	2,846	3,677	831	29.19%	
11	Customer Services	5,009	5,315	307	6.12%	
12	Administrative and General	157,146	213,173	56,027	35.65%	
13	Franchise Requirements	10,498	12,582	2,084	19.85%	
14	Project Amortization	0	0	0	NA	
15	Wage Change Impacts	0	0	0	NA	
16	Other Price Change Impacts	0	0	0	NA	
17	Other Adjustments	0	0	0	NA	
18	Subtotal Expenses:	484,254	672,748	188,494	38.92%	
19	Superfund	0	0	0	NA	
20	Property	29,572	29,522	(50)	(0.17%)	
21	Payroll	20,693	28,017	7,324	35.40%	
22	Business	250	250	0	0.00%	
23	Other	1,087	1,087	0	0.00%	
24	State Corporation Franchise	18,908	19,082	174	0.92%	
25	Federal Income	65,962	63,751	(2,211)	(3.35%)	
26	Total Taxes	136,471	141,709	5,238	3.84%	
27	Depreciation	268,672	288,493	19,821	7.38%	
28	Fossil Decommissioning	0	0	0	NA	
29	Fossil Decommissioning	0	0	0	NA	
30	Total Operating Expenses	889,396	1,102,950	213,553	24.01%	
31	Net for Return	211,992	217,294	5,302	2.50%	
32	Rate Base	2,411,739	2,472,056	60,316	2.50%	
	RATE OF RETURN:					
33	On Rate Base	8.79%	8.79%	0.00%	0.00%	
34	On Equity	11.35%	11.35%	0.00%	0.00%	

Table 2-5						
Pacific Gas and Electric Company						
2011 General Rate Case Application						
DRA'S Summary of Earnings						
Total Generation						
(Thousands of Dollars)						
Line No.	Description	Revenues at Present Rates*	Revenues at Proposed Rates	Difference \$ Amount	Difference %	Line No.
REVENUE:						
1	Revenue at Effective Rates	1,455,276	1,553,080	97,804	6.72%	1
2	Plus Non-General Revenue	10,147	11,643	1,496	14.74%	2
3	General Rate Case Revenue	1,465,423	1,564,723	99,300	6.78%	3
OPERATING EXPENSES:						
4	Energy Costs	0	0	0	NA	4
5	Other Production	472,104	472,104	0	0.00%	5
6	Storage	0	0	0	NA	6
7	Transmission	6,214	6,214	0	0.00%	7
8	Distribution	0	0	0	NA	8
9	Customer Accounts	0	0	0	NA	9
10	Uncollectibles	3,872	4,134	262	6.78%	10
11	Customer Services	0	0	0	NA	11
12	Administrative and General	157,991	157,991	0	0.00%	12
13	Franchise Requirements	11,078	11,829	751	6.78%	13
14	Amortization	4,572	4,572	0	0.00%	14
15	Wage Change Impacts	0	0	0	NA	15
16	Other Price Change Impacts	0	0	0	NA	16
17	Other Adjustments	74	74	0	0.00%	17
18	Subtotal Expenses:	655,906	656,919	1,013	0.15%	18
TAXES:						
19	Superfund	0	0	0	NA	19
20	Property	48,388	48,388	0	0.00%	20
21	Payroll	23,853	23,853	0	0.00%	21
22	Business	251	251	0	0.00%	22
23	Other	1,093	1,093	0	0.00%	23
24	State Corporation Franchise	20,316	29,004	8,689	42.77%	24
25	Federal Income	94,451	126,302	31,850	33.72%	25
26	Total Taxes	188,352	228,891	40,539	21.52%	26
27	Depreciation	289,326	289,326	0	0.00%	27
28	Fossil Decommissioning	34,668	34,668	0	0.00%	28
29	Nuclear Decommissioning			0	NA	29
30	Total Operating Expenses	1,168,252	1,209,804	41,552	3.56%	30
31	Net for Return	297,171	354,918	57,748	19.43%	31
32	Rate Base	4,037,752	4,037,752	0	0.00%	32
RATE OF RETURN:						
33	On Rate Base	7.36%	8.79%	1.43%	19.43%	33
34	On Equity	8.60%	11.35%	2.75%	32.00%	34

* DRA adjusted Revenues at Presents Rates to match those shown in Table 3 on page 3 of the Application.

Table 2-6						
Pacific Gas and Electric Company						
2011 General Rate Case Application						
PG&E'S Summary of Earnings						
Total Generation						
(Thousands of Dollars)						
Line No.	Description	Revenues at Present Rates*	Revenues at Proposed Rates	Difference \$ Amount	Difference %	Line No.
REVENUE:						
1	Revenue at Effective Rates	1,536,934	1,826,589	289,655	18.85%	1
2	Less Non-General Revenue	10,147	11,649	1,502	14.80%	2
3	General Rate Case Revenue	1,547,081	1,838,237	291,156	18.82%	3
OPERATING EXPENSES:						
4	Energy Costs	0	0	0	NA	4
5	Other Production	575,669	575,669	0	0.00%	5
6	Storage	0	0	0	NA	6
7	Transmission	6,301	6,301	0	0.00%	7
8	Distribution	0	0	0	NA	8
9	Customer Accounts	0	0	0	NA	9
10	Uncollectibles	4,406	5,235	829	18.82%	10
11	Customer Services	0	0	0	NA	11
12	Administrative and General	215,610	215,610	0	0.00%	12
13	Franchise Requirements	11,693	13,894	2,201	18.82%	13
14	Amortization	6,180	6,180	0	0.00%	14
15	Wage Change Impacts	0	0	0	NA	15
16	Other Price Change Impacts	0	0	0	NA	16
17	Other Adjustments	74	74	0	0.00%	17
18	Subtotal Expenses:	819,932	822,962	3,030	0.37%	18
TAXES:						
19	Superfund	0	0	0	NA	19
20	Property	48,760	48,760	0	0.00%	20
21	Payroll	29,528	29,528	0	0.00%	21
22	Business	252	252	0	0.00%	22
23	Other	1,099	1,099	0	0.00%	23
24	State Corporation Franchise	9,340	34,811	25,470	272.70%	24
25	Federal Income	57,124	150,458	93,334	163.39%	25
26	Total Taxes	146,104	264,909	118,804	81.31%	26
27	Depreciation	306,618	306,618	0	0.00%	27
28	Fossil Decommissioning	40,786	40,786	0	0.00%	28
29	Nuclear Decommissioning	0	0	0	NA	29
30	Total Operating Expenses	1,313,440	1,435,274	121,834	9.28%	30
31	Net for Return	233,641	402,963	169,322	72.47%	31
32	Rate Base	4,584,336	4,584,336	0	0.00%	32
RATE OF RETURN:						
33	On Rate Base	5.10%	8.79%	3.69%	72.47%	33
34	On Equity	4.24%	11.35%	7.10%	167.39%	34
* Revenues at Present Rates do not match those shown in Table 3 on page 3 of the Application.						

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Table 2-7						
Pacific Gas and Electric Company						
2011 General Rate Case Application						
Comparison of Summary of Earnings At Proposed Rates						
Total Generation						
(Thousands of Dollars)						
Line No.	Description	DRA	PG&E	PG&E Exceeds DRA (\$ Amount)	PG&E Exceeds DRA (%)	Line No.
REVENUE:						
1	Revenue at Effective Rates	1,553,080	1,826,589	273,509	17.61%	1
2	Plus Non-General Revenue	11,643	11,649	6	0.05%	2
3	General Rate Case Revenue	1,564,723	1,838,237	273,515	17.48%	3
OPERATING EXPENSES:						
4	Energy Costs	0	0	-	NA	4
5	Other Production	472,104	575,669	103,564	21.94%	5
6	Storage	0	0	-	NA	6
7	Transmission	6,214	6,301	87	1.40%	7
8	Distribution	0	0	-	NA	8
9	Customer Accounts	0	0	-	NA	9
10	Uncollectibles	4,134	5,235	1,100	26.62%	10
11	Customer Services	0	0	-	NA	11
12	Administrative and General	157,991	215,610	57,619	36.47%	12
13	Franchise Requirements	11,829	13,894	2,065	17.46%	13
14	Amortization	4,572	6,180	1,607	35.16%	14
15	Wage Change Impacts	0	0	-	NA	15
16	Other Price Change Impacts	0	0	-	NA	16
17	Other Adjustments	74	74	-	0.00%	17
18	Subtotal Expenses:	656,919	822,962	166,043	25.28%	18
TAXES:						
19	Superfund	0	0	-	NA	19
20	Property	48,388	48,760	372	0.77%	20
21	Payroll	23,853	29,528	5,675	23.79%	21
22	Business	251	252	2	0.60%	22
23	Other	1,093	1,099	7	0.60%	23
24	State Corporation Franchise	29,004	34,811	5,806	20.02%	24
25	Federal Income	126,302	150,458	24,156	19.13%	25
26	Total Taxes	228,891	264,909	36,017	15.74%	26
27	Depreciation	289,326	306,618	17,292	5.98%	27
28	Fossil Decommissioning	34,668	40,786	6,118	17.65%	28
29	Nuclear Decommissioning	0	0	-	NA	29
30	Total Operating Expenses	1,209,804	1,435,274	225,470	18.64%	30
31	Net for Return	354,918	402,963	48,045	13.54%	31
32	Rate Base	4,037,752	4,584,336	546,585	13.54%	32
RATE OF RETURN:						
33	On Rate Base	8.79%	8.79%	-	0.00%	33
34	On Equity	11.35%	11.35%	-	0.00%	34