

Docket:	:	<u>A.09-12-020</u>
Exhibit Number	:	<u>DRA-2</u>
Commissioner	:	<u>Peevey</u>
ALJ	:	<u>Fukutome</u>
Witness	:	<u>Jarjoura</u>



**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**

Replacement Pages

Summary of Earnings

San Francisco, California
June 30, 2010

Revisions to Exhibit DRA-2:

1. The attached Summary of Earnings tables were revised in response to the revisions made by Mr. Bruce P. Fraser to Exhibit PG&E-23.
2. These revised tables do not reflect any numbers from revisions or errata submitted by PG&E or DRA. PG&E's forecast of 2009 capital expenditures adjusted for 2009 recorded was used instead of the 2009 recorded plant balances.

Table 2-1 (REVISED)										
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	3,149,042	1,075,340	142,042	(8,660)	4.72%	(0.80%)	1
2	Plus Non-General Revenue	95,898	26,024	115,556	23,130	19,658	(2,894)	20.50%	(11.12%)	2
3	General Rate Case Revenue	3,102,898	1,110,024	3,264,598	1,098,470	161,700	(11,554)	5.21%	(1.04%)	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	8,626	2,839	427	(30)	5.21%	(1.04%)	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	24,679	10,471	1,222	(110)	5.21%	(1.04%)	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	1,069,344	484,218	1,650	(140)	0.15%	(0.03%)	18
19	Superfund	0	0	0	0	0	0	NA	NA	19
20	Property	127,879	29,270	127,879	29,270	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	49,673	19,993	63,821	18,984	14,148	(1,009)	28.48%	(5.05%)	24
25	Federal Income	217,059	68,902	273,077	64,908	56,018	(3,995)	25.81%	(5.80%)	25
26	Total Taxes	434,409	140,196	504,575	135,192	70,166	(5,004)	16.15%	(3.57%)	26
27	Depreciation	820,495	269,378	820,495	269,378	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	2,322,597	893,932	2,394,413	888,788	71,816	(5,144)	3.09%	(0.58%)	30
31	Net for Return	780,301	216,092	870,185	209,682	89,885	(6,410)	11.52%	(2.97%)	31
32	Rate Base	9,899,717	2,385,458	9,899,717	2,385,458	0	0	0.00%	0.00%	32
RATE OF RETURN:										
33	On Rate Base	7.88%	9.06%	8.79%	8.79%	0.91%	(0.27%)	11.52%	(2.97%)	33
34	On Equity	9.60%	11.86%	11.35%	11.35%	1.75%	(0.52%)	18.19%	(4.36%)	34
* DRA adjusted Revenues at Presents Rates to match those shown in Table 3 on page 3 of the Application.										

Table 2-2 (REVISED)										
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.										

Table 2-3 (REVISED)						
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	3,149,042	3,563,662	414,619	13.17%	
2	Plus Non-General Revenue	115,556	115,878	322	0.28%	
3	General Rate Case Revenue	3,264,598	3,679,540	414,941	12.71%	
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	8,626	10,478	1,852	21.47%	
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	24,679	27,811	3,131	12.69%	
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:	1,069,344	1,399,229	329,885	30.85%	
TAXES:						
19	Superfund	0	0	0	NA	
20	Property	127,879	129,907	2,028	1.59%	
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	63,821	62,177	(1,644)	(2.58%)	
25	Federal Income	273,077	272,825	(251)	(0.09%)	
26	Total Taxes	504,575	516,004	11,429	2.27%	
27	Depreciation	820,495	857,231	36,736	4.48%	
28	Fossil Decommissioning	0	0	0	NA	
29	Nuclear Decommissioning	0	0	0	NA	
30	Total Operating Expenses	2,394,413	2,772,464	378,050	15.79%	
31	Net for Return	870,185	907,076	36,891	4.24%	
32	Rate Base	9,899,717	10,319,409	419,692	4.24%	
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 (REVISED)						
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	1,075,340	1,297,321	221,981	20.64%	
2	Plus Non-General Revenue	23,130	22,922	(208)	(0.90%)	
3	General Rate Case Revenue	1,098,470	1,320,243	221,773	20.19%	
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	2,839	3,677	838	29.54%	
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	10,471	12,582	2,111	20.16%	
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:	484,218	672,748	188,530	38.93%	
19	Superfund	0	0	0	NA	
20	Property	29,270	29,522	252	0.86%	
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	18,984	19,082	97	0.51%	
25	Federal Income	64,908	63,751	(1,157)	(1.78%)	
26	Total Taxes	135,192	141,709	6,517	4.82%	
27	Depreciation	269,378	288,493	19,115	7.10%	
28	Fossil Decommissioning	0	0	0	NA	
29	Fossil Decommissioning	0	0	0	NA	
30	Total Operating Expenses	888,788	1,102,950	214,161	24.10%	
31	Net for Return	209,682	217,294	7,612	3.63%	
32	Rate Base	2,385,458	2,472,056	86,598	3.63%	
	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 (REVISED)							
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	1,540,446	85,170	5.85%	1	
2	Plus Non-General Revenue	10,147	11,643	1,496	14.74%	2	
3	General Rate Case Revenue	1,465,423	1,552,089	86,666	5.91%	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	4,101	229	5.91%	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	11,733	655	5.91%	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	656,790	884	0.13%	18	
TAXES:							
19	Superfund	0	0	0	NA	19	
20	Property	47,199	47,199	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	21,036	28,620	7,583	36.05%	24	
25	Federal Income	95,808	123,683	27,875	29.09%	25	
26	Total Taxes	189,241	224,699	35,458	18.74%	26	
27	Depreciation	285,999	285,999	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	1,165,814	1,202,156	36,342	3.12%	30	
31	Net for Return	299,609	349,933	50,324	16.80%	31	
32	Rate Base	3,981,036	3,981,036	0	0.00%	32	
RATE OF RETURN:							
33	On Rate Base	7.53%	8.79%	1.26%	16.80%	33	
34	On Equity	8.92%	11.35%	2.43%	27.27%	34	

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

Table 2-6 (REVISED)
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.						

Table 2-7 (REVISED)							
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	1,540,446	1,826,589	286,142	18.58%	1	
2	Plus Non-General Revenue	11,643	11,649	6	0.05%	2	
3	General Rate Case Revenue	1,552,089	1,838,237	286,148	18.44%	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	4,101	5,235	1,134	27.65%	10	
11	Customer Services	0	0	-	NA	11	
12	Administrative and General	157,991	215,610	57,619	36.47%	12	
13	Franchise Requirements	11,733	13,894	2,160	18.41%	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:	656,790	822,962	166,172	25.30%	18	
TAXES:							
19	Superfund	0	0	-	NA	19	
20	Property	47,199	48,760	1,561	3.31%	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	28,620	34,811	6,191	21.63%	24	
25	Federal Income	123,683	150,458	26,774	21.65%	25	
26	Total Taxes	224,699	264,909	40,209	17.89%	26	
27	Depreciation	285,999	306,618	20,619	7.21%	27	
28	Fossil Decommissioning	34,668	40,786	6,118	17.65%	28	
29	Nuclear Decommissioning	0	0	-	NA	29	
30	Total Operating Expenses	1,202,156	1,435,274	233,118	19.39%	30	
31	Net for Return	349,933	402,963	53,030	15.15%	31	
32	Rate Base	3,981,036	4,584,336	603,301	15.15%	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	