PACIFIC GAS AND ELECTRIC COMPANY PV Program-PGE Application 09-02-019 Data Response

PG&E Data Request No.:	DRA_008-04		
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PG&E Witness:	N/A	Requester:	Joe Como

QUESTION 4

Provide all data that was used to construct the three lines entitled "COS", "PPA-1", and "PPA-2."

ANSWER 4

The chart is illustrative and meant to show the trend under the various scenarios.

The "COS" line generally shows how return on capital investment declines as an asset is depreciated over time under a cost of service ratemaking model, consistent with all utility financed projects.

The "PPA-1" and "PPA-2" lines generally show how return on capital investment is lower in the early years due to the timing of revenues under the PPA based approach.