





Smart Meter - Deploy.  
Electric

100% Bonus Depreciation  
Applied to  
Dec, 2010 RRQ Model

NAME OF REPORT:

PREPARED BY:

{Redacted}

DATE NEEDED BY:

\_\_\_\_\_

| REVIEWER:                 | APPROVAL SIGNATURE | DATE SIGNED-OFF |
|---------------------------|--------------------|-----------------|
| ANALYST:<br>{Redacted}    |                    | 01/7/2010       |
| {Redacted}                |                    |                 |
| Return for changes or N/A |                    |                 |
| Energy Accounting         |                    |                 |
| Return for changes or N/A |                    |                 |
| {Redacted}                |                    |                 |
| Return for changes or N/A |                    |                 |
|                           |                    |                 |
| Return for changes or N/A |                    |                 |

**I. General Checklist:**

- Y Work Papers referenced prior to review?
- N New Asset Classes this month? (If so, notified Tax Department)
- N Book depreciation rates revised by May I Letter? (If so, revise book depreciation rates)
- Y Tax Depreciation Rates verified by Tax Department?

**II. Factor verification:**

- X ROR = 8.79%
- X Interest factor = 2.78%
- X Property Tax Rate (7/1/2008 - 6/30/2009) = 1.13481%

**III. Spreadsheet control verification:**

- X 1. Access control - limiting access of the spreadsheets to the appropriate individuals by saving them to a protected/restricted share drive that is backed up on a timely basis. Each monthly RRQ model spreadsheet is located on a shared drive which is backed up daily.
- X 2. Reconciliation to source information - Reviews are in place by supervisory personnel to ensure that the data inputted or interfaced into the spreadsheet agrees to support documentation. RRQ model spreadsheets are fully documented showing sources (where appropriate) and receive supervisory review.
- X 3. Version controls and naming convention - to ensure that only current and approved versions of spreadsheets are being used. Each RRQ model spreadsheet includes the RRQ model name and the period in the file name. The spreadsheets also display the file path location and file name and are kept in shared-drive directories created and named for each RRQ model type and period.
- X 4. Overall analytics - were implemented as a detective control to find errors in spreadsheets used for calculations. There is an analysis section in each spreadsheet which allows for verification of calculation accuracy. Many cell formula calculations are shown on the spreadsheets for ease of review.

| TAB                                     | Contents / Assumptions  |
|---|---|
| A. 2008 Revenue Requirement             | <p>This worksheet tab is the revenue requirement model summary page. It shows:</p> <ol style="list-style-type: none"> <li>Lines 1-4 - Revenue requirement by component. This top section draws data from tab: "B. 2008 Total Year", the revenue requirement model except for Property Tax which is calculated on this worksheet.</li> <li>Line 6 - Capital Additions (SAP) is the current month's gross additions.</li> <li>Lines 7-13 - Plant, Reserve and Rate Base are pointed to tab: "C. Wtd Rate Base".</li> <li>Analysis Section - calculates effective depreciation rate, return on rate base and taxes.</li> </ol>   |
| B. 2008 Total Year<br>B. Reference View | <p>This is the actual revenue requirement model. It shows the revenue requirements effect of capital additions via depreciation expense, the return on rate base, the offsetting tax effects and the final grossed-up revenue requirements number.</p> <p>Tab: "B. Reference View" shows full formula and cell references.</p>  |
| C. Wtd Rate Base                        | <p>This worksheet tab accumulates plant, reserve and book/tax depreciation data. It also calculates the weighted average rate base. This data is used to feed tab: "B. 2008 Total Year". The components are:</p> <ol style="list-style-type: none"> <li>Plant - cumulative capital additions.</li> <li>Reserve - cumulative book depreciation expense.</li> <li>Deferred Tax - difference between Book and Federal Tax depreciation times 35% (Federal Tax rate).</li> <li>Weighted Average Rate Base Components - previous month plus current month amounts divided by 2.</li> <li>Book and Tax Depreciation - draws from appropriate depreciation tab.</li> <li>Deferred Tax - shown for a second time, see above.</li> </ol>   |
| D. Gross Additions                      | <p>This tab shows gross additions both for the month and on a cumulative basis. It is used to feed; 1) Line 6, "Capital Additions (SAP)" in tab: "A. 2008 Revenue Requirement", 2) the Plant line in tab "C. Wtd Rate Base", and 3) the book and tax depreciation tabs/calculatiions.</p> <p>Starting December, 2007, a new and improved BW additions report was developed with the Financial Applications Systems team. That report became the new source for the Smart Meter additions amount. It filters on Major Work Category 97, Smart Meter. The report was shared with Eric Lam, Smart Meter Business Analyst, who now uses it as well. He also gets a copy of each month's capital RRQ model and reviews the results for what is expected.</p> <p>There are separate RRQ models for PreDeployment and Deployment for both Electric and Gas for tracking purposes. The terms refer to cost-monitoring periods in the Smart Meter program. PreDeployment refers to the period in the program from inception (first additions in November, 2005) to September, 2006 at which time the Deployment period begins. Even though PreDeployment additions stopped in September, 2006 the depreciation expense, return on rate base, tax effects and associated revenue requirments are shown going forward.</p> <p>The 55/45% split (used to allocate common plant asset classes additions) comes from Eric Lam, Smart Meter Senior Business Planner, and is calculated from the percentage split between electric vs. gas meters expected to be deployed in the Smart meter project.</p> |
| E. Depreciation                         | <p>This tab calculates book depreciation which is used to feed tabs; 1) "A. 2008 Revenue Requirement" and 2) "C. Wtd Rate Base". The calculation is as follows:.</p> <p>Book Depreciation calculation - previous month's cumulative adds, + 1/2 current month's adds, times current depreciation rate, divided by 12.</p>   |



|   |  |
|---|--|
| <p>F. FedTaxDepr</p> <p>G. StateTaxDepr</p> | <p>This tab calculates Federal and State tax depreciation which is used to feed tab: "C. Wtd Rate Base" and is calculated as follows:</p> <p>For January of any year:</p> <ol style="list-style-type: none"> <li>1. the sum of the product of each prior years' additions, times the appropriate Federal Tax Depreciation rate (half-year convention), plus</li> <li>2. the current month's addition, times the current rate, divided by the number of months left in the year.</li> </ol> <p>For February-to-December of any year:</p> <ol style="list-style-type: none"> <li>1. the prior month's depreciation amount, plus</li> <li>2. the current month's addition, times the current rate, divided by the number of months left in the year.</li> </ol> |
|---|--|

| RRQ Component        | Calculation  | Source  | What triggers change  | Controls   | Contacts   | Risks   |
|----------------------|--|---|---|--|------------|---|
| Depreciation Expense | Monthly depreciation equals the depreciable base times the current depreciation rate divided by 12. The base is the previous month's, inception-to-date additions plus 1/2 the current month's adds.   | Depreciation rates come from the May 1 Letter. The additions come from a B/W additions report (Smart Meter and Demand Response) or an MLX additions report (Ag-Ice).  | May 1 Letter (depreciation rates)   | Line items added to model showing inputs and the actual calculations so preparer and reviewer can verify formula-driven results. Check List for revising rates.  | {Redacted} | If new rates not updated. New controls should prevent.                            |
| Return on Rate Base  | The ROR calculation is the Rate Base (2-month average of Plant less Depreciation Reserve less Deferred Tax) times the currently authorized Cost of Capital (currently 8.79%).  | Plant is cumulative additions. Depreciation reserve is cumulative book depreciation expense. Deferred Tax is the difference between the book and Federal tax depreciation expense times the Federal tax rate (currently 35%). | Rate base components updated monthly with additions activity. ROR changes with new authorized cost of capital proceeding. | Hard copy of cost of capital sheet part of referenced work papers.<br>Line items added to model showing cumulative additions and book depreciation expense so preparer and reviewer can verify Plant and Reserve numbers.<br>New Dec07 additions report dramatically reduces possibility of wrong additions amount used. | {Redacted} | New ROR not updated, wrong adds or depreciation exp. New controls should prevent. |
| Income Taxes         | The "Income Taxes" line item is the sum of: 1) Federal current income tax, State current income tax, and 3) deferred tax. The Federal/State current income tax is the RRQ model's taxable Income (RRQ model-calculated proposed revenue less the Federal/State tax depreciation expense less interest expense) times the Federal/State income tax rate (currently Federal=35%, State=8.84%). | Tax depreciation and income tax rates come from the Tax Department.   | Revised tax depreciation rates (very rare), income tax rates (very rare), cost of capital interest factor.                | Tax Department's rate sheets and transmittal memo part of referenced work papers.<br>Line items added to model showing tax depreciation rates and the actual calculations so preparer and reviewer can verify formula-driven results.  | {Redacted} | Wrong rates used. New controls should prevent.                                    |
| Property Tax         | 2-month average net plant (plant less dep. reserve) times the property tax rate (currently 0.998%)/12.   | Methodology and rate comes from Mario Garcia, Capital Accounting property tax.  | New GRC revised property tax rate or old GRC authorized interim rate revisions.   | Will include in reference work papers statement from Mario Garcia describing correct rate and duration of use.   | {Redacted} | Wrong rates used. New controls should prevent.                                    |

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**Sent: Tuesday, August 03, 2010 3:25 PM**  
**To: Basel, Gerald (Jerry)**  
**Subject: RE: 2010/2011 Tax Year - Property Tax Rate**

That's also has been updated...TO13 estimated factor used for 2010/11 is 1.174881%

|                   |          |
|-------------------|----------|
| 2010/2011 Percent | 1.174881 |
|-------------------|----------|

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**From:** [redacted]  
**Sent:** Tuesday, August 03, 2010 3:07 PM  
**To:** [redacted]  
**Subject:** FW: 2010/2011 Tax Year - Property Tax Rate

Mario,

Also, do you have a final factor for 2010/2011? The one I'm currently using is 1.196232%.

Thanks,

Jerry

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**Sent: Tuesday, August 03, 2010 2:56 PM**  
**Subject: RE: 2010/2011 Tax Year - Property Tax Rate**

Is that a final number for 2011/12 or might it change later?

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**Sent: Tuesday, August 03, 2010 2:53 PM**  
**Subject: RE: 2010/2011 Tax Year - Property Tax Rate**

2011/12 property tax factor changed a little. The property tax factor we used in TO13 is 1.195173%

|                   |          |
|-------------------|----------|
| 2011/2012 Percent | 1.195173 |
|-------------------|----------|

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**From:** [redacted]  
**Sent:** Tuesday, August 03, 2010 2:36 PM  
**To:** [redacted]  
**Subject:** 2010/2011 Tax Year - Property Tax Rate

Hi Mario,

Do you have an actual 2011/12 property tax factor yet, or is the 1.21912%.estimate still as good as we have?

Thanks,

Jerry

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[REDACTED]  
**Sent: Wednesday, March 10, 2010 11:56 AM**

[REDACTED]  
**Subject: RE: 2010/2011 Tax Year - Property Tax Rate**

Jerry: the estimated 2011/12 property tax factor used in the GRC is 1.21912%.

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**From:** [REDACTED]  
**Sent:** Wednesday, March 10, 2010 10:27 AM  
**To:** [REDACTED]  
**Subject:** FW: 2010/2011 Tax Year - Property Tax Rate

Hi Mario,

Do you happen to have the 2011/2012 property tax factor? Even a very rough estimate is fine.

Thanks,

Jerry

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[REDACTED]  
**Sent: Monday, January 25, 2010 4:07 PM**

[REDACTED]  
**Subject: RE: 2010/2011 Tax Year - Property Tax Rate**

Jerry: the estimated property tax factor for 2010/11 is 1.196232%. The actual will not be available until next year.

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**From:** [REDACTED]  
**Sent:** Monday, January 25, 2010 4:00 PM  
**To:** [REDACTED]  
**Subject:** 2010/2011 Tax Year - Property Tax Rate

Hi Mario,

Do you have the 2010/2011 rate yet - either an estimate, or even better the actual, since it would be based on the De

Thanks,

Jerry



c09 net book values, right? I'm trying to get the most accurate rates in my RRQ models.

**Deploy-Electric (Smart Meter)**

| Capital-Related RRQ | Aug2010 YTD Actual |                   |                  | 2010 Forecast      |                    |                     |
|---------------------|--------------------|-------------------|------------------|--------------------|--------------------|---------------------|
|                     | w bonus            | no bonus          | change           | w bonus            | no bonus           | change              |
| Depreciation        | 28,313,875         | 28,313,875        | 0                | 40,454,333         | 51,121,447         | (10,667,114)        |
| Return on Rate Base | 30,278,549         | 30,769,808        | (491,259)        | 48,660,361         | 50,693,773         | (2,033,412)         |
| Income Taxes        | 12,143,489         | 12,405,696        | (262,207)        | 18,583,831         | 20,876,548         | (2,292,717)         |
| Property Taxes      | 2,346,272          | 2,346,272         | 0                | 4,451,473          | 4,451,473          | 0                   |
| <b>Total</b>        | <b>73,082,184</b>  | <b>73,835,650</b> | <b>(753,466)</b> | <b>112,149,999</b> | <b>127,143,242</b> | <b>(14,993,243)</b> |

Sept10YTD Actuals Aug10YTD Actuals

**Deploy-Gas (Smart Meter)**

| Capital-Related RRQ | Aug2010 YTD Actual |                   |                  | 2010 Forecast     |                   |                  |
|---------------------|--------------------|-------------------|------------------|-------------------|-------------------|------------------|
|                     | w bonus            | no bonus          | change           | w bonus           | no bonus          | change           |
| Depreciation        | 18,608,452         | 18,608,452        | 0                | 29,150,700        | 29,150,700        | 0                |
| Return on Rate Base | 22,328,652         | 22,437,719        | (109,067)        | 34,799,815        | 35,266,914        | (467,099)        |
| Income Taxes        | 9,977,004          | 10,035,218        | (58,213)         | 15,066,833        | 15,316,142        | (249,309)        |
| Property Taxes      | 2,608,381          | 2,608,381         | 0                | 4,301,277         | 4,301,277         | 0                |
| <b>Total</b>        | <b>53,522,490</b>  | <b>53,689,770</b> | <b>(167,280)</b> | <b>83,318,625</b> | <b>84,035,033</b> | <b>(716,408)</b> |

Sept10YTD Actuals Aug10YTD Actuals

**Deploy-Electric + Deploy-Gas**

| Capital-Related RRQ | Aug2010 YTD Actual |                    |                  | 2010 Forecast      |                    |                     |
|---------------------|--------------------|--------------------|------------------|--------------------|--------------------|---------------------|
|                     | w bonus            | no bonus           | change           | w bonus            | no bonus           | change              |
| Depreciation        | 46,922,327         | 46,922,327         | 0                | 69,605,033         | 80,272,147         | (10,667,114)        |
| Return on Rate Base | 52,607,200         | 53,207,527         | (600,326)        | 83,460,176         | 85,960,687         | (2,500,511)         |
| Income Taxes        | 22,120,493         | 22,440,913         | (320,420)        | 33,650,664         | 36,192,690         | (2,542,026)         |
| Property Taxes      | 4,954,653          | 4,954,653          | 0                | 8,752,750          | 8,752,750          | 0                   |
| <b>Total</b>        | <b>126,604,674</b> | <b>127,525,420</b> | <b>(920,746)</b> | <b>195,468,623</b> | <b>211,178,275</b> | <b>(15,709,651)</b> |

Sept10YTD Actuals Aug10YTD Actuals

checks 0 0 0 0 0 0 0 0

**Reasonableness Test - return on rate base: Aug2010 YTD**

**Deploy-Electric**

|                          |                   |
|--------------------------|-------------------|
| Capital Adds             | \$ 226,345,359    |
| Change - FedTaxDepr rate | 0.36              |
| Multiply                 | 81,484,329        |
| Times Fed Tax Rate       | 0.35              |
| Deferred Tax Impact      | 28,519,515        |
| ROR on rate base         | 0.0879            |
| Portion of year          | 0.667             |
| 1/2 year convention      | 0.5               |
| <b>Amount</b>            | <b>\$ 835,622</b> |

**Deploy-Gas (Smart Meter)**

|                          |                   |
|--------------------------|-------------------|
| Capital Adds             | \$ 91,380,791     |
| Change - FedTaxDepr rate | 0.36              |
| Multiply                 | 32,897,085        |
| Times Fed Tax Rate       | 0.35              |
| Deferred Tax Impact      | 11,513,980        |
| ROR on rate base         | 0.0879            |
| Portion of year          | 0.667             |
| 1/2 year convention      | 0.5               |
| <b>Amount</b>            | <b>\$ 337,360</b> |

**Deploy-Electric + Deploy-Gas**

|                          |                |
|--------------------------|----------------|
| Capital Adds             | \$ 317,726,150 |
| Change - FedTaxDepr rate | 0.36           |
| Multiply                 | 114,381,414    |
| Times Fed Tax Rate       | 0.35           |
| Deferred Tax Impact      | 40,033,495     |
| ROR on rate base         | 0.0879         |
| Portion of year          | 0.667          |
| 1/2 year convention      | 0.5            |

Amount

\$ 1,172,981

check

0

1/23/2015  
11:49 PM

SB\_GT&S\_0805273



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**From: Greenwell, Beatrix**  
**Sent: Friday, December 17, 2010 1:41 PM**  
**To: Nguyen, Mimi**  
**Cc: Basel, Gerald (Jerry)**  
**Subject: FW: 2010 Potential Year-End Adjustments**

Mimi and Jerry, See below – this should probably be the top priority for Jerry right now. While he is working it up, can you

Actually, Jerry you have an excel copy of my high level reasonableness check, don't you?

Thanks  
Beatrix

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**From: Gardyne, Jennifer**  
**Sent: Friday, December 17, 2010 11:09 AM**  
**To: Greenwell, Beatrix**  
**Subject: RE: 2010 Potential Year-End Adjustments**

Walt wants by Monday – s/b discussed with Jason and Dinyar as well. Mark was at the meeting so he can give you m

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**From: Greenwell, Beatrix**  
**Sent: Friday, December 17, 2010 11:03 AM**  
**To: Gardyne, Jennifer**  
**Subject: RE: 2010 Potential Year-End Adjustments**

Jenn,  
Thank you. I heard about this. We will work up the initial calc, and we will work with Tax on limiting the Def Tax impa  
Beatrix

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**From: Gardyne, Jennifer**  
**Sent: Friday, December 17, 2010 11:01 AM**  
**To: Greenwell, Beatrix; Wells, Jason**  
**Cc: Caron, Mark T**  
**Subject: RE: 2010 Potential Year-End Adjustments**

Beatrix –  
Was just about to send you an email on this topic.

There was just a meeting on the implications of provisions in the tax bill. I believe Mark has already reached out to

We expect we will be in a NOL position for 2010. Above assumes there is no adjustment to AMI for fact that the be

Mark – this is a test of my tax knowledge so correct me if I got any of this wrong!

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**From: Greenwell, Beatrix**  
**Sent: Friday, December 17, 2010 10:50 AM**  
**To: Ong, Pei Sue; Gardyne, Jennifer; Hunter, Susan; Battin, Jack; Wedlake, Tim**  
**Cc: Duran, Armando M; Nguyen, Mimi; Basel, Gerald (Jerry)**  
**Subject: RE: 2010 Potential Year-End Adjustments**

I think we should add one for "Impact of Bonus Depreciation on Separately Funded Capital Revenue Requirements" i  
Thanks  
Beatrix

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**From: Ong, Pei Sue**  
**Sent: Friday, December 17, 2010 10:14 AM**  
**To: Gardyne, Jennifer; Wells, Jason; Sopko, Cindy; Fourie, Warren; Uptergrove, Morgan; Win, Mark; Gr**  
**Subject: 2010 Potential Year-End Adjustments**

Hello everyone,

Attached is the updated 2010 Potential YE adjustment file, updated through this morning. Highlighted areas reflect (12/10/10) distribution.

<< File: 2010 Potential Year-End Adjustments\_12.17.10.xls >>

Regards,

**Pei Sue Ong**

Financial Accounting Manager, Affiliate Accounting  
Pacific Gas and Electric Company  
77 Beale St., 768  
San Francisco, CA 94105  
Tel: (415) 973-8824  
[PxOa@pge.com](mailto:PxOa@pge.com)

u have him provide me with the adds and I can do a back of envelope estimate?

ore details!

ct if this needs to be done.

you but one of the take-aways was for tax and Corp Accounting (cap recovery) to estimate the worst-case impact o  
nefit of the bonus may not be fully realized. Mark will be working with Craig to conclude on (or form an opinion as

f it is signed into law and if large enough. I am looking into estimating the amount and my gut is that it won't be big en

**eenwell, Beatrix; Hunter, Susan; Tran, Lorraine; Peterson, Brian; Tappero, Kathleen; Min, Elizabeth; W**

t changes since last Friday's

n SmartMeter. Current interpretation of the bill is that the super bonus (100% deduction) applies to plant placed in  
to) whether any adjustment for the NOL should be applied pro-rata to GRC and separately funded, all to GRC, or so

ough. Is our threshold \$1 million or \$3 million?

**ong, Bryan B (Tax); Battin, Jack; Lewis, Timothy**

service after September 8, 2010. We need to calculate the earnings impact for 2010, assuming 100% depreciation  
me other method.





of meters (for tax purposes) placed in service after September 8, 2010.

I. Total 2010 RRQ - 100% vs 50% Bonus Rate Comparison (see note):

| RRQ by Smart Meter Model | Total 2010         |                    |                    |
|--------------------------|--------------------|--------------------|--------------------|
|                          | Deploy-Electric    |                    |                    |
| Capital-Related RRQ      | 100% bonus         | 50% bonus          | change             |
| Depreciation             | 40,454,333         | 43,975,770         | (3,521,437)        |
| Return on Rate Base      | 48,660,361         | 48,837,854         | (177,494)          |
| Income Taxes             | 18,583,831         | 18,707,585         | (123,754)          |
| Property Taxes           | 4,451,473          | 4,451,473          | 0                  |
| <b>Total</b>             | <b>112,149,999</b> | <b>115,972,683</b> | <b>(3,822,684)</b> |

| Capital-Related RRQ | Deploy-Gas        |                   |                  |
|---------------------|-------------------|-------------------|------------------|
|                     | 100% bonus        | 50% bonus         | change           |
| Depreciation        | 29,319,922        | 29,319,922        | 0                |
| Return on Rate Base | 34,940,445        | 35,023,499        | (83,054)         |
| Income Taxes        | 15,002,788        | 15,047,117        | (44,329)         |
| Property Taxes      | 4,301,277         | 4,301,277         | 0                |
| <b>Total</b>        | <b>83,564,431</b> | <b>83,691,815</b> | <b>(127,383)</b> |

| Capital-Related RRQ | HAN (Non SMBA) |               |                |
|---------------------|----------------|---------------|----------------|
|                     | 100% bonus     | 50% bonus     | change         |
| Depreciation        | 36,738         | 36,738        | 0              |
| Return on Rate Base | 37,974         | 42,748        | (4,773)        |
| Income Taxes        | (45,255)       | (42,707)      | (2,548)        |
| Property Taxes      | 0              | 0             | 0              |
| <b>Total</b>        | <b>29,457</b>  | <b>36,778</b> | <b>(7,321)</b> |

| Capital-Related RRQ | Total Smart Meter  |                    |                    |
|---------------------|--------------------|--------------------|--------------------|
|                     | 100% bonus         | 50% bonus          | change             |
| Depreciation        | 69,810,993         | 73,332,430         | (3,521,437)        |
| Return on Rate Base | 83,638,780         | 83,904,101         | (265,321)          |
| Income Taxes        | 33,541,364         | 33,711,995         | (170,631)          |
| Property Taxes      | 8,752,750          | 8,752,750          | 0                  |
| <b>Total</b>        | <b>195,743,888</b> | <b>199,701,276</b> | <b>(3,957,389)</b> |

II. Reasonableness Test - on return on rate base:

| Test by Smart Meter Model | Periods Affected by & Cause Change to 100% Bonus Rate: |                  |                  |                      |                   |
|---------------------------|--|------------------|------------------|----------------------|-------------------|
|                           | Sept2010   | Oct2010          | Nov2010          | Dec2010<br>Old Fcst. | Total             |
| <b>Deploy-Electric:</b>   |  |                  |                  |                      |                   |
| Capital Adds              | \$ 24,264,240  | 25,062,273       | 20,786,003       | 24,334,129           |                   |
| Change - FedTaxDepr rate  | 0.47   | 0.47             | 0.47             | 0.47                 |                   |
| Multiply                  | 11,345,419   | 11,718,562       | 9,719,073        | 11,378,098           |                   |
| Times Fed Tax Rate        | 0.35   | 0.35             | 0.35             | 0.35                 |                   |
| Deferred Tax Impact       | 3,970,897  | 4,101,497        | 3,401,676        | 3,982,334            |                   |
| ROR on rate base          | 0.0879   | 0.0879           | 0.0879           | 0.0879               |                   |
| Portion of year           | 0.333  | 0.250            | 0.167            | 0.083                |                   |
| 1/2 year convention       | 0.5  | 0.5              | 0.5              | 0.5                  |                   |
| <b>Amount</b>             | <b>\$ 58,174</b>                                       | <b>\$ 45,065</b> | <b>\$ 24,917</b> | <b>\$ 14,585</b>     | <b>\$ 142,741</b> |
| <b>Deploy-Gas:</b>        |  |                  |                  |                      |                   |
| Capital Adds              | \$ 20,902,526  | 10,672,681       | 6,903,154        | 24,051,950           |                   |
| Change - FedTaxDepr rate  | 0.47   | 0.47             | 0.47             | 0.47                 |                   |
| Multiply                  | 9,773,557  | 4,990,308        | 3,227,762        | 11,246,157           |                   |
| Times Fed Tax Rate        | 0.35   | 0.35             | 0.35             | 0.35                 |                   |
| Deferred Tax Impact       | 3,420,745  | 1,746,608        | 1,129,717        | 3,936,155            |                   |
| ROR on rate base          | 0.0879   | 0.0879           | 0.0879           | 0.0879               |                   |
| Portion of year           | 0.333  | 0.250            | 0.167            | 0.083                |                   |
| 1/2 year convention       | 0.5  | 0.5              | 0.5              | 0.5                  |                   |
| <b>Amount</b>             | <b>\$ 50,114</b>                                       | <b>\$ 19,191</b> | <b>\$ 8,275</b>  | <b>\$ 14,416</b>     | <b>\$ 91,996</b>  |
| <b>HAN (Non SMBA):</b>    |  |                  |                  |                      |                   |
| Capital Adds              | \$ -   | 2,594,663        | 61,404           | 61,404               |                   |
| Change - FedTaxDepr rate  | 0.47   | 0.47             | 0.47             | 0.47                 |                   |
| Multiply                  | 0  | 1,213,207        | 28,711           | 28,711               |                   |
| Times Fed Tax Rate        | 0.35   | 0.35             | 0.35             | 0.35                 |                   |
| Deferred Tax Impact       | 0  | 424,622          | 10,049           | 10,049               |                   |
| ROR on rate base          | 0.0879   | 0.0879           | 0.0879           | 0.0879               |                   |
| Portion of year           | 0.333  | 0.250            | 0.167            | 0.083                |                   |
| 1/2 year convention       | 0.5  | 0.5              | 0.5              | 0.5                  |                   |
| <b>Amount</b>             | <b>\$ -</b>  | <b>\$ 4,666</b>  | <b>\$ 74</b>     | <b>\$ 37</b>         | <b>\$ 4,776</b>   |
| <b>Total Smart Meter:</b> |  |                  |                  |                      |                   |
| Capital Adds              | \$ 45,166,766  | \$ 38,329,616    | \$ 27,750,561    | \$ 48,447,484        |                   |
| Change - FedTaxDepr rate  | 0.47   | 0.47             | 0.47             | 0.47                 |                   |
| Multiply                  | 21,118,976   | 17,922,077       | 12,975,546       | 22,652,967           |                   |
| Times Fed Tax Rate        | 0.35   | 0.35             | 0.35             | 0.35                 |                   |
| Deferred Tax Impact       | 7,391,642  | 6,272,727        | 4,541,441        | 7,928,538            |                   |
| ROR on rate base          | 0.0879   | 0.0879           | 0.0879           | 0.0879               |                   |
| Portion of year           | 0.333  | 0.250            | 0.167            | 0.083                |                   |
| 1/2 year convention       | 0.5  | 0.5              | 0.5              | 0.5                  |                   |
| <b>Amount</b>             | <b>\$ 108,288</b>                                      | <b>\$ 68,922</b> | <b>\$ 33,266</b> | <b>\$ 29,038</b>     | <b>\$ 239,513</b> |

## Smart Meter

check

0

0

0

0

0

NOTE: Dec2010 RRQ based on estimated capital additions - may not be accurate current forecasts.

Pacific Gas and Electric Company  
Smart Meter - Deploy Electric  
D.06-07.027: \$1.61B total cost, "(in place) at least until PG&E's next general rate case"  
Capital-Related Revenue Requirements (RRQ)  
(dollars)

Table with columns for months (Jan-11 to Dec-11) and rows for Capital-Related RRQ, Depreciation, Return on Rate Base, Income Taxes, Property Taxes, Total, Retired NBV Extra Depreciation, Plant Balance, Depreciation Reserve, Rate Base, Plant, Depreciation Reserve, Deferred Taxes, and Total.

Table titled 'Inception to Date RRQ by Component and Period' with columns for years 2005-2010 and rows for various components.

Table titled 'Inception to Date Capital Additions by Period' with columns for years 2005-2010 and rows for various components.

The Model RRQ (do not have source file for comparison)

Table with columns for years 2005-2010 and rows for Sum of lines 1-4 from above and check.

ANALYSIS

|                        | Jan-11      | Feb-11      | Mar-11      | Apr-11      | May-11      | Jun-11      | Jul-11      | Aug-11      | Sep-11      | Oct-11      | Nov-11      | Dec-11      |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Depreciation</b>    |             |             |             |             |             |             |             |             |             |             |             |             |
| Depreciation (line 1)  | 5,704,174   | 5,704,174   | 5,704,174   | 3,426,238   | 3,035,644   | 4,377,516   | 3,035,644   | 3,035,644   | 3,035,644   | 3,035,644   | 3,035,644   | 3,035,644   |
| Plant Balance (line 4) | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 | 887,186,664 |
| Monthly Depr Rate      | 0.64%       | 0.64%       | 0.64%       | 0.39%       | 0.34%       | 0.49%       | 0.34%       | 0.34%       | 0.34%       | 0.34%       | 0.34%       | 0.34%       |
| Annual Depr Rate       | 7.72%       | 7.72%       | 7.72%       | 4.65%       | 4.11%       | 5.92%       | 4.11%       | 4.11%       | 4.11%       | 4.11%       | 4.11%       | 4.11%       |

CPUC authorized depreciation rate is from May 1, 2009 Letter consistent with parameters authorized by CPUC.

|                             | Jan-11      | Feb-11      | Mar-11      | Apr-11      | May-11      | Jun-11      | Jul-11      | Aug-11      | Sep-11      | Oct-11      | Nov-11      | Dec-11      |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Return on Rate Base</b>  |             |             |             |             |             |             |             |             |             |             |             |             |
| Return (line 2)             | 4,632,857   | 4,612,545   | 4,592,312   | 4,569,935   | 4,544,989   | 4,521,254   | 4,497,525   | 4,472,164   | 4,446,804   | 4,421,444   | 4,396,083   | 4,370,723   |
| Wtd Avg Rate Base (line 21) | 632,471,964 | 629,698,942 | 626,936,739 | 623,881,942 | 620,476,356 | 617,236,090 | 613,996,555 | 610,534,385 | 607,072,215 | 603,610,045 | 600,147,875 | 596,685,705 |
| Monthly Return              | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       |
| Annual Return               | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       |

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Return on rate base is consistent with PG&E's annual cost of capital proceedings adopted by the CPUC effective 2008.

|                     | Jan-11    | Feb-11    | Mar-11    | Apr-11    | May-11    | Jun-11    | Jul-11    | Aug-11    | Sep-11    | Oct-11    | Nov-11    | Dec-11    |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Income Taxes</b> |           |           |           |           |           |           |           |           |           |           |           |           |
| State               | 517,348   | 514,206   | 510,976   | 275,340   | 232,679   | 366,667   | 226,819   | 224,090   | 221,361   | 218,631   | 215,902   | 213,172   |
| Federal             | 1,754,285 | 1,756,442 | 1,757,562 | 1,388,518 | 1,398,088 | 1,616,297 | 1,289,518 | 1,278,112 | 1,267,305 | 1,256,499 | 1,245,692 | 1,234,886 |
| Deferred            | 1,57,021  | 146,094   | 145,284   | 378,711   | 427,946   | 183,188   | 426,526   | 426,526   | 426,526   | 426,526   | 426,526   | 426,526   |
| Total               | 2,438,654 | 2,426,742 | 2,414,824 | 2,043,569 | 1,968,753 | 2,166,149 | 1,942,263 | 1,928,727 | 1,915,192 | 1,901,656 | 1,888,120 | 1,874,584 |

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**Property Taxes**  
Property taxes are calculated on net plant.

| Factors                     |           |
|-----------------------------|-----------|
| Property Tax Rate 2011-2012 | 0.01195   |
| Property Tax Rate 2010-2011 | 0.01175   |
| Property Tax Rate 2009-2010 | 0.01173   |
| Property Tax Rate 2008-2009 | 0.0115945 |
| Property Tax Rate Prior     | 0.0099880 |

(Whole \$)

## REVENUE REQUIREMENTS

|                                     | January 2011 |             | February 2011 |            | March 2011  |             | April 2011 |             |             |
|-------------------------------------|--------------|-------------|---------------|------------|-------------|-------------|------------|-------------|-------------|
|                                     | Recorded     |             | Recorded      |            | Recorded    |             | Recorded   |             |             |
|                                     | Present      | Proposed    | Present       | Proposed   | Present     | Proposed    | Present    | Proposed    |             |
| <b>REVENUE REQUIREMENT SUMMARY</b>  |              |             |               |            |             |             |            |             |             |
| ERAM Revenue                        | 0            | 13,302,387  | 0             | 13,269,761 | 0           | 13,237,110  | 0          | 10,566,162  |             |
| Other Revenue                       | 0            | 0           | 0             | 0          | 0           | 0           | 0          | 0           |             |
| Total Revenue                       | 0            | 13,302,387  | 0             | 13,269,761 | 0           | 13,237,110  | 0          | 10,566,162  |             |
| <b>Operating Expenses</b>           |              |             |               |            |             |             |            |             |             |
| Fuel Expense                        | 0            | 0           | 0             | 0          | 0           | 0           | 0          | 0           |             |
| O&M Expense                         | 0            | 0           | 0             | 0          | 0           | 0           | 0          | 0           |             |
| A&G Expense                         | 0            | 0           | 0             | 0          | 0           | 0           | 0          | 0           |             |
| Franchise Fees                      | 0            | 0           | 0             | 0          | 0           | 0           | 0          | 0           |             |
| Uncollectible Accounts              | 0            | 0           | 0             | 0          | 0           | 0           | 0          | 0           |             |
| Expense Adjustments                 | 0            | 0           | 0             | 0          | 0           | 0           | 0          | 0           |             |
| Total Operating Expenses            | 0            | 0           | 0             | 0          | 0           | 0           | 0          | 0           |             |
| Depreciation                        | C            | 5,704,174   | 5,704,174     | C          | 5,704,174   | 5,704,174   | C          | 3,426,358   | 3,426,358   |
| <b>Taxes Other Than Income</b>      |              |             |               |            |             |             |            |             |             |
| Super Fund Tax                      |              | 0           | 0             |            | 0           | 0           |            | 0           | 0           |
| Property Tax                        |              | 526,300     | 526,300       | A          | 526,300     | 526,300     | A          | 526,300     | 526,300     |
| Payroll Tax                         |              | 0           | 0             |            | 0           | 0           |            | 0           | 0           |
| Other                               |              | 0           | 0             |            | 0           | 0           |            | 0           | 0           |
| Total Other Taxes                   |              | 526,300     | 526,300       |            | 526,300     | 526,300     |            | 526,300     | 526,300     |
| <b>Income Taxes</b>                 |              |             |               |            |             |             |            |             |             |
| State                               |              | (658,583)   | 517,348       |            | (658,841)   | 514,206     |            | (658,709)   | 275,340     |
| Federal                             |              | (2,734,129) | 1,921,707     |            | (2,731,880) | 1,912,536   |            | (1,929,928) | 1,768,229   |
| Total Income Taxes                  |              | (3,392,711) | 2,439,055     |            | (3,390,721) | 2,426,742   |            | (2,588,637) | 2,043,569   |
| Total Expenses                      |              | 2,837,763   | 8,669,529     |            | 2,839,753   | 8,657,216   |            | 1,364,021   | 5,996,227   |
| Operating Income                    |              | (2,837,763) | 4,632,857     |            | (2,839,753) | 4,612,545   |            | (1,364,021) | 4,569,935   |
| Rate Base                           | C            | 632,471,964 | 632,471,964   | C          | 629,698,942 | 629,698,942 | C          | 626,936,739 | 626,936,739 |
| Rate of Return                      |              | -5.38       | 8.79          |            | -5.41       | 8.79        |            | -2.62       | 8.79        |
| Income Requirement @ Authorized RoR |              | 4,632,857   | 4,632,857     |            | 4,612,545   | 4,612,545   |            | 4,569,935   | 4,569,935   |
| Income Deficiency                   |              | 7,470,620   | 0             |            | 7,452,298   | 0           |            | 5,933,957   | 0           |
| Revenue Deficiency                  |              | 13,302,387  | 0             |            | 13,269,761  | 0           |            | 10,566,162  | 0           |
| <b>STATE TAX COMPUTATION</b>        |              |             |               |            |             |             |            |             |             |
| Book Depreciation                   |              |             | 5,704,174     |            |             | 5,704,174   |            |             | 3,426,358   |
| State Taxes                         |              |             | (658,583)     |            |             | (658,841)   |            |             | (658,709)   |
| Federal Taxes                       |              |             | (2,734,129)   |            |             | (2,731,880) |            |             | (1,929,928) |
| Operating Income                    |              |             | 2,311,463     |            |             | 2,313,453   |            |             | 837,721     |
| Income Requirement                  |              |             | 4,632,857     |            |             | 4,612,545   |            |             | 4,569,935   |
| Income Deficiency                   |              |             | 7,470,620     |            |             | 7,452,298   |            |             | 5,933,957   |
| Total Revenue Gross Up              |              | 0           | 13,302,387    |            | 0           | 13,269,761  |            | 0           | 10,566,162  |

(Whole \$)

## REVENUE REQUIREMENTS

|                          | January 2011 |           | February 2011 |           | March 2011  |           | April 2011  |           |
|--------------------------|--------------|-----------|---------------|-----------|-------------|-----------|-------------|-----------|
|                          | Recorded     |           | Recorded      |           | Recorded    |           | Recorded    |           |
|                          | Present      | Proposed  | Present       | Proposed  | Present     | Proposed  | Present     | Proposed  |
| Less:                    |              |           |               |           |             |           |             |           |
| Total Operating Expenses | 0            | 0         | 0             | 0         | 0           | 0         | 0           | 0         |
| Total Other Taxes        | 526,300      | 526,300   | 526,300       | 526,300   | 526,300     | 526,300   | 526,300     | 526,300   |
| Interest Expense         | 1,465,227    | 1,465,227 | 1,458,803     | 1,458,803 | 1,452,403   | 1,452,403 | 1,445,327   | 1,445,327 |
| Adjustments              | 0            | 0         | 0             | 0         | 0           | 0         | 0           | 0         |
| Depreciation             | C 5,458,505  | 5,458,505 | C 5,467,853   | 5,467,853 | C 5,478,135 | 5,478,135 | C 5,479,832 | 5,479,832 |
| Total Deductions         | 7,450,032    | 7,450,032 | 7,452,956     | 7,452,956 | 7,456,839   | 7,456,839 | 7,451,459   | 7,451,459 |
| State Taxable Income     | (7,450,032)  | 5,852,355 | (7,452,956)   | 5,816,806 | (7,456,839) | 5,780,271 | (7,451,459) | 3,114,703 |
| Current State Tax        | (658,583)    | 517,348   | (658,841)     | 514,206   | (659,185)   | 510,976   | (658,709)   | 275,340   |
| Tax Adjustments          | 0            | 0         | 0             | 0         | 0           | 0         | 0           | 0         |
| Total State Tax          | (658,583)    | 517,348   | (658,841)     | 514,206   | (659,185)   | 510,976   | (658,709)   | 275,340   |

## FEDERAL TAX COMPUTATION

|                               |             |             |             |             |             |             |             |             |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Book Depreciation             |             | 5,704,174   |             | 5,704,174   |             | 5,704,174   |             | 3,426,358   |
| State Taxes                   |             | (658,583)   |             | (658,841)   |             | (659,185)   |             | (658,709)   |
| Federal Taxes                 |             | (2,734,129) |             | (2,731,880) |             | (2,729,640) |             | (1,929,928) |
| Operating Income              |             | 2,311,463   |             | 2,313,453   |             | 2,315,349   |             | 837,721     |
| Income Requirement            |             | 4,632,857   |             | 4,612,545   |             | 4,592,312   |             | 4,569,935   |
| Income Deficiency             |             | 7,470,620   |             | 7,452,298   |             | 7,433,961   |             | 5,933,957   |
| Total Revenue Gross Up        | 0           | 13,302,387  | 0           | 13,269,761  | 0           | 13,237,110  | 0           | 10,566,162  |
| Less:                         |             |             |             |             |             |             |             |             |
| Total Operating Expenses      | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Total Other Taxes             | 526,300     | 526,300     | 526,300     | 526,300     | 526,300     | 526,300     | 526,300     | 526,300     |
| Interest Expense              | 1,465,227   | 1,465,227   | 1,458,803   | 1,458,803   | 1,452,403   | 1,452,403   | 1,445,327   | 1,445,327   |
| Adjustments                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Federal Depreciation          | C 6,182,521 | 6,182,521   | C 6,121,586 | 6,121,586   | C 6,120,707 | 6,120,707   | C 4,511,247 | 4,511,247   |
| State Income Tax (Prior Year) | 116,095     | 116,095     | 116,095     | 116,095     | 116,095     | 116,095     | 116,095     | 116,095     |
| Preferred Div Credit          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Total Deductions              | 8,290,143   | 8,290,143   | 8,222,783   | 8,222,783   | 8,215,505   | 8,215,505   | 6,598,968   | 6,598,968   |
| Federal Taxable Income        | (8,290,143) | 5,012,244   | (8,222,783) | 5,046,978   | (8,215,505) | 5,021,605   | (6,598,968) | 3,967,194   |
| Current Federal Tax           | (2,901,550) | 1,754,285   | (2,877,974) | 1,766,442   | (2,875,427) | 1,757,562   | (2,309,639) | 1,388,518   |
| Tax Adjustments               | C 167,421   | 167,421     | C 146,094   | 146,094     | C 145,786   | 145,786     | C 379,711   | 379,711     |
| Total Federal Tax             | (2,734,129) | 1,921,707   | (2,731,880) | 1,912,536   | (2,729,640) | 1,903,348   | (1,929,928) | 1,768,229   |

## Reconciliation

|   |           |              |           |              |           |              |           |              |
|---|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
| Revenue Deficiency                      | 0         | (13,302,387) | 0         | (13,269,761) | 0         | (13,237,110) | 0         | (10,566,162) |
| Book Depreciation                       | 5,704,174 | 5,704,174    | 5,704,174 | 5,704,174    | 5,704,174 | 5,704,174    | 3,426,358 | 3,426,358    |
| Other Taxes                             | 526,300   | 526,300      | 526,300   | 526,300      | 526,300   | 526,300      | 0         | 526,300      |
| State Tax Prior Year                    | 116,095   | 116,095      | 116,095   | 116,095      | 116,095   | 116,095      | 116,095   | 116,095      |
| Interest Expense                        | 1,465,227 | 1,465,227    | 1,458,803 | 1,458,803    | 1,452,403 | 1,452,403    | 1,445,327 | 1,445,327    |
| Total                                   | 7,811,796 | (5,490,591)  | 7,805,372 | (5,464,389)  | 7,798,973 | (5,438,138)  | 5,514,079 | (5,052,083)  |
| Federal Tax Rate                        | 35%       | 35%          | 35%       | 35%          | 35%       | 35%          | 35%       | 35%          |
| Reconciliation Difference Same as Above | 2,734,129 | (1,921,707)  | 2,731,880 | (1,912,536)  | 2,729,640 | (1,903,348)  | 1,929,928 | (1,768,229)  |

(Whole \$)

REVENUE REQUIREMENTS

| January 2011 |          |
|--------------|----------|
| Recorded     |          |
| Present      | Proposed |
| 0            | (0)      |

| February 2011 |          |
|---------------|----------|
| Recorded      |          |
| Present       | Proposed |
| (0)           | (0)      |

| March 2011 |          |
|------------|----------|
| Recorded   |          |
| Present    | Proposed |
| 0          | (0)      |

| April 2011 |          |
|------------|----------|
| Recorded   |          |
| Present    | Proposed |
| 0          | 0        |



(Whole \$)

| <u>May 2011</u> |                 | <u>June 2011</u> |                 | <u>July 2011</u> |                 | <u>August 2011</u> |                 | <u>September 2011</u> |         |             |             |   |             |
|-----------------|-----------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|-----------------------|---------|-------------|-------------|---|-------------|
| Recorded        |                 | Recorded         |                 | Recorded         |                 | Recorded           |                 | Recorded              |         |             |             |   |             |
| <u>Present</u>  | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>     | <u>Proposed</u> | <u>Present</u>        |         |             |             |   |             |
| 0               | 10,075,687      | 0                | 11,591,220      | 0                | 10,300,340      | 0                  | 10,261,444      | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 10,075,687      | 0                | 11,591,220      | 0                | 10,300,340      | 0                  | 10,261,444      | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| C               | 3,035,644       | 3,035,644        | C               | 4,377,516        | 4,377,516       | C                  | 3,035,644       | 3,035,644             | C       | 3,035,644   |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     | 0       |             |             |   |             |
| A               | 526,300         | 526,300          | A               | 526,300          | 526,300         | A                  | 824,908         | 824,908               | A       | 824,908     |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     | 0       |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     | 0       |             |             |   |             |
| 526,300         | 526,300         | 526,300          | 526,300         | 824,908          | 824,908         | 824,908            | 824,908         | 824,908               | 824,908 |             |             |   |             |
| (658,012)       | 232,679         | (657,997)        | 366,667         | (683,731)        | 226,819         | (683,022)          | 224,090         | (682,313)             |         |             |             |   |             |
| (1,790,417)     | 1,736,074       | (2,257,444)      | 1,799,482       | (1,889,675)      | 1,715,444       | (1,886,868)        | 1,704,637       | (1,884,061)           |         |             |             |   |             |
| (2,448,428)     | 1,968,753       | (2,915,442)      | 2,166,149       | (2,573,406)      | 1,942,263       | (2,569,890)        | 1,928,727       | (2,566,373)           |         |             |             |   |             |
| 1,113,517       | 5,530,698       | 1,988,375        | 7,069,965       | 1,287,146        | 5,802,816       | 1,290,663          | 5,789,280       | 1,294,179             |         |             |             |   |             |
| (1,113,517)     | 4,544,989       | (1,988,375)      | 4,521,254       | (1,287,146)      | 4,497,525       | (1,290,663)        | 4,472,164       | (1,294,179)           |         |             |             |   |             |
| C               | 620,476,356     | 620,476,356      | C               | 617,236,090      | 617,236,090     | C                  | 613,996,555     | 613,996,555           | C       | 610,534,385 | 610,534,385 | C | 607,072,215 |
| -2.15           | 8.79            | -3.87            | 8.79            | -2.52            | 8.79            | -2.54              | 8.79            | -2.56                 |         |             |             |   |             |
| 4,544,989       | 4,544,989       | 4,521,254        | 4,521,254       | 4,497,525        | 4,497,525       | 4,472,164          | 4,472,164       | 4,446,804             |         |             |             |   |             |
| 5,658,506       | 0               | 6,509,629        | 0               | 5,784,671        | 0               | 5,762,827          | 0               | 5,740,983             |         |             |             |   |             |
| 10,075,687      | 0               | 11,591,220       | 0               | 10,300,340       | 0               | 10,261,444         | 0               | 10,222,548            |         |             |             |   |             |
| 0               | 3,035,644       | 0                | 4,377,516       | 0                | 3,035,644       | 0                  | 3,035,644       | 0                     |         |             |             |   |             |
| 0               | (658,012)       | 0                | (657,997)       | 0                | (683,731)       | 0                  | (683,022)       | 0                     |         |             |             |   |             |
| 0               | (1,790,417)     | 0                | (2,257,444)     | 0                | (1,889,675)     | 0                  | (1,886,868)     | 0                     |         |             |             |   |             |
| 0               | 587,216         | 0                | 1,462,074       | 0                | 462,239         | 0                  | 465,755         | 0                     |         |             |             |   |             |
| 0               | 4,544,989       | 0                | 4,521,254       | 0                | 4,497,525       | 0                  | 4,472,164       | 0                     |         |             |             |   |             |
| 0               | 5,658,506       | 0                | 6,509,629       | 0                | 5,784,671       | 0                  | 5,762,827       | 0                     |         |             |             |   |             |
| 0               | 10,075,687      | 0                | 11,591,220      | 0                | 10,300,340      | 0                  | 10,261,444      | 0                     |         |             |             |   |             |

(Whole \$)

| May 2011         |                    | June 2011        |                    | July 2011        |                    | August 2011      |                    | September 2011   |
|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| Recorded         |                    | Recorded         |                    | Recorded         |                    | Recorded         |                    | Recorded         |
| Present          | Proposed           | Present          | Proposed           | Present          | Proposed           | Present          | Proposed           | Present          |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                |
| 526,300          | 526,300            | 526,300          | 526,300            | 824,908          | 824,908            | 824,908          | 824,908            | 824,908          |
| 1,437,437        | 1,437,437          | 1,429,930        | 1,429,930          | 1,422,425        | 1,422,425          | 1,414,405        | 1,414,405          | 1,406,384        |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                |
| C 5,479,832      | 5,479,832          | C 5,487,176      | 5,487,176          | C 5,487,176      | 5,487,176          | C 5,487,176      | 5,487,176          | C 5,487,176      |
| 7,443,569        | 7,443,569          | 7,443,407        | 7,443,407          | 7,734,509        | 7,734,509          | 7,726,488        | 7,726,488          | 7,718,468        |
| (7,443,569)      | 2,632,118          | (7,443,407)      | 4,147,813          | (7,734,509)      | 2,565,831          | (7,726,488)      | 2,534,956          | (7,718,468)      |
| (658,012)        | 232,679            | (657,997)        | 366,667            | (683,731)        | 226,819            | (683,022)        | 224,090            | (682,313)        |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                |
| (658,012)        | 232,679            | (657,997)        | 366,667            | (683,731)        | 226,819            | (683,022)        | 224,090            | (682,313)        |
|                  | 3,035,644          |                  | 4,377,516          |                  | 3,035,644          |                  | 3,035,644          |                  |
|                  | (658,012)          |                  | (657,997)          |                  | (683,731)          |                  | (683,022)          |                  |
|                  | (1,790,417)        |                  | (2,257,444)        |                  | (1,889,675)        |                  | (1,886,868)        |                  |
|                  | 587,216            |                  | 1,462,074          |                  | 462,239            |                  | 465,755            |                  |
|                  | 4,544,989          |                  | 4,521,254          |                  | 4,497,525          |                  | 4,472,164          |                  |
|                  | 5,658,506          |                  | 6,509,629          |                  | 5,784,671          |                  | 5,762,827          |                  |
| 0                | 10,075,687         | 0                | 11,591,220         | 0                | 10,300,340         | 0                | 10,261,444         | 0                |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                |
| 526,300          | 526,300            | 526,300          | 526,300            | 824,908          | 824,908            | 824,908          | 824,908            | 824,908          |
| 1,437,437        | 1,437,437          | 1,429,930        | 1,429,930          | 1,422,425        | 1,422,425          | 1,414,405        | 1,414,405          | 1,406,384        |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                |
| C 4,258,461      | 4,258,461          | C 4,900,904      | 4,900,904          | C 4,254,289      | 4,254,289          | C 4,254,289      | 4,254,289          | C 4,254,289      |
| 116,095          | 116,095            | 116,095          | 116,095            | 116,095          | 116,095            | 116,095          | 116,095            | 116,095          |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                |
| 6,338,293        | 6,338,293          | 6,973,229        | 6,973,229          | 6,617,717        | 6,617,717          | 6,609,696        | 6,609,696          | 6,601,675        |
| (6,338,293)      | 3,737,394          | (6,973,229)      | 4,617,990          | (6,617,717)      | 3,682,624          | (6,609,696)      | 3,651,748          | (6,601,675)      |
| (2,218,403)      | 1,308,088          | (2,440,630)      | 1,616,297          | (2,316,201)      | 1,288,918          | (2,313,394)      | 1,278,112          | (2,310,586)      |
| C 427,986        | 427,986            | C 183,186        | 183,186            | C 426,526        | 426,526            | C 426,526        | 426,526            | C 426,526        |
| (1,790,417)      | 1,736,074          | (2,257,444)      | 1,799,482          | (1,889,675)      | 1,715,444          | (1,886,868)      | 1,704,637          | (1,884,061)      |
| 0                | (10,075,687)       | 0                | (11,591,220)       | 0                | (10,300,340)       | 0                | (10,261,444)       | 0                |
| 3,035,644        | 3,035,644          | 4,377,516        | 4,377,516          | 3,035,644        | 3,035,644          | 3,035,644        | 3,035,644          | 3,035,644        |
| 0 526,300        | 526,300            | 0 526,300        | 526,300            | 0 824,908        | 824,908            | 0 824,908        | 824,908            | 0 824,908        |
| 116,095          | 116,095            | 116,095          | 116,095            | 116,095          | 116,095            | 116,095          | 116,095            | 116,095          |
| 1,437,437        | 1,437,437          | 1,429,930        | 1,429,930          | 1,422,425        | 1,422,425          | 1,414,405        | 1,414,405          | 1,406,384        |
| 5,115,476        | (4,960,211)        | 6,449,841        | (5,141,379)        | 5,399,072        | (4,901,268)        | 5,391,052        | (4,870,392)        | 5,383,031        |
| 35%              | 35%                | 35%              | 35%                | 35%              | 35%                | 35%              | 35%                | 35%              |
| <u>1,790,417</u> | <u>(1,736,074)</u> | <u>2,257,444</u> | <u>(1,799,482)</u> | <u>1,889,675</u> | <u>(1,715,444)</u> | <u>1,886,868</u> | <u>(1,704,637)</u> | <u>1,884,061</u> |

(Whole \$)

| <u>May 2011</u> |                 | <u>June 2011</u> |                 | <u>July 2011</u> |                 | <u>August 2011</u> |                 | <u>September 2011</u> |
|-----------------|-----------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|-----------------------|
| Recorded        |                 | Recorded         |                 | Recorded         |                 | Recorded           |                 | Recorded              |
| <u>Present</u>  | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>     | <u>Proposed</u> | <u>Present</u>        |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |

(Whole \$)

| Proposed    | October 2011 |             | November 2011 |             | December 2011 |             | Total Year 2011 |               |              |             |             |
|-------------|--------------|-------------|---------------|-------------|---------------|-------------|-----------------|---------------|--------------|-------------|-------------|
|             | Recorded     |             | Recorded      |             | Recorded      |             | Recorded        |               |              |             |             |
|             | Present      | Proposed    | Present       | Proposed    | Present       | Proposed    | Present         | Proposed      |              |             |             |
| 10,222,548  | 0            | 10,183,652  | 0             | 10,144,755  | 0             | 10,105,859  | 0               | 133,260,925   |              |             |             |
| 0           | 0            | 0           | 0             | 0           | 0             | 0           | 0               | 0             |              |             |             |
| 10,222,548  | 0            | 10,183,652  | 0             | 10,144,755  | 0             | 10,105,859A | 0               | 133,260,925A1 |              |             |             |
| 0           | 0            | 0           | 0             | 0           | 0             | 0           | 0               | 0             |              |             |             |
| 0           | 0            | 0           | 0             | 0           | 0             | 0           | 0               | 0             |              |             |             |
| 0           | 0            | 0           | 0             | 0           | 0             | 0           | 0               | 0             |              |             |             |
| 0           | 0            | 0           | 0             | 0           | 0             | 0           | 0               | 0             |              |             |             |
| 0           | 0            | 0           | 0             | 0           | 0             | 0           | 0               | 0             |              |             |             |
| 0           | 0            | 0           | 0             | 0           | 0             | 0           | 0               | 0             |              |             |             |
| 0           | 0            | 0           | 0             | 0           | 0             | 0           | 0               | 0             |              |             |             |
| 3,035,644   | C            | 3,035,644   | 3,035,644     | C           | 3,035,644     | 3,035,644A  | 46,165,907      | 46,165,907A1  |              |             |             |
| 0           |              | 0           | 0             |             | 0             | 0           | 0               | 0             |              |             |             |
| 824,908     | A            | 824,908     | 824,908       | A           | 824,908       | 824,908     | 8,107,249       | 8,107,249     |              |             |             |
| 0           |              | 0           | 0             |             | 0             | 0           | 0               | 0             |              |             |             |
| 0           |              | 0           | 0             |             | 0             | 0           | 0               | 0             |              |             |             |
| 824,908     |              | 824,908     | 824,908       |             | 824,908       | 824,908     | 8,107,249       | 8,107,249     |              |             |             |
| 221,361     |              | (681,604)   | 218,631       | (680,894)   | 215,902       | (680,185)   | 213,172         | (8,043,075)   | 3,737,191    |             |             |
| 1,693,831   |              | (1,881,254) | 1,683,024     | (1,878,446) | 1,672,218     | (1,875,639) | 1,661,412       | (25,469,381)  | 21,171,942   |             |             |
| 1,915,192   |              | (2,562,857) | 1,901,656     | (2,559,341) | 1,888,120     | (2,555,825) | 1,874,584A      | (33,512,456)  | 24,909,134A1 |             |             |
| 5,775,744   |              | 1,297,695   | 5,762,208     | 1,301,211   | 5,748,672     | 1,304,728   | 5,735,136       | 20,760,700    | 79,182,290   |             |             |
| 4,446,804   |              | (1,297,695) | 4,421,444     | (1,301,211) | 4,396,083     | (1,304,728) | 4,370,723       | (20,760,700)  | 54,078,635   |             |             |
| 607,072,215 | C            | 603,610,045 | 603,610,045   | C           | 600,147,875   | 600,147,875 | C               | 596,685,705   | 596,685,705  | 615,229,068 | 615,229,068 |
| 8.79        |              | -2.58       | 8.79          | -2.60       | 8.79          | -2.62       | 8.79            | -40.49        | 8.79         |             |             |
| 4,446,804   |              | 4,421,444   | 4,421,444     | 4,396,083   | 4,396,083     | 4,370,723   | 4,370,723A      | 54,078,635    | 54,078,635A1 |             |             |
| 0           |              | 5,719,139   | 0             | 5,697,295   | 0             | 5,675,451   | 0               | 74,839,335    | 0            |             |             |
| 0           |              | 10,183,652  | 0             | 10,144,755  | 0             | 10,105,859  | 0               | 133,260,925   | 0            |             |             |
| 3,035,644   |              |             | 3,035,644     |             | 3,035,644     |             | 3,035,644       |               | 46,165,907   |             |             |
| (682,313)   |              |             | (681,604)     |             | (680,894)     |             | (680,185)       |               | (8,043,075)  |             |             |
| (1,884,061) |              |             | (1,881,254)   |             | (1,878,446)   |             | (1,875,639)     |               | (25,469,381) |             |             |
| 469,271     |              |             | 472,787       |             | 476,304       |             | 479,820         |               | 12,653,451   |             |             |
| 4,446,804   |              |             | 4,421,444     |             | 4,396,083     |             | 4,370,723       |               | 54,078,635   |             |             |
| 5,740,983   |              |             | 5,719,139     |             | 5,697,295     |             | 5,675,451       |               | 74,839,335   |             |             |
| 10,222,548  |              | 0           | 10,183,652    |             | 0             | 10,144,755  |                 | 0             | 10,105,859   | 0           | 133,260,925 |

(Whole \$)

| Proposed     | October 2011 |              | November 2011 |              | December 2011 |              | Total Year 2011 |               |
|--------------|--------------|--------------|---------------|--------------|---------------|--------------|-----------------|---------------|
|              | Recorded     |              | Recorded      |              | Recorded      |              | Recorded        |               |
|              | Present      | Proposed     | Present       | Proposed     | Present       | Proposed     | Present         | Proposed      |
| 0            | 0            | 0            | 0             | 0            | 0             | 0            | 0               | 0             |
| 824,908      | 824,908      | 824,908      | 824,908       | 824,908      | 824,908       | 824,908      | 8,107,249       | 8,107,249     |
| 1,406,384    | 1,398,363    | 1,398,363    | 1,390,343     | 1,390,343    | 1,382,322     | 1,382,322    | 17,103,368      | 17,103,368    |
| 0            | 0            | 0            | 0             | 0            | 0             | 0            | 0               | 0             |
| 5,487,176    | C 5,487,176  | 5,487,176    | C 5,487,176   | 5,487,176    | C 5,487,176   | 5,487,176    | 65,774,388      | 65,774,388    |
| 7,718,468    | 7,710,447    | 7,710,447    | 7,702,426     | 7,702,426    | 7,694,406     | 7,694,406    | 90,985,006      | 90,985,006    |
| 2,504,080    | (7,710,447)  | 2,473,205    | (7,702,426)   | 2,442,329    | (7,694,406)   | 2,411,453    | (90,985,006)    | 42,275,919    |
| 221,361      | (681,604)    | 218,631      | (680,894)     | 215,902      | (680,185)     | 213,172      | (8,043,075)     | 3,737,191     |
| 0            | 0            | 0            | 0             | 0            | 0             | 0            | 0               | 0             |
| 221,361      | (681,604)    | 218,631      | (680,894)     | 215,902      | (680,185)     | 213,172A     | (8,043,075)     | 3,737,191A2   |
| 3,035,644    |              | 3,035,644    |               | 3,035,644    |               | 3,035,644    |                 | 46,165,907    |
| (682,313)    |              | (681,604)    |               | (680,894)    |               | (680,185)    |                 | (8,043,075)   |
| (1,884,061)  |              | (1,881,254)  |               | (1,878,446)  |               | (1,875,639)  |                 | (25,469,381)  |
| 469,271      |              | 472,787      |               | 476,304      |               | 479,820      |                 | 12,653,451    |
| 4,446,804    |              | 4,421,444    |               | 4,396,083    |               | 4,370,723    |                 | 54,078,635    |
| 5,740,983    |              | 5,719,139    |               | 5,697,295    |               | 5,675,451    |                 | 74,839,335    |
| 10,222,548   | 0            | 10,183,652   | 0             | 10,144,755   | 0             | 10,105,859   | 0               | 133,260,925   |
| 0            | 0            | 0            | 0             | 0            | 0             | 0            | 0               | 0             |
| 824,908      | 824,908      | 824,908      | 824,908       | 824,908      | 824,908       | 824,908      | 8,107,249       | 8,107,249     |
| 1,406,384    | 1,398,363    | 1,398,363    | 1,390,343     | 1,390,343    | 1,382,322     | 1,382,322    | 17,103,368      | 17,103,368    |
| 0            | 0            | 0            | 0             | 0            | 0             | 0            | 0               | 0             |
| 4,254,289    | C 4,254,289  | 4,254,289    | C 4,254,289   | 4,254,289    | C 4,254,289   | 4,254,289    | 57,621,158      | 57,621,158    |
| 116,095      | 116,095      | 116,095      | 116,095       | 116,095      | 116,095       | 116,095      | 1,393,137       | 1,393,137     |
| 0            | 0            | 0            | 0             | 0            | 0             | 0            | 0               | 0             |
| 6,601,675    | 6,593,655    | 6,593,655    | 6,585,634     | 6,585,634    | 6,577,613     | 6,577,613    | 84,224,912      | 84,224,912    |
| 3,620,872    | (6,593,655)  | 3,589,997    | (6,585,634)   | 3,559,121    | (6,577,613)   | 3,528,246    | (84,224,912)    | 49,036,013    |
| 1,267,305    | (2,307,779)  | 1,256,499    | (2,304,972)   | 1,245,692    | (2,302,165)   | 1,234,886A   | (29,478,719)    | 17,162,605A2  |
| 426,526      | C 426,526    | 426,526      | C 426,526     | 426,526      | C 426,526     | 426,526A     | 4,009,338       | 4,009,338A2   |
| 1,693,831    | (1,881,254)  | 1,683,024    | (1,878,446)   | 1,672,218    | (1,875,639)   | 1,661,412    | (25,469,381)    | 21,171,942    |
| (10,222,548) | 0            | (10,183,652) | 0             | (10,144,755) | 0             | (10,105,859) | 0               | (133,260,925) |
| 3,035,644    | 3,035,644    | 3,035,644    | 3,035,644     | 3,035,644    | 3,035,644     | 3,035,644    | 46,165,907      | 46,165,907    |
| 824,908      | 824,908      | 824,908      | 824,908       | 824,908      | 824,908       | 824,908      | 8,107,249       | 8,107,249     |
| 116,095      | 116,095      | 116,095      | 116,095       | 116,095      | 116,095       | 116,095      | 1,393,137       | 1,393,137     |
| 1,406,384    | 1,398,363    | 1,398,363    | 1,390,343     | 1,390,343    | 1,382,322     | 1,382,322    | 17,103,368      | 17,103,368    |
| (4,839,517)  | 5,375,010    | (4,808,641)  | 5,366,990     | (4,777,766)  | 5,358,969     | (4,746,890)  | 72,769,661      | (60,491,264)  |
| 35%          | 35%          | 35%          | 35%           | 35%          | 35%           | 35%          | 35%             | 35%           |
| (1,693,831)  | 1,881,254    | (1,683,024)  | 1,878,446     | (1,672,218)  | 1,875,639     | (1,661,412)  | 25,469,381      | (21,171,942)  |

(Whole \$)

|                 | October 2011   |                 | November 2011  |                 | December 2011  |                 | Total Year 2011 |                 |
|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|
|                 | Recorded       |                 | Recorded       |                 | Recorded       |                 | Recorded        |                 |
| <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u>  | <u>Proposed</u> |
| 0               | 0              | 0               | 0              | 0               | 0              | 0               | 0               | 0               |

(Whole \$)

YTD Set09

102,826,659

37,058,973

5,632,526

19,244,774

61,936,273

40,890,386

(Whole \$)

YTD Set09



(Whole \$)

YTD Set09

Pacific Gas and Electric Company  
Smart Meter - Deploy Electric  
D.06.07.027: \$1.61B total cost, "in place" at least until PG&E's next general rate case"  
Capital-Related Revenue Requirements (RRQ)  
(dollars)

Table with columns for months (Jan-09 to Dec-10) and rows for Capital-Related RRQ, Depreciation, Return on Rate Base, Income Taxes, Property Taxes, and Netex Net/Extra Depreciation.

Table titled 'Inception to Date RRQ by Component and Period' with columns for years (2006-2010) and rows for RRQ components.

Table titled 'Inception to Date Capital Additions by Period' with columns for years (2006-2010) and rows for capital additions.

The Model RRQ (do not have source file for comparison)

Table with columns for months (Jan-09 to Dec-10) and rows for Sum of lines 1-4 from above and dach.

B1

ANALYSIS

|                        | Jan-10      | Feb-10      | Mar-10      | Apr-10      | May-10      | Jun-10      | Jul-10      | Aug-10      | Sep-10      | Oct-10      | Nov-10      | Dec-10      |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Depreciation</b>    |             |             |             |             |             |             |             |             |             |             |             |             |
| Depreciation (line 1)  | 7,670,597   | 4,907,524   | 2,538,349   | 2,305,160   | 2,476,881   | 2,920,359   | 2,655,867   | 2,731,115   | 3,060,618   | 2,885,367   | 2,951,818   | 3,242,456   |
| Plant Balance (line 8) | 573,136,794 | 589,641,641 | 623,313,178 | 662,698,148 | 691,280,187 | 722,222,858 | 754,204,033 | 780,653,905 | 804,872,139 | 829,535,395 | 852,459,533 | 875,019,599 |
| Monthly Depn Rate      | 1.34%       | 0.83%       | 0.41%       | 0.36%       | 0.36%       | 0.41%       | 0.35%       | 0.35%       | 0.38%       | 0.35%       | 0.34%       | 0.37%       |
| Annual Depn Rate       | 16.08%      | 9.96%       | 4.89%       | 4.34%       | 4.33%       | 4.8%        | 4.23%       | 4.20%       | 4.56%       | 4.17%       | 4.16%       | 4.45%       |

CPUC authorized depreciation rate is from May 1, 2009 Letter consistent with parameters authorized by CPUC.

|                            | Jan-10      | Feb-10      | Mar-10      | Apr-10     | May-10      | Jun-10      | Jul-10      | Aug-10      | Sep-10     | Oct-10      | Nov-10      | Dec-10      |
|----------------------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|
| <b>Return on Rate Base</b> |             |             |             |            |             |             |             |             |            |             |             |             |
| Return (line 2)            | 3,159,604   | 3,202,773   | 3,481,967   | 3,734,278  | 3,902,204   | 4,081,674   | 4,262,267   | 4,393,781   | 4,496,280  | 4,589,868   | 4,643,314   | 4,649,220   |
| Rate Base (line 21)        | 431,345,215 | 445,429,735 | 476,353,867 | 509,79,078 | 532,724,887 | 557,228,122 | 581,679,510 | 599,833,642 | 614,26,186 | 626,619,281 | 633,899,579 | 634,707,666 |
| Monthly Return             | 0.73%       | 0.73%       | 0.73%       | 0.73%      | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%      | 0.73%       | 0.73%       | 0.73%       |
| Annual Return              | 8.79%       | 8.79%       | 8.79%       | 8.79%      | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%      | 8.79%       | 8.79%       | 8.79%       |

Return on rate base is consistent with PG&E's annual cost of capital proceedings adopted by the CPUC effective 2008.

|                     | Jan-10    | Feb-10    | Mar-10      | Apr-10      | May-10      | Jun-10      | Jul-10      | Aug-10      | Sep-10      | Oct-10      | Nov-10       | Dec-10       |
|---------------------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| <b>Income Taxes</b> |           |           |             |             |             |             |             |             |             |             |              |              |
| State               | 873,084   | 280,767   | 44,852      | 45,499      | 59,815      | 104,942     | 79,415      | 84,505      | 89,139      | 47,177      | 20,804       | (50,411)     |
| Federal             | 1,088,620 | 180,503   | (1,176,253) | (1,658,628) | (2,352,822) | (2,938,195) | (3,726,103) | (4,604,121) | (6,400,683) | (9,274,001) | (12,024,803) | (14,472,581) |
| Deferred            | 260,346   | 1,655,506 | 2,309,451   | 2,933,083   | 3,508,942   | 4,375,419   | 5,280,209   | 6,144,309   | 7,062,582   | 10,918,401  | 14,532,694   | 23,034,228   |
| Total               | 1,222,049 | 1,116,776 | 1,228,068   | 1,330,959   | 1,405,894   | 1,545,768   | 1,568,519   | 1,624,693   | 1,676,770   | 1,699,677   | 1,618,798    | 1,211,206    |

**Property Taxes**  
Property taxes are calculated on net plant.

| Factors                     |           |
|-----------------------------|-----------|
| Property Tax Rate 2010-2011 | 0.01175   |
| Property Tax Rate 2009-2010 | 0.01175   |
| Property Tax Rate 2008-2009 | 0.0115045 |
| Property Tax Rate Prior     | 0.009968  |

0 0 0 0 0 0 0 0 0 0 0 0 0

(Whole \$)

## REVENUE REQUIREMENTS

|                                     | January 2010 |             | February 2010 |           | March 2010  |             | April 2010 |             |             |   |             |             |
|-------------------------------------|--------------|-------------|---------------|-----------|-------------|-------------|------------|-------------|-------------|---|-------------|-------------|
|                                     | Recorded     |             | Recorded      |           | Recorded    |             | Recorded   |             |             |   |             |             |
|                                     | Present      | Proposed    | Present       | Proposed  | Present     | Proposed    | Present    | Proposed    |             |   |             |             |
| <b>REVENUE REQUIREMENT SUMMARY</b>  |              |             |               |           |             |             |            |             |             |   |             |             |
| ERAM Revenue                        | 0            | 12,976,862  | 0             | 9,914,684 | 0           | 7,463,996   | 0          | 7,667,029   |             |   |             |             |
| Other Revenue                       | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Total Revenue                       | 0            | 12,976,862  | 0             | 9,914,684 | 0           | 7,463,996   | 0          | 7,667,029   |             |   |             |             |
| <b>Operating Expenses</b>           |              |             |               |           |             |             |            |             |             |   |             |             |
| Fuel Expense                        | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| O&M Expense                         | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| A&G Expense                         | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Franchise Fees                      | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Uncollectible Accounts              | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Expense Adjustments                 | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Total Operating Expenses            | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Depreciation                        | C            | 7,679,597   | 7,679,597     | C         | 4,907,524   | 4,907,524   | C          | 2,538,349   | 2,538,349   | C | 2,395,183   | 2,395,183   |
| <b>Taxes Other Than Income</b>      |              |             |               |           |             |             |            |             |             |   |             |             |
| Super Fund Tax                      |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   |             |             |
| Property Tax                        |              | 215,612     | 215,612       | A         | 215,612     | 215,612     | A          | 215,612     | 215,612     |   |             |             |
| Payroll Tax                         |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   |             |             |
| Other                               |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   |             |             |
| Total Other Taxes                   |              | 215,612     | 215,612       |           | 215,612     | 215,612     |            | 215,612     | 215,612     |   |             |             |
| <b>Income Taxes</b>                 |              |             |               |           |             |             |            |             |             |   |             |             |
| State                               |              | (574,071)   | 573,084       |           | (583,691)   | 292,767     |            | (614,965)   | 44,852      |   | (632,266)   | 45,499      |
| Federal                             |              | (3,192,936) | 1,348,966     |           | (2,234,130) | 1,236,009   |            | (1,429,183) | 1,183,216   |   | (1,407,004) | 1,276,456   |
| Total Income Taxes                  |              | (3,767,007) | 1,922,049     |           | (2,817,822) | 1,528,776   |            | (2,044,148) | 1,228,068   |   | (2,039,270) | 1,321,955   |
| Total Expenses                      |              | 4,128,202   | 9,817,259     |           | 2,305,314   | 6,651,911   |            | 709,813     | 3,982,029   |   | 571,525     | 3,932,750   |
| Operating Income                    |              | (4,128,202) | 3,159,604     |           | (2,305,314) | 3,262,773   |            | (709,813)   | 3,481,967   |   | (571,525)   | 3,734,278   |
| Rate Base                           | C            | 431,345,215 | 431,345,215   | C         | 445,429,735 | 445,429,735 | C          | 475,353,867 | 475,353,867 | C | 509,799,078 | 509,799,078 |
| Rate of Return                      |              | -11.48      | 8.79          |           | -6.21       | 8.79        |            | -1.79       | 8.79        |   | -1.35       | 8.79        |
| Income Requirement @ Authorized RoR |              | 3,159,604   | 3,159,604     |           | 3,262,773   | 3,262,773   |            | 3,481,967   | 3,481,967   |   | 3,734,278   | 3,734,278   |
| Income Deficiency                   |              | 7,287,806   | 0             |           | 5,568,087   | 0           |            | 4,191,780   | 0           |   | 4,305,803   | 0           |
| Revenue Deficiency                  |              | 12,976,862  | 0             |           | 9,914,684   | 0           |            | 7,463,996   | 0           |   | 7,667,029   | 0           |
| <b>STATE TAX COMPUTATION</b>        |              |             |               |           |             |             |            |             |             |   |             |             |
| Book Depreciation                   |              |             | 7,679,597     |           |             | 4,907,524   |            |             | 2,538,349   |   |             | 2,395,183   |
| State Taxes                         |              |             | (574,071)     |           |             | (583,691)   |            |             | (614,965)   |   |             | (632,266)   |
| Federal Taxes                       |              |             | (3,192,936)   |           |             | (2,234,130) |            |             | (1,429,183) |   |             | (1,407,004) |
| Operating Income                    |              |             | 3,912,590     |           |             | 2,089,702   |            |             | 494,201     |   |             | 355,913     |
| Income Requirement                  |              |             | 3,159,604     |           |             | 3,262,773   |            |             | 3,481,967   |   |             | 3,734,278   |
| Income Deficiency                   |              |             | 7,287,806     |           |             | 5,568,087   |            |             | 4,191,780   |   |             | 4,305,803   |
| Total Revenue Gross Up              |              | 0           | 12,976,862    |           | 0           | 9,914,684   |            | 0           | 7,463,996   |   | 0           | 7,667,029   |

(Whole \$)

## REVENUE REQUIREMENTS

|                          | January 2010 |           | February 2010 |           | March 2010  |           | April 2010  |           |
|--------------------------|--------------|-----------|---------------|-----------|-------------|-----------|-------------|-----------|
|                          | Recorded     |           | Recorded      |           | Recorded    |           | Recorded    |           |
|                          | Present      | Proposed  | Present       | Proposed  | Present     | Proposed  | Present     | Proposed  |
| Less:                    |              |           |               |           |             |           |             |           |
| Total Operating Expenses | 0            | 0         | 0             | 0         | 0           | 0         | 0           | 0         |
| Total Other Taxes        | 215,612      | 215,612   | 215,612       | 215,612   | 215,612     | 215,612   | 215,612     | 215,612   |
| Interest Expense         | 999,283      | 999,283   | 1,031,912     | 1,031,912 | 1,101,236   | 1,101,236 | 1,181,035   | 1,181,035 |
| Adjustments              | 0            | 0         | 0             | 0         | 0           | 0         | 0           | 0         |
| Depreciation             | C 5,279,121  | 5,279,121 | C 5,355,320   | 5,355,320 | C 5,639,769 | 5,639,769 | C 5,755,685 | 5,755,685 |
| Total Deductions         | 6,494,016    | 6,494,016 | 6,602,844     | 6,602,844 | 6,956,618   | 6,956,618 | 7,152,331   | 7,152,331 |
| State Taxable Income     | (6,494,016)  | 6,482,846 | (6,602,844)   | 3,311,840 | (6,956,618) | 507,378   | (7,152,331) | 514,698   |
| Current State Tax        | (574,071)    | 573,084   | (583,691)     | 292,767   | (614,965)   | 44,852    | (632,266)   | 45,499    |
| Tax Adjustments          | 0            | 0         | 0             | 0         | 0           | 0         | 0           | 0         |
| Total State Tax          | (574,071)    | 573,084   | (583,691)     | 292,767   | (614,965)   | 44,852    | (632,266)   | 45,499    |

## FEDERAL TAX COMPUTATION

|                               |             |             |             |             |              |             |              |             |
|-------------------------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|-------------|
| Book Depreciation             |             | 7,679,597   |             | 4,907,524   |              | 2,538,349   |              | 2,395,183   |
| State Taxes                   |             | (574,071)   |             | (583,691)   |              | (614,965)   |              | (632,266)   |
| Federal Taxes                 |             | (3,192,936) |             | (2,234,130) |              | (1,429,183) |              | (1,407,004) |
| Operating Income              |             | 3,912,590   |             | 2,089,702   |              | 494,201     |              | 355,913     |
| Income Requirement            |             | 3,159,604   |             | 3,262,773   |              | 3,481,967   |              | 3,734,278   |
| Income Deficiency             |             | 7,287,806   |             | 5,568,087   |              | 4,191,780   |              | 4,305,803   |
| Total Revenue Gross Up        | 0           | 12,976,862  | 0           | 9,914,684   | 0            | 7,463,996   | 0            | 7,667,029   |
| Less:                         |             |             |             |             |              |             |              |             |
| Total Operating Expenses      | 0           | 0           | 0           | 0           | 0            | 0           | 0            | 0           |
| Total Other Taxes             | 215,612     | 215,612     | 215,612     | 215,612     | 215,612      | 215,612     | 215,612      | 215,612     |
| Interest Expense              | 999,283     | 999,283     | 1,031,912   | 1,031,912   | 1,101,236    | 1,101,236   | 1,181,035    | 1,181,035   |
| Adjustments                   | 0           | 0           | 0           | 0           | 0            | 0           | 0            | 0           |
| Federal Depreciation          | C 8,423,443 | 8,423,443   | C 7,923,255 | 7,923,255   | C 9,136,781  | 9,136,781   | C 10,775,422 | 10,775,422  |
| State Income Tax (Prior Year) | 228,182     | 228,182     | 228,182     | 228,182     | 228,182      | 228,182     | 228,182      | 228,182     |
| Preferred Div Credit          | 0           | 0           | 0           | 0           | 0            | 0           | 0            | 0           |
| Total Deductions              | 9,866,519   | 9,866,519   | 9,398,961   | 9,398,961   | 10,681,811   | 10,681,811  | 12,400,250   | 12,400,250  |
| Federal Taxable Income        | (9,866,519) | 3,110,343   | (9,398,961) | 515,723     | (10,681,811) | (3,217,815) | (12,400,250) | (4,733,222) |
| Current Federal Tax           | (3,453,282) | 1,088,620   | (3,289,636) | 180,503     | (3,738,634)  | (1,126,235) | (4,340,088)  | (1,656,628) |
| Tax Adjustments               | C 260,346   | 260,346     | C 1,055,506 | 1,055,506   | C 2,309,451  | 2,309,451   | C 2,933,083  | 2,933,083   |
| Total Federal Tax             | (3,192,936) | 1,348,966   | (2,234,130) | 1,236,009   | (1,429,183)  | 1,183,216   | (1,407,004)  | 1,276,456   |

## Reconciliation

|   |           |              |           |             |           |             |           |             |
|---|-----------|--------------|-----------|-------------|-----------|-------------|-----------|-------------|
| Revenue Deficiency                      | 0         | (12,976,862) | 0         | (9,914,684) | 0         | (7,463,996) | 0         | (7,667,029) |
| Book Depreciation                       | 7,679,597 | 7,679,597    | 4,907,524 | 4,907,524   | 2,538,349 | 2,538,349   | 2,395,183 | 2,395,183   |
| Other Taxes                             | 215,612   | 215,612      | 215,612   | 215,612     | 215,612   | 215,612     | 0         | 215,612     |
| State Tax Prior Year                    | 228,182   | 228,182      | 228,182   | 228,182     | 228,182   | 228,182     | 228,182   | 228,182     |
| Interest Expense                        | 999,283   | 999,283      | 1,031,912 | 1,031,912   | 1,101,236 | 1,101,236   | 1,181,035 | 1,181,035   |
| Total                                   | 9,122,674 | (3,854,188)  | 6,383,230 | (3,531,454) | 4,083,379 | (3,380,617) | 4,020,012 | (3,647,017) |
| Federal Tax Rate                        | 35%       | 35%          | 35%       | 35%         | 35%       | 35%         | 35%       | 35%         |
| Reconciliation Difference Same as Above | 3,192,936 | (1,348,966)  | 2,234,130 | (1,236,009) | 1,429,183 | (1,183,216) | 1,407,004 | (1,276,456) |

(Whole \$)

REVENUE REQUIREMENTS

| January 2010 |          |
|--------------|----------|
| Recorded     |          |
| Present      | Proposed |
| 0            | 0        |

| February 2010 |          |
|---------------|----------|
| Recorded      |          |
| Present       | Proposed |
| 0             | 0        |

| March 2010 |          |
|------------|----------|
| Recorded   |          |
| Present    | Proposed |
| 0          | 0        |

| April 2010 |          |
|------------|----------|
| Recorded   |          |
| Present    | Proposed |
| (0)        | (0)      |

(Whole \$)

| May 2010    |             | June 2010   |             | July 2010   |             | August 2010 |             | September 2010 |         |             |             |         |             |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|---------|-------------|-------------|---------|-------------|
| Recorded    |             | Recorded    |             | Recorded    |             | Recorded    |             | Recorded       |         |             |             |         |             |
| Present     | Proposed    | Present     | Proposed    | Present     | Proposed    | Present     | Proposed    | Present        |         |             |             |         |             |
| 0           | 8,000,501   | 0           | 8,770,409   | 0           | 9,012,954   | 0           | 9,275,750   | 0              |         |             |             |         |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              |         |             |             |         |             |
| 0           | 8,000,501   | 0           | 8,770,409   | 0           | 9,012,954   | 0           | 9,275,750   | 0              |         |             |             |         |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              |         |             |             |         |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              |         |             |             |         |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              |         |             |             |         |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              |         |             |             |         |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              |         |             |             |         |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              |         |             |             |         |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              |         |             |             |         |             |
| C           | 2,476,881   | 2,476,881   | C           | 2,929,359   | 2,929,359   | C           | 2,655,867   | 2,655,867      | C       | 2,731,115   | 2,731,115   | C       | 3,060,818   |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              | 0       |             |             |         |             |
| A           | 215,612     | 215,612     | A           | 215,612     | 215,612     | A           | 526,300     | 526,300        | A       | 526,300     | 526,300     | A       | 526,300     |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              | 0       | 0           | 0           | 0       |             |
| 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0              | 0       | 0           | 0           | 0       |             |
| 215,612     | 215,612     | 215,612     | 215,612     | 526,300     | 526,300     | 526,300     | 526,300     | 526,300        | 526,300 | 526,300     | 526,300     | 526,300 |             |
| (647,429)   | 59,815      | (668,763)   | 106,542     | (717,331)   | 79,415      | (735,612)   | 84,365      | (773,375)      |         |             |             |         |             |
| (1,454,187) | 1,345,989   | (1,632,420) | 1,437,223   | (1,665,430) | 1,489,104   | (1,706,324) | 1,540,188   | (1,833,398)    |         |             |             |         |             |
| (2,101,615) | 1,405,804   | (2,301,183) | 1,543,765   | (2,382,760) | 1,568,519   | (2,441,936) | 1,624,553   | (2,606,773)    |         |             |             |         |             |
| 590,877     | 4,098,297   | 843,788     | 4,688,735   | 799,407     | 4,750,686   | 815,480     | 4,881,968   | 980,346        |         |             |             |         |             |
| (590,877)   | 3,902,204   | (843,788)   | 4,081,674   | (799,407)   | 4,262,267   | (815,480)   | 4,393,781   | (980,346)      |         |             |             |         |             |
| C           | 532,724,087 | 532,724,087 | C           | 557,225,123 | 557,225,123 | C           | 581,879,510 | 581,879,510    | C       | 599,833,642 | 599,833,642 | C       | 614,236,186 |
| -1.33       | 8.79        | -1.82       | 8.79        | -1.65       | 8.79        | -1.63       | 8.79        | -1.92          |         |             |             |         |             |
| 3,902,204   | 3,902,204   | 4,081,674   | 4,081,674   | 4,262,267   | 4,262,267   | 4,393,781   | 4,393,781   | 4,499,280      |         |             |             |         |             |
| 4,493,081   | 0           | 4,925,462   | 0           | 5,061,675   | 0           | 5,209,261   | 0           | 5,479,626      |         |             |             |         |             |
| 8,000,501   | 0           | 8,770,409   | 0           | 9,012,954   | 0           | 9,275,750   | 0           | 9,757,168      |         |             |             |         |             |
| 2,476,881   | 2,476,881   | 2,929,359   | 2,929,359   | 2,655,867   | 2,655,867   | 2,731,115   | 2,731,115   | 3,060,818      |         |             |             |         |             |
| (647,429)   | (647,429)   | (668,763)   | (668,763)   | (717,331)   | (717,331)   | (735,612)   | (735,612)   | (773,375)      |         |             |             |         |             |
| (1,454,187) | (1,454,187) | (1,632,420) | (1,632,420) | (1,665,430) | (1,665,430) | (1,706,324) | (1,706,324) | (1,833,398)    |         |             |             |         |             |
| 375,265     | 375,265     | 628,176     | 628,176     | 273,107     | 273,107     | 289,179     | 289,179     | 289,179        |         |             |             |         |             |
| 3,902,204   | 3,902,204   | 4,081,674   | 4,081,674   | 4,262,267   | 4,262,267   | 4,393,781   | 4,393,781   | 4,499,280      |         |             |             |         |             |
| 4,493,081   | 4,493,081   | 4,925,462   | 4,925,462   | 5,061,675   | 5,061,675   | 5,209,261   | 5,209,261   | 5,479,626      |         |             |             |         |             |
| 0           | 8,000,501   | 0           | 8,770,409   | 0           | 9,012,954   | 0           | 9,275,750   | 0              |         |             |             |         |             |

(Whole \$)

| <u>May 2010</u>  |                    | <u>June 2010</u> |                    | <u>July 2010</u> |                    | <u>August 2010</u> |                    | <u>September 2010</u> |
|------------------|--------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|-----------------------|
| Recorded         |                    | Recorded         |                    | Recorded         |                    | Recorded           |                    | Recorded              |
| <u>Present</u>   | <u>Proposed</u>    | <u>Present</u>   | <u>Proposed</u>    | <u>Present</u>   | <u>Proposed</u>    | <u>Present</u>     | <u>Proposed</u>    | <u>Present</u>        |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                  | 0                  | 0                     |
| 215,612          | 215,612            | 215,612          | 215,612            | 526,300          | 526,300            | 526,300            | 526,300            | 526,300               |
| 1,234,144        | 1,234,144          | 1,290,905        | 1,290,905          | 1,348,021        | 1,348,021          | 1,389,615          | 1,389,615          | 1,422,980             |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                  | 0                  | 0                     |
| C 5,874,100      | 5,874,100          | C 6,058,672      | 6,058,672          | C 6,240,277      | 6,240,277          | C 6,405,482        | 6,405,482          | C 6,799,301           |
| 7,323,856        | 7,323,856          | 7,565,188        | 7,565,188          | 8,114,599        | 8,114,599          | 8,321,397          | 8,321,397          | 8,748,582             |
| (7,323,856)      | 676,645            | (7,565,188)      | 1,205,221          | (8,114,599)      | 898,355            | (8,321,397)        | 954,353            | (8,748,582)           |
| (647,429)        | 59,815             | (668,763)        | 106,542            | (717,331)        | 79,415             | (735,612)          | 84,365             | (773,375)             |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                  | 0                  | 0                     |
| (647,429)        | 59,815             | (668,763)        | 106,542            | (717,331)        | 79,415             | (735,612)          | 84,365             | (773,375)             |
|                  | 2,476,881          |                  | 2,929,359          |                  | 2,655,867          |                    | 2,731,115          |                       |
|                  | (647,429)          |                  | (668,763)          |                  | (717,331)          |                    | (735,612)          |                       |
|                  | (1,454,187)        |                  | (1,632,420)        |                  | (1,665,430)        |                    | (1,706,324)        |                       |
|                  | 375,265            |                  | 628,176            |                  | 273,107            |                    | 289,179            |                       |
|                  | 3,902,204          |                  | 4,081,674          |                  | 4,262,267          |                    | 4,393,781          |                       |
|                  | 4,493,081          |                  | 4,925,462          |                  | 5,061,675          |                    | 5,209,261          |                       |
| 0                | 8,000,501          | 0                | 8,770,409          | 0                | 9,012,954          | 0                  | 9,275,750          | 0                     |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                  | 0                  | 0                     |
| 215,612          | 215,612            | 215,612          | 215,612            | 526,300          | 526,300            | 526,300            | 526,300            | 526,300               |
| 1,234,144        | 1,234,144          | 1,290,905        | 1,290,905          | 1,348,021        | 1,348,021          | 1,389,615          | 1,389,615          | 1,422,980             |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                  | 0                  | 0                     |
| C 12,502,343     | 12,502,343         | C 15,430,555     | 15,430,555         | C 17,742,179     | 17,742,179         | C 20,286,284       | 20,286,284         | C 25,868,223          |
| 228,182          | 228,182            | 228,182          | 228,182            | 228,182          | 228,182            | 228,182            | 228,182            | 228,182               |
| 0                | 0                  | 0                | 0                  | 0                | 0                  | 0                  | 0                  | 0                     |
| 14,180,281       | 14,180,281         | 17,165,253       | 17,165,253         | 19,844,682       | 19,844,682         | 22,430,381         | 22,430,381         | 28,045,686            |
| (14,180,281)     | (6,179,781)        | (17,165,253)     | (8,394,844)        | (19,844,682)     | (10,831,729)       | (22,430,381)       | (13,154,631)       | (28,045,686)          |
| (4,963,098)      | (2,162,923)        | (6,007,839)      | (2,938,195)        | (6,945,639)      | (3,791,105)        | (7,850,633)        | (4,604,121)        | (9,815,990)           |
| C 3,508,912      | 3,508,912          | C 4,375,419      | 4,375,419          | C 5,280,209      | 5,280,209          | C 6,144,309        | 6,144,309          | C 7,982,592           |
| (1,454,187)      | 1,345,989          | (1,632,420)      | 1,437,223          | (1,665,430)      | 1,489,104          | (1,706,324)        | 1,540,188          | (1,833,398)           |
| 0                | (8,000,501)        | 0                | (8,770,409)        | 0                | (9,012,954)        | 0                  | (9,275,750)        | 0                     |
| 2,476,881        | 2,476,881          | 2,929,359        | 2,929,359          | 2,655,867        | 2,655,867          | 2,731,115          | 2,731,115          | 3,060,818             |
| 0 215,612        | 215,612            | 0 215,612        | 215,612            | 0 526,300        | 526,300            | 0 526,300          | 526,300            | 0 526,300             |
| 228,182          | 228,182            | 228,182          | 228,182            | 228,182          | 228,182            | 228,182            | 228,182            | 228,182               |
| 1,234,144        | 1,234,144          | 1,290,905        | 1,290,905          | 1,348,021        | 1,348,021          | 1,389,615          | 1,389,615          | 1,422,980             |
| 4,154,819        | (3,845,682)        | 4,664,057        | (4,106,352)        | 4,758,370        | (4,254,583)        | 4,875,212          | (4,400,538)        | 5,238,281             |
| 35%              | 35%                | 35%              | 35%                | 35%              | 35%                | 35%                | 35%                | 35%                   |
| <u>1,454,187</u> | <u>(1,345,989)</u> | <u>1,632,420</u> | <u>(1,437,223)</u> | <u>1,665,430</u> | <u>(1,489,104)</u> | <u>1,706,324</u>   | <u>(1,540,188)</u> | <u>1,833,398</u>      |



(Whole \$)

| <u>May 2010</u> |                 | <u>June 2010</u> |                 | <u>July 2010</u> |                 | <u>August 2010</u> |                 | <u>September 2010</u> |
|-----------------|-----------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|-----------------------|
| Recorded        |                 | Recorded         |                 | Recorded         |                 | Recorded           |                 | Recorded              |
| <u>Present</u>  | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>     | <u>Proposed</u> | <u>Present</u>        |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |

(Whole \$)

| Proposed    | October 2010 |             | November 2010 |           | December 2010 |             | Total Year 2010 |                |             |              |               |
|-------------|--------------|-------------|---------------|-----------|---------------|-------------|-----------------|----------------|-------------|--------------|---------------|
|             | Recorded     |             | Recorded      |           | Recorded      |             | Recorded        |                |             |              |               |
|             | Present      | Proposed    | Present       | Proposed  | Present       | Proposed    | Present         | Proposed       |             |              |               |
| 9,757,168   | 0            | 9,641,233   | 0             | 9,740,222 | 0             | 9,929,191   | 0               | 112,149,999    |             |              |               |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0              |             |              |               |
| 9,757,168   | 0            | 9,641,233   | 0             | 9,740,222 | 0             | 9,929,191 A | 0               | 112,149,999 A1 |             |              |               |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0              |             |              |               |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0              |             |              |               |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0              |             |              |               |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0              |             |              |               |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0              |             |              |               |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0              |             |              |               |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0              |             |              |               |
| 3,060,818   | C            | 2,885,367   | 2,885,367     | C         | 2,951,818     | 2,951,818   | C               | 3,242,456      | 3,242,456 A | 40,454,333   | 40,454,333 A1 |
| 0           |              | 0           | 0             |           | 0             | 0           |                 | 0              | 0           | 0            | 0             |
| 526,300     | A            | 526,300     | 526,300       | A         | 526,300       | 526,300     | A               | 526,300        | 526,300     | 4,451,473    | 4,451,473     |
| 0           |              | 0           | 0             |           | 0             | 0           |                 | 0              | 0           | 0            | 0             |
| 0           |              | 0           | 0             |           | 0             | 0           |                 | 0              | 0           | 0            | 0             |
| 526,300     |              | 526,300     | 526,300       |           | 526,300       | 526,300     |                 | 526,300        | 526,300     | 4,451,473    | 4,451,473     |
| 89,159      |              | (805,108)   | 47,177        |           | (840,132)     | 20,904      |                 | (928,181)      | (50,441)    | (8,520,923)  | 1,393,137     |
| 1,581,611   |              | (1,782,031) | 1,592,400     |           | (1,811,192)   | 1,597,886   |                 | (1,913,570)    | 1,561,647   | (22,061,805) | 17,190,695    |
| 1,670,770   |              | (2,587,140) | 1,639,577     |           | (2,651,324)   | 1,618,790   |                 | (2,841,751)    | 1,511,206 A | (30,582,728) | 18,583,831 A1 |
| 5,257,888   |              | 824,528     | 5,051,244     |           | 826,794       | 5,096,908   |                 | 927,005        | 5,279,962   | 14,323,078   | 63,489,638    |
| 4,499,280   |              | (824,528)   | 4,589,988     |           | (826,794)     | 4,643,314   |                 | (927,005)      | 4,649,229   | (14,323,078) | 48,660,361    |
| 614,236,186 | C            | 626,619,581 | 626,619,581   | C         | 633,899,579   | 633,899,579 | C               | 634,707,066    | 634,707,066 | 553,587,722  | 553,587,722   |
| 8.79        |              | -1.58       | 8.79          |           | -1.57         | 8.79        |                 | -1.75          | 8.79        | -31.05       | 8.79          |
| 4,499,280   |              | 4,589,988   | 4,589,988     |           | 4,643,314     | 4,643,314   |                 | 4,649,229      | 4,649,229 A | 48,660,361   | 48,660,361 A1 |
| 0           |              | 5,414,516   | 0             |           | 5,470,109     | 0           |                 | 5,576,234      | 0           | 62,983,439   | 0             |
| 0           |              | 9,641,233   | 0             |           | 9,740,222     | 0           |                 | 9,929,191      | 0           | 112,149,999  | 0             |
| 3,060,818   |              |             | 2,885,367     |           |               | 2,951,818   |                 |                | 3,242,456   |              | 40,454,333    |
| (773,375)   |              |             | (805,108)     |           |               | (840,132)   |                 |                | (928,181)   |              | (8,520,923)   |
| (1,833,398) |              |             | (1,782,031)   |           |               | (1,811,192) |                 |                | (1,913,570) |              | (22,061,805)  |
| 454,045     |              |             | 298,227       |           |               | 300,494     |                 |                | 400,704     |              | 9,871,605     |
| 4,499,280   |              |             | 4,589,988     |           |               | 4,643,314   |                 |                | 4,649,229   |              | 48,660,361    |
| 5,479,626   |              |             | 5,414,516     |           |               | 5,470,109   |                 |                | 5,576,234   |              | 62,983,439    |
| 9,757,168   |              | 0           | 9,641,233     |           | 0             | 9,740,222   |                 | 0              | 9,929,191   |              | 0             |

(Whole \$)

| Proposed     | October 2010 |              | November 2010 |              | December 2010 |               | Total Year 2010 |                |
|--------------|--------------|--------------|---------------|--------------|---------------|---------------|-----------------|----------------|
|              | Recorded     |              | Recorded      |              | Recorded      |               | Recorded        |                |
|              | Present      | Proposed     | Present       | Proposed     | Present       | Proposed      | Present         | Proposed       |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 526,300      | 526,300      | 526,300      | 526,300       | 526,300      | 526,300       | 526,300       | 4,451,473       | 4,451,473      |
| 1,422,980    | 1,451,669    | 1,451,669    | 1,468,534     | 1,468,534    | 1,470,405     | 1,470,405     | 15,389,739      | 15,389,739     |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 6,799,301    | C 7,129,591  | 7,129,591    | C 7,508,919   | 7,508,919    | C 8,503,085   | 8,503,085     | 76,549,323      | 76,549,323     |
| 8,748,582    | 9,107,560    | 9,107,560    | 9,503,753     | 9,503,753    | 10,499,791    | 10,499,791    | 96,390,535      | 96,390,535     |
| 1,008,587    | (9,107,560)  | 533,672      | (9,503,753)   | 236,469      | (10,499,791)  | (570,599)     | (96,390,535)    | 15,759,464     |
| 89,159       | (805,108)    | 47,177       | (840,132)     | 20,904       | (928,181)     | (50,441)      | (8,520,923)     | 1,393,137      |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 89,159       | (805,108)    | 47,177       | (840,132)     | 20,904       | (928,181)     | (50,441)A     | (8,520,923)     | 1,393,137A2    |
| 3,060,818    |              | 2,885,367    |               | 2,951,818    |               | 3,242,456     |                 | 40,454,333     |
| (773,375)    |              | (805,108)    |               | (840,132)    |               | (928,181)     |                 | (8,520,923)    |
| (1,833,398)  |              | (1,782,031)  |               | (1,811,192)  |               | (1,913,570)   |                 | (22,061,805)   |
| 454,045      |              | 298,227      |               | 300,494      |               | 400,704       |                 | 9,871,605      |
| 4,499,280    |              | 4,589,988    |               | 4,643,314    |               | 4,649,229     |                 | 48,660,361     |
| 5,479,626    |              | 5,414,516    |               | 5,470,109    |               | 5,576,234     |                 | 62,983,439     |
| 9,757,168    | 0            | 9,641,233    | 0             | 9,740,222    | 0             | 9,929,191     | 0               | 112,149,999    |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 526,300      | 526,300      | 526,300      | 526,300       | 526,300      | 526,300       | 526,300       | 4,451,473       | 4,451,473      |
| 1,422,980    | 1,451,669    | 1,451,669    | 1,468,534     | 1,468,534    | 1,470,405     | 1,470,405     | 15,389,739      | 15,389,739     |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 25,868,223   | C 34,080,798 | 34,080,798   | C 44,473,800  | 44,473,800   | C 69,054,536  | 69,054,536    | 275,697,618     | 275,697,618    |
| 228,182      | 228,182      | 228,182      | 228,182       | 228,182      | 228,182       | 228,182       | 2,738,183       | 2,738,183      |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 28,045,686   | 36,286,949   | 36,286,949   | 46,696,816    | 46,696,816   | 71,279,423    | 71,279,423    | 298,277,013     | 298,277,013    |
| (18,288,517) | (36,286,949) | (26,645,717) | (46,696,816)  | (36,956,594) | (71,279,423)  | (61,350,232)  | (298,277,013)   | (186,127,014)  |
| (6,400,981)  | (12,700,432) | (9,326,001)  | (16,343,886)  | (12,934,808) | (24,947,798)  | (21,472,581)A | (104,396,955)   | (65,144,455)A2 |
| 7,982,592    | C 10,918,401 | 10,918,401   | C 14,532,694  | 14,532,694   | C 23,034,228  | 23,034,228A   | 82,335,150      | 82,335,150A2   |
| 1,581,611    | (1,782,031)  | 1,592,400    | (1,811,192)   | 1,597,886    | (1,913,570)   | 1,561,647     | (22,061,805)    | 17,190,695     |
| (9,757,168)  | 0            | (9,641,233)  | 0             | (9,740,222)  | 0             | (9,929,191)   | 0               | (112,149,999)  |
| 3,060,818    | 2,885,367    | 2,885,367    | 2,951,818     | 2,951,818    | 3,242,456     | 3,242,456     | 40,454,333      | 40,454,333     |
| 526,300      | 526,300      | 526,300      | 526,300       | 526,300      | 526,300       | 526,300       | 4,451,473       | 4,451,473      |
| 228,182      | 228,182      | 228,182      | 228,182       | 228,182      | 228,182       | 228,182       | 2,738,183       | 2,738,183      |
| 1,422,980    | 1,451,669    | 1,451,669    | 1,468,534     | 1,468,534    | 1,470,405     | 1,470,405     | 15,389,739      | 15,389,739     |
| (4,518,887)  | 5,091,518    | (4,549,715)  | 5,174,834     | (4,565,388)  | 5,467,343     | (4,461,849)   | 63,033,729      | (49,116,270)   |
| 35%          | 35%          | 35%          | 35%           | 35%          | 35%           | 35%           | 35%             | 35%            |
| (1,581,611)  | 1,782,031    | (1,592,400)  | 1,811,192     | (1,597,886)  | 1,913,570     | (1,561,647)   | 22,061,805      | (17,190,695)   |

(Whole \$)

|                 | October 2010   |                 | November 2010  |                 | December 2010  |                 | Total Year 2010 |                 |
|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|
|                 | Recorded       |                 | Recorded       |                 | Recorded       |                 | Recorded        |                 |
| <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u>  | <u>Proposed</u> |
| 0               | (0)            | (0)             | (0)            | (0)             | 0              | 0               | 0               | 0               |

(Whole \$)

YTD Set09

82,839,353

31,374,693

2,872,572

13,814,259

48,061,524

34,777,829

(Whole \$)

YTD Set09

(Whole \$)

YTD Set09

Pacific Gas and Electric Company  
 Smart Meter - Deploy Electric  
 D.06.07.027: \$1.61B total cost, "(in place) at least until PG&E's next general rate case"  
 Capital-Related Revenue Requirements (RRQ)  
 (whole \$)

|                       | Dec-08    | Jan-09    | Feb-09    | Mar-09    | Apr-09    | May-09    | Jun-09    | Jul-09    | Aug-09    | Sep-09     | Oct-09     | Nov-09     | Dec-09 | Annual      |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|--------|-------------|
| 1 Depreciation        | 1,134,222 | 1,169,597 | 1,245,523 | 1,327,788 | 1,465,678 | 1,559,561 | 1,714,279 | 1,805,069 | 1,919,232 | 12,177,854 | 20,699,121 | 14,921,594 | -      | 61,216,501  |
| 2 Return on Rate Base | 1,796,950 | 1,494,398 | 1,632,278 | 1,872,250 | 2,094,633 | 2,374,201 | 2,663,728 | 2,854,903 | 3,015,268 | 3,149,894  | 3,185,989  | 3,152,632  | -      | 28,727,022  |
| 3 Income Taxes        | 157,881   | 377,374   | 482,939   | 538,861   | 662,648   | 788,924   | 912,901   | 978,475   | 1,053,094 | 1,095,476  | 1,091,778  | 1,056,638  | -      | 15,539,561  |
| 4 Property Taxes      | 162,077   | 162,077   | 162,077   | 162,077   | 162,077   | 162,077   | 162,077   | 162,077   | 162,077   | 162,077    | 162,077    | 162,077    | -      | 2,266,132   |
| 5 Total               | 3,153,031 | 3,167,311 | 3,499,868 | 3,926,194 | 4,389,036 | 4,922,762 | 5,468,778 | 5,865,778 | 6,207,151 | 10,924,836 | 27,994,499 | 21,296,676 | -      | 107,749,216 |

| Inception to Date RRQ by Component and Period |           |             |            |             |             |      |      |      |      |      |      |             |
|---|-----------|-------------|------------|-------------|-------------|------|------|------|------|------|------|-------------|
| 2009  | 2009      | 2007        | 2008       | 2009        | 2009        | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 |             |
| n/a   | 241,903   | 2,280,177   | 18,839,959 | 61,216,501  | 62,898,537  | -    | -    | -    | -    | -    | -    | 61,216,501  |
| n/a   | 313,790   | 3,303,903   | 14,439,283 | 28,727,022  | 46,783,999  | -    | -    | -    | -    | -    | -    | 28,727,022  |
| n/a   | (111,947) | (1,573,541) | 4,213,508  | 15,539,561  | 17,862,999  | -    | -    | -    | -    | -    | -    | 15,539,561  |
| n/a   | 36,694    | 306,342     | 1,820,344  | 2,866,132   | 4,609,312   | -    | -    | -    | -    | -    | -    | 2,866,132   |
| n/a   | 481,340   | 4,299,782   | 39,412,509 | 107,749,216 | 151,942,847 | -    | -    | -    | -    | -    | -    | 107,749,216 |

| Inception to Date Capital Actions by Period |            |            |            |             |             |      |      |      |      |      |      |             |
|---|------------|------------|------------|-------------|-------------|------|------|------|------|------|------|-------------|
| 2009  | 2009       | 2007       | 2008       | 2009        | 2009        | 2009 | 2009 | 2009 | 2009 | 2009 | 2009 |             |
| n/a   | 14,185,284 | 57,391,721 | 62,297,164 | 132,541,511 | 566,394,690 | -    | -    | -    | -    | -    | -    | 566,394,690 |

| Var. from Dec09 model without Dec09 retir |                    |
|---|--------------------|
| Plant                                     | 0                  |
| Depreciation Reserve                      | (1,038,997)        |
| Deferred Taxes                            | 3,730,486          |
|   | <u>(2,308,511)</u> |

The Model RRQ (do not have source file for comparison)

|                              |           |           |           |             |             |             |             |             |             |             |              |              |   |             |
|------------------------------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|---|-------------|
| Sum of lines 1-4 from above. | 2,866,954 | 3,167,311 | 3,335,869 | 3,788,117   | 4,226,979   | 4,760,665   | 5,250,164   | 5,592,447   | 5,965,539   | 18,009,024  | 27,778,887   | 20,881,694   | - | 105,463,084 |
| ducc                         | 1,471,492 | 1,467,719 | 1,456,798 | 1,456,791   | 1,482,833   | 1,519,644   | 1,449,628   | 1,573,439   | 1,643,844   | 1,139,493   | 1,738,976    | 1,793,476    | - |             |
|                              | (377,112) | (292,688) | (881,261) | (1,371,235) | (2,164,416) | (2,243,972) | (2,767,395) | (3,018,754) | (3,341,695) | (9,485,833) | (25,402,911) | (24,017,389) | - |             |



**ANALYSIS**

|                        | Jan-08      | Feb-08      | Mar-08      | Apr-08      | May-08      | Jun-08      | Jul-08      | Aug-08      | Sep-08      | Oct-08      | Nov-08      | Dec-08      |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Depreciation</b>    |             |             |             |             |             |             |             |             |             |             |             |             |
| Depreciation (line 1)  | 1,134,232   | 1,169,597   | 1,246,523   | 1,337,785   | 1,469,678   | 1,597,263   | 1,714,275   | 1,809,069   | 1,915,222   | 2,037,784   | 2,169,912   | 2,312,594   |
| Plant Balance (line 8) | 236,962,667 | 248,470,509 | 274,876,732 | 310,541,747 | 345,943,344 | 388,146,863 | 430,115,265 | 462,945,152 | 501,460,736 | 531,164,938 | 545,778,638 | 588,546,286 |
| Monthly Dep Rate       | 0.48%       | 0.47%       | 0.45%       | 0.44%       | 0.43%       | 0.41%       | 0.40%       | 0.39%       | 0.38%       | 0.37%       | 0.36%       | 0.35%       |
| Annual Dep Rate        | 5.74%       | 5.65%       | 5.44%       | 5.26%       | 5.11%       | 4.93%       | 4.78%       | 4.69%       | 4.59%       | 4.51%       | 4.43%       | 4.32%       |

CPUC authorized depreciation rate is from May 1, 2008 Letter consistent with parameters authorized by CPUC.

|                             | Jan-08      | Feb-08      | Mar-08      | Apr-08      | May-08      | Jun-08      | Jul-08      | Aug-08      | Sep-08      | Oct-08      | Nov-08      | Dec-08      |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Return on Rate Base</b>  |             |             |             |             |             |             |             |             |             |             |             |             |
| Return (line 2)             | 1,396,800   | 1,464,398   | 1,637,275   | 1,872,250   | 2,094,653   | 2,374,201   | 2,633,728   | 2,804,903   | 3,015,268   | 3,148,694   | 3,161,988   | 3,132,812   |
| Mid Avg Rate Base (line 21) | 190,696,293 | 199,917,763 | 223,516,724 | 255,597,338 | 285,959,516 | 324,122,957 | 358,166,386 | 382,921,967 | 411,640,674 | 429,855,861 | 431,670,808 | 427,687,688 |
| Monthly Return              | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       |
| Annual Return               | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       |

0 0 0 0 0 0 0 0 0 0 0 0 0

Return on rate base is consistent with PG&E's annual case of capital proceedings adopted by the CPUC effective 2008.

|                     | Jan-08    | Feb-08    | Mar-08      | Apr-08      | May-08      | Jun-08      | Jul-08      | Aug-08      | Sep-08      | Oct-08      | Nov-08       | Dec-08       |
|---------------------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| <b>Income Taxes</b> |           |           |             |             |             |             |             |             |             |             |              |              |
| State               | (153,317) | (149,795) | (138,805)   | (125,955)   | (111,207)   | (96,025)    | (75,635)    | (75,687)    | (79,026)    | (89,443)    | (1,749,207)  | (1,046,962)  |
| Federal             | (503,800) | (751,091) | (1,335,945) | (1,959,170) | (2,639,304) | (3,318,811) | (4,074,958) | (4,907,530) | (5,746,358) | (6,366,882) | (11,153,123) | (17,353,833) |
| Deferred            | 996,998   | 1,272,132 | 1,926,286   | 2,638,211   | 3,413,159   | 4,855,750   | 5,667,750   | 7,033,120   | 8,875,482   | 11,099,913  | 13,331,698   | 15,133,190   |
| Total               | (337,889) | (377,239) | (452,191)   | (506,681)   | (602,648)   | (786,924)   | (912,161)   | (978,473)   | (1,151,089) | (1,692,478) | (3,917,778)  | (2,856,698)  |

**Annual**

|  |              |
|--|--------------|
|  | (2,736,180)  |
|  | (62,386,333) |
|  | 80,183,661   |
|  | 15,339,568   |

**Property Taxes**

Property taxes are calculated on net plant.

|                             |           |
|-----------------------------|-----------|
| <b>Factors</b>              |           |
| Property Tax Rate 2009-2010 | 0.01170   |
| Property Tax Rate 2008-2009 | 0.0115045 |
| Property Tax Rate Prior     | 0.009980  |

(Whole \$)

## REVENUE REQUIREMENTS

|                                     | January 2009 |             | February 2009 |           | March 2009  |             | April 2009 |             |             |   |             |             |
|-------------------------------------|--------------|-------------|---------------|-----------|-------------|-------------|------------|-------------|-------------|---|-------------|-------------|
|                                     | Recorded     |             | Recorded      |           | Recorded    |             | Recorded   |             |             |   |             |             |
|                                     | Present      | Proposed    | Present       | Proposed  | Present     | Proposed    | Present    | Proposed    |             |   |             |             |
| <b>REVENUE REQUIREMENT SUMMARY</b>  |              |             |               |           |             |             |            |             |             |   |             |             |
| ERAM Revenue                        | 0            | 3,031,031   | 0             | 3,167,311 | 0           | 3,498,066   | 0          | 3,950,194   |             |   |             |             |
| Other Revenue                       | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Total Revenue                       | 0            | 3,031,031   | 0             | 3,167,311 | 0           | 3,498,066   | 0          | 3,950,194   |             |   |             |             |
| Operating Expenses                  |              |             |               |           |             |             |            |             |             |   |             |             |
| Fuel Expense                        | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| O&M Expense                         | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| A&G Expense                         | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Franchise Fees                      | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Uncollectible Accounts              | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Expense Adjustments                 | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Total Operating Expenses            | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Depreciation                        | C            | 1,134,222   | 1,134,222     | C         | 1,169,597   | 1,169,597   | C          | 1,246,523   | 1,246,523   | C | 1,357,785   | 1,357,785   |
| Taxes Other Than Income             |              |             |               |           |             |             |            |             |             |   |             |             |
| Super Fund Tax                      |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   |             |             |
| Property Tax                        |              | 162,077     | 162,077       | A         | 162,077     | 162,077     | A          | 162,077     | 162,077     |   |             |             |
| Payroll Tax                         |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   |             |             |
| Other                               |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   |             |             |
| Total Other Taxes                   |              | 162,077     | 162,077       |           | 162,077     | 162,077     |            | 162,077     | 162,077     |   |             |             |
| Income Taxes                        |              |             |               |           |             |             |            |             |             |   |             |             |
| State                               |              | (423,260)   | (155,317)     |           | (429,789)   | (149,799)   |            | (447,779)   | (138,550)   |   | (475,150)   | (125,953)   |
| Federal                             |              | (567,663)   | 493,198       |           | (587,521)   | 521,038     |            | (633,581)   | 590,742     |   | (698,533)   | 684,034     |
| Total Income Taxes                  |              | (990,923)   | 337,881       |           | (1,017,310) | 371,239     |            | (1,081,361) | 452,191     |   | (1,173,684) | 558,081     |
| Total Expenses                      |              | 305,377     | 1,634,181     |           | 314,364     | 1,702,913   |            | 327,239     | 1,860,791   |   | 346,178     | 2,077,943   |
| Operating Income                    |              | (305,377)   | 1,396,850     |           | (314,364)   | 1,464,398   |            | (327,239)   | 1,637,275   |   | (346,178)   | 1,872,250   |
| Rate Base                           | C            | 190,696,293 | 190,696,293   | C         | 199,917,765 | 199,917,765 | C          | 223,518,724 | 223,518,724 | C | 255,597,336 | 255,597,336 |
| Rate of Return                      |              | -1.92       | 8.79          |           | -1.89       | 8.79        |            | -1.76       | 8.79        |   | -1.63       | 8.79        |
| Income Requirement @ Authorized RoR |              | 1,396,850   | 1,396,850     |           | 1,464,398   | 1,464,398   |            | 1,637,275   | 1,637,275   |   | 1,872,250   | 1,872,250   |
| Income Deficiency                   |              | 1,702,227   | 0             |           | 1,778,762   | 0           |            | 1,964,514   | 0           |   | 2,218,429   | 0           |
| Revenue Deficiency                  |              | 3,031,031   | 0             |           | 3,167,311   | 0           |            | 3,498,066   | 0           |   | 3,950,194   | 0           |
| <b>STATE TAX COMPUTATION</b>        |              |             |               |           |             |             |            |             |             |   |             |             |
| Book Depreciation                   |              |             | 1,134,222     |           | 1,169,597   |             | 1,246,523  |             | 1,357,785   |   |             |             |
| State Taxes                         |              |             | (423,260)     |           | (429,789)   |             | (447,779)  |             | (475,150)   |   |             |             |
| Federal Taxes                       |              |             | (567,663)     |           | (587,521)   |             | (633,581)  |             | (698,533)   |   |             |             |
| Operating Income                    |              |             | 143,300       |           | 152,287     |             | 165,162    |             | 184,102     |   |             |             |
| Income Requirement                  |              |             | 1,396,850     |           | 1,464,398   |             | 1,637,275  |             | 1,872,250   |   |             |             |
| Income Deficiency                   |              |             | 1,702,227     |           | 1,778,762   |             | 1,964,514  |             | 2,218,429   |   |             |             |
| Total Revenue Gross Up              |              | 0           | 3,031,031     |           | 0           | 3,167,311   |            | 0           | 3,498,066   |   | 0           | 3,950,194   |

(Whole \$)

## REVENUE REQUIREMENTS

|                          | January 2009 |             | February 2009 |             | March 2009  |             | April 2009  |             |
|--------------------------|--------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
|                          | Recorded     |             | Recorded      |             | Recorded    |             | Recorded    |             |
|                          | Present      | Proposed    | Present       | Proposed    | Present     | Proposed    | Present     | Proposed    |
| Less:                    |              |             |               |             |             |             |             |             |
| Total Operating Expenses | 0            | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| Total Other Taxes        | 162,077      | 162,077     | 162,077       | 162,077     | 162,077     | 162,077     | 162,077     | 162,077     |
| Interest Expense         | 441,780      | 441,780     | 463,143       | 463,143     | 517,818     | 517,818     | 592,134     | 592,134     |
| Adjustments              | 0            | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| Depreciation             | C 4,184,153  | 4,184,153   | C 4,236,647   | 4,236,647   | C 4,385,484 | 4,385,484   | C 4,620,794 | 4,620,794   |
| Total Deductions         | 4,788,010    | 4,788,010   | 4,861,867     | 4,861,867   | 5,065,379   | 5,065,379   | 5,375,005   | 5,375,005   |
| State Taxable Income     | (4,788,010)  | (1,756,979) | (4,861,867)   | (1,694,556) | (5,065,379) | (1,567,313) | (5,375,005) | (1,424,811) |
| Current State Tax        | (423,260)    | (155,317)   | (429,789)     | (149,799)   | (447,779)   | (138,550)   | (475,150)   | (125,953)   |
| Tax Adjustments          | 0            | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| Total State Tax          | (423,260)    | (155,317)   | (429,789)     | (149,799)   | (447,779)   | (138,550)   | (475,150)   | (125,953)   |

## FEDERAL TAX COMPUTATION

|                               |             |             |             |             |             |             |             |             |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Book Depreciation             |             | 1,134,222   |             | 1,169,597   |             | 1,246,523   |             | 1,357,785   |
| State Taxes                   |             | (423,260)   |             | (429,789)   |             | (447,779)   |             | (475,150)   |
| Federal Taxes                 |             | (567,663)   |             | (587,521)   |             | (633,581)   |             | (698,533)   |
| Operating Income              |             | 143,300     |             | 152,287     |             | 165,162     |             | 184,102     |
| Income Requirement            |             | 1,396,850   |             | 1,464,398   |             | 1,637,275   |             | 1,872,250   |
| Income Deficiency             |             | 1,702,227   |             | 1,778,762   |             | 1,964,514   |             | 2,218,429   |
| Total Revenue Gross Up        | 0           | 3,031,031   | 0           | 3,167,311   | 0           | 3,498,066   | 0           | 3,950,194   |
| Less:                         |             |             |             |             |             |             |             |             |
| Total Operating Expenses      | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Total Other Taxes             | 162,077     | 162,077     | 162,077     | 162,077     | 162,077     | 162,077     | 162,077     | 162,077     |
| Interest Expense              | 441,780     | 441,780     | 463,143     | 463,143     | 517,818     | 517,818     | 592,134     | 592,134     |
| Adjustments                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Federal Depreciation          | C 3,982,789 | 3,982,789   | C 4,804,232 | 4,804,232   | C 6,750,198 | 6,750,198   | C 8,895,530 | 8,895,530   |
| State Income Tax (Prior Year) | (116,186)   | (116,186)   | (116,186)   | (116,186)   | (116,186)   | (116,186)   | (116,186)   | (116,186)   |
| Preferred Div Credit          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Total Deductions              | 4,470,460   | 4,470,460   | 5,313,265   | 5,313,265   | 7,313,907   | 7,313,907   | 9,533,555   | 9,533,555   |
| Federal Taxable Income        | (4,470,460) | (1,439,428) | (5,313,265) | (2,145,955) | (7,313,907) | (3,815,842) | (9,533,555) | (5,583,361) |
| Current Federal Tax           | (1,564,661) | (503,800)   | (1,859,643) | (751,084)   | (2,559,868) | (1,335,545) | (3,336,744) | (1,954,176) |
| Tax Adjustments               | C 996,998   | 996,998     | C 1,272,122 | 1,272,122   | C 1,926,286 | 1,926,286   | C 2,638,211 | 2,638,211   |
| Total Federal Tax             | (567,663)   | 493,198     | (587,521)   | 521,038     | (633,581)   | 590,742     | (698,533)   | 684,034     |

## Reconciliation

|   |           |             |           |             |           |             |           |             |
|---|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| Revenue Deficiency                      | 0         | (3,031,031) | 0         | (3,167,311) | 0         | (3,498,066) | 0         | (3,950,194) |
| Book Depreciation                       | 1,134,222 | 1,134,222   | 1,169,597 | 1,169,597   | 1,246,523 | 1,246,523   | 1,357,785 | 1,357,785   |
| Other Taxes                             | 162,077   | 162,077     | 162,077   | 162,077     | 162,077   | 162,077     | 0 162,077 | 162,077     |
| State Tax Prior Year                    | (116,186) | (116,186)   | (116,186) | (116,186)   | (116,186) | (116,186)   | (116,186) | (116,186)   |
| Interest Expense                        | 441,780   | 441,780     | 463,143   | 463,143     | 517,818   | 517,818     | 592,134   | 592,134     |
| Total                                   | 1,621,893 | (1,409,138) | 1,678,631 | (1,488,680) | 1,810,232 | (1,687,834) | 1,995,810 | (1,954,384) |
| Federal Tax Rate                        | 35%       | 35%         | 35%       | 35%         | 35%       | 35%         | 35%       | 35%         |
| Reconciliation Difference Same as Above | 567,663   | (493,198)   | 587,521   | (521,038)   | 633,581   | (590,742)   | 698,533   | (684,034)   |

(Whole \$)

REVENUE REQUIREMENTS

| January 2009 |          |
|--------------|----------|
| Recorded     |          |
| Present      | Proposed |
| 0            | (0)      |

| February 2009 |          |
|---------------|----------|
| Recorded      |          |
| Present       | Proposed |
| (0)           | (0)      |

| March 2009 |          |
|------------|----------|
| Recorded   |          |
| Present    | Proposed |
| 0          | 0        |

| April 2009 |          |
|------------|----------|
| Recorded   |          |
| Present    | Proposed |
| (0)        | (0)      |

(Whole \$)

| <u>May 2009</u> |             | <u>June 2009</u> |           | <u>July 2009</u> |             | <u>August 2009</u> |             | <u>September 2009</u> |         |             |             |         |             |
|-----------------|-------------|------------------|-----------|------------------|-------------|--------------------|-------------|-----------------------|---------|-------------|-------------|---------|-------------|
| Recorded        |             | Recorded         |           | Recorded         |             | Recorded           |             | Recorded              |         |             |             |         |             |
| Present         | Proposed    | Present          | Proposed  | Present          | Proposed    | Present            | Proposed    | Present               |         |             |             |         |             |
| 0               | 4,389,056   | 0                | 4,922,762 | 0                | 5,465,776   | 0                  | 5,808,058   | 0                     |         |             |             |         |             |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     |         |             |             |         |             |
| 0               | 4,389,056   | 0                | 4,922,762 | 0                | 5,465,776   | 0                  | 5,808,058   | 0                     |         |             |             |         |             |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     |         |             |             |         |             |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     |         |             |             |         |             |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     |         |             |             |         |             |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     |         |             |             |         |             |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     |         |             |             |         |             |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     |         |             |             |         |             |
| C               | 1,469,678   | 1,469,678        | C         | 1,597,561        | 1,597,561   | C                  | 1,714,275   | 1,714,275             | C       | 1,809,069   | 1,809,069   | C       | 1,919,222   |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     | 0       |             |             |         |             |
| A               | 162,077     | 162,077          | A         | 162,077          | 162,077     | A                  | 215,612     | 215,612               | A       | 215,612     | 215,612     | A       | 215,612     |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     | 0       | 0           | 0           | 0       |             |
| 0               | 0           | 0                | 0         | 0                | 0           | 0                  | 0           | 0                     | 0       | 0           | 0           | 0       |             |
| 162,077         | 162,077     | 162,077          | 162,077   | 215,612          | 215,612     | 215,612            | 215,612     | 215,612               | 215,612 | 215,612     | 215,612     | 215,612 |             |
| (499,200)       | (111,207)   | (531,197)        | (96,025)  | (558,809)        | (75,635)    | (589,319)          | (75,887)    | (627,237)             |         |             |             |         |             |
| (762,315)       | 773,855     | (838,018)        | 884,949   | (925,226)        | 987,795     | (978,459)          | 1,054,362   | (1,040,299)           |         |             |             |         |             |
| (1,261,514)     | 662,648     | (1,369,215)      | 788,924   | (1,484,035)      | 912,161     | (1,567,778)        | 978,475     | (1,667,536)           |         |             |             |         |             |
| 370,240         | 2,294,403   | 390,423          | 2,548,561 | 445,851          | 2,842,047   | 456,902            | 3,003,155   | 467,298               |         |             |             |         |             |
| (370,240)       | 2,094,653   | (390,423)        | 2,374,201 | (445,851)        | 2,623,728   | (456,902)          | 2,804,903   | (467,298)             |         |             |             |         |             |
| C               | 285,959,516 | 285,959,516      | C         | 324,122,957      | 324,122,957 | C                  | 358,188,186 | 358,188,186           | C       | 382,921,967 | 382,921,967 | C       | 411,640,674 |
| -1.55           | 8.79        | -1.45            | 8.79      | -1.49            | 8.79        | -1.43              | 8.79        | -1.36                 |         |             |             |         |             |
| 2,094,653       | 2,094,653   | 2,374,201        | 2,374,201 | 2,623,728        | 2,623,728   | 2,804,903          | 2,804,903   | 3,015,268             |         |             |             |         |             |
| 2,464,894       | 0           | 2,764,623        | 0         | 3,069,580        | 0           | 3,261,806          | 0           | 3,482,566             |         |             |             |         |             |
| 4,389,056       | 0           | 4,922,762        | 0         | 5,465,776        | 0           | 5,808,058          | 0           | 6,201,151             |         |             |             |         |             |
|                 | 1,469,678   |                  | 1,597,561 |                  | 1,714,275   |                    | 1,809,069   |                       |         |             |             |         |             |
|                 | (499,200)   |                  | (531,197) |                  | (558,809)   |                    | (589,319)   |                       |         |             |             |         |             |
|                 | (762,315)   |                  | (838,018) |                  | (925,226)   |                    | (978,459)   |                       |         |             |             |         |             |
|                 | 208,164     |                  | 228,346   |                  | 230,239     |                    | 241,290     |                       |         |             |             |         |             |
|                 | 2,094,653   |                  | 2,374,201 |                  | 2,623,728   |                    | 2,804,903   |                       |         |             |             |         |             |
|                 | 2,464,894   |                  | 2,764,623 |                  | 3,069,580   |                    | 3,261,806   |                       |         |             |             |         |             |
| 0               | 4,389,056   | 0                | 4,922,762 | 0                | 5,465,776   | 0                  | 5,808,058   | 0                     |         |             |             |         |             |

(Whole \$)

| <u>May 2009</u> |                  | <u>June 2009</u> |                  | <u>July 2009</u> |                  | <u>August 2009</u> |                    | <u>September 2009</u> |
|-----------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|-----------------------|
| Recorded        |                  | Recorded         |                  | Recorded         |                  | Recorded           |                    | Recorded              |
| <u>Present</u>  | <u>Proposed</u>  | <u>Present</u>   | <u>Proposed</u>  | <u>Present</u>   | <u>Proposed</u>  | <u>Present</u>     | <u>Proposed</u>    | <u>Present</u>        |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                  | 0                     |
| 162,077         | 162,077          | 162,077          | 162,077          | 215,612          | 215,612          | 215,612            | 215,612            | 215,612               |
| 662,473         | 662,473          | 750,885          | 750,885          | 829,803          | 829,803          | 887,103            | 887,103            | 953,634               |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                  | 0                     |
| C 4,822,507     | 4,822,507        | C 5,096,058      | 5,096,058        | C 5,275,957      | 5,275,957        | C 5,563,794        | 5,563,794          | C 5,926,196           |
| 5,647,056       | 5,647,056        | 6,009,019        | 6,009,019        | 6,321,372        | 6,321,372        | 6,666,509          | 6,666,509          | 7,095,442             |
| (5,647,056)     | (1,258,000)      | (6,009,019)      | (1,086,257)      | (6,321,372)      | (855,596)        | (6,666,509)        | (858,450)          | (7,095,442)           |
| (499,200)       | (111,207)        | (531,197)        | (96,025)         | (558,809)        | (75,635)         | (589,319)          | (75,887)           | (627,237)             |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                  | 0                     |
| (499,200)       | (111,207)        | (531,197)        | (96,025)         | (558,809)        | (75,635)         | (589,319)          | (75,887)           | (627,237)             |
|                 | 1,469,678        |                  | 1,597,561        |                  | 1,714,275        |                    | 1,809,069          |                       |
|                 | (499,200)        |                  | (531,197)        |                  | (558,809)        |                    | (589,319)          |                       |
|                 | (762,315)        |                  | (838,018)        |                  | (925,226)        |                    | (978,459)          |                       |
|                 | 208,164          |                  | 228,346          |                  | 230,239          |                    | 241,290            |                       |
|                 | 2,094,653        |                  | 2,374,201        |                  | 2,623,728        |                    | 2,804,903          |                       |
|                 | 2,464,894        |                  | 2,764,623        |                  | 3,069,580        |                    | 3,261,806          |                       |
| 0               | 4,389,056        | 0                | 4,922,762        | 0                | 5,465,776        | 0                  | 5,808,058          | 0                     |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                  | 0                     |
| 162,077         | 162,077          | 162,077          | 162,077          | 215,612          | 215,612          | 215,612            | 215,612            | 215,612               |
| 662,473         | 662,473          | 750,885          | 750,885          | 829,803          | 829,803          | 887,103            | 887,103            | 953,634               |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                  | 0                     |
| C 11,221,560    | 11,221,560       | C 15,322,588     | 15,322,588       | C 17,893,560     | 17,893,560       | C 21,895,125       | 21,895,125         | C 27,277,685          |
| (116,186)       | (116,186)        | (116,186)        | (116,186)        | (116,186)        | (116,186)        | (116,186)          | (116,186)          | (116,186)             |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                  | 0                     |
| 11,929,924      | 11,929,924       | 16,119,364       | 16,119,364       | 18,822,788       | 18,822,788       | 22,881,653         | 22,881,653         | 28,330,745            |
| (11,929,924)    | (7,540,868)      | (16,119,364)     | (11,196,602)     | (18,822,788)     | (13,357,012)     | (22,881,653)       | (17,073,595)       | (28,330,745)          |
| (4,175,473)     | (2,639,304)      | (5,641,777)      | (3,918,811)      | (6,587,976)      | (4,674,954)      | (8,008,579)        | (5,975,758)        | (9,915,761)           |
| C 3,413,159     | 3,413,159        | C 4,803,760      | 4,803,760        | C 5,662,750      | 5,662,750        | C 7,030,120        | 7,030,120          | C 8,875,462           |
| (762,315)       | 773,855          | (838,018)        | 884,949          | (925,226)        | 987,795          | (978,459)          | 1,054,362          | (1,040,299)           |
| 0               | (4,389,056)      | 0                | (4,922,762)      | 0                | (5,465,776)      | 0                  | (5,808,058)        | 0                     |
| 1,469,678       | 1,469,678        | 1,597,561        | 1,597,561        | 1,714,275        | 1,714,275        | 1,809,069          | 1,809,069          | 1,919,222             |
| 0 162,077       | 162,077          | 0 162,077        | 162,077          | 0 215,612        | 215,612          | 0 215,612          | 215,612            | 0 215,612             |
| (116,186)       | (116,186)        | (116,186)        | (116,186)        | (116,186)        | (116,186)        | (116,186)          | (116,186)          | (116,186)             |
| 662,473         | 662,473          | 750,885          | 750,885          | 829,803          | 829,803          | 887,103            | 887,103            | 953,634               |
| 2,178,042       | (2,211,015)      | 2,394,336        | (2,528,426)      | 2,643,503        | (2,822,273)      | 2,795,597          | (3,012,462)        | 2,972,282             |
| 35%             | 35%              | 35%              | 35%              | 35%              | 35%              | 35%                | 35%                | 35%                   |
| <u>762,315</u>  | <u>(773,855)</u> | <u>838,018</u>   | <u>(884,949)</u> | <u>925,226</u>   | <u>(987,795)</u> | <u>978,459</u>     | <u>(1,054,362)</u> | <u>1,040,299</u>      |

(Whole \$)

| <u>May 2009</u> |                 | <u>June 2009</u> |                 | <u>July 2009</u> |                 | <u>August 2009</u> |                 | <u>September 2009</u> |
|-----------------|-----------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|-----------------------|
| Recorded        |                 | Recorded         |                 | Recorded         |                 | Recorded           |                 | Recorded              |
| <u>Present</u>  | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>     | <u>Proposed</u> | <u>Present</u>        |
| 0               | 0               | 0                | 0               | (0)              | (0)             | 0                  | 0               | (0)                   |

(Whole \$)

| Proposed    | October 2009 |             | November 2009 |            | December 2009 |             | Total Year 2009 |               |             |              |              |             |
|-------------|--------------|-------------|---------------|------------|---------------|-------------|-----------------|---------------|-------------|--------------|--------------|-------------|
|             | Recorded     |             | Recorded      |            | Recorded      |             | Recorded        |               |             |              |              |             |
|             | Present      | Proposed    | Present       | Proposed   | Present       | Proposed    | Present         | Proposed      |             |              |              |             |
| 6,201,151   | 0            | 18,224,636  | 0             | 27,994,499 | 0             | 20,881,064  | 0               | 107,533,604   |             |              |              |             |
| 0           | 0            | 0           | 0             | 0          | 0             | 0           | 0               | 0             |             |              |              |             |
| 6,201,151   | 0            | 18,224,636  | 0             | 27,994,499 | 0             | 20,881,064A | 0               | 107,533,604A1 |             |              |              |             |
| 0           | 0            | 0           | 0             | 0          | 0             | 0           | 0               | 0             |             |              |              |             |
| 0           | 0            | 0           | 0             | 0          | 0             | 0           | 0               | 0             |             |              |              |             |
| 0           | 0            | 0           | 0             | 0          | 0             | 0           | 0               | 0             |             |              |              |             |
| 0           | 0            | 0           | 0             | 0          | 0             | 0           | 0               | 0             |             |              |              |             |
| 0           | 0            | 0           | 0             | 0          | 0             | 0           | 0               | 0             |             |              |              |             |
| 0           | 0            | 0           | 0             | 0          | 0             | 0           | 0               | 0             |             |              |              |             |
| 0           | 0            | 0           | 0             | 0          | 0             | 0           | 0               | 0             |             |              |              |             |
| 1,919,222   | C            | 12,177,854  | 12,177,854    | C          | 20,699,121    | 20,699,121  | C               | 14,921,594    | 14,921,594A | 61,216,501   | 61,216,501A1 |             |
| 0           |              | 0           | 0             |            | 0             | 0           |                 | 0             | 0           | 0            | 0            |             |
| 215,612     | A            | 215,612     | 215,612       | A          | 215,612       | 215,612     | A               | 0             | 0           | 2,050,520    | 2,050,520    |             |
| 0           |              | 0           | 0             |            | 0             | 0           |                 | 0             | 0           | 0            | 0            |             |
| 0           |              | 0           | 0             |            | 0             | 0           |                 | 0             | 0           | 0            | 0            |             |
| 215,612     |              | 215,612     | 215,612       |            | 215,612       | 215,612     |                 | 0             | 0           | 2,050,520    | 2,050,520    |             |
| (79,055)    |              | (661,615)   | 949,443       |            | (725,506)     | 1,749,207   |                 | (798,924)     | 1,046,962   | (6,767,787)  | 2,738,183    |             |
| 1,130,104   |              | (4,645,589) | 1,733,033     |            | (7,629,504)   | 2,168,570   |                 | (5,528,676)   | 1,779,696   | (24,835,384) | 12,801,378   |             |
| 1,051,049   |              | (5,307,204) | 2,682,476     |            | (8,355,011)   | 3,917,778   |                 | (6,327,600)   | 2,826,658A  | (31,603,171) | 15,539,561A1 |             |
| 3,185,883   |              | 7,086,262   | 15,075,942    |            | 12,559,722    | 24,832,510  |                 | 8,593,993     | 17,748,252  | 31,663,850   | 78,806,582   |             |
| 3,015,268   |              | (7,086,262) | 3,148,694     |            | (12,559,722)  | 3,161,989   |                 | (8,593,993)   | 3,132,812   | (31,663,850) | 28,727,022   |             |
| 411,640,674 | C            | 429,855,861 | 429,855,861   | C          | 431,670,800   | 431,670,800 | C               | 427,687,688   | 427,687,688 | 326,814,814  | 326,814,814  |             |
| 8.79        |              | -19.78      | 8.79          |            | -34.91        | 8.79        |                 | -24.11        | 8.79        | -116.26      | 8.79         |             |
| 3,015,268   |              | 3,148,694   | 3,148,694     |            | 3,161,989     | 3,161,989   |                 | 3,132,812     | 3,132,812A  | 28,727,022   | 28,727,022A1 |             |
| 0           |              | 10,234,956  | 0             |            | 15,721,711    | 0           |                 | 11,726,806    | 0           | 60,390,872   | 0            |             |
| 0           |              | 18,224,636  | 0             |            | 27,994,499    | 0           |                 | 20,881,064    | 0           | 107,533,604  | 0            |             |
| 1,919,222   |              |             | 12,177,854    |            |               | 20,699,121  |                 |               | 14,921,594  |              | 61,216,501   |             |
| (627,237)   |              |             | (661,615)     |            |               | (725,506)   |                 |               | (798,924)   |              | (6,767,787)  |             |
| (1,040,299) |              |             | (4,645,589)   |            |               | (7,629,504) |                 |               | (5,528,676) |              | (24,835,384) |             |
| 251,687     |              |             | 6,870,650     |            |               | 12,344,110  |                 |               | 8,593,993   |              | 29,613,330   |             |
| 3,015,268   |              |             | 3,148,694     |            |               | 3,161,989   |                 |               | 3,132,812   |              | 28,727,022   |             |
| 3,482,566   |              |             | 10,234,956    |            |               | 15,721,711  |                 |               | 11,726,806  |              | 60,390,872   |             |
| 6,201,151   |              | 0           | 18,224,636    |            | 0             | 27,994,499  |                 | 0             | 20,881,064  |              | 0            | 107,533,604 |



(Whole \$)

| Proposed     | October 2009 |              | November 2009 |              | December 2009 |               | Total Year 2009 |                |
|--------------|--------------|--------------|---------------|--------------|---------------|---------------|-----------------|----------------|
|              | Recorded     |              | Recorded      |              | Recorded      |               | Recorded        |                |
|              | Present      | Proposed     | Present       | Proposed     | Present       | Proposed      | Present         | Proposed       |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 215,612      | 215,612      | 215,612      | 215,612       | 215,612      | 0             | 0             | 2,050,520       | 2,050,520      |
| 953,634      | 995,833      | 995,833      | 1,000,037     | 1,000,037    | 990,810       | 990,810       | 9,085,452       | 9,085,452      |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 5,926,196    | C 6,272,888  | 6,272,888    | C 6,991,436   | 6,991,436    | C 8,046,795   | 8,046,795     | 65,422,710      | 65,422,710     |
| 7,095,442    | 7,484,333    | 7,484,333    | 8,207,085     | 8,207,085    | 9,037,605     | 9,037,605     | 76,558,682      | 76,558,682     |
| (894,291)    | (7,484,333)  | 10,740,303   | (8,207,085)   | 19,787,414   | (9,037,605)   | 11,843,459    | (76,558,682)    | 30,974,922     |
| (79,055)     | (661,615)    | 949,443      | (725,506)     | 1,749,207    | (798,924)     | 1,046,962     | (6,767,787)     | 2,738,183      |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| (79,055)     | (661,615)    | 949,443      | (725,506)     | 1,749,207    | (798,924)     | 1,046,962A    | (6,767,787)     | 2,738,183A2    |
| 1,919,222    |              | 12,177,854   |               | 20,699,121   |               | 14,921,594    |                 | 61,216,501     |
| (627,237)    |              | (661,615)    |               | (725,506)    |               | (798,924)     |                 | (6,767,787)    |
| (1,040,299)  |              | (4,645,589)  |               | (7,629,504)  |               | (5,528,676)   |                 | (24,835,384)   |
| 251,687      |              | 6,870,650    |               | 12,344,110   |               | 8,593,993     |                 | 29,613,330     |
| 3,015,268    |              | 3,148,694    |               | 3,161,989    |               | 3,132,812     |                 | 28,727,022     |
| 3,482,566    |              | 10,234,956   |               | 15,721,711   |               | 11,726,806    |                 | 60,390,872     |
| 6,201,151    | 0            | 18,224,636   | 0             | 27,994,499   | 0             | 20,881,064    | 0               | 107,533,604    |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 215,612      | 215,612      | 215,612      | 215,612       | 215,612      | 0             | 0             | 2,050,520       | 2,050,520      |
| 953,634      | 995,833      | 995,833      | 1,000,037     | 1,000,037    | 990,810       | 990,810       | 9,085,452       | 9,085,452      |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 27,277,685   | C 43,891,897 | 43,891,897   | C 58,789,689  | 58,789,689   | C 69,587,878  | 69,587,878    | 290,312,732     | 290,312,732    |
| (116,186)    | (116,186)    | (116,186)    | (116,186)     | (116,186)    | (116,186)     | (116,186)     | (1,394,234)     | (1,394,234)    |
| 0            | 0            | 0            | 0             | 0            | 0             | 0             | 0               | 0              |
| 28,330,745   | 44,987,155   | 44,987,155   | 59,889,152    | 59,889,152   | 70,462,501    | 70,462,501    | 300,054,470     | 300,054,470    |
| (22,129,594) | (44,987,155) | (26,762,519) | (59,889,152)  | (31,894,654) | (70,462,501)  | (49,581,437)  | (300,054,470)   | (192,520,866)  |
| (7,745,358)  | (15,745,504) | (9,366,882)  | (20,961,203)  | (11,163,129) | (24,661,875)  | (17,353,503)A | (105,019,064)   | (67,382,303)A2 |
| 8,875,462    | C 11,099,915 | 11,099,915   | C 13,331,699  | 13,331,699   | C 19,133,199  | 19,133,199A   | 80,183,681      | 80,183,681A2   |
| 1,130,104    | (4,645,589)  | 1,733,033    | (7,629,504)   | 2,168,570    | (5,528,676)   | 1,779,696     | (24,835,384)    | 12,801,378     |
| (6,201,151)  | 0            | (18,224,636) | 0             | (27,994,499) | 0             | (20,881,064)  | 0               | (107,533,604)  |
| 1,919,222    | 12,177,854   | 12,177,854   | 20,699,121    | 20,699,121   | 14,921,594    | 14,921,594    | 61,216,501      | 61,216,501     |
| 215,612      | 215,612      | 215,612      | 215,612       | 215,612      | 0             | 0             | 2,050,520       | 2,050,520      |
| (116,186)    | (116,186)    | (116,186)    | (116,186)     | (116,186)    | (116,186)     | (116,186)     | (1,394,234)     | (1,394,234)    |
| 953,634      | 995,833      | 995,833      | 1,000,037     | 1,000,037    | 990,810       | 990,810       | 9,085,452       | 9,085,452      |
| (3,228,868)  | 13,273,113   | (4,951,524)  | 21,798,584    | (6,195,915)  | 15,796,218    | (5,084,847)   | 70,958,239      | (36,575,365)   |
| 35%          | 35%          | 35%          | 35%           | 35%          | 35%           | 35%           | 35%             | 35%            |
| (1,130,104)  | 4,645,589    | (1,733,033)  | 7,629,504     | (2,168,570)  | 5,528,676     | (1,779,696)   | 24,835,384      | (12,801,378)   |

(Whole \$)

|                 | October 2009   |                 | November 2009  |                 | December 2009  |                 | Total Year 2009 |                 |
|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|
|                 | Recorded       |                 | Recorded       |                 | Recorded       |                 | Recorded        |                 |
| <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u>  | <u>Proposed</u> |
| (0)             | 0              | 0               | 0              | 0               | 0              | 0               | 0               | (0)             |

(Whole \$)

YTD Set09

40,433,405

13,417,932

1,619,296

6,112,649

21,149,878

19,283,527

(Whole \$)

YTD Set09

(Whole \$)

YTD Set09

| Year       | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Revenue    | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Expenses   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Net Income | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |

| Year       | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Revenue    | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Expenses   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Net Income | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |

| Year       | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Revenue    | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Expenses   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Net Income | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |









| Year       | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |     |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|
| Revenue    | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100 |
| Expenses   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100 |
| Net Income | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0   |







| DATE    | DESCRIPTION     | AMOUNT  | BALANCE |
|---------|-----------------|---------|---------|
| 1/1/00  | OPENING BALANCE | 100.00  | 100.00  |
| 1/15/00 | SALES           | 50.00   | 150.00  |
| 1/20/00 | PAYROLL         | (20.00) | 130.00  |
| 1/25/00 | RENT            | (10.00) | 120.00  |
| 1/30/00 | SALES           | 30.00   | 150.00  |
| 2/5/00  | PAYROLL         | (20.00) | 130.00  |
| 2/10/00 | RENT            | (10.00) | 120.00  |
| 2/15/00 | SALES           | 40.00   | 160.00  |
| 2/20/00 | PAYROLL         | (20.00) | 140.00  |
| 2/25/00 | RENT            | (10.00) | 130.00  |
| 2/28/00 | SALES           | 30.00   | 160.00  |
| 3/5/00  | PAYROLL         | (20.00) | 140.00  |
| 3/10/00 | RENT            | (10.00) | 130.00  |
| 3/15/00 | SALES           | 40.00   | 170.00  |
| 3/20/00 | PAYROLL         | (20.00) | 150.00  |
| 3/25/00 | RENT            | (10.00) | 140.00  |
| 3/28/00 | SALES           | 30.00   | 170.00  |
| 3/31/00 | CLOSING BALANCE |         | 170.00  |









Table with multiple columns and rows, containing data that is mostly illegible due to low resolution and blurring.







| Year       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024       | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       | 2033       | 2034       | 2035       | 2036       | 2037       | 2038       | 2039       | 2040       | 2041       | 2042       | 2043       | 2044       | 2045       | 2046       | 2047       | 2048       | 2049       | 2050       |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |             |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Population | 32,000,000 | 32,500,000 | 33,000,000 | 33,500,000 | 34,000,000 | 34,500,000 | 35,000,000 | 35,500,000 | 36,000,000 | 36,500,000 | 37,000,000 | 37,500,000 | 38,000,000 | 38,500,000 | 39,000,000 | 39,500,000 | 40,000,000 | 40,500,000 | 41,000,000 | 41,500,000 | 42,000,000 | 42,500,000 | 43,000,000 | 43,500,000 | 44,000,000 | 44,500,000 | 45,000,000 | 45,500,000 | 46,000,000 | 46,500,000 | 47,000,000 | 47,500,000 | 48,000,000 | 48,500,000 | 49,000,000 | 49,500,000 | 50,000,000 | 50,500,000 | 51,000,000 | 51,500,000 | 52,000,000 | 52,500,000 | 53,000,000 | 53,500,000 | 54,000,000 | 54,500,000 | 55,000,000 | 55,500,000 | 56,000,000 | 56,500,000 | 57,000,000 | 57,500,000 | 58,000,000 | 58,500,000 | 59,000,000 | 59,500,000 | 60,000,000 | 60,500,000 | 61,000,000 | 61,500,000 | 62,000,000 | 62,500,000 | 63,000,000 | 63,500,000 | 64,000,000 | 64,500,000 | 65,000,000 | 65,500,000 | 66,000,000 | 66,500,000 | 67,000,000 | 67,500,000 | 68,000,000 | 68,500,000 | 69,000,000 | 69,500,000 | 70,000,000 | 70,500,000 | 71,000,000 | 71,500,000 | 72,000,000 | 72,500,000 | 73,000,000 | 73,500,000 | 74,000,000 | 74,500,000 | 75,000,000 | 75,500,000 | 76,000,000 | 76,500,000 | 77,000,000 | 77,500,000 | 78,000,000 | 78,500,000 | 79,000,000 | 79,500,000 | 80,000,000 | 80,500,000 | 81,000,000 | 81,500,000 | 82,000,000 | 82,500,000 | 83,000,000 | 83,500,000 | 84,000,000 | 84,500,000 | 85,000,000 | 85,500,000 | 86,000,000 | 86,500,000 | 87,000,000 | 87,500,000 | 88,000,000 | 88,500,000 | 89,000,000 | 89,500,000 | 90,000,000 | 90,500,000 | 91,000,000 | 91,500,000 | 92,000,000 | 92,500,000 | 93,000,000 | 93,500,000 | 94,000,000 | 94,500,000 | 95,000,000 | 95,500,000 | 96,000,000 | 96,500,000 | 97,000,000 | 97,500,000 | 98,000,000 | 98,500,000 | 99,000,000 | 99,500,000 | 100,000,000 |









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(Whole \$)

Dec09 ITD:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |              |                    |                   |                |              |                    |                  |               |                   |                  |
|-----------------------|----------------------|----------|------|--------------------|--------------|--------------------|-------------------|----------------|--------------|--------------------|------------------|---------------|-------------------|------------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy    | Deploy             |                   | Total Gas      | PreDeploy    | Deploy             |                  | SPUMA *       | Future Transfer * | Total            |
| <b>CMP30304 Total</b> | \$ 246,252,023       | 55%      | 45%  | \$ 135,438,613     |              | \$ 135,438,613     | To D, Elec Deploy | \$ 110,813,411 |              | \$ 110,813,411     | To D, Gas Deploy |               |                   | \$ 246,252,023   |
| <b>CMP39104 Total</b> | 65,355,644           | 55%      | 45%  | 35,945,604         |              | <b>35,945,604</b>  |                   | 29,410,040     |              | <b>29,410,040</b>  |                  |               |                   | 65,355,644       |
| <b>CMP39706 Total</b> | 238,494,193          |          | 100% |                    |              |                    |                   | 238,494,193    | 768,748      | <b>237,725,445</b> |                  |               |                   | 238,494,193      |
| <b>CMP39707 Total</b> | 12,682,017           | 100%     |      | 12,682,017         | 865,147      | <b>11,816,870</b>  |                   |                |              |                    |                  |               |                   | 12,682,017       |
| <b>CMP39708 Total</b> | 60,534,265           | 55%      | 45%  | 33,293,846         |              | <b>33,293,846</b>  |                   | 27,240,419     |              | <b>27,240,419</b>  |                  |               |                   | 60,534,265       |
| <b>EDP37000 Total</b> | 10,300,334           | 100%     |      | 10,300,334         | 835,012      | <b>9,465,322</b>   |                   |                |              |                    |                  |               |                   | 10,300,334       |
| <b>EDP37001 Total</b> | 357,678,088          | 100%     |      | 340,434,405        |              | <b>340,434,405</b> |                   |                |              |                    |                  | 17,243,683    | To D, SPUMA       | 357,678,088      |
| <b>GDP38100 Total</b> | 64,952,556           |          | 100% |                    |              |                    |                   | 64,952,556     | 483,182      | <b>64,469,374</b>  |                  |               |                   | 64,952,556       |
| <b>Smart Meter</b>    | \$ 1,056,249,121     |          |      | \$ 568,094,819     | \$ 1,700,159 | \$ 566,394,660     |                   | \$ 470,910,619 | \$ 1,251,930 | \$ 469,658,689     |                  | \$ 17,243,683 | See Below         | \$ 1,056,249,121 |

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checks

\* 9/3/2008: Per Eric Lam, SPUMA additions come from Order 6105106 and go to asset class EDP37001.

Nov09 ITD:  
Whole \$'s

|                       | Before Allocation | Allocation Percents: |      | Allocated Amounts: |              |                |                         |                |              |                |
|-----------------------|-------------------|----------------------|------|--------------------|--------------|----------------|-------------------------|----------------|--------------|----------------|
|                       |                   | Electric             | Gas  | Total Electric     | PreDeploy    | Deploy         |                         | Total Gas      | PreDeploy    | Deploy         |
| <b>CMP30304 Total</b> | \$ 245,226,177    | 55%                  | 45%  | \$ 134,874,397     |              | \$ 134,874,397 | To D,<br>Elec<br>Deploy | \$ 110,351,779 |              | \$ 110,351,779 |
| <b>CMP39104 Total</b> | 65,478,953        | 55%                  | 45%  | 36,013,424         |              | 36,013,424     |                         | 29,465,529     |              | 29,465,529     |
| <b>CMP39706 Total</b> | 234,068,291       |                      | 100% |                    |              | -              |                         | 234,068,291    | 768,748      | 233,299,543    |
| <b>CMP39707 Total</b> | 12,970,456        | 100%                 |      | 12,970,456         | 865,147      | 12,105,309     |                         |                |              | -              |
| <b>CMP39708 Total</b> | 54,820,608        | 55%                  | 45%  | 30,151,334         |              | 30,151,334     |                         | 24,669,274     |              | 24,669,274     |
| <b>EDP37000 Total</b> | 10,481,895        | 100%                 |      | 10,481,895         | 835,012      | 9,646,883      |                         |                |              | -              |
| <b>EDP37001 Total</b> | 345,150,447       | 100%                 |      | 327,906,764        |              | 327,906,764    |                         |                |              | -              |
| <b>GDP38100 Total</b> | 62,182,869        |                      | 100% |                    |              | -              |                         | 62,182,869     | 483,182      | 61,699,687     |
| <b>Smart Meter</b>    | \$ 1,030,379,695  |                      |      | \$ 552,398,270     | \$ 1,700,159 | \$ 550,698,111 | ↓                       | \$ 460,737,742 | \$ 1,251,930 | \$ 459,485,812 |
| check                 | -                 |                      |      | -                  | -            | -              |                         | -              | -            | -              |

\* 9/3/2008: Per Eric Lam, SPUMA additions come from Order 6105106 and go to asset class EDP37001.

| ounts:                 |                      |                |                   |                         |
|------------------------|----------------------|----------------|-------------------|-------------------------|
|                        | SPUMA *              |                | Future Transfer * | Total                   |
| To D,<br>Gas<br>Deploy |                      |                |                   | \$ 245,226,177          |
|                        |                      |                |                   | 65,478,953              |
|                        |                      |                |                   | 234,068,291             |
|                        |                      |                |                   | 12,970,456              |
|                        |                      |                |                   | 54,820,608              |
|                        |                      |                |                   | 10,481,895              |
|                        | 17,243,683           | To D,<br>SPUMA |                   | 345,150,447             |
|                        |                      |                |                   | 62,182,869              |
|                        | <b>\$ 17,243,683</b> |                | See Below         | <b>\$ 1,030,379,695</b> |

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checks



| Year       | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Revenue    | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Expenses   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Net Income | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |

Financial Summary

| Category   | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Revenue    | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Expenses   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Net Income | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |

| Category   | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Revenue    | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Expenses   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Net Income | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |

| Category   | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Revenue    | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Expenses   | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| Net Income | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |





| SECTION 1 - GENERAL NOTES |  |  |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|--|--|
| 1.01 GENERAL NOTES        |  |  |  |  |  |  |  |  |  |
| 1.02 MATERIALS            |  |  |  |  |  |  |  |  |  |
| 1.03 CONSTRUCTION         |  |  |  |  |  |  |  |  |  |
| 1.04 FINISHES             |  |  |  |  |  |  |  |  |  |
| 1.05 UTILITIES            |  |  |  |  |  |  |  |  |  |
| 1.06 EROSION CONTROL      |  |  |  |  |  |  |  |  |  |
| 1.07 SIGNAGE              |  |  |  |  |  |  |  |  |  |
| 1.08 LIGHTING             |  |  |  |  |  |  |  |  |  |
| 1.09 FURNISHING           |  |  |  |  |  |  |  |  |  |
| 1.10 MAINTENANCE          |  |  |  |  |  |  |  |  |  |
| 1.11 INSPECTION           |  |  |  |  |  |  |  |  |  |
| 1.12 TESTING              |  |  |  |  |  |  |  |  |  |
| 1.13 RECORD DRAWINGS      |  |  |  |  |  |  |  |  |  |
| 1.14 AS-BUILT DRAWINGS    |  |  |  |  |  |  |  |  |  |
| 1.15 PROJECT CLOSEOUT     |  |  |  |  |  |  |  |  |  |
| 1.16 PROJECT COMPLETION   |  |  |  |  |  |  |  |  |  |

| SECTION 2 - EXISTING CONDITIONS  |  |  |  |  |  |  |  |  |  |
|----------------------------------|--|--|--|--|--|--|--|--|--|
| 2.01 EXISTING UTILITIES          |  |  |  |  |  |  |  |  |  |
| 2.02 EXISTING EROSION CONTROL    |  |  |  |  |  |  |  |  |  |
| 2.03 EXISTING SIGNAGE            |  |  |  |  |  |  |  |  |  |
| 2.04 EXISTING LIGHTING           |  |  |  |  |  |  |  |  |  |
| 2.05 EXISTING FURNISHING         |  |  |  |  |  |  |  |  |  |
| 2.06 EXISTING MAINTENANCE        |  |  |  |  |  |  |  |  |  |
| 2.07 EXISTING INSPECTION         |  |  |  |  |  |  |  |  |  |
| 2.08 EXISTING TESTING            |  |  |  |  |  |  |  |  |  |
| 2.09 EXISTING RECORD DRAWINGS    |  |  |  |  |  |  |  |  |  |
| 2.10 EXISTING AS-BUILT DRAWINGS  |  |  |  |  |  |  |  |  |  |
| 2.11 EXISTING PROJECT CLOSEOUT   |  |  |  |  |  |  |  |  |  |
| 2.12 EXISTING PROJECT COMPLETION |  |  |  |  |  |  |  |  |  |

| SECTION 3 - PROPOSED CONDITIONS  |  |  |  |  |  |  |  |  |  |
|----------------------------------|--|--|--|--|--|--|--|--|--|
| 3.01 PROPOSED UTILITIES          |  |  |  |  |  |  |  |  |  |
| 3.02 PROPOSED EROSION CONTROL    |  |  |  |  |  |  |  |  |  |
| 3.03 PROPOSED SIGNAGE            |  |  |  |  |  |  |  |  |  |
| 3.04 PROPOSED LIGHTING           |  |  |  |  |  |  |  |  |  |
| 3.05 PROPOSED FURNISHING         |  |  |  |  |  |  |  |  |  |
| 3.06 PROPOSED MAINTENANCE        |  |  |  |  |  |  |  |  |  |
| 3.07 PROPOSED INSPECTION         |  |  |  |  |  |  |  |  |  |
| 3.08 PROPOSED TESTING            |  |  |  |  |  |  |  |  |  |
| 3.09 PROPOSED RECORD DRAWINGS    |  |  |  |  |  |  |  |  |  |
| 3.10 PROPOSED AS-BUILT DRAWINGS  |  |  |  |  |  |  |  |  |  |
| 3.11 PROPOSED PROJECT CLOSEOUT   |  |  |  |  |  |  |  |  |  |
| 3.12 PROPOSED PROJECT COMPLETION |  |  |  |  |  |  |  |  |  |

| SECTION 4 - SUPPLEMENTAL NOTES |  |  |  |  |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|--|--|--|--|
| 4.01 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.02 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.03 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.04 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.05 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.06 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.07 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.08 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.09 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |
| 4.10 SUPPLEMENTAL NOTES        |  |  |  |  |  |  |  |  |  |

(Whole \$)

Dec10:  
Whole \$'s

| I. SMBA Amount: (input to normal AMI RRQ models) |                           |   | Allocation Percents: |      |                |           | Allocated Amounts: |              |           |              |       |                      |               |
|--|---------------------------|---|----------------------|------|----------------|-----------|--------------------|--------------|-----------|--------------|-------|----------------------|---------------|
| Total<br>wo HAN                                  | SMBA<br>portion<br>Note 1 | TOTAL<br>SMBA Portion<br>before<br>allocation | Electric             | Gas  | Total Electric | PreDeploy | Deploy-E           | Total Gas    | PreDeploy | Deploy-G     | SPUMA | Future<br>Transfer * | Total         |
| CMP30304 Total                                   | \$ 145,929                | \$ -  | 55%                  | 45%  | \$ 80,261      |           | \$ 80,261          | \$ 65,668    |           | \$ 65,668    |       |                      | \$ 145,929    |
| CMP39104 Total                                   | 296,880                   | -   | 55%                  | 45%  | 163,284        |           | 163,284            | 133,596      |           | 133,596      |       |                      | 296,880       |
| CMP39706 Total                                   | (44,968)                  | (44,968)                                      |                      | 100% |                |           |                    | (44,968)     |           | (44,968)     |       |                      | (44,968)      |
| CMP39707 Total                                   | (97,359)                  | (97,359)                                      | 100%                 |      | (97,359)       |           | (97,359)           |              |           |              |       |                      | (97,359)      |
| CMP39708 Total                                   | 3,080,564                 | 3,080,564                                     | 55%                  | 45%  | 1,694,310      |           | 1,694,310          | 1,386,254    |           | 1,386,254    |       |                      | 3,080,564     |
| EDP37000 Total                                   | (147,745)                 | (147,745)                                     | 100%                 |      | (147,745)      |           | (147,745)          |              |           |              |       |                      | (147,745)     |
| EDP37001 Total                                   | 22,641,379                | 22,641,379                                    | 100%                 |      | 22,641,379     |           | 22,641,379         |              |           |              |       |                      | 22,641,379    |
| GDP38100 Total                                   | 319,899                   | 319,899                                       |                      | 100% |                |           |                    | 319,899      |           | 319,899      |       |                      | 319,899       |
| Smart Meter                                      | \$ 26,194,578             | \$ -  |                      |      | \$ 24,334,129  | \$ -      | \$ 24,334,129      | \$ 1,860,449 | \$ -      | \$ 1,860,449 | \$ -  | See Below            | \$ 26,194,578 |

check - s/b zero (Note 1) -

Input to Deploy-  
Electric Model

Input to Deploy-  
Gas Model

Note 1: Nov2010 & forward SBMA-HAN adds are zero (HAN adds are 100% non-SMBA). This is because the \$600K maximum allowed SMBA-HAN additions were reached in Oct2010 (per discussion between J. Basel and G. DeGuzman 12-6-2010). HAN orders are 6110703 and 6110704.

checks

| II. Total - SMBA + non-SMBA HAN: (input to UI Planner Model) |                              |                                      | Allocation Percents: |      |                |           | Allocated Amounts: |              |           |              |       |                      |               |
|--|------------------------------|--------------------------------------|----------------------|------|----------------|-----------|--------------------|--------------|-----------|--------------|-------|----------------------|---------------|
| TOTAL<br>SMBA  | HAN -<br>non-SMBA<br>Portion | Total<br>(Major Work<br>Category 97) | Electric             | Gas  | Total Electric | PreDeploy | Deploy-E           | Total Gas    | PreDeploy | Deploy-G     | SPUMA | Future<br>Transfer * | Total         |
| CMP30304 Total   | \$ 145,929                   | \$ (1,164)                           | 55%                  | 45%  | \$ 79,621      |           | \$ 79,621          | \$ 65,144    |           | \$ 65,144    |       |                      | \$ 144,765    |
| CMP39104 Total   | 296,880                      | -                                    | 55%                  | 45%  | 163,284        |           | 163,284            | 133,596      |           | 133,596      |       |                      | 296,880       |
| CMP39706 Total   | (44,968)                     | (44,968)                             |                      | 100% |                |           |                    | (44,968)     |           | (44,968)     |       |                      | (44,968)      |
| CMP39707 Total   | (97,359)                     | (97,359)                             | 100%                 |      | (97,359)       |           | (97,359)           |              |           |              |       |                      | (97,359)      |
| CMP39708 Total   | 3,080,564                    | 3,080,564                            | 55%                  | 45%  | 1,694,310      |           | 1,694,310          | 1,386,254    |           | 1,386,254    |       |                      | 3,080,564     |
| EDP37000 Total   | (147,745)                    | (147,745)                            | 100%                 |      | (147,745)      |           | (147,745)          |              |           |              |       |                      | (147,745)     |
| EDP37001 Total   | 22,641,379                   | 22,641,379                           | 100%                 |      | 22,641,379     |           | 22,641,379         |              |           |              |       |                      | 22,641,379    |
| GDP38100 Total   | 319,899                      | 319,899                              |                      | 100% |                |           |                    | 319,899      |           | 319,899      |       |                      | 319,899       |
| Smart Meter  | \$ 26,194,578                | \$ (1,164)                           |                      |      | \$ 24,333,489  | \$ -      | \$ 24,333,489      | \$ 1,859,925 | \$ -      | \$ 1,859,925 | \$ -  | See Below            | \$ 26,193,414 |

check

Input to New RRQ  
model

0

checks

SmartMeter Retirements December 2010 Adjustment

0.00273

0.00273

0.00417

|                              | RETIRED Sept, Oct, Nov 2010 |                          |                   | Inventory Retired |                           |             | RETIRED - Total gross plant |                     |                   |
|------------------------------|-----------------------------|--------------------------|-------------------|-------------------|---------------------------|-------------|-----------------------------|---------------------|-------------------|
|                              | Retired                     | Accum Depr<br>6/07 -8/10 | NBV               | Retired           | Accum Depr<br>6/07 - 8/10 | NBV         | Retired                     | Depr 6/07 -<br>8/10 | NBV               |
| EDP37001 <b>Hex Electric</b> |                             |                          |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 59                          |                          |                   |                   |                           |             | 59                          |                     |                   |
| \$/unit                      | 185.27                      |                          |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 10,931                   | 1,132                    | 9,799             | \$ -              | -                         | -           | 10,931                      | 1,132               | 9,799             |
| EDP37000 <b>DCSI Meters</b>  |                             |                          |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 2,306                       |                          |                   |                   |                           |             | 2,306                       |                     |                   |
| \$/unit                      | 64.07                       |                          |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 147,745                  | 13,334                   | 134,411           | \$ -              | -                         | -           | \$ 147,745                  | 13,334              | 134,411           |
| CMP39707 <b>DCSI Modules</b> |                             |                          |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 2,306                       |                          |                   |                   |                           |             | 2,306                       |                     |                   |
| \$/unit                      | 42.22                       |                          |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 97,359                   | 15,415                   | 81,944            | \$ -              | -                         | -           | \$ 97,359                   | 15,415              | 81,944            |
|                              | <b>\$ 256,036</b>           | <b>\$ 29,881</b>         | <b>\$ 226,155</b> | <b>\$ -</b>       | <b>\$ -</b>               | <b>\$ -</b> | <b>\$ 256,036</b>           | <b>\$ 29,881</b>    | <b>\$ 226,155</b> |

| COST OF REMOVAL              |                           |                  |
|------------------------------|---------------------------|------------------|
| Retired                      | Accum Depr<br>6/07 - 8/10 | NBV              |
| <b>DCSI Meters / Modules</b> |                           |                  |
| # of units                   | 2,306                     |                  |
| \$/unit                      | 11.52                     |                  |
|                              | \$ 26,565                 | 1,965.01         |
|                              |                           | 24,600           |
| <b>Hex Electric</b>          |                           |                  |
| # of units                   | 59                        |                  |
| \$/unit                      | 11.52                     |                  |
|                              | \$ 680                    | 680              |
|                              | <b>\$ 27,245</b>          | <b>\$ 1,965</b>  |
|                              |                           | <b>\$ 25,280</b> |

| SALVAGE                      |                  |                  |
|------------------------------|------------------|------------------|
| Retired                      |                  | NBV              |
| <b>DCSI Meters / Modules</b> |                  |                  |
| # of units                   | 2,306            |                  |
| \$/unit ****                 | -0.42            |                  |
|                              | \$ (977)         | (977)            |
| <b>Hex Electric</b>          |                  |                  |
| # of units                   | 59               |                  |
| \$/unit                      | -0.42            |                  |
|                              | \$ (25)          | (25)             |
|                              | \$ (1,002)       | \$ -             |
|                              |                  | \$ (1,002)       |
| <b>COR net of Salvage</b>    | <b>\$ 26,243</b> | <b>\$ 1,965</b>  |
|                              |                  | <b>\$ 24,278</b> |

| December 2010 Adjustment                                 |          |            |
|--|----------|------------|
| <b>September, October, November Retirements</b>          |          |            |
| Dr. Expense  |          | \$ 226,155 |
| Dr. Accumulated Depreciation                             |          | \$ 29,881  |
| Cr. Plant  |          | \$ 256,036 |
| <b>Cost of Removal</b>                                   |          |            |
| Dr. Expense  |          | \$ 24,278  |
| Cr Cost of Removal (reg liability)                       |          | \$ 24,278  |
| <b>Combine above adjustments</b>                         |          |            |
| Dr Expense Order (Material portion)                      | 8089608  | 226,155    |
| Dr Expense Order (Labor portion)                         | 8089608  | 24,278     |
| Dr Accum Depr - Accrual                                  | EDP37001 | 1,132      |
| Dr Accum Depr - Accrual                                  | EDP37000 | 13,334     |
| Dr Accum Depr - Accrual                                  | CMP39707 | 15,415     |
| Cr Plant Order- DCSI Meters                              | 6108686  | \$ 147,745 |
| Cr Plant Order- DCSI Modules                             | 6108684  | \$ 97,359  |
| Cr Plant Order- Hex Elec                                 | 6108704  | 10,931     |
| Cr COR Order - DCSI                                      | 6108703  | 23,623     |
| Cr COR Order - Hex                                       | 6108705  | 655        |
| <b>Energy Accounting Adjustment to Balancing Account</b> |          |            |
| Dr SBA-E   |          | 250,433    |
| Cr SBA-E Revenue   |          | 250,433    |

| Adjustment Impact:      |           |
|-------------------------|-----------|
| <b>BALANCE SHEET</b>    |           |
| Plant                   | (280,314) |
| A/D                     | 29,881    |
| Balancing Acct          | 250,433   |
|                         | -         |
| <b>INCOME STATEMENT</b> |           |
| BA Revenue              | 250,433   |
| Expense                 | (250,433) |
|                         | -         |

- Assumptions**
1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
  2. Retirements are assumed to have accrued depreciation up until August 2010.
  3. Cost of Removal did not accumulate for DCSI Modules or Hex Electric Meters/Modules. COR assumed to have accrued 38 months for DCSI meters retired in this adjustment.

hex electric monthly  
0.00035 life/cor rate dcsi monthly  
dcsi modules monthly life rate

(Whole \$)

Nov10:  
Whole \$'s

|                | I. SMBA Amount: (input to normal AMI RRQ models) |                     |                                      | Allocation Percents: |      | Allocated Amounts: |           |               |              |           |              |       | Future Transfer * | Total         |
|----------------|--|---------------------|--------------------------------------|----------------------|------|--------------------|-----------|---------------|--------------|-----------|--------------|-------|-------------------|---------------|
|                | Total wo HAN                                     | HAN (SMBA portion*) | TOTAL SMBA Portion before allocation | Electric             | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas    | PreDeploy | Deploy-G     | SPUMA |                   |               |
| CMP30304 Total | \$ 138,785                                       | \$ -                | \$ 138,785                           | 55%                  | 45%  | \$ 76,332          |           | \$ 76,332     | \$ 62,453    |           | \$ 62,453    |       |                   | \$ 138,785    |
| CMP39104 Total | 767,319  | -                   | 767,319                              | 55%                  | 45%  | 422,026            |           | 422,026       | 345,294      |           | 345,294      |       |                   | 767,319       |
| CMP39706 Total | 2,165,521  |                     | 2,165,521                            |                      | 100% |                    |           |               | 2,165,521    |           | 2,165,521    |       |                   | 2,165,521     |
| CMP39707 Total |  |                     |                                      | 100%                 |      |                    |           |               |              |           |              |       |                   |               |
| CMP39708 Total | 2,030,806  |                     | 2,030,806                            | 55%                  | 45%  | 1,116,943          |           | 1,116,943     | 913,863      |           | 913,863      |       |                   | 2,030,806     |
| EDP37000 Total |  |                     |                                      | 100%                 |      |                    |           |               |              |           |              |       |                   |               |
| EDP37001 Total | 19,170,702                                       |                     | 19,170,702                           | 100%                 |      | 19,170,702         |           | 19,170,702    |              |           |              |       |                   | 19,170,702    |
| GDP38100 Total | 3,416,024  |                     | 3,416,024                            |                      | 100% |                    |           |               | 3,416,024    |           | 3,416,024    |       |                   | 3,416,024     |
| Smart Meter    | \$ 27,689,157                                    | \$ -                | \$ 27,689,157                        |                      |      | \$ 20,786,003      | \$ -      | \$ 20,786,003 | \$ 6,903,154 | \$ -      | \$ 6,903,154 | \$ -  | See Below         | \$ 27,689,157 |

check

Input to Deploy-Electric Model

Input to Deploy-Gas Model

\* Nov2010 & forward HAN adds are 100% non-SMBA and only \$600K of Oct2010 HAN adds went to SMBA per discussion between J. Basel and G. DeGuzman 12-6-2010.

checks

|                | II. Total - SMBA + non-SMBA HAN: (input to UI Planner Model) |                        |                                | Allocation Percents: |      | Allocated Amounts: |           |               |              |           |              |       | Future Transfer * | Total         |
|----------------|--|------------------------|--------------------------------|----------------------|------|--------------------|-----------|---------------|--------------|-----------|--------------|-------|-------------------|---------------|
|                | TOTAL SMBA   | HAN - non-SMBA Portion | Total (Major Work Category 97) | Electric             | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas    | PreDeploy | Deploy-G     | SPUMA |                   |               |
| CMP30304 Total | \$ 138,785   | \$ 61,555              | \$ 200,340                     | 55%                  | 45%  | \$ 110,187         |           | \$ 110,187    | \$ 90,153    |           | \$ 90,153    |       |                   | \$ 200,340    |
| CMP39104 Total | 767,319  | (151)                  | 767,168                        | 55%                  | 45%  | 421,943            |           | 421,943       | 345,226      |           | 345,226      |       |                   | 767,168       |
| CMP39706 Total | 2,165,521  |                        | 2,165,521                      |                      | 100% |                    |           |               | 2,165,521    |           | 2,165,521    |       |                   | 2,165,521     |
| CMP39707 Total |  |                        |                                | 100%                 |      |                    |           |               |              |           |              |       |                   |               |
| CMP39708 Total | 2,030,806  |                        | 2,030,806                      | 55%                  | 45%  | 1,116,943          |           | 1,116,943     | 913,863      |           | 913,863      |       |                   | 2,030,806     |
| EDP37000 Total |  |                        |                                | 100%                 |      |                    |           |               |              |           |              |       |                   |               |
| EDP37001 Total | 19,170,702   |                        | 19,170,702                     | 100%                 |      | 19,170,702         |           | 19,170,702    |              |           |              |       |                   | 19,170,702    |
| GDP38100 Total | 3,416,024  |                        | 3,416,024                      |                      | 100% |                    |           |               | 3,416,024    |           | 3,416,024    |       |                   | 3,416,024     |
| Smart Meter    | \$ 27,689,157  | \$ 61,404              | \$ 27,750,561                  |                      |      | \$ 20,819,775      | \$ -      | \$ 20,819,775 | \$ 6,930,786 | \$ -      | \$ 6,930,786 | \$ -  | See Below         | \$ 27,750,561 |

Input to New RRQ model

checks



**SmartMeter Retirements Q3 2009 Adjustment**

Oct 2009

|                              | RETIRED - Recorded in SAP |                                    |                     | RETIRED - Not recorded in SAP |                           |                     | RETIRED - Total gross plant |                           |                      |
|------------------------------|---------------------------|------------------------------------|---------------------|-------------------------------|---------------------------|---------------------|-----------------------------|---------------------------|----------------------|
|                              | Retired                   | Accum Depr<br>6/07 - 4/09,<br>5/09 | NBV                 | Retired                       | Accum Depr<br>6/07 - 9/09 | NBV                 | Retired                     | Accum Depr<br>6/07 - 9/09 | NBV                  |
| EDP37001 <b>Hex Electric</b> |                           |                                    |                     |                               |                           |                     |                             |                           |                      |
| # of units                   | 1,043                     |                                    |                     | 28,273                        |                           |                     | 29,316                      |                           |                      |
| \$/unit                      | 152.31                    |                                    |                     | 152.31                        |                           |                     | 152.31                      |                           |                      |
| EDP37000 <b>DCSI Meters</b>  | 158,856                   | 9,740                              | 149,116             | 4,306,166                     | 316,826                   | 3,989,339           | 4,465,021                   | 328,514                   | 4,136,507            |
| # of units                   | 29,706                    |                                    |                     | 8,693                         |                           |                     | 38,399                      |                           |                      |
| \$/unit                      | 74.31                     |                                    |                     | 74.31                         |                           |                     | 74.31                       |                           |                      |
|                              | \$ 2,207,333              | 128,715                            | 2,078,618           | \$ 645,942                    | 45,200                    | 600,742             | \$ 2,853,275                | 199,658                   | 2,653,617            |
| CMP39707 <b>DCSI Modules</b> |                           |                                    |                     |                               |                           |                     |                             |                           |                      |
| # of units                   | 0                         |                                    |                     | 38,399                        |                           |                     | 38,399                      |                           |                      |
| \$/unit                      | 99.38                     |                                    |                     | 99.38                         |                           |                     | 99.38                       |                           |                      |
|                              | \$ -                      | -                                  | -                   | \$ 3,816,247                  | 429,328                   | 3,386,919           | \$ 3,816,247                | 429,328                   | 3,386,919            |
|                              | <b>\$ 2,366,189</b>       | <b>\$ 138,455</b>                  | <b>\$ 2,227,734</b> | <b>\$ 8,768,354</b>           | <b>\$ 791,354</b>         | <b>\$ 7,977,001</b> | <b>\$ 11,134,543</b>        | <b>\$ 957,500</b>         | <b>\$ 10,177,043</b> |

| COST OF REMOVAL           |  |                  |                    |
|---------------------------|--|------------------|--------------------|
| Retired                   | Accum Depr<br>6/07 - 4/09,<br>5/09, 9/09 | NBV              |                    |
| <b>Modules</b>            |  |                  |                    |
| # of units                | 38,399                                   |                  |                    |
| \$/unit                   | 11.52                                    |                  |                    |
|                           | \$ 442,356                               | 23,486.90        | 418,870            |
| <b>Hex Electric</b>       |  |                  |                    |
| # of units                | 29,316                                   |                  |                    |
| \$/unit                   | 11.52                                    |                  |                    |
|                           | \$ 337,720                               |                  | 337,720            |
|                           | <b>\$ 780,077</b>                        | <b>\$ 23,487</b> | <b>\$ 756,590</b>  |
| SALVAGE                   |  |                  |                    |
| Retired                   |  | NBV              |                    |
| <b>Modules</b>            |  |                  |                    |
| # of units                | 38,399                                   |                  |                    |
| \$/unit ****              | -0.42                                    |                  |                    |
|                           | \$ (16,265)                              |                  | (16,265)           |
| <b>Hex Electric</b>       |  |                  |                    |
| # of units                | 29,316                                   |                  |                    |
| \$/unit                   | -0.42                                    |                  |                    |
|                           | \$ (12,418)                              |                  | (12,418)           |
|                           | <b>\$ (28,683)</b>                       | <b>\$ -</b>      | <b>\$ (28,683)</b> |
| <b>COR net of Salvage</b> | <b>\$ 751,394</b>                        | <b>\$ 23,487</b> | <b>\$ 727,907</b>  |

| Q3 2009 Adjustment                                       |            |              |              |
|--|------------|--------------|--------------|
| <b>Meters not retired in SAP:</b>                        |            |              |              |
| Dr. Expense  |            | \$ 7,977,001 |              |
| Dr. Accumulated Depreciation                             |            | \$ 791,354   |              |
| Cr. Plant  |            |              | \$ 8,768,354 |
| <b>Meters Previously retired:</b>                        |            |              |              |
| Dr. Expense  |            | \$ 2,227,734 |              |
| Cr. Accumulated Depreciation                             |            |              | \$ 2,227,734 |
| <b>Cost of Removal:</b>                                  |            |              |              |
| Dr. Expense  |            | \$ 727,907   |              |
| Cr Cost of Removal                                       |            |              | \$ 727,907   |
| <b>Combine above adjustments</b>                         |            |              |              |
| Dr. Customer A/C Svs Adj                                 | 10,932,641 |              |              |
| Dr. Accum Depr - Accrual                                 | 791,354    |              |              |
| Cr. Accumulated Depreciation                             |            | \$ 2,227,734 |              |
| Cr. Plant in Service - Corp Adjustment                   |            |              | 8,768,354    |
| Cr Cost of Removal                                       |            |              | 727,907      |
| <b>Energy Accounting Adjustment to Balancing Account</b> |            |              |              |
| Dr. SBA-E  | 10,932,641 |              |              |
| Cr. SBA-E Revenue  |            |              | 10,932,641   |

| Adjustment Impact:      |              |
|-------------------------|--------------|
| <b>BALANCE SHEET</b>    |              |
| Plant                   | (8,768,354)  |
| A/D                     | (2,164,287)  |
| Balancing Acct          | 10,932,641   |
|                         | -            |
| <b>INCOME STATEMENT</b> |              |
| BA Revenue              | 10,932,641   |
| Expense                 | (10,932,641) |
|                         | -            |

**Assumptions**

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Hex Electric and DCSI meter retirements recorded in SAP were processed May and June and are assumed to have accrued depreciation up until April and May 2009 (retirements are processed on a 1 month lag), or 22.5 months on average.
3. Retirements that were not recorded in SAP are assumed to have accrued depreciation up until September 2009.
4. No DCSI modules have been retired from SAP to date.
5. Cost of Removal did not accumulate for DCSI Modules or Hex Electric Meters/Modules. COR assumed to have accrued 22.5 months for DCSI Meters that were retired from SAP in May and June and 27 months for meters retired in this adjustment.

| October 2009 Order Level Adjustment |         |            |            |
|-------------------------------------|---------|------------|------------|
|                                     | Order # |            |            |
| Expense Order (Material portion)    | 8089608 | 10,204,734 |            |
| Expense Order (Labor portion)       | 8089608 | 727,907    |            |
| Expense Account                     |         |            | 10,932,641 |
| High Level Plant Account            |         | 8,768,354  |            |
| Plant Order- DCSI Meters            | 6108696 |            | 645,942    |
| Plant Order- DCSI Modules           | 6108684 |            | 3,816,247  |
| Plant Order- Hex                    | 6108704 |            | 4,306,165  |
| COR                                 |         | 727,907    |            |
| COR Order - DCSI                    | 6108703 |            | 402,605    |
| COR Order - Hex                     | 6108705 |            | 325,302    |

**SmartMeter Retirements Q3 2009 Adjustment**

Source: Gabe DeGuzman

0.00273  
0.00273 0.00013  
0.00417

0.00273

# SmartMeter Retirements September 2010 Adjustment

|                              | RETIRED June, July, August 2010 |                           |                   | Inventory Retired |                           |             | RETIRED - Total gross plant |                     |                   |
|------------------------------|---------------------------------|---------------------------|-------------------|-------------------|---------------------------|-------------|-----------------------------|---------------------|-------------------|
|                              | Retired                         | Accum Depr<br>6/07 - 8/10 | NBV               | Retired           | Accum Depr<br>6/07 - 8/10 | NBV         | Retired<br>(OCI)            | Depr 6/07 -<br>8/10 | NBV               |
| EDP37001 <u>Hex Electric</u> |                                 |                           |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 45                              |                           |                   |                   |                           |             | 45                          |                     |                   |
| \$/unit                      | 185.27                          |                           |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 8,337                        | 863                       | 7,474             | \$ -              | -                         |             | 8,337                       | 863                 | 7,474             |
| EDP37000 <u>DCSI Meters</u>  |                                 |                           |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 2,626                           |                           |                   |                   |                           |             | 2,626                       |                     |                   |
| \$/unit                      | 64.07                           |                           |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 168,248                      | 15,184                    | 153,063           | \$ -              | -                         |             | 168,248                     | 15,184              | 153,063           |
| CMP39707 <u>DCSI Modules</u> |                                 |                           |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 2,626                           |                           |                   |                   |                           |             | 2,626                       |                     |                   |
| \$/unit                      | 42.22                           |                           |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 110,870                      | 17,554                    | 93,315            | \$ -              | -                         |             | 110,870                     | 17,554              | 93,315            |
|                              | <b>\$ 287,455</b>               | <b>\$ 33,602</b>          | <b>\$ 253,853</b> | <b>\$ -</b>       | <b>\$ -</b>               | <b>\$ -</b> | <b>\$ 287,455</b>           | <b>\$ 33,602</b>    | <b>\$ 253,853</b> |

|                              | COST OF REMOVAL  |                           |                  |
|------------------------------|------------------|---------------------------|------------------|
|                              | Retired          | Accum Depr<br>6/07 - 8/10 | NBV              |
| <u>DCSI Meters / Modules</u> |                  |                           |                  |
| # of units                   | 2,626            |                           |                  |
| \$/unit                      | 11.52            |                           |                  |
|                              | \$ 30,252        | 2,237.70                  | 28,014           |
| <u>Hex Electric</u>          |                  |                           |                  |
| # of units                   | 45               |                           |                  |
| \$/unit                      | 11.52            |                           |                  |
|                              | \$ 518           |                           | 518              |
|                              | <b>\$ 30,770</b> | <b>\$ 2,238</b>           | <b>\$ 28,532</b> |

|                              | SALVAGE           |                 |                   |
|------------------------------|-------------------|-----------------|-------------------|
|                              | Retired           |                 | NBV               |
| <u>DCSI Meters / Modules</u> |                   |                 |                   |
| # of units                   | 2,626             |                 |                   |
| \$/unit ****                 | -0.42             |                 |                   |
|                              | \$ (1,112)        |                 | (1,112)           |
| <u>Hex Electric</u>          |                   |                 |                   |
| # of units                   | 45                |                 |                   |
| \$/unit                      | -0.42             |                 |                   |
|                              | \$ (19)           |                 | (19)              |
|                              | <b>\$ (1,131)</b> | <b>\$ -</b>     | <b>\$ (1,131)</b> |
| <b>COR net of Salvage</b>    | <b>\$ 29,639</b>  | <b>\$ 2,238</b> | <b>\$ 27,401</b>  |

| September 2010 Adjustment                                |          |            |            |
|--|----------|------------|------------|
| <b>June, July, August Retirements</b>                    |          |            |            |
| Dr. Expense  |          | \$ 253,853 |            |
| Dr. Accumulated Depreciation                             |          | \$ 33,602  |            |
| Cr. Plant  |          |            | \$ 287,455 |
| <b>Cost of Removal</b>                                   |          |            |            |
| Dr. Expense  |          | \$ 27,401  |            |
| Cr Cost of Removal                                       |          |            | \$ 27,401  |
| <b>Combine above adjustments</b>                         |          |            |            |
| Dr Expense Order (Material portion)                      | 8089608  | 253,853    |            |
| Dr Expense Order (Labor portion)                         | 8089608  | 27,401     |            |
| Dr Accum Depr - Accrual                                  | EDP37001 | 863        |            |
| Dr Accum Depr - Accrual                                  | EDP37000 | 15,184     |            |
| Dr Accum Depr - Accrual                                  | CMP39707 | 17,554     |            |
| Cr Plant Order- DCSI Meters                              | 6108686  |            | \$ 168,248 |
| Cr Plant Order- DCSI Modules                             | 6108684  |            | \$ 110,870 |
| Cr Plant Order- Hex Elec                                 | 6108704  |            | 8,337      |
| Cr COR Order - DCSI                                      | 6108703  |            | 26,901     |
| Cr COR Order - Hex                                       | 6108705  |            | 499        |
| <b>Energy Accounting Adjustment to Balancing Account</b> |          |            |            |
| Dr SBA-E   |          | 281,253    |            |
| Cr SBA-E Revenue   |          |            | 281,253    |

| Adjustment Impact:      |           |
|-------------------------|-----------|
| <b>BALANCE SHEET</b>    |           |
| Plant                   | (314,856) |
| A/D                     | 33,602    |
| Balancing Acct          | 281,253   |
|                         | -         |
| <b>INCOME STATEMENT</b> |           |
| BA Revenue              | 281,253   |
| Expense                 | (281,253) |
|                         | -         |

## Assumptions

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until August 2010.

3. Cost of Removal did not accumulate for DCSI Modules or Hex Electric Meters/Modules. COR assumed to have accrued 38 months for DCSI meters retired in this adjustment.

Source: Adrienne Williams

0.00273  
0.00273 0.00035

0.00417





| Station | Time | Lat   | Long   | Depth | Temp  | Sal   | Stem | Wind  | Wave | Pressure | Current | Other |
|---------|------|-------|--------|-------|-------|-------|------|-------|------|----------|---------|-------|
| 1000    | 0000 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0100 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0200 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0300 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0400 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0500 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0600 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0700 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0800 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 0900 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1000 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1100 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1200 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1300 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1400 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1500 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1600 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1700 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1800 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 1900 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2000 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2100 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2200 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2300 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2400 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2500 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2600 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2700 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2800 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 2900 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |
| 1000    | 3000 | 30.00 | 120.00 | 10    | 15.00 | 35.00 | 0.00 | 10.00 | 0.00 | 1013.25  | 0.00    |       |



| TABLE 1 |       |
|---------|-------|
| Item    | Value |
| 1       | 100   |
| 2       | 100   |
| 3       | 100   |
| 4       | 100   |
| 5       | 100   |
| 6       | 100   |
| 7       | 100   |
| 8       | 100   |
| 9       | 100   |
| 10      | 100   |
| 11      | 100   |
| 12      | 100   |
| 13      | 100   |
| 14      | 100   |
| 15      | 100   |
| 16      | 100   |
| 17      | 100   |
| 18      | 100   |
| 19      | 100   |
| 20      | 100   |
| 21      | 100   |
| 22      | 100   |
| 23      | 100   |
| 24      | 100   |
| 25      | 100   |
| 26      | 100   |
| 27      | 100   |
| 28      | 100   |
| 29      | 100   |
| 30      | 100   |
| 31      | 100   |
| 32      | 100   |
| 33      | 100   |
| 34      | 100   |
| 35      | 100   |
| 36      | 100   |
| 37      | 100   |
| 38      | 100   |
| 39      | 100   |
| 40      | 100   |
| 41      | 100   |
| 42      | 100   |
| 43      | 100   |
| 44      | 100   |
| 45      | 100   |
| 46      | 100   |
| 47      | 100   |
| 48      | 100   |
| 49      | 100   |
| 50      | 100   |
| 51      | 100   |
| 52      | 100   |
| 53      | 100   |
| 54      | 100   |
| 55      | 100   |
| 56      | 100   |
| 57      | 100   |
| 58      | 100   |
| 59      | 100   |
| 60      | 100   |
| 61      | 100   |
| 62      | 100   |
| 63      | 100   |
| 64      | 100   |
| 65      | 100   |
| 66      | 100   |
| 67      | 100   |
| 68      | 100   |
| 69      | 100   |
| 70      | 100   |
| 71      | 100   |
| 72      | 100   |
| 73      | 100   |
| 74      | 100   |
| 75      | 100   |
| 76      | 100   |
| 77      | 100   |
| 78      | 100   |
| 79      | 100   |
| 80      | 100   |
| 81      | 100   |
| 82      | 100   |
| 83      | 100   |
| 84      | 100   |
| 85      | 100   |
| 86      | 100   |
| 87      | 100   |
| 88      | 100   |
| 89      | 100   |
| 90      | 100   |
| 91      | 100   |
| 92      | 100   |
| 93      | 100   |
| 94      | 100   |
| 95      | 100   |
| 96      | 100   |
| 97      | 100   |
| 98      | 100   |
| 99      | 100   |
| 100     | 100   |

Table 1: (a) Mean and standard deviation of the number of cells per plate, (b) Mean and standard deviation of the number of cells per plate for different cell lines, and (c) Mean and standard deviation of the number of cells per plate for different cell lines.

Table 2: (a) Mean and standard deviation of the number of cells per plate, (b) Mean and standard deviation of the number of cells per plate for different cell lines, and (c) Mean and standard deviation of the number of cells per plate for different cell lines.

Table 3: (a) Mean and standard deviation of the number of cells per plate, (b) Mean and standard deviation of the number of cells per plate for different cell lines, and (c) Mean and standard deviation of the number of cells per plate for different cell lines.

Table 4: (a) Mean and standard deviation of the number of cells per plate, (b) Mean and standard deviation of the number of cells per plate for different cell lines, and (c) Mean and standard deviation of the number of cells per plate for different cell lines.

Table 5: (a) Mean and standard deviation of the number of cells per plate, (b) Mean and standard deviation of the number of cells per plate for different cell lines, and (c) Mean and standard deviation of the number of cells per plate for different cell lines.

| ITEM | DESCRIPTION | QTY | UNIT | PRICE | TOTAL | TAX | AMOUNT |
|------|-------------|-----|------|-------|-------|-----|--------|
| 1    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 2    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 3    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 4    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 5    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 6    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 7    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 8    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 9    | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 10   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 11   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 12   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 13   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 14   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 15   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 16   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 17   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 18   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 19   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 20   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 21   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 22   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 23   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 24   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 25   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 26   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 27   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 28   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 29   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 30   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 31   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 32   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 33   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 34   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 35   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 36   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 37   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 38   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 39   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 40   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 41   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 42   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 43   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 44   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 45   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 46   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 47   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 48   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 49   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 50   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 51   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 52   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 53   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 54   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 55   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 56   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 57   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 58   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 59   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 60   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 61   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 62   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 63   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 64   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 65   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 66   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 67   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 68   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 69   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 70   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 71   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 72   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 73   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 74   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 75   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 76   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 77   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 78   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 79   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 80   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 81   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 82   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 83   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 84   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 85   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 86   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 87   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 88   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 89   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 90   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 91   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 92   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 93   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 94   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 95   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 96   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 97   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 98   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 99   | ...         | ... | ...  | ...   | ...   | ... | ...    |
| 100  | ...         | ... | ...  | ...   | ...   | ... | ...    |



| Account | Balance   | Debit | Credit | Balance   |
|---------|-----------|-------|--------|-----------|
| 1000    | 1000.00   |       |        | 1000.00   |
| 1001    | 2000.00   |       |        | 2000.00   |
| 1002    | 3000.00   |       |        | 3000.00   |
| 1003    | 4000.00   |       |        | 4000.00   |
| 1004    | 5000.00   |       |        | 5000.00   |
| 1005    | 6000.00   |       |        | 6000.00   |
| 1006    | 7000.00   |       |        | 7000.00   |
| 1007    | 8000.00   |       |        | 8000.00   |
| 1008    | 9000.00   |       |        | 9000.00   |
| 1009    | 10000.00  |       |        | 10000.00  |
| 1010    | 11000.00  |       |        | 11000.00  |
| 1011    | 12000.00  |       |        | 12000.00  |
| 1012    | 13000.00  |       |        | 13000.00  |
| 1013    | 14000.00  |       |        | 14000.00  |
| 1014    | 15000.00  |       |        | 15000.00  |
| 1015    | 16000.00  |       |        | 16000.00  |
| 1016    | 17000.00  |       |        | 17000.00  |
| 1017    | 18000.00  |       |        | 18000.00  |
| 1018    | 19000.00  |       |        | 19000.00  |
| 1019    | 20000.00  |       |        | 20000.00  |
| 1020    | 21000.00  |       |        | 21000.00  |
| 1021    | 22000.00  |       |        | 22000.00  |
| 1022    | 23000.00  |       |        | 23000.00  |
| 1023    | 24000.00  |       |        | 24000.00  |
| 1024    | 25000.00  |       |        | 25000.00  |
| 1025    | 26000.00  |       |        | 26000.00  |
| 1026    | 27000.00  |       |        | 27000.00  |
| 1027    | 28000.00  |       |        | 28000.00  |
| 1028    | 29000.00  |       |        | 29000.00  |
| 1029    | 30000.00  |       |        | 30000.00  |
| 1030    | 31000.00  |       |        | 31000.00  |
| 1031    | 32000.00  |       |        | 32000.00  |
| 1032    | 33000.00  |       |        | 33000.00  |
| 1033    | 34000.00  |       |        | 34000.00  |
| 1034    | 35000.00  |       |        | 35000.00  |
| 1035    | 36000.00  |       |        | 36000.00  |
| 1036    | 37000.00  |       |        | 37000.00  |
| 1037    | 38000.00  |       |        | 38000.00  |
| 1038    | 39000.00  |       |        | 39000.00  |
| 1039    | 40000.00  |       |        | 40000.00  |
| 1040    | 41000.00  |       |        | 41000.00  |
| 1041    | 42000.00  |       |        | 42000.00  |
| 1042    | 43000.00  |       |        | 43000.00  |
| 1043    | 44000.00  |       |        | 44000.00  |
| 1044    | 45000.00  |       |        | 45000.00  |
| 1045    | 46000.00  |       |        | 46000.00  |
| 1046    | 47000.00  |       |        | 47000.00  |
| 1047    | 48000.00  |       |        | 48000.00  |
| 1048    | 49000.00  |       |        | 49000.00  |
| 1049    | 50000.00  |       |        | 50000.00  |
| 1050    | 51000.00  |       |        | 51000.00  |
| 1051    | 52000.00  |       |        | 52000.00  |
| 1052    | 53000.00  |       |        | 53000.00  |
| 1053    | 54000.00  |       |        | 54000.00  |
| 1054    | 55000.00  |       |        | 55000.00  |
| 1055    | 56000.00  |       |        | 56000.00  |
| 1056    | 57000.00  |       |        | 57000.00  |
| 1057    | 58000.00  |       |        | 58000.00  |
| 1058    | 59000.00  |       |        | 59000.00  |
| 1059    | 60000.00  |       |        | 60000.00  |
| 1060    | 61000.00  |       |        | 61000.00  |
| 1061    | 62000.00  |       |        | 62000.00  |
| 1062    | 63000.00  |       |        | 63000.00  |
| 1063    | 64000.00  |       |        | 64000.00  |
| 1064    | 65000.00  |       |        | 65000.00  |
| 1065    | 66000.00  |       |        | 66000.00  |
| 1066    | 67000.00  |       |        | 67000.00  |
| 1067    | 68000.00  |       |        | 68000.00  |
| 1068    | 69000.00  |       |        | 69000.00  |
| 1069    | 70000.00  |       |        | 70000.00  |
| 1070    | 71000.00  |       |        | 71000.00  |
| 1071    | 72000.00  |       |        | 72000.00  |
| 1072    | 73000.00  |       |        | 73000.00  |
| 1073    | 74000.00  |       |        | 74000.00  |
| 1074    | 75000.00  |       |        | 75000.00  |
| 1075    | 76000.00  |       |        | 76000.00  |
| 1076    | 77000.00  |       |        | 77000.00  |
| 1077    | 78000.00  |       |        | 78000.00  |
| 1078    | 79000.00  |       |        | 79000.00  |
| 1079    | 80000.00  |       |        | 80000.00  |
| 1080    | 81000.00  |       |        | 81000.00  |
| 1081    | 82000.00  |       |        | 82000.00  |
| 1082    | 83000.00  |       |        | 83000.00  |
| 1083    | 84000.00  |       |        | 84000.00  |
| 1084    | 85000.00  |       |        | 85000.00  |
| 1085    | 86000.00  |       |        | 86000.00  |
| 1086    | 87000.00  |       |        | 87000.00  |
| 1087    | 88000.00  |       |        | 88000.00  |
| 1088    | 89000.00  |       |        | 89000.00  |
| 1089    | 90000.00  |       |        | 90000.00  |
| 1090    | 91000.00  |       |        | 91000.00  |
| 1091    | 92000.00  |       |        | 92000.00  |
| 1092    | 93000.00  |       |        | 93000.00  |
| 1093    | 94000.00  |       |        | 94000.00  |
| 1094    | 95000.00  |       |        | 95000.00  |
| 1095    | 96000.00  |       |        | 96000.00  |
| 1096    | 97000.00  |       |        | 97000.00  |
| 1097    | 98000.00  |       |        | 98000.00  |
| 1098    | 99000.00  |       |        | 99000.00  |
| 1099    | 100000.00 |       |        | 100000.00 |

| No. | AssetClass  | AssetClassDescription | Func | 2006  | 2007  | 2008-10 |   | 2009  | 2010  | 2011  |
|-----|-------------|-----------------------|------|-------|-------|---------|---|-------|-------|-------|
| 1   | EDP 37000-1 | Electric Meters       | EDP  | 3.76% | 3.27% | 3.27%   | E | 3.27% | 3.27% | 3.27% |
| 2   | CMP 39707   | Electric Modules      | CMP  | 5.00% | 5.00% | 5.00%   |   | 5.00% | 5.00% | 5.00% |
| 3   | CMP 30304   | CIS Mainframe Comp SW | CMP  | 6.67% | 6.67% | 6.67%   |   | 6.67% | 6.67% | 6.67% |
| 4   | CMP 39104   | CIS Mainframe Comp HW | CMP  | 6.67% | 6.67% | 6.67%   |   | 6.67% | 6.67% | 6.67% |
| 5   | CMP39708    | Networks              | CMP  | 5.00% | 5.00% | 5.00%   |   | 5.00% | 5.00% | 5.00% |

GRC 2011 Settled Rates:

|           |       |
|-----------|-------|
| EDP 37000 | 3.96% |
| CMP 30304 | 6.59% |
| CMP 39104 | 6.39% |

2006-2010: Rates tie to May 1 Letters  
2011: Rates tie to GRC settled rates list (where included in the list)



Appendix B

Midcontinent Electric Company  
General Rate Case

Salvage and Accrual Rates

| Ln  | Asset Class           | Note | FERC Acct. | Description                          | Net Salvage Rates |              |                | Accrual Rates |              |                |
|---|-----------------------|------|------------|--------------------------------------|-------------------|--------------|----------------|---------------|--------------|----------------|
|   |                       |      |            |                                      | Proposed (%)      | Proposed (%) | Settlement (%) | Proposed (%)  | Proposed (%) | Settlement (%) |
| <b>ELECTRIC</b>   |                       |      |            |                                      |                   |              |                |               |              |                |
| <i><u>Intangible Plant</u></i>  |                       |      |            |                                      |                   |              |                |               |              |                |
| 1   | EIP30201              |      | 302        | Franchises and Consents              | 0                 |              | 0              | 2.23          |              | 2.23           |
| 2   | EIP30301              |      | 303        | USBR - Limited Term Electric         | 0                 |              | 0              | 0.00          |              | 0.00           |
| 3   | EIP30303              |      | 303        | Software                             | 0                 |              | 0              | 0.00          |              | 0.00           |
| <i><u>Steam Production Plant - Combined Cycle</u></i>                 |                       |      |            |                                      |                   |              |                |               |              |                |
| 4   | ESF31103              |      | 311        | Structures & Improvements            | 0                 |              | 0              | 3.52          |              | 3.52           |
| 5   | ESF31203/<br>ESF31205 |      | 312        | Boiler Plant Equipment               | 0                 |              | 0              | 3.52          |              | 3.52           |
| 6   | ESF31403              |      | 314        | Turbogenerator Units                 | 0                 |              | 0              | 3.52          |              | 3.52           |
| 7   | ESF31503              |      | 315        | Accessory Electrical Equipment       | 0                 |              | 0              | 3.52          |              | 3.52           |
| 8   | ESF31603              |      | 316        | Miscellaneous Power Plant Equipment  | 0                 |              | 0              | 3.52          |              | 3.52           |
| <i><u>Steam Production Plant - Other Steam Production</u></i>         |                       |      |            |                                      |                   |              |                |               |              |                |
| 9   | ESF31101              |      | 311        | Structures & Improvements            | 0                 |              | 0              | 8.36          |              | 8.36           |
| 10  | ESF31201              |      | 312        | Boiler Plant Equipment               | 0                 |              | 0              | 8.36          |              | 8.36           |
| 11  | ESF31301              |      | 313        | Engines and Engine-Driven Generators | 0                 |              | 0              | 8.36          |              | 8.36           |
| 12  | ESF31401              |      | 314        | Turbogenerator Units                 | 0                 |              | 0              | 8.36          |              | 8.36           |
| 13  | ESF31501              |      | 315        | Accessory Electrical Equipment       | 0                 |              | 0              | 8.36          |              | 8.36           |
| 14  | ESF31601              |      | 316        | Miscellaneous Power Plant Equipment  | 0                 |              | 0              | 8.36          |              | 8.36           |
| <i><u>Nuclear Production - 2001 &amp; Prior</u></i>                   |                       |      |            |                                      |                   |              |                |               |              |                |
| 15  | ENP32100              |      | 321        | Structures & Improvements            | -3                |              | -3             | 0.17          |              | 0.17           |
| 16  | ENP32200              |      | 322        | Reactor Plant Equipment              | -5                |              | -5             | 0.40          |              | 0.40           |
| 17  | ENP32300              |      | 323        | Turbogenerator Units                 | -2                |              | -2             | 0.13          |              | 0.13           |
| 18  | ENP32400              | 1    | 324        | Accessory Electrical Equipment       | -5                |              | -2             | 0.34          |              | 0.12           |
| 19  | ENP32500              | 1    | 325        | Miscellaneous Power Plant Equipment  | -4                |              | -2             | 0.27          |              | 0.13           |
| <i><u>Nuclear Production - 2002 &amp; Subsequent</u></i>              |                       |      |            |                                      |                   |              |                |               |              |                |
| 20  | ENP32102              |      | 321        | Structures & Improvements            | -3                |              | -3             | 6.58          |              | 6.58           |
| 21  | ENP32201              |      | 322        | Reactor Plant Equipment U2           | -5                |              | -5             | 6.59          |              | 6.59           |
| 22  | ENP32202              |      | 322        | Reactor Plant Equipment              | -5                |              | -5             | 6.59          |              | 6.59           |
| 23  | ENP32302              |      | 323        | Turbogenerator Units                 | -2                |              | -2             | 6.46          |              | 6.46           |
| 24  | ENP32402              | 1    | 324        | Accessory Electrical Equipment       | -5                |              | -2             | 6.57          |              | 6.38           |
| 25  | ENP32502              | 1    | 325        | Miscellaneous Power Plant Equipment  | -4                |              | -2             | 6.48          |              | 6.35           |
| <i><u>Hydroelectric Production excluding Helms Pumped Storage</u></i> |                       |      |            |                                      |                   |              |                |               |              |                |
|   | EHP33102              |      |            |                                      |                   |              |                |               |              |                |
| 26  | EHP33103              |      | 331        | Structures & Improvements            | 0                 |              | 0              | 1.90          |              | 1.90           |

| Ln   | Asset Class | Note | FERC Acct. | Description                              | Net Salvage Rates |              |            | Accrual Rates |              |            |
|--|-------------|------|------------|--|-------------------|--------------|------------|---------------|--------------|------------|
|  |             |      |            |  | PG&E Proposed     | DRA Proposed | Settlement | PG&E Proposed | DRA Proposed | Settlement |
|  |             |      |            |  | (%)               | (%)          | (%)        | (%)           | (%)          | (%)        |
| <u>EHP33202</u>  |             |      |            |  |                   |              |            |               |              |            |
| 27   | EHP33203    |      | 332        | Reservoirs, Dams & Waterways             | 0                 |              | 0          | 1.43          |              | 1.43       |
| 28   | EHP33300    | 1    | 333        | Waterwheels, Turbines & Generators       | -2                |              | 0          | 2.49          |              | 2.39       |
| 29   | EHP33400    | 1    | 334        | Accessory Electrical Equipment           | -14               |              | 0          | 4.12          |              | 3.29       |
| 30   | EHP33500    | 1    | 335        | Miscellaneous Power Plant Equipment      | -8                |              | 0          | 3.83          |              | 3.42       |
| 31   | EHP33600    |      | 336        | Roads, Railroads & Bridges               | 0                 |              | 0          | 3.06          |              | 3.06       |
| <u>Hydroelectric Production - Helms Pumped Storage</u> |             |      |            |  |                   |              |            |               |              |            |
| 32   | EHH33101    |      | 331        | Structures & Improvements                | -1                |              | -1         | 0.00          |              | 0.00       |
| 33   | EHH33201    |      | 332        | Reservoirs, Dams & Waterways             | -1                |              | -1         | 0.00          |              | 0.00       |
| 34   | EHH33300    |      | 333        | Waterwheels, Turbines & Generators       | -4                |              | -4         | 0.35          |              | 0.35       |
| 35   | EHH33400    |      | 334        | Accessory Electrical Equipment           | -15               |              | -15        | 0.89          |              | 0.89       |
| 36   | EHH33500    |      | 335        | Miscellaneous Power Plant Equipment      | -10               |              | -10        | 0.64          |              | 0.64       |
| 37   | EHH33600    |      | 336        | Roads, Railroads & Bridges               | 0                 |              | 0          | 0.00          |              | 0.00       |
| <u>Other Production - Combined Cycle Production</u>    |             |      |            |  |                   |              |            |               |              |            |
| 38   | EOP34101    |      | 341        | Structures & Improvements                | 0                 |              | 0          | 3.52          |              | 3.52       |
| 39   | EOP34201    |      | 342        | Fuel Holders, Producers and Accessories  | 0                 |              | 0          | 3.52          |              | 3.52       |
| 40   | EOP34301    |      | 343        | Prime Movers                             | 0                 |              | 0          | 3.52          |              | 3.52       |
| 41   | EOP34401    |      | 344        | Generators                               | 0                 |              | 0          | 3.52          |              | 3.52       |
| 42   | EOP34501    |      | 345        | Accessory Electrical Equipment           | 0                 |              | 0          | 3.52          |              | 3.52       |
| 43   | EOP34601    |      | 346        | Miscellaneous Power Plant Equipment      | 0                 |              | 0          | 3.52          |              | 3.52       |
| <u>Other Production - Solar</u>                        |             |      |            |  |                   |              |            |               |              |            |
| 44   | EOP34602    |      | 346        | Miscellaneous Power Plant Eqp - Solar    | 0                 |              | 0          | 3.97          |              | 3.97       |
| <u>All Other Production</u>                            |             |      |            |  |                   |              |            |               |              |            |
| 45   | EOP34100    |      | 341        | Structures & Improvements                | 0                 |              | 0          | 3.33          |              | 3.33       |
| 46   | EOP34200    |      | 342        | Fuel Holders, Producers and Accessories  | 0                 |              | 0          | 33.40         |              | 33.40      |
| 47   | EOP34300    |      | 343        | Prime Movers                             | 0                 |              | 0          | 0.00          |              | 0.00       |
| 48   | EOP34400    |      | 344        | Generators                               | 0                 |              | 0          | 2.85          |              | 2.85       |
| 49   | EOP34500    |      | 345        | Accessory Electrical Equipment           | 0                 |              | 0          | 4.31          |              | 4.31       |
| 50   | EOP34600    |      | 346        | Miscellaneous Power Plant Equipment      | 0                 |              | 0          | 13.35         |              | 13.35      |
| <u>Electric Transmission (Generation (ETC))</u>        |             |      |            |  |                   |              |            |               |              |            |
| 51   | ETC35201    |      | 352        | Structures & Improvements                | -20               |              | -20        | 1.54          |              | 1.54       |
| 52   | ETC35301    | 1, 2 | 353        | Station Equipment                        | -50               | -30          | -30        | 3.10          | 2.51         | 2.51       |
| 53   | ETC35302    |      | 353        | Step Up Transformers                     | -5                |              | -5         | 2.67          |              | 2.67       |
| 54   | ETP35303    |      | 353        | Step Up Transformers (Combined Cycle)    | -5                |              | -5         | 4.74          |              | 4.74       |
| 55   | ETC35400    | 1, 2 | 354        | Towers & Fixtures                        | -80               | -60          | -60        | 2.41          | 1.96         | 1.96       |
| 56   | ETP35401    |      | 354        | Towers & Fixtures (Combined Cycle)       | -80               |              | -80        | 5.99          |              | 5.99       |
| 57   | ETC35500    |      | 355        | Poles & Fixtures                         | -80               |              | -80        | 3.19          |              | 3.19       |
| 58   | ETC35600    |      | 356        | OH Conductor/Devices - Twr/PI Ln         | -80               |              | -80        | 3.21          |              | 3.21       |
| 59   | ETP35601    |      | 356        | OH Conductors & Devices (Combined Cycle) | -80               |              | -80        | 5.99          |              | 5.99       |
| 60   | ETC35700    |      | 357        | UG Conduit                               | 0                 |              | 0          | 0.60          |              | 0.60       |
| 61   | ETC35800    |      | 358        | UG Conductor/Devices                     | 0                 |              | 0          | 0.75          |              | 0.75       |
| 62   | ETC35900    |      | 359        | Roads & Trails                           | 0                 |              | 0          | 1.38          |              | 1.38       |

Nuclear Transmission Plant

| Ln  | Asset Class | Note | FERC Acct. | Description                         | Net Salvage Rates |              |            | Accrual Rates |              |            |
|-----|-------------|------|------------|-------------------------------------|-------------------|--------------|------------|---------------|--------------|------------|
|     |             |      |            |                                     | PG&E Proposed     | DRA Proposed | Settlement | PG&E Proposed | DRA Proposed | Settlement |
|     |             |      |            |                                     | (%)               | (%)          | (%)        | (%)           | (%)          | (%)        |
| 63  | NTP35201    |      | 352        | Structures & Improvements           | -20               |              | -20        | 1.27          |              | 1.27       |
| 64  | NTP35202    |      | 352        | Structures & Improvements-Equipment | -20               |              | -20        | 1.26          |              | 1.26       |
| 65  | NTP35301    |      | 353        | Station Equipment                   | -50               |              | -50        | 3.26          |              | 3.26       |
| 66  | NTP35302    |      | 353        | Step-up Transformers                | -5                |              | -5         | 1.60          |              | 1.60       |
|     |             |      |            | <i>Electric Distribution</i>        |                   |              |            |               |              |            |
| 67  | EDP36101    |      | 361        | Structures & Improvements           | -20               |              | -20        | 2.21          |              | 2.21       |
| 68  | EDP36102    |      | 361        | Structures & Improvements-Eqpt      | -20               |              | -20        | 2.37          |              | 2.37       |
| 69  | EDP36200    | 1, 2 | 362        | Station Equipment                   | -40               | -25          | -15        | 3.79          | 3.27         | 2.92       |
| 70  | EDP36300    |      | 363        | Storage Battery Equipment           | 0                 |              | 0          | 35.04         |              | 35.04      |
| 71  | EDP36400    | 1    | 364        | Poles, Towers, & Fixtures           | -90               |              | -80        | 5.05          |              | 4.70       |
| 72  | EDP36500    | 1    | 365        | OH Conductors & Devices             | -85               |              | -77        | 4.93          |              | 4.64       |
| 73  | EDP36600    | 1    | 366        | Underground Conduit                 | -25               |              | -20        | 2.54          |              | 2.42       |
| 74  | EDP36700    |      | 367        | UG Conductors & Devices             | -40               |              | -40        | 3.42          |              | 3.42       |
| 75  | EDP36801    | 1    | 368        | Line Transformers-Overhead          | -10               |              | -6         | 3.63          |              | 3.44       |
| 76  | EDP36802    |      | 368        | Line Transformers-Underground       | 5                 |              | 5          | 3.36          |              | 3.36       |
| 77  | EDP36901    | 1    | 369        | Services-Overhead                   | -100              |              | -75        | 4.05          |              | 3.25       |
| 78  | EDP36902    | 1    | 369        | Services-Underground                | -40               |              | -29        | 3.15          |              | 2.78       |
| 79  | EDP37000    | 1, 2 | 370        | Meters                              | -30               | -15          | -15        | 4.71          | 3.96         | 3.96       |
| 80  | EDP37100    |      | 371        | Installation on Customer Premises   | 0                 |              | 0          | 0.00          |              | 0.00       |
| 81  | EDP37200    |      | 372        | Leased Property on Cust. Prem.      | 0                 |              | 0          | 0.00          |              | 0.00       |
| 82  | EDP37301    |      | 373        | Street Light-Overhead Conductors    | -35               |              | -35        | 2.23          |              | 2.23       |
| 83  | EDP37302    |      | 373        | Street Light-Conduit & Cables       | -10               |              | -10        | 5.01          |              | 5.01       |
| 84  | EDP37303    | 1    | 373        | Street Light-Lamps & Equipment      | -15               |              | -5         | 2.61          |              | 1.90       |
| 85  | EDP37304    |      | 373        | Street Light-Electroliers           | -10               |              | -10        | 2.61          |              | 2.61       |
|     |             |      |            | <i>Electric General</i>             |                   |              |            |               |              |            |
| 86  | EGP39000    |      | 390        | Structures & Improvements           | -10               |              | -10        | 2.13          |              | 2.13       |
| 87  | EGP39100    |      | 391        | Office Furniture & Equipment        | 0                 |              | 0          | 9.72          |              | 9.72       |
| 88  | EGP39400    |      | 394        | Tools, Shop & Garage Equipment      | 0                 |              | 0          | 3.44          |              | 3.44       |
| 89  | EGP39500    |      | 395        | Laboratory Equipment                | 0                 |              | 0          | 8.09          |              | 8.09       |
| 90  | EGP39600    |      | 396        | Power Operated Equipment            | 0                 |              | 0          | 5.86          |              | 5.86       |
| 91  | EGP39700    |      | 397        | Communication Equipment             | 0                 |              | 0          | 4.32          |              | 4.32       |
| 92  | EGP39800    |      | 398        | Miscellaneous Equipment             | 0                 |              | 0          | 13.84         |              | 13.84      |
|     |             |      |            | <i>Nuclear General Plant</i>        |                   |              |            |               |              |            |
| 93  | NGP39100    |      | 391        | Office Furniture & Equipment        | 0                 |              | 0          | 0.00          |              | 0.00       |
| 94  | NGP39800    |      | 398        | Miscellaneous Equipment             | 0                 |              | 0          | 0.00          |              | 0.00       |
| GAS |             |      |            |                                     |                   |              |            |               |              |            |
|     |             |      |            | <i>Intangible Plant</i>             |                   |              |            |               |              |            |
| 95  | GIP30202    |      | 302        | Franchises and Consents             | 0                 |              | 0          | 9.60          |              | 9.60       |
| 96  | GIP30302    |      | 303        | Software                            | 0                 |              | 0          | 0.00          |              | 0.00       |
|     |             |      |            | <i>Local Storage Plant</i>          |                   |              |            |               |              |            |
| 97  | GLS36101    |      | 361        | Structures & Improvements           | 10                |              | 10         | 1.80          |              | 1.80       |
| 98  | GLS36200    |      | 362        | Gas Holders                         | -15               |              | -15        | 4.17          |              | 4.17       |
| 99  | GLS36300    |      | 363        | Purification Equipment              | 0                 |              | 0          | 4.14          |              | 4.14       |
| 100 | GLS36330    |      | 363.3      | Compressor Equipment                | -20               |              | -20        | 4.84          |              | 4.84       |
| 101 | GLS36340    |      | 363.4      | Measuring & Regulating Equipment    | 10                |              | 10         | 2.85          |              | 2.85       |

| Ln  | Asset Class | Note | FERC Acct. | Description                         | Net Salvage Rates |              |            | Accrual Rates |              |            |
|-----|-------------|------|------------|-------------------------------------|-------------------|--------------|------------|---------------|--------------|------------|
|     |             |      |            |                                     | PG&E Proposed     | DRA Proposed | Settlement | PG&E Proposed | DRA Proposed | Settlement |
|     |             |      |            |                                     | (%)               | (%)          | (%)        | (%)           | (%)          | (%)        |
| 102 | GLS36350    |      | 363.5      | Other Equipment                     | -5                |              | -5         | 2.87          |              | 2.87       |
|     |             |      |            | <i>Gas Distribution</i>             |                   |              |            |               |              |            |
| 103 | GDP37500    |      | 375        | Structures & Improvements           | -20               |              | -20        | 2.46          |              | 2.46       |
| 104 | GDP37601    | 1    | 376        | Mains                               | -60               |              | -52        | 2.94          |              | 2.72       |
| 105 | GDP37700    |      | 377        | Compressor Station Equipment        | 0                 |              | 0          | 2.81          |              | 2.81       |
| 106 | GDP37800    | 1, 2 | 378        | Odorizing/Meas & Reg Sta Equipment  | -55               | -45          | -45        | 3.09          | 2.78         | 2.78       |
| 107 | GDP38000    | 1    | 380        | Services                            | -120              |              | -105       | 3.76          |              | 3.36       |
| 108 | GDP38100    | 1, 2 | 381        | Meters                              | -50               | -25          | -5         | 8.22          | 6.49         | 5.10       |
| 109 | GDP38300    |      | 383        | House Regulators                    | 0                 |              | 0          | 3.22          |              | 3.22       |
| 110 | GDP38500    |      | 385        | Meas & Reg Sta Equip-Industrial     | 0                 |              | 0          | 1.75          |              | 1.75       |
| 111 | GDP38600    |      | 386        | Other Property on Customer Premises | 0                 |              | 0          | 2.58          |              | 2.58       |
| 112 | GDP38700    |      | 387        | Other Equipment                     | 5                 |              | 5          | 2.30          |              | 2.30       |
|     |             |      |            | <i>Gas General</i>                  |                   |              |            |               |              |            |
| 113 | GGP39000    |      | 390        | Structures & Improvements           | -10               |              | -10        | 2.55          |              | 2.55       |
| 114 | GGP39100    |      | 391        | Office Furniture & Equipment        | 0                 |              | 0          | 8.20          |              | 8.20       |
| 115 | GGP39400    |      | 394        | Shop Equipment                      | 0                 |              | 0          | 4.12          |              | 4.12       |
| 116 | GGP39500    |      | 395        | Laboratory Equipment                | 0                 |              | 0          | 9.87          |              | 9.87       |
| 117 | GGP39600    |      | 396        | Power Operated Equipment            | 0                 |              | 0          | 18.90         |              | 18.90      |
| 118 | GGP39800    |      | 398        | Miscellaneous Equipment             | 0                 |              | 0          | 6.30          |              | 6.30       |
| 119 | GGP39900    |      | 399        | Other Tangible Property             | 0                 |              | 0          | 12.37         |              | 12.37      |

COMMON

|     |          |   |     |   |     |  |     |       |  |       |
|-----|----------|---|-----|---|-----|--|-----|-------|--|-------|
|     |          |   |     | <i>Common Plant</i>                           |     |  |     |       |  |       |
| 120 | CMP30302 |   | 303 | Computer Software                             | 0   |  | 0   | 19.81 |  | 19.81 |
| 121 | CMP30304 |   | 303 | Computer Software - CIS                       | 0   |  | 0   | 6.59  |  | 6.59  |
| 122 | CMP39000 | 1 | 390 | Structures & Improvements                     | -10 |  | -10 | 2.59  |  | 2.23  |
| 123 | CMP39101 |   | 391 | Office Machines & Computer Eqpt               | 0   |  | 0   | 19.51 |  | 19.51 |
| 124 | CMP39102 | 1 | 391 | PC Hardware                                   | 0   |  | 0   | 33.84 |  | 20.00 |
| 125 | CMP39103 | 1 | 391 | Office Furniture & Equipment                  | 0   |  | 0   | 6.28  |  | 3.33  |
| 126 | CMP39104 |   | 391 | Off Mach & Computer Eqpt - CIS                | 0   |  | 0   | 6.39  |  | 6.39  |
| 127 | CMP39201 |   | 392 | Transportation Equipment - Air                | 50  |  | 50  | 2.64  |  | 2.64  |
| 128 | CMP39202 |   | 392 | Transportation Equipment - Class P            | 10  |  | 10  | 8.30  |  | 8.30  |
| 129 | CMP39203 |   | 392 | Transportation Equipment - Class C2           | 10  |  | 10  | 6.71  |  | 6.71  |
| 130 | CMP39204 |   | 392 | Transportation Equipment - Class C4           | 10  |  | 10  | 15.57 |  | 15.57 |
| 131 | CMP39205 |   | 392 | Transportation Equipment - Class T1 - Body    | 10  |  | 10  | 9.85  |  | 9.85  |
| 132 | CMP39255 |   | 392 | Transportation Equipment - Class T1 - Chassis | 10  |  | 10  | 9.73  |  | 9.73  |
| 133 | CMP39206 |   | 392 | Transportation Equipment - Class T3 - Body    | 10  |  | 10  | 7.90  |  | 7.90  |
| 134 | CMP39256 |   | 392 | Transportation Equipment - Class T3 - Chassis | 10  |  | 10  | 7.93  |  | 7.93  |
| 135 | CMP39207 |   | 392 | Transportation Equipment - Class T4 - Body    | 10  |  | 10  | 5.94  |  | 5.94  |
| 136 | CMP39257 |   | 392 | Transportation Equipment - Class T4 - Chassis | 10  |  | 10  | 6.08  |  | 6.08  |
| 137 | CMP39208 |   | 392 | Transportation Equipment - Vessels            | 10  |  | 10  | 0.00  |  | 0.00  |
| 138 | CMP39209 |   | 392 | Transportation Equipment - Trailers           | 10  |  | 10  | 0.88  |  | 0.88  |
| 139 | CMP39300 |   | 393 | Stores Equipment                              | 0   |  | 0   | 6.29  |  | 6.29  |
| 140 | CMP39400 |   | 394 | Tools, Shop & Garage Equipment                | 0   |  | 0   | 2.81  |  | 2.81  |
| 141 | CMP39500 |   | 395 | Laboratory Equipment                          | 0   |  | 0   | 6.34  |  | 6.34  |
| 142 | CMP39600 |   | 396 | Power Operated Equipment                      | 20  |  | 20  | 7.66  |  | 7.66  |
| 143 | CMP39701 |   | 397 | Communication Equipment - Non-Computer        | 0   |  | 0   | 15.93 |  | 15.93 |
| 144 | CMP39702 |   | 397 | Communication Equipment - Computer            | 0   |  | 0   | 19.08 |  | 19.08 |
| 145 | CMP39703 |   | 397 | Communication Equipment - Radio Systems       | 0   |  | 0   | 14.28 |  | 14.28 |
| 146 | CMP39704 | 1 | 397 | Communication Equipment - Voice Systems       | -15 |  | -4  | 18.18 |  | 14.42 |

| Ln                            | Asset Class | Note | FERC Acct. | Description                              | Net Salvage Rates |              |            | Accrual Rates |              |            |
|-------------------------------|-------------|------|------------|--|-------------------|--------------|------------|---------------|--------------|------------|
|                               |             |      |            |  | PG&E Proposed     | DRA Proposed | Settlement | PG&E Proposed | DRA Proposed | Settlement |
|                               |             |      |            |  | (%)               | (%)          | (%)        | (%)           | (%)          | (%)        |
| 147                           | CMP39705    |      | 397        | Communication Equipment - Transm Systems | 0                 |              | 0          | 6.74          |              | 6.74       |
| 148                           | CMP39800    |      | 398        | Miscellaneous Equipment                  | 0                 |              | 0          | 6.17          |              | 6.17       |
| 149                           | CMP39900    |      | 399        | Other Tangible Property                  | 0                 |              | 0          | 5.97          |              | 5.97       |
| <i>Common Plant - Nuclear</i> |             |      |            |  |                   |              |            |               |              |            |
| 150                           | CNP30302    |      | 303        | DCPP Software                            | 0                 |              | 0          | 10.59         |              | 10.59      |
| 151                           | CNP39000    |      | 390        | Structures & Improvements                | -10               |              | -10        | 1.54          |              | 1.54       |
| 152                           | CNP39101    |      | 391        | Office Machines & Computer Equipment     | 0                 |              | 0          | 35.02         |              | 35.02      |
| 153                           | CNP39102    |      | 391        | PC Hardware                              | 0                 |              | 0          | 35.54         |              | 35.54      |
| 154                           | CNP39103    |      | 391        | Office Furniture & Equipment             | 0                 |              | 0          | 0.95          |              | 0.95       |
| 155                           | CNP39202    |      | 392        | Transportation Equipment - Class P       | 10                |              | 10         | 0.00          |              | 0.00       |
| 156                           | CNP39203    |      | 392        | Transportation Equipment - Class C2      | 10                |              | 10         | 7.04          |              | 7.04       |
| 157                           | CNP39204    |      | 392        | Transportation Equipment - Class C4      | 10                |              | 10         | 7.18          |              | 7.18       |
| 158                           | CNP39205    |      | 392        | Transportation Equipment - Class T1      | 10                |              | 10         | 6.15          |              | 6.15       |
| 159                           | CNP39206    |      | 392        | Transportation Equipment - Class T3      | 10                |              | 10         | 6.83          |              | 6.83       |
| 160                           | CNP39207    |      | 392        | Transportation Equipment - Class T4      | 10                |              | 10         | 4.59          |              | 4.59       |
| 161                           | CNP39208    |      | 392        | Transportation Equipment - Vessels       | 10                |              | 10         | 0.00          |              | 0.00       |
| 162                           | CNP39209    |      | 392        | Transportation Equipment - Trailers      | 10                |              | 10         | 0.28          |              | 0.28       |
| 163                           | CNP39300    |      | 393        | Stores Equipment                         | 0                 |              | 0          | 5.71          |              | 5.71       |
| 164                           | CNP39400    |      | 394        | Tools, Shop & Garage Equipment           | 0                 |              | 0          | 0.00          |              | 0.00       |
| 165                           | CNP39500    |      | 395        | Laboratory Equipment                     | 0                 |              | 0          | 2.33          |              | 2.33       |
| 166                           | CNP39600    |      | 396        | Power Operated Equipment                 | 20                |              | 20         | 5.07          |              | 5.07       |
| 167                           | CNP39701    |      | 397        | Communications Equipment - Non-Computer  | 0                 |              | 0          | 16.12         |              | 16.12      |
| 168                           | CNP39702    |      | 397        | Communications Equipment - Computer      | 0                 |              | 0          | 22.67         |              | 22.67      |
| 169                           | CNP39703    |      | 397        | Communications Equipment - Radio Systems | 0                 |              | 0          | 15.00         |              | 15.00      |
| 170                           | CNP39704    |      | 397        | Communications Equipment - Voice Systems | 0                 |              | 0          | 14.46         |              | 14.46      |
| 171                           | CNP39705    |      | 397        | Communications Equipment - Trans Systems | 0                 |              | 0          | 1.53          |              | 1.53       |
| 172                           | CNP39800    |      | 398        | Miscellaneous Equipment                  | 0                 |              | 0          | 4.20          |              | 4.20       |

Notes:

- 173 1 Account with settlement net salvage and accrual rates that are different from those proposed by PG&E in the 2011 GRC App
- 174 2 Account specifically identified by DRA for net salvage reduction

Source: {Redacted}  
 {Redacted}  
 {Redacted}











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|          |        |        |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 22/01/11 | 26,158 | 32,743 | 38,776 | 44,104 | 49,923 | 56,138 | 62,758 | 69,782 | 77,210 | 85,046 | 93,290 | 101,941 | 111,000 | 120,468 | 130,346 | 140,635 | 151,335 | 162,447 | 173,972 | 185,910 | 198,262 | 211,029 | 224,212 | 237,812 | 251,829 | 266,264 | 281,117 | 296,389 | 312,081 |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|

| Account Code | Balance | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 8000         | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  | 14,038  |
| 8001         | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  | 17,078  |
| 8002         | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   | 4,495   |
| TOTAL        |         | 35,611  | 45,611  | 55,611  | 65,611  | 75,611  | 85,611  | 95,611  | 105,611 | 115,611 | 125,611 | 135,611 | 145,611 | 155,611 |

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| 2010-2011 Financials |         |         |      | 2011-2012 Financials |        |        |      | 2012-2013 Financials |         |         |      |
|----------------------|---------|---------|------|----------------------|--------|--------|------|----------------------|---------|---------|------|
| Account              | 2010    | 2011    | 2012 | Account              | 2011   | 2012   | 2013 | Account              | 2012    | 2013    | 2014 |
| 2043711              | 1807340 | 1820105 |      | 26701                | 241330 | 208510 |      | 2012                 | 1541300 | 1605510 |      |
| 102101               | 220950  | 220950  |      | 47902                | 21400  | 18000  |      | 0                    | 0       | 0       |      |
| 0                    | 0       | 0       |      | 0                    | 0      | 0      |      | 0                    | 0       | 0       |      |
| 0                    | 0       | 0       |      | 0                    | 0      | 0      |      | 0                    | 0       | 0       |      |
| 1302410              | 103120  | 12630   |      | 30401                | 15150  | 10300  |      | 10100                | 124100  | 16000   |      |

















|    | A   | B   | D                          | E    | F                   | G      | H      | I      | J      | K |
|----|-----|---|----------------------------|------|---------------------|--------|--------|--------|--------|---|
|    | No. | AssetClass  | AssetClassDescription      | Func | Yr1                 | Yr2    | Yr3    | Yr4    | Yr5    |   |
| 1  |     |   |                            |      |                     |        |        |        |        |   |
| 2  |     |   |                            |      |                     |        |        |        |        |   |
| 3  | 1   | EDP 37000-1   | Electric Meters            | EDP  | 3.75%               | 7.22%  | 6.68%  | 6.18%  | 5.71%  |   |
| 4  | 2   | CMP 39707   | Electric Modules           | CMP  | 3.75%               | 7.22%  | 6.68%  | 6.18%  | 5.71%  |   |
| 5  | 3   | CMP 30304   | CIS Mainframe Comp SW      | CMP  | 16.67%              | 33.30% | 33.30% | 16.73% | 0.00%  |   |
| 6  | 4   | CMP-39104   | CIS Mainframe Comp HW      | CMP  | 20.00%              | 32.00% | 19.20% | 11.52% | 11.52% |   |
| 7  | 5   | CMP39708  | Networks                   | CMP  | 3.75%               | 7.22%  | 6.68%  | 6.18%  | 5.71%  |   |
| 8  |     |   |                            |      |                     |        |        |        |        |   |
| 9  |     | <b>2008 Energy Act Depreciation Rates: (effective Oct08 forward)</b>  |                            |      |                     |        |        |        |        |   |
| 10 |     | EDP 37001   | Electric Meters            | EDP  | 7.50%               | 13.88% | 11.79% | 10.02% | 8.74%  |   |
| 11 |     |   |                            |      |                     |        |        |        |        |   |
| 12 |     |   |                            |      |                     |        |        |        |        |   |
| 13 |     | Bonus Depreciation Rates - Unblended (To Blend - Apply 95% for 2008, 100% for 2009, and factors per below for 2010 adds per Ja  |                            |      |                     |        |        |        |        |   |
| 14 |     | EDP 37000-1   | Electric Meters-2008 Adds  |      | 51.88%              | 3.61%  | 3.34%  | 3.09%  | 2.86%  |   |
| 15 |     | EDP 37000-1   | Electric Meters-2009 Adds  | EDP  | 53.75%              | 6.94%  | 5.90%  | 5.01%  | 4.37%  |   |
| 16 |     | CMP 39707   | Electric Modules-2008 Adds | CMP  | 51.88%              | 3.61%  | 3.34%  | 3.09%  | 2.86%  |   |
| 17 |     | CMP 39707   | Electric Modules-2009 Adds | CMP  | 53.75%              | 6.94%  | 5.90%  | 5.01%  | 4.37%  |   |
| 18 |     | CMP 30304   | CIS Mainframe Comp SW      | CMP  | 58.34%              | 16.65% | 16.65% | 8.37%  |        |   |
| 19 |     | CMP-39104   | CIS Mainframe Comp HW      | CMP  | 60.00%              | 16.00% | 9.60%  | 5.76%  | 5.76%  |   |
| 20 |     | CMP39708  | Networks--2008 Adds        | CMP  | 51.88%              | 3.61%  | 3.34%  | 3.09%  | 2.86%  |   |
| 21 |     | CMP39708  | Networks-2009 Adds         | CMP  | 53.75%              | 6.94%  | 5.90%  | 5.01%  | 4.37%  |   |
| 22 |     |   |                            |      |                     |        |        |        |        |   |
| 23 |     | <b>Bonus Depreciation Rates - 2008 Additions (blend of 95% of Bonus rate and 5% non-bonus rate):</b>                            |                            |      |                     |        |        |        |        |   |
| 24 |     | EDP 37000-1   | Electric Meters-2008 Adds  |      | 49.47%              | 3.79%  | 3.51%  | 3.24%  |        |   |
| 25 |     | CMP 39707   | Electric Modules-2008 Adds |      | 49.47%              | 3.79%  | 3.51%  | 3.24%  |        |   |
| 26 |     | CMP 30304   | CIS Mainframe Comp SW      |      | 56.25%              | 17.48% | 17.48% | 8.78%  |        |   |
| 27 |     | CMP-39104   | CIS Mainframe Comp HW      |      | 58.00%              | 16.80% | 10.08% | 6.05%  |        |   |
| 28 |     | CMP39708  | Networks--2008 Adds        |      | 49.47%              | 3.79%  | 3.51%  | 3.24%  |        |   |
| 29 |     |   |                            |      |                     |        |        |        |        |   |
| 30 |     | <b>Bonus Depreciation Rates - 2009 Additions (continue using 100% bonus rate per Tim Wedlake 9-28-2010)</b>                     |                            |      |                     |        |        |        |        |   |
| 31 |     | EDP 37000-1   | Electric Meters-2009 Adds  |      | 53.75%              | 6.94%  | 5.90%  | 5.01%  |        |   |
| 32 |     | CMP 39707   | Electric Modules-2009 Adds |      | 53.75%              | 6.94%  | 5.90%  | 5.01%  |        |   |
| 33 |     | CMP 30304   | CIS Mainframe Comp SW      |      | 58.34%              | 16.65% | 16.65% | 8.37%  |        |   |
| 34 |     | CMP-39104   | CIS Mainframe Comp HW      |      | 60.00%              | 16.00% | 9.60%  | 5.76%  |        |   |
| 35 |     | CMP39708  | Networks-2009 Adds         |      | 53.75%              | 6.94%  | 5.90%  | 5.01%  |        |   |
| 36 |     |   |                            |      |                     |        |        |        |        |   |
| 37 |     | <b>Bonus Depreciation Rates - 2010 Additions (blend rate using 2009 bonus factors per Julie Su and Tim Wedlake, Tax Dept, 9</b> |                            |      |                     |        |        |        |        |   |
| 38 |     |   |                            |      | <b>bonus factor</b> |        |        |        |        |   |
| 39 |     | EDP 37000-1   | Electric Meters-2009 Adds  |      | <b>100.00%</b>      | 53.75% | 6.94%  | 5.90%  | 5.01%  |   |
| 40 |     | CMP 39707   | Electric Modules-2009 Adds |      | <b>93.29%</b>       | 50.39% | 6.96%  | 5.95%  | 5.09%  |   |
| 41 |     | CMP 30304   | CIS Mainframe Comp SW      |      | <b>86.56%</b>       | 52.73% | 18.89% | 18.89% | 9.49%  |   |
| 42 |     | CMP-39104   | CIS Mainframe Comp HW      |      | <b>89.52%</b>       | 55.81% | 17.68% | 10.61% | 6.36%  |   |
| 43 |     | CMP39708  | Networks-2009 Adds         |      | <b>57.12%</b>       | 32.31% | 7.06%  | 6.23%  | 5.51%  |   |
| 44 |     |   |                            |      |                     |        |        |        |        |   |
| 45 |     |   |                            |      |                     |        |        |        |        |   |

|    | A   | B          | D   | E    | F       | G  | H       | I       | J       | K |
|----|-----|------------|---|------|---------|--|---------|---------|---------|---|
| 1  | No. | AssetClass | AssetClassDescription   | Func | Yr1     | Yr2  | Yr3     | Yr4     | Yr5     |   |
| 46 |     |            | 100% Rate   |      |         | 100.00% Applies to capital adds in service 9/8/2010-12/31/2010 per Tim W |         |         |         |   |
| 47 |     |            | EDP 37000 and CMP 30304   |      | 53.24%  |  |         |         |         |   |
| 48 |     |            | Diff  |      | 46.76%  |  |         |         |         |   |
| 49 |     |            |   |      |         |  |         |         |         |   |
| 50 |     |            |   |      |         |  |         |         |         |   |
| 51 |     |            |   |      |         |  |         |         |         |   |
| 52 |     |            |   |      |         |  |         |         |         |   |
| 53 |     |            | Jan09 verification of above rates (per Muoi Woodruff - Tax Dept. - 2/4/09 e-mail) |      |         |  |         |         |         |   |
| 54 |     |            | EDP 37000-1 Original rate   |      | 0.03750 | 0.07219  | 0.06677 | 0.06177 | 0.05713 |   |
| 55 |     |            | CMP 39707 same as above   |      |         |  |         |         |         |   |
| 56 |     |            | CMP39708 same as above  |      |         |  |         |         |         |   |
| 57 |     |            |   |      |         |  |         |         |         |   |
| 58 |     |            | CMP 30304   |      | 0.16670 | 0.33300  | 0.33300 | 0.16730 |         |   |
| 59 |     |            |   |      |         |  |         |         |         |   |
| 60 |     |            | CMP-39104   |      | 0.20000 | 0.32000  | 0.19200 | 0.11520 | 0.11520 |   |
| 61 |     |            |   |      |         |  |         |         |         |   |
| 62 |     |            | EDP 37001 EES rate  |      | 0.0750  | 0.1388   | 0.1179  | 0.1002  | 0.0874  |   |
| 63 |     |            |   |      |         |  |         |         |         |   |
| 64 |     |            |   |      |         |  |         |         |         |   |
| 65 |     |            |   |      |         |  |         |         |         |   |
| 66 |     |            |   |      |         |  |         |         |         |   |
| 67 |     |            |   |      |         |  |         |         |         |   |
| 68 |     |            |   |      |         |  |         |         |         |   |
| 69 |     |            |   |      |         |  |         |         |         |   |
| 70 |     |            |   |      |         |  |         |         |         |   |
| 71 |     |            |   |      |         |  |         |         |         |   |
| 72 |     |            |   |      |         |  |         |         |         |   |
| 73 |     |            |   |      |         |  |         |         |         |   |
| 74 |     |            |   |      |         |  |         |         |         |   |
| 75 |     |            |   |      |         |  |         |         |         |   |
| 76 |     |            |   |      |         |  |         |         |         |   |
| 77 |     |            |   |      |         |  |         |         |         |   |
| 78 |     |            |   |      |         |  |         |         |         |   |
| 79 |     |            |   |      |         |  |         |         |         |   |
| 80 |     |            |   |      |         |  |         |         |         |   |
| 81 |     |            |   |      |         |  |         |         |         |   |
| 82 |     |            |   |      |         |  |         |         |         |   |
| 83 |     |            |   |      |         |  |         |         |         |   |
| 84 |     |            |   |      |         |  |         |         |         |   |
| 85 |     |            |   |      |         |  |         |         |         |   |
| 86 |     |            |   |      |         |  |         |         |         |   |
| 87 |     |            |   |      |         |  |         |         |         |   |
| 88 |     |            |   |      |         |  |         |         |         |   |
| 89 |     |            |   |      |         |  |         |         |         |   |

|     | A   | B          | D                     | E    | F   | G   | H   | I   | J   | K |
|-----|-----|------------|-----------------------|------|-----|-----|-----|-----|-----|---|
|     | No. | AssetClass | AssetClassDescription | Func | Yr1 | Yr2 | Yr3 | Yr4 | Yr5 |   |
| 1   |     |            |                       |      |     |     |     |     |     |   |
| 90  |     |            |                       |      |     |     |     |     |     |   |
| 91  |     |            |                       |      |     |     |     |     |     |   |
| 92  |     |            |                       |      |     |     |     |     |     |   |
| 93  |     |            |                       |      |     |     |     |     |     |   |
| 94  |     |            |                       |      |     |     |     |     |     |   |
| 95  |     |            |                       |      |     |     |     |     |     |   |
| 96  |     |            |                       |      |     |     |     |     |     |   |
| 97  |     |            |                       |      |     |     |     |     |     |   |
| 98  |     |            |                       |      |     |     |     |     |     |   |
| 99  |     |            |                       |      |     |     |     |     |     |   |
| 100 |     |            |                       |      |     |     |     |     |     |   |
| 101 |     |            |                       |      |     |     |     |     |     |   |
| 102 |     |            |                       |      |     |     |     |     |     |   |
| 103 |     |            |                       |      |     |     |     |     |     |   |
| 104 |     |            |                       |      |     |     |     |     |     |   |
| 105 |     |            |                       |      |     |     |     |     |     |   |
| 106 |     |            |                       |      |     |     |     |     |     |   |
| 107 |     |            |                       |      |     |     |     |     |     |   |
| 108 |     |            |                       |      |     |     |     |     |     |   |
| 109 |     |            |                       |      |     |     |     |     |     |   |
| 110 |     |            |                       |      |     |     |     |     |     |   |
| 111 |     |            |                       |      |     |     |     |     |     |   |



|    | L                       | M | N     | O       | P     | Q     | R     | S       | T       | U       | V       |
|----|-------------------------|---|-------|---------|-------|-------|-------|---------|---------|---------|---------|
|    | Yr6                     |   | Yr7   | Yr8     | Yr9   | Yr10  | Yr11  |         |         |         |         |
| 1  |                         |   |       |         |       |       |       |         |         |         |         |
| 2  |                         |   |       |         |       |       |       |         |         |         |         |
| 3  | 5.29%                   |   |       | 0.09584 |       |       |       |         |         |         |         |
| 4  | 5.29%                   |   |       |         |       |       |       |         |         |         |         |
| 5  | 0.00%                   |   |       |         |       |       |       |         |         |         |         |
| 6  | 5.76%                   |   |       |         |       |       |       |         |         |         |         |
| 7  | 5.29%                   |   |       |         |       |       |       |         |         |         |         |
| 8  |                         |   |       |         |       |       |       |         |         |         |         |
| 9  |                         |   |       |         |       |       |       |         |         |         |         |
| 10 | 8.74%                   |   | 8.74% | 8.74%   | 8.74% | 8.74% | 4.37% |         |         |         |         |
| 11 |                         |   |       |         |       |       |       |         |         |         |         |
| 12 |                         |   |       |         |       |       |       |         |         |         |         |
| 13 | ck Battin/Tim Wedlake): |   |       |         |       |       |       |         |         |         |         |
| 14 | 2.64%                   |   | 2.44% | 2.26%   | 2.23% | 0.02  | 0.02  | 0.02231 | 0.02231 | 0.02231 | 0.02231 |
| 15 | 4.37%                   |   | 4.37% | 4.37%   | 4.37% | 4.37% | 0.22% |         |         |         |         |
| 16 | 2.64%                   |   | 2.44% | 2.26%   | 2.23% | 4.37% | 0.22% |         |         |         |         |
| 17 | 4.37%                   |   | 4.37% | 4.37%   | 4.37% | 4.37% | 0.22% |         |         |         |         |
| 18 |                         |   |       |         |       |       |       |         |         |         |         |
| 19 | 2.88%                   |   |       |         |       |       |       |         |         |         |         |
| 20 | 2.64%                   |   | 2.44% | 2.26%   | 2.23% | 2.23% | 2.23% |         |         |         |         |
| 21 | 4.37%                   |   | 4.37% | 4.37%   | 4.37% | 4.37% | 0.22% |         |         |         |         |
| 22 |                         |   |       |         |       |       |       |         |         |         |         |
| 23 |                         |   |       |         |       |       |       |         |         |         |         |
| 24 |                         |   |       |         |       |       |       |         |         |         |         |
| 25 |                         |   |       |         |       |       |       |         |         |         |         |
| 26 |                         |   |       |         |       |       |       |         |         |         |         |
| 27 |                         |   |       |         |       |       |       |         |         |         |         |
| 28 |                         |   |       |         |       |       |       |         |         |         |         |
| 29 |                         |   |       |         |       |       |       |         |         |         |         |
| 30 |                         |   |       |         |       |       |       |         |         |         |         |
| 31 |                         |   |       |         |       | 4.37% | 0.22% |         |         |         |         |
| 32 |                         |   |       |         |       | 4.37% | 0.22% |         |         |         |         |
| 33 |                         |   |       |         |       |       |       |         |         |         |         |
| 34 |                         |   |       |         |       |       |       |         |         |         |         |
| 35 |                         |   |       |         |       | 0.00% | 0.00% |         |         |         |         |
| 36 |                         |   |       |         |       |       |       |         |         |         |         |
| 37 | -28-2010 *)             |   |       |         |       |       |       |         |         |         |         |
| 38 |                         |   |       |         |       |       |       |         |         |         |         |
| 39 |                         |   |       |         |       |       |       |         |         |         |         |
| 40 |                         |   |       |         |       |       |       |         |         |         |         |
| 41 |                         |   |       |         |       |       |       |         |         |         |         |
| 42 |                         |   |       |         |       |       |       |         |         |         |         |
| 43 |                         |   |       |         |       |       |       |         |         |         |         |
| 44 |                         |   |       |         |       |       |       |         |         |         |         |
| 45 |                         |   |       |         |       |       |       |         |         |         |         |

|    | L                  | M      | N       | O       | P       | Q       | R       | S       | T | U | V |
|----|--------------------|--------|---------|---------|---------|---------|---------|---------|---|---|---|
|    | Yr6                |        | Yr7     | Yr8     | Yr9     | Yr10    | Yr11    |         |   |   |   |
| 1  | edlake 12/17/2010. |        |         |         |         |         |         |         |   |   |   |
| 46 |                    |        |         |         |         |         |         |         |   |   |   |
| 47 |                    |        |         |         |         |         |         |         |   |   |   |
| 48 |                    |        |         |         |         |         |         |         |   |   |   |
| 49 |                    |        |         |         |         |         |         |         |   |   |   |
| 50 |                    |        |         |         |         |         |         |         |   |   |   |
| 51 |                    |        |         |         |         |         |         |         |   |   |   |
| 52 |                    |        |         |         |         |         |         |         |   |   |   |
| 53 |                    |        |         |         |         |         |         |         |   |   |   |
| 54 | 0.05285            |        | 0.04888 | 0.04522 | 0.04462 | 0.04461 | 0.04462 | 0.04461 |   |   |   |
| 55 |                    |        |         |         |         |         |         |         |   |   |   |
| 56 |                    |        |         |         |         |         |         |         |   |   |   |
| 57 |                    |        |         |         |         |         |         |         |   |   |   |
| 58 |                    |        |         |         |         |         |         |         |   |   |   |
| 59 |                    |        |         |         |         |         |         |         |   |   |   |
| 60 | 0.05760            |        |         |         |         |         |         |         |   |   |   |
| 61 |                    |        |         |         |         |         |         |         |   |   |   |
| 62 | 0.0874             | 0.0874 | 0.0874  | 0.0874  | 0.0874  | 0.0437  |         |         |   |   |   |
| 63 |                    |        |         |         |         |         |         |         |   |   |   |
| 64 |                    |        |         |         |         |         |         |         |   |   |   |
| 65 |                    |        |         |         |         |         |         |         |   |   |   |
| 66 |                    |        |         |         |         |         |         |         |   |   |   |
| 67 |                    |        |         |         |         |         |         |         |   |   |   |
| 68 |                    |        |         |         |         |         |         |         |   |   |   |
| 69 |                    |        |         |         |         |         |         |         |   |   |   |
| 70 |                    |        |         |         |         |         |         |         |   |   |   |
| 71 |                    |        |         |         |         |         |         |         |   |   |   |
| 72 |                    |        |         |         |         |         |         |         |   |   |   |
| 73 |                    |        |         |         |         |         |         |         |   |   |   |
| 74 |                    |        |         |         |         |         |         |         |   |   |   |
| 75 |                    |        |         |         |         |         |         |         |   |   |   |
| 76 |                    |        |         |         |         |         |         |         |   |   |   |
| 77 |                    |        |         |         |         |         |         |         |   |   |   |
| 78 |                    |        |         |         |         |         |         |         |   |   |   |
| 79 |                    |        |         |         |         |         |         |         |   |   |   |
| 80 |                    |        |         |         |         |         |         |         |   |   |   |
| 81 |                    |        |         |         |         |         |         |         |   |   |   |
| 82 |                    |        |         |         |         |         |         |         |   |   |   |
| 83 |                    |        |         |         |         |         |         |         |   |   |   |
| 84 |                    |        |         |         |         |         |         |         |   |   |   |
| 85 |                    |        |         |         |         |         |         |         |   |   |   |
| 86 |                    |        |         |         |         |         |         |         |   |   |   |
| 87 |                    |        |         |         |         |         |         |         |   |   |   |
| 88 |                    |        |         |         |         |         |         |         |   |   |   |
| 89 |                    |        |         |         |         |         |         |         |   |   |   |

|     | L   | M | N   | O   | P   | Q    | R    | S | T | U | V |
|-----|-----|---|-----|-----|-----|------|------|---|---|---|---|
|     | Yr6 |   | Yr7 | Yr8 | Yr9 | Yr10 | Yr11 |   |   |   |   |
| 1   |     |   |     |     |     |      |      |   |   |   |   |
| 90  |     |   |     |     |     |      |      |   |   |   |   |
| 91  |     |   |     |     |     |      |      |   |   |   |   |
| 92  |     |   |     |     |     |      |      |   |   |   |   |
| 93  |     |   |     |     |     |      |      |   |   |   |   |
| 94  |     |   |     |     |     |      |      |   |   |   |   |
| 95  |     |   |     |     |     |      |      |   |   |   |   |
| 96  |     |   |     |     |     |      |      |   |   |   |   |
| 97  |     |   |     |     |     |      |      |   |   |   |   |
| 98  |     |   |     |     |     |      |      |   |   |   |   |
| 99  |     |   |     |     |     |      |      |   |   |   |   |
| 100 |     |   |     |     |     |      |      |   |   |   |   |
| 101 |     |   |     |     |     |      |      |   |   |   |   |
| 102 |     |   |     |     |     |      |      |   |   |   |   |
| 103 |     |   |     |     |     |      |      |   |   |   |   |
| 104 |     |   |     |     |     |      |      |   |   |   |   |
| 105 |     |   |     |     |     |      |      |   |   |   |   |
| 106 |     |   |     |     |     |      |      |   |   |   |   |
| 107 |     |   |     |     |     |      |      |   |   |   |   |
| 108 |     |   |     |     |     |      |      |   |   |   |   |
| 109 |     |   |     |     |     |      |      |   |   |   |   |
| 110 |     |   |     |     |     |      |      |   |   |   |   |
| 111 |     |   |     |     |     |      |      |   |   |   |   |

|    | W       | X       | Y       | Z       |
|----|---------|---------|---------|---------|
| 1  |         |         |         |         |
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| 10 |         |         |         |         |
| 11 |         |         |         |         |
| 12 |         |         |         |         |
| 13 |         |         |         |         |
| 14 | 0.02231 | 0.02231 | 0.02231 | 0.02231 |
| 15 |         |         |         |         |
| 16 |         |         |         |         |
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| 18 |         |         |         |         |
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| 43 |         |         |         |         |
| 44 |         |         |         |         |
| 45 |         |         |         |         |

|    | W | X | Y | Z |
|----|---|---|---|---|
| 1  |   |   |   |   |
| 46 |   |   |   |   |
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|     |   |   |   |   |
|-----|---|---|---|---|
| 1   | W | X | Y | Z |
| 90  |   |   |   |   |
| 91  |   |   |   |   |
| 92  |   |   |   |   |
| 93  |   |   |   |   |
| 94  |   |   |   |   |
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| 101 |   |   |   |   |
| 102 |   |   |   |   |
| 103 |   |   |   |   |
| 104 |   |   |   |   |
| 105 |   |   |   |   |
| 106 |   |   |   |   |
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| 108 |   |   |   |   |
| 109 |   |   |   |   |
| 110 |   |   |   |   |
| 111 |   |   |   |   |

| Item     | Quantity | Unit | Price    | Total    |
|----------|----------|------|----------|----------|
| 1.0000   | 1.0000   | EA   | 100.0000 | 100.0000 |
| 2.0000   | 2.0000   | EA   | 50.0000  | 100.0000 |
| 3.0000   | 3.0000   | EA   | 33.3333  | 100.0000 |
| 4.0000   | 4.0000   | EA   | 25.0000  | 100.0000 |
| 5.0000   | 5.0000   | EA   | 20.0000  | 100.0000 |
| 6.0000   | 6.0000   | EA   | 16.6667  | 100.0000 |
| 7.0000   | 7.0000   | EA   | 14.2857  | 100.0000 |
| 8.0000   | 8.0000   | EA   | 12.5000  | 100.0000 |
| 9.0000   | 9.0000   | EA   | 11.1111  | 100.0000 |
| 10.0000  | 10.0000  | EA   | 10.0000  | 100.0000 |
| 11.0000  | 11.0000  | EA   | 9.0909   | 100.0000 |
| 12.0000  | 12.0000  | EA   | 8.3333   | 100.0000 |
| 13.0000  | 13.0000  | EA   | 7.6923   | 100.0000 |
| 14.0000  | 14.0000  | EA   | 7.1429   | 100.0000 |
| 15.0000  | 15.0000  | EA   | 6.6667   | 100.0000 |
| 16.0000  | 16.0000  | EA   | 6.2500   | 100.0000 |
| 17.0000  | 17.0000  | EA   | 5.8824   | 100.0000 |
| 18.0000  | 18.0000  | EA   | 5.5556   | 100.0000 |
| 19.0000  | 19.0000  | EA   | 5.2632   | 100.0000 |
| 20.0000  | 20.0000  | EA   | 5.0000   | 100.0000 |
| 21.0000  | 21.0000  | EA   | 4.7619   | 100.0000 |
| 22.0000  | 22.0000  | EA   | 4.5455   | 100.0000 |
| 23.0000  | 23.0000  | EA   | 4.3478   | 100.0000 |
| 24.0000  | 24.0000  | EA   | 4.1667   | 100.0000 |
| 25.0000  | 25.0000  | EA   | 4.0000   | 100.0000 |
| 26.0000  | 26.0000  | EA   | 3.8462   | 100.0000 |
| 27.0000  | 27.0000  | EA   | 3.7037   | 100.0000 |
| 28.0000  | 28.0000  | EA   | 3.5714   | 100.0000 |
| 29.0000  | 29.0000  | EA   | 3.4483   | 100.0000 |
| 30.0000  | 30.0000  | EA   | 3.3333   | 100.0000 |
| 31.0000  | 31.0000  | EA   | 3.2258   | 100.0000 |
| 32.0000  | 32.0000  | EA   | 3.1250   | 100.0000 |
| 33.0000  | 33.0000  | EA   | 3.0303   | 100.0000 |
| 34.0000  | 34.0000  | EA   | 2.9412   | 100.0000 |
| 35.0000  | 35.0000  | EA   | 2.8571   | 100.0000 |
| 36.0000  | 36.0000  | EA   | 2.7778   | 100.0000 |
| 37.0000  | 37.0000  | EA   | 2.7027   | 100.0000 |
| 38.0000  | 38.0000  | EA   | 2.6316   | 100.0000 |
| 39.0000  | 39.0000  | EA   | 2.5634   | 100.0000 |
| 40.0000  | 40.0000  | EA   | 2.5000   | 100.0000 |
| 41.0000  | 41.0000  | EA   | 2.4390   | 100.0000 |
| 42.0000  | 42.0000  | EA   | 2.3810   | 100.0000 |
| 43.0000  | 43.0000  | EA   | 2.3256   | 100.0000 |
| 44.0000  | 44.0000  | EA   | 2.2727   | 100.0000 |
| 45.0000  | 45.0000  | EA   | 2.2222   | 100.0000 |
| 46.0000  | 46.0000  | EA   | 2.1739   | 100.0000 |
| 47.0000  | 47.0000  | EA   | 2.1277   | 100.0000 |
| 48.0000  | 48.0000  | EA   | 2.0833   | 100.0000 |
| 49.0000  | 49.0000  | EA   | 2.0408   | 100.0000 |
| 50.0000  | 50.0000  | EA   | 2.0000   | 100.0000 |
| 51.0000  | 51.0000  | EA   | 1.9608   | 100.0000 |
| 52.0000  | 52.0000  | EA   | 1.9231   | 100.0000 |
| 53.0000  | 53.0000  | EA   | 1.8868   | 100.0000 |
| 54.0000  | 54.0000  | EA   | 1.8519   | 100.0000 |
| 55.0000  | 55.0000  | EA   | 1.8182   | 100.0000 |
| 56.0000  | 56.0000  | EA   | 1.7857   | 100.0000 |
| 57.0000  | 57.0000  | EA   | 1.7544   | 100.0000 |
| 58.0000  | 58.0000  | EA   | 1.7241   | 100.0000 |
| 59.0000  | 59.0000  | EA   | 1.6948   | 100.0000 |
| 60.0000  | 60.0000  | EA   | 1.6667   | 100.0000 |
| 61.0000  | 61.0000  | EA   | 1.6393   | 100.0000 |
| 62.0000  | 62.0000  | EA   | 1.6129   | 100.0000 |
| 63.0000  | 63.0000  | EA   | 1.5873   | 100.0000 |
| 64.0000  | 64.0000  | EA   | 1.5625   | 100.0000 |
| 65.0000  | 65.0000  | EA   | 1.5385   | 100.0000 |
| 66.0000  | 66.0000  | EA   | 1.5152   | 100.0000 |
| 67.0000  | 67.0000  | EA   | 1.4925   | 100.0000 |
| 68.0000  | 68.0000  | EA   | 1.4706   | 100.0000 |
| 69.0000  | 69.0000  | EA   | 1.4493   | 100.0000 |
| 70.0000  | 70.0000  | EA   | 1.4286   | 100.0000 |
| 71.0000  | 71.0000  | EA   | 1.4085   | 100.0000 |
| 72.0000  | 72.0000  | EA   | 1.3890   | 100.0000 |
| 73.0000  | 73.0000  | EA   | 1.3702   | 100.0000 |
| 74.0000  | 74.0000  | EA   | 1.3521   | 100.0000 |
| 75.0000  | 75.0000  | EA   | 1.3347   | 100.0000 |
| 76.0000  | 76.0000  | EA   | 1.3180   | 100.0000 |
| 77.0000  | 77.0000  | EA   | 1.3020   | 100.0000 |
| 78.0000  | 78.0000  | EA   | 1.2867   | 100.0000 |
| 79.0000  | 79.0000  | EA   | 1.2720   | 100.0000 |
| 80.0000  | 80.0000  | EA   | 1.2580   | 100.0000 |
| 81.0000  | 81.0000  | EA   | 1.2447   | 100.0000 |
| 82.0000  | 82.0000  | EA   | 1.2320   | 100.0000 |
| 83.0000  | 83.0000  | EA   | 1.2200   | 100.0000 |
| 84.0000  | 84.0000  | EA   | 1.2087   | 100.0000 |
| 85.0000  | 85.0000  | EA   | 1.1980   | 100.0000 |
| 86.0000  | 86.0000  | EA   | 1.1880   | 100.0000 |
| 87.0000  | 87.0000  | EA   | 1.1786   | 100.0000 |
| 88.0000  | 88.0000  | EA   | 1.1698   | 100.0000 |
| 89.0000  | 89.0000  | EA   | 1.1616   | 100.0000 |
| 90.0000  | 90.0000  | EA   | 1.1540   | 100.0000 |
| 91.0000  | 91.0000  | EA   | 1.1469   | 100.0000 |
| 92.0000  | 92.0000  | EA   | 1.1403   | 100.0000 |
| 93.0000  | 93.0000  | EA   | 1.1342   | 100.0000 |
| 94.0000  | 94.0000  | EA   | 1.1285   | 100.0000 |
| 95.0000  | 95.0000  | EA   | 1.1232   | 100.0000 |
| 96.0000  | 96.0000  | EA   | 1.1183   | 100.0000 |
| 97.0000  | 97.0000  | EA   | 1.1138   | 100.0000 |
| 98.0000  | 98.0000  | EA   | 1.1096   | 100.0000 |
| 99.0000  | 99.0000  | EA   | 1.1057   | 100.0000 |
| 100.0000 | 100.0000 | EA   | 1.1021   | 100.0000 |







| DATE     | DESCRIPTION | AMOUNT | BALANCE |
|----------|-------------|--------|---------|
| 10/1/11  | 10/1/11     | 100.00 | 100.00  |
| 10/2/11  | 10/2/11     | 100.00 | 200.00  |
| 10/3/11  | 10/3/11     | 100.00 | 300.00  |
| 10/4/11  | 10/4/11     | 100.00 | 400.00  |
| 10/5/11  | 10/5/11     | 100.00 | 500.00  |
| 10/6/11  | 10/6/11     | 100.00 | 600.00  |
| 10/7/11  | 10/7/11     | 100.00 | 700.00  |
| 10/8/11  | 10/8/11     | 100.00 | 800.00  |
| 10/9/11  | 10/9/11     | 100.00 | 900.00  |
| 10/10/11 | 10/10/11    | 100.00 | 1000.00 |
| 10/11/11 | 10/11/11    | 100.00 | 1100.00 |
| 10/12/11 | 10/12/11    | 100.00 | 1200.00 |
| 10/13/11 | 10/13/11    | 100.00 | 1300.00 |
| 10/14/11 | 10/14/11    | 100.00 | 1400.00 |
| 10/15/11 | 10/15/11    | 100.00 | 1500.00 |
| 10/16/11 | 10/16/11    | 100.00 | 1600.00 |
| 10/17/11 | 10/17/11    | 100.00 | 1700.00 |
| 10/18/11 | 10/18/11    | 100.00 | 1800.00 |
| 10/19/11 | 10/19/11    | 100.00 | 1900.00 |
| 10/20/11 | 10/20/11    | 100.00 | 2000.00 |
| 10/21/11 | 10/21/11    | 100.00 | 2100.00 |
| 10/22/11 | 10/22/11    | 100.00 | 2200.00 |
| 10/23/11 | 10/23/11    | 100.00 | 2300.00 |
| 10/24/11 | 10/24/11    | 100.00 | 2400.00 |
| 10/25/11 | 10/25/11    | 100.00 | 2500.00 |
| 10/26/11 | 10/26/11    | 100.00 | 2600.00 |
| 10/27/11 | 10/27/11    | 100.00 | 2700.00 |
| 10/28/11 | 10/28/11    | 100.00 | 2800.00 |
| 10/29/11 | 10/29/11    | 100.00 | 2900.00 |
| 10/30/11 | 10/30/11    | 100.00 | 3000.00 |
| 10/31/11 | 10/31/11    | 100.00 | 3100.00 |

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|  | <b>OCT08 Tax Loss</b>                |                  |                  |
|--|--------------------------------------|------------------|------------------|
|  | <b>OCT08 Retire - Oct08 Disposal</b> |                  |                  |
|  | FedDepTaken                          | OCI              | Loss             |
| <b>EDP 37000</b> Electric Meters       | 0                                    | 0                | 0                |
| <b>EDP 37001</b> Smart Electric Meters | 0                                    | 0                | 0                |
| <b>CMP 39707</b> Electric Modules      | 362,939                              | 3,350,650        | <b>2,987,711</b> |
| CMP 30304 CIS Mainframe Comp S         | 0                                    | 0                | 0                |
| CMP 39104 CIS Mainframe Comp t         | 0                                    | 0                | 0                |
| <b>CMP39708</b> Networks               | 80,993                               | 829,350          | <b>748,357</b>   |
|  | <b>443,932</b>                       | <b>4,180,000</b> | <b>3,736,068</b> |

|  | <b>OCT09 Tax Loss</b>                |                  |                  |                                      |                  |                  |                   |
|--|--------------------------------------|------------------|------------------|--------------------------------------|------------------|------------------|-------------------|
|  | <b>OCT08 Retire - Oct09 Disposal</b> |                  |                  | <b>OCT09 Retire - Oct09 Disposal</b> |                  |                  | <b>Total Loss</b> |
|  | FedDepTaker                          | OCI              | Loss             | FedDepTaker                          | OCI              | Loss             |                   |
|  | 0                                    | 0                | 0                | 503,128                              | 2,207,333        | 1,704,205        | <b>1,704,205</b>  |
|  | 0                                    | 0                | 0                | 83,598                               | 158,849          | 75,251           | <b>75,251</b>     |
|  | 385,376                              | 3,946,166        | 3,560,790        | 0                                    | 0                | 0                | <b>3,560,790</b>  |
|  | 0                                    | 0                | 0                | 0                                    | 0                | 0                | 0                 |
|  | 0                                    | 0                | 0                | 0                                    | 0                | 0                | 0                 |
|  | 0                                    | 0                | 0                | 0                                    | 0                | 0                | 0                 |
|  | <b>385,376</b>                       | <b>3,946,166</b> | <b>3,560,790</b> | <b>586,726</b>                       | <b>2,366,182</b> | <b>1,779,456</b> | <b>5,340,246</b>  |

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This an older version of the tax loss calculation which is replaced by the tab "Tax Loss and Neg Depreciation"

Source File \\Go310\CapAct\Capital Recovery & Analysis\RRQ Models\1. AMI-Smart Meter\2009\11-09\AMI RRQ MODEL - Deploy - Electric - BonusDep - TaxLossCalc.xls

| <b>NOV09 Tax Lass</b>              |                   |                   |
|------------------------------------|-------------------|-------------------|
| <b>NOV09 Retire &amp; Disposal</b> |                   |                   |
| <b>FedDepTaker</b>                 | <b>OCI</b>        | <b>Loss</b>       |
| 1,155,580                          | 6,558,166         | 5,402,586         |
| 2,728,286                          | 5,153,261         | 2,424,976         |
| 762,556                            | 6,951,923         | 6,189,367         |
| 0                                  | 0                 | 0                 |
| 0                                  | 0                 | 0                 |
| 0                                  | 0                 | 0                 |
| <b>4,646,422</b>                   | <b>18,663,351</b> | <b>14,016,929</b> |

0

| No. | AssetClass | AssetClassDescription | Func | Y1     | Yr2    | Yr3    | Yr4    | Yr5    | Yr6   | Yr7   | G |
|-----|------------|-----------------------|------|--------|--------|--------|--------|--------|-------|-------|---|
| 1   | EDP 37000  | Electric Meters       | EDP  | 3.33%  | 6.45%  | 6.12%  | 5.90%  | 5.69%  | 5.47% |       |   |
| 2   | CMP 39707  | Electric Modules      | CMP  | 3.33%  | 6.45%  | 6.12%  | 5.90%  | 5.69%  | 5.47% |       |   |
| 3   | CMP 30304  | CIS Mainframe Comp SW | CMP  | 16.67% | 33.30% | 33.30% | 16.73% | 0.00%  | 0.00% |       |   |
| 4   | CMP-39104  | CIS Mainframe Comp HW | CMP  | 16.67% | 27.75% | 20.01% | 15.56% | 11.12% | 6.67% | 2.22% |   |
| 5   | CMP39708   | Networks              | CMP  | 3.33%  | 6.45%  | 6.12%  | 5.90%  | 5.69%  | 5.47% |       |   |

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|    | A           | B  | C      | D      | E      | F     | G           | H           | I                  | J          | K       |
|----|-------------|--|--------|--------|--------|-------|-------------|-------------|--------------------|------------|---------|
| 1  |             |  |        |        |        |       |             |             |                    |            |         |
| 2  |             | <b>Pacific Gas and Electric</b>  |        |        |        |       |             |             |                    |            |         |
| 3  |             | SmartMeter RRQ Model rates from Jerry Basel  |        |        |        |       |             |             |                    |            |         |
| 4  |             | Rows I-K added by the Tax Department   |        |        |        |       |             |             |                    |            |         |
| 5  |             |  |        |        |        |       |             |             |                    |            |         |
| 6  |             |  |        |        |        |       |             |             |                    |            |         |
| 7  |             | <b>Deploy- Electric and SPUMA Models:</b>  |        |        |        |       |             |             |                    |            |         |
| 8  |             |  |        |        |        |       |             |             |                    |            |         |
| 9  |             | Bonus Depreciation Rates - 2008 Additions (blend of 95% of Bonus rate and 5% non-bonus rate):  |        |        |        |       |             |             |                    |            |         |
| 10 |             |  | Yr1    | Yr2    | Yr3    | Yr4   |             |             | 2009               |            |         |
| 11 | EDP 37000-1 | Electric Meters-2008 Add   | 49.47% | 3.79%  | 3.51%  | 3.24% |             |             | Qualified Addition | Total Adds | % Add   |
| 12 | CMP 39707   | Electric Modules-2008 Add  | 49.47% | 3.79%  | 3.51%  | 3.24% |             |             |                    |            |         |
| 13 | CMP 30304   | CIS Mainframe Comp SW  | 56.25% | 17.48% | 17.48% | 8.78% |             |             |                    |            |         |
| 14 | CMP-39104   | CIS Mainframe Comp HW  | 58.00% | 16.80% | 10.08% | 6.05% |             |             |                    |            |         |
| 15 | CMP39708    | Networks--2008 Add   | 49.47% | 3.79%  | 3.51%  | 3.24% |             |             |                    |            |         |
| 16 |             |  |        |        |        |       |             |             |                    |            |         |
| 17 |             | Bonus Depreciation Rates - 2009 Additions *  | Yr1    | Yr2    | Yr3    | Yr4   |             |             |                    |            |         |
| 18 | EDP 37000-1 | Electric Meters-2009 Add   | 53.75% | 6.94%  | 5.90%  | 5.01% | 316,735,891 | 316,735,891 |                    |            | 100.00% |
| 19 | CMP 39707   | Electric Modules-2009 Add  | 53.75% | 6.94%  | 5.90%  | 5.01% | -18,431,817 | -19,757,764 |                    |            | 93.29%  |
| 20 | CMP 30304   | CIS Mainframe Comp SW  | 58.34% | 16.65% | 16.65% | 8.37% | 28,060,554  | 32,418,161  |                    |            | 86.56%  |
| 21 | CMP-39104   | CIS Mainframe Comp HW  | 60.00% | 16.00% | 9.60%  | 5.76% | 3,572,921   | 3,991,145   |                    |            | 89.52%  |
| 22 | CMP39708    | Networks-2009 Add  | 53.75% | 6.94%  | 5.90%  | 5.01% | 18,095,645  | 31,682,592  |                    |            | 57.12%  |
| 23 |             |  |        |        |        |       |             |             |                    |            |         |
| 24 |             |  |        |        |        |       |             |             |                    |            |         |
| 25 |             | <b>Deploy- Gas Models:</b>   |        |        |        |       |             |             |                    |            |         |
| 26 |             |  |        |        |        |       |             |             |                    |            |         |
| 27 |             | Bonus Depreciation Rates - 2008 Additions (blend of 95% of Bonus rate and 5% non-bonus rate):  |        |        |        |       |             |             |                    |            |         |
| 28 |             |  | Yr1    | Yr2    | Yr3    | Yr4   |             |             |                    |            |         |
| 29 | GDP 38100   | Gas Meters   | 49.53% | 3.90%  | 3.60%  | 3.32% |             |             |                    |            |         |
| 30 | CMP 39706   | Gas Modules  | 49.53% | 3.90%  | 3.60%  | 3.32% |             |             |                    |            |         |
| 31 | CMP 30304   | CIS Mainframe Comp SW  | 56.25% | 17.48% | 17.48% | 8.78% |             |             |                    |            |         |
| 32 | CMP-39104   | CIS Mainframe Comp HW  | 58.00% | 16.80% | 10.08% | 6.05% |             |             |                    |            |         |
| 33 | CMP39708    | Networks-thru Dec08  | 49.53% | 3.90%  | 3.60%  | 3.32% |             |             |                    |            |         |
| 34 |             |  |        |        |        |       |             |             |                    |            |         |
| 35 |             | Bonus Depreciation Rates - 2009 Additions  | Yr1    | Yr2    | Yr3    | Yr4   |             |             |                    |            |         |
| 36 | GDP 38100   | Gas Meters   | 51.88% | 3.61%  | 3.34%  | 3.09% | 61,940,155  | 67,858,504  |                    |            | 91.28%  |
| 37 | CMP 39706   | Gas Modules  | 51.88% | 3.61%  | 3.34%  | 3.09% | 97,884,648  | 97,884,648  |                    |            | 100.00% |
| 38 | CMP 30304   | CIS Mainframe Comp SW  | 58.34% | 16.65% | 16.65% | 8.37% | 28,060,554  | 32,418,161  |                    |            | 86.56%  |
| 39 | CMP-39104   | CIS Mainframe Comp HW  | 60.00% | 16.00% | 9.60%  | 5.76% | 3,572,921   | 3,991,145   |                    |            | 89.52%  |
| 40 | CMP39708    | Networks-after Dec08   | 53.75% | 6.94%  | 5.90%  | 5.01% | 18,095,645  | 31,682,592  |                    |            | 57.12%  |
| 41 |             |  |        |        |        |       |             |             |                    |            |         |
| 42 |             |  |        |        |        |       |             |             |                    |            |         |
| 43 |             | * Source: Julie So, Tax Dept. 9-28-2010. Per Tim Wedlake, there is no change to the 2009 bonus rates but use the factors in Col K above and apply to 2009 rates to calculate blended bonus/non-bonus rates and use for the 201 |        |        |        |       |             |             |                    |            |         |
| 44 |             |  |        |        |        |       |             |             |                    |            |         |

0 bonus rates.

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[Redacted]

**Sent: Wednesday, September 29, 2010 2:28 PM**

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**Subject: 2009 Bonus Depreciation - Qualified Adds**

Hi Jerry,

[Redacted]

Feel free to contact one of us if you have any questions.

Thanks,

[Redacted]

(Whole \$)

Pacific Gas and Electric Company  
Smart Meter - Electric Deploy - Tax Change Impact - 2006-2007  
Capital-Related Revenue Requirements (RRQ)

(dollars)

AFTER ADJUSTMENTS:

|   | Capital-Related RRQ | Sep-06   | Oct-06   | Nov-06   | Dec-06   | 2006      | Jan-07  | Feb-07  | Mar-07  | Apr-07  | May-07  | Jun-07  | Jul-07  | Aug-07  | Sep-07  | Oct-07  | Nov-07  | Dec-07      | 2007        | Total 2006-07 |
|---|---------------------|----------|----------|----------|----------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|-------------|---------------|
| 1 | Depreciation        | 31,936   | 66,309   | 70,471   | 73,187   | 241,903   | 73,737  | 76,479  | 82,957  | 88,443  | 101,063 | 117,234 | 132,575 | 150,000 | 233,481 | 314,420 | 320,938 | 596,849     | 2,288,177   | 2,530,080     |
| 2 | Return on Rate Base | 40,379   | 84,834   | 92,143   | 96,434   | 313,790   | 96,976  | 100,572 | 112,214 | 122,676 | 146,210 | 176,481 | 205,099 | 236,906 | 352,069 | 461,056 | 470,472 | 823,171     | 3,303,903   | 3,617,694     |
| 3 | Income Taxes        | (50,255) | (23,940) | (18,168) | (18,685) | (111,047) | 18,493  | 20,171  | 26,248  | 32,086  | 42,748  | 59,673  | 72,594  | 88,029  | (3,975) | 61,806  | 67,822  | (2,164,335) | (1,678,641) | (1,789,688)   |
| 4 | Property Taxes      | 4,652    | 9,832    | 10,794   | 11,416   | 36,694    | 5,783   | 12,071  | 13,471  | 14,738  | 17,490  | 21,010  | 24,344  | 28,044  | 41,362  | 54,123  | 55,571  | 98,334      | 386,342     | 423,036       |
| 5 | Total               | 26,712   | 137,035  | 155,240  | 162,352  | 481,340   | 194,988 | 209,293 | 234,891 | 257,943 | 307,512 | 374,397 | 434,612 | 502,979 | 622,937 | 891,406 | 914,803 | (645,980)   | 4,299,782   | 4,781,122     |

4,299,782

BEFORE ADJUSTMENTS:

|   | Capital-Related RRQ | Sep-06   | Oct-06   | Nov-06   | Dec-06   | 2006      | Jan-07  | Feb-07  | Mar-07  | Apr-07  | May-07  | Jun-07  | Jul-07  | Aug-07  | Sep-07  | Oct-07  | Nov-07  | Dec-07      | 2007        | Total 2006-07 |
|---|---------------------|----------|----------|----------|----------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|-------------|---------------|
| 1 | Depreciation        | 33,064   | 68,571   | 72,740   | 76,670   | 251,046   | 78,283  | 82,548  | 89,668  | 94,488  | 107,245 | 124,158 | 139,682 | 157,672 | 242,474 | 324,796 | 333,047 | 610,665     | 2,384,727   | 2,635,773     |
| 2 | Return on Rate Base | 43,005   | 90,086   | 97,384   | 104,443  | 334,917   | 109,050 | 116,812 | 130,245 | 138,986 | 162,955 | 195,288 | 224,454 | 257,835 | 376,589 | 489,313 | 503,374 | 860,595     | 3,565,496   | 3,900,413     |
| 3 | Income Taxes        | (54,276) | (26,425) | (22,504) | (25,543) | (128,748) | 24,329  | 28,104  | 35,400  | 40,319  | 51,050  | 68,996  | 82,354  | 98,147  | 7,726   | 74,715  | 81,866  | (2,143,664) | (1,550,656) | (1,679,404)   |
| 4 | Property Taxes      | 4,951    | 10,431   | 11,392   | 12,334   | 39,108    | 6,541   | 13,909  | 15,500  | 16,558  | 19,347  | 23,088  | 26,472  | 30,339  | 44,053  | 57,228  | 59,195  | 102,469     | 414,700     | 453,808       |
| 5 | Total               | 26,744   | 142,663  | 159,012  | 167,904  | 496,323   | 218,203 | 241,374 | 270,813 | 290,351 | 340,597 | 411,531 | 472,962 | 543,992 | 670,842 | 946,053 | 977,483 | (569,935)   | 4,814,267   | 5,310,590     |

4,814,267

VARIANCE

|   | Capital-Related RRQ | Sep-06  | Oct-06  | Nov-06  | Dec-06  | 2006     | Jan-07   | Feb-07   | Mar-07   | Apr-07   | May-07   | Jun-07   | Jul-07   | Aug-07   | Sep-07   | Oct-07   | Nov-07   | Dec-07   | 2007      | Total 2006-07 |
|---|---------------------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|---------------|
| 1 | Depreciation        | (1,128) | (2,262) | (2,269) | (3,483) | (9,143)  | (4,546)  | (6,069)  | (6,711)  | (6,045)  | (6,181)  | (6,925)  | (7,106)  | (7,671)  | (8,993)  | (10,376) | (12,109) | (13,816) | (96,550)  | (105,693)     |
| 2 | Return on Rate Base | (2,625) | (5,252) | (5,240) | (8,009) | (21,127) | (12,074) | (16,240) | (18,031) | (16,309) | (16,745) | (18,806) | (19,355) | (20,929) | (24,521) | (28,257) | (32,902) | (37,424) | (261,592) | (282,719)     |
| 3 | Income Taxes        | 4,021   | 2,485   | 4,336   | 6,859   | 17,701   | (5,836)  | (7,933)  | (9,152)  | (8,233)  | (8,303)  | (9,324)  | (9,760)  | (10,118) | (11,701) | (12,909) | (14,044) | (20,671) | (127,984) | (110,284)     |
| 4 | Property Taxes      | (299)   | (599)   | (599)   | (918)   | (2,414)  | (759)    | (1,838)  | (2,029)  | (1,820)  | (1,857)  | (2,078)  | (2,128)  | (2,294)  | (2,691)  | (3,105)  | (3,624)  | (4,135)  | (28,358)  | (30,773)      |
| 5 | Total               | (31)    | (5,628) | (3,772) | (5,552) | (14,983) | (23,215) | (32,081) | (35,923) | (32,407) | (33,086) | (37,133) | (38,350) | (41,013) | (47,905) | (54,647) | (62,680) | (76,046) | (514,485) | (529,468)     |

(14,983)

(514,485)

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(14,983)

(514,485)

(529,468)

Corporate Accounting to update their subsidiary ledger (Excel spreadsheet) and balancing account for these revised RRQ numbers. Their subsidiary-ledger spreadsheet maintains the monthly RRQ amounts and it calculates the balancing account interest amount using the 3-month Commercial Paper rate.

| Month | Action   |
|-------|--|
| Dec08 | Implemented new federal depreciation rates for EDP37001  |
| Mar09 | Updated Mar09 Deploy E & G models for COR and Retirements  |
| Aug09 | <p>8/20/2009: Per Gade DeGuzman, hold off on making the following change until hearing from him:</p> <p>Adding to Tab "E. Depreciation Exp. &amp; Reserve", Oct08 column, the early retirements per Mark Perlite manual je to:</p> <p>1) order 6101520, asset class EDP37001, Account 1010010 (PIS, Electric) Credit for \$7,296,816,</p> <p>2) order 7063021, asset class CMP39708, Account 1010010 (PIS, Electric) Credit for \$829,350.</p> <p>It was decided by Beatrix Grennwell that this RRQ model (Aug08) a Dr entry to the Accumulated Depreciation account was required this month vs. the original Oct08 je entry which was a Debit to Expense (and therefore excluded from the RRQ model).</p>   |
| Oct08 | Credits to the orders were made by Capital Accounting for early retirements. This was done to give the credits back to the SmartMeter program.   |
| Nov09 | <p>Starting Nov09, the Deploy-Electric, Deploy-Gas and SPUMA model files reflect the bonus federal tax depreciation rates. Only these models were affected</p> <p>On January 4, 2010 the Tax Department (Tim Wedlake) pointed out that the early retirements need to be taken out of the depreciable plant base from the period the plant was originally purchased. Per Tim's recommendation, an adjustment was made to the Nov09 Deploy-Electric RRQ model to remove the excess federal tax depreciation taken by the model for this reason.</p> <p>Because the Deploy Electric model now shows the additional depreciation/"loss" adjustment described above, Energy Accounting will reverse the previously taken expense to their balancing account.</p> <p>The early retirements are credits to the Smart Meter orders (for the original cost installed of the retired plant) which gives the credit of the retired plant back to the Smart Meter program. These credits are embedded in the normal additions section of tab "D. Additions &amp; Retirements" starting in line 1. That takes care of the retirement-entry credit to plant. To account for the retirement-entry debit to the depreciation reserve, the model reflects an adjustment for that in tab "E. Depreciation Exp. &amp; Reserve" line 20.</p> <p>Per Eric Lam, the previously provided COR (cost of removal) data (which was included in this model as an adjustment to depreciation reserve) included both AMI and non-AMI data and needed to be removed. He recommended using Adrienne Williams' (Capital Accounting) COR-recovered data instead. That was done for this month.</p> |

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Previously-provided (from Mark Winn) retirement data which until now had been included in the model as a reduction to both plant and the reserve was removed since the early retirements are now a credit to the orders (taking care of the credit to plant). The debit to the reserve was kept in the model (shown as separate line items in the Dertpeciation and Reserve tab) but now using Adrienne Williams' early retirement data.

(Whole \$)

Pacific Gas and Electric Company  
2007 AMI Deployment  
Capital-Related Revenue Requirements (RRQ)

(dollars)

| Capital-Related RRQ          | Dec-06     | Jan-07     | Feb-07     | Mar-07     | Apr-07     | May-07     | Jun-07     | Jul-07     | Aug-07     | Sep-07     | Oct-07     | Nov-07     | Dec-07      |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| 1 Depreciation               | 76,670     | 73,737     | 76,479     | 82,957     | 88,443     | 101,063    | 117,234    | 132,575    | 150,000    | 233,481    | 314,420    | 320,938    | 596,849     |
| 2 Return on Rate Base        | 104,443    | 96,976     | 100,572    | 112,214    | 122,676    | 146,210    | 176,481    | 205,099    | 236,906    | 352,069    | 461,056    | 470,472    | 823,171     |
| 3 Income Taxes               | (25,543)   | 18,493     | 20,171     | 26,248     | 32,086     | 42,748     | 59,673     | 72,594     | 88,029     | (3,975)    | 61,806     | 67,822     | (2,164,335) |
| 4 Property Taxes             | 12,334     | 5,783      | 12,071     | 13,471     | 14,738     | 17,490     | 21,010     | 24,344     | 28,044     | 41,362     | 54,123     | 55,571     | 98,334      |
| 5 Total                      | 167,904    | 194,988    | 209,293    | 234,891    | 257,943    | 307,512    | 374,397    | 434,612    | 502,979    | 622,937    | 891,406    | 914,803    | (645,980)   |
| 6 Capital Expenditures (SA   | 1,301,489  | 26,627     | 1,292,429  | 2,234,443  | 982,528    | 5,826,610  | 2,855,174  | 5,412,229  | 3,769,315  | 28,640,802 | 2,596,003  | 1,520,281  | 102,235,281 |
| 7 Plant Balance              | 15,693,964 | 14,221,891 | 15,514,319 | 17,748,763 | 18,731,291 | 24,557,901 | 27,413,075 | 32,825,304 | 36,594,618 | 65,235,420 | 67,831,424 | 69,351,704 | 171,586,985 |
| 8 Plant Balance (Weighted    | 15,043,220 | 14,208,577 | 14,868,105 | 16,631,541 | 18,240,027 | 21,644,596 | 25,985,488 | 30,119,189 | 34,709,961 | 50,915,019 | 66,533,422 | 68,591,564 | 120,469,345 |
| 9 Depreciation Reserve       | 251,046    | 315,640    | 392,119    | 475,076    | 563,520    | 664,583    | 781,817    | 914,392    | 1,064,392  | 1,297,873  | 1,612,294  | 1,933,232  | 2,530,080   |
| 10 Rate Base (Weighted Avg): |            |            |            |            |            |            |            |            |            |            |            |            |             |
| 11 Plant                     | 15,043,220 | 14,208,577 | 14,868,105 | 16,631,541 | 18,240,027 | 21,644,596 | 25,985,488 | 30,119,189 | 34,709,961 | 50,915,019 | 66,533,422 | 68,591,564 | 120,469,345 |
| 12 Depreciation Reserve      | 212,711    | 278,771    | 353,879    | 433,598    | 519,298    | 614,051    | 723,200    | 848,104    | 989,392    | 1,181,133  | 1,455,083  | 1,772,763  | 2,231,656   |
| 13 Deferred Taxes            | 572,073    | 690,744    | 784,274    | 878,579    | 973,110    | 1,070,121  | 1,169,270  | 1,271,190  | 1,378,454  | 1,669,897  | 2,135,508  | 2,590,516  | 5,859,402   |
| 14 Total                     | 14,258,436 | 13,239,062 | 13,729,952 | 15,319,365 | 16,747,619 | 19,960,423 | 24,093,018 | 27,999,895 | 32,342,115 | 48,063,990 | 62,942,830 | 64,228,286 | 112,378,286 |

Tie Model RRQ

Sum of lines 1,2,3 from above equal the RRQ (Line 46) in the Model for Tab "2007 Total RRQ"

|         |         |         |         |         |         |         |         |         |         |         |         |           |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| 155,570 | 189,205 | 197,222 | 221,419 | 243,206 | 290,022 | 353,388 | 410,269 | 474,935 | 581,575 | 837,283 | 859,232 | (744,315) |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|

(Whole \$)

**ANALYSIS**

|                        | Dec-06     | Jan-07     | Feb-07     | Mar-07     | Apr-07     | May-07     | Jun-07     | Jul-07     | Aug-07     | Sep-07     | Oct-07     | Nov-07     | Dec-07      |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| <b>Depreciation</b>    |            |            |            |            |            |            |            |            |            |            |            |            |             |
| Depreciation (line 1)  | 76,670     | 73,737     | 76,479     | 82,957     | 88,443     | 101,063    | 117,234    | 132,575    | 150,000    | 233,481    | 314,420    | 320,938    | 596,849     |
| Plant Balance (line 8) | 15,043,220 | 14,208,577 | 14,868,105 | 16,631,541 | 18,240,027 | 21,644,596 | 25,985,488 | 30,119,189 | 34,709,961 | 50,915,019 | 66,533,422 | 68,591,564 | 120,469,345 |
| Monthly Depr Rate      | 0.51%      | 0.52%      | 0.51%      | 0.50%      | 0.48%      | 0.47%      | 0.45%      | 0.44%      | 0.43%      | 0.46%      | 0.47%      | 0.47%      | 0.50%       |
| Annual Depr Rate       | 6.12%      | 6.23%      | 6.17%      | 5.99%      | 5.82%      | 5.60%      | 5.41%      | 5.28%      | 5.19%      | 5.50%      | 5.67%      | 5.61%      | 5.95%       |

CPUC authorized depreciation rates for electric distribution (non-land) May 1, 2005 Letter, page 7 is 3.04% consistent with parameters authorized by CPUC decision D.04-05-055 in PG&E's 2003 GRC.

|                            | Dec-06     | Jan-07     | Feb-07     | Mar-07     | Apr-07     | May-07     | Jun-07     | Jul-07     | Aug-07     | Sep-07     | Oct-07     | Nov-07     | Dec-07      |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| <b>Return on Rate Base</b> |            |            |            |            |            |            |            |            |            |            |            |            |             |
| Return (line 2)            | 104,443    | 96,976     | 100,572    | 112,214    | 122,676    | 146,210    | 176,481    | 205,099    | 236,906    | 352,069    | 461,056    | 470,472    | 823,171     |
| Wtd Avg Rate Base (line 1) | 14,258,436 | 13,239,062 | 13,729,952 | 15,319,365 | 16,747,619 | 19,960,423 | 24,093,018 | 27,999,895 | 32,342,115 | 48,063,990 | 62,942,830 | 64,228,286 | 112,378,286 |
| Monthly Return             | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%      | 0.73%       |
| Annual Return              | 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%       |

Return on rate base is consistent with PG&E's annual cost of capital proceedings adopted by the CPUC in decision D.04-12-047.

|                     | Dec-06 | Jan-07   | Feb-07   | Mar-07   | Apr-07   | May-07   | Jun-07   | Jul-07   | Aug-07   | Sep-07    | Oct-07    | Nov-07    | Dec-07      |
|---------------------|--------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-------------|
| <b>Income Taxes</b> |        |          |          |          |          |          |          |          |          |           |           |           |             |
| State               | 0      | (15,578) | (15,349) | (14,190) | (12,903) | (11,614) | (7,869)  | (6,330)  | (3,921)  | (91,329)  | (74,696)  | (73,043)  | (1,608,488) |
| Federal             | 0      | (59,102) | (58,366) | (54,285) | (49,351) | (45,321) | (31,073) | (26,303) | (17,352) | (386,229) | (321,138) | (311,510) | (6,641,245) |
| Deferred            | 0      | 93,173   | 93,887   | 94,723   | 94,340   | 99,683   | 98,614   | 105,227  | 109,302  | 473,583   | 457,640   | 452,375   | 6,085,398   |
| Total               | 0      | 18,493   | 20,171   | 26,248   | 32,086   | 42,748   | 59,673   | 72,594   | 88,029   | (3,975)   | 61,806    | 67,822    | (2,164,335) |

**Property Taxes**

Property taxes are calculated on the average of the net plant for the current month plus the prior month.

**Factors**

Property Taxes 0.00998

Interest is 2.78%; Decision D.04-12-047

(Whole \$)

01/5/2007

Nov07 YTD

| Annual      | b4 rate chg After | Diff      |
|-------------|-------------------|-----------|
| 2,288,177   | 1,691,328         | 562,011   |
| 3,303,903   |                   | 129,317   |
| (1,678,641) | 485,694           |           |
| 386,342     |                   |           |
| 4,299,782   | 4,945,762         | 4,945,762 |

157,391,721

3,913,440  
0

(Whole \$)

|             |
|-------------|
| (1,935,309) |
| (8,001,275) |
| 8,257,943   |
| (1,678,641) |



REVENUE REQUIREMENTS

|                                     | January 2007 |            | February 2007 |            | March 2007 |            | April 2007 |            |
|-------------------------------------|--------------|------------|---------------|------------|------------|------------|------------|------------|
|                                     | Recorded     |            | Recorded      |            | Recorded   |            | Recorded   |            |
|                                     | Present      | Proposed   | Present       | Proposed   | Present    | Proposed   | Present    |            |
| <b>REVENUE REQUIREMENT SUMMARY</b>  |              |            |               |            |            |            |            |            |
| AMDRA Revenue                       | 0            | 189,205    | 0             | 197,222    | 0          | 221,419    | 0          |            |
| Other Revenue                       | 0            | 0          | 0             | 0          | 0          | 0          | 0          |            |
| Total Revenue                       | 0            | 189,205    | 0             | 197,222    | 0          | 221,419    | 0          |            |
| <b>Operating Expenses</b>           |              |            |               |            |            |            |            |            |
| Fuel Expense                        | 0            | 0          | 0             | 0          | 0          | 0          | 0          |            |
| O&M Expense                         | 0            | 0          | 0             | 0          | 0          | 0          | 0          |            |
| A&G Expense                         | 0            | 0          | 0             | 0          | 0          | 0          | 0          |            |
| Franchise Fees                      | 0            | 0          | 0             | 0          | 0          | 0          | 0          |            |
| Uncollectible Accounts              | 0            | 0          | 0             | 0          | 0          | 0          | 0          |            |
| Expense Adjustments                 | 0            | 0          | 0             | 0          | 0          | 0          | 0          |            |
| Total Operating Expenses            | 0            | 0          | 0             | 0          | 0          | 0          | 0          |            |
| Depreciation                        | X            | 73,737     | 73,737        | 76,479     | 76,479     | 82,957     | 82,957     | 88,443     |
| <b>Taxes Other Than Income</b>      |              |            |               |            |            |            |            |            |
| Super Fund Tax                      | 0            | 0          | 0             | 0          | 0          | 0          | 0          | 0          |
| Property Tax                        | 0            | 0          | 0             | 0          | 0          | 0          | 0          | 0          |
| Payroll Tax                         | 0            | 0          | 0             | 0          | 0          | 0          | 0          | 0          |
| Other                               | 0            | 0          | 0             | 0          | 0          | 0          | 0          | 0          |
| Total Other Taxes                   | 0            | 0          | 0             | 0          | 0          | 0          | 0          | 0          |
| <b>Income Taxes</b>                 |              |            |               |            |            |            |            |            |
| State                               | (32,304)     | (15,578)   | (32,784)      | (15,349)   | (33,763)   | (14,190)   | (34,402)   | (34,402)   |
| Federal                             | (32,151)     | 34,071     | (33,508)      | 35,520     | (37,059)   | 40,438     | (40,133)   | (40,133)   |
| Total Income Taxes                  | (64,455)     | 18,493     | (66,291)      | 20,171     | (70,823)   | 26,248     | (74,535)   | (74,535)   |
| Total Expenses                      | 9,282        | 92,229     | 10,188        | 96,650     | 12,135     | 109,205    | 13,908     | 13,908     |
| Operating Income                    | (9,282)      | 96,976     | (10,188)      | 100,572    | (12,135)   | 112,214    | (13,908)   | (13,908)   |
| Rate Base                           | X            | 13,239,062 | 13,239,062    | 13,729,952 | 13,729,952 | 15,319,365 | 15,319,365 | 16,747,619 |
| Rate of Return                      | -0.84        | 8.79       | -0.89         | 8.79       | -0.95      | 8.79       | -1.00      | -1.00      |
| Income Requirement @ Authorized RoR | 96,976       | 96,976     | 100,572       | 100,572    | 112,214    | 112,214    | 122,676    | 122,676    |
| Income Deficiency                   | 106,258      | 0          | 110,760       | 0          | 124,349    | 0          | 136,584    | 136,584    |
| Revenue Deficiency                  | 189,205      | 0          | 197,222       | 0          | 221,419    | 0          | 243,206    | 243,206    |

STATE TAX COMPUTATION

|                    |          |          |          |
|--------------------|----------|----------|----------|
| Book Depreciation  | 73,737   | 76,479   | 82,957   |
| State Taxes        | (32,304) | (32,784) | (33,763) |
| Federal Taxes      | (32,151) | (33,508) | (37,059) |
| Operating Income   | 9,282    | 10,188   | 12,135   |
| Income Requirement | 96,976   | 100,572  | 112,214  |

REVENUE REQUIREMENTS

|                          | January 2007 |           | February 2007 |           | March 2007 |           | April 2007 |
|--------------------------|--------------|-----------|---------------|-----------|------------|-----------|------------|
|                          | Recorded     |           | Recorded      |           | Recorded   |           | Recorded   |
|                          | Present      | Proposed  | Present       | Proposed  | Present    | Proposed  | Present    |
| Income Deficiency        |              | 106,258   |               | 110,760   |            | 124,349   |            |
| Total Revenue Gross Up   | 0            | 189,205   | 0             | 197,222   | 0          | 221,419   | 0          |
| Less:                    |              |           |               |           |            |           |            |
| Total Operating Expenses | 0            | 0         | 0             | 0         | 0          | 0         | 0          |
| Total Other Taxes        | 0            | 0         | 0             | 0         | 0          | 0         | 0          |
| Interest Expense         | 30,560       | 30,560    | 31,693        | 31,693    | 35,362     | 35,362    | 38,659     |
| Adjustments              | 0            | 0         | 0             | 0         | 0          | 0         | 0          |
| Depreciation             | X 334,869    | 334,869   | 339,161       | 339,161   | 346,577    | 346,577   | 350,506    |
| Total Deductions         | 365,429      | 365,429   | 370,854       | 370,854   | 381,939    | 381,939   | 389,165    |
| State Taxable Income     | (365,429)    | (176,223) | (370,854)     | (173,632) | (381,939)  | (160,520) | (389,165)  |
| Current State Tax        | (32,304)     | (15,578)  | (32,784)      | (15,349)  | (33,763)   | (14,190)  | (34,402)   |
| Tax Adjustments          | 0            | 0         | 0             | 0         | 0          | 0         | 0          |
| Total State Tax          | (32,304)     | (15,578)  | (32,784)      | (15,349)  | (33,763)   | (14,190)  | (34,402)   |

FEDERAL TAX COMPUTATION

|                               |           |           |           |           |           |           |           |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Book Depreciation             |           | 73,737    |           | 76,479    |           | 82,957    |           |
| State Taxes                   |           | (32,304)  |           | (32,784)  |           | (33,763)  |           |
| Federal Taxes                 |           | (32,151)  |           | (33,508)  |           | (37,059)  |           |
| Operating Income              |           | 9,282     |           | 10,188    |           | 12,135    |           |
| Income Requirement            |           | 96,976    |           | 100,572   |           | 112,214   |           |
| Income Deficiency             |           | 106,258   |           | 110,760   |           | 124,349   |           |
| Total Revenue Gross Up        | 0         | 189,205   | 0         | 197,222   | 0         | 221,419   | 0         |
| Less:                         |           |           |           |           |           |           |           |
| Total Operating Expenses      | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Total Other Taxes             | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Interest Expense              | 30,560    | 30,560    | 31,693    | 31,693    | 35,362    | 35,362    | 38,659    |
| Adjustments                   | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Federal Depreciation          | X 339,945 | 339,945   | 344,726   | 344,726   | 353,595   | 353,595   | 357,985   |
| State Income Tax (Prior Year) | (12,436)  | (12,436)  | (12,436)  | (12,436)  | (12,436)  | (12,436)  | (12,436)  |
| Preferred Div Credit          | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Total Deductions              | 358,068   | 358,068   | 363,983   | 363,983   | 376,521   | 376,521   | 384,208   |
| Federal Taxable Income        | (358,068) | (168,863) | (363,983) | (166,761) | (376,521) | (155,101) | (384,208) |
| Current Federal Tax           | (125,324) | (59,102)  | (127,394) | (58,366)  | (131,782) | (54,285)  | (134,473) |
| Tax Adjustments               | X 93,173  | 93,173    | 93,887    | 93,887    | 94,723    | 94,723    | 94,340    |

REVENUE REQUIREMENTS

|   | January 2007 |           | February 2007 |           | March 2007 |           | April 2007 |
|---|--------------|-----------|---------------|-----------|------------|-----------|------------|
|   | Recorded     |           | Recorded      |           | Recorded   |           | Recorded   |
|   | Present      | Proposed  | Present       | Proposed  | Present    | Proposed  | Present    |
| Total Federal Tax                       | (32,151)     | 34,071    | (33,508)      | 35,520    | (37,059)   | 40,438    | (40,133)   |
| <b>Reconciliation</b>                   |              |           |               |           |            |           |            |
| Revenue Deficiency                      | 0            | (189,205) | 0             | (197,222) | 0          | (221,419) | 0          |
| Book Depreciation                       | 73,737       | 73,737    | 76,479        | 76,479    | 82,957     | 82,957    | 88,443     |
| State Tax Prior Year                    | (12,436)     | (12,436)  | (12,436)      | (12,436)  | (12,436)   | (12,436)  | (12,436)   |
| Interest Expense                        | 30,560       | 30,560    | 31,693        | 31,693    | 35,362     | 35,362    | 38,659     |
| Total                                   | 91,861       | (97,345)  | 95,736        | (101,486) | 105,883    | (115,536) | 114,666    |
| Federal Tax Rate                        | 35%          | 35%       | 35%           | 35%       | 35%        | 35%       | 35%        |
| Reconciliation Difference Same as Above | 32,151       | (34,071)  | 33,508        | (35,520)  | 37,059     | (40,438)  | 40,133     |
|   | (0)          | 0         | 0             | 0         | 0          | 0         | 0          |

| Proposed   | May 2007   |            | June 2007  |            | July 2007  |            | August 2007 |            |
|------------|------------|------------|------------|------------|------------|------------|-------------|------------|
|            | Recorded   |            | Recorded   |            | Recorded   |            | Recorded    |            |
|            | Present    | Proposed   | Present    | Proposed   | Present    | Proposed   | Present     | Proposed   |
| 243,206    | 0          | 290,022    | 0          | 353,388    | 0          | 410,269    | 0           | 474,935    |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 243,206    | 0          | 290,022    | 0          | 353,388    | 0          | 410,269    | 0           | 474,935    |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 88,443     | 101,063    | 101,063    | 117,234    | 117,234    | 132,575    | 132,575    | 150,000     | 150,000    |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0           | 0          |
| (12,903)   | (37,252)   | (11,614)   | (39,108)   | (7,869)    | (42,597)   | (6,330)    | (45,906)    | (3,921)    |
| 44,989     | (47,146)   | 54,362     | (56,144)   | 67,541     | (64,670)   | 78,924     | (74,277)    | 91,950     |
| 32,086     | (84,397)   | 42,748     | (95,253)   | 59,673     | (107,268)  | 72,594     | (120,183)   | 88,029     |
| 120,529    | 16,666     | 143,811    | 21,981     | 176,906    | 25,308     | 205,169    | 29,818      | 238,029    |
| 122,676    | (16,666)   | 146,210    | (21,981)   | 176,481    | (25,308)   | 205,099    | (29,818)    | 236,906    |
| 16,747,619 | 19,960,423 | 19,960,423 | 24,093,018 | 24,093,018 | 27,999,895 | 27,999,895 | 32,342,115  | 32,342,115 |
| 8.79       | -1.00      | 8.79       | -1.09      | 8.79       | -1.08      | 8.79       | -1.11       | 8.79       |
| 122,676    | 146,210    | 146,210    | 176,481    | 176,481    | 205,099    | 205,099    | 236,906     | 236,906    |
| 0          | 162,876    | 0          | 198,462    | 0          | 230,407    | 0          | 266,724     | 0          |
| 0          | 290,022    | 0          | 353,388    | 0          | 410,269    | 0          | 474,935     | 0          |
| 88,443     |            | 101,063    |            | 117,234    |            | 132,575    |             | 150,000    |
| (34,402)   |            | (37,252)   |            | (39,108)   |            | (42,597)   |             | (45,906)   |
| (40,133)   |            | (47,146)   |            | (56,144)   |            | (64,670)   |             | (74,277)   |
| 13,908     |            | 16,666     |            | 21,981     |            | 25,308     |             | 29,818     |
| 122,676    |            | 146,210    |            | 176,481    |            | 205,099    |             | 236,906    |

| Proposed  | May 2007  |           | June 2007 |          | July 2007 |          | August 2007 |          |
|-----------|-----------|-----------|-----------|----------|-----------|----------|-------------|----------|
|           | Recorded  |           | Recorded  |          | Recorded  |          | Recorded    |          |
|           | Present   | Proposed  | Present   | Proposed | Present   | Proposed | Present     | Proposed |
| 136,584   |           | 162,876   |           | 198,462  |           | 230,407  |             | 266,724  |
| 243,206   | 0         | 290,022   | 0         | 353,388  | 0         | 410,269  | 0           | 474,935  |
| 0         | 0         | 0         | 0         | 0        | 0         | 0        | 0           | 0        |
| 0         | 0         | 0         | 0         | 0        | 0         | 0        | 0           | 0        |
| 38,659    | 46,075    | 46,075    | 55,615    | 55,615   | 64,633    | 64,633   | 74,656      | 74,656   |
| 0         | 0         | 0         | 0         | 0        | 0         | 0        | 0           | 0        |
| 350,506   | 375,323   | 375,323   | 386,788   | 386,788  | 417,238   | 417,238  | 444,639     | 444,639  |
| 389,165   | 421,398   | 421,398   | 442,402   | 442,402  | 481,871   | 481,871  | 519,296     | 519,296  |
| (145,960) | (421,398) | (131,377) | (442,402) | (89,015) | (481,871) | (71,603) | (519,296)   | (44,361) |
| (12,903)  | (37,252)  | (11,614)  | (39,108)  | (7,869)  | (42,597)  | (6,330)  | (45,906)    | (3,921)  |
| 0         | 0         | 0         | 0         | 0        | 0         | 0        | 0           | 0        |
| (12,903)  | (37,252)  | (11,614)  | (39,108)  | (7,869)  | (42,597)  | (6,330)  | (45,906)    | (3,921)  |
| 88,443    |           | 101,063   |           | 117,234  |           | 132,575  |             | 150,000  |
| (34,402)  |           | (37,252)  |           | (39,108) |           | (42,597) |             | (45,906) |
| (40,133)  |           | (47,146)  |           | (56,144) |           | (64,670) |             | (74,277) |
| 13,908    |           | 16,666    |           | 21,981   |           | 25,308   |             | 29,818   |
| 122,676   |           | 146,210   |           | 176,481  |           | 205,099  |             | 236,906  |
| 136,584   |           | 162,876   |           | 198,462  |           | 230,407  |             | 266,724  |
| 243,206   | 0         | 290,022   | 0         | 353,388  | 0         | 410,269  | 0           | 474,935  |
| 0         | 0         | 0         | 0         | 0        | 0         | 0        | 0           | 0        |
| 0         | 0         | 0         | 0         | 0        | 0         | 0        | 0           | 0        |
| 38,659    | 46,075    | 46,075    | 55,615    | 55,615   | 64,633    | 64,633   | 74,656      | 74,656   |
| 0         | 0         | 0         | 0         | 0        | 0         | 0        | 0           | 0        |
| 357,985   | 385,871   | 385,871   | 398,988   | 398,988  | 433,223   | 433,223  | 462,292     | 462,292  |
| (12,436)  | (12,436)  | (12,436)  | (12,436)  | (12,436) | (12,436)  | (12,436) | (12,436)    | (12,436) |
| 0         | 0         | 0         | 0         | 0        | 0         | 0        | 0           | 0        |
| 384,208   | 419,510   | 419,510   | 442,166   | 442,166  | 485,419   | 485,419  | 524,512     | 524,512  |
| (141,002) | (419,510) | (129,489) | (442,166) | (88,779) | (485,419) | (75,151) | (524,512)   | (49,577) |
| (49,351)  | (146,829) | (45,321)  | (154,758) | (31,073) | (169,897) | (26,303) | (183,579)   | (17,352) |
| 94,340    | 99,683    | 99,683    | 98,614    | 98,614   | 105,227   | 105,227  | 109,302     | 109,302  |

| Proposed        | May 2007      |                 | June 2007     |                 | July 2007     |                 | August 2007   |                 |
|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
|                 | Recorded      |                 | Recorded      |                 | Recorded      |                 | Recorded      |                 |
|                 | Present       | Proposed        | Present       | Proposed        | Present       | Proposed        | Present       | Proposed        |
| 44,989          | (47,146)      | 54,362          | (56,144)      | 67,541          | (64,670)      | 78,924          | (74,277)      | 91,950          |
| (243,206)       | 0             | (290,022)       | 0             | (353,388)       | 0             | (410,269)       | 0             | (474,935)       |
| 88,443          | 101,063       | 101,063         | 117,234       | 117,234         | 132,575       | 132,575         | 150,000       | 150,000         |
| (12,436)        | (12,436)      | (12,436)        | (12,436)      | (12,436)        | (12,436)      | (12,436)        | (12,436)      | (12,436)        |
| 38,659          | 46,075        | 46,075          | 55,615        | 55,615          | 64,633        | 64,633          | 74,656        | 74,656          |
| (128,540)       | 134,702       | (155,319)       | 160,412       | (192,976)       | 184,772       | (225,497)       | 212,220       | (262,715)       |
| 35%             | 35%           | 35%             | 35%           | 35%             | 35%           | 35%             | 35%           | 35%             |
| <u>(44,989)</u> | <u>47,146</u> | <u>(54,362)</u> | <u>56,144</u> | <u>(67,541)</u> | <u>64,670</u> | <u>(78,924)</u> | <u>74,277</u> | <u>(91,950)</u> |
| 0               | 0             | 0               | 0             | 0               | 0             | 0               | 0             | 0               |

| September 2007 |            | October 2007 |            | November 2007 |            | December 2007 |              | Total Year 2007 |             |             |
|----------------|------------|--------------|------------|---------------|------------|---------------|--------------|-----------------|-------------|-------------|
| Recorded       |            | Recorded     |            | Recorded      |            | Recorded      |              | Recorded        |             |             |
| Present        | Proposed   | Present      | Proposed   | Present       | Proposed   | Present       | Proposed     | Present         | Proposed    |             |
| 0              | 581,575    | 0            | 837,283    | 0             | 859,232    | 0             | (744,315)    | 0               | 3,913,440   |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 581,575    | 0            | 837,283    | 0             | 859,232    | 0             | (744,315) A1 | 0               | 3,913,440   |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 233,481        | 233,481    | 314,420      | 314,420    | 320,938       | 320,938    | C, D          | 596,849      | 596,849 A1      | 2,288,177   | 2,288,177   |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| 0              | 0          | 0            | 0          | 0             | 0          | 0             | 0            | 0               | 0           |             |
| (142,740)      | (91,329)   | (148,712)    | (74,696)   | (148,999)     | (73,043)   | B2            | (1,542,690)  | (1,608,488)     | (2,281,257) | (1,935,309) |
| (116,197)      | 87,354     | (156,547)    | 136,502    | (159,867)     | 140,865    | B2            | (295,337)    | (555,847)       | (1,113,036) | 256,668     |
| (258,937)      | (3,975)    | (305,258)    | 61,806     | (308,865)     | 67,822     |               | (1,838,027)  | (2,164,335) A1  | (3,394,293) | (1,678,641) |
| (25,456)       | 229,506    | 9,162        | 376,226    | 12,073        | 388,760    |               | (1,241,178)  | (1,567,486)     | (1,106,115) | 609,537     |
| 25,456         | 352,069    | (9,162)      | 461,056    | (12,073)      | 470,472    |               | 1,241,178    | 823,171         | 1,106,115   | 3,303,903   |
| 48,063,990     | 48,063,990 | 62,942,830   | 62,942,830 | 64,228,286    | 64,228,286 | C             | 112,378,286  | 112,378,286     | 37,587,070  | 37,587,070  |
| 0.64           | 8.79       | -0.17        | 8.79       | -0.23         | 8.79       |               | 13.25        | 8.79            | 35.31       | 8.79        |
| 352,069        | 352,069    | 461,056      | 461,056    | 470,472       | 470,472    |               | 823,171      | 823,171         | 3,303,903   | 3,303,903   |
| 326,613        | 0          | 470,218      | 0          | 482,545       | 0          |               | (418,007)    | 0               | 2,197,788   | 0           |
| 581,575        | 0          | 837,283      | 0          | 859,232       | 0          |               | (744,315)    | 0               | 3,913,440   | 0           |
|                | 233,481    |              | 314,420    |               | 320,938    |               | 596,849      |                 | 2,288,177   |             |
|                | (142,740)  |              | (148,712)  |               | (148,999)  |               | (1,542,690)  |                 | (2,281,257) |             |
|                | (116,197)  |              | (156,547)  |               | (159,867)  |               | (295,337)    |                 | (1,113,036) |             |
|                | (25,456)   |              | 9,162      |               | 12,073     |               | (1,241,178)  |                 | (1,106,115) |             |
|                | 352,069    |              | 461,056    |               | 470,472    |               | 823,171      |                 | 3,303,903   |             |

| September 2007 |             | October 2007 |           | November 2007 |           | December 2007 |               | Total Year 2007 |              |
|----------------|-------------|--------------|-----------|---------------|-----------|---------------|---------------|-----------------|--------------|
| Recorded       |             | Recorded     |           | Recorded      |           | Recorded      |               | Recorded        |              |
| Present        | Proposed    | Present      | Proposed  | Present       | Proposed  | Present       | Proposed      | Present         | Proposed     |
|                | 326,613     |              | 470,218   |               | 482,545   |               | (418,007)     |                 | 2,197,788    |
| 0              | 581,575     | 0            | 837,283   | 0             | 859,232   | 0             | (744,315)     | 0               | 3,913,440    |
| 0              | 0           | 0            | 0         | 0             | 0         | 0             | 0             | 0               | 0            |
| 0              | 0           | 0            | 0         | 0             | 0         | 0             | 0             | 0               | 0            |
| 110,948        | 110,948     | 145,293      | 145,293   | 148,260       | 148,260   | 259,407       | 259,407       | 1,041,162       | 1,041,162    |
| 0              | 0           | 0            | 0         | 0             | 0         | 0             | 0             | 0               | 0            |
| 1,503,757      | 1,503,757   | 1,536,964    | 1,536,964 | 1,537,246     | 1,537,246 | C 17,191,842  | 17,191,842    | 24,764,910      | 24,764,910   |
| 1,614,705      | 1,614,705   | 1,682,257    | 1,682,257 | 1,685,506     | 1,685,506 | 17,451,248    | 17,451,248    | 25,806,072      | 25,806,072   |
| (1,614,705)    | (1,033,130) | (1,682,257)  | (844,974) | (1,685,506)   | (826,274) | (17,451,248)  | (18,195,563)  | (25,806,072)    | (21,892,631) |
| (142,740)      | (91,329)    | (148,712)    | (74,696)  | (148,999)     | (73,043)  | (1,542,690)   | (1,608,488)   | (2,281,257)     | (1,935,309)  |
| 0              | 0           | 0            | 0         | 0             | 0         | 0             | 0             | 0               | 0            |
| (142,740)      | (91,329)    | (148,712)    | (74,696)  | (148,999)     | (73,043)  | (1,542,690)   | (1,608,488)A2 | (2,281,257)     | (1,935,309)  |
|                | 233,481     |              | 314,420   |               | 320,938   |               | 596,849       |                 | 2,288,177    |
|                | (142,740)   |              | (148,712) |               | (148,999) |               | (1,542,690)   |                 | (2,281,257)  |
|                | (116,197)   |              | (156,547) |               | (159,867) |               | (295,337)     |                 | (1,113,036)  |
|                | (25,456)    |              | 9,162     |               | 12,073    |               | (1,241,178)   |                 | (1,106,115)  |
|                | 352,069     |              | 461,056   |               | 470,472   |               | 823,171       |                 | 3,303,903    |
|                | 326,613     |              | 470,218   |               | 482,545   |               | (418,007)     |                 | 2,197,788    |
| 0              | 581,575     | 0            | 837,283   | 0             | 859,232   | 0             | (744,315)     | 0               | 3,913,440    |
| 0              | 0           | 0            | 0         | 0             | 0         | 0             | 0             | 0               | 0            |
| 0              | 0           | 0            | 0         | 0             | 0         | 0             | 0             | 0               | 0            |
| 110,948        | 110,948     | 145,293      | 145,293   | 148,260       | 148,260   | 259,407       | 259,407       | 1,041,162       | 1,041,162    |
| 0              | 0           | 0            | 0         | 0             | 0         | 0             | 0             | 0               | 0            |
| 1,586,575      | 1,586,575   | 1,621,963    | 1,621,963 | 1,613,438     | 1,613,438 | C 17,983,701  | 17,983,701    | 25,882,301      | 25,882,301   |
| (12,436)       | (12,436)    | (12,436)     | (12,436)  | (12,436)      | (12,436)  | (12,436)      | (12,436)      | (149,236)       | (149,236)    |
| 0              | 0           | 0            | 0         | 0             | 0         | 0             | 0             | 0               | 0            |
| 1,685,086      | 1,685,086   | 1,754,820    | 1,754,820 | 1,749,262     | 1,749,262 | 18,230,671    | 18,230,671    | 26,774,227      | 26,774,227   |
| (1,685,086)    | (1,103,511) | (1,754,820)  | (917,537) | (1,749,262)   | (890,030) | (18,230,671)  | (18,974,986)  | (26,774,227)    | (22,860,787) |
| (589,780)      | (386,229)   | (614,187)    | (321,138) | (612,242)     | (311,510) | (6,380,735)   | (6,641,245)A2 | (9,370,979)     | (8,001,275)  |
| 473,583        | 473,583     | 457,640      | 457,640   | 452,375       | 452,375   | C 6,085,398   | 6,085,398A2   | 8,257,943       | 8,257,943    |



| September 2007 |                 | October 2007   |                  | November 2007  |                  | December 2007  |                | Total Year 2007  |                  |
|----------------|-----------------|----------------|------------------|----------------|------------------|----------------|----------------|------------------|------------------|
| Recorded       |                 | Recorded       |                  | Recorded       |                  | Recorded       |                | Recorded         |                  |
| Present        | Proposed        | Present        | Proposed         | Present        | Proposed         | Present        | Proposed       | Present          | Proposed         |
| (116,197)      | 87,354          | (156,547)      | 136,502          | (159,867)      | 140,865          | (295,337)      | (555,847)      | (1,113,036)      | 256,668          |
| 0              | (581,575)       | 0              | (837,283)        | 0              | (859,232)        | 0              | 744,315        | 0                | (3,913,440)      |
| 233,481        | 233,481         | 314,420        | 314,420          | 320,938        | 320,938          | 596,849        | 596,849        | 2,288,177        | 2,288,177        |
| (12,436)       | (12,436)        | (12,436)       | (12,436)         | (12,436)       | (12,436)         | (12,436)       | (12,436)       | (149,236)        | (149,236)        |
| 110,948        | 110,948         | 145,293        | 145,293          | 148,260        | 148,260          | 259,407        | 259,407        | 1,041,162        | 1,041,162        |
| 331,992        | (249,583)       | 447,277        | (390,006)        | 456,762        | (402,470)        | 843,819        | 1,588,134      | 3,180,103        | (733,337)        |
| 35%            | 35%             | 35%            | 35%              | 35%            | 35%              | 35%            | 35%            | 35%              | 35%              |
| <u>116,197</u> | <u>(87,354)</u> | <u>156,547</u> | <u>(136,502)</u> | <u>159,867</u> | <u>(140,865)</u> | <u>295,337</u> | <u>555,847</u> | <u>1,113,036</u> | <u>(256,668)</u> |
| 0              | 0               | 0              | 0                | 0              | 0                | 0              | 0              | 0                | 0                |

A1

A1

A1

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A2

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Pacific Gas and Electric Company  
 2006 AMI Deployment  
 Capital-Related Revenue Requirements (RRQ)

(dollars)

| Capital-Related RRQ            | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 | Jun-06 | Jul-06 | Aug-06 | Sep-06     | Oct-06     | Nov-06     | Dec-06     | Annual     |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|------------|------------|------------|------------|------------|
| 1 Depreciation                 |        |        |        |        |        |        |        |        | 31,936     | 66,309     | 70,471     | 73,187     | 241,903    |
| 2 Return on Rate Base          |        |        |        |        |        |        |        |        | 40,379     | 84,834     | 92,143     | 96,434     | 313,790    |
| 3 Income Taxes                 |        |        |        |        |        |        |        |        | (50,255)   | (23,940)   | (18,168)   | (18,685)   | (111,047)  |
| 4 Property Taxes               |        |        |        |        |        |        |        |        | 4,652      | 9,832      | 10,794     | 11,416     | 36,694     |
| 5 Total                        | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 26,712     | 137,035    | 155,240    | 162,352    | 481,340    |
| 6 Capital Expenditures (SAP)   |        |        |        |        |        |        |        |        | 11,219,429 | 1,336,338  | 1,112,162  | 527,335    | 14,195,264 |
| 7 Plant Balance                |        |        |        |        |        |        |        |        | 11,219,429 | 12,555,767 | 13,667,929 | 14,195,264 |            |
| 8 Plant Balance (Weighted Avg) |        |        |        |        |        |        |        |        | 5,609,715  | 11,887,598 | 13,111,848 | 13,931,597 |            |
| 9 Depreciation Reserve         |        |        |        |        |        |        |        |        | 31,936     | 98,245     | 168,716    | 241,903    |            |
| 10 Rate Base (Weighted Avg):   |        |        |        |        |        |        |        |        |            |            |            |            |            |
| 11 Plant                       |        |        |        |        |        |        |        |        | 5,609,715  | 11,887,598 | 13,111,848 | 13,931,597 |            |
| 12 Depreciation Reserve        |        |        |        |        |        |        |        |        | 15,968     | 65,091     | 133,481    | 205,310    |            |
| 13 Deferred Taxes              |        |        |        |        |        |        |        |        | 81,207     | 241,110    | 399,088    | 561,265    |            |
| 14 Total                       | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 5,512,539  | 11,581,398 | 12,579,279 | 13,165,022 |            |

Tie Model RRQ

Sum of lines 1,2,3 from above equal the RRQ (Line 8) in the Model for Tab "2006 Total RRQ"

|  |   |   |   |   |   |   |   |   |   |        |         |         |         |         |
|--|---|---|---|---|---|---|---|---|---|--------|---------|---------|---------|---------|
|  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,060 | 127,203 | 144,446 | 150,936 | 444,646 |
|--|---|---|---|---|---|---|---|---|---|--------|---------|---------|---------|---------|

**ANALYSIS**

|                        | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 | Jun-06 | Jul-06 | Aug-06 | Sep-06    | Oct-06     | Nov-06     | Dec-06     |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|------------|------------|------------|
| <b>Depreciation</b>    |        |        |        |        |        |        |        |        |           |            |            |            |
| Depreciation (line 1)  | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 31,936    | 66,309     | 70,471     | 73,187     |
| Plant Balance (line 8) | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 5,609,715 | 11,887,598 | 13,111,848 | 13,931,597 |
| Monthly Depr Rate      | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.57%     | 0.56%      | 0.54%      | 0.53%      |
| Annual Depr Rate       | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 6.83%     | 6.69%      | 6.45%      | 6.30%      |

CPUC authorized depreciation rates for electric distribution (non-land) May 1, 2005 Letter, page 7 is 3.04% consistent with parameters authorized by CPUC decision D.04-05-055 in PG&E's 2003 GRC.

|                             |       |       |       |       |       |       |       |       |           |            |            |            |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|------------|------------|------------|
| <b>Return on Rate Base</b>  |       |       |       |       |       |       |       |       |           |            |            |            |
| Return (line 2)             | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 40,379    | 84,834     | 92,143     | 96,434     |
| Wtd Avg Rate Base (line 14) | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 5,512,539 | 11,581,398 | 12,579,279 | 13,165,022 |
| Monthly Return              | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.73%     | 0.73%      | 0.73%      | 0.73%      |
| Annual Return               | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 8.79%     | 8.79%      | 8.79%      | 8.79%      |

Return on rate base is consistent with PG&E's annual cost of capital proceedings adopted by the CPUC in decision D.04-12-047.

|                     |   |   |   |   |   |   |   |   |           |           |           |           |           |
|---------------------|---|---|---|---|---|---|---|---|-----------|-----------|-----------|-----------|-----------|
| <b>Income Taxes</b> |   |   |   |   |   |   |   |   |           |           |           |           |           |
| State               |   |   |   |   |   |   |   |   | (42,345)  | (35,896)  | (34,795)  | (36,201)  | (149,236) |
| Federal             |   |   |   |   |   |   |   |   | (170,325) | (145,434) | (141,940) | (148,270) | (605,969) |
| Deferred            |   |   |   |   |   |   |   |   | 162,415   | 157,390   | 158,567   | 165,786   | 644,158   |
| Total               | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (50,255)  | (23,940)  | (18,168)  | (18,685)  | (111,047) |

**Property Taxes**

Property taxes are calculated on the average of the net plant for the current month plus the prior month e.g. April property taxes equals the sum of March gross plant (less) accumulated depreciation + April gross plant (less) accumulated depreciation all

**Factors**

Property Taxes 0.00998

Interest is 2.78%; Decision D.04-12-047

|     | A                                      | B         | C         | D | E | F         | G         |
|-----|--|-----------|-----------|---|---|-----------|-----------|
| 1   |  |           |           |   |   |           |           |
| 2   | 2018 Pre-approval Revenue Requirements |           |           |   |   |           |           |
| 3   | 2018 REVENUE                           | 2018-2019 |           |   |   | 2018-2019 |           |
| 4   |  | Revenue   |           |   |   | Revenue   |           |
| 5   |  | Present   | Projected |   |   | Present   | Projected |
| 6   | REVENUE REQUIREMENT SUMMARY            |           |           |   |   |           |           |
| 7   | REVENUE                                |           |           |   |   |           |           |
| 8   | State Revenue                          |           |           |   |   |           |           |
| 9   | State Revenue                          |           |           |   |   |           |           |
| 10  |  |           |           |   |   |           |           |
| 11  |  |           |           |   |   |           |           |
| 12  | Operating Expenses                     |           |           |   |   |           |           |
| 13  | State Expense                          |           |           |   |   |           |           |
| 14  | State Expense                          |           |           |   |   |           |           |
| 15  | State Expense                          |           |           |   |   |           |           |
| 16  | State Expense                          |           |           |   |   |           |           |
| 17  | State Expense                          |           |           |   |   |           |           |
| 18  | State Expense                          |           |           |   |   |           |           |
| 19  | State Expense                          |           |           |   |   |           |           |
| 20  | State Expense                          |           |           |   |   |           |           |
| 21  | State Expense                          |           |           |   |   |           |           |
| 22  | State Expense                          |           |           |   |   |           |           |
| 23  | State Expense                          |           |           |   |   |           |           |
| 24  | State Expense                          |           |           |   |   |           |           |
| 25  | State Expense                          |           |           |   |   |           |           |
| 26  | State Expense                          |           |           |   |   |           |           |
| 27  | State Expense                          |           |           |   |   |           |           |
| 28  | State Expense                          |           |           |   |   |           |           |
| 29  | State Expense                          |           |           |   |   |           |           |
| 30  | State Expense                          |           |           |   |   |           |           |
| 31  | State Expense                          |           |           |   |   |           |           |
| 32  | State Expense                          |           |           |   |   |           |           |
| 33  | State Expense                          |           |           |   |   |           |           |
| 34  | State Expense                          |           |           |   |   |           |           |
| 35  | State Expense                          |           |           |   |   |           |           |
| 36  | State Expense                          |           |           |   |   |           |           |
| 37  | State Expense                          |           |           |   |   |           |           |
| 38  | State Expense                          |           |           |   |   |           |           |
| 39  | State Expense                          |           |           |   |   |           |           |
| 40  | State Expense                          |           |           |   |   |           |           |
| 41  | State Expense                          |           |           |   |   |           |           |
| 42  | State Expense                          |           |           |   |   |           |           |
| 43  | State Expense                          |           |           |   |   |           |           |
| 44  | State Expense                          |           |           |   |   |           |           |
| 45  | State Expense                          |           |           |   |   |           |           |
| 46  | State Expense                          |           |           |   |   |           |           |
| 47  | State Expense                          |           |           |   |   |           |           |
| 48  | State Expense                          |           |           |   |   |           |           |
| 49  | State Expense                          |           |           |   |   |           |           |
| 50  | State Expense                          |           |           |   |   |           |           |
| 51  | State Expense                          |           |           |   |   |           |           |
| 52  | State Expense                          |           |           |   |   |           |           |
| 53  | State Expense                          |           |           |   |   |           |           |
| 54  | State Expense                          |           |           |   |   |           |           |
| 55  | State Expense                          |           |           |   |   |           |           |
| 56  | State Expense                          |           |           |   |   |           |           |
| 57  | State Expense                          |           |           |   |   |           |           |
| 58  | State Expense                          |           |           |   |   |           |           |
| 59  | State Expense                          |           |           |   |   |           |           |
| 60  | State Expense                          |           |           |   |   |           |           |
| 61  | State Expense                          |           |           |   |   |           |           |
| 62  | State Expense                          |           |           |   |   |           |           |
| 63  | State Expense                          |           |           |   |   |           |           |
| 64  | State Expense                          |           |           |   |   |           |           |
| 65  | State Expense                          |           |           |   |   |           |           |
| 66  | State Expense                          |           |           |   |   |           |           |
| 67  | State Expense                          |           |           |   |   |           |           |
| 68  | State Expense                          |           |           |   |   |           |           |
| 69  | State Expense                          |           |           |   |   |           |           |
| 70  | State Expense                          |           |           |   |   |           |           |
| 71  | State Expense                          |           |           |   |   |           |           |
| 72  | State Expense                          |           |           |   |   |           |           |
| 73  | State Expense                          |           |           |   |   |           |           |
| 74  | State Expense                          |           |           |   |   |           |           |
| 75  | State Expense                          |           |           |   |   |           |           |
| 76  | State Expense                          |           |           |   |   |           |           |
| 77  | State Expense                          |           |           |   |   |           |           |
| 78  | State Expense                          |           |           |   |   |           |           |
| 79  | State Expense                          |           |           |   |   |           |           |
| 80  | State Expense                          |           |           |   |   |           |           |
| 81  | State Expense                          |           |           |   |   |           |           |
| 82  | State Expense                          |           |           |   |   |           |           |
| 83  | State Expense                          |           |           |   |   |           |           |
| 84  | State Expense                          |           |           |   |   |           |           |
| 85  | State Expense                          |           |           |   |   |           |           |
| 86  | State Expense                          |           |           |   |   |           |           |
| 87  | State Expense                          |           |           |   |   |           |           |
| 88  | State Expense                          |           |           |   |   |           |           |
| 89  | State Expense                          |           |           |   |   |           |           |
| 90  | State Expense                          |           |           |   |   |           |           |
| 91  | State Expense                          |           |           |   |   |           |           |
| 92  | State Expense                          |           |           |   |   |           |           |
| 93  | State Expense                          |           |           |   |   |           |           |
| 94  | State Expense                          |           |           |   |   |           |           |
| 95  | State Expense                          |           |           |   |   |           |           |
| 96  | State Expense                          |           |           |   |   |           |           |
| 97  | State Expense                          |           |           |   |   |           |           |
| 98  | State Expense                          |           |           |   |   |           |           |
| 99  | State Expense                          |           |           |   |   |           |           |
| 100 | State Expense                          |           |           |   |   |           |           |
| 101 | State Expense                          |           |           |   |   |           |           |
| 102 | State Expense                          |           |           |   |   |           |           |
| 103 | State Expense                          |           |           |   |   |           |           |
| 104 | State Expense                          |           |           |   |   |           |           |
| 105 | State Expense                          |           |           |   |   |           |           |
| 106 | State Expense                          |           |           |   |   |           |           |
| 107 | State Expense                          |           |           |   |   |           |           |
| 108 | State Expense                          |           |           |   |   |           |           |
| 109 | State Expense                          |           |           |   |   |           |           |
| 110 | State Expense                          |           |           |   |   |           |           |
| 111 | State Expense                          |           |           |   |   |           |           |
| 112 | State Expense                          |           |           |   |   |           |           |
| 113 | State Expense                          |           |           |   |   |           |           |
| 114 | State Expense                          |           |           |   |   |           |           |
| 115 | State Expense                          |           |           |   |   |           |           |
| 116 | State Expense                          |           |           |   |   |           |           |
| 117 | State Expense                          |           |           |   |   |           |           |
| 118 | State Expense                          |           |           |   |   |           |           |
| 119 | State Expense                          |           |           |   |   |           |           |
| 120 | State Expense                          |           |           |   |   |           |           |
| 121 | State Expense                          |           |           |   |   |           |           |
| 122 | State Expense                          |           |           |   |   |           |           |
| 123 | State Expense                          |           |           |   |   |           |           |
| 124 | State Expense                          |           |           |   |   |           |           |
| 125 | State Expense                          |           |           |   |   |           |           |
| 126 | State Expense                          |           |           |   |   |           |           |
| 127 | State Expense                          |           |           |   |   |           |           |
| 128 | State Expense                          |           |           |   |   |           |           |
| 129 | State Expense                          |           |           |   |   |           |           |
| 130 | State Expense                          |           |           |   |   |           |           |
| 131 | State Expense                          |           |           |   |   |           |           |
| 132 | State Expense                          |           |           |   |   |           |           |
| 133 | State Expense                          |           |           |   |   |           |           |
| 134 | State Expense                          |           |           |   |   |           |           |
| 135 | State Expense                          |           |           |   |   |           |           |
| 136 | State Expense                          |           |           |   |   |           |           |
| 137 | State Expense                          |           |           |   |   |           |           |



|     | A                                 | B | C | D | E | F | G |
|-----|-----------------------------------|---|---|---|---|---|---|
| 2   | 13. Professional Expense Reimburs |   |   |   |   |   |   |
| 3   | 14. Other                         |   |   |   |   |   |   |
| 4   |                                   |   |   |   |   |   |   |
| 5   |                                   |   |   |   |   |   |   |
| 100 |                                   |   |   |   |   |   |   |

|     | H          | I        | J | K | L          | M        |
|-----|------------|----------|---|---|------------|----------|
| 1   |            |          |   |   |            |          |
| 2   |            |          |   |   |            |          |
| 3   | March 2002 |          |   |   | April 2002 |          |
| 4   | Present    | Proposed |   |   | Present    | Proposed |
| 5   |            |          |   |   |            |          |
| 6   |            |          |   |   |            |          |
| 7   |            |          |   |   |            |          |
| 8   |            |          |   |   |            |          |
| 9   |            |          |   |   |            |          |
| 10  |            |          |   |   |            |          |
| 11  |            |          |   |   |            |          |
| 12  |            |          |   |   |            |          |
| 13  |            |          |   |   |            |          |
| 14  |            |          |   |   |            |          |
| 15  |            |          |   |   |            |          |
| 16  |            |          |   |   |            |          |
| 17  |            |          |   |   |            |          |
| 18  |            |          |   |   |            |          |
| 19  |            |          |   |   |            |          |
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| 21  |            |          |   |   |            |          |
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| 23  |            |          |   |   |            |          |
| 24  |            |          |   |   |            |          |
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| 27  |            |          |   |   |            |          |
| 28  |            |          |   |   |            |          |
| 29  |            |          |   |   |            |          |
| 30  |            |          |   |   |            |          |
| 31  |            |          |   |   |            |          |
| 32  |            |          |   |   |            |          |
| 33  |            |          |   |   |            |          |
| 34  |            |          |   |   |            |          |
| 35  |            |          |   |   |            |          |
| 36  |            |          |   |   |            |          |
| 37  |            |          |   |   |            |          |
| 38  |            |          |   |   |            |          |
| 39  |            |          |   |   |            |          |
| 40  |            |          |   |   |            |          |
| 41  |            |          |   |   |            |          |
| 42  |            |          |   |   |            |          |
| 43  |            |          |   |   |            |          |
| 44  |            |          |   |   |            |          |
| 45  |            |          |   |   |            |          |
| 46  |            |          |   |   |            |          |
| 47  |            |          |   |   |            |          |
| 48  |            |          |   |   |            |          |
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| 52  |            |          |   |   |            |          |
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| 54  |            |          |   |   |            |          |
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| 57  |            |          |   |   |            |          |
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| 68  |            |          |   |   |            |          |
| 69  |            |          |   |   |            |          |
| 70  |            |          |   |   |            |          |
| 71  |            |          |   |   |            |          |
| 72  |            |          |   |   |            |          |
| 73  |            |          |   |   |            |          |
| 74  |            |          |   |   |            |          |
| 75  |            |          |   |   |            |          |
| 76  |            |          |   |   |            |          |
| 77  |            |          |   |   |            |          |
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| 79  |            |          |   |   |            |          |
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| 81  |            |          |   |   |            |          |
| 82  |            |          |   |   |            |          |
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| 84  |            |          |   |   |            |          |
| 85  |            |          |   |   |            |          |
| 86  |            |          |   |   |            |          |
| 87  |            |          |   |   |            |          |
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| 92  |            |          |   |   |            |          |
| 93  |            |          |   |   |            |          |
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| 101 |            |          |   |   |            |          |
| 102 |            |          |   |   |            |          |
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| 107 |            |          |   |   |            |          |
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| 111 |            |          |   |   |            |          |
| 112 |            |          |   |   |            |          |
| 113 |            |          |   |   |            |          |
| 114 |            |          |   |   |            |          |
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| 124 |            |          |   |   |            |          |
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| 127 |            |          |   |   |            |          |
| 128 |            |          |   |   |            |          |
| 129 |            |          |   |   |            |          |
| 130 |            |          |   |   |            |          |
| 131 |            |          |   |   |            |          |
| 132 |            |          |   |   |            |          |
| 133 |            |          |   |   |            |          |
| 134 |            |          |   |   |            |          |
| 135 |            |          |   |   |            |          |
| 136 |            |          |   |   |            |          |
| 137 |            |          |   |   |            |          |

|     | H          | I          | J | K | L          | M          |
|-----|------------|------------|---|---|------------|------------|
| 2   |            |            |   |   |            |            |
| 3   | Frab. 2000 |            |   |   | Apr. 2000  |            |
| 4   | Frab. 2000 |            |   |   | Apr. 2000  |            |
| 5   | Frab. 2000 | Frab. 2000 |   |   | Frab. 2000 | Frab. 2000 |
| 100 |            |            |   |   |            |            |

|     | N | O        | P        | Q | R        | S        |
|-----|---|----------|----------|---|----------|----------|
| 1   |   |          |          |   |          |          |
| 2   |   |          |          |   |          |          |
| 3   |   | Not Used |          |   | Not Used |          |
| 4   |   | Response |          |   | Response |          |
| 5   |   | Plaint   | Proposed |   | Plaint   | Proposed |
| 6   |   |          |          |   |          |          |
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| 102 |   |          |          |   |          |          |
| 103 |   |          |          |   |          |          |
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|     | M         | O         | P         | Q         | R         | S |
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| 2   |           |           |           |           |           |   |
| 3   | 10/1/2000 |           |           | 10/2/2000 |           |   |
| 4   | 10/3/2000 |           |           | 10/4/2000 |           |   |
| 5   | 10/5/2000 | 10/6/2000 | 10/7/2000 | 10/8/2000 | 10/9/2000 |   |
| 100 |           |           |           |           |           |   |

|     | H | U | V | W | X | Y |
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|     | H        | U        | V | M        | X        | Y |
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| 2   |          |          |   |          |          |   |
| 3   | Proposed |          |   | Proposed |          |   |
| 4   | Proposed |          |   | Proposed |          |   |
| 5   | Proposed | Proposed |   | Proposed | Proposed |   |
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| Z   | AA | AB | AC | AD | AE |
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|     | AI | AA             | AB        | AC | AD             | AE        |
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| 2   |    |                |           |    |                |           |
| 3   |    | Intercept 2000 |           |    | Intercept 2000 |           |
| 4   |    | Intercept      |           |    | Intercept      |           |
| 5   |    | Intercept      | Intercept |    | Intercept      | Intercept |
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| RF  | AG | AH | AI | AJ | AK |
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|     | AE           | AG       | AH | AI | AJ           | AK       |
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| 2   |              |          |    |    |              |          |
| 3   | October 2000 |          |    |    | October 2004 |          |
| 4   | Proposed     |          |    |    | Proposed     |          |
| 5   | Proposed     | Proposed |    |    | Proposed     | Proposed |
| 100 |              |          |    |    |              |          |

| AI  | AM            | AI          | AO        |
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| 1   |               |             |           |
| 2   |               |             |           |
| 3   | 1/1/1998-2000 |             |           |
| 4   | Residence     |             |           |
| 5   | Present       | Proposed    |           |
| 6   |               |             |           |
| 7   |               | 0           | 448,000   |
| 8   |               | 0           | 0         |
| 9   |               | 0           | 448,000   |
| 10  |               |             |           |
| 11  |               |             |           |
| 12  |               | 0           | 0         |
| 13  |               | 0           | 0         |
| 14  |               | 0           | 0         |
| 15  |               | 0           | 0         |
| 16  |               | 0           | 0         |
| 17  |               | 0           | 0         |
| 18  |               | 0           | 0         |
| 19  |               | 0           | 0         |
| 20  |               |             |           |
| 21  | 241,900       | 241,900     |           |
| 22  |               |             |           |
| 23  |               | 0           | 0         |
| 24  |               | 0           | 0         |
| 25  |               | 0           | 0         |
| 26  |               | 0           | 0         |
| 27  |               | 0           | 0         |
| 28  |               | 0           | 0         |
| 29  |               |             |           |
| 30  |               |             |           |
| 31  | 173,724       | 174,000     |           |
| 32  | 118,275       | 38,100      |           |
| 33  | 85,000        | 111,000     |           |
| 34  |               |             |           |
| 35  | 85,000        | 150,000     |           |
| 36  |               |             |           |
| 37  | 85,000        | 318,000     |           |
| 38  |               |             |           |
| 39  | 3,568,800     | 3,568,800   |           |
| 40  |               |             |           |
| 41  | 20,000        |             | 8,840     |
| 42  |               |             |           |
| 43  | 313,700       | 313,700     |           |
| 44  |               |             |           |
| 45  | 250,000       | 0           | 300       |
| 46  |               |             |           |
| 47  | 440,000       | 0           | 300       |
| 48  |               |             |           |
| 49  |               |             |           |
| 50  |               |             |           |
| 51  |               | 241,900     |           |
| 52  |               | 118,275     |           |
| 53  |               | 118,275     |           |
| 54  |               | 85,000      |           |
| 55  |               | 318,040     |           |
| 56  |               | 242,000     |           |
| 57  |               |             |           |
| 58  |               | 0           | 448,000   |
| 59  |               |             |           |
| 60  |               | 0           | 0         |
| 61  |               | 0           | 0         |
| 62  |               | 0           | 0         |
| 63  |               | 38,100      | 168,000   |
| 64  |               | 0           | 0         |
| 65  |               | 0,000,000   | 0,000,000 |
| 66  |               | 0,000,000   | 0,000,000 |
| 67  |               |             |           |
| 68  | 10,000,000    | 11,000,000  |           |
| 69  |               |             |           |
| 70  | 174,724       | 174,000     |           |
| 71  |               |             |           |
| 72  |               | 0           | 0         |
| 73  |               | 0           | 0         |
| 74  |               | 0           | 0         |
| 75  |               | 0           | 0         |
| 76  | 174,724       | 174,000,000 |           |
| 77  |               |             |           |
| 78  |               |             |           |
| 79  |               |             |           |
| 80  |               |             |           |
| 81  |               |             |           |
| 82  |               |             |           |
| 83  |               | 241,900     |           |
| 84  |               | 118,275     |           |
| 85  |               | 118,275     |           |
| 86  |               | 85,000      |           |
| 87  |               | 318,040     |           |
| 88  |               | 242,000     |           |
| 89  |               |             |           |
| 90  |               | 0           | 448,000   |
| 91  |               |             |           |
| 92  |               | 0           | 0         |
| 93  |               | 0           | 0         |
| 94  |               | 0           | 0         |
| 95  |               | 38,100      | 168,000   |
| 96  |               | 0           | 0         |
| 97  |               | 0,000,000   | 0,000,000 |
| 98  |               | 0           | 0         |
| 99  |               | 0           | 0         |
| 100 | 0,000,000     | 0,000,000   |           |
| 101 |               |             |           |
| 102 | 10,000,000    | 11,000,000  |           |
| 103 |               |             |           |
| 104 | 200,000,000   | 200,000,000 |           |
| 105 |               |             |           |
| 106 | 844,000       | 844,000,000 |           |
| 107 |               |             |           |
| 108 | 118,275       | 38,100      |           |
| 109 |               |             |           |
| 110 |               |             |           |
| 111 |               | 448,000     |           |
| 112 |               | 0           | 0         |
| 113 | 32,000        | 241,900     |           |
| 114 |               | 0           | 0         |
| 115 | 38,100        | 34,000      |           |
| 116 | 450,000       | 1,000,000   |           |
| 117 | 500           | 300         |           |
| 118 | 100,000       | 100,000     |           |
| 119 |               |             |           |
| 120 |               | 0           | 0         |
| 121 |               |             |           |
| 122 |               |             |           |
| 123 |               |             |           |
| 124 |               |             |           |
| 125 |               |             |           |
| 126 |               |             |           |
| 127 |               |             |           |
| 128 |               |             |           |
| 129 |               |             |           |
| 130 |               |             |           |
| 131 |               |             |           |
| 132 |               |             |           |
| 133 |               |             |           |
| 134 |               |             |           |
| 135 |               |             |           |
| 136 |               |             |           |
| 137 |               |             |           |
| 138 |               |             |           |
| 139 |               |             |           |

|     | AM              | AN         | AO |
|-----|-----------------|------------|----|
| 2   |                 |            |    |
| 3   | Final Year 2000 |            |    |
| 4   | Final Year      |            |    |
| 5   | Final Year      | Final Year |    |
| 100 |                 |            |    |

|    | A                                       | B            | C        | D        | E        | F            | G    |
|----|---|--------------|----------|----------|----------|--------------|------|
| 1  | 2017 Projections - Revenue Requirements |              |          |          |          |              |      |
| 2  | <b>Capital related</b>                  |              |          |          |          |              |      |
| 3  |   | January 2005 |          |          |          | January 2005 |      |
| 4  |   | Proposed     | Proposed | Proposed | Proposed | Proposed     |      |
| 5  | <b>REVENUE REQUIREMENT SUMMARY</b>      |              |          |          |          |              |      |
| 6  | Fixed Assets                            | 0            | 0        | 0        | 0        | 0            | 0    |
| 7  | Other Assets                            | 0            | 0        | 0        | 0        | 0            | 0    |
| 8  | Fixed Assets                            | 0            | 0        | 0        | 0        | 0            | 0    |
| 9  |   |              |          |          |          |              |      |
| 10 |   |              |          |          |          |              |      |
| 11 | Operating Expenses                      |              |          |          |          |              |      |
| 12 | Plant Expense                           | 0            | 0        | 0        | 0        | 0            | 0    |
| 13 | Other Expense                           | 0            | 0        | 0        | 0        | 0            | 0    |
| 14 | Plant Expense                           | 0            | 0        | 0        | 0        | 0            | 0    |
| 15 | Other Expense                           | 0            | 0        | 0        | 0        | 0            | 0    |
| 16 | Operating Expenses                      | 0            | 0        | 0        | 0        | 0            | 0    |
| 17 | Expense Adjustments                     | 0            | 0        | 0        | 0        | 0            | 0    |
| 18 | Total Operating Expenses                | 0            | 0        | 0        | 0        | 0            | 0    |
| 19 |   |              |          |          |          |              |      |
| 20 | Depreciation                            | 0            | 0        | 0        | 0        | 0            | 0    |
| 21 |   |              |          |          |          |              |      |
| 22 | Taxes Other Than Income                 | 0            | 0        | 0        | 0        | 0            | 0    |
| 23 | Income Tax                              | 0            | 0        | 0        | 0        | 0            | 0    |
| 24 | Property Tax                            | 0            | 0        | 0        | 0        | 0            | 0    |
| 25 | Other Tax                               | 0            | 0        | 0        | 0        | 0            | 0    |
| 26 | Other                                   | 0            | 0        | 0        | 0        | 0            | 0    |
| 27 | Total Other Taxes                       | 0            | 0        | 0        | 0        | 0            | 0    |
| 28 |   |              |          |          |          |              |      |
| 29 | Income Taxes                            | 0            | 0        | 0        | 0        | 0            | 0    |
| 30 | Other                                   | 0            | 0        | 0        | 0        | 0            | 0    |
| 31 | Fixed                                   | 0            | 0        | 0        | 0        | 0            | 0    |
| 32 | Total Income Taxes                      | 0            | 0        | 0        | 0        | 0            | 0    |
| 33 |   |              |          |          |          |              |      |
| 34 | Other Expenses                          | 0            | 0        | 0        | 0        | 0            | 0    |
| 35 |   |              |          |          |          |              |      |
| 36 | Operating Income                        | 0            | 0        | 0        | 0        | 0            | 0    |
| 37 |   |              |          |          |          |              |      |
| 38 | Net Base                                | 0            | 0        | 0        | 0        | 0            | 0    |
| 39 |   |              |          |          |          |              |      |
| 40 | Rate of Return                          | 0.00         | 0.00     | 0.00     | 0.00     | 0.00         | 0.00 |
| 41 |   |              |          |          |          |              |      |
| 42 | Income Requirement - Adjusted Total     | 0            | 0        | 0        | 0        | 0            | 0    |
| 43 |   |              |          |          |          |              |      |
| 44 | Income Requirement                      | 0            | 0        | 0        | 0        | 0            | 0    |
| 45 | Income Requirement                      | 0            | 0        | 0        | 0        | 0            | 0    |
| 46 | Income Requirement                      | 0            | 0        | 0        | 0        | 0            | 0    |
| 47 |   |              |          |          |          |              |      |
| 48 |   |              |          |          |          |              |      |
| 49 |   |              |          |          |          |              |      |
| 50 |   |              |          |          |          |              |      |
| 51 |   |              |          |          |          |              |      |
| 52 |   |              |          |          |          |              |      |
| 53 |   |              |          |          |          |              |      |

|    | A                                    | B            | C        | D        | E | F            | G        |
|----|--------------------------------------|--------------|----------|----------|---|--------------|----------|
| 1  | 2007 Projections - Revenue Transfers |              |          |          |   |              |          |
| 2  | <b>Capital raised</b>                | January 2005 |          |          |   | January 2005 |          |
| 3  |                                      | Projections  |          |          |   | Projections  |          |
| 4  |                                      |              | Proposed | Proposed |   |              | Proposed |
| 54 | STATE TAX COMPUTATION                |              |          |          |   |              |          |
| 55 | State Income                         | 0            | 0        | 0        | 0 | 0            | 0        |
| 56 |                                      |              |          |          |   |              |          |
| 57 | Net                                  | 0            | 0        | 0        | 0 | 0            | 0        |
| 58 | State Operating Expenses             | 0            | 0        | 0        | 0 | 0            | 0        |
| 59 | State Other Taxes                    | 0            | 0        | 0        | 0 | 0            | 0        |
| 60 | Personal Expenses                    | 0            | 0        | 0        | 0 | 0            | 0        |
| 61 | Adjustments                          | 0            | 0        | 0        | 0 | 0            | 0        |
| 62 | State Subsidies                      | 0            | 0        | 0        | 0 | 0            | 0        |
| 63 | Total Deductions                     | 0            | 0        | 0        | 0 | 0            | 0        |
| 64 |                                      |              |          |          |   |              |          |
| 65 | State Taxable Income                 | 0            | 0        | 0        | 0 | 0            | 0        |
| 66 |                                      |              |          |          |   |              |          |
| 67 | Income State Tax                     | 0            | 0        | 0        | 0 | 0            | 0        |
| 68 |                                      |              |          |          |   |              |          |
| 69 | Net Subsidies                        | 0            | 0        | 0        | 0 | 0            | 0        |
| 70 |                                      |              |          |          |   |              |          |
| 71 | Final State Tax                      | 0            | 0        | 0        | 0 | 0            | 0        |
| 72 |                                      |              |          |          |   |              |          |
| 73 |                                      |              |          |          |   |              |          |
| 74 |                                      |              |          |          |   |              |          |
| 75 |                                      |              |          |          |   |              |          |
| 76 |                                      |              |          |          |   |              |          |
| 77 |                                      |              |          |          |   |              |          |
| 78 | FEDERAL TAX COMPUTATION              |              |          |          |   |              |          |
| 79 | State Income                         | 0            | 0        | 0        | 0 | 0            | 0        |
| 80 |                                      |              |          |          |   |              |          |
| 81 | Net                                  | 0            | 0        | 0        | 0 | 0            | 0        |
| 82 | State Operating Expenses             | 0            | 0        | 0        | 0 | 0            | 0        |
| 83 | State Other Taxes                    | 0            | 0        | 0        | 0 | 0            | 0        |
| 84 | Personal Expenses                    | 0            | 0        | 0        | 0 | 0            | 0        |
| 85 | Adjustments                          | 0            | 0        | 0        | 0 | 0            | 0        |
| 86 | Federal Subsidies                    | 0            | 0        | 0        | 0 | 0            | 0        |
| 87 | State Income Tax                     | 0            | 0        | 0        | 0 | 0            | 0        |
| 88 | Preferred Div. Credit                | 0            | 0        | 0        | 0 | 0            | 0        |
| 89 | Total Deductions                     | 0            | 0        | 0        | 0 | 0            | 0        |
| 90 |                                      |              |          |          |   |              |          |
| 91 | State Taxable Income                 | 0            | 0        | 0        | 0 | 0            | 0        |
| 92 |                                      |              |          |          |   |              |          |
| 93 | Income Federal Tax                   | 0            | 0        | 0        | 0 | 0            | 0        |
| 94 |                                      |              |          |          |   |              |          |
| 95 | Adjusted Basis                       | 0            | 0        | 0        | 0 | 0            | 0        |
| 96 |                                      |              |          |          |   |              |          |
| 97 | Final Federal Tax                    | 0            | 0        | 0        | 0 | 0            | 0        |

|    | H | I          | J       | K | L          | M       |
|----|---|------------|---------|---|------------|---------|
| 1  |   |            |         |   |            |         |
| 2  |   | March 2004 |         |   | April 2004 |         |
| 3  |   | Revenue    |         |   | Revenue    |         |
| 4  |   | Expense    | Expense |   | Expense    | Expense |
| 5  |   |            |         |   |            |         |
| 6  |   | 0          | 0       |   | 0          | 0       |
| 7  |   | 0          | 0       |   | 0          | 0       |
| 8  |   | 0          | 0       |   | 0          | 0       |
| 9  |   |            |         |   |            |         |
| 10 |   |            |         |   |            |         |
| 11 |   |            |         |   |            |         |
| 12 |   | 0          | 0       |   | 0          | 0       |
| 13 |   | 0          | 0       |   | 0          | 0       |
| 14 |   | 0          | 0       |   | 0          | 0       |
| 15 |   | 0          | 0       |   | 0          | 0       |
| 16 |   | 0          | 0       |   | 0          | 0       |
| 17 |   | 0          | 0       |   | 0          | 0       |
| 18 |   | 0          | 0       |   | 0          | 0       |
| 19 |   |            |         |   |            |         |
| 20 |   | 0          | 0       |   | 0          | 0       |
| 21 |   |            |         |   |            |         |
| 22 |   | 0          | 0       |   | 0          | 0       |
| 23 |   | 0          | 0       |   | 0          | 0       |
| 24 |   | 0          | 0       |   | 0          | 0       |
| 25 |   | 0          | 0       |   | 0          | 0       |
| 26 |   | 0          | 0       |   | 0          | 0       |
| 27 |   | 0          | 0       |   | 0          | 0       |
| 28 |   |            |         |   |            |         |
| 29 |   |            |         |   |            |         |
| 30 |   | 0          | 0       |   | 0          | 0       |
| 31 |   | 0          | 0       |   | 0          | 0       |
| 32 |   | 0          | 0       |   | 0          | 0       |
| 33 |   |            |         |   |            |         |
| 34 |   | 0          | 0       |   | 0          | 0       |
| 35 |   | 0          | 0       |   | 0          | 0       |
| 36 |   | 0          | 0       |   | 0          | 0       |
| 37 |   |            |         |   |            |         |
| 38 |   | 0          | 0       |   | 0          | 0       |
| 39 |   |            |         |   |            |         |
| 40 |   | 0.00       | 0.00    |   | 0.00       | 0.00    |
| 41 |   |            |         |   |            |         |
| 42 |   | 0          | 0       |   | 0          | 0       |
| 43 |   |            |         |   |            |         |
| 44 |   | 0          | 0       |   | 0          | 0       |
| 45 |   |            |         |   |            |         |
| 46 |   | 0          | 0       |   | 0          | 0       |
| 47 |   |            |         |   |            |         |
| 48 |   |            |         |   |            |         |
| 49 |   |            |         |   |            |         |
| 50 |   |            |         |   |            |         |
| 51 |   |            |         |   |            |         |
| 52 |   |            |         |   |            |         |
| 53 |   |            |         |   |            |         |



|    | H | I          | J       | K | L          | M       |
|----|---|------------|---------|---|------------|---------|
| 1  |   |            |         |   |            |         |
| 2  |   | March 2004 |         |   | April 2004 |         |
| 3  |   | March      |         |   | April      |         |
| 4  |   | Present    | Present |   | Present    | Present |
| 54 |   | 0          | 0       |   | 0          | 0       |
| 55 |   | 0          | 0       |   | 0          | 0       |
| 56 |   | 0          | 0       |   | 0          | 0       |
| 57 |   | 0          | 0       |   | 0          | 0       |
| 58 |   | 0          | 0       |   | 0          | 0       |
| 59 |   | 0          | 0       |   | 0          | 0       |
| 60 |   | 0          | 0       |   | 0          | 0       |
| 61 |   | 0          | 0       |   | 0          | 0       |
| 62 |   | 0          | 0       |   | 0          | 0       |
| 63 |   | 0          | 0       |   | 0          | 0       |
| 64 |   | 0          | 0       |   | 0          | 0       |
| 65 |   | 0          | 0       |   | 0          | 0       |
| 66 |   | 0          | 0       |   | 0          | 0       |
| 67 |   | 0          | 0       |   | 0          | 0       |
| 68 |   | 0          | 0       |   | 0          | 0       |
| 69 |   | 0          | 0       |   | 0          | 0       |
| 70 |   | 0          | 0       |   | 0          | 0       |
| 71 |   | 0          | 0       |   | 0          | 0       |
| 72 |   | 0          | 0       |   | 0          | 0       |
| 73 |   |            |         |   |            |         |
| 74 |   |            |         |   |            |         |
| 75 |   |            |         |   |            |         |
| 76 |   |            |         |   |            |         |
| 77 |   |            |         |   |            |         |
| 78 |   | 0          | 0       |   | 0          | 0       |
| 79 |   | 0          | 0       |   | 0          | 0       |
| 80 |   | 0          | 0       |   | 0          | 0       |
| 81 |   | 0          | 0       |   | 0          | 0       |
| 82 |   | 0          | 0       |   | 0          | 0       |
| 83 |   | 0          | 0       |   | 0          | 0       |
| 84 |   | 0          | 0       |   | 0          | 0       |
| 85 |   | 0          | 0       |   | 0          | 0       |
| 86 |   | 0          | 0       |   | 0          | 0       |
| 87 |   | 0          | 0       |   | 0          | 0       |
| 88 |   | 0          | 0       |   | 0          | 0       |
| 89 |   | 0          | 0       |   | 0          | 0       |
| 90 |   | 0          | 0       |   | 0          | 0       |
| 91 |   | 0          | 0       |   | 0          | 0       |
| 92 |   | 0          | 0       |   | 0          | 0       |
| 93 |   | 0          | 0       |   | 0          | 0       |
| 94 |   | 0          | 0       |   | 0          | 0       |
| 95 |   | 0          | 0       |   | 0          | 0       |
| 96 |   | 0          | 0       |   | 0          | 0       |
| 97 |   | 0          | 0       |   | 0          | 0       |

|    | N | O         | P | D | R | S |
|----|---|-----------|---|---|---|---|
| 1  |   |           |   |   |   |   |
| 2  |   | 10/1/2008 |   |   |   |   |
| 3  |   | 10/1/2008 |   |   |   |   |
| 4  |   | 10/1/2008 |   |   |   |   |
| 5  |   | 10/1/2008 |   |   |   |   |
| 6  |   | 10/1/2008 |   |   |   |   |
| 7  |   | 10/1/2008 |   |   |   |   |
| 8  |   | 10/1/2008 |   |   |   |   |
| 9  |   | 10/1/2008 |   |   |   |   |
| 10 |   | 10/1/2008 |   |   |   |   |
| 11 |   | 10/1/2008 |   |   |   |   |
| 12 |   | 10/1/2008 |   |   |   |   |
| 13 |   | 10/1/2008 |   |   |   |   |
| 14 |   | 10/1/2008 |   |   |   |   |
| 15 |   | 10/1/2008 |   |   |   |   |
| 16 |   | 10/1/2008 |   |   |   |   |
| 17 |   | 10/1/2008 |   |   |   |   |
| 18 |   | 10/1/2008 |   |   |   |   |
| 19 |   | 10/1/2008 |   |   |   |   |
| 20 |   | 10/1/2008 |   |   |   |   |
| 21 |   | 10/1/2008 |   |   |   |   |
| 22 |   | 10/1/2008 |   |   |   |   |
| 23 |   | 10/1/2008 |   |   |   |   |
| 24 |   | 10/1/2008 |   |   |   |   |
| 25 |   | 10/1/2008 |   |   |   |   |
| 26 |   | 10/1/2008 |   |   |   |   |
| 27 |   | 10/1/2008 |   |   |   |   |
| 28 |   | 10/1/2008 |   |   |   |   |
| 29 |   | 10/1/2008 |   |   |   |   |
| 30 |   | 10/1/2008 |   |   |   |   |
| 31 |   | 10/1/2008 |   |   |   |   |
| 32 |   | 10/1/2008 |   |   |   |   |
| 33 |   | 10/1/2008 |   |   |   |   |
| 34 |   | 10/1/2008 |   |   |   |   |
| 35 |   | 10/1/2008 |   |   |   |   |
| 36 |   | 10/1/2008 |   |   |   |   |
| 37 |   | 10/1/2008 |   |   |   |   |
| 38 |   | 10/1/2008 |   |   |   |   |
| 39 |   | 10/1/2008 |   |   |   |   |
| 40 |   | 10/1/2008 |   |   |   |   |
| 41 |   | 10/1/2008 |   |   |   |   |
| 42 |   | 10/1/2008 |   |   |   |   |
| 43 |   | 10/1/2008 |   |   |   |   |
| 44 |   | 10/1/2008 |   |   |   |   |
| 45 |   | 10/1/2008 |   |   |   |   |
| 46 |   | 10/1/2008 |   |   |   |   |
| 47 |   | 10/1/2008 |   |   |   |   |
| 48 |   | 10/1/2008 |   |   |   |   |
| 49 |   | 10/1/2008 |   |   |   |   |
| 50 |   | 10/1/2008 |   |   |   |   |
| 51 |   | 10/1/2008 |   |   |   |   |
| 52 |   | 10/1/2008 |   |   |   |   |
| 53 |   | 10/1/2008 |   |   |   |   |

|    | N | O | P | D | R | S |
|----|---|---|---|---|---|---|
| 1  |   |   |   |   |   |   |
| 2  |   |   |   |   |   |   |
| 3  |   |   |   |   |   |   |
| 4  |   |   |   |   |   |   |
| 5  |   |   |   |   |   |   |
| 6  |   |   |   |   |   |   |
| 7  |   |   |   |   |   |   |
| 8  |   |   |   |   |   |   |
| 9  |   |   |   |   |   |   |
| 10 |   |   |   |   |   |   |
| 11 |   |   |   |   |   |   |
| 12 |   |   |   |   |   |   |
| 13 |   |   |   |   |   |   |
| 14 |   |   |   |   |   |   |
| 15 |   |   |   |   |   |   |
| 16 |   |   |   |   |   |   |
| 17 |   |   |   |   |   |   |
| 18 |   |   |   |   |   |   |
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|    | T | U | V | W | X | Y |
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|    | I | II | V | VI | X | Y |
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| 7  | AA           | AR        | AC         | AO           | AE      |
|----|--------------|-----------|------------|--------------|---------|
| 1  |              |           |            |              |         |
| 2  | October 2004 |           |            | October 2005 |         |
| 3  | Approved     |           |            | Approved     |         |
| 4  | Project      | Project   | Project    | Project      | Project |
| 5  |              |           |            |              |         |
| 6  | 0            | 20,793    | 0          | 0            | 120,200 |
| 7  | 0            | 20,793    | 0          | 0            | 0       |
| 8  | 0            | 20,793    | 0          | 0            | 120,200 |
| 9  |              |           |            |              |         |
| 10 |              |           |            |              |         |
| 11 |              |           |            |              |         |
| 12 | 0            | 0         | 0          | 0            | 0       |
| 13 | 0            | 0         | 0          | 0            | 0       |
| 14 | 0            | 0         | 0          | 0            | 0       |
| 15 | 0            | 0         | 0          | 0            | 0       |
| 16 | 0            | 0         | 0          | 0            | 0       |
| 17 | 0            | 0         | 0          | 0            | 0       |
| 18 | 0            | 0         | 0          | 0            | 0       |
| 19 |              |           |            |              |         |
| 20 | 10,074       | 33,074    | 65,371     | 88,271       |         |
| 21 |              |           |            |              |         |
| 22 | 0            | 0         | 0          | 0            | 0       |
| 23 | 0            | 0         | 0          | 0            | 0       |
| 24 | 0            | 0         | 0          | 0            | 0       |
| 25 | 0            | 0         | 0          | 0            | 0       |
| 26 | 0            | 0         | 0          | 0            | 0       |
| 27 | 0            | 0         | 0          | 0            | 0       |
| 28 |              |           |            |              |         |
| 29 |              |           |            |              |         |
| 30 | 147,874      | 448,863   | 852,455    | 938,712      |         |
| 31 | 148,514      | 449,483   | 853,065    | 939,322      |         |
| 32 | 65,830       | 84,374    | 114,365    | 186,424      |         |
| 33 |              |           |            |              |         |
| 34 | 186,784      | 211,912   | 118,684    | 441,488      |         |
| 35 |              |           |            |              |         |
| 36 | 38,740       | 65,000    | 16,624     | 80,840       |         |
| 37 |              |           |            |              |         |
| 38 | 8,878,888    | 8,878,888 | 15,248,648 | 15,248,648   |         |
| 39 |              |           |            |              |         |
| 40 | 0.20         | 0.75      | -1.04      | 0.31         |         |
| 41 |              |           |            |              |         |
| 42 | -43,224      | -43,224   | 191,514    | 191,514      |         |
| 43 |              |           |            |              |         |
| 44 | 12,018       | 0         | 74,381     | 0            |         |
| 45 |              |           |            |              |         |
| 46 | 21,732       | 0         | 133,270    | 0            |         |
| 47 |              |           |            |              |         |
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| 7  | AA             | AR       | AC | AO           | AE       |
|----|----------------|----------|----|--------------|----------|
| 1  |                |          |    |              |          |
| 2  | September 2024 |          |    | October 2024 |          |
| 3  | Planned        |          |    | Actual       |          |
| 4  |                | Planned  |    | Actual       | Planned  |
| 54 |                |          |    |              |          |
| 55 | 0              | 26,799   |    | 0            | 157,235  |
| 56 |                |          |    |              |          |
| 57 |                |          |    |              |          |
| 58 | 0              | 0        |    | 0            | 0        |
| 59 | 13,552         | 13,802   |    | 28,394       | 28,345   |
| 60 | 0              | 0        |    | 0            | 0        |
| 61 | 822,642        | 255,642  |    | 312,614      | 562,440  |
| 62 | 822,642        | 822,642  |    | 812,614      | 812,614  |
| 63 |                |          |    |              |          |
| 64 | 1071,484       | 1071,484 |    | 1071,308     | 1438,274 |
| 65 |                |          |    |              |          |
| 66 | 147,814        | 148,081  |    | 146,409      | 151,712  |
| 67 |                |          |    |              |          |
| 68 | 0              | 0        |    | 0            | 0        |
| 69 | 147,814        | 148,081  |    | 146,409      | 151,712  |
| 70 |                |          |    |              |          |
| 71 |                |          |    |              |          |
| 72 |                |          |    |              |          |
| 73 |                |          |    |              |          |
| 74 |                |          |    |              |          |
| 75 |                |          |    |              |          |
| 76 |                |          |    |              |          |
| 77 |                |          |    |              |          |
| 78 | 0              | 26,799   |    | 0            | 157,235  |
| 79 |                |          |    |              |          |
| 80 |                |          |    |              |          |
| 81 | 0              | 0        |    | 0            | 0        |
| 82 |                |          |    |              |          |
| 83 | 13,552         | 13,802   |    | 28,394       | 28,345   |
| 84 |                |          |    |              |          |
| 85 | 822,642        | 822,642  |    | 822,614      | 822,614  |
| 86 | 0              | 0        |    | 0            | 0        |
| 87 |                |          |    |              |          |
| 88 | 822,642        | 822,642  |    | 821,614      | 821,614  |
| 89 |                |          |    |              |          |
| 90 | 147,814        | 148,081  |    | 146,409      | 151,712  |
| 91 |                |          |    |              |          |
| 92 | 147,814        | 148,081  |    | 146,409      | 151,712  |
| 93 |                |          |    |              |          |
| 94 |                |          |    |              |          |
| 95 | 147,814        | 148,081  |    | 146,409      | 151,712  |
| 96 |                |          |    |              |          |
| 97 | 147,814        | 148,081  |    | 146,409      | 151,712  |

| BF | AG | AH | AI | AJ | AK |
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| SF | AG            | AH       | AI       | AJ            | AK       |
|----|---------------|----------|----------|---------------|----------|
| 1  |               |          |          |               |          |
| 2  | November 2008 |          |          | November 2008 |          |
| 3  | Payroll       |          |          | Payroll       |          |
| 4  | Expense       | Percent  | Expense  | Percent       |          |
| 54 | 0             | 147.47%  | 0        |               | 187.53%  |
| 55 | 0             | 0        | 0        |               | 0        |
| 56 | 0             | 0        | 0        |               | 0        |
| 57 | 0             | 0        | 0        |               | 0        |
| 58 | 35.89%        | 30.84%   | 32.91%   |               | 30.84%   |
| 59 | 0             | 0        | 0        |               | 0        |
| 60 | 879.158       | 879.158  | 825.964  |               | 838.434  |
| 61 | 0             | 0        | 0        |               | 0        |
| 62 | 0             | 0        | 0        |               | 0        |
| 63 | 0             | 0        | 0        |               | 0        |
| 64 | 0             | 0        | 0        |               | 0        |
| 65 | 1477.148      | 1425.93% | 1382.594 |               | 1471.824 |
| 66 | 0             | 0        | 0        |               | 0        |
| 67 | 187.53%       | 187.87%  | 188.38%  |               | 187.838  |
| 68 | 0             | 0        | 0        |               | 0        |
| 69 | 0             | 0        | 0        |               | 0        |
| 70 | 187.53%       | 187.87%  | 188.38%  |               | 187.838  |
| 71 | 0             | 0        | 0        |               | 0        |
| 72 | 0             | 0        | 0        |               | 0        |
| 73 | 0             | 0        | 0        |               | 0        |
| 74 | 0             | 0        | 0        |               | 0        |
| 75 | 0             | 0        | 0        |               | 0        |
| 76 | 0             | 0        | 0        |               | 0        |
| 77 | 0             | 0        | 0        |               | 0        |
| 78 | 0             | 147.47%  | 0        |               | 187.53%  |
| 79 | 0             | 0        | 0        |               | 0        |
| 80 | 0             | 0        | 0        |               | 0        |
| 81 | 0             | 0        | 0        |               | 0        |
| 82 | 0             | 0        | 0        |               | 0        |
| 83 | 35.89%        | 30.84%   | 32.91%   |               | 30.84%   |
| 84 | 0             | 0        | 0        |               | 0        |
| 85 | 538.53%       | 538.53%  | 532.53%  |               | 532.53%  |
| 86 | 0             | 0        | 0        |               | 0        |
| 87 | 0             | 0        | 0        |               | 0        |
| 88 | 838.43%       | 838.43%  | 818.43%  |               | 818.43%  |
| 89 | 0             | 0        | 0        |               | 0        |
| 90 | 187.53%       | 187.87%  | 188.38%  |               | 187.838  |
| 91 | 0             | 0        | 0        |               | 0        |
| 92 | 187.53%       | 187.87%  | 188.38%  |               | 187.838  |
| 93 | 0             | 0        | 0        |               | 0        |
| 94 | 0             | 0        | 0        |               | 0        |
| 95 | 187.53%       | 187.87%  | 188.38%  |               | 187.838  |
| 96 | 0             | 0        | 0        |               | 0        |
| 97 | 187.53%       | 187.87%  | 188.38%  |               | 187.838  |

|    | BI | AM              | AN        |
|----|----|-----------------|-----------|
| 1  |    |                 |           |
| 2  |    | Total Year 2006 |           |
| 3  |    | 4000000         |           |
| 4  |    |                 | Financed  |
| 5  |    |                 |           |
| 6  |    |                 |           |
| 7  |    | 0               | 407,000   |
| 8  |    | 0               | 407,000   |
| 9  |    |                 |           |
| 10 |    |                 |           |
| 11 |    |                 |           |
| 12 |    | 0               | 0         |
| 13 |    | 0               | 0         |
| 14 |    | 0               | 0         |
| 15 |    | 0               | 0         |
| 16 |    | 0               | 0         |
| 17 |    | 0               | 0         |
| 18 |    | 0               | 0         |
| 19 |    |                 |           |
| 20 |    | 281,040         | 301,040   |
| 21 |    |                 |           |
| 22 |    |                 |           |
| 23 |    | 0               | 0         |
| 24 |    | 0               | 0         |
| 25 |    | 0               | 0         |
| 26 |    | 0               | 0         |
| 27 |    | 0               | 0         |
| 28 |    |                 |           |
| 29 |    |                 |           |
| 30 |    | 1204,700        | 1163,000  |
| 31 |    | 1124,800        | 36,500    |
| 32 |    | 1300,100        | 130,700   |
| 33 |    |                 |           |
| 34 |    | 139,140         | 120,200   |
| 35 |    |                 |           |
| 36 |    | 78,140          | 130,800   |
| 37 |    |                 |           |
| 38 |    | 3310,000        | 3,910,200 |
| 39 |    |                 |           |
| 40 |    | 24,000          | 0,000     |
| 41 |    |                 |           |
| 42 |    | 334,900         | 334,900   |
| 43 |    |                 |           |
| 44 |    | 200,700         | 0         |
| 45 |    |                 |           |
| 46 |    | 407,200         | 0         |
| 47 |    |                 |           |
| 48 |    |                 |           |
| 49 |    |                 |           |
| 50 |    |                 |           |
| 51 |    |                 |           |
| 52 |    |                 |           |
| 53 |    |                 |           |

|    | DL              | AM | AN          |
|----|-----------------|----|-------------|
| 1  |                 |    |             |
| 2  | Total Year 2006 |    |             |
| 3  | Revenue         |    |             |
| 4  | Expenses        |    |             |
| 54 |                 |    |             |
| 55 |                 | 0  | 427,733     |
| 56 |                 |    |             |
| 57 |                 |    |             |
| 58 |                 | 0  | 1           |
| 59 |                 |    |             |
| 60 | 194,542         |    | 121,243     |
| 61 |                 | 0  | 3           |
| 62 | 2,265,505       |    | 2,265,122   |
| 63 | 3,312,049       |    | 2,317,844   |
| 64 |                 |    |             |
| 65 | (2,312,049)     |    | (1,842,374) |
| 66 |                 |    |             |
| 67 | (224,385)       |    | (192,385)   |
| 68 |                 |    |             |
| 69 |                 | 0  | 3           |
| 70 |                 |    |             |
| 71 | (224,385)       |    | (192,385)   |
| 72 |                 |    |             |
| 73 |                 |    |             |
| 74 |                 |    |             |
| 75 |                 |    |             |
| 76 |                 |    |             |
| 77 |                 |    |             |
| 78 |                 |    |             |
| 79 |                 | 0  | 427,733     |
| 80 |                 |    |             |
| 81 |                 |    |             |
| 82 |                 | 0  | 3           |
| 83 |                 |    |             |
| 84 | 122,178         |    | 122,178     |
| 85 |                 | 0  | 3           |
| 86 | 2,158,464       |    | 2,158,222   |
| 87 |                 |    |             |
| 88 |                 | 0  | 3           |
| 89 | 2,244,030       |    | 2,244,030   |
| 90 |                 |    |             |
| 91 | (2,244,030)     |    | (1,790,194) |
| 92 |                 |    |             |
| 93 | 179,041         |    | (63,461)    |
| 94 |                 |    |             |
| 95 | 450,428         |    | 450,428     |
| 96 |                 |    |             |
| 97 | 1124,826        |    | 12,1        |

**From: Lam, Eric**  
**Sent: Friday, July 17, 2009 2:00 PM**  
**To: Basel, Gerald (Jerry); deGuzman, Gabriel**  
**Subject: DCSI Impairment Orders and Settlement Rules**

Jerry and Gabe,

For the electric modules and network communications DCSI impairment that occurred in October 2008, Mark P. posted a JE with a credit of \$7,296,816 to order 6101520 and \$829,350 to order 7063021. The type 70s order was operative at the time.

Order 6101520 settled to the new electric meter asset class EDP 37001 and order 7063021 settled to the common network communications equipment asset class CMP39708.



---

From: Basel, Gerald (Jerry)  
Sent: Friday, October 23, 2009 2:47 PM  
To: Korneeva, Natalia; Quan, Justin  
Subject: FW: Bonus Depreciation

---

From: Battin, Jack  
Sent: Friday, October 23, 2009 2:11 PM  
To: Basel, Gerald (Jerry)  
Cc: Woodruff, Muoi; Wedlake, Tim  
Subject: FW: Bonus Depreciation

Jerry,

See attached...

Thanks

---

From: Woodruff, Muoi  
Sent: Friday, October 23, 2009 2:02 PM  
To: Battin, Jack; Wedlake, Tim  
Subject: RE: Bonus Depreciation

Jack,

Here is the depreciation rate book for AMI and related asset classes that we normally send to Jerry.

I added the bonus depreciation rate to each table. Please check before sending to Jerry.

---

From: Battin, Jack

Sent: Friday, October 23, 2009 12:31 PM  
To: Woodruff, Muoi  
Subject: Bonus Depreciation

Muoi,

Could you send to Jerry Basel federal tax depreciation rates that include bonus for the following asset classes please...

CMP 30304  
CMP 37000  
CMP 37001  
CMP 39104  
CMP 39706  
CMP 39707  
CMP 39708  
GDP 38100

Thanks,  
Jack

**Tax Class: EDP-Electric Distribution**  
**CCE - Common Plant: Communic. Equip (AMI Electric)**

**Asset Class** Effective after Dec08 per Muoi Woodruff, 11-3-2009  
 EDP37000/1 - Meters: Smartmeters (Meters and Modules)  
 CMP39707 - Comm Equip Trans Sys AMI E (Networks Electric Only)  
 CMP39708 - AMI Communication Network (Electric Portion Only)

**Federal MACRS 10**

| Method     | Life | Year | Annual Rate | Cum. Rate |           | Bonus | Regular | Total Rate<br>with Bonus<br>Impact |
|------------|------|------|-------------|-----------|-----------|-------|---------|------------------------------------|
| M150 Gross | 10   | 1    | 0.0750      | 0.0750    | MACRS TSP | 0.500 | 0.038   | 0.538                              |
| M150 Gross | 10   | 2    | 0.1388      | 0.2138    | MACRS TSP |       | 0.069   | 0.069                              |
| M150 Gross | 10   | 3    | 0.1179      | 0.3317    | MACRS TSP |       | 0.059   | 0.059                              |
| M150 Gross | 10   | 4    | 0.1002      | 0.4319    | MACRS TSP |       | 0.050   | 0.050                              |
| M150 Gross | 10   | 5    | 0.0874      | 0.5193    | MACRS TSP |       | 0.044   | 0.044                              |
| M150 Gross | 10   | 6    | 0.0874      | 0.6067    | MACRS TSP |       | 0.044   | 0.044                              |
| M150 Gross | 10   | 7    | 0.0874      | 0.6941    | MACRS TSP |       | 0.044   | 0.044                              |
| M150 Gross | 10   | 8    | 0.0874      | 0.7815    | MACRS TSP |       | 0.044   | 0.044                              |
| M150 Gross | 10   | 9    | 0.0874      | 0.8689    | MACRS TSP |       | 0.044   | 0.044                              |
| M150 Gross | 10   | 10   | 0.0874      | 0.9563    | MACRS TSP |       | 0.044   | 0.044                              |
| M150 Gross | 10   | 11   | 0.0437      | 1.0000    | MACRS TSP |       | 0.022   | 0.022                              |
|            |      |      | 1.00000     |           |           | 0.500 | 0.500   | 1.000                              |

**No Bonus For California Purpose**

**California ADR SYD 30**

| Method   | Life | Year | Rem. Life | Cum. Rate | Cum. Rate |            | Rem Rate | Annual Rate |
|----------|------|------|-----------|-----------|-----------|------------|----------|-------------|
| R200 Net | 30   | 1    | 30.5      | 0.03330   | 0.03330   | DB200 NTV  | 1.00000  | 0.03330     |
| R200 Net | 30   | 2    | 29.5      | 0.06670   | 0.06670   | DB200 NTV  | 0.96670  | 0.06448     |
| R200 Net | 30   | 3    | 28.5      | 0.06780   | 0.06780   | RLSYD* NTV | 0.90222  | 0.06117     |
| R200 Net | 30   | 4    | 27.5      | 0.07020   | 0.07020   | RLSYD_ NTV | 0.84105  | 0.05904     |
| R200 Net | 30   | 5    | 26.5      | 0.07270   | 0.07270   | RLSYD_ NTV | 0.78201  | 0.05685     |
| R200 Net | 30   | 6    | 25.5      | 0.07540   | 0.07540   | RLSYD_ NTV | 0.72516  | 0.05468     |
| R200 Net | 30   | 7    | 24.5      | 0.07840   | 0.07840   | RLSYD_ NTV | 0.67048  | 0.05257     |
| R200 Net | 30   | 8    | 23.5      | 0.08160   | 0.08160   | RLSYD_ NTV | 0.61791  | 0.05042     |
| R200 Net | 30   | 9    | 22.5      | 0.08510   | 0.08510   | RLSYD_ NTV | 0.56749  | 0.04829     |
| R200 Net | 30   | 10   | 21.5      | 0.08880   | 0.08880   | RLSYD_ NTV | 0.51920  | 0.04610     |
| R200 Net | 30   | 11   | 20.5      | 0.09300   | 0.09300   | RLSYD_ NTV | 0.47309  | 0.04400     |
| R200 Net | 30   | 12   | 19.5      | 0.09750   | 0.09750   | RLSYD_ NTV | 0.42910  | 0.04184     |
| R200 Net | 30   | 13   | 18.5      | 0.10250   | 0.10250   | RLSYD_ NTV | 0.38726  | 0.03969     |
| R200 Net | 30   | 14   | 17.5      | 0.10800   | 0.10800   | RLSYD_ NTV | 0.34757  | 0.03754     |
| R200 Net | 30   | 15   | 16.5      | 0.11420   | 0.11420   | RLSYD_ NTV | 0.31003  | 0.03541     |
| R200 Net | 30   | 16   | 15.5      | 0.12110   | 0.12110   | RLSYD_ NTV | 0.27462  | 0.03326     |
| R200 Net | 30   | 17   | 14.5      | 0.12890   | 0.12890   | RLSYD_ NTV | 0.24137  | 0.03111     |
| R200 Net | 30   | 18   | 13.5      | 0.13780   | 0.13780   | RLSYD_ NTV | 0.21025  | 0.02897     |
| R200 Net | 30   | 19   | 12.5      | 0.14790   | 0.14790   | RLSYD_ NTV | 0.18128  | 0.02681     |
| R200 Net | 30   | 20   | 11.5      | 0.15970   | 0.15970   | RLSYD_ NTV | 0.15447  | 0.02467     |
| R200 Net | 30   | 21   | 10.5      | 0.17360   | 0.17360   | RLSYD_ NTV | 0.12980  | 0.02253     |
| R200 Net | 30   | 22   | 9.5       | 0.19000   | 0.19000   | RLSYD_ NTV | 0.10727  | 0.02038     |
| R200 Net | 30   | 23   | 8.5       | 0.20990   | 0.20990   | RLSYD_ NTV | 0.08689  | 0.01824     |
| R200 Net | 30   | 24   | 7.5       | 0.23440   | 0.23440   | RLSYD_ NTV | 0.06865  | 0.01609     |
| R200 Net | 30   | 25   | 6.5       | 0.26530   | 0.26530   | RLSYD_ NTV | 0.05256  | 0.01394     |
| R200 Net | 30   | 26   | 5.5       | 0.30560   | 0.30560   | RLSYD_ NTV | 0.03861  | 0.01180     |
| R200 Net | 30   | 27   | 4.5       | 0.36000   | 0.36000   | RLSYD_ NTV | 0.02681  | 0.00965     |
| R200 Net | 30   | 28   | 3.5       | 0.43750   | 0.43750   | RLSYD_ NTV | 0.01716  | 0.00751     |
| R200 Net | 30   | 29   | 2.5       | 0.55560   | 0.55560   | RLSYD_ NTV | 0.00965  | 0.00536     |
| R200 Net | 30   | 30   | 1.5       | 0.75000   | 0.75000   | RLSYD_ NTV | 0.00429  | 0.00322     |
| R200 Net | 30   | 31   | 0.5       | 1.00000   | 1.00000   | RLSYD_ NTV | 0.00107  | 0.00107     |
|          |      |      |           |           |           |            |          | 1.00000     |

\* 10 years 150 DB Rate Applicable to Smarter Meters and Smart Meter Grid System Only

Source: Muoi Woodruff on 10/23/09

Tax Class: EDP-Electric Distribution  
 CCE - Common Plant: Communic. Equip (AMI Electric)

Asset Class Effective up through Dec08 per Muoi Woodruff, 11-3-2009  
 EDP37000/1  
 CMP39707 and CMP39708

**Federal MACRS 20**

| Method     | Life | Year | Annual Rate * | Cum. Rate | Bonus  | Regular | Total Rate with Bonus Impact |
|------------|------|------|---------------|-----------|--------|---------|------------------------------|
| M150 Gross | 20   | 1    | 0.03750       | 0.03750   | 0.5    | 0.0188  | 0.5188                       |
| M150 Gross | 20   | 2    | 0.07219       | 0.10969   |        | 0.0361  | 0.0361                       |
| M150 Gross | 20   | 3    | 0.06677       | 0.17646   |        | 0.0334  | 0.0334                       |
| M150 Gross | 20   | 4    | 0.06177       | 0.23823   |        | 0.0309  | 0.0309                       |
| M150 Gross | 20   | 5    | 0.05713       | 0.29536   |        | 0.0286  | 0.0286                       |
| M150 Gross | 20   | 6    | 0.05285       | 0.34821   |        | 0.0264  | 0.0264                       |
| M150 Gross | 20   | 7    | 0.04888       | 0.39709   |        | 0.0244  | 0.0244                       |
| M150 Gross | 20   | 8    | 0.04522       | 0.44231   |        | 0.0226  | 0.0226                       |
| M150 Gross | 20   | 9    | 0.04462       | 0.48693   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 10   | 0.04461       | 0.53154   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 11   | 0.04462       | 0.57616   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 12   | 0.04461       | 0.62077   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 13   | 0.04462       | 0.66539   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 14   | 0.04461       | 0.71000   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 15   | 0.04462       | 0.75462   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 16   | 0.04461       | 0.79923   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 17   | 0.04462       | 0.84385   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 18   | 0.04461       | 0.88846   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 19   | 0.04462       | 0.93308   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 20   | 0.04461       | 0.97769   |        | 0.0223  | 0.0223                       |
| M150 Gross | 20   | 21   | 0.02231       | 1.00000   |        | 0.0112  | 0.0112                       |
|            |      |      | 1.00000       |           | 0.5000 | 0.5000  | 1.0000                       |

No Bonus For California Purpose

**California ADR SYD 30**

| Method   | Life | Year | Rem. Life | Cum. Rate | um. Rate | Rem Rate | Annual Rate * |
|----------|------|------|-----------|-----------|----------|----------|---------------|
| R200 Net | 30   | 1    | 30.5      | 0.03330   | 0.03330  | 1.00000  | 0.03330       |
| R200 Net | 30   | 2    | 29.5      | 0.06670   | 0.06670  | 0.96670  | 0.06448       |
| R200 Net | 30   | 3    | 28.5      | 0.06780   | 0.06780  | 0.90222  | 0.06117       |
| R200 Net | 30   | 4    | 27.5      | 0.07020   | 0.07020  | 0.84105  | 0.05904       |
| R200 Net | 30   | 5    | 26.5      | 0.07270   | 0.07270  | 0.78201  | 0.05685       |
| R200 Net | 30   | 6    | 25.5      | 0.07540   | 0.07540  | 0.72516  | 0.05468       |
| R200 Net | 30   | 7    | 24.5      | 0.07840   | 0.07840  | 0.67048  | 0.05257       |
| R200 Net | 30   | 8    | 23.5      | 0.08160   | 0.08160  | 0.61791  | 0.05042       |
| R200 Net | 30   | 9    | 22.5      | 0.08510   | 0.08510  | 0.56749  | 0.04829       |
| R200 Net | 30   | 10   | 21.5      | 0.08880   | 0.08880  | 0.51920  | 0.04610       |
| R200 Net | 30   | 11   | 20.5      | 0.09300   | 0.09300  | 0.47309  | 0.04400       |
| R200 Net | 30   | 12   | 19.5      | 0.09750   | 0.09750  | 0.42910  | 0.04184       |
| R200 Net | 30   | 13   | 18.5      | 0.10250   | 0.10250  | 0.38726  | 0.03969       |
| R200 Net | 30   | 14   | 17.5      | 0.10800   | 0.10800  | 0.34757  | 0.03754       |
| R200 Net | 30   | 15   | 16.5      | 0.11420   | 0.11420  | 0.31003  | 0.03541       |
| R200 Net | 30   | 16   | 15.5      | 0.12110   | 0.12110  | 0.27462  | 0.03326       |
| R200 Net | 30   | 17   | 14.5      | 0.12890   | 0.12890  | 0.24137  | 0.03111       |
| R200 Net | 30   | 18   | 13.5      | 0.13780   | 0.13780  | 0.21025  | 0.02897       |
| R200 Net | 30   | 19   | 12.5      | 0.14790   | 0.14790  | 0.18128  | 0.02681       |
| R200 Net | 30   | 20   | 11.5      | 0.15970   | 0.15970  | 0.15447  | 0.02467       |
| R200 Net | 30   | 21   | 10.5      | 0.17360   | 0.17360  | 0.12980  | 0.02253       |
| R200 Net | 30   | 22   | 9.5       | 0.19000   | 0.19000  | 0.10727  | 0.02038       |
| R200 Net | 30   | 23   | 8.5       | 0.20990   | 0.20990  | 0.08689  | 0.01824       |
| R200 Net | 30   | 24   | 7.5       | 0.23440   | 0.23440  | 0.06865  | 0.01609       |
| R200 Net | 30   | 25   | 6.5       | 0.26530   | 0.26530  | 0.05256  | 0.01394       |
| R200 Net | 30   | 26   | 5.5       | 0.30560   | 0.30560  | 0.03861  | 0.01180       |
| R200 Net | 30   | 27   | 4.5       | 0.36000   | 0.36000  | 0.02681  | 0.00965       |
| R200 Net | 30   | 28   | 3.5       | 0.43750   | 0.43750  | 0.01716  | 0.00751       |
| R200 Net | 30   | 29   | 2.5       | 0.55560   | 0.55560  | 0.00965  | 0.00536       |
| R200 Net | 30   | 30   | 1.5       | 0.75000   | 0.75000  | 0.00429  | 0.00322       |
| R200 Net | 30   | 31   | 0.5       | 1.00000   | 1.00000  | 0.00107  | 0.00107       |
|          |      |      |           |           |          |          | 1.00000       |

Note: The first 2 years are 200% declining balance and then it switch to Sum of Years Digit in Year 3



**Tax Class: CII - Computer Software - CIS**

**Asset Classes:**

CMP30304

CMP30303

**Federal SL 3**

| <u>Method</u> | <u>Life</u> | <u>Year</u> | <u>Annual Rate</u> | <u>Bonus</u> | <u>Regular</u> | <u>Total Rate with<br/>Bonus Impact</u> |
|---------------|-------------|-------------|--------------------|--------------|----------------|---|
| SL Gross      | 3           | 1           | 0.16670            | 0.5000       | 0.0834         | 0.5834                                  |
| SL Gross      | 3           | 2           | 0.33300            |              | 0.1665         | 0.1665                                  |
| SL Gross      | 3           | 3           | 0.33300            |              | 0.1665         | 0.1665                                  |
| SL Gross      | 3           | 4           | 0.16730            |              | 0.0837         | 0.0837                                  |
|               |             |             | 1.00000            | 0.5000       | 0.5000         | 1.0000                                  |

**No Bonus For California Purpose**

**California same as above**

\* Annual Rate applied to Gross Basis.

Tax Class: CDH - Common Plant: Data Handling Eq CIS

**Asset Class:**

CMP39101  
 CMP39104  
 CMP39102

**Federal MACRS 5**

| Method     | Life | Year | Annual Rate * | Cum. Rate |           | Bonus  | Regular | Total Rate with Bonus Impact |
|------------|------|------|---------------|-----------|-----------|--------|---------|------------------------------|
| M200 Gross | 5    | 1    | 0.20000       | 0.20000   | MACRS TSP | 0.5000 | 0.1000  | 0.6000                       |
| M200 Gross | 5    | 2    | 0.32000       | 0.52000   | MACRS TSP |        | 0.1600  | 0.1600                       |
| M200 Gross | 5    | 3    | 0.19200       | 0.71200   | MACRS TSP |        | 0.0960  | 0.0960                       |
| M200 Gross | 5    | 4    | 0.11520       | 0.82720   | MACRS TSP |        | 0.0576  | 0.0576                       |
| M200 Gross | 5    | 5    | 0.11520       | 0.94240   | MACRS TSP |        | 0.0576  | 0.0576                       |
| M200 Gross | 5    | 6    | 0.05760       | 1.00000   | MACRS TSP |        | 0.0288  | 0.0288                       |
|            |      |      | 1.00000       |           |           | 0.5000 | 0.5000  | 1.0000                       |

**No Bonus For California Purpose**

**California ADR SYD 6**

| Method   | Life | Year | Rem. Life | Cum. Rate | Cum. Rate |     | Rem Rate | Annual Rate * |
|----------|------|------|-----------|-----------|-----------|-----|----------|---------------|
| R200 Net | 6    | 1    | 7         | 0.16670   | 0.16670   | NTV | 1.00000  | 0.16670       |
| R200 Net | 6    | 2    | 6         | 0.33330   | 0.33330   | NTV | 0.83330  | 0.27749       |
| R200 Net | 6    | 3    | 5         | 0.36000   | 0.36000   | NTV | 0.55581  | 0.20009       |
| R200 Net | 6    | 4    | 4         | 0.43750   | 0.43750   | NTV | 0.35572  | 0.15563       |
| R200 Net | 6    | 5    | 3         | 0.55560   | 0.55560   | NTV | 0.20009  | 0.11117       |
| R200 Net | 6    | 6    | 2         | 0.75000   | 0.75000   | NTV | 0.08892  | 0.06669       |
| R200 Net | 6    | 7    | 1         | 1.00000   | 1.00000   | NTV | 0.02223  | 0.02223       |
|          |      |      |           |           |           |     |          | 1.00000       |

\* Annual Rate applied to Gross Basis.

(Whole \$)

Oct09 ITD:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |              |                |                         |                |              |                |                        |               |                   |                  |
|-----------------------|----------------------|----------|------|--------------------|--------------|----------------|-------------------------|----------------|--------------|----------------|------------------------|---------------|-------------------|------------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy    | Deploy         |                         | Total Gas      | PreDeploy    | Deploy         |                        | SPUMA *       | Future Transfer * | Total            |
| <b>CMP30304 Total</b> | \$ 243,047,409       | 55%      | 45%  | \$ 133,676,075     |              | \$ 133,676,075 | To D,<br>Elec<br>Deploy | \$ 109,371,334 |              | \$ 109,371,334 | To D,<br>Gas<br>Deploy |               |                   | \$ 243,047,409   |
| <b>CMP39104 Total</b> | 65,464,133           | 55%      | 45%  | 36,005,273         |              | 36,005,273     |                         | 29,458,860     |              | 29,458,860     |                        |               |                   | 65,464,133       |
| <b>CMP39706 Total</b> | 228,485,608          |          | 100% |                    |              |                |                         | 228,485,608    | 768,748      | 227,716,860    |                        |               |                   | 228,485,608      |
| <b>CMP39707 Total</b> | 20,877,857           | 100%     |      | 20,877,857         | 865,147      | 20,012,710     |                         |                |              |                |                        |               |                   | 20,877,857       |
| <b>CMP39708 Total</b> | 53,382,079           | 55%      | 45%  | 29,360,143         |              | 29,360,143     |                         | 24,021,936     |              | 24,021,936     |                        |               |                   | 53,382,079       |
| <b>EDP37000 Total</b> | 17,555,580           | 100%     |      | 17,555,580         | 835,012      | 16,720,568     |                         |                |              |                |                        |               |                   | 17,555,580       |
| <b>EDP37001 Total</b> | 322,328,075          | 100%     |      | 305,084,392        |              | 305,084,392    |                         |                |              |                |                        | 17,243,683    | To D,<br>SPUMA    | 322,328,075      |
| <b>GDP38100 Total</b> | 59,252,117           |          | 100% |                    |              |                |                         | 59,252,117     | 483,182      | 58,768,935     |                        |               |                   | 59,252,117       |
| <b>Smart Meter</b>    | \$ 1,010,392,858     |          |      | \$ 542,559,320     | \$ 1,700,159 | \$ 540,859,161 |                         | \$ 450,589,855 | \$ 1,251,930 | \$ 449,337,925 |                        | \$ 17,243,683 | See Below         | \$ 1,010,392,858 |

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checks

\* 9/3/2008: Per Eric Lam, SPUMA additions come from Order 6105106 and go to asset class EDP37001.

(Whole \$)

Sept09 ITD:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |              |                |                   |                |              |                |                  |               |                   |                |
|-----------------------|----------------------|----------|------|--------------------|--------------|----------------|-------------------|----------------|--------------|----------------|------------------|---------------|-------------------|----------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy    | Deploy         |                   | Total Gas      | PreDeploy    | Deploy         |                  | SPUMA *       | Future Transfer * | Total          |
| <b>CMP30304 Total</b> | \$ 242,785,556       | 55%      | 45%  | \$ 133,532,056     |              | \$ 133,532,056 | To D, Elec Deploy | \$ 109,253,500 |              | \$ 109,253,500 | To D, Gas Deploy |               |                   | \$ 242,785,556 |
| <b>CMP39104 Total</b> | 65,403,499           | 55%      | 45%  | 35,971,925         |              | 35,971,925     |                   | 29,431,575     |              | 29,431,575     |                  |               |                   | 65,403,499     |
| <b>CMP39706 Total</b> | 217,938,078          |          | 100% |                    |              |                |                   | 217,938,078    | 768,748      | 217,169,330    |                  |               |                   | 217,938,078    |
| <b>CMP39707 Total</b> | 24,694,104           | 100%     |      | 24,694,104         | 865,147      | 23,828,957     |                   |                |              |                |                  |               |                   | 24,694,104     |
| <b>CMP39708 Total</b> | 50,717,822           | 55%      | 45%  | 27,894,802         |              | 27,894,802     |                   | 22,823,020     |              | 22,823,020     |                  |               |                   | 50,717,822     |
| <b>EDP37000 Total</b> | 18,201,522           | 100%     |      | 18,201,522         | 835,012      | 17,366,510     |                   |                |              |                |                  |               |                   | 18,201,522     |
| <b>EDP37001 Total</b> | 300,120,149          | 100%     |      | 282,876,466        |              | 282,876,466    |                   |                |              |                |                  | 17,243,683    | To D, SPUMA       | 300,120,149    |
| <b>GDP38100 Total</b> | 57,443,161           |          | 100% |                    |              |                |                   | 57,443,161     | 483,182      | 56,959,979     |                  |               |                   | 57,443,161     |
| <b>Smart Meter</b>    | \$ 977,303,890       |          |      | \$ 523,170,874     | \$ 1,700,159 | \$ 521,470,715 |                   | \$ 436,889,333 | \$ 1,251,930 | \$ 435,637,403 |                  | \$ 17,243,683 | See Below         | \$ 977,303,890 |

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checks

\* 9/3/2008: Per Eric Lam, SPUMA additions come from Order 6105106 and go to asset class EDP37001.

(Whole \$)

Aug09 ITD:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |              |                |                   |                |              |                |                  |               |                   |                |
|-----------------------|----------------------|----------|------|--------------------|--------------|----------------|-------------------|----------------|--------------|----------------|------------------|---------------|-------------------|----------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy    | Deploy         |                   | Total Gas      | PreDeploy    | Deploy         |                  | SPUMA *       | Future Transfer * | Total          |
| <b>CMP30304 Total</b> | \$ 241,219,809       | 55%      | 45%  | \$ 132,670,895     |              | \$ 132,670,895 | To D, Elec Deploy | \$ 108,548,914 |              | \$ 108,548,914 | To D, Gas Deploy |               |                   | \$ 241,219,809 |
| <b>CMP39104 Total</b> | 65,357,171           | 55%      | 45%  | 35,946,444         |              | 35,946,444     |                   | 29,410,727     |              | 29,410,727     |                  |               |                   | 65,357,171     |
| <b>CMP39706 Total</b> | 213,102,863          |          | 100% |                    |              |                |                   | 213,102,863    | 768,748      | 212,334,115    |                  |               |                   | 213,102,863    |
| <b>CMP39707 Total</b> | 24,694,104           | 100%     |      | 24,694,104         | 865,147      | 23,828,957     |                   |                |              |                |                  |               |                   | 24,694,104     |
| <b>CMP39708 Total</b> | 48,482,294           | 55%      | 45%  | 26,665,262         |              | 26,665,262     |                   | 21,817,032     |              | 21,817,032     |                  |               |                   | 48,482,294     |
| <b>EDP37000 Total</b> | 18,201,522           | 100%     |      | 18,201,522         | 835,012      | 17,366,510     |                   |                |              |                |                  |               |                   | 18,201,522     |
| <b>EDP37001 Total</b> | 262,256,491          | 100%     |      | 245,012,808        |              | 245,012,808    |                   |                |              |                |                  | 17,243,683    | To D, SPUMA       | 262,256,491    |
| <b>GDP38100 Total</b> | 55,799,850           |          | 100% |                    |              |                |                   | 55,799,850     | 483,182      | 55,316,668     |                  |               |                   | 55,799,850     |
| <b>Smart Meter</b>    | \$ 929,114,104       |          |      | \$ 483,191,034     | \$ 1,700,159 | \$ 481,490,875 |                   | \$ 428,679,386 | \$ 1,251,930 | \$ 427,427,456 |                  | \$ 17,243,683 | See Below         | \$ 929,114,104 |

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\* 9/3/2008: Per Eric Lam, SPUMA additions come from Order 6105106 and go to asset class EDP37001.

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From: Wang, Cindy  
Sent: Thursday, July 02, 2009 3:55 PM  
To: Basel, Gerald (Jerry)  
Cc: Win, Mark  
Subject: Elec SM retirements

Hi Jerry,

The Electric Smartmeter (EDP37001) retirements for the three months March, April and May 2009 are \$98,946 in total. Please let me know if you need more i

Cindy

Cindy Wang  
Corporate Accounting - Capital Group  
External: (415) 973-0098  
Internal: 223-0098  
Email: j4wh@ pge.com

Retires:  
EDP37001      \$ 98,946

nformation.

2010 Planning Order Detail

| Line |         |   | 2,009<br>Nov-09   | 2,009<br>Dec-09   | 2,010<br>Jan-10   | 2,010<br>Feb-10   | 2,010<br>Mar-10   | 2,010<br>Apr-10   | 2,010<br>May-10   | 2,010<br>Jun-10   | 2,010<br>Jul-10   | 2,010<br>Aug-10   | 2,010<br>Sep-10   | 2,010<br>Oct-10   | 2,010<br>Nov-10   | 2,010<br>Dec-10   | 2,010              | 2,011 | 2,012 |
|------|---------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------|-------|
| 390  | Updated | Electric Meters (includes modules, HW, SW, etc) | 16,152,349        | 20,474,641        | 15,833,933        | 18,986,441        | 18,701,220        | 28,887,458        | 14,988,246        | 28,459,744        | 27,109,851        | 24,166,770        | 21,684,811        | 20,638,252        | 19,730,515        | 259,661,881       |                    |       |       |
| 391  |         | Electric SW related                             | 293,459           | 1,096,350         | 288,868           | 288,955           | 10,803,755        | 8,369,791         | 299,976           | 318,530           | 16,563,990        | 820,569           | 811,199           | 813,165           | 494,237           | 21,121,848        | 60,994,883         |       |       |
| 392  |         | Electric HW                                     | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                  |       |       |
| 393  |         | Electric Networks                               | 1,439,658         | 2,927,425         | 2,092,963         | 2,085,939         | 1,875,961         | 1,311,980         | 1,341,693         | 1,338,915         | 1,304,805         | 1,198,115         | 1,157,006         | 1,385,457         | 1,401,677         | 1,196,470         | 17,690,980         |       |       |
|      |         |   | <u>42,432,263</u> | <u>20,176,123</u> | <u>22,856,471</u> | <u>18,208,827</u> | <u>31,666,157</u> | <u>28,382,991</u> | <u>30,529,126</u> | <u>16,645,691</u> | <u>46,328,539</u> | <u>29,128,535</u> | <u>26,134,976</u> | <u>23,883,433</u> | <u>22,534,166</u> | <u>42,048,833</u> | <u>338,347,745</u> |       |       |
| 394  |         | Gas Meters                                      | 962,043           | 1,957,074         | 1,217,220         | 1,292,573         | 1,255,399         | 1,220,678         | 1,232,733         | 1,220,602         | 1,257,007         | 1,254,597         | 1,209,786         | 1,186,594         | 1,120,787         | 1,055,737         | 14,523,712         |       |       |
| 395  |         | Gas Modules and Networks                        | 5,524,942         | 7,346,860         | 6,675,172         | 6,197,921         | 8,710,304         | 7,750,129         | 10,919,393        | 9,066,832         | 9,869,769         | 9,959,183         | 10,578,403        | 8,129,848         | 5,620,694         | 5,271,542         | 98,729,190         |       |       |
| 396  |         | Gas SW related                                  | 105,556           | 128,395           | 148,429           | 148,503           | 179,802           | 173,697           | 157,891           | 173,697           | 175,434           | 167,452           | 169,127           | 153,003           | 17,724,672        | 19,547,142        |                    |       |       |
| 397  |         | Gas HW  | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                  |       |       |
|      |         |   | <u>6,592,541</u>  | <u>9,432,329</u>  | <u>8,040,821</u>  | <u>7,638,997</u>  | <u>10,145,504</u> | <u>9,124,504</u>  | <u>12,310,017</u> | <u>10,461,131</u> | <u>11,302,210</u> | <u>11,389,215</u> | <u>11,955,642</u> | <u>9,485,568</u>  | <u>6,894,484</u>  | <u>24,051,950</u> | <u>132,800,044</u> |       |       |
| 398  |         | Total   | <u>49,024,803</u> | <u>29,608,452</u> | <u>30,897,292</u> | <u>25,847,825</u> | <u>41,811,661</u> | <u>37,507,495</u> | <u>42,839,143</u> | <u>27,106,822</u> | <u>57,630,749</u> | <u>40,517,750</u> | <u>38,090,618</u> | <u>33,369,002</u> | <u>29,428,650</u> | <u>66,100,783</u> | <u>471,147,789</u> |       |       |
|      |         |   | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                  |       |       |

Source: Eric Lam 11-10-2009



Early Retirement - Sept09:

| Early Retirement recorded Oct0 | Sept09 Retirement Entry: |         | Additions |            |            | Sept09 OCI Retires by Year |                  |                  |                   |
|--------------------------------|--------------------------|---------|-----------|------------|------------|----------------------------|------------------|------------------|-------------------|
|                                | OCI                      | A/D     | 2006      | 2007       | 2008       | 2006                       | 2007             | 2008             | Total             |
| EDP 37000                      | <b>2,853,275</b>         | 173,915 | 2,767,208 | 16,540,008 |            | 2,767,208                  | 86,067           |                  | <b>2,853,275</b>  |
| EDP 37001                      | <b>4,464,819</b>         | 326,551 | -         | -          | 37,102,136 |                            |                  | 4,464,819        | <b>4,464,819</b>  |
| CMP 39707                      | <b>3,816,247</b>         | 429,328 | 1,183,839 | 19,469,242 |            | 1,183,839                  | 2,632,408        |                  | <b>3,816,247</b>  |
| Total Retired                  | <b>11,134,341</b>        | 929,794 |           |            |            | <b>3,951,047</b>           | <b>2,718,475</b> | <b>4,464,819</b> | <b>11,134,341</b> |

OCI = Original Cost Installed



|          |  |         |                       | Fiscal year/period   |           |                 |                |               |               |               |                 |
|----------|--|---------|-----------------------|----------------------|-----------|-----------------|----------------|---------------|---------------|---------------|-----------------|
|          |  |         |                       | 003/200              | 004/200   | 005/2009        | 006/2009       | 007/2009      | 008/2009      | 009/2009      | 010/2009        |
| 6107907  | SM Gas Module Rework                     | 4001406 | CMP39706              | Comm Eqp:AMI G Trans |           |                 |                | \$ 6,926.21   | \$ 23,779.25  | \$ 33,088.19  | \$ 53,390.95    |
|          |  |         | <b>CMP39706 Total</b> |                      | 0         | 0               | 0              | \$ 6,926.21   | \$ 23,779.25  | \$ 33,088.19  | \$ 53,390.95    |
| 30677082 | SM DCU POLES - 2 RELOCATIONS             | 4000103 | EDP36400              | Poles/Towers/Fixtrs  | \$ 649.71 | \$ 45.88        |                |               |               |               |                 |
|          |  |         | <b>EDP36400 Total</b> |                      | \$ 649.71 | \$ 45.88        | 0              | 0             | 0             | 0             | 0               |
| 6101443  | SM Electric Meter/Mod Install - PG&E     | 4000111 | EDP37000              | Meters               |           |                 | \$ 19,066.79   | \$ 26,902.74  | \$ 73,868.53  | \$ 92,854.39  | \$ 82,220.80    |
| 6101461  | 3rd Party Electric Meter/Module Install  | 4000111 | EDP37000              | Meters               |           | \$ 1,256,070.87 | 1,060,698.97   | 2,565,746.44  | 1,725,121.79  | 1,907,423.01  | 1,989,987.64    |
| 6101518  | SM Field Delivery Office                 | 4000111 | EDP37000              | Meters               |           |                 | \$ 19,578.02   | \$ 28,816.27  | \$ 27,736.99  | \$ 22,544.04  | \$ 27,140.60    |
| 6103067  | SM Elec Disconnect/Reconnect UTC Bi      | 4000111 | EDP37000              | Meters               |           |                 | \$ 192.31      | \$ 1,277.51   | \$ 868.64     | \$ 557.91     | \$ 83.87        |
| 6103103  | SM Electr Meter/Module Install UTC - K   | 4000111 | EDP37000              | Meters               |           |                 | (\$ 11,176.49) | \$ 1,520.79   | \$ 2,002.61   | \$ 6,641.32   | \$ 8,625.58     |
| 6103104  | SM Electr Meter/Module Install Excl - Kl | 4000111 | EDP37000              | Meters               |           |                 | \$ 4,790.60    | \$ 1,787.30   | \$ 7,015.68   | \$ 29,005.12  | \$ 41,831.31    |
| 6103537  | SM Electr Meter/Module Install Excl - Dl | 4000111 | EDP37000              | Meters               |           |                 | \$ 6,423.02    | \$ 11,828.49  | \$ 11,305.99  | \$ 32,490.15  | \$ 22,601.69    |
| 6103538  | SM Electr Meter/Module Install UTC - D   | 4000111 | EDP37000              | Meters               |           |                 | \$ 5,171.05    | \$ 6,088.03   | \$ 4,958.90   | \$ 3,597.47   | \$ 7,540.87     |
| 6103539  | SM Electr Meter/Module Install Excl - El | 4000111 | EDP37000              | Meters               |           |                 | \$ 195.43      | \$ 137.20     |               | \$ 135.19     | \$ 231.69       |
| 6103540  | SM Electr Meter/Module Install UTC - E   | 4000111 | EDP37000              | Meters               |           |                 | (\$ 32.26)     | \$ 55.92      |               | \$ 242.51     | \$ 1,805.47     |
| 6103541  | SM Electr Meter/Module Install Excl - Ff | 4000111 | EDP37000              | Meters               |           |                 | \$ 179.18      | \$ 842.42     | \$ 21,820.60  | \$ 39,455.15  | \$ 37,294.43    |
| 6103542  | SM Electr Meter/Module Install UTC - F   | 4000111 | EDP37000              | Meters               |           |                 | \$ 595.30      | \$ 18,780.95  | \$ 24,613.78  | \$ 18,467.81  | \$ 20,171.75    |
| 6103561  | SM Electr Meter/Module Install Excl - Cf | 4000111 | EDP37000              | Meters               |           |                 | \$ 374.23      |               | \$ 19.36      | \$ 116.12     | \$ 12,160.07    |
| 6103562  | SM Electr Meter/Module Install UTC - C   | 4000111 | EDP37000              | Meters               |           |                 |                | \$ 77.14      |               |               |                 |
| 6103563  | SM Electr Meter/Module Install Excl - D  | 4000111 | EDP37000              | Meters               |           |                 | \$ 109.20      | \$ 192.09     | \$ 173.31     | \$ 1,184.29   | \$ 810.90       |
| 6103583  | SM Electr Meter/Module Install Excl - Lf | 4000111 | EDP37000              | Meters               |           |                 | (\$ 54.99)     | \$ 356.73     |               | \$ 260.65     | \$ 4,859.54     |
| 6103584  | SM Electr Meter/Module Install UTC - Lf  | 4000111 | EDP37000              | Meters               |           |                 |                | \$ 312.99     | \$ 278.94     | \$ 55.79      |                 |
| 6103585  | SM Electr Meter/Module Install Excl - M  | 4000111 | EDP37000              | Meters               |           |                 | \$ 67,313.80   | \$ 89,020.01  | \$ 57,225.23  | \$ 50,849.78  | \$ 42,141.11    |
| 6103586  | SM Electr Meter/Module Install UTC - M   | 4000111 | EDP37000              | Meters               |           |                 | \$ 18,864.16   | \$ 21,696.92  | \$ 11,814.02  | \$ 16,732.87  | \$ 13,359.51    |
| 6103587  | SM Electr Meter/Module Install Excl - Nf | 4000111 | EDP37000              | Meters               |           |                 | \$ 714.43      |               |               | \$ 666.09     | \$ 18,206.27    |
| 6103588  | SM Electr Meter/Module Install UTC - N   | 4000111 | EDP37000              | Meters               |           |                 |                |               |               |               | \$ 70.06        |
| 6103589  | SM Electr Meter/Module Install Excl - Nf | 4000111 | EDP37000              | Meters               |           |                 | (\$ 25.77)     |               | \$ 27.90      | \$ 1,530.90   | \$ 5,367.59     |
| 6103590  | SM Electr Meter/Module Install UTC - N   | 4000111 | EDP37000              | Meters               |           |                 | \$ 686.03      | \$ 823.24     |               |               | \$ 141.25       |
| 6103591  | SM Electr Meter/Module Install Excl - Nf | 4000111 | EDP37000              | Meters               |           |                 | \$ 7.13        | \$ 209.31     | \$ 144.40     | \$ 306.81     | \$ 133.57       |
| 6103592  | SM Electr Meter/Module Install UTC - N   | 4000111 | EDP37000              | Meters               |           |                 |                |               |               | \$ 251.69     | \$ 762.83       |
| 6103593  | SM Electr Meter/Module Install Excl - Pf | 4000111 | EDP37000              | Meters               |           |                 | \$ 68,019.99   | \$ 36,237.55  | \$ 3,886.75   | \$ 8,200.25   | \$ 7,740.78     |
| 6103594  | SM Electr Meter/Module Install UTC - P   | 4000111 | EDP37000              | Meters               |           |                 | \$ 1,562.46    | \$ 2,083.58   | \$ 1,550.14   | \$ 3,945.66   | \$ 6,254.51     |
| 6103595  | SM Electr Meter/Module Install Excl - S  | 4000111 | EDP37000              | Meters               |           |                 | \$ 16,873.71   | \$ 20,601.78  | \$ 34,243.89  | \$ 25,130.79  | \$ 10,904.70    |
| 6103596  | SM Electr Meter/Module Install UTC - S   | 4000111 | EDP37000              | Meters               |           |                 | (\$ 1,013.40)  | \$ 9,472.77   | \$ 6,715.53   | \$ 8,100.81   | \$ 11,820.44    |
| 6103597  | SM Electr Meter/Module Install Excl - Sf | 4000111 | EDP37000              | Meters               |           |                 | \$ 2,291.70    | \$ 6,474.99   | \$ 5,730.97   | \$ 9,375.60   | \$ 19,272.56    |
| 6103598  | SM Electr Meter/Module Install UTC - S   | 4000111 | EDP37000              | Meters               |           |                 | \$ 6.83        | \$ 192.85     | \$ 779.30     | \$ 735.49     | \$ 5,876.90     |
| 6103599  | SM Electr Meter/Module Install Excl - S  | 4000111 | EDP37000              | Meters               |           |                 | (\$ 124.86)    |               |               | \$ 288.85     | \$ 38.82        |
| 6103601  | SM Electr Meter/Module Install Excl - Sf | 4000111 | EDP37000              | Meters               |           |                 | \$ 4,689.06    | \$ 17,975.53  | \$ 23,223.48  | \$ 13,025.23  | \$ 6,568.30     |
| 6103602  | SM Electr Meter/Module Install UTC - S   | 4000111 | EDP37000              | Meters               |           |                 | \$ 27.76       | \$ 11,568.80  | \$ 10,005.46  | \$ 9,003.31   | \$ 6,861.84     |
| 6103603  | SM Electr Meter/Module Install Excl - Sf | 4000111 | EDP37000              | Meters               |           |                 | \$ 32,530.28   | \$ 27,943.55  | \$ 19,234.63  | \$ 30,466.10  | \$ 21,832.51    |
| 6103604  | SM Electr Meter/Module Install UTC - S   | 4000111 | EDP37000              | Meters               |           |                 | \$ 8,590.08    | \$ 21,793.35  | \$ 22,977.37  | \$ 33,787.70  | \$ 34,890.25    |
| 6103605  | SM Electr Meter/Module Install Excl - Yf | 4000111 | EDP37000              | Meters               |           |                 | \$ 1,171.96    | \$ 17,315.53  | \$ 8,144.59   | \$ 13,030.03  | \$ 20,721.48    |
| 6103606  | SM Electr Meter/Module Install UTC - Y   | 4000111 | EDP37000              | Meters               |           |                 | \$ 102.45      | \$ 3,101.77   | \$ 4,525.97   | \$ 6,756.03   | \$ 5,777.74     |
| 6106765  | SM Deployment - E & G Endpoints          | 4000111 | EDP37000              | Meters               |           |                 | \$ 61,315.28   | \$ 66,937.47  | \$ 71,029.35  | \$ 80,657.93  | \$ 76,526.10    |
| 6108023  | SM Electric Meter Changeouts             | 4000111 | EDP37000              | Meters               |           |                 |                |               | \$ 2,489.19   | \$ 5,402.62   | \$ 1,815.07     |
| 6108063  | SM-GEMSS Electric Meters COR             | 4000111 | EDP37000              | Meters               |           |                 |                |               | \$ 2,829.34   | \$ 14,814.72  | \$ 11,852.81    |
| 6108227  | SM MV90 Endpoint Labor                   | 4000111 | EDP37000              | Meters               |           |                 |                |               |               | \$ 5,829.26   | \$ 12,020.36    |
| 6108228  | SM MV90 Endpoint Materials               | 4000111 | EDP37000              | Meters               |           |                 |                |               |               | \$ 1,567.22   |                 |
| 6108703  | SM Elect Meter Equip Reclass COR 37      | 4000111 | EDP37000              | Meters               |           |                 |                |               |               |               | (\$ 402,605.00) |
| 7063947  | SM - Elect Sys Profess Fees (Deploy)     | 4000111 | EDP37000              | Meters               |           |                 | \$ 81,226.50   | \$ 217,316.87 | \$ 211,887.75 | \$ 216,221.78 | \$ 215,745.02   |
|          |  |         | <b>EDP37000 Total</b> |                      | 0         | 0               | 1,666,311.84   | 1,730,441.41  | 3,238,875.03  | 2,528,228.79  | 2,694,676.90    |
| 6107905  | SM Electric Meter Rework                 | 4001386 | EDP37001              | Meters: SmartMeter   |           |                 |                | \$ 6,944.17   | \$ 161,611.18 | \$ 148,394.21 | \$ 33,545.67    |
| 6108085  | SM-Electric RF Meters COR                | 4001386 | EDP37001              | Meters: SmartMeter   |           |                 |                |               | \$ 2,527.88   |               |                 |

|         |   |         |                       |                    |     |                |              |              |              |              |              |                 |
|---------|---|---------|-----------------------|--------------------|-----|----------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| 6108144 | SM-Electric RF Meters Testing COR       | 4001386 | EDP37001              | Meters: SmartMeter |     |                |              |              |              | \$ 8,902.88  | \$ 27,058.86 | \$ 3,493.62     |
| 6108705 | SM Elect Meter Equip Reclass COR 37     | 4001386 | EDP37001              | Meters: SmartMeter |     |                |              |              |              |              |              | (\$ 325,302.00) |
|         |   |         | <b>EDP37001 Total</b> |                    | 0   | 0              | 0            | 0            | 6,944        | 173,042      | 175,453      | 288,262.71      |
| 6101023 | SM Gas Mtr/Mdle Instal Excl Inital Dplo | 4000205 | GDP38100              | Meters             |     | \$ 9,376.88    | \$ 11,406.96 | \$ 14,398.21 | \$ 8,769.15  | \$ 5,204.46  | \$ 4,872.39  |                 |
| 6101518 | SM Field Delivery Office                | 4000205 | GDP38100              | Meters             |     | \$ 58.21       | \$ 85.88     | \$ 82.36     | \$ 67.27     | \$ 81.09     | \$ 91.47     |                 |
| 6103083 | SM Gas Meter/Module Install Excl - SA   | 4000205 | GDP38100              | Meters             |     | \$ 498.43      | \$ 578.79    | \$ 570.55    | \$ 15,269.45 | \$ 12,636.63 | \$ 10,803.83 |                 |
| 6103105 | SM Gas Meter/Module Install Excl - KE   | 4000205 | GDP38100              | Meters             |     | \$ 11.67       | \$ 51.69     |              | \$ 20.74     | \$ 239.21    | \$ 63.49     |                 |
| 6103523 | SM Gas Meter/Module Install Excl - CC   | 4000205 | GDP38100              | Meters             |     | (\$ 25.87)     |              |              |              | \$ 62.42     |              |                 |
| 6103525 | SM Gas Meter/Module Install Excl - DA   | 4000205 | GDP38100              | Meters             |     | \$ 402.70      | \$ 196.38    | \$ 114.11    |              |              | \$ 52.91     |                 |
| 6103527 | SM Gas Meter/Module Install Excl - DI   | 4000205 | GDP38100              | Meters             |     | (\$ 13,014.88) | \$ 72.35     | \$ 82.98     | \$ 82.98     | \$ 1,383.27  | \$ 1,439.09  |                 |
| 6103529 | SM Gas Meter/Module Install Excl - EB   | 4000205 | GDP38100              | Meters             |     | \$ 1,443.30    | \$ 248.05    | \$ 248.97    | \$ 954.34    | \$ 624.03    | \$ 7,514.62  |                 |
| 6103531 | SM Gas Meter/Module Install Excl - FR   | 4000205 | GDP38100              | Meters             |     | \$ 5,453.50    | \$ 5,374.52  | \$ 2,946.01  | \$ 1,400.43  | \$ 582.29    | \$ 789.43    |                 |
| 6103533 | SM Gas Meter/Module Install Excl - LP   | 4000205 | GDP38100              | Meters             |     | \$ 51.68       |              |              |              |              |              |                 |
| 6103535 | SM Gas Meter/Module Install Excl - MI   | 4000205 | GDP38100              | Meters             |     | \$ 13,406.10   | \$ 5,550.24  | \$ 3,112.00  | \$ 11,300.98 | \$ 5,293.92  | \$ 621.91    |                 |
| 6103543 | SM Gas Meter/Module Install Excl - NB   | 4000205 | GDP38100              | Meters             |     | \$ 3,170.88    | \$ 3,069.70  | \$ 798.75    | \$ 788.37    | \$ 977.67    | \$ 433.85    |                 |
| 6103545 | SM Gas Meter/Module Install Excl - NC   | 4000205 | GDP38100              | Meters             |     | \$ 3,272.37    | \$ 3,762.18  | \$ 2,168.03  | \$ 342.33    | \$ 2,537.74  | \$ 3,777.62  |                 |
| 6103547 | SM Gas Meter/Module Install Excl - NV   | 4000205 | GDP38100              | Meters             |     | \$ 10.27       |              |              |              |              | \$ 42.34     |                 |
| 6103549 | SM Gas Meter/Module Install Excl - PN   | 4000205 | GDP38100              | Meters             |     | \$ 2,297.96    | \$ 485.78    | \$ 529.04    | \$ 902.48    | \$ 780.04    | \$ 1,555.49  |                 |
| 6103551 | SM Gas Meter/Module Install Excl - SF   | 4000205 | GDP38100              | Meters             |     | \$ 6,816.33    | \$ 14,182.53 | \$ 16,374.35 | \$ 20,966.08 | \$ 24,381.61 | \$ 41,212.48 |                 |
| 6103553 | SM Gas Meter/Module Install Excl - SJ   | 4000205 | GDP38100              | Meters             |     | \$ 2,764.38    | \$ 93.02     | \$ 580.90    | \$ 321.57    | \$ 20.80     | \$ 169.31    |                 |
| 6103555 | SM Gas Meter/Module Install Excl - SI   | 4000205 | GDP38100              | Meters             |     | (\$ 16.18)     |              |              | \$ 31.12     |              | \$ 21.15     |                 |
| 6103557 | SM Gas Meter/Module Install Excl - ST   | 4000205 | GDP38100              | Meters             |     | (\$ 124.72)    | \$ 1,291.95  | \$ 228.22    | \$ 2,676.30  | \$ 2,329.74  | \$ 84.65     |                 |
| 6103559 | SM Gas Meter/Module Install Excl - YO   | 4000205 | GDP38100              | Meters             |     | (\$ 41.33)     | \$ 237.73    | \$ 76.61     | \$ 7,302.83  | \$ 6,198.73  | \$ 3,671.81  |                 |
| 6106765 | SM Deployment - E & G Endpoints         | 4000205 | GDP38100              | Meters             |     | \$ 521.92      | \$ 569.82    | \$ 604.62    | \$ 686.58    | \$ 651.55    | \$ 565.58    |                 |
| 6107503 | SM Gas Load Research Equip Remova       | 4000205 | GDP38100              | Meters             |     |                |              | \$ 145.31    | \$ 823.39    |              | \$ 426.23    |                 |
| 6107945 | SM-Inbound Gas Meter Testing COR        | 4000205 | GDP38100              | Meters             |     |                |              |              |              |              | \$ 426.23    |                 |
|         |   |         | <b>GDP38100 Total</b> |                    | 0   | 0              | 36,334       | 47,258       | 43,061       | 72,706       | 63,985       | \$ 78,635.88    |
|         |   |         | <b>Grand Total</b>    |                    | 650 | 46             | 1,702,645    | 1,777,699    | 3,295,806    | 2,797,756    | 2,967,203    | 2,404,122.12    |

Electric:

|                |     |    |           |           |           |           |           |           |   |   |   |   |
|----------------|-----|----|-----------|-----------|-----------|-----------|-----------|-----------|---|---|---|---|
| EDP36400 Total | 357 | 25 | -         | -         | -         | -         | -         | -         | - | - | - | - |
| EDP37000 Total | -   | -  | 1,666,312 | 1,730,441 | 3,238,875 | 2,528,229 | 2,694,677 | 2,560,358 |   |   |   |   |
| EDP37001 Total | -   | -  | -         | -         | 6,944     | 173,042   | 175,453   | (288,263) |   |   |   |   |
|                | 357 | 25 | 1,666,312 | 1,730,441 | 3,245,819 | 2,701,271 | 2,870,130 | 2,272,095 |   |   |   |   |

Gas:

|                |     |    |        |        |        |        |        |         |  |  |  |  |
|----------------|-----|----|--------|--------|--------|--------|--------|---------|--|--|--|--|
| CMP39706 Total | -   | -  | -      | -      | 6,926  | 23,779 | 33,088 | 53,391  |  |  |  |  |
| EDP36400 Total | 292 | 21 | -      | -      | -      | -      | -      | -       |  |  |  |  |
| GDP38100 Total | -   | -  | 36,334 | 47,258 | 43,061 | 72,706 | 63,985 | 78,636  |  |  |  |  |
|                | 292 | 21 | 36,334 | 47,258 | 49,987 | 96,486 | 97,073 | 132,027 |  |  |  |  |

Grand Total

12/2/2009: Per Eric Lam cannot use this file in RRQ model since these COR numbers include both AMI and non-AMI COR \$'s. He is not able to break o

| Overall Result   | Electric      | Gas        | Total            |
|------------------|---------------|------------|------------------|
| \$ 117,184.60    |               |            |                  |
| \$ 117,184.60    |               | 117,184.60 | \$ 117,184.60    |
| \$ 695.59        | 382.57        | -382.57    |                  |
| \$ 695.59        | 382.57        | 313.02     | \$ 695.59        |
| \$ 364,308.42    |               |            |                  |
| \$ 10,505,048.72 |               |            |                  |
| \$ 156,495.62    |               |            |                  |
| \$ 3,190.38      |               |            |                  |
| \$ 13,068.62     |               |            |                  |
| \$ 92,133.96     |               |            |                  |
| \$ 131,133.47    |               |            |                  |
| \$ 56,400.91     |               |            |                  |
| \$ 12,440.55     |               |            |                  |
| \$ 2,071.64      |               |            |                  |
| \$ 137,998.32    |               |            |                  |
| \$ 106,468.52    |               |            |                  |
| \$ 12,669.78     |               |            |                  |
| \$ 77.14         |               |            |                  |
| \$ 29,734.01     |               |            |                  |
| \$ 5,421.93      |               |            |                  |
| \$ 647.72        |               |            |                  |
| \$ 335,206.01    |               |            |                  |
| \$ 118,166.63    |               |            |                  |
| \$ 19,586.79     |               |            |                  |
| \$ 70.06         |               |            |                  |
| \$ 47,328.47     |               |            |                  |
| \$ 1,650.52      |               |            |                  |
| \$ 3,640.64      |               |            |                  |
| \$ 1,014.52      |               |            |                  |
| \$ 132,615.89    |               |            |                  |
| \$ 25,409.22     |               |            |                  |
| \$ 121,705.11    |               |            |                  |
| \$ 52,641.81     |               |            |                  |
| \$ 73,902.58     |               |            |                  |
| \$ 9,980.65      |               |            |                  |
| \$ 28,135.59     |               |            |                  |
| \$ 75,430.30     |               |            |                  |
| \$ 53,505.47     |               |            |                  |
| \$ 145,176.85    |               |            |                  |
| \$ 152,338.15    |               |            |                  |
| \$ 73,949.04     |               |            |                  |
| \$ 27,779.92     |               |            |                  |
| \$ 422,918.19    |               |            |                  |
| \$ 12,749.19     |               |            |                  |
| \$ 31,172.02     |               |            |                  |
| \$ 38,444.24     |               |            |                  |
| \$ 1,567.22      |               |            |                  |
| (\$ 402,605.00)  |               |            |                  |
| \$ 1,186,102.18  |               |            |                  |
| \$ 14,418,891.97 | 14,418,891.97 |            | \$ 14,418,891.97 |
| \$ 350,495.23    |               |            |                  |
| \$ 2,527.88      |               |            |                  |

CMP39706 Total  
CMP39708  
EDP37000 Total  
EDP37001  
EDP37001

|                  |               |               |                |
|------------------|---------------|---------------|----------------|
| \$ 39,455.36     |               |               | EDP37001       |
| (\$ 325,302.00)  |               |               | EDP37001       |
| \$ 67,176.47     | \$ 67,176.47  | \$ 67,176.47  | EDP37001 Total |
| \$ 54,028.05     |               |               | GDP38100       |
| \$ 466.28        |               |               | GDP38100       |
| \$ 40,357.68     |               |               | GDP38100       |
| \$ 386.80        |               |               | GDP38100       |
| \$ 36.55         |               |               | GDP38100       |
| \$ 766.10        |               |               | GDP38100       |
| (\$ 9,954.21)    |               |               | GDP38100       |
| \$ 11,033.31     |               |               | GDP38100       |
| \$ 16,546.18     |               |               | GDP38100       |
| \$ 51.68         |               |               | GDP38100       |
| \$ 39,285.15     |               |               | GDP38100       |
| \$ 9,239.22      |               |               | GDP38100       |
| \$ 15,860.27     |               |               | GDP38100       |
| \$ 52.61         |               |               | GDP38100       |
| \$ 6,550.79      |               |               | GDP38100       |
| \$ 123,933.38    |               |               | GDP38100       |
| \$ 3,949.98      |               |               | GDP38100       |
| \$ 36.09         |               |               | GDP38100       |
| \$ 6,486.14      |               |               | GDP38100       |
| \$ 17,446.38     |               |               | GDP38100       |
| \$ 3,600.07      |               |               | GDP38100       |
| \$ 1,394.93      |               |               | GDP38100       |
| \$ 426.23        |               |               | GDP38100       |
| \$ 341,979.66    | \$ 341,979.66 | \$ 341,979.66 | GDP38100 Total |
| \$ 14,945,928.29 | 14,486,833.59 | 459,094.70    | 14,945,928.29  |
|                  | 0.00          |               | 0.00           |

14,486,451

459,477

14,945,928

ut COR between AMI and non-AMI.

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From: deGuzman, Gabriel  
Sent: Friday, November 20, 2009 1:43 PM  
To: Basel, Gerald (Jerry)  
Subject: FW: SBA Accounts

Jerry - See tab "Q309 Adjustment" Cell K20 for the \$11,134,341 gross amount of retirements that we discussed.

---

From: Williams, Adrienne  
Sent: Friday, October 02, 2009 4:36 PM  
To: deGuzman, Gabriel  
Subject: SBA Accounts

Hi Gabe,

Can you tell me what the SBA Account numbers are for the adjustment?

Here's a revised copy of the calculations. Could you please take a look at the summary tab I put together to make sure my facts on the background and port

Thanks,  
Adrienne

ions related to the SBA are accurate?



**Issue:**

What is the appropriate accounting treatment for the retirement of the deployed and un-deployed SmartMeter DCSI meters/modules and Hex Electric meters/modules based upon the recently issued CPUC decision? How should PG&E account for the retirement of currently deployed "first generation" SmartMeters?

**Background:**

- 1 In 7/2006, CPUC approved SmartMeter Project (the "Project") of \$1,739 million, calling for the use of DCSI technology which transmits metering data over power lines. This decision created the need to deploy DCSI equipments.
- 2 In 12/2007, as a result of the Utility's continuing evaluating for new technologies, PG&E filed with CPUC to utilize wireless technology to transmit metering data. This action created the need to deploy new Solid State Meters with integrated load limiting connect/disconnect switches and Home Area Network (HAN) gateway devices. DCSI technology, however, is not compatible with this new technology.
- 3 In Q1 2008, PG&E evaluated probability of abandoning the un-deployed DCSI equipment. At that time, it was determined that abandonment was not probable as the project team had not performed sufficient analysis regarding the ultimate disposition of the DCSI equipment.
- 4 In Q2 2008, PG&E concluded that the un-deployed DCSI equipment was not probable of abandonment as the project team was still considering the deployment of the equipment to outlying areas.
- 5 In Q3 2008, PG&E entered into a contract with SilverSpring Networks (SSN) whereby SSN commits to finding a solution to enable all PG&E meters to utilize wireless technology with remote disconnect switches and HAN devices.

It is probable that the un-deployed DCSI equipment will not be used and should be considered abandoned as of the end of Q3 2008 due to the following: 1) It is probable that the upgrade filing will be approved and provide sufficient funding for the deployment of solid state meters with integrated load limiting connect/disconnect switches and Home Area Network (HAN) gateway devices. 2) The contract with SSN includes provisions whereby SSN commits to finding a solution to that enables all PG&E meters to utilize wireless technology with remote disconnect switches and HAN devices.

- 7 \$8,627M of DCSI equipment that is currently held by PG&E but has not been deployed is subject to impairment analysis. Out of the \$8.6M, \$7.3M are Electric modules and \$0.8M is substation network. It was concluded that \$8.126M of that amount is probable of abandonment and that the remaining \$501K of substation equipment is not probable of abandonment as PG&E plans to use 35 of the units of the substation equipment for O&M activities over a 5-year period.

In October 2008, pending a CPUC decision on the SmartMeter Upgrade filing, PG&E had charged the cost of previously un-deployed SmartMeter DCSI equipment to expense as these assets were considered abandoned. In addition, PG&E had deemed the expense as probable of recovery; therefore, recorded the amount in the balancing account for cost recovery. Refer to Accounting Advice Memo "SmartMeter Upgrade - Q3 2008 Impairment Analysis" for further details.

The CPUC subsequently issued Decision 09-03-026 (Upgrade decision) on March 12, 2009 stating that PG&E's general cost recovery proposal is reasonable. A legal opinion of the interpretation of this Decision was obtained, indicating the costs should be recovered through the balancing account, consistent with the Q3 2008 adjustment.

**Necessary Adjustment:**

The Controller's Department will charge the cost of the deployed SmartMeters to expense by reducing Plant in Service balance. There will be no earnings impact as costs will be recovered through the SmartMeter Balancing Account.

Additional adjustments will be required as meters are removed and retired from the field. Further, undeployed equipment will be retired once accurate counts are available from Metering Services in October 2009.

- <1> Smartmeters currently in Plant in Service will be written off with a Debit to Expense for the net book value, Debit to Accumulated Depreciation for A/D recorded to date, and Credit to Plant for the gross balance.
- <2> Approximately 31,000 SmartMeters were previously retired with a Debit to Accumulated Depreciation and Credit to Plant for the gross balance. These SmartMeters should have been recorded to expense, so a correcting entry to Debit Expense and Credit Accumulated Depreciation will be recorded for the net book value at the time of retirement. (NBV is used rather than gross plant to avoid double counting depreciation expense already incurred on those SmartMeters prior to retirement.)
- <3> For all Smartmeters physically retired, Cost of Removal spend was incurred. To reverse, an adjustment will be recorded to Debit Expense and Credit Cost of Removal Spend, net of any COR accrued to date.
- <4> Energy Accounting will record an adjustment to the SmartMeter Balancing Account and SmartMeter Balancing Account Revenue for the amount recorded to expense in items 1, 2, and 3 above.

**Next Steps:**

There are currently approximately 330,000 Smartmeters still in the field to be retired. As retired units are reported to accounting, an adjustment will be recorded to write off Plant, Accumulated Depreciation, and Cost of Removal as outlined in bullets 1 and 3 above. Energy Accounting will record a corresponding adjustment to the balancing account to ensure no income statement impact.

Metering Services has identified approximately 40,000 undeployed DCSI meters & modules. These SmartMeters have not been set in the field, so installation costs have not been capitalized. They will be written off based on material cost. Of the 40,000 total undeployed, approximately 7,000 will stay in plant through 2010. These units will be held in warehouses as backup materials. The remaining 33,000 will be written off once accurate counts are available, estimated to be October 2009.

**Journal Entries**

**Description of Entry**

- <1> To expense the cost of impaired SmartMeters. (Operations Accounting)
- <2> To expense the cost of SmartMeters previously retired. (Operations Accounting)
- <3> To expense Cost of Removal spend for retired SmartMeters. (Operations Accounting)
- <4> To recover the costs of impaired SmartMeter through the SmartMeter Balancing Account. (Energy Accounting)

| Income Statement   |              | Balance Sheet                                     |                  |
|--|--------------|---|------------------|
| <b>5006800 Customer A/C Svs Adj</b>  |              | <b>1010018 Plant in Service - Corp Adjustment</b> |                  |
| <1>  | \$ 7,977,001 |   | \$ 8,768,354 <1> |
| <2>  | 2,227,734    |   |                  |
| <3>  | 727,907      |   |                  |
|  |              | \$ -  | \$ 8,768,354     |
| \$ 10,932,641  | \$ -         | <b>1080115 Accum Depr - Accrual</b>               |                  |
|  |              | <1>   | \$ 791,354       |
|  |              |   | 2,227,733.82 <2> |
|  |              | \$ 791,354  | \$ 1,436,380     |
|  |              | <b>2540098 Cost of Removal</b>                    |                  |
|  |              |   | \$ 727,907 <3>   |
|  |              | \$ -  | \$ 727,907       |
|  |              | <b>1823143 SBA-E</b>                              |                  |
|  |              | <4>   | \$ 10,932,641    |
|  |              | \$ 10,932,641                                     | \$ -             |
| <b>Earnings Impact:</b>  |              |   |                  |
| There will be no earnings impact as the cost of the equipment is recoverable through the SmartMeter balancing account (SBA). |              |   |                  |
| \$ 10,932,641  | Expense      |   |                  |
| \$ (10,932,641)  | Revenue      |   |                  |
| -  | Total        |   |                  |



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From: Basel, Gerald (Jerry)  
Sent: Tuesday, December 15, 2009 3:47 PM  
To: Williams, Adrienne  
Cc: Lam, Eric; Marshman, Joe; Quan, Justin; deGuzman, Gabriel  
Subject: FW: SmartMeter Asset Transfer

Hi Adrienne,

Just to recap our discussion today about this item: in October, 2008 you processed a credit for \$7.3m ( \$7,296,816) to Order 6101520 which settles to EDP37001. It should have settled to CMP39707 instead. The asset transfer to correct SAP will not be made at the order level and therefore will not show up in the BW capital additions report that I use as input to the Smart Meter RRQ models. Instead, I'll make an adjustment to the Deploy-Electric RRQ model's Oct08 capital additions using this e-mail as my source document.

Thanks, Adrienne.

Jerry.

---

From: Williams, Adrienne  
Sent: Thursday, December 10, 2009 10:06 AM  
To: Basel, Gerald (Jerry); Marshman, Joe  
Cc: Lam, Eric  
Subject: SmartMeter Asset Transfer

Jerry & Joe,

Just wanted to let you know we will be recording an asset transfer between asset classes EDP37001 and CMP39707. This transfer will be done at the asset record level and will move a credit of \$7.3M (associated with the DCSI retirement adjustment recorded October 2008) from EDP37001 (2008 sub number assets) to CMP39707 (2009 sub number assets).

Here is some extra background:

In October 2008, an adjustment was recorded to early retire \$8.12M for DCSI modules and AMI Equipment. The portion that related to DCSI modules amounted to \$7.3M and was recorded with a credit to asset class EDP37001, the asset class used for DCSI meters. DCSI modules are recorded to asset class CMP39707. Capital Accounting will record an asset transfer to move the credit for the DCSI modules from asset class EDP37001 to asset class CMP39707. The transfer amounts for each asset record are based on order settlement rules for the order used for the October 2008 adjustment (6101520) and the current order used for SmartMeter Early Retirements (6108684).

Please feel free to let me know if you have any questions.

Thank you,

Adrienne  
1,710,127

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From: Basel, Gerald (Jerry)  
Sent: Tuesday, December 15, 2009 3:47 PM  
To: Williams, Adrienne  
Cc: Lam, Eric; Marshman, Joe; Quan, Justin; deGuzman, Gabriel  
Subject: FW: SmartMeter Asset Transfer

Hi Adrienne,

Just to recap our discussion today about this item: in October, 2008 you processed a credit for \$7.3m ( \$7,296,816) to Order 6101520 which settles to EDP3

Thanks, Adrienne.

Jerry.

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From: Williams, Adrienne  
Sent: Thursday, December 10, 2009 10:06 AM  
To: Basel, Gerald (Jerry); Marshman, Joe  
Cc: Lam, Eric  
Subject: SmartMeter Asset Transfer

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Adrienne  
1,710,127

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e BW capital additions report that I use as input to the Smart Meter RRQ models. Instead, I'll make an adjustment to the Deploy-Electric RRQ model's Oct08

assets) to CMP39707 (2009 sub number assets).

P39707. Capital Accounting will record an asset transfer to move the credit for the DCSI modules from asset class EDP37001 to asset class CMP39707. Th

capital additions using this e-mail as my source document.

e transfer amounts for each asset record are based on order settlement rules for the order used for the October 2008 adjustment (6101520) and the current o



Order used for SmartMeter Early Retirements (6108684).

Feb10 ITD:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |              |                |                         |                |              |                |                        |               |                |                      |                  |
|-----------------------|----------------------|----------|------|--------------------|--------------|----------------|-------------------------|----------------|--------------|----------------|------------------------|---------------|----------------|----------------------|------------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy    | Deploy         | To D,<br>Elec<br>Deploy | Total Gas      | PreDeploy    | Deploy         | To D,<br>Gas<br>Deploy | SPUMA *       | To D,<br>SPUMA | Future<br>Transfer * | Total            |
| <b>CMP30304 Total</b> | \$ 247,082,678       | 55%      | 45%  | \$ 135,895,473     |              | \$ 135,895,473 |                         | \$ 111,187,205 |              | \$ 111,187,205 |                        |               |                |                      | \$ 247,082,678   |
| <b>CMP39104 Total</b> | 66,005,624           | 55%      | 45%  | 36,303,093         |              | 36,303,093     |                         | 29,702,531     |              | 29,702,531     |                        |               |                |                      | 66,005,624       |
| <b>CMP39706 Total</b> | 245,004,567          |          | 100% |                    |              |                |                         | 245,004,567    | 768,748      | 244,235,819    |                        |               |                |                      | 245,004,567      |
| <b>CMP39707 Total</b> | 12,619,405           | 100%     |      | 12,619,405         | 865,147      | 11,754,258     |                         |                |              |                |                        |               |                |                      | 12,619,405       |
| <b>CMP39708 Total</b> | 63,032,474           | 55%      | 45%  | 34,667,860         |              | 34,667,860     |                         | 28,364,613     |              | 28,364,613     |                        |               |                |                      | 63,032,474       |
| <b>EDP37000 Total</b> | 10,205,318           | 100%     |      | 10,205,318         | 835,012      | 9,370,306      |                         |                |              |                |                        |               |                |                      | 10,205,318       |
| <b>EDP37001 Total</b> | 388,617,666          | 100%     |      | 371,373,983        |              | 371,373,983    |                         |                |              |                |                        | 17,243,683    |                |                      | 388,617,666      |
| <b>GDP38100 Total</b> | 67,651,406           |          | 100% |                    |              |                |                         | 67,651,406     | 483,182      | 67,168,224     |                        |               |                |                      | 67,651,406       |
| <b>Smart Meter</b>    | \$ 1,100,219,137     |          |      | \$ 601,065,132     | \$ 1,700,159 | \$ 599,364,973 |                         | \$ 481,910,322 | \$ 1,251,930 | \$ 480,658,392 |                        | \$ 17,243,683 |                | See Below            | \$ 1,100,219,137 |

check 0

check checks

\* 9/3/2008: Per Eric Lam, SPUMA additions come from Order 6105106 and go to asset class EDP37001.

(Whole \$)

Mar10 ITD:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |              |                |                   |                |              |                |                  | SPUMA *       | Future Transfer * | Total            |
|-----------------------|----------------------|----------|------|--------------------|--------------|----------------|-------------------|----------------|--------------|----------------|------------------|---------------|-------------------|------------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy    | Deploy         | To D, Elec Deploy | Total Gas      | PreDeploy    | Deploy         | To D, Gas Deploy |               |                   |                  |
| <b>CMP30304 Total</b> | \$ 259,678,415       | 55%      | 45%  | \$ 142,823,128     |              | \$ 142,823,128 |                   | \$ 116,855,287 |              | \$ 116,855,287 |                  |               |                   | \$ 259,678,415   |
| <b>CMP39104 Total</b> | 70,305,990           | 55%      | 45%  | 38,668,295         |              | 38,668,295     |                   | 31,637,696     |              | 31,637,696     |                  |               |                   | 70,305,990       |
| <b>CMP39706 Total</b> | 253,357,808          |          | 100% |                    |              |                |                   | 253,357,808    | 768,748      | 252,589,060    |                  |               |                   | 253,357,808      |
| <b>CMP39707 Total</b> | 12,532,305           | 100%     |      | 12,532,305         | 865,147      | 11,667,158     |                   |                |              |                |                  |               |                   | 12,532,305       |
| <b>CMP39708 Total</b> | 71,010,469           | 55%      | 45%  | 39,055,758         |              | 39,055,758     |                   | 31,954,711     |              | 31,954,711     |                  |               |                   | 71,010,469       |
| <b>EDP37000 Total</b> | 10,073,142           | 100%     |      | 10,073,142         | 835,012      | 9,238,130      |                   |                |              |                |                  |               |                   | 10,073,142       |
| <b>EDP37001 Total</b> | 423,052,596          | 100%     |      | 405,808,913        |              | 405,808,913    |                   |                |              |                |                  | 17,243,683    | To D, SPUMA       | 423,052,596      |
| <b>GDP38100 Total</b> | 69,691,715           |          | 100% |                    |              |                |                   | 69,691,715     | 483,182      | 69,208,533     |                  |               |                   | 69,691,715       |
| <b>Smart Meter</b>    | \$ 1,169,702,441     |          |      | \$ 648,961,541     | \$ 1,700,159 | \$ 647,261,382 |                   | \$ 503,497,217 | \$ 1,251,930 | \$ 502,245,287 |                  | \$ 17,243,683 | See Below         | \$ 1,169,702,441 |

check

check

checks

\* 9/3/2008: Per Eric Lam, SPUMA additions come from Order 6105106 and go to asset class EDP37001.

|   | January      | February     | March        | April        | May | June        | July | August | September | October     | November    | December    | Annual       |
|---|--------------|--------------|--------------|--------------|-----|-------------|------|--------|-----------|-------------|-------------|-------------|--------------|
| Budget Assumption for Early Retirements   | (10,125,000) | (10,125,000) | (10,125,000) | (10,125,000) | 0   | (3,214,000) |      |        |           |             |             |             | (43,714,000) |
| Current Forecast for Early Retirements and Associated Reclass from Capital to Expense | (6,539,878)  |              |              |              |     | (6,299,912) |      |        |           | (4,288,067) | (4,288,067) | (4,288,067) | (25,703,992) |
| <b>Forecasted A/D</b>   |              |              |              |              |     | 618,021     |      |        |           | 565,620     | 579,761     | 593,901     | 2,357,303    |
| <b>Forecasted COR</b>   |              |              |              |              |     | (377,444)   |      |        |           | (447,785)   | (447,785)   | (447,785)   | (1,720,800)  |

\* Gross plant remaining (25,703,992)

**Retirement Adjustment**

|         |  |  |  |  |  |             |  |  |  |             |             |             |              |
|---------|--|--|--|--|--|-------------|--|--|--|-------------|-------------|-------------|--------------|
| Plant   |  |  |  |  |  | (6,299,912) |  |  |  | (4,288,067) | (4,288,067) | (4,288,067) | (19,164,114) |
| A/D     |  |  |  |  |  | 618,021     |  |  |  | 565,620     | 579,761     | 593,901     | 2,357,303    |
| Expense |  |  |  |  |  | 5,681,891   |  |  |  | 3,722,447   | 3,708,307   | 3,694,166   | 16,806,811   |

**COR Adjustment**

|         |  |  |  |  |  |           |  |  |  |           |           |           |             |
|---------|--|--|--|--|--|-----------|--|--|--|-----------|-----------|-----------|-------------|
| Plant   |  |  |  |  |  | -         |  |  |  | -         | -         | -         | -           |
| A/D     |  |  |  |  |  | (377,444) |  |  |  | (447,785) | (447,785) | (447,785) | (1,720,800) |
| Expense |  |  |  |  |  | 377,444   |  |  |  | 447,785   | 447,785   | 447,785   | 1,720,800   |

**Total expense 18,527,611**

**Forecasted 2010 Retirements:**

| Retirements forecast | June-10      | October-10   | November-10  | December-10 |
|----------------------|--------------|--------------|--------------|-------------|
| EDP37001 OCI         | \$ 6,299,912 |              |              |             |
| Forecasted A/D       | \$ 618,021   |              |              |             |
| NBV                  | \$ 5,681,891 |              |              |             |
| EDP37000 OCI         | \$ 2,584,817 | \$ 2,584,817 | \$ 2,584,817 |             |
| Forecasted A/D       | \$ 281,745   | \$ 288,789   | \$ 295,832   |             |
| NBV                  | \$ 2,303,072 | \$ 2,296,028 | \$ 2,288,984 |             |
| CMP39707 OCI         | \$ 1,703,251 | \$ 1,703,251 | \$ 1,703,251 |             |
| Forecasted A/D       | \$ 283,875   | \$ 290,972   | \$ 298,069   |             |
| NBV                  | \$ 1,419,375 | \$ 1,412,279 | \$ 1,405,182 |             |

Depr rate  
3.27 0.00273

3.27 0.00273

5.0 0.00417

**COR**  
COR rate 11.52  
less salvage -0.42  
11.1

EDP37001 34,004 units  
377,444.40 cost

EDP37000/CMP39707      121,023 units  
1,343,355.30 cost  
1,720,799.70 Total

Source: 3/11/2010, Adrienne Williams/Eric Lam

# SmartMeter Retirements January 2010 Adjustment

|                              | RETIRED December 2009 |                            |                     | Inventory Retired   |                            |                     | RETIRED - Total gross plant |                      |                     |
|------------------------------|-----------------------|----------------------------|---------------------|---------------------|----------------------------|---------------------|-----------------------------|----------------------|---------------------|
|                              | Retired               | Accum Depr<br>6/07 - 12/09 | NBV                 | Retired             | Accum Depr<br>6/07 - 12/09 | NBV                 | Retired<br>(OCI)            | Depr 6/07 -<br>12/09 | NBV                 |
| EDP37001 <b>Hex Electric</b> |                       |                            |                     |                     |                            |                     |                             |                      |                     |
| # of units                   | 24,264                |                            |                     | 10,208              |                            |                     | 34,472                      |                      |                     |
| \$/unit                      | 185.27                |                            |                     | 139.95              |                            |                     |                             |                      |                     |
|                              | \$ 4,495,391          | 379,748                    | 4,115,643           | \$ 1,428,610        | 120,682                    | 1,307,928           | 5,924,001                   | 500,430              | 5,423,571           |
| EDP37000 <b>DCSI Meters</b>  |                       |                            |                     |                     |                            |                     |                             |                      |                     |
| # of units                   | 1,483                 |                            |                     |                     |                            |                     | 1,483                       |                      |                     |
| \$/unit                      | 64.07                 |                            |                     |                     |                            |                     |                             |                      |                     |
|                              | \$ 95,016             | 6,996                      | 88,020              | \$ -                | -                          | -                   | 95,016                      | 6,996                | 88,020              |
| CMP39707 <b>DCSI Modules</b> |                       |                            |                     |                     |                            |                     |                             |                      |                     |
| # of units                   | 1,483                 |                            |                     |                     |                            |                     | 1,483                       |                      |                     |
| \$/unit                      | 42.22                 |                            |                     |                     |                            |                     |                             |                      |                     |
|                              | \$ 62,612             | 8,087                      | 54,525              | \$ -                | -                          | -                   | 62,612                      | 8,087                | 54,525              |
|                              | <b>\$ 4,653,019</b>   | <b>\$ 394,831</b>          | <b>\$ 4,258,188</b> | <b>\$ 1,428,610</b> | <b>\$ 120,682</b>          | <b>\$ 1,307,928</b> | <b>\$ 6,081,629</b>         | <b>\$ 515,513</b>    | <b>\$ 5,566,116</b> |

| COST OF REMOVAL              |                            |            |
|------------------------------|----------------------------|------------|
| Retired                      | Accum Depr<br>6/07 - 12/09 | NBV        |
| <b>DCSI Meters / Modules</b> |                            |            |
| # of units                   | 1,483                      |            |
| \$/unit                      | 11.52                      |            |
|                              | \$ 17,084                  | 1,030.92   |
|                              |                            | 16,053     |
| <b>Hex Electric</b>          |                            |            |
| # of units                   | 24,264                     |            |
| \$/unit                      | 11.52                      |            |
|                              | \$ 279,521                 | 279,521    |
|                              | \$ 296,605                 | \$ 1,031   |
|                              |                            | \$ 295,575 |

| SALVAGE                      |                   |                   |
|------------------------------|-------------------|-------------------|
| Retired                      |                   | NBV               |
| <b>DCSI Meters / Modules</b> |                   |                   |
| # of units                   | 1,483             |                   |
| \$/unit ****                 | -0.42             |                   |
|                              | \$ (628)          | (628)             |
| <b>Hex Electric</b>          |                   |                   |
| # of units                   | 24,264            |                   |
| \$/unit                      | -0.42             |                   |
|                              | \$ (10,278)       | (10,278)          |
|                              | \$ (10,906)       | \$ -              |
|                              |                   | \$ (10,906)       |
| <b>COR net of Salvage</b>    | <b>\$ 285,699</b> | <b>\$ 1,031</b>   |
|                              |                   | <b>\$ 284,668</b> |

| January 2010 Adjustment                                  |          |              |
|--|----------|--------------|
| <b>December Retirements</b>                              |          |              |
| Dr. Expense  |          | \$ 5,566,116 |
| Dr. Accumulated Depreciation                             |          | \$ 515,513   |
| Cr. Plant  |          | \$ 6,081,629 |
| <b>Cost of Removal</b>                                   |          |              |
| Dr. Expense  |          | \$ 284,668   |
| Cr Cost of Removal                                       |          | \$ 284,668   |
| <b>Combine above adjustments</b>                         |          |              |
| Dr Expense Order (Material portion)                      | 8089608  | 5,566,116    |
| Dr Expense Order (Labor portion)                         | 8089608  | 284,668      |
| Dr Accum Depr - Accrual                                  | EDP37001 | 500,430      |
| Dr Accum Depr - Accrual                                  | EDP37000 | 6,996        |
| Dr Accum Depr - Accrual                                  | CMP39707 | 8,087        |
| Cr Plant Order- DCSI Meters                              | 6108686  | \$ 95,016    |
| Cr Plant Order- DCSI Modules                             | 6108684  | \$ 62,612    |
| Cr Plant Order- Hex Elec                                 | 6108704  | 5,924,001    |
| Cr COR Order - DCSI                                      | 6108703  | 15,425       |
| Cr COR Order - Hex                                       | 6108705  | 269,243      |
| <b>Energy Accounting Adjustment to Balancing Account</b> |          |              |
| Dr SBA-E   |          | 5,850,784    |
| Cr SBA-E Revenue   |          | 5,850,784    |

| Adjustment Impact:      |             |
|-------------------------|-------------|
| <b>BALANCE SHEET</b>    |             |
| Plant                   | (6,366,297) |
| A/D                     | 515,513     |
| Balancing Acct          | 5,850,784   |
|                         | -           |
| <b>INCOME STATEMENT</b> |             |
| BA Revenue              | 5,850,784   |
| Expense                 | (5,850,784) |
|                         | -           |

## Assumptions

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until December 2009.

3. Cost of Removal did not accumulate for DCSI Modules or Hex Electric Meters/Modules. COR assumed to have accrued 30 months for DCSI meters retired in this adjustment.

Source: 1/2/2010, Adrienne Williams

0.00273  
0.00273 0.00035

0.00417





## SmartMeter Retirements March 2010 Adjustment

Numbers in this sheet already included in tabs "Jan10 Retires" and "Feb10 Retires"

| RETIRED January & February 2010  |                     |                           |                     | Inventory Retired |                           |             | RETIRED - Total gross plant |                           |                     |
|----------------------------------|---------------------|---------------------------|---------------------|-------------------|---------------------------|-------------|-----------------------------|---------------------------|---------------------|
|                                  | Retired             | Accum Depr<br>6/07 - 2/10 | NBV                 | Retired           | Accum Depr<br>6/07 - 2/10 | NBV         | Retired                     | Accum Depr<br>6/07 - 2/10 | NBV                 |
| EDP37001 <u>Hex Electric</u>     |                     |                           |                     |                   |                           |             |                             |                           |                     |
| # of units                       | 16,718              |                           |                     |                   |                           |             | 16,718                      |                           |                     |
| \$/unit                          | 185.27              |                           |                     |                   |                           |             |                             |                           |                     |
|                                  | \$ 3,097,344        | 278,529                   | 2,818,815           | \$ -              | -                         |             | 3,097,344                   | 278,529                   | 2,818,815           |
| EDP37000 <u>DCSI Meters</u>      |                     |                           |                     |                   |                           |             |                             |                           |                     |
| # of units                       | 2,063               |                           |                     |                   |                           |             | 2,063                       |                           |                     |
| \$/unit                          | 64.07               |                           |                     |                   |                           |             |                             |                           |                     |
|                                  | \$ 132,176          | 10,359                    | 121,817             | \$ -              | -                         |             | \$ 132,176                  | 10,359                    | 121,817             |
| CMP39707 <u>DCSI Modules</u>     |                     |                           |                     |                   |                           |             |                             |                           |                     |
| # of units                       | 2,063               |                           |                     |                   |                           |             | 2,063                       |                           |                     |
| \$/unit                          | 42.22               |                           |                     |                   |                           |             |                             |                           |                     |
|                                  | \$ 87,100           | 11,976                    | 75,124              | \$ -              | -                         |             | \$ 87,100                   | 11,976                    | 75,124              |
|                                  | <b>\$ 3,316,620</b> | <b>\$ 300,864</b>         | <b>\$ 3,015,756</b> | <b>\$ -</b>       | <b>\$ -</b>               | <b>\$ -</b> | <b>\$ 3,316,620</b>         | <b>\$ 300,864</b>         | <b>\$ 3,015,756</b> |
|                                  | \$ -                | \$ -                      | \$ -                |                   |                           |             |                             |                           |                     |
| <b>COST OF REMOVAL</b>           |                     |                           |                     |                   |                           |             |                             |                           |                     |
|                                  | Retired             | Accum Depr<br>6/07 - 2/10 | NBV                 |                   |                           |             |                             |                           |                     |
| <u>DCSI Meters /<br/>Modules</u> |                     |                           |                     |                   |                           |             |                             |                           |                     |
| # of units                       | 2,063               |                           |                     |                   |                           |             |                             |                           |                     |
| \$/unit                          | 11.52               |                           |                     |                   |                           |             |                             |                           |                     |
|                                  | \$ 23,766           | 1,526.64                  | 22,239              |                   |                           |             |                             |                           |                     |
| <u>Hex Electric</u>              |                     |                           |                     |                   |                           |             |                             |                           |                     |
| # of units                       | 16,718              |                           |                     |                   |                           |             |                             |                           |                     |
| \$/unit                          | 11.52               |                           |                     |                   |                           |             |                             |                           |                     |
|                                  | \$ 192,591          |                           | 192,591             |                   |                           |             |                             |                           |                     |
|                                  | <b>\$ 216,357</b>   | <b>\$ 1,527</b>           | <b>\$ 214,830</b>   |                   |                           |             |                             |                           |                     |
| <b>SALVAGE</b>                   |                     |                           |                     |                   |                           |             |                             |                           |                     |
|                                  | Retired             |                           | NBV                 |                   |                           |             |                             |                           |                     |

**DCSI Meters /  
Modules**

# of units  
\$/unit \*\*\*\*

|                   |                 |                   |
|-------------------|-----------------|-------------------|
| 2,063             |                 |                   |
| -0.42             |                 |                   |
| \$ (874)          |                 | (874)             |
| 16,718            |                 |                   |
| -0.42             |                 |                   |
| \$ (7,082)        |                 | (7,082)           |
| \$ (7,955)        | \$ -            | \$ (7,955)        |
| <b>\$ 208,402</b> | <b>\$ 1,527</b> | <b>\$ 206,875</b> |

**Hex Electric**

# of units  
\$/unit

**COR net of Salvage**

**March 2010 Adjustment**

**December Retirements**

|                              |              |              |
|------------------------------|--------------|--------------|
| Dr. Expense                  | \$ 3,015,756 |              |
| Dr. Accumulated Depreciation | \$ 300,864   |              |
| Cr. Plant                    |              | \$ 3,316,620 |

**Cost of Removal**

|                    |            |            |
|--------------------|------------|------------|
| Dr. Expense        | \$ 206,875 |            |
| Cr Cost of Removal |            | \$ 206,875 |

**Combine above adjustments**

|                                     |          |           |            |
|-------------------------------------|----------|-----------|------------|
| Dr Expense Order (Material portion) | 8089608  | 3,015,756 |            |
| Dr Expense Order (Labor portion)    | 8089608  | 206,875   |            |
| Dr Accum Depr - Accrual             | EDP37001 | 278,529   |            |
| Dr Accum Depr - Accrual             | EDP37000 | 10,359    |            |
| Dr Accum Depr - Accrual             | CMP39707 | 11,976    |            |
| Cr Plant Order- DCSI Meters         | 6108686  |           | \$ 132,176 |
| Cr Plant Order- DCSI Modules        | 6108684  |           | \$ 87,100  |
| Cr Plant Order- Hex Elec            | 6108704  |           | 3,097,344  |
| Cr COR Order - DCSI                 | 6108703  |           | 21,365     |
| Cr COR Order - Hex                  | 6108705  |           | 185,510    |

**Energy Accounting Adjustment to Balancing Account**

|                  |           |           |
|------------------|-----------|-----------|
| Dr SBA-E         | 3,222,631 |           |
| Cr SBA-E Revenue |           | 3,222,631 |

**Adjustment Impact:**

|                         |             |
|-------------------------|-------------|
| <b>BALANCE SHEET</b>    |             |
| Plant                   | (3,523,495) |
| A/D                     | 300,864     |
| Balancing Acct          | 3,222,631   |
|                         | -           |
| <b>INCOME STATEMENT</b> |             |
| BA Revenue              | 3,222,631   |
| Expense                 | (3,222,631) |
|                         | -           |

Assumptions

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until February 2010.  
33 months for DCSI meters retired in this adjustment.

0.00273  
0.00273 0.00035

0.00417





NOTE: The following email procedure was not implemented in the Dec09 2nd close. A separate RRQ model was prepared but Energy Accounting decided not to record it. Instead, the Dec09 early retirement will be input into the Jan10 RRQ model but in the Dec09 month.

---

From: Basel, Gerald (Jerry)  
Sent: Thursday, January 14, 2010 10:40 AM  
To: Battin, Jack; Duran, Armando M; deGuzman, Gabriel  
Cc: Quan, Justin; Biacci, Tony; Wedlake, Tim  
Subject: Results of Meeting - AMI Dec09 RRQ model changes - for Dec09 Early Retirements

Hi All,

To recap our meeting this morning, I will create a revised Dec09 Deploy-Electric RRQ model now to include an adjustment for the Dec09 early retirements. I

Please let me know if you have any questions or comments.

Thanks,

Jerry



n that model, the difference in the treatment of the Dec09 retirement (vs. the treatment of previous retirements) is that this one will include proceeds along w

ith net book value (NBV) in the book and tax loss calculation - but not until Jan10. We all agreed to follow your suggestion, Jack, to treat the Dec09 retireme

nts in 2 steps. The first is to use the Net Book Value (NBV) only of the retired plant for both tax and book loss purposes (reflected in the model as additional

book and tax depreciation) in this revised Dec09 RRQ model. The second step is to redo the Dec09 model in Jan10 to replace NBV with NBV-less-Procee

ds for the loss amounts. This is required for tax purposes since the proceeds will not be received until Jan10.

# SmartMeter Retirements December 2009 Adjustment

|                              | RETIRED (to Aug 31, 2009) |                        |                      | RETIRED November 2009 |                         |                     | Inventory Retired |                         |             | RETIRED - Total gross plant |
|------------------------------|---------------------------|------------------------|----------------------|-----------------------|-------------------------|---------------------|-------------------|-------------------------|-------------|-----------------------------|
|                              | Retired                   | Accum Depr 6/07 - 9/09 | NBV                  | Retired               | Accum Depr 6/07 - 12/09 | NBV                 | Retired           | Accum Depr 6/07 - 12/09 | NBV         | Retired                     |
| EDP37001 <b>Hex Electric</b> |                           |                        |                      |                       |                         |                     |                   |                         |             |                             |
| # of units                   | 29,316                    |                        |                      | 25,370                |                         |                     |                   |                         |             | 25,370                      |
| \$/unit                      | 152.31                    |                        |                      | 152.31                |                         |                     |                   |                         |             |                             |
|                              | \$ 4,465,021              | 328,514                | 4,136,507            | \$ 3,864,019          | 315,884                 | 3,548,136           | \$ -              | -                       | -           | 3,864,019                   |
| EDP37000 <b>DCSI Meters</b>  |                           |                        |                      |                       |                         |                     |                   |                         |             |                             |
| # of units                   | 38,399                    |                        |                      | 2,844                 |                         |                     |                   |                         |             | 2,844                       |
| \$/unit                      | 74.31                     |                        |                      | 63.84                 |                         |                     |                   |                         |             |                             |
|                              | \$ 2,853,275              | 182,966                | 2,670,308            | \$ 181,561            | 12,936                  | 168,625             | \$ -              | -                       | -           | \$ 181,561                  |
| CMP39707 <b>DCSI Modules</b> |                           |                        |                      |                       |                         |                     |                   |                         |             |                             |
| # of units                   | 38,399                    |                        |                      | 2,844                 |                         |                     |                   |                         |             | 2,844                       |
| \$/unit                      | 99.38                     |                        |                      | 101.42                |                         |                     |                   |                         |             |                             |
|                              | \$ 3,816,247              | 429,328                | 3,386,919            | \$ 288,438            | 36,055                  | 252,384             | \$ -              | -                       | -           | \$ 288,438                  |
|                              | <b>\$ 11,134,543</b>      | <b>\$ 940,808</b>      | <b>\$ 10,193,735</b> | <b>\$ 4,334,019</b>   | <b>\$ 364,875</b>       | <b>\$ 3,969,144</b> | <b>\$ -</b>       | <b>\$ -</b>             | <b>\$ -</b> | <b>\$ 4,334,019</b>         |

### DCSI Meters / Modules

# of units  
\$/unit

### Hex Electric

# of units  
\$/unit

### DCSI Meters / Modules

# of units  
\$/unit \*\*\*\*

### Hex Electric

# of units  
\$/unit

### COR net of Salvage

| COST OF REMOVAL   |                         |                   |
|-------------------|-------------------------|-------------------|
| Retired           | Accum Depr 6/07 - 12/09 | NBV               |
| 2,844             |                         |                   |
| 11.52             |                         |                   |
| \$ 32,763         | 1,906.39                | 30,856            |
| 25,370            |                         |                   |
| 11.52             |                         |                   |
| \$ 292,262        |                         | 292,262           |
| \$ 325,025        | \$ 1,906                | \$ 323,119        |
| SALVAGE           |                         |                   |
| Retired           |                         | NBV               |
| 2,844             |                         |                   |
| -0.42             |                         |                   |
| \$ (1,205)        |                         | (1,205)           |
| 25,370            |                         |                   |
| -0.42             |                         |                   |
| \$ (10,746)       |                         | (10,746)          |
| \$ (11,951)       | \$ -                    | \$ (11,951)       |
| <b>\$ 313,074</b> | <b>\$ 1,906</b>         | <b>\$ 311,168</b> |

| December 2009 Adjustment                          |         |              |
|---|---------|--------------|
| November Retirements                              |         |              |
| Dr. Expense                                       |         | \$ 3,969,144 |
| Dr. Accumulated Depreciation                      |         | \$ 364,875   |
| Cr. Plant   |         | \$ 4,334,019 |
| Cost of Removal:                                  |         |              |
| Dr. Expense                                       |         | \$ 311,168   |
| Cr Cost of Removal                                |         | \$ 311,168   |
| Combine above adjustments                         |         |              |
| Dr Expense Order (Material portion)               | 8089608 | 3,969,144    |
| Dr Expense Order (Labor portion)                  | 8089608 | 311,168      |
| Dr Accum Depr - Accrual                           |         | 364,875      |
| Cr Plant Order- DCSI Meters                       | 6108686 | \$ 181,561   |
| Cr Plant Order- DCSI Modules                      | 6108684 | \$ 288,438   |
| Cr Plant Order- Hex Elec                          | 6108704 | 3,864,019    |
| Cr COR Order - DCSI                               | 6108703 | 29,652       |
| Cr COR Order - Hex                                | 6108705 | 281,516      |
| Energy Accounting Adjustment to Balancing Account |         |              |
| Dr SBA-E  |         | 4,280,312    |
| Cr SBA-E Revenue                                  |         | 4,280,312    |

| Adjustment Impact: |             |
|--------------------|-------------|
| BALANCE SHEET      |             |
| Plant              | (4,334,019) |
| A/D                | 53,707      |
| Balancing Acct     | 4,280,312   |
|                    | -           |
| INCOME STATEMENT   |             |
| BA Revenue         | 4,280,312   |
| Expense            | (4,280,312) |
|                    | -           |

### Assumptions

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until December 2009.
3. Cost of Removal did not accumulate for DCSI Modules or Hex Electric Meters/Modules. COR assumed to have accrued 30 months for DCSI meters retired in this adjustment.

Source: Adrienne Williams  
1/14/2010: Confirmed numbers with Gabe DeGuzman.

0.00273  
 0.00273 0.00035

0.00417

**RETIRED - Total gross plant**

| Accum Depr<br>6/07 - 11/09 | NBV                 |
|----------------------------|---------------------|
| 315,884                    | 3,548,136           |
| 12,936                     | 168,625             |
| 36,055                     | 252,384             |
| <b>\$ 364,875</b>          | <b>\$ 3,969,144</b> |

|                         | Total<br>retired<br>units | Remaining in<br>Field | Remaining<br>in Inv for<br>O&M | Total<br>Units from<br>Deb | Check         |
|-------------------------|---------------------------|-----------------------|--------------------------------|----------------------------|---------------|
| Hex Elec                | 54,686                    | 163,810<br>152.31     | 10,544                         | <b>229,040</b>             |               |
| DCSI Meters<br>\$/unit  | 41,243                    | 255,561<br>63.84      | 5,718                          | <b>302,522</b>             |               |
| \$                      |                           | Check \$ 16,315,014   | \$ -                           |                            | \$ 16,496,575 |
| DCSI Modules<br>\$/unit | 41,243                    | 219,374<br>101.42     | 5,718                          | <b>266,335</b>             |               |
| \$                      |                           | Check \$ 22,248,911   | \$ -                           |                            | \$ 22,537,350 |

|             | (1)                                   | (2)                                  |
|-------------|---------------------------------------|--------------------------------------|
|             | Reduce by<br>Retirements<br>up to Aug | Reduce by<br>Inventory               |
| <b>RRQ</b>  |                                       |                                      |
| <b>DCSI</b> |                                       |                                      |
| EDP37000    | \$ 18,201,522                         | 15,348,247                           |
| 7           | \$ 24,696,265                         | 20,880,018                           |
| Total       | <b>\$ 42,897,787</b>                  | Total Remaining <b>36,228,265.33</b> |





SmartMeter Retirements December 2009 Adjustment

0.00273  
 0.00273 0.00035  
 0.00417

| Inventory Retired            |              |                               |              |
|------------------------------|--------------|-------------------------------|--------------|
|                              | Retired      | Accum<br>Depr 6/07 -<br>12/09 | NBV          |
| EDP37001 <b>Hex Electric</b> |              |                               |              |
| # of units                   | 69,120       |                               |              |
| \$/unit                      | 139.95       |                               |              |
|                              | \$ 9,673,344 | 790,796                       | 8,882,548    |
| EDP37000 <b>DCSI Meters</b>  |              |                               |              |
| # of units                   |              |                               |              |
| \$/unit                      | \$ -         | -                             | -            |
| CMP39707 <b>DCSI Modules</b> |              |                               |              |
| # of units                   |              |                               |              |
| \$/unit                      | \$ -         | -                             | -            |
|                              | \$ 9,673,344 | \$ 790,796                    | \$ 8,882,548 |

|              | Total<br>retired<br>units | Remaining in<br>Field | Remaining<br>in Inv for<br>O&M | Total<br>Units from<br>Deb | Check |
|--------------|---------------------------|-----------------------|--------------------------------|----------------------------|-------|
| Hex Elec     | 0                         | 0<br>0.00             | 10,544                         | 229,040                    |       |
| DCSI Meters  | 0                         | 0<br>0.00             | 5,718                          | 302,522                    |       |
| \$           | Check                     | \$ -                  | \$ -                           | \$ -                       | \$ -  |
| DCSI Modules | 0                         | 0<br>0.00             | 5,718                          | 266,335                    |       |
| \$           | Check                     | \$ -                  | \$ -                           | \$ -                       | \$ -  |

| December 2009 Adjustment                                 |         |              | Adjustment Impact:      |             |
|--|---------|--------------|-------------------------|-------------|
| <b>Hex Electric Inventory Retirements</b>                |         |              | <b>BALANCE SHEET</b>    |             |
| Dr. Expense Order  | 8089608 | \$ 8,882,548 | Plant                   | (9,673,344) |
| Dr. Accumulated Depreciation                             |         | \$ 790,796   | A/D                     | 790,796     |
| Cr. Plant Order- Hex Elec                                | 6108704 | \$ 9,673,344 | Balancing Acct          | 8,882,548   |
|  |         |              |                         | -           |
| <b>Energy Accounting Adjustment to Balancing Account</b> |         |              | <b>INCOME STATEMENT</b> |             |
| Dr. SBA-E  |         | 8,882,548    | BA Revenue              | 8,882,548   |
| Cr SBA-E Revenue   |         | 8,882,548    | Expense                 | (8,882,548) |
|  |         |              |                         | -           |

**Assumptions**

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until December 2009.
3. There is no cost of removal for inventory units because these meters and modules were never installed in the field.

Source: Adrienne Williams  
1/14/2010. Confirmed numbers with Gabe DeGuzman.

**SmartMeter Retirements November 2009 Adjustment**

(11-2-2009: per Adrienne Williams, amounts on this schedule are all order-level vs high-level and should be picked up in the RRQ model in Nov09)

0.00273  
0.00273 0.00035  
0.00417

|  | RETIRED (to Aug 31, 2009) |                        |                      | RETIRED Sept & Oct 2009 |                         |                      | Inventory Retired   |                         |                     | RETIRED - Total gross plant |                         |                      |
|--|---------------------------|------------------------|----------------------|-------------------------|-------------------------|----------------------|---------------------|-------------------------|---------------------|-----------------------------|-------------------------|----------------------|
|  | Retired                   | Accum Depr 6/07 - 9/09 | NBV                  | Retired                 | Accum Depr 6/07 - 11/09 | NBV                  | Retired             | Accum Depr 6/07 - 11/09 | NBV                 | Retired                     | Accum Depr 6/07 - 11/09 | NBV                  |
| EDP37001 <b>Hex Electric</b><br># of units<br>\$unit | 29,316<br>152.31          |                        |                      | 36,738<br>152.31        |                         |                      |                     |                         | 36,738              |                             |                         |                      |
|  | \$ 4,465,021              | 328,514                | 4,136,507            | \$ 5,595,441            | 442,180                 | 5,153,261            | \$ -                | -                       | \$ 5,595,441        | 442,180                     | 5,153,261               |                      |
| EDP37000 <b>DCSI Meters</b><br># of units<br>\$unit  | 38,399<br>74.31           |                        |                      | 67,099<br>63.84         |                         |                      | 65,510<br>42.59     |                         | 132,609             |                             |                         |                      |
|  | \$ 2,853,275              | 182,966                | 2,670,308            | \$ 4,283,721            | 295,041                 | 3,988,679            | \$ 2,789,964        | 220,477                 | 2,569,487           | \$ 7,073,685                | 515,518                 | 6,558,166            |
| CMP39707 <b>DCSI Modules</b><br># of units<br>\$unit | 38,399<br>99.38           |                        |                      | 67,099<br>101.42        |                         |                      | 29,323<br>37.60     |                         | 96,422              |                             |                         |                      |
|  | \$ 3,816,247              | 429,328                | 3,386,919            | \$ 6,804,855            | 822,253                 | 5,982,602            | \$ 1,102,546        | 133,224                 | 969,322             | \$ 7,907,401                | 955,478                 | 6,951,923            |
|  | <b>\$ 11,134,543</b>      | <b>\$ 940,808</b>      | <b>\$ 10,193,735</b> | <b>\$ 16,684,017</b>    | <b>\$ 1,559,474</b>     | <b>\$ 15,124,542</b> | <b>\$ 3,892,510</b> | <b>\$ 353,701</b>       | <b>\$ 3,538,809</b> | <b>\$ 20,576,527</b>        | <b>\$ 1,913,176</b>     | <b>\$ 18,663,351</b> |

| Total retired units | Remaining in Field | Remaining in Inv for O&M | Total Units from Deb | Check         |
|---------------------|--------------------|--------------------------|----------------------|---------------|
| Hex Elec            | 66,054             | 152,442                  | 10,544               | 229,040       |
| DCSI Meters \$unit  | 171,008            | 125,796                  | 5,718                | 302,522       |
|                     |                    | 63.84                    | 43                   |               |
|                     | Check              | \$ 8,031,042             | \$ 243,520           | \$ 12,314,763 |
| DCSI Modules \$unit | 134,821            | 125,796                  | 5,718                | 266,335       |
|                     |                    | 101.42                   | 37.60                |               |
|                     | Check              | \$ 12,757,620            | \$ 214,997           | \$ 19,562,475 |

**COST OF REMOVAL**

|   | Retired             | Accum Depr 6/07 - 11/09 | NBV                 |
|---|---------------------|-------------------------|---------------------|
| EDP37000 <b>DCSI Meters / Modules</b><br># of units<br>\$unit | 67,099<br>11.52     |                         |                     |
|   | \$ 772,980          | 43,479.76               | 729,501             |
| EDP37001 <b>Hex Electric</b><br># of units<br>\$unit          | 36,738<br>11.52     |                         |                     |
|   | \$ 423,222          |                         | 423,222             |
|   | <b>\$ 1,196,202</b> | <b>\$ 43,480</b>        | <b>\$ 1,152,722</b> |

**SALVAGE**

|   | Retired             | NBV              |                     |
|---|---------------------|------------------|---------------------|
| EDP37000 <b>DCSI Meters / Modules</b><br># of units<br>\$unit | 132,609<br>-0.42    |                  |                     |
|   | \$ (56,171)         | (56,171)         |                     |
| EDP37001 <b>Hex Electric</b><br># of units<br>\$unit          | 36,738<br>-0.42     |                  |                     |
|   | \$ (15,562)         | (15,562)         |                     |
|   | \$ (71,733)         | \$ (71,733)      |                     |
| <b>COR net of Salvage</b>                                     | <b>\$ 1,124,469</b> | <b>\$ 43,480</b> | <b>\$ 1,080,989</b> |

| RRQ          | (1)<br>Reduce by Retirements up to Aug | (2)<br>Reduce by Inventory           |
|--------------|--|--------------------------------------|
| EDP37000     | \$ 18,201,522                          | \$ 15,348,247                        |
| 7            | \$ 24,696,265                          | 20,880,018                           |
| <b>Total</b> | <b>\$ 42,897,787</b>                   | <b>Total Remaining 31,877,237.89</b> |

**\$ 19,744,341**

| November 2009 Adjustment                                 |         |               |
|--|---------|---------------|
| <b>September-October, Inventory Retirements</b>          |         |               |
| Dr. Expense  |         | \$ 18,663,351 |
| Dr. Accumulated Depreciation                             |         | \$ 1,913,176  |
| Cr. Plant  |         | \$ 20,576,527 |
| <b>Cost of Removal:</b>                                  |         |               |
| Dr. Expense  |         | \$ 1,080,989  |
| Cr. Cost of Removal                                      |         | \$ 1,080,989  |
| <b>Combine above adjustments</b>                         |         |               |
| Dr. Expense Order (Material portion)                     | 8089008 | 18,663,351    |
| Dr. Expense Order (Labor portion)                        | 8089008 | 1,080,989     |
| Dr. Accum Dep - Actual                                   |         | 1,913,176     |
| Cr. Plant Order - DCSI Meters                            | 6108688 | \$ 7,073,685  |
| Cr. Plant Order - DCSI Modules                           | 6108684 | \$ 7,907,401  |
| Cr. Plant Order - Hex Elec                               | 6108704 | 5,595,441     |
| Cr. COR Order - DCSI                                     | 6108703 | 673,329       |
| Cr. COR Order - Hex                                      | 6108705 | 407,660       |
| <b>Energy Accounting Adjustment to Balancing Account</b> |         |               |
| Dr. SBA-E  |         | 19,744,341    |
| Cr. SBA-E Revenue  |         | 19,744,341    |

| Adjustment Impact: |              |
|--------------------|--------------|
| BALANCE SHEET      |              |
| Plant              | (20,576,527) |
| W/D                | 832,166      |
| Balancing Acct     | 19,744,341   |
|                    | .            |
| INCOME STATEMENT   |              |
| BA Revenue         | 19,744,341   |
| Expense            | (19,744,341) |

Assumptions

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until November 2009.
3. Cost of Removal did not accumulate for DCSI Modules or Hex Electric Meters/Modules. COR assumed to have accrued 29 months for DCSI meters retired in this adjustment.
4. There is no cost of removal for inventory units because these meters and modules were never installed in the field.

Source: Adrienne Williams

---

From: Lam, Eric  
Sent: Tuesday, December 01, 2009 9:43 AM  
To: Basel, Gerald (Jerry)  
Subject: RE: October 2008 Early Retirements

Yes. Thanks.

---

From: Basel, Gerald (Jerry)  
Sent: Tuesday, December 01, 2009 9:42 AM  
To: Lam, Eric  
Subject: FW: October 2008 Early Retirements

Eric,

Another confirmation, I'll use Oct09 as the disposal date for the Oct09 early retirees.

Thanks, again.

Jerry

---

From: Basel, Gerald (Jerry)  
Sent: Tuesday, December 01, 2009 9:36 AM  
To: Lam, Eric  
Cc: Basel, Gerald (Jerry)  
Subject: FW: October 2008 Early Retirements

Hi Eric,

Just to confirm our conversation this morning, the CMP39708 plant was disposed of in Oct 08 and is therefore part of the \$4.180m number.

Thanks, Eric.

Jerry

---

From: Basel, Gerald (Jerry)  
Sent: Monday, November 30, 2009 6:40 PM  
To: Lam, Eric  
Subject: FW: October 2008 Early Retirements

Eric,  
You mentioned in your v-mail that the timing of these plant dispositions (the trigger date for tax gain/loss treatment in the RRQ model) were \$4.180m in Oct0

Thanks,  
Jerry

---

From: deGuzman, Gabriel  
Sent: Monday, November 30, 2009 5:05 PM  
To: Basel, Gerald (Jerry)  
Subject: October 2008 Early Retirements

Jerry,  
The Oct 2008 early retirements consisted of the following:

**CMP39707 Modules - 114,339 meters (cost \$7,296,816)**  
**CMP39708 Substation Equipment - 88 units (cost \$829,350)**  
**Total Gross = \$8,126,166**  
Total A/D = \$642,624 (Electric Modules \$608,068 + Substation Equipment \$34,556)  
Total NBV = \$7,483,542

|                    | OCI              | A/D            | NBV              |
|--------------------|------------------|----------------|------------------|
| CMP39707 Modules   | 7,296,816        | 608,068        | 6,688,748        |
| CMP39708 Network/S | 829,350          | 34,556         | 794,794          |
|                    | <u>8,126,166</u> | <u>642,624</u> | <u>7,483,542</u> |

Let me know if you need anything else.

Thanks,  
Gabe

---

Gabriel G. deGuzman  
Senior Analyst, Energy Accounting  
Pacific Gas and Electric Company  
77 Beale Street, Mailcode B7A, Desk 730A

San Francisco, CA 94105  
(Voice: (415) 972-5018  
1Fax: (415) 972-5445  
\*Email: GGD5@pge.com





8 and the remainder in Oct09. Can you break that out by asset class?

Apr10:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |           |               |              |           |              |       |                   |               |
|-----------------------|----------------------|----------|------|--------------------|-----------|---------------|--------------|-----------|--------------|-------|-------------------|---------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas    | PreDeploy | Deploy-G     | SPUMA | Future Transfer * | Total         |
| <b>CMP30304 Total</b> | \$ 209,112           | 55%      | 45%  | \$ 115,012         |           | \$ 115,012    | \$ 94,100    |           | \$ 94,100    |       |                   | \$ 209,112    |
| <b>CMP39104 Total</b> | (2,654)              | 55%      | 45%  | (1,460)            |           | (1,460)       | (1,194)      |           | (1,194)      |       |                   | (2,654)       |
| <b>CMP39706 Total</b> | 3,815,535            |          | 100% |                    |           |               | 3,815,535    |           | 3,815,535    |       |                   | 3,815,535     |
| <b>CMP39707 Total</b> |                      | 100%     |      |                    |           |               |              |           |              |       |                   | -             |
| <b>CMP39708 Total</b> | 4,587,332            | 55%      | 45%  | 2,523,032          |           | 2,523,032     | 2,064,299    |           | 2,064,299    |       |                   | 4,587,332     |
| <b>EDP37000 Total</b> | -                    | 100%     |      |                    |           |               |              |           |              |       |                   | -             |
| <b>EDP37001 Total</b> | 28,236,947           | 100%     |      | 28,236,947         |           | 28,236,947    |              |           |              |       |                   | 28,236,947    |
| <b>GDP38100 Total</b> | 2,029,290            |          | 100% |                    |           |               | 2,029,290    |           | 2,029,290    |       |                   | 2,029,290     |
| <b>Smart Meter</b>    | \$ 38,875,563        |          |      | \$ 30,873,532      | \$ -      | \$ 30,873,532 | \$ 8,002,031 | \$ -      | \$ 8,002,031 | \$ -  | See Below         | \$ 38,875,563 |

check

checks

SmartMeter Project  
 Electromechanical Cost of Removal  
 05/31/2010

**Purpose:** To summarize the electromechanical Cost of Removal (COR) costs incurred for calculating the associated capital-related revenue requirements.

**Cost of Removal**

|          | 001/2006 | 002/2006 | 003/2006   | 004/2006 | 005/2006 | 006/2006  | 007/2006    | 008/2006   | 009/2006     | 010/2006  | 011/2006  | 012/2006   | 001/2007   |
|----------|----------|----------|------------|----------|----------|-----------|-------------|------------|--------------|-----------|-----------|------------|------------|
| EDP37000 | -        | 78.54    | 378,341.46 | 5,523.30 | 39.35    | 26,046.19 | (26,005.50) | 35,032.98  | 719,954.61   | 4,069.46  | 521.78    | 774,154.15 | 339,462.25 |
| GDP38100 | -        | -        | 83,762.23  | -        | 181.94   | 28,899.64 | 19,235.77   | 75,923.19  | 449,418.88   | 25,218.28 | 14,756.28 | 180,798.57 | 118,716.35 |
|          | \$ -     | \$ 79    | \$ 462,104 | \$ 5,523 | \$ 221   | \$ 54,946 | \$ (6,770)  | \$ 110,956 | \$ 1,169,373 | \$ 29,288 | \$ 15,278 | \$ 954,953 | \$ 458,179 |

**Allocation Percentages (1/1/2006-3/31/2009 only)**

|          |      |      |       |      |      |      |       |       |       |      |      |       |      |
|----------|------|------|-------|------|------|------|-------|-------|-------|------|------|-------|------|
| EDP37000 | 0.0% | 0.0% | 25.2% | 0.4% | 0.0% | 1.7% | -1.7% | 2.3%  | 20.1% | 0.3% | 0.0% | 51.7% | 8.8% |
| GDP38100 | 0.0% | 0.0% | 12.5% | 0.0% | 0.0% | 4.3% | 2.9%  | 11.3% | 36.0% | 3.8% | 2.2% | 27.0% | 4.5% |

1,498,700.00  
 670,192.00  
 2,168,892.00

**Note 1:** In March 2009 a COR Reallocation Adjustment was made to reduce the net plant recorded to the SmartMeter Capital RRQ model. As a result, the SmartMeter Capital RRQ did not calculate the associated capital-related RRQ associated with COR, effective March 2009.

**Note 2:** In Sept 2009, Nov 2009, Dec 2009, Jan 2010, and Mar 2010 the COR associated with the SmartMeter early retirements was charged to expense and recovered through the SmartMeter balancing account in accordance with the D.09-03-026 (SmartMeter Upgrade decision). As such, the COR associated with early retirements is excluded from the above amounts.

**Note 3:** In Mar, Apr, and May 2010 the above amounts are estimated amounts based on Business Warehouse data. Actual COR amounts will be provided via PowerPlant.

Source:  
 Gabe DeGuzman

|          | 2006      | 2007      | 2008      | YTD Mar09    | TOTAL |
|----------|-----------|-----------|-----------|--------------|-------|
| EDP37000 | 1,498,700 | 3,857,274 | 6,774,625 | (12,130,599) | -     |
| GDP38100 | 670,192   | 2,615,937 | 1,300,356 | (4,586,485)  | -     |
|          | 2,168,892 | 6,473,211 | 8,074,981 | (16,717,084) | -     |

| 002/2007     | 003/2007     | 004/2007     | 005/2007   | 006/2007   | 007/2007     | 008/2007   | 009/2007   | 010/2007   | 011/2007   | 012/2007     | 001/2008   | 002/2008   | 003/2008   |
|--------------|--------------|--------------|------------|------------|--------------|------------|------------|------------|------------|--------------|------------|------------|------------|
| 778,224.34   | (307,376.34) | (181,319.23) | 281,353.43 | 264,247.86 | (130,931.91) | 545,683.24 | 424,197.24 | 590,866.51 | 681,400.18 | 571,466.42   | 211,211.22 | 232,634.22 | 344,610.19 |
| 264,902.52   | 214,966.15   | 147,338.17   | 115,363.39 | 145,943.27 | 110,231.79   | 155,853.78 | 104,888.34 | 150,057.64 | 176,293.66 | 911,381.93   | 14,463.78  | 24,779.23  | 50,649.89  |
| \$ 1,043,127 | \$ (92,410)  | \$ (33,981)  | \$ 396,717 | \$ 410,191 | \$ (20,700)  | \$ 701,537 | \$ 529,086 | \$ 740,924 | \$ 857,694 | \$ 1,482,848 | \$ 225,675 | \$ 257,413 | \$ 395,260 |

|       |       |       |      |      |       |       |       |       |       |       |      |      |      |
|-------|-------|-------|------|------|-------|-------|-------|-------|-------|-------|------|------|------|
| 20.2% | -8.0% | -4.7% | 7.3% | 6.9% | -3.4% | 14.1% | 11.0% | 15.3% | 17.7% | 14.8% | 3.1% | 3.4% | 5.1% |
| 10.1% | 8.2%  | 5.6%  | 4.4% | 5.6% | 4.2%  | 6.0%  | 4.0%  | 5.7%  | 6.7%  | 34.8% | 1.1% | 1.9% | 3.9% |

3,857,274.00  
2,615,937.00

|            |            |            |            |              |            |            |            |              |             |                | Note 1       |              |              |
|------------|------------|------------|------------|--------------|------------|------------|------------|--------------|-------------|----------------|--------------|--------------|--------------|
| 004/2008   | 005/2008   | 006/2008   | 007/2008   | 008/2008     | 009/2008   | 010/2008   | 011/2008   | 012/2008     | 001/2009    | 002/2009       | 003/2009     | 004/2009     | 005/2009     |
| 210,005.03 | 355,737.86 | 201,046.51 | 323,237.51 | 1,057,658.17 | 288,026.29 | 475,630.00 | 787,147.51 | 2,287,680.50 | 927,751.53  | 1,451,137.53   | 3,566,217.00 | \$ 1,823,181 | \$ 1,666,312 |
| 65,334.23  | 95,864.89  | 63,802.50  | 127,838.77 | 74,605.62    | 173,744.84 | 120,196.56 | 96,309.82  | 392,765.86   | (50,869.06) | 219,920.34     | 162,601.72   | \$ 35,251    | \$ 36,334    |
| \$ 275,339 | \$ 451,603 | \$ 264,849 | \$ 451,076 | \$ 1,132,264 | \$ 461,771 | \$ 595,827 | \$ 883,457 | \$ 2,680,446 | \$ 876,882  | \$ (1,231,217) | \$ 3,728,819 | \$ 1,858,432 | \$ 1,702,645 |

|      |      |      |      |       |       |      |       |       |        |        |        |  |  |
|------|------|------|------|-------|-------|------|-------|-------|--------|--------|--------|--|--|
| 3.1% | 5.3% | 3.0% | 4.8% | 15.6% | 4.3%  | 7.0% | 11.6% | 33.8% | 30.5%  | -47.7% | 117.2% |  |  |
| 5.0% | 7.4% | 4.9% | 9.8% | 5.7%  | 13.4% | 9.2% | 7.4%  | 30.2% | -15.3% | 66.3%  | 49.0%  |  |  |

|              |              |
|--------------|--------------|
| 6,774,625.00 | 3,042,831.00 |
| 1,300,356.00 | 331,653.00   |

|              |                      |
|--------------|----------------------|
| EDP37000     | 15,173,430           |
| GDP38100     | 4,918,138            |
| <b>Total</b> | <b>20,091,568.00</b> |

6-28-2010: Amt. credited to ord

|             |              |               |               |
|-------------|--------------|---------------|---------------|
| 927,751.53  | 1,451,137.53 | 11,607,213.00 | 11,083,826.99 |
| (50,869.06) | 219,920.34   | 4,755,536.28  | 4,924,587.55  |
| 876,882.46  | 1,231,217.19 | 16,362,749.27 | 16,008,414.55 |

|                     |                     |                     | Note 2              | Note 2              | Note 2              | Note 2              |                     | Note 2              |                     |                     |                     |  | Total                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--|----------------------|
| 006/2009            | 007/2009            | 008/2009            | 009/2009            | 010/2009            | 011/2009            | 012/2009            | 001/2010            | 002/2010            | 003/2010            | 004/2010            | 005/2010            |  |                      |
| \$ 1,730,441        | \$ 3,238,875        | \$ 2,528,229        | \$ 1,966,770        | \$ 2,560,358        | \$ 1,440,261        | \$ 6,631,908        | \$ 3,795,972        | \$ 847,861          | \$ 1,980,382        | \$ 2,058,542        | \$ 3,320,928        |  | \$ 50,763,451        |
| \$ 47,258           | \$ 43,061           | \$ 72,706           | \$ 63,985           | \$ 78,636           | \$ 461,962          | \$ 213,634          | \$ 233,093          | \$ 227,600          | \$ 329,917          | \$ 350,755          | \$ 308,094          |  | \$ 7,420,423         |
| <u>\$ 1,777,699</u> | <u>\$ 3,281,936</u> | <u>\$ 2,600,935</u> | <u>\$ 2,030,755</u> | <u>\$ 2,638,994</u> | <u>\$ 1,902,223</u> | <u>\$ 6,845,542</u> | <u>\$ 4,029,065</u> | <u>\$ 1,075,461</u> | <u>\$ 2,310,299</u> | <u>\$ 2,409,297</u> | <u>\$ 3,629,022</u> |  | <u>\$ 58,183,874</u> |

Note 3      Note 3      Note 3

ers in Mar2009 being reallocated to previous periods now.

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**From:** deGuzman, Gabriel  
**Sent:** Friday, June 25, 2010 9:00 AM  
**To:** Battin, Jack; Duran, Armando M; Lam, Eric; Basel, Gerald (Jerry); Nguyen, Mimi; Greenwell, Beatrix; Katerndahl, Rebecca  
**Subject:** RE: COR Monthly Data

Attached is the revised COR from September 2006 to May 2010. Please forward to the appropriate person who is creating the associated models.

Thanks,  
Gabe

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**From:** deGuzman, Gabriel  
**Sent:** Wednesday, June 23, 2010 3:55 PM  
**To:** Battin, Jack  
**Cc:** Duran, Armando M; Lam, Eric; Basel, Gerald (Jerry); Nguyen, Mimi; Greenwell, Beatrix  
**Subject:** COR Monthly Data

Jack,  
Attached is COR monthly data for the 2 asset classes: EDP37000 and GDP38100. As discussed on our phone call it was noted that a portion of the total CO

Please let me know if you require anything else to run the models.

Thanks,  
Gabe

<< File: COR Monthly Data.xls >>

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***Gabriel G. deGuzman***

Senior Analyst, Energy Accounting  
Pacific Gas and Electric Company  
77 Beale Street, Mailcode B7A, Desk 730A  
San Francisco, CA 94105





R was previously recovered through Jerry's SmartMeter models. We were able to confirm apprx \$22M was adjusted out of the models in Mar 2009 and Apr 2

009 which means we recovered the associated capital-related revenue requirement in the models through these time periods in the balancing account. I beli

even this will have the impact of lowering the tax benefit estimate that was calculated earlier. Please note we will need to run the model(s) for the time period o

f March 2009 - May 2010 only.

May10:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |           |               |               |           |               |       |                   | Total         |
|-----------------------|----------------------|----------|------|--------------------|-----------|---------------|---------------|-----------|---------------|-------|-------------------|---------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas     | PreDeploy | Deploy-G      | SPUMA | Future Transfer * |               |
| <b>CMP30304 Total</b> | \$ 526,282           | 55%      | 45%  | \$ 289,455         |           | \$ 289,455    | \$ 236,827    |           | \$ 236,827    |       |                   | \$ 526,282    |
| <b>CMP39104 Total</b> | 452,987              | 55%      | 45%  | 249,143            |           | 249,143       | 203,844       |           | 203,844       |       |                   | 452,987       |
| <b>CMP39706 Total</b> | 8,575,997            |          | 100% |                    |           |               | 8,575,997     |           | 8,575,997     |       |                   | 8,575,997     |
| <b>CMP39707 Total</b> |                      | 100%     |      |                    |           |               |               |           |               |       |                   | -             |
| <b>CMP39708 Total</b> | 2,696,330            | 55%      | 45%  | 1,482,981          |           | 1,482,981     | 1,213,348     |           | 1,213,348     |       |                   | 2,696,330     |
| <b>EDP37000 Total</b> | -                    | 100%     |      |                    |           |               |               |           |               |       |                   | -             |
| <b>EDP37001 Total</b> | 24,268,967           | 100%     |      | 24,268,967         |           | 24,268,967    |               |           |               |       |                   | 24,268,967    |
| <b>GDP38100 Total</b> | 2,193,315            |          | 100% |                    |           |               | 2,193,315     |           | 2,193,315     |       |                   | 2,193,315     |
| <b>Smart Meter</b>    | \$ 38,713,877        |          |      | \$ 26,290,546      | \$ -      | \$ 26,290,546 | \$ 12,423,331 | \$ -      | \$ 12,423,331 | \$ -  | See Below         | \$ 38,713,877 |

check

checks

(Whole \$)

Jun10:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |           |               |               |           |               |       |                   |               |
|-----------------------|----------------------|----------|------|--------------------|-----------|---------------|---------------|-----------|---------------|-------|-------------------|---------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas     | PreDeploy | Deploy-G      | SPUMA | Future Transfer * | Total         |
| <b>CMP30304 Total</b> | \$ 1,247,662         | 55%      | 45%  | \$ 686,214         |           | \$ 686,214    | \$ 561,448    |           | \$ 561,448    |       |                   | \$ 1,247,662  |
| <b>CMP39104 Total</b> | 21,679               | 55%      | 45%  | 11,924             |           | 11,924        | 9,756         |           | 9,756         |       |                   | 21,679        |
| <b>CMP39706 Total</b> | 10,007,313           |          | 100% |                    |           | -             | 10,007,313    |           | 10,007,313    |       |                   | 10,007,313    |
| <b>CMP39707 Total</b> | (116,232)            | 100%     |      | (116,232)          |           | (116,232)     |               |           |               |       |                   | (116,232)     |
| <b>CMP39708 Total</b> | 1,698,759            | 55%      | 45%  | 934,317            |           | 934,317       | 764,441       |           | 764,441       |       |                   | 1,698,759     |
| <b>EDP37000 Total</b> | (176,385)            | 100%     |      | (176,385)          |           | (176,385)     |               |           |               |       |                   | (176,385)     |
| <b>EDP37001 Total</b> | 34,254,958           | 100%     |      | 34,254,958         |           | 34,254,958    |               |           |               |       |                   | 34,254,958    |
| <b>GDP38100 Total</b> | 2,124,403            |          | 100% |                    |           | -             | 2,124,403     |           | 2,124,403     |       |                   | 2,124,403     |
| <b>Smart Meter</b>    | \$ 49,062,157        |          |      | \$ 35,594,797      | \$ -      | \$ 35,594,797 | \$ 13,467,360 | \$ -      | \$ 13,467,360 | \$ -  | See Below         | \$ 49,062,157 |

check

checks

(Whole \$)

Pacific Gas and Electric Company  
Smart Meter - Deploy Electric  
D.06.07.027: \$1.61B total cost, "(in place) at least until PG&E's next general rate case"  
Capital-Related Revenue Requirements (RRQ)

(dollars)

| Capital-Related RRQ            | Dec-07      | Jan-08      | Feb-08      | Mar-08      | Apr-08      | May-08      | Jun-08      | Jul-08      | Aug-08      | Sep-08      | Oct-08      | Nov-08      | Dec-08      | Annual     | Inception to Date RRQ by Component and Period | checks     |             |            |             |            |             |  |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|---|------------|-------------|------------|-------------|------------|-------------|--|
| 1 Depreciation                 | 873,751     | 878,576     | 883,859     | 891,893     | 913,294     | 932,532     | 945,069     | 963,610     | 991,243     | 8,509,720   | 1,057,968   | 1,098,041   | 18,939,956  | 0          | 2005  | 2006       | 2007        | 2008       | ITD         | 2008       | ITD         |  |
| 2 Return on Rate Base          | 1,165,584   | 1,154,200   | 1,146,949   | 1,143,886   | 1,157,827   | 1,168,642   | 1,171,216   | 1,186,302   | 1,224,331   | 1,270,367   | 1,301,546   | 1,348,433   | 14,439,283  | 0          | n/a   | 241,903    | 2,288,177   | 18,939,956 | 21,470,036  |            |             |  |
| 3 Income Taxes                 | 291,909     | 284,843     | 280,196     | 274,751     | 268,121     | 273,404     | 265,465     | 261,705     | 266,193     | 1,407,029   | 214,385     | 125,125     | 4,213,126   | 0          | n/a   | 313,790    | 3,303,903   | 14,439,283 | 18,056,977  |            |             |  |
| 4 Property Taxes               | 140,158     | 139,705     | 139,733     | 140,260     | 142,791     | 145,036     | 162,077     | 162,077     | 162,077     | 162,077     | 162,077     | 162,077     | 1,820,144   | 0          | n/a   | (111,047)  | (1,678,641) | 4,213,126  | 2,423,438   |            |             |  |
| 5 Total                        | 2,471,402   | 2,457,223   | 2,450,738   | 2,450,701   | 2,482,033   | 2,519,613   | 2,543,828   | 2,573,693   | 2,643,844   | 11,349,193  | 2,735,976   | 2,733,676   | 39,412,509  | 0          | n/a   | 481,340    | 4,299,782   | 39,412,509 | 44,193,631  | 39,412,509 | 44,193,631  |  |
|                                |             |             |             |             |             |             | 0           | 0           | 0           |             |             |             |             |            |   |            |             |            |             | 0          | 0           |  |
| 6 Capital Additions (SAP)      |             | (165,577)   | 847,231     | 982,878     | 2,061,129   | 5,830,692   | 1,413,596   | 3,756,152   | 5,156,110   | 10,710,183  | 6,618,152   | 8,323,144   | 16,753,475  | 62,267,164 | Revised                                       |            |             |            |             |            |             |  |
| 7 Plant Balance                | 171,586,985 | 171,401,408 | 172,248,639 | 173,231,517 | 175,292,646 | 181,123,337 | 182,536,934 | 186,293,085 | 191,449,195 | 202,159,378 | 208,777,530 | 217,100,674 | 233,854,149 | 0          | D   | 14,195,264 | 157,391,721 | 62,267,164 | 233,854,149 | 62,267,164 | 233,854,149 |  |
| 8 Plant Balance (Weighted Avg) |             | 171,494,197 | 171,825,023 | 172,740,078 | 174,262,081 | 178,207,992 | 181,830,135 | 184,415,009 | 188,871,140 | 196,804,287 | 205,468,454 | 212,939,102 | 225,477,411 | 0          |   |            |             |            |             |            |             |  |
| 9 Depreciation Reserve         | 2,530,080   | 3,403,831   | 4,282,807   | 5,166,666   | 6,056,559   | 6,971,853   | 7,904,384   | 8,849,453   | 9,813,063   | 10,804,306  | 11,187,861  | 12,245,829  | 13,343,870  | 0          | C   |            |             |            |             |            |             |  |
| 10 Rate Base (Weighted Avg):   |             |             |             |             |             |             |             |             |             |             |             |             |             |            |   |            |             |            |             |            |             |  |
| 11 Plant                       |             | 171,494,197 | 171,825,023 | 172,740,078 | 174,262,081 | 178,207,992 | 181,830,135 | 184,415,009 | 188,871,140 | 196,804,287 | 205,468,454 | 212,939,102 | 225,477,411 | 0          |   |            |             |            |             |            |             |  |
| 12 Depreciation Reserve        |             | 2,966,956   | 3,843,319   | 4,724,736   | 5,612,612   | 6,515,206   | 7,438,118   | 8,376,919   | 9,331,258   | 10,308,685  | 10,996,083  | 11,716,845  | 12,794,849  | 0          |   |            |             |            |             |            |             |  |
| 13 Deferred Taxes              |             | 9,403,138   | 10,411,776  | 11,435,217  | 12,487,524  | 13,627,634  | 14,850,415  | 16,145,069  | 17,587,409  | 19,251,494  | 21,043,439  | 23,536,824  | 28,596,159  | 0          |   |            |             |            |             |            |             |  |
| 14 Total                       |             | 159,124,103 | 157,569,928 | 156,580,124 | 156,161,944 | 158,065,151 | 159,541,602 | 159,893,021 | 161,952,472 | 167,144,108 | 173,428,931 | 177,685,433 | 184,086,403 | 0          |   |            |             |            |             |            |             |  |

The Model RRQ (do not have source file for comparison)

|                              |           |           |           |           |           |           |           |           |           |            |           |           |            |    |  |  |  |  |  |  |  |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|----|--|--|--|--|--|--|--|
| Sum of lines 1-4 from above. | 2,331,243 | 2,457,723 | 2,311,005 | 2,310,530 | 2,339,242 | 2,374,578 | 2,381,751 | 2,411,616 | 2,481,767 | 11,187,116 | 2,573,899 | 2,571,599 | 37,592,365 | B1 |  |  |  |  |  |  |  |
| check                        | 2,471,402 | 2,457,723 | 2,450,738 | 2,450,791 | 2,482,033 | 2,519,614 | 2,543,828 | 2,573,693 | 2,643,844 | 11,349,193 | 2,733,976 | 2,733,676 | 39,412,509 |    |  |  |  |  |  |  |  |
|                              | 140,158   | 0         | 139,733   | 140,260   | 142,791   | 145,036   | 162,077   | 162,077   | 162,077   | 162,077    | 162,077   | 162,077   | 1,820,144  |    |  |  |  |  |  |  |  |

(Whole \$)

ANALYSIS

|                        | Jan-08      | Feb-08      | Mar-08      | Apr-08      | May-08      | Jun-08      | Jul-08      | Aug-08      | Sep-08      | Oct-08      | Nov-08      | Dec-08      |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Depreciation</b>    |             |             |             |             |             |             |             |             |             |             |             |             |
| Depreciation (line 1)  | 873,751     | 878,976     | 883,859     | 891,893     | 913,294     | 932,532     | 945,069     | 963,610     | 991,243     | 8,509,720   | 1,057,968   | 1,098,041   |
| Plant Balance (line 8) | 171,494,197 | 171,825,023 | 172,740,078 | 174,262,081 | 178,207,992 | 181,830,135 | 184,415,009 | 188,871,140 | 196,804,287 | 205,468,454 | 212,939,102 | 225,477,411 |
| Monthly Depr Rate      | 0.51%       | 0.51%       | 0.51%       | 0.51%       | 0.51%       | 0.51%       | 0.51%       | 0.51%       | 0.50%       | 4.14%       | 0.50%       | 0.49%       |
| Annual Depr Rate       | 6.11%       | 6.14%       | 6.14%       | 6.14%       | 6.15%       | 6.15%       | 6.15%       | 6.12%       | 6.04%       | 49.70%      | 5.96%       | 5.84%       |

CPUC authorized depreciation rate is from May 1, 2007 Letter consistent with parameters authorized by CPUC.

|                             | Jan-08      | Feb-08      | Mar-08      | Apr-08      | May-08      | Jun-08      | Jul-08      | Aug-08      | Sep-08      | Oct-08      | Nov-08      | Dec-08      |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Return on Rate Base</b>  |             |             |             |             |             |             |             |             |             |             |             |             |
| Return (line 2)             | 1,165,584   | 1,154,200   | 1,146,949   | 1,143,886   | 1,157,827   | 1,168,642   | 1,171,216   | 1,186,302   | 1,224,331   | 1,270,367   | 1,301,546   | 1,348,433   |
| Wtd Avg Rate Base (line 21) | 159,124,103 | 157,569,928 | 156,380,124 | 156,161,944 | 158,065,151 | 159,541,602 | 159,893,021 | 161,952,472 | 167,144,108 | 173,428,931 | 177,685,433 | 184,886,403 |
| Monthly Return              | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       | 0.73%       |
| Annual Return               | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       | 8.79%       |

Return on rate base is consistent with PG&E's annual cost of capital proceedings adopted by the CPUC effective 2008.

|                     | Jan-08    | Feb-08    | Mar-08    | Apr-08    | May-08    | Jun-08    | Jul-08    | Aug-08      | Sep-08      | Oct-08    | Nov-08      | Dec-08       |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-----------|-------------|--------------|
| <b>Income Taxes</b> |           |           |           |           |           |           |           |             |             |           |             |              |
| State               | (145,637) | (147,506) | (148,791) | (151,597) | (159,243) | (158,397) | (164,173) | (170,228)   | (176,411)   | 554,116   | (228,564)   | (297,803)    |
| Federal             | (364,527) | (382,836) | (602,890) | (646,389) | (779,919) | (806,477) | (921,392) | (1,101,717) | (1,351,917) | (536,456) | (3,154,452) | (6,098,241)  |
| Deferred            | 1,002,073 | 1,015,205 | 1,031,677 | 1,072,937 | 1,207,283 | 1,238,278 | 1,351,031 | 1,533,649   | 1,994,520   | 1,389,370 | 3,597,408   | (17,247,332) |
| Total               | 291,909   | 284,843   | 280,196   | 274,751   | 268,121   | 273,404   | 265,465   | 261,705     | 266,193     | 1,407,029 | 214,385     | 4,213,126    |

| Annual       | checks |
|--------------|--------|
| (297,803)    | 0      |
| (1,394,234)  | 0      |
| (17,247,332) | 0      |
| 6,521,259    | 0      |
| 4,213,126    |        |

**Property Taxes**  
Property taxes are calculated on net plant.

| <b>Factors</b>              |           |
|-----------------------------|-----------|
| Property Tax Rate 2008-2009 | 0.0115045 |
| Property Tax Rate Prior     | 0.0099980 |

| VARIANCE ANALYSIS (from Bonus Only): | Jan-08   | Feb-08   | Mar-08   | Apr-08   | May-08   | Jun-08   | Jul-08   | Aug-08   | Sep-08   | Oct-08   | Nov-08   | Dec-08   | Total     |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Return on Rate Base                  | (38,824) | (40,060) | (41,947) | (43,710) | (45,468) | (47,143) | (48,844) | (53,107) | (57,252) | (53,017) | (51,939) | (63,566) | (688,520) |



(Whole \$)

## REVENUE REQUIREMENTS

|                                     | January 2008 |             | February 2008 |           | March 2008  |             | April 2008 |             |             |   |             |             |
|-------------------------------------|--------------|-------------|---------------|-----------|-------------|-------------|------------|-------------|-------------|---|-------------|-------------|
|                                     | Recorded     |             | Recorded      |           | Recorded    |             | Recorded   |             |             |   |             |             |
|                                     | Present      | Proposed    | Present       | Proposed  | Present     | Proposed    | Present    | Proposed    |             |   |             |             |
| REVENUE REQUIREMENT SUMMARY         |              |             |               |           |             |             |            |             |             |   |             |             |
| ERAM Revenue                        | 0            | 2,471,402   | 0             | 2,457,723 | 0           | 2,450,738   | 0          | 2,450,791   |             |   |             |             |
| Other Revenue                       | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Total Revenue                       | 0            | 2,471,402   | 0             | 2,457,723 | 0           | 2,450,738   | 0          | 2,450,791   |             |   |             |             |
| Operating Expenses                  |              |             |               |           |             |             |            |             |             |   |             |             |
| Fuel Expense                        | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| O&M Expense                         | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| A&G Expense                         | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Franchise Fees                      | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Uncollectible Accounts              | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Expense Adjustments                 | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Total Operating Expenses            | 0            | 0           | 0             | 0         | 0           | 0           | 0          | 0           |             |   |             |             |
| Depreciation                        | C            | 873,751     | 873,751       | C         | 878,976     | 878,976     | C          | 883,859     | 883,859     | C | 891,893     | 891,893     |
| Taxes Other Than Income             |              |             |               |           |             |             |            |             |             |   |             |             |
| Super Fund Tax                      |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   | 0           | 0           |
| Property Tax                        |              | 140,158     | 140,158       | A         | 139,705     | 139,705     | A          | 139,733     | 139,733     | A | 140,260     | 140,260     |
| Payroll Tax                         |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   | 0           | 0           |
| Other                               |              | 0           | 0             |           | 0           | 0           |            | 0           | 0           |   | 0           | 0           |
| Total Other Taxes                   |              | 140,158     | 140,158       |           | 139,705     | 139,705     |            | 139,733     | 139,733     |   | 140,260     | 140,260     |
| Income Taxes                        |              |             |               |           |             |             |            |             |             |   |             |             |
| State                               |              | (364,109)   | (145,637)     |           | (364,768)   | (147,506)   |            | (365,436)   | (148,791)   |   | (368,247)   | (151,597)   |
| Federal                             |              | (427,445)   | 437,546       |           | (427,855)   | 432,349     |            | (428,771)   | 428,987     |   | (431,428)   | 426,348     |
| Total Income Taxes                  |              | (791,554)   | 291,909       |           | (792,623)   | 284,843     |            | (794,207)   | 280,196     |   | (799,676)   | 274,751     |
| Total Expenses                      |              | 222,355     | 1,305,818     |           | 226,058     | 1,303,524   |            | 229,385     | 1,303,788   |   | 232,478     | 1,306,904   |
| Operating Income                    |              | (222,355)   | 1,165,584     |           | (226,058)   | 1,154,200   |            | (229,385)   | 1,146,949   |   | (232,478)   | 1,143,886   |
| Rate Base                           | C            | 159,124,103 | 159,124,103   | C         | 157,569,928 | 157,569,928 | C          | 156,580,124 | 156,580,124 | C | 156,161,944 | 156,161,944 |
| Rate of Return                      |              | -1.68       | 8.79          |           | -1.72       | 8.79        |            | -1.76       | 8.79        |   | -1.79       | 8.79        |
| Income Requirement @ Authorized RoR |              | 1,165,584   | 1,165,584     |           | 1,154,200   | 1,154,200   |            | 1,146,949   | 1,146,949   |   | 1,143,886   | 1,143,886   |
| Income Deficiency                   |              | 1,387,939   | 0             |           | 1,380,257   | 0           |            | 1,376,334   | 0           |   | 1,376,364   | 0           |
| Revenue Deficiency                  |              | 2,471,402   | 0             |           | 2,457,723   | 0           |            | 2,450,738   | 0           |   | 2,450,791   | 0           |
| STATE TAX COMPUTATION               |              |             |               |           |             |             |            |             |             |   |             |             |
| Book Depreciation                   |              |             | 873,751       |           | 878,976     |             | 883,859    |             | 891,893     |   |             |             |
| State Taxes                         |              |             | (364,109)     |           | (364,768)   |             | (365,436)  |             | (368,247)   |   |             |             |
| Federal Taxes                       |              |             | (427,445)     |           | (427,855)   |             | (428,771)  |             | (431,428)   |   |             |             |
| Operating Income                    |              |             | 82,197        |           | 86,353      |             | 89,652     |             | 92,218      |   |             |             |
| Income Requirement                  |              |             | 1,165,584     |           | 1,154,200   |             | 1,146,949  |             | 1,143,886   |   |             |             |
| Income Deficiency                   |              |             | 1,387,939     |           | 1,380,257   |             | 1,376,334  |             | 1,376,364   |   |             |             |
| Total Revenue Gross Up              |              | 0           | 2,471,402     |           | 0           | 2,457,723   |            | 0           | 2,450,738   |   | 0           | 2,450,791   |

(Whole \$)

## REVENUE REQUIREMENTS

|                          | January 2008 |             | February 2008 |             | March 2008  |             | April 2008  |             |
|--------------------------|--------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
|                          | Recorded     |             | Recorded      |             | Recorded    |             | Recorded    |             |
|                          | Present      | Proposed    | Present       | Proposed    | Present     | Proposed    | Present     | Proposed    |
| Less:                    |              |             |               |             |             |             |             |             |
| Total Operating Expenses | 0            | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| Total Other Taxes        | 140,158      | 140,158     | 139,705       | 139,705     | 139,733     | 139,733     | 140,260     | 140,260     |
| Interest Expense         | 368,638      | 368,638     | 365,037       | 365,037     | 362,744     | 362,744     | 361,775     | 361,775     |
| Adjustments              | 0            | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| Depreciation             | C 3,610,085  | 3,610,085   | C 3,621,596   | 3,621,596   | C 3,631,414 | 3,631,414   | C 3,663,656 | 3,663,656   |
| Total Deductions         | 4,118,881    | 4,118,881   | 4,126,338     | 4,126,338   | 4,133,890   | 4,133,890   | 4,165,691   | 4,165,691   |
| State Taxable Income     | (4,118,881)  | (1,647,479) | (4,126,338)   | (1,668,614) | (4,133,890) | (1,683,153) | (4,165,691) | (1,714,901) |
| Current State Tax        | (364,109)    | (145,637)   | (364,768)     | (147,506)   | (365,436)   | (148,791)   | (368,247)   | (151,597)   |
| Tax Adjustments          | 0            | 0           | 0             | 0           | 0           | 0           | 0           | 0           |
| Total State Tax          | (364,109)    | (145,637)   | (364,768)     | (147,506)   | (365,436)   | (148,791)   | (368,247)   | (151,597)   |

## FEDERAL TAX COMPUTATION

|                               |             |             |             |             |             |             |             |             |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Book Depreciation             |             | 873,751     |             | 878,976     |             | 883,859     |             | 891,893     |
| State Taxes                   |             | (364,109)   |             | (364,768)   |             | (365,436)   |             | (368,247)   |
| Federal Taxes                 |             | (427,445)   |             | (427,855)   |             | (428,771)   |             | (431,428)   |
| Operating Income              |             | 82,197      |             | 86,353      |             | 89,652      |             | 92,218      |
| Income Requirement            |             | 1,165,584   |             | 1,154,200   |             | 1,146,949   |             | 1,143,886   |
| Income Deficiency             |             | 1,387,939   |             | 1,380,257   |             | 1,376,334   |             | 1,376,364   |
| Total Revenue Gross Up        | 0           | 2,471,402   | 0           | 2,457,723   | 0           | 2,450,738   | 0           | 2,450,791   |
| Less:                         |             |             |             |             |             |             |             |             |
| Total Operating Expenses      | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Total Other Taxes             | 140,158     | 140,158     | 139,705     | 139,705     | 139,733     | 139,733     | 140,260     | 140,260     |
| Interest Expense              | 368,638     | 368,638     | 365,037     | 365,037     | 362,744     | 362,744     | 361,775     | 361,775     |
| Adjustments                   | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Federal Depreciation          | C 3,736,815 | 3,736,815   | C 3,779,560 | 3,779,560   | C 3,831,508 | 3,831,508   | C 3,957,427 | 3,957,427   |
| State Income Tax (Prior Year) | (161,276)   | (161,276)   | (161,276)   | (161,276)   | (161,276)   | (161,276)   | (161,276)   | (161,276)   |
| Preferred Div Credit          | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Total Deductions              | 4,084,336   | 4,084,336   | 4,123,027   | 4,123,027   | 4,172,709   | 4,172,709   | 4,298,186   | 4,298,186   |
| Federal Taxable Income        | (4,084,336) | (1,612,934) | (4,123,027) | (1,665,303) | (4,172,709) | (1,721,972) | (4,298,186) | (1,847,396) |
| Current Federal Tax           | (1,429,517) | (564,527)   | (1,443,059) | (582,856)   | (1,460,448) | (602,690)   | (1,504,365) | (646,589)   |
| Tax Adjustments               | C 1,002,073 | 1,002,073   | C 1,015,205 | 1,015,205   | C 1,031,677 | 1,031,677   | C 1,072,937 | 1,072,937   |
| Total Federal Tax             | (427,445)   | 437,546     | (427,855)   | 432,349     | (428,771)   | 428,987     | (431,428)   | 426,348     |

## Reconciliation

|   |           |             |           |             |           |             |           |             |
|---|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| Revenue Deficiency                      | 0         | (2,471,402) | 0         | (2,457,723) | 0         | (2,450,738) | 0         | (2,450,791) |
| Book Depreciation                       | 873,751   | 873,751     | 878,976   | 878,976     | 883,859   | 883,859     | 891,893   | 891,893     |
| Other Taxes                             | 140,158   | 140,158     | 139,705   | 139,705     | 139,733   | 139,733     | 0 140,260 | 140,260     |
| State Tax Prior Year                    | (161,276) | (161,276)   | (161,276) | (161,276)   | (161,276) | (161,276)   | (161,276) | (161,276)   |
| Interest Expense                        | 368,638   | 368,638     | 365,037   | 365,037     | 362,744   | 362,744     | 361,775   | 361,775     |
| Total                                   | 1,221,271 | (1,250,131) | 1,222,442 | (1,235,281) | 1,225,060 | (1,225,678) | 1,232,653 | (1,218,138) |
| Federal Tax Rate                        | 35%       | 35%         | 35%       | 35%         | 35%       | 35%         | 35%       | 35%         |
| Reconciliation Difference Same as Above | 427,445   | (437,546)   | 427,855   | (432,349)   | 428,771   | (428,987)   | 431,428   | (426,348)   |

(Whole \$)

REVENUE REQUIREMENTS

| January 2008 |          |
|--------------|----------|
| Recorded     |          |
| Present      | Proposed |
| (0)          | (0)      |

| February 2008 |          |
|---------------|----------|
| Recorded      |          |
| Present       | Proposed |
| 0             | 0        |

| March 2008 |          |
|------------|----------|
| Recorded   |          |
| Present    | Proposed |
| 0          | 0        |

| April 2008 |          |
|------------|----------|
| Recorded   |          |
| Present    | Proposed |
| (0)        | (0)      |

(Whole \$)

| <u>May 2008</u> |                 | <u>June 2008</u> |                 | <u>July 2008</u> |                 | <u>August 2008</u> |                 | <u>September 2008</u> |         |             |             |   |             |
|-----------------|-----------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|-----------------------|---------|-------------|-------------|---|-------------|
| Recorded        |                 | Recorded         |                 | Recorded         |                 | Recorded           |                 | Recorded              |         |             |             |   |             |
| <u>Present</u>  | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>     | <u>Proposed</u> | <u>Present</u>        |         |             |             |   |             |
| 0               | 2,482,033       | 0                | 2,519,614       | 0                | 2,543,828       | 0                  | 2,573,693       | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 2,482,033       | 0                | 2,519,614       | 0                | 2,543,828       | 0                  | 2,573,693       | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     |         |             |             |   |             |
| C               | 913,294         | 913,294          | C               | 932,532          | 932,532         | C                  | 945,069         | 945,069               | C       | 963,610     | 963,610     | C | 991,243     |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     | 0       |             |             |   |             |
| A               | 142,791         | 142,791          | A               | 145,036          | 145,036         | A                  | 162,077         | 162,077               | A       | 162,077     | 162,077     | A | 162,077     |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     | 0       |             |             |   |             |
| 0               | 0               | 0                | 0               | 0                | 0               | 0                  | 0               | 0                     | 0       |             |             |   |             |
| 142,791         | 142,791         | 145,036          | 145,036         | 162,077          | 162,077         | 162,077            | 162,077         | 162,077               | 162,077 |             |             |   |             |
| (378,655)       | (159,243)       | (381,131)        | (158,397)       | (389,048)        | (164,173)       | (397,742)          | (170,228)       | (410,126)             |         |             |             |   |             |
| (441,348)       | 427,364         | (450,064)        | 431,801         | (460,701)        | 429,639         | (468,860)          | 431,932         | (482,742)             |         |             |             |   |             |
| (820,002)       | 268,121         | (831,195)        | 273,404         | (849,749)        | 265,465         | (866,602)          | 261,705         | (892,868)             |         |             |             |   |             |
| 236,082         | 1,324,206       | 246,373          | 1,350,971       | 257,397          | 1,372,611       | 259,084            | 1,387,391       | 260,452               |         |             |             |   |             |
| (236,082)       | 1,157,827       | (246,373)        | 1,168,642       | (257,397)        | 1,171,216       | (259,084)          | 1,186,302       | (260,452)             |         |             |             |   |             |
| C               | 158,065,151     | 158,065,151      | C               | 159,541,602      | 159,541,602     | C                  | 159,893,021     | 159,893,021           | C       | 161,952,472 | 161,952,472 | C | 167,144,108 |
| -1.79           | 8.79            | -1.85            | 8.79            | -1.93            | 8.79            | -1.92              | 8.79            | -1.87                 |         |             |             |   |             |
| 1,157,827       | 1,157,827       | 1,168,642        | 1,168,642       | 1,171,216        | 1,171,216       | 1,186,302          | 1,186,302       | 1,224,331             |         |             |             |   |             |
| 1,393,910       | 0               | 1,415,015        | 0               | 1,428,614        | 0               | 1,445,386          | 0               | 1,484,783             |         |             |             |   |             |
| 2,482,033       | 0               | 2,519,614        | 0               | 2,543,828        | 0               | 2,573,693          | 0               | 2,643,844             |         |             |             |   |             |
| 0               | 913,294         | 0                | 932,532         | 0                | 945,069         | 0                  | 963,610         | 0                     |         |             |             |   |             |
| 0               | (378,655)       | 0                | (381,131)       | 0                | (389,048)       | 0                  | (397,742)       | 0                     |         |             |             |   |             |
| 0               | (441,348)       | 0                | (450,064)       | 0                | (460,701)       | 0                  | (468,860)       | 0                     |         |             |             |   |             |
| 0               | 93,291          | 0                | 101,337         | 0                | 95,320          | 0                  | 97,007          | 0                     |         |             |             |   |             |
| 0               | 1,157,827       | 0                | 1,168,642       | 0                | 1,171,216       | 0                  | 1,186,302       | 0                     |         |             |             |   |             |
| 0               | 1,393,910       | 0                | 1,415,015       | 0                | 1,428,614       | 0                  | 1,445,386       | 0                     |         |             |             |   |             |
| 0               | 2,482,033       | 0                | 2,519,614       | 0                | 2,543,828       | 0                  | 2,573,693       | 0                     |         |             |             |   |             |

(Whole \$)

| <u>May 2008</u> |                  | <u>June 2008</u> |                  | <u>July 2008</u> |                  | <u>August 2008</u> |                  | <u>September 2008</u> |
|-----------------|------------------|------------------|------------------|------------------|------------------|--------------------|------------------|-----------------------|
| Recorded        |                  | Recorded         |                  | Recorded         |                  | Recorded           |                  | Recorded              |
| <u>Present</u>  | <u>Proposed</u>  | <u>Present</u>   | <u>Proposed</u>  | <u>Present</u>   | <u>Proposed</u>  | <u>Present</u>     | <u>Proposed</u>  | <u>Present</u>        |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                | 0                     |
| 142,791         | 142,791          | 145,036          | 145,036          | 162,077          | 162,077          | 162,077            | 162,077          | 162,077               |
| 366,184         | 366,184          | 369,605          | 369,605          | 370,419          | 370,419          | 375,190            | 375,190          | 387,217               |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                | 0                     |
| C 3,774,448     | 3,774,448        | C 3,796,796      | 3,796,796        | C 3,868,495      | 3,868,495        | C 3,962,079        | 3,962,079        | C 4,090,145           |
| 4,283,423       | 4,283,423        | 4,311,437        | 4,311,437        | 4,400,990        | 4,400,990        | 4,499,345          | 4,499,345        | 4,639,439             |
| (4,283,423)     | (1,801,390)      | (4,311,437)      | (1,791,823)      | (4,400,990)      | (1,857,162)      | (4,499,345)        | (1,925,652)      | (4,639,439)           |
| (378,655)       | (159,243)        | (381,131)        | (158,397)        | (389,048)        | (164,173)        | (397,742)          | (170,228)        | (410,126)             |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                | 0                     |
| (378,655)       | (159,243)        | (381,131)        | (158,397)        | (389,048)        | (164,173)        | (397,742)          | (170,228)        | (410,126)             |
|                 | 913,294          |                  | 932,532          |                  | 945,069          |                    | 963,610          |                       |
|                 | (378,655)        |                  | (381,131)        |                  | (389,048)        |                    | (397,742)        |                       |
|                 | (441,348)        |                  | (450,064)        |                  | (460,701)        |                    | (468,860)        |                       |
|                 | 93,291           |                  | 101,337          |                  | 95,320           |                    | 97,007           |                       |
|                 | 1,157,827        |                  | 1,168,642        |                  | 1,171,216        |                    | 1,186,302        |                       |
|                 | 1,393,910        |                  | 1,415,015        |                  | 1,428,614        |                    | 1,445,386        |                       |
| 0               | 2,482,033        | 0                | 2,519,614        | 0                | 2,543,828        | 0                  | 2,573,693        | 0                     |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                | 0                     |
| 142,791         | 142,791          | 145,036          | 145,036          | 162,077          | 162,077          | 162,077            | 162,077          | 162,077               |
| 366,184         | 366,184          | 369,605          | 369,605          | 370,419          | 370,419          | 375,190            | 375,190          | 387,217               |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                | 0                     |
| C 4,362,674     | 4,362,674        | C 4,470,470      | 4,470,470        | C 4,805,157      | 4,805,157        | C 5,345,465        | 5,345,465        | C 6,689,873           |
| (161,276)       | (161,276)        | (161,276)        | (161,276)        | (161,276)        | (161,276)        | (161,276)          | (161,276)        | (161,276)             |
| 0               | 0                | 0                | 0                | 0                | 0                | 0                  | 0                | 0                     |
| 4,710,374       | 4,710,374        | 4,823,835        | 4,823,835        | 5,176,377        | 5,176,377        | 5,721,456          | 5,721,456        | 7,077,891             |
| (4,710,374)     | (2,228,341)      | (4,823,835)      | (2,304,221)      | (5,176,377)      | (2,632,549)      | (5,721,456)        | (3,147,763)      | (7,077,891)           |
| (1,648,631)     | (779,919)        | (1,688,342)      | (806,477)        | (1,811,732)      | (921,392)        | (2,002,510)        | (1,101,717)      | (2,477,262)           |
| C 1,207,283     | 1,207,283        | C 1,238,278      | 1,238,278        | C 1,351,031      | 1,351,031        | C 1,533,649        | 1,533,649        | C 1,994,520           |
| (441,348)       | 427,364          | (450,064)        | 431,801          | (460,701)        | 429,639          | (468,860)          | 431,932          | (482,742)             |
| 0               | (2,482,033)      | 0                | (2,519,614)      | 0                | (2,543,828)      | 0                  | (2,573,693)      | 0                     |
| 913,294         | 913,294          | 932,532          | 932,532          | 945,069          | 945,069          | 963,610            | 963,610          | 991,243               |
| 0 142,791       | 142,791          | 0 145,036        | 145,036          | 0 162,077        | 162,077          | 0 162,077          | 162,077          | 0 162,077             |
| (161,276)       | (161,276)        | (161,276)        | (161,276)        | (161,276)        | (161,276)        | (161,276)          | (161,276)        | (161,276)             |
| 366,184         | 366,184          | 369,605          | 369,605          | 370,419          | 370,419          | 375,190            | 375,190          | 387,217               |
| 1,260,993       | (1,221,040)      | 1,285,897        | (1,233,717)      | 1,316,289        | (1,227,539)      | 1,339,601          | (1,234,092)      | 1,379,261             |
| 35%             | 35%              | 35%              | 35%              | 35%              | 35%              | 35%                | 35%              | 35%                   |
| <u>441,348</u>  | <u>(427,364)</u> | <u>450,064</u>   | <u>(431,801)</u> | <u>460,701</u>   | <u>(429,639)</u> | <u>468,860</u>     | <u>(431,932)</u> | <u>482,742</u>        |

(Whole \$)

| <u>May 2008</u> |                 | <u>June 2008</u> |                 | <u>July 2008</u> |                 | <u>August 2008</u> |                 | <u>September 2008</u> |
|-----------------|-----------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|-----------------------|
| Recorded        |                 | Recorded         |                 | Recorded         |                 | Recorded           |                 | Recorded              |
| <u>Present</u>  | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>   | <u>Proposed</u> | <u>Present</u>     | <u>Proposed</u> | <u>Present</u>        |
| (0)             | (0)             | 0                | 0               | 0                | 0               | (0)                | 0               | (0)                   |

(Whole \$)

| Proposed    | October 2008 |             | November 2008 |           | December 2008 |             | Total Year 2008 |              |             |              |              |            |
|-------------|--------------|-------------|---------------|-----------|---------------|-------------|-----------------|--------------|-------------|--------------|--------------|------------|
|             | Recorded     |             | Recorded      |           | Recorded      |             | Recorded        |              |             |              |              |            |
|             | Present      | Proposed    | Present       | Proposed  | Present       | Proposed    | Present         | Proposed     |             |              |              |            |
| 2,643,844   | 0            | 11,349,193  | 0             | 2,735,976 | 0             | 2,733,676   | 0               | 39,412,509   |             |              |              |            |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0            |             |              |              |            |
| 2,643,844   | 0            | 11,349,193  | 0             | 2,735,976 | 0             | 2,733,676A  | 0               | 39,412,509A1 |             |              |              |            |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0            |             |              |              |            |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0            |             |              |              |            |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0            |             |              |              |            |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0            |             |              |              |            |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0            |             |              |              |            |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0            |             |              |              |            |
| 0           | 0            | 0           | 0             | 0         | 0             | 0           | 0               | 0            |             |              |              |            |
| 991,243     | C            | 8,509,720   | 8,509,720     | C         | 1,057,968     | 1,057,968   | C               | 1,098,041    | 1,098,041A  | 18,939,956   | 18,939,956A1 |            |
| 0           |              | 0           | 0             |           | 0             | 0           |                 | 0            | 0           | 0            | 0            |            |
| 162,077     | A            | 162,077     | 162,077       | A         | 162,077       | 162,077     | A               | 162,077      | 162,077     | 1,820,144    | 1,820,144    |            |
| 0           |              | 0           | 0             |           | 0             | 0           |                 | 0            | 0           | 0            | 0            |            |
| 0           |              | 0           | 0             |           | 0             | 0           |                 | 0            | 0           | 0            | 0            |            |
| 162,077     |              | 162,077     | 162,077       |           | 162,077       | 162,077     |                 | 162,077      | 162,077     | 1,820,144    | 1,820,144    |            |
| (176,411)   |              | (449,153)   | 554,116       |           | (470,424)     | (228,564)   |                 | (539,460)    | (297,803)   | (4,878,300)  | (1,394,234)  |            |
| 442,604     |              | (3,119,304) | 852,913       |           | (514,643)     | 442,949     |                 | (533,858)    | 422,928     | (8,187,019)  | 5,607,360    |            |
| 266,193     |              | (3,568,457) | 1,407,029     |           | (985,067)     | 214,385     |                 | (1,073,319)  | 125,125A    | (13,065,318) | 4,213,126A1  |            |
| 1,419,513   |              | 5,103,340   | 10,078,826    |           | 234,978       | 1,434,430   |                 | 186,799      | 1,385,243   | 7,694,782    | 24,973,226   |            |
| 1,224,331   |              | (5,103,340) | 1,270,367     |           | (234,978)     | 1,301,546   |                 | (186,799)    | 1,348,433   | (7,694,782)  | 14,439,283   |            |
| 167,144,108 | C            | 173,428,931 | 173,428,931   | C         | 177,685,433   | 177,685,433 | C               | 184,086,403  | 184,086,403 | 164,269,435  | 164,269,435  |            |
| 8.79        |              | -35.31      | 8.79          |           | -1.59         | 8.79        |                 | -1.22        | 8.79        | -56.21       | 8.79         |            |
| 1,224,331   |              | 1,270,367   | 1,270,367     |           | 1,301,546     | 1,301,546   |                 | 1,348,433    | 1,348,433A  | 14,439,283   | 14,439,283A1 |            |
| 0           |              | 6,373,707   | 0             |           | 1,536,524     | 0           |                 | 1,535,232    | 0           | 22,134,065   | 0            |            |
| 0           |              | 11,349,193  | 0             |           | 2,735,976     | 0           |                 | 2,733,676    | 0           | 39,412,509   | 0            |            |
| 991,243     |              |             | 8,509,720     |           |               | 1,057,968   |                 |              | 1,098,041   |              | 18,939,956   |            |
| (410,126)   |              |             | (449,153)     |           |               | (470,424)   |                 |              | (539,460)   |              | (4,878,300)  |            |
| (482,742)   |              |             | (3,119,304)   |           |               | (514,643)   |                 |              | (533,858)   |              | (8,187,019)  |            |
| 98,375      |              |             | 4,941,263     |           |               | 72,901      |                 |              | 24,723      |              | 5,874,637    |            |
| 1,224,331   |              |             | 1,270,367     |           |               | 1,301,546   |                 |              | 1,348,433   |              | 14,439,283   |            |
| 1,484,783   |              |             | 6,373,707     |           |               | 1,536,524   |                 |              | 1,535,232   |              | 22,134,065   |            |
| 2,643,844   |              | 0           | 11,349,193    |           | 0             | 2,735,976   |                 | 0            | 2,733,676   |              | 0            | 39,412,509 |

(Whole \$)

| Proposed    | October 2008 |              | November 2008 |             | December 2008 |              | Total Year 2008 |                |
|-------------|--------------|--------------|---------------|-------------|---------------|--------------|-----------------|----------------|
|             | Recorded     |              | Recorded      |             | Recorded      |              | Recorded        |                |
|             | Present      | Proposed     | Present       | Proposed    | Present       | Proposed     | Present         | Proposed       |
| 0           | 0            | 0            | 0             | 0           | 0             | 0            | 0               | 0              |
| 162,077     | 162,077      | 162,077      | 162,077       | 162,077     | 162,077       | 162,077      | 1,820,144       | 1,820,144      |
| 387,217     | 401,777      | 401,777      | 411,638       | 411,638     | 426,467       | 426,467      | 4,566,690       | 4,566,690      |
| 0           | 0            | 0            | 0             | 0           | 0             | 0            | 0               | 0              |
| 4,090,145   | C 4,517,060  | 4,517,060    | C 4,747,829   | 4,747,829   | C 5,513,949   | 5,513,949    | 48,797,550      | 48,797,550     |
| 4,639,439   | 5,080,914    | 5,080,914    | 5,321,543     | 5,321,543   | 6,102,493     | 6,102,493    | 55,184,384      | 55,184,384     |
| (1,995,595) | (5,080,914)  | 6,268,279    | (5,321,543)   | (2,585,568) | (6,102,493)   | (3,368,817)  | (55,184,384)    | (15,771,875)   |
| (176,411)   | (449,153)    | 554,116      | (470,424)     | (228,564)   | (539,460)     | (297,803)    | (4,878,300)     | (1,394,234)    |
| 0           | 0            | 0            | 0             | 0           | 0             | 0            | 0               | 0              |
| (176,411)   | (449,153)    | 554,116      | (470,424)     | (228,564)   | (539,460)     | (297,803)A   | (4,878,300)     | (1,394,234)A2  |
| 991,243     |              | 8,509,720    |               | 1,057,968   |               | 1,098,041    |                 | 18,939,956     |
| (410,126)   |              | (449,153)    |               | (470,424)   |               | (539,460)    |                 | (4,878,300)    |
| (482,742)   |              | (3,119,304)  |               | (514,643)   |               | (533,858)    |                 | (8,187,019)    |
| 98,375      |              | 4,941,263    |               | 72,901      |               | 24,723       |                 | 5,874,637      |
| 1,224,331   |              | 1,270,367    |               | 1,301,546   |               | 1,348,433    |                 | 14,439,283     |
| 1,484,783   |              | 6,373,707    |               | 1,536,524   |               | 1,535,232    |                 | 22,134,065     |
| 2,643,844   | 0            | 11,349,193   | 0             | 2,735,976   | 0             | 2,733,676    | 0               | 39,412,509     |
| 0           | 0            | 0            | 0             | 0           | 0             | 0            | 0               | 0              |
| 162,077     | 162,077      | 162,077      | 162,077       | 162,077     | 162,077       | 162,077      | 1,820,144       | 1,820,144      |
| 387,217     | 401,777      | 401,777      | 411,638       | 411,638     | 426,467       | 426,467      | 4,566,690       | 4,566,690      |
| 0           | 0            | 0            | 0             | 0           | 0             | 0            | 0               | 0              |
| 6,689,873   | C 12,479,348 | 12,479,348   | C 11,336,255  | 11,336,255  | C 19,730,238  | 19,730,238   | 84,524,790      | 84,524,790     |
| (161,276)   | (161,276)    | (161,276)    | (161,276)     | (161,276)   | (161,276)     | (161,276)    | (1,935,309)     | (1,935,309)    |
| 0           | 0            | 0            | 0             | 0           | 0             | 0            | 0               | 0              |
| 7,077,891   | 12,881,926   | 12,881,926   | 11,748,694    | 11,748,694  | 20,157,506    | 20,157,506   | 88,976,316      | 88,976,316     |
| (4,434,047) | (12,881,926) | (1,532,733)  | (11,748,694)  | (9,012,719) | (20,157,506)  | (17,423,830) | (88,976,316)    | (49,563,807)   |
| (1,551,917) | (4,508,674)  | (536,456)    | (4,112,043)   | (3,154,452) | (7,055,127)   | (6,098,341)A | (31,141,711)    | (17,347,332)A2 |
| 1,994,520   | C 1,389,370  | 1,389,370    | C 3,597,400   | 3,597,400   | C 6,521,269   | 6,521,269A   | 22,954,692      | 22,954,692A2   |
| 442,604     | (3,119,304)  | 852,913      | (514,643)     | 442,949     | (533,858)     | 422,928      | (8,187,019)     | 5,607,360      |
| (2,643,844) | 0            | (11,349,193) | 0             | (2,735,976) | 0             | (2,733,676)  | 0               | (39,412,509)   |
| 991,243     | 8,509,720    | 8,509,720    | 1,057,968     | 1,057,968   | 1,098,041     | 1,098,041    | 18,939,956      | 18,939,956     |
| 162,077     | 162,077      | 162,077      | 162,077       | 162,077     | 162,077       | 162,077      | 1,820,144       | 1,820,144      |
| (161,276)   | (161,276)    | (161,276)    | (161,276)     | (161,276)   | (161,276)     | (161,276)    | (1,935,309)     | (1,935,309)    |
| 387,217     | 401,777      | 401,777      | 411,638       | 411,638     | 426,467       | 426,467      | 4,566,690       | 4,566,690      |
| (1,264,582) | 8,912,298    | (2,436,895)  | 1,470,407     | (1,265,568) | 1,525,309     | (1,208,367)  | 23,391,482      | (16,021,028)   |
| 35%         | 35%          | 35%          | 35%           | 35%         | 35%           | 35%          | 35%             | 35%            |
| (442,604)   | 3,119,304    | (852,913)    | 514,643       | (442,949)   | 533,858       | (422,928)    | 8,187,019       | (5,607,360)    |



(Whole \$)

|                 | October 2008   |                 | November 2008  |                 | December 2008  |                 | Total Year 2008 |                 |
|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|
|                 | Recorded       |                 | Recorded       |                 | Recorded       |                 | Recorded        |                 |
| <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u> | <u>Proposed</u> | <u>Present</u>  | <u>Proposed</u> |
| (0)             | 0              | 0               | (0)            | (0)             | 0              | 0               |                 |                 |

# SmartMeter Retirements June 2010 Adjustment

|                              | RETIRED March, April & May 2010 |                           |                   | Inventory Retired |                           |             | RETIRED - Total gross plant |                     |                   |
|------------------------------|---------------------------------|---------------------------|-------------------|-------------------|---------------------------|-------------|-----------------------------|---------------------|-------------------|
|                              | Retired                         | Accum Depr<br>6/07 - 5/10 | NBV               | Retired           | Accum Depr<br>6/07 - 5/10 | NBV         | Retired                     | Depr 6/07 -<br>5/10 | NBV               |
| EDP37001 <b>Hex Electric</b> |                                 |                           |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 619                             |                           |                   |                   |                           |             | 619                         |                     |                   |
| \$/unit                      | 185.27                          |                           |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 114,682                      | 10,938                    | 103,744           | \$ -              | -                         | -           | 114,682                     | 10,938              | 103,744           |
| EDP37000 <b>DCSI Meters</b>  |                                 |                           |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 2,753                           |                           |                   |                   |                           |             | 2,753                       |                     |                   |
| \$/unit                      | 64.07                           |                           |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 176,385                      | 14,662                    | 161,723           | \$ -              | -                         | -           | 176,385                     | 14,662              | 161,723           |
| CMP39707 <b>DCSI Modules</b> |                                 |                           |                   |                   |                           |             |                             |                     |                   |
| # of units                   | 2,753                           |                           |                   |                   |                           |             | 2,753                       |                     |                   |
| \$/unit                      | 42.22                           |                           |                   |                   |                           |             |                             |                     |                   |
|                              | \$ 116,232                      | 16,950                    | 99,281            | \$ -              | -                         | -           | 116,232                     | 16,950              | 99,281            |
|                              | <b>\$ 407,299</b>               | <b>\$ 42,550</b>          | <b>\$ 364,748</b> | <b>\$ -</b>       | <b>\$ -</b>               | <b>\$ -</b> | <b>\$ 407,299</b>           | <b>\$ 42,550</b>    | <b>\$ 364,748</b> |

| COST OF REMOVAL              |                           |                           |
|------------------------------|---------------------------|---------------------------|
| Retired                      | Accum Depr<br>6/07 - 2/10 | NBV                       |
| <b>DCSI Meters / Modules</b> |                           |                           |
| # of units                   | 2,753                     |                           |
| \$/unit                      | 11.52                     |                           |
|                              | \$ 31,715                 | 2,160.71 29,554           |
| <b>Hex Electric</b>          |                           |                           |
| # of units                   | 619                       |                           |
| \$/unit                      | 11.52                     |                           |
|                              | \$ 7,131                  | 7,131                     |
|                              | <b>\$ 38,845</b>          | <b>\$ 2,161 \$ 36,685</b> |

| SALVAGE                      |                   |                           |
|------------------------------|-------------------|---------------------------|
| Retired                      |                   | NBV                       |
| <b>DCSI Meters / Modules</b> |                   |                           |
| # of units                   | 2,753             |                           |
| \$/unit ****                 | -0.42             |                           |
|                              | \$ (1,166)        | (1,166)                   |
| <b>Hex Electric</b>          |                   |                           |
| # of units                   | 619               |                           |
| \$/unit                      | -0.42             |                           |
|                              | \$ (262)          | (262)                     |
|                              | <b>\$ (1,428)</b> | <b>\$ - \$ (1,428)</b>    |
| <b>COR net of Salvage</b>    | <b>\$ 37,417</b>  | <b>\$ 2,161 \$ 35,256</b> |

| June 2010 Adjustment                                     |          |            |            |
|--|----------|------------|------------|
| <b>March, April, May Retirements</b>                     |          |            |            |
| Dr. Expense  |          | \$ 364,748 |            |
| Dr. Accumulated Depreciation                             |          | \$ 42,550  |            |
| Cr. Plant  |          |            | \$ 407,299 |
| <b>Cost of Removal</b>                                   |          |            |            |
| Dr. Expense  |          | \$ 35,256  |            |
| Cr Cost of Removal                                       |          |            | \$ 35,256  |
| <b>Combine above adjustments</b>                         |          |            |            |
| Dr Expense Order (Material portion)                      | 8089608  | 364,748    |            |
| Dr Expense Order (Labor portion)                         | 8089608  | 35,256     |            |
| Dr Accum Depr - Accrual                                  | EDP37001 | 10,938     |            |
| Dr Accum Depr - Accrual                                  | EDP37000 | 14,662     |            |
| Dr Accum Depr - Accrual                                  | CMP39707 | 16,950     |            |
| Cr Plant Order- DCSI Meters                              | 6108686  |            | \$ 176,385 |
| Cr Plant Order- DCSI Modules                             | 6108684  |            | \$ 116,232 |
| Cr Plant Order- Hex Elec                                 | 6108704  |            | 114,682    |
| Cr COR Order - DCSI                                      | 6108703  |            | 28,388     |
| Cr COR Order - Hex                                       | 6108705  |            | 6,869      |
| <b>Energy Accounting Adjustment to Balancing Account</b> |          |            |            |
| Dr SBA-E   |          | 400,005    |            |
| Cr SBA-E Revenue   |          |            | 400,005    |

| Adjustment Impact: |           |
|--------------------|-----------|
| BALANCE SHEET      |           |
| Plant              | (442,555) |
| A/D                | 42,550    |
| Balancing Acct     | 400,005   |
|                    | -         |
| INCOME STATEMENT   |           |
| BA Revenue         | 400,005   |
| Expense            | (400,005) |
|                    | -         |

## Assumptions

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until May 2010.
3. Cost of Removal did not accumulate for DCSI Modules or Hex Electric Meters/Modules. COR assumed to have accrued 35 months for DCSI meters retired in this adjustment.

Source:  
Adrienne Williams

0.00273  
0.00273 0.00035

0.00417



(Whole \$)

July10:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |           |               |              |           |              |       |                   |               |
|-----------------------|----------------------|----------|------|--------------------|-----------|---------------|--------------|-----------|--------------|-------|-------------------|---------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas    | PreDeploy | Deploy-G     | SPUMA | Future Transfer * | Total         |
| <b>CMP30304 Total</b> | \$ 1,862,509         | 55%      | 45%  | \$ 1,024,380       |           | \$ 1,024,380  | \$ 838,129   |           | \$ 838,129   |       |                   | \$ 1,862,509  |
| <b>CMP39104 Total</b> | 32,003               | 55%      | 45%  | 17,602             |           | 17,602        | 14,401       |           | 14,401       |       |                   | 32,003        |
| <b>CMP39706 Total</b> | 5,990,662            |          | 100% |                    |           | -             | 5,990,662    |           | 5,990,662    |       |                   | 5,990,662     |
| <b>CMP39707 Total</b> | (1,338)              | 100%     |      | (1,338)            |           | (1,338)       |              |           | -            |       |                   | (1,338)       |
| <b>CMP39708 Total</b> | 2,040,180            | 55%      | 45%  | 1,122,099          |           | 1,122,099     | 918,081      |           | 918,081      |       |                   | 2,040,180     |
| <b>EDP37000 Total</b> | 969                  | 100%     |      | 969                |           | 969           |              |           | -            |       |                   | 969           |
| <b>EDP37001 Total</b> | 26,383,821           | 100%     |      | 26,383,821         |           | 26,383,821    |              |           | -            |       |                   | 26,383,821    |
| <b>GDP38100 Total</b> | 427,464              |          | 100% |                    |           | -             | 427,464      |           | 427,464      |       |                   | 427,464       |
| <b>Smart Meter</b>    | \$ 36,736,272        |          |      | \$ 28,547,534      | \$ -      | \$ 28,547,534 | \$ 8,188,738 | \$ -      | \$ 8,188,738 | \$ -  | See Below         | \$ 36,736,272 |

check

checks

| Month | Action   |
|-------|--|
| Nov09 | <p>Starting Nov09, the Deploy-Electric, Deploy-Gas and SPUMA model files reflect the bonus federal tax depreciation rates. Only these models were affected since the PreDeploy models include capital additions prior to the 2008-2009 bonus depreciation timeframe.</p> <p>The Deploy-Electric model file includes the effect of early retirements that occurred in October, 2008; October, 2009 and November, 2009. The early retirement adjustments that were made are as agreed upon at a November 30 meeting between Capital Recovery (Jerry Basel) , Smart Meter representatives (Eric Lam, Dean Heatherington), Tax Department (Jack Battin, Tim Wedlake) and Energy Accounting (Beatrix Greenwell, Armando Duran, Gabe DeGuzman).</p> <p>The early retirements are credits to the Smart Meter orders (for the original cost installed of the retired plant) which gives the credit of the retired plant back to the Smart Meter program. These credits are embedded in the normal additions section of tab "D. Additions &amp; Retirements" starting in line 1. That takes care of the retirement-entry credit to plant. To account for the retirement-entry debit to the depreciation reserve, the model reflects an adjustment for that in tab "E. Depreciation Exp. &amp; Reserve" line 20.</p> <p>Previously-provided (from Mark Winn) retirement data which until now had been included in the model as a reduction to both plant and the reserve was removed since the early retirements are now a credit to the orders (taking care of the credit to plant). The debit to the reserve was kept in the model (shown as separate line items in the Dertpeciation and Reserve tab) but now using Adrienne Williams' early retirement data.</p> <p>Based on advice from the Tax Department, the RRQ models that have early retirements need to show both a book and a tax "loss" adjustment associated with the early retired plant. This is additional depreciation to recover the undepreciated book and tax values. It is shown in the model in the period of the retirement for the book loss, and the period of plant disposal for the tax loss. This was done in the RRQ model so the deferred tax associated with the retired assets goes to zero.</p> <p>Because the Deploy Electric model now shows the additional depreciation/"loss" adjustment described above, Energy Accounting will reverse the previously taken expense to their balancing account.</p> <p>On January 4, 2010 the Tax Department (Tim Wedlake) pointed out that the early retirements need to be taken out of the depreciable plant base from the period the plant was originally purchahsed which the RRQ model does not do. To correct this situation, Tax developed an adjustment to the RRQ model to resolve this issue by adding a "negative/exces" federal tax depreciation adjustment.</p> <p>Per Eric Lam, the previously provided COR (cost of removal) data (which was included in this model as an adjustment to depreciation reserve) included both AMI and non-AMI data and needed to be removed. He recommended using Adrienne Williams' (Capital Accounting) COR-recovered data instead. That was done for this month.</p> |
| Dec09 | <p>The Dec09 Deploy_Electric RRQ model was run excluding the Dec09 early retirements due to time constraints. That model was recorded in the first close by Eneregy Accounting. A revised Dec09 model was run which included the Dec09 retirement and the variance will be recorded in the second close by Eneregy Accounting.</p>   |

/

Also see tab "Dec09 Retires EMail"



# SmartMeter Retirements March 2010 Adjustment (2 OF 2)

MARCH PORTION

|                              | RETIRED February 2010 |                           |                   | Inventory Retired |                           |             | RETIRED - Total gross plant |                           |                |
|------------------------------|-----------------------|---------------------------|-------------------|-------------------|---------------------------|-------------|-----------------------------|---------------------------|----------------|
|                              | Retired               | Accum Depr<br>6/07 - 2/10 | NBV               | Retired           | Accum Depr<br>6/07 - 2/10 | NBV         | Retired                     | Accum Depr<br>6/07 - 2/10 | NBV            |
| EDP37001 <u>Hex Electric</u> |                       |                           |                   |                   |                           |             |                             |                           |                |
| # of units                   | 1,082                 |                           |                   |                   |                           |             | 1,082                       |                           |                |
| \$/unit                      | 185.27                |                           |                   |                   |                           |             |                             |                           |                |
|                              | \$ 200,462            | 18,027                    | 182,436           | \$ -              | -                         | -           | 200,462                     | 18,027                    | 182,436        |
| EDP37000 <u>DCSI Meters</u>  |                       |                           |                   |                   |                           |             |                             |                           |                |
| # of units                   | 904                   |                           |                   |                   |                           |             | 904                         |                           |                |
| \$/unit                      | 64.07                 |                           |                   |                   |                           |             |                             |                           |                |
|                              | \$ 57,919             | 4,539                     | 53,380            | \$ -              | -                         | -           | 57,919                      | 4,539                     | 53,380         |
| CMP39707 <u>DCSI Modules</u> |                       |                           |                   |                   |                           |             |                             |                           |                |
| # of units                   | 904                   |                           |                   |                   |                           |             | 904                         |                           |                |
| \$/unit                      | 42.22                 |                           |                   |                   |                           |             |                             |                           |                |
|                              | \$ 38,167             | 5,248                     | 32,919            | \$ -              | -                         | -           | 38,167                      | 5,248                     | 32,919         |
|                              | <b>\$ 296,548</b>     | <b>\$ 27,814</b>          | <b>\$ 268,734</b> | <b>\$ -</b>       | <b>\$ -</b>               | <b>\$ -</b> | <b>296,548</b>              | <b>\$ 27,814</b>          | <b>268,734</b> |

| COST OF REMOVAL              |                           |           |
|------------------------------|---------------------------|-----------|
| Retired                      | Accum Depr<br>6/07 - 2/10 | NBV       |
| <u>DCSI Meters / Modules</u> |                           |           |
| # of units                   | 904                       |           |
| \$/unit                      | 11.52                     |           |
|                              | \$ 10,414                 | 668.97    |
|                              |                           | 9,745     |
| <u>Hex Electric</u>          |                           |           |
| # of units                   | 1,082                     |           |
| \$/unit                      | 11.52                     |           |
|                              | \$ 12,465                 | 12,465    |
|                              | \$ 22,879                 | \$ 669    |
|                              |                           | \$ 22,210 |

| SALVAGE |  |     |
|---------|--|-----|
| Retired |  | NBV |
|         |  |     |

|                                  |                  |               |                  |
|----------------------------------|------------------|---------------|------------------|
| <b>DCSI Meters /<br/>Modules</b> |                  |               |                  |
| # of units                       | 904              |               |                  |
| \$/unit ****                     | -0.42            |               |                  |
|                                  | \$ (383)         |               | (383)            |
| <b>Hex Electric</b>              |                  |               |                  |
| # of units                       | 1,082            |               |                  |
| \$/unit                          | -0.42            |               |                  |
|                                  | \$ (458)         |               | (458)            |
|                                  | \$ (841)         | \$ -          | \$ (841)         |
| <b>COR net of Salvage</b>        | <b>\$ 22,037</b> | <b>\$ 669</b> | <b>\$ 21,369</b> |

|  |          |            |            |
|--|----------|------------|------------|
| <b>March 2010 Adjustment</b>                             |          |            |            |
| <b>February Retirements</b>                              |          |            |            |
| Dr. Expense  |          | \$ 268,734 |            |
| Dr. Accumulated Depreciation                             |          | \$ 27,814  |            |
| Cr. Plant  |          |            | \$ 296,548 |
| <b>Cost of Removal</b>                                   |          |            |            |
| Dr. Expense  |          | \$ 21,369  |            |
| Cr Cost of Removal                                       |          |            | \$ 21,369  |
| <b>Combine above adjustments</b>                         |          |            |            |
| Dr Expense Order (Material portion)                      | 8089608  | 268,734    |            |
| Dr Expense Order (Labor portion)                         | 8089608  | 21,369     |            |
| Dr Accum Depr - Accrual                                  | EDP37001 | 18,027     |            |
| Dr Accum Depr - Accrual                                  | EDP37000 | 4,539      |            |
| Dr Accum Depr - Accrual                                  | CMP39707 | 5,248      |            |
| Cr Plant Order- DCSI Meters                              | 6108686  |            | \$ 200,462 |
| Cr Plant Order- DCSI Modules                             | 6108684  |            | \$ 57,919  |
| Cr Plant Order- Hex Elec                                 | 6108704  |            | 38,167     |
| Cr COR Order - DCSI                                      | 6108703  |            | 9,362      |
| Cr COR Order - Hex                                       | 6108705  |            | 12,006     |
| <b>Energy Accounting Adjustment to Balancing Account</b> |          |            |            |
| Dr SBA-E   |          | 290,103    |            |
| Cr SBA-E Revenue   |          |            | 290,103    |

|                           |           |
|---------------------------|-----------|
| <b>Adjustment Impact:</b> |           |
| BALANCE SHEET             |           |
| Plant                     | (317,917) |
| A/D                       | 27,814    |
| Balancing Acct            | 290,103   |
|                           | -         |
| INCOME STATEMENT          |           |
| BA Revenue                | 290,103   |
| Expense                   | (290,103) |
|                           | -         |

Assumptions

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until February 2010.  
33 months for DCSI meters retired in this adjustment.

Source: Adrienne Williams

0.00273  
0.00273 0.00035

0.00417





(Whole \$)

Aug10:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |           |               |               |           |               |       |                   |               |
|-----------------------|----------------------|----------|------|--------------------|-----------|---------------|---------------|-----------|---------------|-------|-------------------|---------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas     | PreDeploy | Deploy-G      | SPUMA | Future Transfer * | Total         |
| <b>CMP30304 Total</b> | \$ 284,156           | 55%      | 45%  | \$ 156,286         |           | \$ 156,286    | \$ 127,870    |           | \$ 127,870    |       |                   | \$ 284,156    |
| <b>CMP39104 Total</b> | 3,286                | 55%      | 45%  | 1,807              |           | 1,807         | 1,479         |           | 1,479         |       |                   | 3,286         |
| <b>CMP39706 Total</b> | 12,724,386           |          | 100% |                    |           |               | 12,724,386    |           | 12,724,386    |       |                   | 12,724,386    |
| <b>CMP39707 Total</b> | -                    | 100%     |      |                    |           |               |               |           |               |       |                   | -             |
| <b>CMP39708 Total</b> | 2,293,680            | 55%      | 45%  | 1,261,524          |           | 1,261,524     | 1,032,156     |           | 1,032,156     |       |                   | 2,293,680     |
| <b>EDP37000 Total</b> | -                    | 100%     |      |                    |           |               |               |           |               |       |                   | -             |
| <b>EDP37001 Total</b> | 22,752,611           | 100%     |      | 22,752,611         |           | 22,752,611    |               |           |               |       |                   | 22,752,611    |
| <b>GDP38100 Total</b> | 2,826,842            |          | 100% |                    |           |               | 2,826,842     |           | 2,826,842     |       |                   | 2,826,842     |
| <b>Smart Meter</b>    | \$ 40,884,961        |          |      | \$ 24,172,229      | \$ -      | \$ 24,172,229 | \$ 16,712,733 | \$ -      | \$ 16,712,733 | \$ -  | See Below         | \$ 40,884,961 |

check

checks



| STATION | DATE | TIME | TEMPERATURE | WIND | MOISTURE | WEATHER | REMARKS |
|---------|------|------|-------------|------|----------|---------|---------|
| 1       | 1951 | 00   | 50          | 10   | 75       | C       |         |
| 2       | 1951 | 01   | 50          | 10   | 75       | C       |         |
| 3       | 1951 | 02   | 50          | 10   | 75       | C       |         |
| 4       | 1951 | 03   | 50          | 10   | 75       | C       |         |
| 5       | 1951 | 04   | 50          | 10   | 75       | C       |         |
| 6       | 1951 | 05   | 50          | 10   | 75       | C       |         |
| 7       | 1951 | 06   | 50          | 10   | 75       | C       |         |
| 8       | 1951 | 07   | 50          | 10   | 75       | C       |         |
| 9       | 1951 | 08   | 50          | 10   | 75       | C       |         |
| 10      | 1951 | 09   | 50          | 10   | 75       | C       |         |
| 11      | 1951 | 10   | 50          | 10   | 75       | C       |         |
| 12      | 1951 | 11   | 50          | 10   | 75       | C       |         |
| 13      | 1951 | 12   | 50          | 10   | 75       | C       |         |
| 14      | 1951 | 13   | 50          | 10   | 75       | C       |         |
| 15      | 1951 | 14   | 50          | 10   | 75       | C       |         |
| 16      | 1951 | 15   | 50          | 10   | 75       | C       |         |
| 17      | 1951 | 16   | 50          | 10   | 75       | C       |         |
| 18      | 1951 | 17   | 50          | 10   | 75       | C       |         |
| 19      | 1951 | 18   | 50          | 10   | 75       | C       |         |
| 20      | 1951 | 19   | 50          | 10   | 75       | C       |         |
| 21      | 1951 | 20   | 50          | 10   | 75       | C       |         |
| 22      | 1951 | 21   | 50          | 10   | 75       | C       |         |
| 23      | 1951 | 22   | 50          | 10   | 75       | C       |         |
| 24      | 1951 | 23   | 50          | 10   | 75       | C       |         |
| 25      | 1951 | 24   | 50          | 10   | 75       | C       |         |
| 26      | 1951 | 25   | 50          | 10   | 75       | C       |         |
| 27      | 1951 | 26   | 50          | 10   | 75       | C       |         |
| 28      | 1951 | 27   | 50          | 10   | 75       | C       |         |
| 29      | 1951 | 28   | 50          | 10   | 75       | C       |         |
| 30      | 1951 | 29   | 50          | 10   | 75       | C       |         |
| 31      | 1951 | 30   | 50          | 10   | 75       | C       |         |
| 32      | 1951 | 31   | 50          | 10   | 75       | C       |         |
| 33      | 1951 | 01   | 50          | 10   | 75       | C       |         |
| 34      | 1951 | 02   | 50          | 10   | 75       | C       |         |
| 35      | 1951 | 03   | 50          | 10   | 75       | C       |         |
| 36      | 1951 | 04   | 50          | 10   | 75       | C       |         |
| 37      | 1951 | 05   | 50          | 10   | 75       | C       |         |
| 38      | 1951 | 06   | 50          | 10   | 75       | C       |         |
| 39      | 1951 | 07   | 50          | 10   | 75       | C       |         |
| 40      | 1951 | 08   | 50          | 10   | 75       | C       |         |
| 41      | 1951 | 09   | 50          | 10   | 75       | C       |         |
| 42      | 1951 | 10   | 50          | 10   | 75       | C       |         |
| 43      | 1951 | 11   | 50          | 10   | 75       | C       |         |
| 44      | 1951 | 12   | 50          | 10   | 75       | C       |         |
| 45      | 1951 | 13   | 50          | 10   | 75       | C       |         |
| 46      | 1951 | 14   | 50          | 10   | 75       | C       |         |
| 47      | 1951 | 15   | 50          | 10   | 75       | C       |         |
| 48      | 1951 | 16   | 50          | 10   | 75       | C       |         |
| 49      | 1951 | 17   | 50          | 10   | 75       | C       |         |
| 50      | 1951 | 18   | 50          | 10   | 75       | C       |         |
| 51      | 1951 | 19   | 50          | 10   | 75       | C       |         |
| 52      | 1951 | 20   | 50          | 10   | 75       | C       |         |
| 53      | 1951 | 21   | 50          | 10   | 75       | C       |         |
| 54      | 1951 | 22   | 50          | 10   | 75       | C       |         |
| 55      | 1951 | 23   | 50          | 10   | 75       | C       |         |
| 56      | 1951 | 24   | 50          | 10   | 75       | C       |         |
| 57      | 1951 | 25   | 50          | 10   | 75       | C       |         |
| 58      | 1951 | 26   | 50          | 10   | 75       | C       |         |
| 59      | 1951 | 27   | 50          | 10   | 75       | C       |         |
| 60      | 1951 | 28   | 50          | 10   | 75       | C       |         |
| 61      | 1951 | 29   | 50          | 10   | 75       | C       |         |
| 62      | 1951 | 30   | 50          | 10   | 75       | C       |         |
| 63      | 1951 | 31   | 50          | 10   | 75       | C       |         |
| 64      | 1951 | 01   | 50          | 10   | 75       | C       |         |
| 65      | 1951 | 02   | 50          | 10   | 75       | C       |         |
| 66      | 1951 | 03   | 50          | 10   | 75       | C       |         |
| 67      | 1951 | 04   | 50          | 10   | 75       | C       |         |
| 68      | 1951 | 05   | 50          | 10   | 75       | C       |         |
| 69      | 1951 | 06   | 50          | 10   | 75       | C       |         |
| 70      | 1951 | 07   | 50          | 10   | 75       | C       |         |
| 71      | 1951 | 08   | 50          | 10   | 75       | C       |         |
| 72      | 1951 | 09   | 50          | 10   | 75       | C       |         |
| 73      | 1951 | 10   | 50          | 10   | 75       | C       |         |
| 74      | 1951 | 11   | 50          | 10   | 75       | C       |         |
| 75      | 1951 | 12   | 50          | 10   | 75       | C       |         |
| 76      | 1951 | 13   | 50          | 10   | 75       | C       |         |
| 77      | 1951 | 14   | 50          | 10   | 75       | C       |         |
| 78      | 1951 | 15   | 50          | 10   | 75       | C       |         |
| 79      | 1951 | 16   | 50          | 10   | 75       | C       |         |
| 80      | 1951 | 17   | 50          | 10   | 75       | C       |         |
| 81      | 1951 | 18   | 50          | 10   | 75       | C       |         |
| 82      | 1951 | 19   | 50          | 10   | 75       | C       |         |
| 83      | 1951 | 20   | 50          | 10   | 75       | C       |         |
| 84      | 1951 | 21   | 50          | 10   | 75       | C       |         |
| 85      | 1951 | 22   | 50          | 10   | 75       | C       |         |
| 86      | 1951 | 23   | 50          | 10   | 75       | C       |         |
| 87      | 1951 | 24   | 50          | 10   | 75       | C       |         |
| 88      | 1951 | 25   | 50          | 10   | 75       | C       |         |
| 89      | 1951 | 26   | 50          | 10   | 75       | C       |         |
| 90      | 1951 | 27   | 50          | 10   | 75       | C       |         |
| 91      | 1951 | 28   | 50          | 10   | 75       | C       |         |
| 92      | 1951 | 29   | 50          | 10   | 75       | C       |         |
| 93      | 1951 | 30   | 50          | 10   | 75       | C       |         |
| 94      | 1951 | 31   | 50          | 10   | 75       | C       |         |
| 95      | 1951 | 01   | 50          | 10   | 75       | C       |         |
| 96      | 1951 | 02   | 50          | 10   | 75       | C       |         |
| 97      | 1951 | 03   | 50          | 10   | 75       | C       |         |
| 98      | 1951 | 04   | 50          | 10   | 75       | C       |         |
| 99      | 1951 | 05   | 50          | 10   | 75       | C       |         |
| 100     | 1951 | 06   | 50          | 10   | 75       | C       |         |



XXXXXXXXXX

|   | EDP37000       |                     | EDP37001      |                     | CMP39707       |                     | Total                |
|---|----------------|---------------------|---------------|---------------------|----------------|---------------------|----------------------|
| Gross Plant at August 31, 2009          | 302,522        | \$ 18,201,522       | 229,040       | \$ 34,639,403       | 266,335        | \$ 24,696,265       | \$ 77,537,190        |
| Less DCSI 10-08 JE                      |                |                     |               | \$ 1,182,050        |                | \$ (7,296,816)      |                      |
| Adjusted Gross Plant at August 31, 2009 |                | \$ 18,201,522       |               | \$ 35,821,453       |                | \$ 17,399,449       | \$ 71,422,424        |
| September 2009 Adjustment               | (38,399)       | \$ (2,853,275)      | (29,316)      | \$ (4,465,021)      | (38,399)       | \$ (3,816,247)      | \$ (11,134,543)      |
| November 2009 Adjustment                | (133,055)      | \$ (7,073,685)      | (36,760)      | \$ (5,595,441)      | (96,868)       | \$ (7,907,401)      | \$ (20,576,527)      |
| Dec Hex Adjustment                      |                |                     | (69,120)      | \$ (9,673,344)      |                |                     | \$ (9,673,344)       |
| December 2009 Adjustment                | (2,844)        | \$ (181,561)        | (25,370)      | \$ (3,864,019)      | (2,844)        | \$ (288,438)        | \$ (4,334,019)       |
| December 31, 2009                       | 128,224        | \$ 8,093,002        | 68,474        | \$ 12,223,627       | 128,224        | \$ 5,387,363        | \$ 25,703,992        |
| January 2009 Adjustment                 | (1,483)        | \$ (95,016)         | (34,472)      | \$ (5,924,001)      | (1,483)        | \$ (62,612)         | \$ (6,081,629)       |
| March 2010 Adjustment                   | (2,063)        | \$ (132,176)        | (16,718)      | \$ (3,097,344)      | (2,063)        | \$ (87,100)         | \$ (3,316,620)       |
| March 31, 2010                          | 124,678        | \$ 7,865,809        | 17,284        | \$ 3,202,283        | 124,678        | \$ 5,237,650        | \$ 16,305,742        |
| June 2010 Adjustment                    | (2,753)        | \$ (176,385)        | (619)         | \$ (114,682)        | (2,753)        | \$ (116,232)        | \$ (407,299)         |
| <b>Remaining at June 31, 2010</b>       | <b>121,925</b> | <b>\$ 7,689,425</b> | <b>16,665</b> | <b>\$ 3,087,600</b> | <b>121,925</b> | <b>\$ 5,121,419</b> | <b>\$ 15,898,444</b> |
| July 2010 Adjustment                    | -              | \$ -                | -             | \$ -                | -              | \$ -                | \$ -                 |
| August 2010 Adjustment                  | -              | \$ -                | -             | \$ -                | -              | \$ -                | \$ -                 |
| <b>Remaining at August 31, 2010</b>     | <b>121,925</b> | <b>\$ 7,689,425</b> | <b>16,665</b> | <b>\$ 3,087,600</b> | <b>121,925</b> | <b>\$ 5,121,419</b> | <b>\$ 15,898,444</b> |

|                                 |         |              |        |              |         |              |               |
|---------------------------------|---------|--------------|--------|--------------|---------|--------------|---------------|
| Inventory units still remaining | 5,718   | \$ 243,530   | -      | \$ -         | 5,718   | \$ 214,997   | \$ 458,526    |
| Units in the field              | 116,207 | \$ 7,445,895 | 16,665 | \$ 3,087,600 | 116,207 | \$ 4,906,422 | \$ 15,439,918 |
| Total remaining to retire       | 121,925 | \$ 7,689,425 | 16,665 | \$ 3,087,600 | 121,925 | \$ 5,121,419 | \$ 15,898,444 |

| Estimated A/D on remaining  | Gross Plant          | Calc A/D         | NBV               | COR<br>(see note) | Calc A/D      | NBV              | Total NBV         |
|-----------------------------|----------------------|------------------|-------------------|-------------------|---------------|------------------|-------------------|
| <b>Retire December 2010</b> |                      |                  |                   |                   |               |                  |                   |
| DCSI Meters                 | \$ 1,861,474         | 185,682          | 1,675,792         | 322,474           | 27,364        | 295,111          | 1,970,903         |
| DCSI Modules                | \$ 1,226,606         | 214,656          | 1,011,950         |                   |               |                  | 1,011,950         |
| <b>TOTAL 2010</b>           | <b>\$ 3,088,079</b>  | <b>400,338</b>   | <b>2,687,741</b>  | <b>322,474</b>    | <b>27,364</b> | <b>295,111</b>   | <b>2,982,852</b>  |
| <b>Retire Q1-2011</b>       |                      |                  |                   |                   |               |                  |                   |
|                             |                      |                  |                   |                   |               |                  | NBV %             |
| DCSI Meters                 | \$ 5,584,421         | 583,572          | 5,000,849         | 967,423           | 86,000        | 881,423          | 0.8955            |
| DCSI Modules                | \$ 3,679,817         | 674,633          | 3,005,183         |                   |               |                  | 0.81667           |
|                             |                      | 18%              |                   |                   |               |                  |                   |
| <b>Retire April 2011</b>    |                      |                  |                   |                   |               |                  |                   |
| Inventory                   |                      |                  |                   |                   |               |                  |                   |
| DCSI Meters                 | \$ 243,530           | 26,606           | 216,924           |                   |               |                  | 0.89075           |
| DCSI Modules                | \$ 214,997           | 41,208           | 173,789           |                   |               |                  | 0.80833           |
|                             |                      | 19%              |                   |                   |               |                  |                   |
| <b>Retire June 2011</b>     |                      |                  |                   |                   |               |                  |                   |
| Hex Electric                | \$ 3,087,600         | 403,858          | 2,683,742         | 184,982           |               | 184,982          | 0.8692            |
|                             |                      | 13%              |                   |                   |               |                  |                   |
| <b>TOTAL 2011</b>           | <b>\$ 12,810,365</b> | <b>1,729,877</b> | <b>11,080,488</b> | <b>1,152,405</b>  | <b>86,000</b> | <b>1,066,405</b> | <b>12,146,893</b> |

(Note: Cost of Removal did not accumulate for DCSI Modules or Hex Electric Meters/Modules.)

Source: Adrienne Williams 10-28-2010

(Whole \$)

Oct10:  
Whole \$'s

|                       | Total<br>wo HAN | (SMBA<br>portion) | before<br>allocation | Allocation Percents: |      | Allocated Amounts: |           |               |               |           |               | SPUMA | Future<br>Transfer * | Total         |
|-----------------------|-----------------|-------------------|----------------------|----------------------|------|--------------------|-----------|---------------|---------------|-----------|---------------|-------|----------------------|---------------|
|                       |                 |                   |                      | Electric             | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas     | PreDeploy | Deploy-G      |       |                      |               |
| <b>CMP30304 Total</b> | \$ 1,317,055    | \$ 493,327        | \$ 1,810,382         | 55%                  | 45%  | \$ 995,710         |           | \$ 995,710    | \$ 814,672    |           | \$ 814,672    |       |                      | \$ 1,810,382  |
| <b>CMP39104 Total</b> | 213,205         | 106,673           | 319,878              | 55%                  | 45%  | 175,933            |           | 175,933       | 143,945       |           | 143,945       |       |                      | 319,878       |
| <b>CMP39706 Total</b> | 15,208,209      |                   | 15,208,209           |                      | 100% |                    |           | -             | 15,208,209    |           | 15,208,209    |       |                      | 15,208,209    |
| <b>CMP39707 Total</b> | (1,335)         |                   | (1,335)              | 100%                 |      | (1,335)            |           | (1,335)       |               |           | -             |       |                      | (1,335)       |
| <b>CMP39708 Total</b> | 2,048,834       |                   | 2,048,834            | 55%                  | 45%  | 1,126,859          |           | 1,126,859     | 921,975       |           | 921,975       |       |                      | 2,048,834     |
| <b>EDP37000 Total</b> | (1,155)         |                   | (1,155)              | 100%                 |      | (1,155)            |           | (1,155)       |               |           | -             |       |                      | (1,155)       |
| <b>EDP37001 Total</b> | 22,766,260      |                   | 22,766,260           | 100%                 |      | 22,766,260         |           | 22,766,260    |               |           | -             |       |                      | 22,766,260    |
| <b>GDP38100 Total</b> | (6,416,121)     |                   | (6,416,121)          |                      | 100% |                    |           | -             | (6,416,121)   |           | (6,416,121)   |       |                      | (6,416,121)   |
| <b>Smart Meter</b>    | \$ 35,134,953   | \$ 600,000        | \$ 35,734,953        |                      |      | \$ 25,062,273      | \$ -      | \$ 25,062,273 | \$ 10,672,681 | \$ -      | \$ 10,672,681 | \$ -  | See Below            | \$ 35,734,953 |

check

checks

(Whole \$)

Sept10:  
Whole \$'s

|                       | Allocation Percents: |          |      | Allocated Amounts: |           |               |               |           |               |       |                   |               |
|-----------------------|----------------------|----------|------|--------------------|-----------|---------------|---------------|-----------|---------------|-------|-------------------|---------------|
|                       | Before Allocation    | Electric | Gas  | Total Electric     | PreDeploy | Deploy-E      | Total Gas     | PreDeploy | Deploy-G      | SPUMA | Future Transfer * | Total         |
| <b>CMP30304 Total</b> | \$ 41,102            | 55%      | 45%  | \$ 22,606          |           | \$ 22,606     | \$ 18,496     |           | \$ 18,496     |       |                   | \$ 41,102     |
| <b>CMP39104 Total</b> | 10,286,046           | 55%      | 45%  | 5,657,325          |           | 5,657,325     | 4,628,721     |           | 4,628,721     |       |                   | 10,286,046    |
| <b>CMP39706 Total</b> | 13,951,142           |          | 100% |                    |           |               | 13,951,142    |           | 13,951,142    |       |                   | 13,951,142    |
| <b>CMP39707 Total</b> | (110,870)            | 100%     |      | (110,870)          |           | (110,870)     |               |           |               |       |                   | (110,870)     |
| <b>CMP39708 Total</b> | 1,907,038            | 55%      | 45%  | 1,048,871          |           | 1,048,871     | 858,167       |           | 858,167       |       |                   | 1,907,038     |
| <b>EDP37000 Total</b> | (168,248)            | 100%     |      | (168,248)          |           | (168,248)     |               |           |               |       |                   | (168,248)     |
| <b>EDP37001 Total</b> | 17,814,556           | 100%     |      | 17,814,556         |           | 17,814,556    |               |           |               |       |                   | 17,814,556    |
| <b>GDP38100 Total</b> | 1,446,000            |          | 100% |                    |           |               | 1,446,000     |           | 1,446,000     |       |                   | 1,446,000     |
| <b>Smart Meter</b>    | \$ 45,166,766        |          |      | \$ 24,264,240      | \$ -      | \$ 24,264,240 | \$ 20,902,526 | \$ -      | \$ 20,902,526 | \$ -  | See Below         | \$ 45,166,766 |

check

checks

# SmartMeter Retirements March 2010 Adjustment (1 OF 2)

FEBRUARY PORTION

|          |                     | RETIRED January 2010 |                           |                     | Inventory Retired |                           |             | RETIRED - Total gross plant |                           |                  |
|----------|---------------------|----------------------|---------------------------|---------------------|-------------------|---------------------------|-------------|-----------------------------|---------------------------|------------------|
|          |                     | Retired              | Accum Depr<br>6/07 - 2/10 | NBV                 | Retired           | Accum Depr<br>6/07 - 2/10 | NBV         | Retired                     | Accum Depr<br>6/07 - 2/10 | NBV              |
| EDP37001 | <u>Hex Electric</u> |                      |                           |                     |                   |                           |             |                             |                           |                  |
|          | # of units          | 15,636               |                           |                     |                   |                           |             | 15,636                      |                           |                  |
|          | \$/unit             | 185.27               |                           |                     |                   |                           |             |                             |                           |                  |
|          |                     | \$ 2,896,882         | 260,502                   | 2,636,380           | \$ -              | -                         | -           | 2,896,882                   | 260,502                   | 2,636,380        |
| EDP37000 | <u>DCSI Meters</u>  |                      |                           |                     |                   |                           |             |                             |                           |                  |
|          | # of units          | 1,159                |                           |                     |                   |                           |             | 1,159                       |                           |                  |
|          | \$/unit             | 64.07                |                           |                     |                   |                           |             |                             |                           |                  |
|          |                     | \$ 74,257            | 5,820                     | 68,437              | \$ -              | -                         | -           | 74,257                      | 5,820                     | 68,437           |
| CMP39707 | <u>DCSI Modules</u> |                      |                           |                     |                   |                           |             |                             |                           |                  |
|          | # of units          | 1,159                |                           |                     |                   |                           |             | 1,159                       |                           |                  |
|          | \$/unit             | 42.22                |                           |                     |                   |                           |             |                             |                           |                  |
|          |                     | \$ 48,933            | 6,728                     | 42,205              | \$ -              | -                         | -           | 48,933                      | 6,728                     | 42,205           |
|          |                     | <b>\$ 3,020,072</b>  | <b>\$ 273,050</b>         | <b>\$ 2,747,022</b> | <b>\$ -</b>       | <b>\$ -</b>               | <b>\$ -</b> | <b>3,020,072</b>            | <b>\$ 273,050</b>         | <b>2,747,022</b> |

| COST OF REMOVAL                  |                           |            |
|----------------------------------|---------------------------|------------|
| Retired                          | Accum Depr<br>6/07 - 2/10 | NBV        |
|                                  |                           |            |
| <u>DCSI Meters /<br/>Modules</u> |                           |            |
| # of units                       | 1,159                     |            |
| \$/unit                          | 11.52                     |            |
|                                  | \$ 13,352                 | 857.67     |
|                                  |                           | 12,494     |
| <u>Hex Electric</u>              |                           |            |
| # of units                       | 15,636                    |            |
| \$/unit                          | 11.52                     |            |
|                                  | \$ 180,127                | 180,127    |
|                                  | \$ 193,478                | \$ 858     |
|                                  |                           | \$ 192,621 |

| SALVAGE |  |     |
|---------|--|-----|
| Retired |  | NBV |
|         |  |     |

**DCSI Meters /  
Modules**

# of units  
\$/unit \*\*\*\*

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| 1,159                     |                   |                   |
| -0.42                     |                   |                   |
| \$ (491)                  |                   | (491)             |
| <b>Hex Electric</b>       |                   |                   |
| 15,636                    |                   |                   |
| -0.42                     |                   |                   |
| \$ (6,623)                |                   | (6,623)           |
| \$ (7,114)                | \$ -              | \$ (7,114)        |
| <b>COR net of Salvage</b> | <b>\$ 186,364</b> | <b>\$ 858</b>     |
|                           |                   | <b>\$ 185,507</b> |

**March 2010 Adjustment**

**January Retirements**

|                              |              |              |
|------------------------------|--------------|--------------|
| Dr. Expense                  | \$ 2,747,022 |              |
| Dr. Accumulated Depreciation | \$ 273,050   |              |
| Cr. Plant                    |              | \$ 3,020,072 |

**Cost of Removal**

|                    |            |            |
|--------------------|------------|------------|
| Dr. Expense        | \$ 185,507 |            |
| Cr Cost of Removal |            | \$ 185,507 |

**Combine above adjustments**

|                                     |          |           |              |
|-------------------------------------|----------|-----------|--------------|
| Dr Expense Order (Material portion) | 8089608  | 2,747,022 |              |
| Dr Expense Order (Labor portion)    | 8089608  | 185,507   |              |
| Dr Accum Depr - Accrual             | EDP37001 | 260,502   |              |
| Dr Accum Depr - Accrual             | EDP37000 | 5,820     |              |
| Dr Accum Depr - Accrual             | CMP39707 | 6,728     |              |
| Cr Plant Order- DCSI Meters         | 6108686  |           | \$ 2,896,882 |
| Cr Plant Order- DCSI Modules        | 6108684  |           | \$ 74,257    |
| Cr Plant Order- Hex Elec            | 6108704  |           | 48,933       |
| Cr COR Order - DCSI                 | 6108703  |           | 12,003       |
| Cr COR Order - Hex                  | 6108705  |           | 173,504      |

**Energy Accounting Adjustment to Balancing Account**

|                  |  |           |
|------------------|--|-----------|
| Dr SBA-E         |  | 2,932,528 |
| Cr SBA-E Revenue |  | 2,932,528 |

**Adjustment Impact:**

|                         |             |
|-------------------------|-------------|
| <b>BALANCE SHEET</b>    |             |
| Plant                   | (3,205,578) |
| A/D                     | 273,050     |
| Balancing Acct          | 2,932,528   |
|                         | -           |
| <b>INCOME STATEMENT</b> |             |
| BA Revenue              | 2,932,528   |
| Expense                 | (2,932,528) |
|                         | -           |

Assumptions

1. First generation SmartMeters are assumed to have been installed June 2007 (source: Eric Lam, SmartMeter Business Finance)
2. Retirements are assumed to have accrued depreciation up until February 2010.  
33 months for DCSI meters retired in this adjustment.



0.00273  
0.00273 0.00035

0.00417



