



**Pacific Gas and
Electric Company***

77 Beale Street,
P.O. Box 770000
San Francisco, CA 94105

415.973.7000

June 15, 2011

Mr. Honesto Gatchalian
California Public Utilities Commission
Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, CA 94102.

Re: Substitute Sheets for Advice 3216-G/3859-E

Dear Mr. Gatchalian:

Enclosed are an original and 4 copies of substitute sheets for Advice 3216-G/3859-E, "Establish Tax Act Memorandum Account (TAMA-E) and (TAMA-G) per CPUC Resolution No. L-411."

Nine eligibility classifications were updated in Attachment 7, column (a) titled "Section B: Incremental Investment Eligibility" and a footnote no.3 was added to the spreadsheet.

Please telephone me at (415) 973-7817 should you have any questions regarding the substitute sheets.

Conor Doyle
Operations Proceedings

cc: Service Lists for A.09-12-020 (PG&E's 2011 GRC) and A.09-09-013 (PG&E's 2011 GT&S).

Pacific Gas & Electric Company
Tax Act Memorandum Account (TAMA)
Capital Additions by Line of Business (LOB) and Major Work Category (MWC)
(\$ in thousands)

Line No.	Major Work Category	Section B: Incremental Investment Eligibility	Adopted Capital Additions			2012		
			Direct Including General	Common Allocation	Total	Direct Including General	Common Allocation	Total
		(a)	(b)	(c)	(d = b+c)	(e)	(f)	(g = e+f)
2011 General Rate Case (GRC)								
<u>Electric Distribution</u>								
1	03 Office Furniture & Equipment	Ancillary	-	36	36	-	36	36
2	04 Fleet / Auto Equip	Ancillary	-	44,326	44,326	-	44,326	44,326
3	05 Tools & Equipment	Ancillary	1,296	1,442	2,738	1,296	1,442	2,738
4	06 E Distr New Capacity - Line	Eligible	86,363	-	86,363	86,363	-	86,363
5	07 E Dist Replace/Reinforce Poles	Eligible	54,121	-	54,121	54,121	-	54,121
6	08 E Dist Mitigate Recur Outages	Eligible	12,000	-	12,000	12,000	-	12,000
7	09 E Dist Automation & Protection	Ancillary	30,991	-	30,991	30,991	-	30,991
8	10 E Dist Work Requested by Other ³	Ineligible	58,388	-	58,388	58,388	-	58,388
9	12 Implement Environment Projects	Eligible	-	1,206	1,206	-	1,206	1,206
10	16 E Dist Customer Connects ³	Ineligible	288,706	-	288,706	288,706	-	288,706
11	17 E Dist Emergency Response	Ineligible	112,061	-	112,061	112,061	-	112,061
12	19 Special Programs	Ineligible	(3,453)	-	(3,453)	(3,453)	-	(3,453)
13	21 Purchase/Install-Other Capital	Ancillary	114	-	114	114	-	114
14	25 Install New Electric Meters ³	Ineligible	19,044	-	19,044	19,044	-	19,044
15	28 EV - Station Infrastructure	Ineligible	996	-	996	996	-	996
16	30 E Dist WRO - Rule 20A	Eligible	72,107	-	72,107	72,107	-	72,107
17	46 E Distr New Capacity - Substat	Eligible	111,373	-	111,373	111,373	-	111,373
18	48 E Dist Replace Subst Equipment	Eligible	15,852	-	15,852	15,852	-	15,852
19	49 E T&D Mainline Prot & Rebuild	Eligible	27,137	-	27,137	27,137	-	27,137
20	53 IT - Applications	Ancillary	5,605	5,020	10,624	5,605	5,020	10,624
21	54 E Dist Replace Subst Transform	Eligible	67,151	-	67,151	67,151	-	67,151
22	56 E Dist Replace Underground Cbl	Eligible	46,576	-	46,576	46,576	-	46,576
23	57 E Dist Prev Maintenance-Facts	Eligible	117,467	-	117,467	117,467	-	117,467
24	58 E Dist Repl Substation Safety	Eligible	5,757	-	5,757	5,757	-	5,757
25	59 E Dist Repl Subst-Emergency	Eligible	28,900	-	28,900	28,900	-	28,900
26	78 Manage Buildings	Ancillary	-	9,482	9,482	-	9,482	9,482
27	79 Land Management	Ineligible	-	2,375	2,375	-	2,375	2,375
28	85 IT - Infrastructure	Ancillary	2,873	37,935	40,808	2,873	37,935	40,808
29	87 Office Equipment	Ancillary	4,396	85	4,481	4,396	85	4,481
30	88 Office Furniture	Ancillary	-	1,769	1,769	-	1,769	1,769
31	95 ED Major Emergency ³	Ineligible	31,616	-	31,616	31,616	-	31,616
32	Sub-total Electric Distribution		1,197,437	103,675	1,301,112	1,197,437	103,675	1,301,112
<u>Gas Distribution</u>								
33	03 Office Furniture & Equipment	Ancillary	-	18	18	-	18	18
34	04 Fleet / Auto Equip	Ancillary	-	21,728	21,728	-	21,728	21,728
35	05 Tools & Equipment	Ancillary	1,060	707	1,767	1,060	707	1,767
36	12 Implement Environment Projects	Eligible	-	591	591	-	591	591
37	14 Gas Pipeline Replacement Pgm	Eligible	118,432	-	118,432	118,432	-	118,432
38	19 Special Programs	Ineligible	(2,825)	-	(2,825)	(2,825)	-	(2,825)
39	21 Purchase/Install-Other Capital	Ancillary	94	-	94	94	-	94
40	27 Gas Meter Protection-Capital	Eligible	570	-	570	570	-	570
41	29 G Dist Customer Connects ³	Ineligible	61,579	-	61,579	61,579	-	61,579
42	31 NGV - Station Infrastructure	Eligible	3,534	-	3,534	3,534	-	3,534
43	47 G Dist New Capacity - Gas	Eligible	12,266	-	12,266	12,266	-	12,266
44	50 G Dist Reliability	Eligible	19,849	-	19,849	19,849	-	19,849
45	51 G Dist Work Requested by Other ³	Ineligible	20,511	-	20,511	20,511	-	20,511
46	52 G Dist Emergency Response	Eligible	253	-	253	253	-	253
47	53 IT - Applications	Ancillary	4,586	2,461	7,046	4,586	2,461	7,046
48	74 Install New Gas Meters ³	Ineligible	65,614	-	65,614	65,614	-	65,614
49	78 Manage Buildings	Ancillary	-	4,648	4,648	-	4,648	4,648
50	79 Land Management	Ineligible	-	1,164	1,164	-	1,164	1,164
51	85 IT - Infrastructure	Ancillary	-	18,595	18,595	-	18,595	18,595
52	87 Office Equipment	Ancillary	3,597	42	3,638	3,597	42	3,638
53	88 Office Furniture	Ancillary	-	867	867	-	867	867
54	Sub-total Gas Distribution		309,121	50,819	359,940	309,121	50,819	359,940

Pacific Gas & Electric Company
Tax Act Memorandum Account (TAMA)
Capital Additions by Line of Business (LOB) and Major Work Category (MWC)
(\$ in thousands)

Line No.	Major Work Category	Section B: Incremental Investment Eligibility	Adopted Capital Additions			2012		
			2011			Direct Including General	Common Allocation	Total
		(a)	(b)	(c)	(d = b+c)	(e)	(f)	(g = e+f)
2011 General Rate Case (GRC)								
<u>Electric Generation</u>								
55	03 Office Furniture & Equipment	Ancillary	200	18	218	200	18	218
56	04 Fleet / Auto Equip	Ancillary	2,192	22,304	24,496	2,192	22,304	24,496
57	05 Tools & Equipment	Ancillary	2,831	726	3,557	2,831	726	3,557
58	11 Power Gen Licenses & Permits	Eligible	14,883	-	14,883	14,883	-	14,883
59	12 Implement Environment Projects	Eligible	8,874	607	9,481	8,874	607	9,481
60	13 Power Gen Safety & Regulatory	Eligible	97,096	-	97,096	97,096	-	97,096
61	20 DCPD Capital	Eligible	40,648	-	40,648	40,648	-	40,648
62	53 IT - Applications	Ancillary	-	2,526	2,526	-	2,526	2,526
63	78 Manage Buildings	Ancillary	10,077	4,771	14,848	10,077	4,771	14,848
64	79 Land Management	Ineligible	-	1,195	1,195	-	1,195	1,195
65	81 Power Gen Maint Reliab/Avail	Eligible	96,197	-	96,197	96,197	-	96,197
66	85 IT - Infrastructure	Ancillary	9,623	19,088	28,712	9,623	19,088	28,712
67	87 Office Equipment	Ancillary	-	43	43	-	43	43
68	88 Office Furniture	Ancillary	1,546	890	2,436	1,546	890	2,436
69	Sub-total Electric Generation		284,168	52,167	336,335	284,168	52,167	336,335
70	Chargebacks	Ineligible	(4,664)	-	(4,664)	(4,664)	-	(4,664)
71	Total 2011 General Rate Case		1,786,061	206,662	1,992,723	1,786,061	206,662	1,992,723
2011 Gas Transmission & Storage (GT&S) Rate Case								
72	03 Office Furniture & Equipment	Ancillary		3	3		1	1
73	04 Fleet / Auto Equip	Ancillary		4,293	4,293		1,741	1,741
74	05 Tools & Equipment	Ancillary	294	140	433	314	356	670
75	12 Implement Environment Projects	Eligible	4,345	117	4,462	7,405	46	7,451
76	53 IT - Applications	Ancillary		486	486		373	373
77	26 G Trans - New Business ¹	Ineligible	29,184		29,184	3,235		3,235
78	73 G Trans New Capacity - Gas	Eligible	16,065		16,065	4,718		4,718
79	75 G Trans Reliability - Pipeline	Eligible	13,368		13,368	28,688		28,688
80	76 G Trans Reliability - Station	Eligible	42,031	683	42,715	33,518	1,299	34,817
81	78 Manage Buildings	Ancillary	300	918	1,218	103	2,595	2,698
82	79 Land Management	Ineligible		230	230			0
83	83 G Trans Work Requested by Othr ²	Ineligible	8,961		8,961	8,593		8,593
84	84 G Trans Gathering System	Eligible	2,248		2,248	2,159		2,159
85	85 IT - Infrastructure	Ancillary		3,674	3,674		1,137	1,137
86	87 Office Equipment	Ancillary		8	8		2	2
87	88 Office Furniture	Ancillary		171	171		67	67
88	91 Pwr Gen Metering:PG&E Rev Mtrs	Eligible	2,280		2,280	921		921
89	98 Pipeline Integrity Pgm Mgmt	Eligible	21,183		21,183	22,362		22,362
90	96 Separately Funded Capital	Ineligible	165		165	175		175
91	Total 2011 Gas Trans. & Storage Rate Case		140,423	10,724	151,147	112,190	7,617	119,807
92	GRAND TOTAL 2011 GRC & 2011 GT&S Cases		1,926,484	217,386	2,143,870	1,898,252	214,279	2,112,530

Notes:

- 1 Exclude GT&S adder projects (See GT&S Settlement Decision 11-04-031, Appendix A, p.8 - p.10).
- 2 Excludes Delevan K2 project.
- 3 These MWC's include capital expenditures that are generally eligible for bonus depreciation but will be ineligible for incremental capital additions in Section B of the memorandum account because spending in these areas is almost entirely driven by exogenous events (new customer connections, major storm activity, etc.) and not influenced by savings available under the Tax Relief Act. Deferred tax benefits related to adopted plant additions in these MWCs will still be captured in Section A of the account.