

| | A | B | C | D | E | F | G | H | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------------------|----------------------------------|------|--|---|---|---|---|--|---|--|--|--|--|--|---------------|--|----|-----|--|--|-----|------|--|--|--|--------|-----|-----|---|---|---|-------|-----|-----|---|---|---|---------|-----|-----|---|---|---|-------|-----|-----|---|---|---|------------|-----|-----|---|---|---|
| 1 | Pension Attrition Years | Escalated Amounts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Test_Year | 2011 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Expenses | Base Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Escalation | Escalated Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | CCFT | Prior Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Attrition_Years | 2012-2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 | Company | Pacific Gas and Electric Company | | <table border="1"> <thead> <tr> <th colspan="6">Attrition Expenses (Generation): Production Materials and Supplies</th> </tr> <tr> <th></th> <th colspan="2">UCC_Num Range</th> <th>In</th> <th colspan="2">Out</th> </tr> <tr> <th></th> <th>Low</th> <th>High</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Fossil</td> <td>100</td> <td>119</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Hydro</td> <td>120</td> <td>129</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Nuclear</td> <td>130</td> <td>139</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Other</td> <td>140</td> <td>149</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Renewables</td> <td>150</td> <td>199</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>UCC_Num Range for Fossil, Hydro & Nuclear determines the escalation rate used. The Low to High UCC_Num Range determines the corresponding rate for each UCC. The In and Out UCC_Num ranges are for a UCC that is either outside or inside the Low to H</p> | | | | | Attrition Expenses (Generation): Production Materials and Supplies | | | | | | | UCC_Num Range | | In | Out | | | Low | High | | | | Fossil | 100 | 119 | 0 | 0 | 0 | Hydro | 120 | 129 | 0 | 0 | 0 | Nuclear | 130 | 139 | 0 | 0 | 0 | Other | 140 | 149 | 0 | 0 | 0 | Renewables | 150 | 199 | 0 | 0 | 0 |
| Attrition Expenses (Generation): Production Materials and Supplies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | UCC_Num Range | | In | | | | | | Out | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Low | High | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fossil | 100 | 119 | 0 | | | | | | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hydro | 120 | 129 | 0 | | | | | | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nuclear | 130 | 139 | 0 | | | | | | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other | 140 | 149 | 0 | | | | | | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Renewables | 150 | 199 | 0 | | | | | | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | Company1 | PG&E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | Case | 2011 CPUC General Rate Case | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 | Version | SETTLEMENT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 | Version1 | SETTLEMENT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24 | Jurisdiction | CPUC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 | Year1 | | 2008 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | Year2 | 2008RA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 | Year3 | | 2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28 | Year4 | | 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 29 | Year5 | | 2011 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Toggle For Base/Current Year Expense Output

Pacific Gas and Electric Company
 2011 CPUC General Rate Case (SETTLEMENT)
 Results of Operations at Proposed Rates
 Gas Department
 (Thousands of Dollars)

| Line No. | Description | Recorded Year 2008 (A) | Adj Recorded Year 2008RA (B) | Estimated Year 2009 (C) | Estimated Year 2010 (D) | Test Year 2011 (E) | Line No. |
|----------------------------|------------------------------|------------------------|------------------------------|-------------------------|-------------------------|--------------------|----------|
| REVENUE: | | | | | | | |
| 1 | Revenue Collected in Rates | | 1,040,066 | 1,062,066 | 1,084,066 | 1,131,429 | 1 |
| 2 | Plus Other Operating Revenue | | 26,024 | 26,024 | 26,024 | 22,922 | 2 |
| 3 | Total Operating Revenue | | 1,066,090 | 1,088,090 | 1,110,090 | 1,154,351 | 3 |
| OPERATING EXPENSES: | | | | | | | |
| 4 | Energy Costs* | | 0 | 0 | 0 | 0 | 4 |
| 5 | Gathering* | | 0 | 0 | 0 | 0 | 5 |
| 6 | Storage* | | 0 | 2,791 | 2,781 | 3,216 | 6 |
| 7 | Transmission* | | 0 | 0 | 0 | 0 | 7 |
| 8 | Distribution* | | 166,201 | 193,830 | 165,558 | 173,335 | 8 |
| 9 | Customer Accounts* | | 150,370 | 151,910 | 137,117 | 119,296 | 9 |
| 10 | Uncollectibles | | 3,828 | 3,761 | 4,075 | 3,499 | 10 |
| 11 | Customer Services* | | 3,854 | 3,342 | 3,324 | 4,556 | 11 |
| 12 | Administrative and General* | | 203,870 | 199,733 | 196,830 | 177,434 | 12 |
| 13 | Franchise Requirements | | 10,152 | 10,362 | 10,570 | 10,998 | 13 |
| 14 | Amortization | | 0 | 0 | 0 | 0 | 14 |
| 15 | Wage Change Impacts | | 0 | 11,353 | 21,272 | 31,683 | 15 |
| 16 | Other Price Change Impacts | | 0 | 5,513 | 8,037 | 13,500 | 16 |
| 17 | Other Adjustments* | | 0 | 0 | 0 | 0 | 17 |
| 18 | Subtotal Expenses: | | 538,274 | 582,596 | 549,564 | 537,518 | 18 |
| TAXES: | | | | | | | |
| 19 | Superfund | | 0 | 0 | 0 | 0 | 19 |
| 20 | Property | | 25,054 | 27,078 | 28,400 | 29,493 | 20 |
| 21 | Payroll* | | 22,079 | 23,844 | 22,698 | 22,832 | 21 |
| 22 | Business* | | 224 | 232 | 241 | 250 | 22 |
| 23 | Other* | | 290 | 480 | 544 | 575 | 23 |
| 24 | State Corporation Franchise | | 10,181 | 10,087 | 13,988 | 18,079 | 24 |
| 25 | Federal Income | | 53,829 | 47,600 | 62,074 | 66,061 | 25 |
| 26 | Total Taxes | | 111,657 | 109,321 | 127,944 | 137,290 | 26 |
| 27 | Depreciation | | 218,367 | 225,809 | 235,082 | 264,319 | 27 |
| 28 | Fossil Decommissioning | | 0 | 0 | 0 | 0 | 28 |
| 29 | Nuclear Decommissioning | | 0 | 0 | 0 | 0 | 29 |
| 30 | Total Operating Expenses | | 868,299 | 917,727 | 912,591 | 939,126 | 30 |
| 31 | Net for Return | | 197,791 | 170,363 | 197,499 | 215,225 | 31 |
| 32 | Rate Base | | 2,337,647 | 2,353,732 | 2,372,078 | 2,448,519 | 32 |
| RATE OF RETURN: | | | | | | | |
| 33 | On Rate Base | | 8.46% | 7.24% | 8.33% | 8.79% | 33 |
| 34 | On Equity | | 10.71% | 8.36% | 10.45% | 11.35% | 34 |

2

Pacific Gas and Electric Company
2011 CPUC General Rate Case (SETTLEMENT)
Results of Operations at Proposed Rates
Gas Department
(Thousands of Dollars)

| Line No. | Description | Recorded Year 2008 (A) | Adj Recorded Year 2008RA (B) | Estimated Year 2009 (C) | Estimated Year 2010 (D) | Test Year 2011 (E) | Line No. |
|---------------------|------------------------------|------------------------|------------------------------|-------------------------|-------------------------|--------------------|----------|
| REVENUE: | | | | | | | |
| 1 | Revenue Collected in Rates | | 1,040,066 | 1,062,066 | 1,084,066 | 1,131,429 | 1 |
| 2 | Plus Other Operating Revenue | | 26,024 | 26,024 | 26,024 | 22,922 | 2 |
| 3 | Total Operating Revenue | | 1,066,090 | 1,088,090 | 1,110,090 | 1,154,351 | 3 |
| OPERATING EXPENSES: | | | | | | | |
| 4 | Energy Costs | | 0 | 0 | 0 | 0 | 4 |
| 5 | Gathering | | 0 | 0 | 0 | 0 | 5 |
| 6 | Storage | | 0 | 2,892 | 2,980 | 3,565 | 6 |
| 7 | Transmission | | 0 | 0 | 0 | 0 | 7 |
| 8 | Distribution | | 166,201 | 200,462 | 176,349 | 192,076 | 8 |
| 9 | Customer Accounts | | 150,370 | 157,624 | 147,327 | 132,594 | 9 |
| 10 | Uncollectibles | | 3,828 | 3,761 | 4,075 | 3,499 | 10 |
| 11 | Customer Services | | 3,854 | 3,468 | 3,566 | 5,049 | 11 |
| 12 | Administrative and General | | 203,870 | 204,026 | 204,696 | 189,736 | 12 |
| 13 | Franchise Requirements | | 10,152 | 10,362 | 10,570 | 10,998 | 13 |
| 14 | Amortization | | 0 | 0 | 0 | 0 | 14 |
| 15 | Wage Change Impacts | | 0 | 0 | 0 | 0 | 15 |
| 16 | Other Price Change Impacts | | 0 | 0 | 0 | 0 | 16 |
| 17 | Other Adjustments | | 0 | 0 | 0 | 0 | 17 |
| 18 | Subtotal Expenses: | | 538,274 | 582,596 | 549,564 | 537,518 | 18 |
| TAXES: | | | | | | | |
| 19 | Superfund | | 0 | 0 | 0 | 0 | 19 |
| 20 | Property | | 25,054 | 27,078 | 28,400 | 29,493 | 20 |
| 21 | Payroll | | 22,079 | 23,844 | 22,698 | 22,832 | 21 |
| 22 | Business | | 224 | 232 | 241 | 250 | 22 |
| 23 | Other | | 290 | 480 | 544 | 575 | 23 |
| 24 | State Corporation Franchise | | 10,181 | 10,087 | 13,988 | 18,079 | 24 |
| 25 | Federal Income | | 53,829 | 47,600 | 62,074 | 66,061 | 25 |
| 26 | Total Taxes | | 111,657 | 109,321 | 127,944 | 137,290 | 26 |
| 27 | Depreciation | | 218,367 | 225,809 | 235,082 | 264,319 | 27 |
| 28 | Fossil Decommissioning | | 0 | 0 | 0 | 0 | 28 |
| 29 | Nuclear Decommissioning | | 0 | 0 | 0 | 0 | 29 |
| 30 | Total Operating Expenses | | 868,299 | 917,727 | 912,591 | 939,126 | 30 |
| 31 | Net for Return | | 197,791 | 170,363 | 197,499 | 215,225 | 31 |
| 32 | Rate Base | | 2,337,647 | 2,353,732 | 2,372,078 | 2,448,519 | 32 |
| RATE OF RETURN: | | | | | | | |
| 33 | On Rate Base | | 8.46% | 7.24% | 8.33% | 8.79% | 33 |
| 34 | On Equity | | 10.71% | 8.36% | 10.45% | 11.35% | 34 |

Pacific Gas and Electric Company
2011 CPUC General Rate Case (SETTLEMENT)
Total Escalation
Gas Distribution
(Thousands of Dollars)

| Line No. | Description | Recorded Year 2008 (A) | Adj Recorded Year 2008RA (B) | Estimated Year 2009 (C) | Estimated Year 2010 (D) | Test Year 2011 (E) | Line No. |
|----------------------------|--------------------------------|------------------------|------------------------------|-------------------------|-------------------------|--------------------|----------|
| <u>Total Escalated</u> | | | | | | | |
| 1 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 1 |
| 2 | Gathering | 0 | 0 | 0 | 0 | 0 | 2 |
| 3 | Storage | 0 | 0 | 2,892 | 2,980 | 3,565 | 3 |
| 4 | Transmission | 0 | 0 | 0 | 0 | 0 | 4 |
| 5 | Distribution | 166,201 | 166,201 | 200,462 | 176,349 | 192,076 | 5 |
| 6 | Customer Accounts | 150,370 | 150,370 | 157,624 | 147,327 | 132,594 | 6 |
| 7 | Customer Services | 3,854 | 3,854 | 3,468 | 3,566 | 5,049 | 7 |
| 8 | Administrative and General | 202,854 | 196,024 | 196,009 | 196,312 | 179,615 | 8 |
| 9 | Other | 0 | 0 | 0 | 0 | 0 | 9 |
| 10 | Total Escalated | 523,279 | 516,449 | 560,456 | 526,535 | 512,899 | 10 |
| 11 | Wage Related A&G Escalated | 8,030 | 7,846 | 8,017 | 8,384 | 10,121 | 11 |
| <u>Total Non-Escalated</u> | | | | | | | |
| 12 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 12 |
| 13 | Gathering | 0 | 0 | 0 | 0 | 0 | 13 |
| 14 | Storage | 0 | 0 | 2,791 | 2,781 | 3,216 | 14 |
| 15 | Transmission | 0 | 0 | 0 | 0 | 0 | 15 |
| 16 | Distribution | 166,201 | 166,201 | 193,830 | 165,558 | 173,335 | 16 |
| 17 | Customer Accounts | 150,370 | 150,370 | 151,910 | 137,117 | 119,296 | 17 |
| 18 | Customer Services | 3,854 | 3,854 | 3,342 | 3,324 | 4,556 | 18 |
| 19 | Administrative and General | 202,854 | 196,024 | 192,006 | 189,040 | 168,371 | 19 |
| 20 | Other | 0 | 0 | 0 | 0 | 0 | 20 |
| 21 | Total Non-Escalated | 523,279 | 516,449 | 543,880 | 497,821 | 468,774 | 21 |
| 22 | Wage Related A&G Non-Escalated | 8,030 | 7,846 | 7,727 | 7,789 | 9,063 | 22 |
| <u>Total Escalation</u> | | | | | | | |
| 23 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 23 |
| 24 | Gathering | 0 | 0 | 0 | 0 | 0 | 24 |
| 25 | Storage | 0 | 0 | 101 | 199 | 350 | 25 |
| 26 | Transmission | 0 | 0 | 0 | 0 | 0 | 26 |
| 27 | Distribution | 0 | 0 | 6,632 | 10,791 | 18,740 | 27 |
| 28 | Customer Accounts | 0 | 0 | 5,714 | 10,210 | 13,298 | 28 |
| 29 | Customer Services | 0 | 0 | 126 | 243 | 493 | 29 |
| 30 | Administrative and General | 0 | 0 | 4,003 | 7,271 | 11,244 | 30 |
| 31 | Other | 0 | 0 | 0 | 0 | 0 | 31 |
| 32 | Total Escalation | 0 | 0 | 16,576 | 28,714 | 44,124 | 32 |
| 33 | Wage Related A&G Escalation | 0 | 0 | 290 | 595 | 1,058 | 33 |

4

Pacific Gas and Electric Company
 2011 CPUC General Rate Case (SETTLEMENT)
 Labor Escalation
 Gas Distribution
 (Thousands of Dollars)

| Line No. | Description | Recorded Year 2008 (A) | Adj Recorded Year 2008RA (B) | Estimated Year 2009 (C) | Estimated Year 2010 (D) | Test Year 2011 (E) | Line No. |
|----------------------------|--------------------------------|------------------------|------------------------------|-------------------------|-------------------------|--------------------|----------|
| <u>Labor Escalated</u> | | | | | | | |
| 1 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 1 |
| 2 | Gathering | 0 | 0 | 0 | 0 | 0 | 2 |
| 3 | Storage | 0 | 0 | 2,516 | 2,591 | 3,106 | 3 |
| 4 | Transmission | 0 | 0 | 0 | 0 | 0 | 4 |
| 5 | Distribution | 124,124 | 124,124 | 129,652 | 125,370 | 147,473 | 5 |
| 6 | Customer Accounts | 103,017 | 103,017 | 112,002 | 101,072 | 79,596 | 6 |
| 7 | Customer Services | 1,652 | 1,652 | 1,655 | 1,649 | 2,356 | 7 |
| 8 | Administrative and General | 52,431 | 63,085 | 60,268 | 60,610 | 60,352 | 8 |
| 9 | Other | 0 | 0 | 0 | 0 | 0 | 9 |
| 10 | Total Labor Escalated | 281,224 | 291,877 | 306,092 | 291,292 | 292,882 | 10 |
| 11 | Wage Related A&G Escalated | 8,030 | 7,846 | 8,017 | 8,384 | 10,121 | 11 |
| <u>Labor Non-Escalated</u> | | | | | | | |
| 12 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 12 |
| 13 | Gathering | 0 | 0 | 0 | 0 | 0 | 13 |
| 14 | Storage | 0 | 0 | 2,425 | 2,407 | 2,781 | 14 |
| 15 | Transmission | 0 | 0 | 0 | 0 | 0 | 15 |
| 16 | Distribution | 124,124 | 124,124 | 124,965 | 116,471 | 132,053 | 16 |
| 17 | Customer Accounts | 103,017 | 103,017 | 107,953 | 93,897 | 71,273 | 17 |
| 18 | Customer Services | 1,652 | 1,652 | 1,595 | 1,532 | 2,110 | 18 |
| 19 | Administrative and General | 52,431 | 63,085 | 58,090 | 56,308 | 54,041 | 19 |
| 20 | Other | 0 | 0 | 0 | 0 | 0 | 20 |
| 21 | Total Labor Non-Escalated | 281,224 | 291,877 | 295,029 | 270,615 | 262,258 | 21 |
| 22 | Wage Related A&G Non-Escalated | 8,030 | 7,846 | 7,727 | 7,789 | 9,063 | 22 |
| <u>Labor Escalation</u> | | | | | | | |
| 23 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 23 |
| 24 | Gathering | 0 | 0 | 0 | 0 | 0 | 24 |
| 25 | Storage | 0 | 0 | 91 | 184 | 325 | 25 |
| 26 | Transmission | 0 | 0 | 0 | 0 | 0 | 26 |
| 27 | Distribution | 0 | 0 | 4,686 | 8,899 | 15,420 | 27 |
| 28 | Customer Accounts | 0 | 0 | 4,048 | 7,174 | 8,323 | 28 |
| 29 | Customer Services | 0 | 0 | 60 | 117 | 246 | 29 |
| 30 | Administrative and General | 0 | 0 | 2,178 | 4,302 | 6,310 | 30 |
| 31 | Other | 0 | 0 | 0 | 0 | 0 | 31 |
| 32 | Total Labor Escalation | 0 | 0 | 11,064 | 20,677 | 30,624 | 32 |
| 33 | Wage Related A&G Escalation | 0 | 0 | 290 | 595 | 1,058 | 33 |
| 34 | Labor Escalation Rate | 0.0000 | 0.0000 | 0.0375 | 0.0375 | 0.0375 | 34 |
| 35 | Labor Escalation Factor | 1.0000 | 1.0000 | 1.0375 | 1.0764 | 1.1168 | 35 |

5

Pacific Gas and Electric Company
 2011 CPUC General Rate Case (SETTLEMENT)
 Materials and Services Escalation
 Gas Distribution
 (Thousands of Dollars)

| Line No. | Description | Recorded Year 2008 (A) | Adj Recorded Year 2008RA (B) | Estimated Year 2009 (C) | Estimated Year 2010 (D) | Test Year 2011 (E) | Line No. |
|---|--|------------------------|------------------------------|-------------------------|-------------------------|--------------------|----------|
| <u>Materials and Supplies Escalated</u> | | | | | | | |
| 1 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 1 |
| 2 | Gathering | 0 | 0 | 0 | 0 | 0 | 2 |
| 3 | Storage | 0 | 0 | 376 | 389 | 459 | 3 |
| 4 | Transmission | 0 | 0 | 0 | 0 | 0 | 4 |
| 5 | Distribution | 42,077 | 42,077 | 70,811 | 50,979 | 65,603 | 5 |
| 6 | Customer Accounts | 47,353 | 47,353 | 45,622 | 46,256 | 54,356 | 6 |
| 7 | Customer Services | 2,202 | 2,202 | 1,814 | 1,918 | 2,693 | 7 |
| 8 | Administrative and General | 64,539 | 52,624 | 49,991 | 45,245 | 53,894 | 8 |
| 9 | Other | 0 | 0 | 0 | 0 | 0 | 9 |
| 10 | Total Materials and Supplies Escalated | 156,171 | 144,256 | 168,614 | 144,786 | 177,005 | 10 |
| 11 | Wage Related A&G Escalated | 0 | 0 | 0 | 0 | 0 | 11 |
| <u>Materials and Supplies Non-Escalated</u> | | | | | | | |
| 12 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 12 |
| 13 | Gathering | 0 | 0 | 0 | 0 | 0 | 13 |
| 14 | Storage | 0 | 0 | 366 | 374 | 435 | 14 |
| 15 | Transmission | 0 | 0 | 0 | 0 | 0 | 15 |
| 16 | Distribution | 42,077 | 42,077 | 68,865 | 49,088 | 62,283 | 16 |
| 17 | Customer Accounts | 47,353 | 47,353 | 43,957 | 43,220 | 49,380 | 17 |
| 18 | Customer Services | 2,202 | 2,202 | 1,747 | 1,792 | 2,447 | 18 |
| 19 | Administrative and General | 64,539 | 52,624 | 48,166 | 42,276 | 48,961 | 19 |
| 20 | Other | 0 | 0 | 0 | 0 | 0 | 20 |
| 21 | Total Materials and Supplies Non-Escalated | 156,171 | 144,256 | 163,101 | 136,750 | 163,505 | 21 |
| 22 | Wage Related A&G Non-Escalated | 0 | 0 | 0 | 0 | 0 | 22 |
| <u>Materials and Supplies Escalation</u> | | | | | | | |
| 23 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 23 |
| 24 | Gathering | 0 | 0 | 0 | 0 | 0 | 24 |
| 25 | Storage | 0 | 0 | 10 | 15 | 25 | 25 |
| 26 | Transmission | 0 | 0 | 0 | 0 | 0 | 26 |
| 27 | Distribution | 0 | 0 | 1,946 | 1,892 | 3,320 | 27 |
| 28 | Customer Accounts | 0 | 0 | 1,666 | 3,035 | 4,975 | 28 |
| 29 | Customer Services | 0 | 0 | 66 | 126 | 247 | 29 |
| 30 | Administrative and General | 0 | 0 | 1,825 | 2,969 | 4,933 | 30 |
| 31 | Other | 0 | 0 | 0 | 0 | 0 | 31 |
| 32 | Total Materials and Supplies Escalation | 0 | 0 | 5,513 | 8,037 | 13,500 | 32 |
| 33 | Wage Related A&G Escalation | 0 | 0 | 0 | 0 | 0 | 33 |
| 34 | Materials and Supplies Escalation Rate | 0.0000 | 0.0000 | 0.0338 | 0.0242 | 0.0225 | 34 |
| 35 | Materials and Supplies Escalation Factor | 1.0000 | 1.0000 | 1.0338 | 1.0588 | 1.0826 | 35 |

Pacific Gas and Electric Company
 2011 CPUC General Rate Case (SETTLEMENT)
 Medical Escalation
 Gas Distribution
 (Thousands of Dollars)

| Line No. | Description | Recorded Year 2008 (A) | Adj Recorded Year 2008RA (B) | Estimated Year 2009 (C) | Estimated Year 2010 (D) | Test Year 2011 (E) | Line No. |
|------------------------------|--------------------------------|------------------------|------------------------------|-------------------------|-------------------------|--------------------|----------|
| <u>Medical Escalated</u> | | | | | | | |
| 1 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 1 |
| 2 | Gathering | 0 | 0 | 0 | 0 | 0 | 2 |
| 3 | Storage | 0 | 0 | 0 | 0 | 0 | 3 |
| 4 | Transmission | 0 | 0 | 0 | 0 | 0 | 4 |
| 5 | Distribution | 0 | 0 | 0 | 0 | 0 | 5 |
| 6 | Customer Accounts | 0 | 0 | 0 | 0 | 0 | 6 |
| 7 | Customer Services | 0 | 0 | 0 | 0 | 0 | 7 |
| 8 | Administrative and General | 30,252 | 29,430 | 32,612 | 35,524 | 36,991 | 8 |
| 9 | Other | 0 | 0 | 0 | 0 | 0 | 9 |
| 10 | Total Medical Escalated | 30,252 | 29,430 | 32,612 | 35,524 | 36,991 | 10 |
| 11 | Wage Related A&G Escalated | 0 | 0 | 0 | 0 | 0 | 11 |
| <u>Medical Non-Escalated</u> | | | | | | | |
| 12 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 12 |
| 13 | Gathering | 0 | 0 | 0 | 0 | 0 | 13 |
| 14 | Storage | 0 | 0 | 0 | 0 | 0 | 14 |
| 15 | Transmission | 0 | 0 | 0 | 0 | 0 | 15 |
| 16 | Distribution | 0 | 0 | 0 | 0 | 0 | 16 |
| 17 | Customer Accounts | 0 | 0 | 0 | 0 | 0 | 17 |
| 18 | Customer Services | 0 | 0 | 0 | 0 | 0 | 18 |
| 19 | Administrative and General | 30,252 | 29,430 | 32,612 | 35,524 | 36,991 | 19 |
| 20 | Other | 0 | 0 | 0 | 0 | 0 | 20 |
| 21 | Total Medical Non-Escalated | 30,252 | 29,430 | 32,612 | 35,524 | 36,991 | 21 |
| 22 | Wage Related A&G Non-Escalated | 0 | 0 | 0 | 0 | 0 | 22 |
| <u>Medical Escalation</u> | | | | | | | |
| 23 | Energy Cost | 0 | 0 | 0 | 0 | 0 | 23 |
| 24 | Gathering | 0 | 0 | 0 | 0 | 0 | 24 |
| 25 | Storage | 0 | 0 | 0 | 0 | 0 | 25 |
| 26 | Transmission | 0 | 0 | 0 | 0 | 0 | 26 |
| 27 | Distribution | 0 | 0 | 0 | 0 | 0 | 27 |
| 28 | Customer Accounts | 0 | 0 | 0 | 0 | 0 | 28 |
| 29 | Customer Services | 0 | 0 | 0 | 0 | 0 | 29 |
| 30 | Administrative and General | 0 | 0 | 0 | 0 | 0 | 30 |
| 31 | Other | 0 | 0 | 0 | 0 | 0 | 31 |
| 32 | Total Medical Escalation | 0 | 0 | 0 | 0 | 0 | 32 |
| 33 | Wage Related A&G Escalation | 0 | 0 | 0 | 0 | 0 | 33 |
| 34 | Medical Escalation Rate | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 34 |
| 35 | Medical Escalation Factor | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 35 |