

Application	:	<u>A.05-12-002</u>
Exhibit Number	:	<u>DRA-2</u>
Commissioner	:	<u>Bohn</u>
Admin. Law Judges	:	<u>Kenney, Econome</u>
Witness	:	<u>Jarjoura</u>



**DIVISION OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Report on the Results of Operations
Electric and Gas Distribution
Electric Generation
for
Pacific Gas and Electric Company**

**General Rate Case
Test Year 2007**

Summary of Earnings

San Francisco, California
April 14, 2006

1 **SUMMARY OF EARNINGS**

2
3 **I. INTRODUCTION**

4 The summary of earnings tables for gas distribution, electric distribution, and
5 electric generation are displayed in this exhibit. The revenue requirements are
6 calculated by a computer model developed by PG&E and referred to as the Results of
7 Operations (RO) model. The data inputs are provided by the various DRA witnesses.
8 These inputs are then used by the RO model to calculate the Results of Operations.
9

10 **II. SUMMARY OF RECOMMENDATIONS**

11 The Results of Operations for electric and gas distribution are summarized in
12 four tables shown at the end of this exhibit:

- 13 • Table 2-1 contains DRA’s recommended revenue requirements for electric
14 and gas distribution at present and proposed rates.
- 15 • Table 2-2 shows PG&E’s requested revenue requirements for electric and
16 gas distribution at present and proposed rates.
- 17 • Table 2-3 displays the comparison between DRA and PG&E revenue
18 requirements for **electric** distribution at proposed rates.
- 19 • Table 2-4 compares DRA and PG&E’s revenue requirements for **gas**
20 distribution at proposed rates.

21 The Results of Operations for total electric generation are summarized in three
22 tables:

- 23 • Table 2-5 displays DRA’s recommended revenue requirements for total
24 electric generation at present and proposed rates.
- 25 • Table 2-6 shows PG&E’s requested revenue requirements for total electric
26 generation at present and proposed rates.
- 27 • Table 2-7 compares DRA and PG&E’s revenue requirements for total
28 electric generation at proposed rates.

29 Table 2-8 presents DRA’s electric and gas distribution revenue summary for
30 2007, and shows revenues at present rates, the increase in rate case revenue, the
31 increase in CPUC revenue from sales, and revenues at proposed rates.
32

1 DRA recommends that the Commission order PG&E to address issues related
2 to the RO model's presentation, as identified in Section III (Discussion) in time for
3 the utility's next GRC filing.
4

5 **III. DISCUSSION**

6 **A. Presentation of the TY2007 Results of Operation Model**

7 PG&E and its consultants originally developed the RO model for the 2003 test
8 year and used it to calculate the results of operation for that application. DRA tested
9 that RO model filed with the 2003 test year application and found it to reflect a
10 reasonable method of determining the summary of earnings.

11 In the current GRC application, for test year 2007, PG&E made several
12 changes and modifications to the original RO model. Based on the initial review of
13 the RO, DRA found some of these changes to add confusion and reduce the model's
14 ability to dynamically account for changes made at the input level without
15 intervention by the modeler. The following two paragraphs describe some of the
16 changes that actually made the model less effective than the one used in the prior
17 GRC.

18 The inputs to the current RO model are not marked clearly nor are they
19 consistent. The inputs for O&M expenses are in nominal dollars and are stated for
20 each major work category (MWC), but the inputs for A&G expenses are in 2004
21 constant dollars and are stated in labor, M&S, and others for each FERC account.
22 The RO in its current form cannot recalculate the revenue requirement if the
23 embedded escalation rates are changed or updated.

24 AFUDC and overhead rates are embedded in PG&E's forecast of capital
25 expenditures. These capital expenditures are entered in the RO model fully loaded. If
26 the AFUDC or overhead rate is changed due to changes in some interest rate or in
27 A&G expenses, the RO cannot update the capital expenditures automatically without
28 manual intervention by the modeler.

1 DRA recommends that the Commission order PG&E to address and remedy
2 the issues outlined above, and improve the model's presentation, in time for the
3 utility's next GRC filing. DRA continues to test the model; if DRA finds any
4 additional anomalies, it will update its recommendations.

5 **B. RO Models Provided by PG&E in this GRC**

6 DRA received three versions of the RO model. The first was with PG&E's
7 NOI filing, the second was with PG&E's application, and the third was for the
8 January 2006 updated filing.

9 DRA used the latest version, from the January 2006 updated filing, to calculate
10 the results of operations depicted in this report. The various DRA witnesses provided
11 the input data for the RO model. Discussions and analyses of the input data are
12 contained in various DRA exhibits. DRA made some minor modifications to PG&E's
13 latest version of the RO model and some manual inputs to accommodate some
14 witnesses' request, so that the RO could reflect their recommendations.

15 The values shown in the following tables were extracted from two RO runs.
16 The numbers shown in the PG&E columns were extracted from the RO version that
17 was filed with PG&E's update on January 31, 2006. The figures displayed in the
18 DRA columns were extracted from a DRA scenario adapted from the latest RO
19 version provided by PG&E in it January 31, 2006 updated filing.

Table 2-1										
Pacific Gas and Electric Company										
2007 General Rate Case - Application - January Update										
DRA'S Summary of Earnings										
Electric and Gas Distribution										
(Thousands of Dollars)										
Line		Revenues At Present Rates		Revenues At Proposed Rates		Difference (\$)		Difference (%)		Line
No.	Description	Electric	Gas	Electric	Gas	Electric	Gas	Electric	Gas	No.
1	Revenue at Effective Rates	2,639,576	1,043,191	2,792,508	1,017,044	152,932	(26,147)	5.79%	(2.51%)	1
2	Less Non-General Revenue	90,027	0	90,027	0	0	0	0.00%	NA	2
3	General Rate Case Revenue	2,729,603	1,043,191	2,882,535	1,017,044	152,932	(26,147)	5.60%	(2.51%)	3
4	Energy Costs*	0	0	0	0	0	0	NA	NA	4
5	Other Production*	0	0	0	0	0	0	NA	NA	5
6	Storage*	0	0	0	0	0	0	NA	NA	6
7	Transmission*	669	3,464	669	3,464	0	0	0.00%	0.00%	7
8	Distribution*	427,981	115,325	427,981	115,325	0	0	0.00%	0.00%	8
9	Customer Accounts*	220,803	157,048	220,803	157,048	0	0	0.00%	0.00%	9
10	Uncollectibles	7,035	2,630	7,429	2,564	394	(66)	5.60%	(2.51%)	10
11	Customer Services*	3,065	7,764	3,065	7,764	0	0	0.00%	0.00%	11
12	Administrative and General*	291,952	163,483	291,952	163,483	0	0	0.00%	0.00%	12
13	Franchise Requirements	20,662	9,890	21,820	9,642	1,158	(248)	5.60%	(2.51%)	13
14	Project Amortization	0	0	0	0	0	0	NA	NA	14
15	Wage Change Impacts	42,703	24,393	42,703	24,393	0	0	0.00%	0.00%	15
16	Other Price Change Impacts	21,732	7,929	21,732	7,929	0	0	0.00%	0.00%	16
17	Other Adjustments*	(9,197)	(2,460)	(9,197)	(2,460)	0	0	0.00%	0.00%	17
18	Subtotal Expenses:	1,027,406	489,465	1,028,958	489,151	1,552	(314)	0.15%	(0.06%)	18
19	Superfund	0	0	0	0	0	0	NA	NA	19
20	Property	91,082	22,842	91,082	22,842	0	0	0.00%	0.00%	20
21	Payroll	35,438	20,257	35,438	20,257	0	0	0.00%	0.00%	21
22	Business	387	221	387	221	0	0	0.00%	0.00%	22
23	Other	108	62	108	62	0	0	0.00%	0.00%	23
24	State Corporation Franchise	59,268	21,649	72,650	19,366	13,382	(2,284)	22.58%	(10.55%)	24
25	Federal Income	250,100	85,821	303,083	76,779	52,983	(9,042)	21.18%	(10.54%)	25
26	Total Taxes	436,383	150,852	502,748	139,527	66,365	(11,325)	15.21%	(7.51%)	26
27	Depreciation	608,032	199,344	608,032	199,344	0	0	0.00%	0.00%	27
28	Fossil Decommissioning	0	0	0	0	0	0	NA	NA	28
29	Nuclear Decommissioning	0	0	0	0	0	0	NA	NA	29
30	Total Operating Expenses	2,071,821	839,661	2,139,738	828,022	67,917	(11,639)	3.28%	(1.39%)	30
31	Net for Return	657,782	203,530	742,797	189,022	85,015	(14,508)	12.92%	(7.13%)	31
32	Rate Base	8,451,822	2,150,763	8,451,822	2,150,763	0	0	0.00%	0.00%	32
	RATE OF RETURN:									
33	On Rate Base	7.78%	9.46%	8.79%	8.79%	1.01%	(0.67%)	12.92%	(7.13%)	33
34	On Equity	9.42%	12.65%	11.35%	11.35%	1.93%	(1.30%)	20.54%	(10.26%)	34
	* = Constant Dollars									

Table 2-2										
Pacific Gas and Electric Company										
2007 General Rate Case - Application - January Update										
PG&E'S Summary of Earnings										
Electric and Gas Distribution										
(Thousands of Dollars)										
Line		Revenues At Present Rates		Revenues At Proposed Rates		Difference (\$)		Difference (%)		Line
No.	Description	Electric	Gas	Electric	Gas	Electric	Gas	Electric	Gas	No.
	REVENUE:									
1	Revenue at Effective Rates	2,639,576	1,043,191	3,060,461	1,124,156	420,885	80,965	15.95%	7.76%	1
2	Less Non-General Revenue	90,027	0	90,027	0	0	0	0.00%	NA	2
3	General Rate Case Revenue	2,729,603	1,043,191	3,150,488	1,124,156	420,885	80,965	15.42%	7.76%	3
	OPERATING EXPENSES:									
4	Energy Costs*	0	0	0	0	0	0	NA	NA	4
5	Other Production*	0	0	0	0	0	0	NA	NA	5
6	Storage*	0	0	0	0	0	0	NA	NA	6
7	Transmission*	669	3,464	669	3,464	0	0	0.00%	0.00%	7
8	Distribution*	468,920	126,826	468,920	126,826	0	0	0.00%	0.00%	8
9	Customer Accounts*	232,034	164,939	232,034	164,939	0	0	0.00%	0.00%	9
10	Uncollectibles	7,948	2,971	9,173	3,201	1,226	231	15.42%	7.76%	10
11	Customer Services*	3,069	11,165	3,069	11,165	0	0	0.00%	0.00%	11
12	Administrative and General*	397,191	222,413	397,191	222,413	0	0	0.00%	0.00%	12
13	Franchise Requirements	20,655	9,886	23,840	10,654	3,185	767	15.42%	7.76%	13
14	Project Amortization	0	0	0	0	0	0	NA	NA	14
15	Wage Change Impacts	46,250	26,348	46,250	26,348	0	0	0.00%	0.00%	15
16	Other Price Change Impacts	26,405	10,405	26,405	10,405	0	0	0.00%	0.00%	16
17	Other Adjustments*	(9,197)	(2,460)	(9,197)	(2,460)	0	0	0.00%	0.00%	17
18	Subtotal Expenses:	1,193,944	575,958	1,198,355	576,956	4,410	998	0.37%	0.17%	18
	TAXES:									
19	Superfund	0	0	0	0	0	0	NA	NA	19
20	Property	91,280	22,912	91,280	22,912	0	0	0.00%	0.00%	20
21	Payroll	38,480	21,933	38,480	21,933	0	0	0.00%	0.00%	21
22	Business	390	222	390	222	0	0	0.00%	0.00%	22
23	Other	109	62	109	62	0	0	0.00%	0.00%	23
24	State Corporation Franchise	42,341	13,053	79,158	20,122	36,816	7,069	86.95%	54.16%	24
25	Federal Income	165,708	50,828	311,474	78,817	145,766	27,988	87.97%	55.06%	25
26	Total Taxes	338,308	109,010	520,890	144,068	182,582	35,058	53.97%	32.16%	26
27	Depreciation	679,393	209,788	679,393	209,788	0	0	0.00%	0.00%	27
28	Fossil Decommissioning	0	0	0	0	0	0	NA	NA	28
29	Nuclear Decommissioning	0	0	0	0	0	0	NA	NA	29
30	Total Operating Expenses	2,211,646	894,757	2,398,638	930,812	186,993	36,055	8.45%	4.03%	30
31	Net for Return	517,957	148,434	751,849	193,344	233,892	44,909	45.16%	30.26%	31
32	Rate Base	8,554,825	2,199,940	8,554,825	2,199,940	0	0	0.00%	0.00%	32
	RATE OF RETURN:									
33	On Rate Base	6.05%	6.75%	8.79%	8.79%	2.73%	2.04%	45.16%	30.26%	33
34	On Equity	6.09%	7.42%	11.35%	11.35%	5.26%	3.93%	86.30%	52.88%	34
	* = Constant Dollars									

Table 2-3
Pacific Gas and Electric Company
2007 General Rate Case - Application - January Update
Comparison of Summary of Earnings At Proposed Rates

Electric Distribution
(Thousands of Dollars)

Line No.	Description	DRA	PG&E	PG&E Exceeds DRA (\$)	PG&E Exceeds DRA (%)
1	Revenue at Effective Rates	2,792,508	3,060,461	267,953	9.60%
2	Less Non-General Revenue	90,027	90,027	0	0.00%
3	General Rate Case Revenue	2,882,535	3,150,488	267,953	9.30%
OPERATING EXPENSES:					
4	Energy Costs*	0	0	0	NA
5	Other Production*	0	0	0	NA
6	Storage*	0	0	0	NA
7	Transmission*	669	669	0	0.00%
8	Distribution*	427,981	468,920	40,939	9.57%
9	Customer Accounts*	220,803	232,034	11,231	5.09%
10	Uncollectibles	7,429	9,173	1,744	23.48%
11	Customer Services*	3,065	3,069	4	0.13%
12	Administrative and General*	291,952	397,191	105,239	36.05%
13	Franchise Requirements	21,820	23,840	2,020	9.26%
14	Project Amortization	0	0	0	NA
15	Wage Change Impacts	42,703	46,250	3,547	8.31%
16	Other Price Change Impacts	21,732	26,405	4,673	21.50%
17	Other Adjustments*	(9,197)	(9,197)	0	0.00%
18	Subtotal Expenses:	1,028,958	1,198,355	169,397	16.46%
TAXES:					
19	Superfund	0	0	0	NA
20	Property	91,082	91,280	198	0.22%
21	Payroll	35,438	38,480	3,042	8.58%
22	Business	387	390	3	0.77%
23	Other	108	109	1	0.77%
24	State Corporation Franchise	72,650	79,158	6,507	8.96%
25	Federal Income	303,083	311,474	8,391	2.77%
26	Total Taxes	502,748	520,890	18,142	3.61%
27	Depreciation	608,032	679,393	71,361	11.74%
28	Fossil Decommissioning	0	0	0	NA
29	Nuclear Decommissioning	0	0	0	NA
30	Total Operating Expenses	2,139,738	2,398,638	258,900	12.10%
31	Net for Return	742,797	751,849	9,053	1.22%
32	Rate Base	8,451,822	8,554,825	103,003	1.22%
RATE OF RETURN:					
33	On Rate Base	8.79%	8.79%	(0.00%)	(0.00%)
34	On Equity	11.35%	11.35%	(0.00%)	(0.00%)
* = Constant Dollars					

Table2-4
Pacific Gas and Electric Company
2007 General Rate Case - Application - January Update
Comparison of Summary of Earnings At Proposed Rates
Gas Distribution
(Thousands of Dollars)

Line No.	Description	DRA	PG&E	PG&E Exceeds DRA (\$)	PG&E Exceeds DRA (%)
1	Revenue at Effective Rates	1,017,044	1,124,156	107,112	10.53%
2	Less Non-General Revenue	0	0	0	NA
3	General Rate Case Revenue	1,017,044	1,124,156	107,112	10.53%
4	Energy Costs*	0	0	0	NA
5	Other Production*	0	0	0	NA
6	Storage*	0	0	0	NA
7	Transmission*	3,464	3,464	0	0.00%
8	Distribution*	115,325	126,826	11,502	9.97%
9	Customer Accounts*	157,048	164,939	7,891	5.02%
10	Uncollectibles	2,564	3,201	638	24.87%
11	Customer Services*	7,764	11,165	3,402	43.81%
12	Administrative and General*	163,483	222,413	58,931	36.05%
13	Franchise Requirements	9,642	10,654	1,012	10.49%
14	Project Amortization	0	0	0	NA
15	Wage Change Impacts	24,393	26,348	1,955	8.01%
16	Other Price Change Impacts	7,929	10,405	2,475	31.22%
17	Other Adjustments*	(2,460)	(2,460)	0	0.00%
18	Subtotal Expenses:	489,151	576,956	87,805	17.95%
19	Superfund	0	0	0	NA
20	Property	22,842	22,912	69	0.30%
21	Payroll	20,257	21,933	1,676	8.28%
22	Business	221	222	1	0.48%
23	Other	62	62	0	0.48%
24	State Corporation Franchise	19,366	20,122	756	3.91%
25	Federal Income	76,779	78,817	2,037	2.65%
26	Total Taxes	139,527	144,068	4,541	3.25%
27	Depreciation	199,344	209,788	10,444	5.24%
28	Fossil Decommissioning	0	0	0	NA
29	Fossil Decommissioning	0	0	0	NA
30	Total Operating Expenses	828,022	930,812	102,790	12.41%
31	Net for Return	189,022	193,344	4,322	2.29%
32	Rate Base	2,150,763	2,199,940	49,177	2.29%
33	RATE OF RETURN: On Rate Base	8.79%	8.79%	(0.00%)	(0.00%)
34	On Equity	11.35%	11.35%	(0.00%)	(0.00%)
	* = Constant Dollars				

Table 2-5
Pacific Gas and Electric Company
2007 General Rate Case - Application - January Update
DRA'S Summary of Earnings
Total Generation
(Thousands of Dollars)

Line No.	Description	Revenues at Present Rates	Revenues at Proposed Rates	Difference \$ Amount	Difference %	Line No.
REVENUE:						
1	Revenue at Effective Rates	1,046,345	928,799	(117,546)	(11.23%)	1
2	Less Non-General Revenue	1,260	1,260	0	0.00%	2
3	General Rate Case Revenue	1,047,605	930,059	(117,546)	(11.22%)	3
OPERATING EXPENSES:						
4	Energy Costs*	0	0	0	NA	4
5	Other Production*	369,205	369,205	0	0.00%	5
6	Storage*	0	0	0	NA	6
7	Transmission*	5,154	5,154	0	0.00%	7
8	Distribution*	0	0	0	NA	8
9	Customer Accounts*	0	0	0	NA	9
10	Uncollectibles	2,700	2,397	(303)	(11.22%)	10
11	Customer Services*	0	0	0	NA	11
12	Administrative and General*	157,691	157,691	0	0.00%	12
13	Franchise Requirements	7,930	7,040	(890)	(11.22%)	13
14	Amortization	6,476	6,476	0	0.00%	14
15	Wage Change Impacts	23,779	23,779	0	0.00%	15
16	Other Price Change Impacts	13,924	13,924	0	0.00%	16
17	Other Adjustments*	0	0	0	NA	17
18	Subtotal Expenses:	586,860	585,667	(1,193)	(0.20%)	18
TAXES:						
19	Superfund	0	0	0	NA	19
20	Property	23,789	23,789	0	0.00%	20
21	Payroll	19,756	19,756	0	0.00%	21
22	Business	216	216	0	0.00%	22
23	Other	60	60	0	0.00%	23
24	State Corporation Franchise	21,395	11,110	(10,286)	(48.07%)	24
25	Federal Income	80,509	39,785	(40,724)	(50.58%)	25
26	Total Taxes	145,725	94,716	(51,009)	(35.00%)	26
27	Depreciation	131,360	131,360	0	0.00%	27
28	Fossil Decommissioning	(33,994)	(33,994)	0	0.00%	28
29	Nuclear Decommissioning	0	0	0	NA	29
30	Total Operating Expenses	829,950	777,748	(52,202)	(6.29%)	30
31	Net for Return	217,655	152,311	(65,344)	(30.02%)	31
32	Rate Base	1,733,049	1,733,049	0	0.00%	32
RATE OF RETURN:						
33	On Rate Base	12.56%	8.79%	(3.77%)	(30.02%)	33
34	On Equity	18.60%	11.35%	(7.25%)	(38.98%)	34
* = Constant Dollars						

Table 2-6						
Pacific Gas and Electric Company						
2007 General Rate Case - Application - January Update						
PG&E'S Summary of Earnings						
Total Generation						
(Thousands of Dollars)						
Line No.	Description	Revenues at Present Rates	Revenues at Proposed Rates	Difference \$ Amount	Difference %	Line No.
REVENUE:						
1	Revenue at Effective Rates	1,046,345	1,100,552	54,207	5.18%	1
2	Less Non-General Revenue	1,260	1,260	0	0.00%	2
3	General Rate Case Revenue	1,047,605	1,101,812	54,207	5.17%	3
OPERATING EXPENSES:						
4	Energy Costs*	0	0	0	NA	4
5	Other Production*	416,643	416,643	0	0.00%	5
6	Storage*	0	0	0	NA	6
7	Transmission*	5,154	5,154	0	0.00%	7
8	Distribution*	0	0	0	NA	8
9	Customer Accounts*	0	0	0	NA	9
10	Uncollectibles	3,050	3,208	158	5.17%	10
11	Customer Services*	0	0	0	NA	11
12	Administrative and General*	214,533	214,533	0	0.00%	12
13	Franchise Requirements	7,927	8,338	410	5.17%	13
14	Amortization	6,476	6,476	0	0.00%	14
15	Wage Change Impacts	26,058	26,058	0	0.00%	15
16	Other Price Change Impacts	17,616	17,616	0	0.00%	16
17	Other Adjustments*	0	0	0	NA	17
18	Subtotal Expenses:	697,458	698,026	568	0.08%	18
TAXES:						
19	Superfund	0	0	0	NA	19
20	Property	23,821	23,821	0	0.00%	20
21	Payroll	21,711	21,711	0	0.00%	21
22	Business	220	220	0	0.00%	22
23	Other	61	61	0	0.00%	23
24	State Corporation Franchise	9,810	14,552	4,742	48.33%	24
25	Federal Income	36,639	55,413	18,774	51.24%	25
26	Total Taxes	92,262	115,778	23,515	25.49%	26
27	Depreciation	135,300	135,300	0	0.00%	27
28	Fossil Decommissioning	(30,046)	(30,046)	0	0.00%	28
29	Nuclear Decommissioning	0	0	0	NA	29
30	Total Operating Expenses	894,974	919,057	24,083	2.69%	30
31	Net for Return	152,631	182,755	30,124	19.74%	31
32	Rate Base	2,079,456	2,079,456	0	0.00%	32
RATE OF RETURN:						
33	On Rate Base	7.34%	8.79%	1.45%	19.74%	33
34	On Equity	8.56%	11.35%	2.79%	32.53%	34
* = Constant Dollars						

Table 2-7
Pacific Gas and Electric Company
2007 General Rate Case - Application - January Update
Comparison of Summary of Earnings At Proposed Rates

Total Generation
(Thousands of Dollars)

Line No.	Description	DRA	PG&E	PG&E Exceeds DRA (\$ Amount)	PG&E Exceeds DRA (%)	Line No.
REVENUE:						
1	Revenue at Effective Rates	928,799	1,100,552	171,753	18.49%	1
2	Less Non-General Revenue	1,260	1,260	0	0.00%	2
3	General Rate Case Revenue	930,059	1,101,812	171,753	18.47%	3
OPERATING EXPENSES:						
4	Energy Costs*	0	0	0	NA	4
5	Other Production*	369,205	416,643	47,437	12.85%	5
6	Storage*	0	0	0	NA	6
7	Transmission*	5,154	5,154	0	0.00%	7
8	Distribution*	0	0	0	NA	8
9	Customer Accounts*	0	0	0	NA	9
10	Uncollectibles	2,397	3,208	811	33.84%	10
11	Customer Services*	0	0	0	NA	11
12	Administrative and General*	157,691	214,533	56,842	36.05%	12
13	Franchise Requirements	7,040	8,338	1,297	18.43%	13
14	Amortization	6,476	6,476	0	0.00%	14
15	Wage Change Impacts	23,779	26,058	2,279	9.58%	15
16	Other Price Change Impacts	13,924	17,616	3,692	26.51%	16
17	Other Adjustments*	0	0	0	NA	17
18	Subtotal Expenses:	585,667	698,026	112,359	19.18%	18
TAXES:						
19	Superfund	0	0	0	NA	19
20	Property	23,789	23,821	32	0.13%	20
21	Payroll	19,756	21,711	1,955	9.89%	21
22	Business	216	220	4	1.98%	22
23	Other	60	61	1	1.98%	23
24	State Corporation Franchise	11,110	14,552	3,442	30.98%	24
25	Federal Income	39,785	55,413	15,628	39.28%	25
26	Total Taxes	94,716	115,778	21,062	22.24%	26
27	Depreciation	131,360	135,300	3,940	3.00%	27
28	Fossil Decommissioning	(33,994)	(30,046)	3,948	11.61%	28
29	Nuclear Decommissioning	0	0	0	NA	29
30	Total Operating Expenses	777,748	919,057	141,309	18.17%	30
31	Net for Return	152,311	182,755	30,444	19.99%	31
32	Rate Base	1,733,049	2,079,456	346,407	19.99%	32
RATE OF RETURN:						
33	On Rate Base	8.79%	8.79%	0	0.00%	33
34	On Equity	11.35%	11.35%	0	(0.00%)	34
* = Constant Dollars						

Table 2-8
Pacific Gas and Electric Company
2007 General Rate Case - Application - January Update DRA
Revenue Summary - Test Year 2007
Electric and Gas Distribution Summary
(Thousands of Dollars)

Line No.	Description	Total Electric	Total Gas	Line No.
<u>REVENUES AT PRESENT RATES</u>				
<u>CPUC Revenues (Retail)</u>				
1	Revenues from Sales	2,557,932	1,026,891	1
2	Plus: Non-Applicable Revenue	90,027	0	2
3	CPUC Revenue	2,647,959	1,026,891	3
4	Plus: Approved Other Operating Revenue	67,300	16,300	4
5	Rate Case Revenue	2,715,259	1,043,191	5
 <u>FERC Revenues (Wholesale)</u>				
6	Revenues from Sales	0	0	6
7	Plus: Non-Applicable Revenue	0	0	7
8	FERC Revenue	0	0	8
9	Plus: Other Operating Revenue	14,344	0	9
10	Rate Case Revenue	14,344	0	10
		0	0	
11	Total Rate Case Revenue	2,729,603	1,043,191	11
 <u>INCREASE IN RATE CASE REVENUE</u>				
12	CPUC Jurisdiction	152,124	(26,147)	12
13	FERC Jurisdiction	808	0	13
14	Total Increase	152,932	(26,147)	14
15	Percent	5.60%	(2.51%)	15
 <u>INCREASE IN CPUC REVENUE FROM SALES</u>				
16	Amount	135,894	(36,903)	16
17	Percent	5.31%	(3.59%)	17
 <u>REVENUES AT PROPOSED RATES</u>				
<u>CPUC Revenues (Retail)</u>				
18	Revenues from Sales	2,693,826	989,988	18
19	Plus: Non-Applicable Revenue	90,027	0	19
20	CPUC Revenue	2,783,853	989,988	20
21	Plus: Other Operating Revenue	83,530	27,056	21
22	Rate Case Revenue	2,867,383	1,017,044	22
 <u>FERC Revenues (Wholesale)</u>				
23	Revenues from Sales	808	0	23
24	Plus: Non-Applicable Revenue	0	0	24
25	FERC Revenue	808	0	25
26	Plus: Other Operating Revenue	14,344	0	26
27	Rate Case Revenue	15,152	0	27
		0	0	
28	Total Rate Case Revenue	2,882,535	1,017,044	28