STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

November 29, 2010

Advice Letter 3160-G/3750-E

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

Subject: Revision of PG&E's Tariffs to Reflect the Extension of Lower ITCC Rates Due to Tax Law Changes

Dear Ms. Yura:

Advice Letter 3160-G/3750-E is effective January 1, 2010.

Sincerely,

Julie A. Fitch, Director
Energy Division

STATE OF CALIFORNIA ARNOLD SCHWARZENEGGER, *Governor*

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Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
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Sincerely,

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Pacific Gas and Electric Company™

Jane K. Yura
Vice President
Regulation and Rates

Mailing Address
Mail Code B10B
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

October 29, 2010

Advice 3160-G/3750-E
Pacific Gas and Electric Company (U 39-M)

Public Utilities Commission of the State of California

Subject: **Revision of PG&E's Tariffs to Reflect the Extension of Lower ITCC Rates Due to Tax Law Changes**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to Gas and Electric Preliminary Statement Parts P and J. The affected tariff sheets are listed in Attachment 1.

Purpose

This filing is necessary in order to revise PG&E's Gas and Electric Preliminary Statements Parts P and J, *Income Tax Component of Contributions Provision*, to reflect recent changes in federal tax law. These changes temporarily extend previous reductions to the tax factor used to compute the "Income Tax Component of Contribution (ITCC)" associated with Contributions in Aid of Construction.

In this advice letter, PG&E requests that the California Public Utilities Commission (Commission) again extend, through December 31, 2010, the temporarily lower ITCC tax factor of 0.20 (20 percent) for gas and 0.22 (22 percent) for electric in effect on December 31, 2009. PG&E would apply these ITCC tax factors retroactive to January 1, 2010. The extended ITCC tax factors have been calculated, as set forth in Attachment 2, by using Method 5 as described in Decision (D.) 87-09-026 and D.87-12-028 in OII 86-11-109.

Background

Since 2008, the ITCC Rate has been modified as a result of changes in federal tax law.

- February 13, 2008 – President Bush signed into law the Economic Stimulus Act of 2008 which provided for a temporarily lower ITCC tax factor used to compute the "Income Tax Component of Contribution associated with Contributions in Aid of Construction. This legislation modified a depreciation provision, Section 168(k) to the Internal Revenue Code, entitled, "Special allowance for certain property acquired after September 10, 2001, and before January 1, 2005."

February 22, 2008 – PG&E filed Advice 2906-G/3212-E to implement the temporarily lower ITCC tax factor of 0.20 (20 percent) for gas and 0.22 (22 percent) on property contributed to PG&E after March 1, 2008.

March 19, 2008 – Advice 2906-G/3212-E was approved with an effective date of March 1, 2008.

- December 2, 2008 – PG&E filed Advice 2975-G/3372-E to notify the Commission that the lower ITCC tax factors under the Economic Stimulus Act of 2008 would expire on December 31, 2008 unless Congress extended the depreciation provision. With no extension under way at that time, PG&E requested that the ITCC tax factors be returned to the statutory levels of 0.31 (31 percent) for gas and 0.34 (34 percent) for electric, calculated using the current income tax rates of 8.84 percent (California) and 35 percent (federal).

  January 15, 2009 -- Advice 2975-G/3372-E was approved on January 15, 2009 with an effective date of January 1, 2009 and in effect restoring the higher tax factors.

- February 17, 2009 – President Obama signed into law the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"; H.R. 1). Section 1201 of the Recovery Act extended the modified depreciation provisions of the Economic Stimulus Act of 2008, which in turn extended the reduction of the ITCC tax factors.

  February 20, 2009 – PG&E filed Advice 2998-G/3424-E to implement the extension of the temporarily lower ITCC tax factor of 0.20 (20 percent) for gas and 0.22 (22 percent) for electric in effect as of December 31, 2008.

  March 19, 2009 – Advice 2998-G/3424-E was approved and the reduced ITCC tax factors were extended with an effective date of January 1, 2009.

- December 11, 2009 – PG&E filed Advice 3070-G/3572-E, which notified the Commission that the lower ITCC tax factors under the Recovery Act would expire on December 31, 2009 unless Congress extended the depreciation provision. With no extension under way at that time, PG&E requested that the ITCC tax factors be returned to the statutory levels of 0.31 (31 percent) for gas and 0.34 (34 percent) for electric, calculated using the current income tax rates of 8.84 percent (California) and 35 percent (federal).

  The tax factor for gas in Advice 3070-G also reflected the temporary federal depreciable tax life for gas distribution property of 15 years as adopted by the Energy Tax Incentives Act of 2005. This temporary federal depreciable tax life for gas distribution property is set to sunset on December 31, 2010.

January 7, 2010 – Advice 3070-G/3572-E was approved with an effective date of January 1, 2010 and in effect restoring the higher tax factors.

- September 27, 2010 – President Obama signed the Small Business Jobs Act of 2010 (Act) (H.R. 5297) into law. Section 2022 of the Act extends the depreciation provision (Section 168(k) of the Internal Revenue Code, entitled, "Special allowance for certain property acquired after September 10, 2001, and before January 1, 2005.") which had resulted in the temporarily lower ITCC tax factors. A copy of Section 2022 of the Small Business Jobs Act of 2010 amending Section 168(k) of the Internal Revenue Code is enclosed in Attachment 3.

  The Small Business Jobs Act of 2010 has thus extended the depreciation provisions of the American Recovery and Reinvestment Act of 2009 and the Economic Stimulus Act of 2008 to December 31, 2010.

Tariff Revisions

Gas Preliminary Statement Part P*, Section 5. a,* has been revised to reflect an extension of the temporary reduction in the ITCC tax factor to 0.20 (20 percent) on property contributed to PG&E after March 1, 2008 and before January 1, 2011. Property contributed to PG&E on or after January 1, 2011, will be subject to the previously authorized ITCC tax factor of 35 percent.

In a similar fashion, Electric Preliminary Statement Part J*, Section 5. a,* has been revised to reflect an extension of the temporary reduction in the ITCC tax factor to 0.22 (22 percent) on property contributed to PG&E after March 1, 2008 and before January 1, 2011. Property contributed to PG&E on or after January 1, 2011, will be subject to the previously authorized ITCC tax factor of 34 percent.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **November 18, 2010,** which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Honesto Gatchalian, Energy Division, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

Pacific Gas and Electric Company
Attention: Jane K. Yura
Vice President, Regulation and Rates
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520
E-Mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective on regular notice, **January 1, 2010**.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list should be directed to email PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs.

Jane Yura – OB

Vice President – Regulation and Rates

Attachments:

Attachment 1:	Tariff Revisions
Attachment 2:	The Extended ITCC Tax Factor
Attachment 3:	Internal Revenue Code Section 168(k)

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:	Contact Person: Olivia Brown
☒ ELC ☒ GAS	Phone #: 415.973.9312
☐ PLC ☐ HEAT ☐ WATER	E-mail: oxb4@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas ☐
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3160-G/3750-E **Tier:** 1

Subject of AL: Revision of PG&E's Tariffs to Reflect the Extension of the Lower ITCC Rates Due to Tax Law Changes

Keywords (choose from CPUC listing): Taxes

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other __________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.89-09-026, D.87-12-028

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? ☐ Yes ☒No

Requested effective date: January 1, 2010 No. of tariff sheets: 6

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting). N/A

Tariff schedules affected: Gas Preliminary Statement P and Electric Preliminary Statement J

Service affected and changes proposed: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Ave., San Francisco, CA 94102
jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Jane K. Yura, Vice President, Regulation and Rates
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

Cal P.U.C. Sheet No.	**Title of Sheet**	**Cancelling Cal P.U.C. Sheet No.**
29667-E	ELECTRIC PRELIMINARY STATEMENT PART J INCOME TAX COMPONENT OF CONTRIBUTIONS PROVISION Sheet 1	28686-E
29668-E	ELECTRIC TABLE OF CONTENTS Sheet 1	29610-E
29669-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 6	29496-E

ELECTRIC PRELIMINARY STATEMENT PART J
INCOME TAX COMPONENT OF CONTRIBUTIONS PROVISION

J. INCOME TAX COMPONENT OF CONTRIBUTIONS PROVISION

1. GENERAL: All Contributions in Aid of Construction (Contributions, or CIAC) made to PG&E shall include a charge to cover PG&E's resulting estimated liability for Federal and State Income Tax. PG&E shall collect the Federal Income Tax on Contributions made on or after February 11, 1987, for the unit costs under Rule 15 and January 1, 1987, for all other Contributions. California Corporate Franchise Tax (CCFT) shall be collected beginning January 1, 1992.

2. DEFINITIONS:

   a. Contributions: Contributions shall include, but are not limited to, cash, services, facilities, labor, property, and related income taxes provided by a person or agency to PG&E. The value of all contributions shall be based on PG&E's estimates or a contract value acceptable to PG&E. Contributions shall consist of two components, as follows:

      1) Income Tax Component of Contribution (ITCC); and
      2) The balance of the contribution, excluding income taxes (Balance of Contribution).

   b. Government Agency: For purposes of administering this part of the preliminary statement, a government agency shall include the Federal Government, a California state, county, or local government agency.

3. APPLICABILITY: The ITCC shall apply to Contributions including but not limited to charges under the applicable Rate Schedule and Rules, except as provided in Section 4 below.

4. GOVERNMENT AGENCY EXEMPTIONS:

   a. Public Benefit: A contribution for a project will be considered a public benefit if, in the opinion of PG&E, the government agency making the contribution can clearly show that the contribution will benefit the public as a whole. Internal Revenue Service (IRS) Notice 87-82 dated December 3, 1987, excludes from the Public Benefit Exemption any government agency contribution associated with projects causing new or increased usage of utility service.

   b. Condemnation: Contributions resulting from condemnation of company facilities, or the threat or imminence thereof may be excluded from the ITCC requirement when supported by evidence acceptable to PG&E provided by the government agency.

5. DETERMINATION OF ITCC:

   a. The ITCC shall be calculated by multiplying the Balance of Contribution by the tax factor of 0.22 (22 percent). The 22 percent tax factor shall be applicable to contributions received by (T)
   PG&E before January 1, 2011. PG&E will file an advice letter to reflect any changes in the tax (T)
   factor which would cause an increase or decrease of five percentage points or more.

   b. The tax factor is established by using Method 5 as set forth in Decisions 87-09-026 and 87-12-028 in OII 86-11-019.

(Continued)

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PRELIMINARY STATEMENT

Sheet 6

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Part E	CPUC Reimbursement Fee	21604-E	
Part G	Catastrophic Event Memorandum Account	18998,11740-E	
Part H	Interest	10579-E	
Part I	Rate Schedule Summary	29332,29333, 29220-E	
Part J	Income Tax Component of Contributions Provision	29667,11503-E	(T)
Part K	Energy Commission Tax	24297-E	
Part M	California Alternate Rates for Energy Account	28948, 29849-E	
Part P	Customer Energy Efficiency Adjustment	29484,29485,29486-E	
Part R	Affiliate Transfer Fees Account	24313-E	
Part S	Hazardous Substance Mechanism	22710,15720,22711,22712,13420,13421-E	
Part U	Capital Audit Consultant Cost Memorandum Account	17993-E	
Part Y	Electric and Magnetic Field Measurement Policy	13399-E	
Part AD	Transition Cost Audit Memorandum Account	15917-E	
Part AE	Generation Divestiture Transaction Costs Memorandum Account	26414-E	
Part AU	Direct Access Discretionary Cost/Revenue Memorandum Account	14837-E	
Part BB	Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Loads	24070,19906,19907,16400,14960,14961, 16229-16231,24071,14964-14969,16401,16402-E	
Part BF	Streamlining Residual Account	22714-E	
Part BK	Transmission Revenue Requirement Reclassification Memorandum Account	16761-E	
Part BO	Real Property Gain/Loss on Sale Memorandum Account	16651-E	
Part BU	Vegetation Management Balancing Account	26221,26222-E	
Part BY	Self-Generation Program Memorandum Account	26209-E	

(Continued)

ATTACHMENT 1
Advice 3160-G

Cal P.U.C. Sheet No.	**Title of Sheet**	**Cancelling Cal P.U.C. Sheet No.**
28552-G	GAS PRELIMINARY STATEMENT PART P INCOME TAX COMPONENT OF CONTRIBUTIONS PROVISION Sheet 1	27938-G
28553-G	GAS TABLE OF CONTENTS Sheet 1	28542-G
28554-G	GAS TABLE OF CONTENTS Sheet 4	28545-G

GAS PRELIMINARY STATEMENT PART P
INCOME TAX COMPONENT OF CONTRIBUTIONS PROVISION

P. INCOME TAX COMPONENT OF CONTRIBUTIONS PROVISION

1. GENERAL: All Contributions in Aid of Construction (Contributions, or CIAC) made to PG&E shall include a charge to cover PG&E's resulting estimated liability for Federal and State Income Tax. PG&E shall collect the Federal Income Tax on Contributions made on or after February 11, 1987, for the unit costs under Rule 15 and January 1, 1987, for all other Contributions. California Corporate Franchise Tax shall be collected beginning January 1, 1992.

2. DEFINITIONS:

   a. Contributions: Contributions shall include, but are not limited to, cash, services, facilities, labor, property, and related income taxes provided by a person or agency to PG&E. The value of all contributions shall be based on PG&E's estimates or a contract value acceptable to PG&E. Contributions shall consist of two components, as follows:

      1) Income Tax Component of Contribution (ITCC); and
      2) The balance of the contribution, excluding income taxes (Balance of Contribution).

   b. Government Agency: For purposes of administering this part of the preliminary statement, a government agency shall include the Federal Government, a California state, county, or local government agency.

3. APPLICABILITY: The ITCC shall apply to Contributions including but not limited to charges under the applicable Rate Schedule and Rules, except as provided in Section 4 below.

4. GOVERNMENT AGENCY EXEMPTIONS:

   a. Public Benefit: A contribution for a project will be considered a public benefit if, in the opinion of PG&E, the government agency making the contribution can clearly show that the contribution will benefit the public as a whole. Internal Revenue Service (IRS) Notice 87-82 dated December 3, 1987, excludes from the Public Benefit Exemption any government agency contribution associated with projects causing new or increased usage of utility service.

   b. Condemnation: Contributions resulting from condemnation of company facilities, or the threat or imminence thereof may be excluded from the ITCC requirement when supported by evidence acceptable to PG&E provided by the government agency.

5. DETERMINATION OF ITCC:

   a. The ITCC shall be calculated by multiplying the Balance of Contribution by the tax factor of 0.20 (20 percent). The 20 percent tax factor shall be applicable to contributions received by (T) PG&E before January 1, 2011. PG&E will file an advice letter to reflect any changes in the tax (T) factor which would cause an increase or decrease of five percentage points or more.

   b. The tax factor is established by using Method 5 as set forth in Decisions 87-09-026 and 87-12-028 in OII 86-11-019.

(Continued)

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Sheet 1

(Continued)

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Sheet 4

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Part C	Gas Accounting Terms and Definitions	23345,28412,28413, 28414,24973,23347,23760,27453,24431,28110,23561,23795,23351,28063-G	
Part D	Purchased Gas Account	27761,25095,25096,27762-G	
Part F	Core Fixed Cost Account	27763,24623,27764-G	
Part J	Noncore Customer Class Charge Account	28552,25108-25109-G	(T)
Part L	Balancing Charge Account	23273-23274-G	
Part O	CPUC Reimbursement Fee	24987-G	
Part P	Income Tax Component of Contributions Provision	27938,13501-G	
Part Q	Affiliate Transfer Fees Account	23275-G	
Part S	Interest	12773-G	
Part T	Tax Reform Act of 1986	12775-G	
Part U	Core Brokerage Fee Balancing Account	23276-G	
Part V	California Alternate Rates For Energy Account	23358,28100-G	
Part X	Liquefied Natural Gas Balancing Account	27454-G	
Part Y	Customer Energy Efficiency Adjustment	28301-28303,27060,27061-G	

(Continued)

ADVICE 3160-G/3750-E

Attachment 2:
The Extended ITCC Tax Factor

CIAC GROSS-UP COMPUTATION INCLUDING CALIFORNIA TAXES (Gas)

(A) YEAR	(B) TAX PMT/(BEN) REFLECTING CIAC OF $1,000	(C) TAX BASIS	(D) CALIFORNIA DEPRECIATION RATES	(E) CALIFORNIA RATES	(F) STATE TAX BENEFIT	(G) MODIFIED MACRS RATES	(H) FEDERAL TAX RATE	(I) FEDERAL TAX BENEFIT	(J) REMAINING CIAC PAYABLE	(K) WTD. AVG. UNRECOVERED TAX PMT.	(L) RATE OF RETURN	(M) REVENUE REQUIREMENT ON REMAINING INVESTMENT	(N) DISCOUNT FACTOR 0.12	(O) DISCOUNTED REVENUE REQUIREMENT ON REMAINING INVESTMENT
1	438.4	1,000	2.857%	8.840%	2.5256	52.500%	35.00%	183.7500	252.1244	345.2622	17.000%	58.6946	0.8929	52.4084
2	-30.94		5.551%		4.9071	4.750%		15.7410	200.5363	226.3304	17.000%	38.4762	0.7972	30.6730
3			5.234%		4.6269	4.275%		13.2450	182.6645	191.6004	17.000%	32.5721	0.7118	23.1842
4			4.935%		4.3625	3.850%		11.8556	166.4463	174.5554	17.000%	29.6744	0.6355	18.8586
5			4.653%		4.1133	3.465%		10.6006	151.7325	159.0894	17.000%	27.0452	0.5674	15.3462
6			4.387%		3.8781	3.115%		9.4629	138.3915	145.0620	17.000%	24.6605	0.5066	12.4938
7			4.137%		3.6571	2.950%		8.9677	125.7667	132.0791	17.000%	22.4534	0.4523	10.1568
8			3.901%		3.4485	2.950%		9.0450	113.2732	119.5199	17.000%	20.3184	0.4039	8.2063
9			3.678%		3.2514	2.955%		9.1355	100.8863	107.0798	17.000%	18.2036	0.3606	6.5644
10			3.468%		3.0657	2.950%		9.1870	88.6336	94.7600	17.000%	16.1092	0.3220	5.1867
11			3.270%		2.8907	2.955%		9.2695	76.4734	82.5535	17.000%	14.0341	0.2875	4.0345
12			3.084%		2.7263	2.950%		9.3133	64.4339	70.4537	17.000%	11.9771	0.2567	3.0742
13			2.908%		2.5707	2.955%		9.3883	52.4749	58.4544	17.000%	9.9372	0.2292	2.2773
14			2.742%		2.4239	2.950%		9.4253	40.6257	46.5503	17.000%	7.9135	0.2046	1.6193
15			2.585%		2.2851	2.955%		9.4941	28.8464	34.7361	17.000%	5.9051	0.1827	1.0788
16			2.438%		2.1552	1.475%		4.3627	22.3285	25.5875	17.000%	4.3499	0.1631	0.7096
17			2.299%		2.0323			(0.7543)	21.0505	21.6895	17.000%	3.6872	0.1456	0.5370
18			2.168%		1.9165			(0.7113)	19.8453	20.4479	17.000%	3.4761	0.1300	0.4520
19			2.040%		1.8034			(0.6708)	18.7128	19.2790	17.000%	3.2774	0.1161	0.3805
20			2.040%		1.8034			(0.6312)	17.5406	18.1267	17.000%	3.0815	0.1037	0.3194
21			2.040%		1.8034			(0.6312)	16.3684	16.9545	17.000%	2.8823	0.0926	0.2668
22			2.040%		1.8034			(0.6312)	15.1963	15.7824	17.000%	2.6830	0.0826	0.2217
23			2.040%		1.8034			(0.6312)	14.0241	14.6102	17.000%	2.4837	0.0738	0.1833
24			2.040%		1.8034			(0.6312)	12.8520	13.4380	17.000%	2.2845	0.0659	0.1505
25			2.040%		1.8034			(0.6312)	11.6798	12.2659	17.000%	2.0852	0.0588	0.1227
26			2.040%		1.8034			(0.6312)	10.5076	11.0937	17.000%	1.8859	0.0525	0.0990
27			2.040%		1.8034			(0.6312)	9.3355	9.9216	17.000%	1.6867	0.0469	0.0791
28			2.040%		1.8034			(0.6312)	8.1633	8.7494	17.000%	1.4874	0.0419	0.0623
29			2.040%		1.8034			(0.6312)	6.9912	7.5772	17.000%	1.2881	0.0374	0.0482
30			2.040%		1.8034			(0.6312)	5.8190	6.4051	17.000%	1.0889	0.0334	0.0363
31			2.040%		1.8034			(0.6312)	4.6468	5.2329	17.000%	0.8896	0.0298	0.0265
32			2.040%		1.8034			(0.6312)	3.4747	4.0608	17.000%	0.6903	0.0266	0.0184
33			2.040%		1.8034			(0.6312)	2.3025	2.8886	17.000%	0.4911	0.0238	0.0117
34			2.040%		1.8034			(0.6312)	1.1304	1.7164	17.000%	0.2918	0.0212	0.0062
35			2.040%		1.8034			(0.6312)	(0.0418)	0.5443	17.000%	0.0925	0.0189	0.0018
36			1.025%		0.9061			(0.6312)	(0.3167)	(0.1793)	17.000%	(0.0305)	0.0169	-0.0005
								(0.6312)	0.3145	0.1363	17.000%	0.0232	0.0169	0.0004
			100.000%		88.4000	100.000%		318.7455				378.1504		198.8953
												198.8953	/ 1000	19.8900%
	407.46							407.1455						
														20.0000%

CIAC GROSS-UP COMPUTATION INCLUDING CALIFORNIA TAXES (Electric)

(A) YEAR	(B) TAX PMT/(BEN) REFLECTING CIAC OF $1,000	(C) TAX BASIS	(D) CALIFORNIA DEPRECIATION RATES	(E) CALIFORNIA RATES	(F) STATE TAX BENEFIT	(G) MODIFIED MACRS RATES	(H) FEDERAL TAX RATE	(I) FEDERAL TAX BENEFIT	(J) REMAINING CIAC PAYABLE	(K) WTD. AVG. UNRECOVERED TAX PMT.	(L) RATE OF RETURN	(M) REVENUE REQUIREMENT ON REMAINING INVESTMENT	(N) DISCOUNT FACTOR 0.12	(O) DISCOUNTED REVENUE REQUIREMENT ON REMAINING INVESTMENT
1	438.4	1,000	3.334%	8.840%	2.9473	51.875%	35.00%	181.5625	253.8902	346.1451	17.000%	58.8447	0.8929	52.5424
2	-30.94		6.445%		5.6974	3.610%		11.6035	205.6494	229.7698	17.000%	39.0609	0.7972	31.1391
3			6.016%		5.3181	3.339%		9.6924	190.6388	198.1441	17.000%	33.6845	0.7118	23.9760
4			5.615%		4.9637	3.089%		8.9501	176.7251	183.6819	17.000%	31.2259	0.6355	19.8446
5			5.241%		4.6330	2.857%		8.2622	163.8298	170.2774	17.000%	28.9472	0.5674	16.4254
6			4.892%		4.3245	2.643%		7.6289	151.8764	157.8531	17.000%	26.8350	0.5066	13.5954
7			4.566%		4.0363	2.444%		7.0404	140.7996	146.3380	17.000%	24.8775	0.4523	11.2533
8			4.261%		3.7667	2.261%		6.5008	130.5321	135.6659	17.000%	23.0632	0.4039	9.3148
9			3.977%		3.5157	2.231%		6.4901	120.5264	125.5292	17.000%	21.3400	0.3606	7.6954
10			3.712%		3.2814	2.231%		6.5780	110.6669	115.5966	17.000%	19.6514	0.3220	6.3272
11			3.465%		3.0631	2.231%		6.6600	100.9439	105.8054	17.000%	17.9869	0.2875	5.1708
12			3.234%		2.8589	2.231%		6.7364	91.3486	96.1463	17.000%	16.3449	0.2567	4.1953
13			3.018%		2.6679	2.231%		6.8079	81.8728	86.6107	17.000%	14.7238	0.2292	3.3743
14			2.817%		2.4902	2.231%		6.8747	72.5079	77.1904	17.000%	13.1224	0.2046	2.6851
15			2.630%		2.3249	2.231%		6.9369	63.2461	67.8770	17.000%	11.5391	0.1827	2.1082
16			2.455%		2.1702	2.231%		6.9948	54.0810	58.6636	17.000%	9.9728	0.1631	1.6268
17			2.367%		2.0924	2.231%		7.0489	44.9397	49.5104	17.000%	8.4168	0.1456	1.2259
18			2.367%		2.0924	2.231%		7.0762	35.7711	40.3554	17.000%	6.8604	0.1300	0.8921
19			2.367%		2.0924	2.231%		7.0762	26.6025	31.1868	17.000%	5.3018	0.1161	0.6156
20			2.367%		2.0924	2.231%		7.0762	17.4338	22.0181	17.000%	3.7431	0.1037	0.3880
21			2.367%		2.0924	1.116%		3.1737	12.1677	14.8008	17.000%	2.5161	0.0926	0.2329
22			2.367%		2.0924			(0.7323)	10.8076	11.4876	17.000%	1.9529	0.0826	0.1614
23			2.367%		2.0924			(0.7323)	9.4475	10.1275	17.000%	1.7217	0.0738	0.1270
24			2.367%		2.0924			(0.7323)	8.0873	8.7674	17.000%	1.4905	0.0659	0.0982
25			2.367%		2.0924			(0.7323)	6.7272	7.4073	17.000%	1.2592	0.0588	0.0741
26			2.367%		2.0924			(0.7323)	5.3671	6.0471	17.000%	1.0280	0.0525	0.0540
27			2.367%		2.0924			(0.7323)	4.0069	4.6870	17.000%	0.7968	0.0469	0.0374
28			2.367%		2.0924			(0.7323)	2.6468	3.3269	17.000%	0.5656	0.0419	0.0237
29			2.367%		2.0924			(0.7323)	1.2867	1.9667	17.000%	0.3343	0.0374	0.0125
30			2.367%		2.0924			(0.7323)	(0.0734)	0.6066	17.000%	0.1031	0.0334	0.0034
31			1.184%		1.0467			(0.7323)	(0.3878)	(0.2306)	17.000%	(0.0392)	0.0298	-0.0012
32					0.0000			(0.3663)	(0.0215)	(0.2047)	17.000%	(0.0348)	0.0266	-0.0009
			100.000%		88.4000	100.006%		319.0815				427.2365		215.2183
												215.2183	/ 1000	21.5200%
	407.46							407.4815						
														22.0000%

ADVICE 3160-G/3750-E

Attachment 3:
Internal Revenue Code Section 168(k)

Small Business Jobs Act of 2010 (P.L. 111-240)

TITLE II. TAX PROVISIONS
Subtitle A. Small Business Relief
PART II. ENCOURAGING INVESTMENT

Sec. 2022. Additional first-year depreciation for 50 percent of the basis of certain qualified property.

(a) In general. Paragraph (2) of section 168(k) of the Internal Revenue Code of 1986 is amended—

(1) by striking “January 1, 2011” in subparagraph (A)(iv) and inserting “January 1, 2012”, and

(2) by striking “January 1, 2010” each place it appears and inserting “January 1, 2011”.

(b) Conforming amendments.

(1) The heading for subsection (k) of section 168 of the Internal Revenue Code of 1986 is amended by striking “January 1, 2010” and inserting “JANUARY 1, 2011”.

(2) The heading for clause (ii) of section 168(k)(2)(B) of such Code is amended by striking “PRE-JANUARY 1, 2010” and inserting “PRE-JANUARY 1, 2011”.

(3) Subparagraph (D) of section 168(k)(4) of such Code is amended by striking “and” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting a comma, and by adding at the end the following new clauses:

“(iv) 'January 1, 2011' shall be substituted for 'January 1, 2012' in subparagraph (A)(iv) thereof, and

“(v) 'January 1, 2010' shall be substituted for 'January 1, 2011' each place it appears in subparagraph (A) thereof.“.

(4) Subparagraph (B) of section 168(l)(5) of such Code is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(5) Subparagraph (C) of section 168(n)(2) of such Code is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(6) Subparagraph (D) of section 1400L(b)(2) of such Code is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(7) Subparagraph (B) of section 1400N(d)(3) of such Code is amended by striking “January 1, 2010” and inserting “January 1, 2011”.

(c) EFFECTIVE DATE. The amendments made by this section shall apply to property placed in service after December 31, 2009, in taxable years ending after such date.

PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV

Alcantar & Kahl
Ameresco
Anderson & Poole
Arizona Public Service Company
BART
BP Energy Company
Barkovich & Yap, Inc.
Bartle Wells Associates
Bloomberg New Energy Finance
Boston Properties
Brookfield Renewable Power
C & H Sugar Co.
CA Bldg Industry Association
CAISO
CLECA Law Office
CSC Energy Services
California Cotton Ginners & Growers Assn
California Energy Commission
California League of Food Processors
California Public Utilities Commission
Calpine
Cameron McKenna
Cardinal Cogen
Casner, Steve
Chris, King
City of Glendale
City of Palo Alto
Clean Energy Fuels
Coast Economic Consulting
Commerce Energy
Commercial Energy
Consumer Federation of California
Crossborder Energy
Davis Wright Tremaine LLP
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Defense Energy Support Center
Department of Water Resources
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Dept of General Services
Division of Business Advisory Services
Douglass & Liddell
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Duke Energy
Dutcher, John
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Ellison Schneider & Harris LLP
Foster Farms
G. A. Krause & Assoc.
GLJ Publications
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
Hitachi
International Power Technology
Intestate Gas Services, Inc.
Lawrence Berkeley National Lab
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP
MAC Lighting Consulting
MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
McKenzie & Associates
Merced Irrigation District
Mirant
Modesto Irrigation District
Morgan Stanley
Morrison & Foerster
NLine Energy, Inc.
NRG West
New United Motor Mfg., Inc.
Norris & Wong Associates
North America Power Partners
North Coast SolarResources
Northern California Power Association
Occidental Energy Marketing, Inc.
OnGrid Solar
Praxair
R. W. Beck & Associates
RCS, Inc.
Recon Research
Recurrent Energy
SCD Energy Solutions
SCE
SMUD
SPURR
San Francisco Public Utilities Commission
Santa Fe Jets
Seattle City Light
Sempra Utilities
Sierra Pacific Power Company
Silicon Valley Power
Silo Energy LLC
Southern California Edison Company
Sunshine Design
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tecogen, Inc.
Tiger Natural Gas, Inc.
Tioga Energy
TransCanada
Turlock Irrigation District
U S Borax, Inc.
United Cogen
Utility Cost Management
Utility Specialists
Verizon
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
eMeter Corporation