

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,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division

PUBLIC UTILITIES COMMISSION

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Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



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, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94102

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

A handwritten signature in black ink that reads "Jane Yura" followed by a stylized monogram "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:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Olivia Brown

Phone #: 415.973.9312

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**

**[ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto: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](mailto:PGETariffs@pge.com)**

**ATTACHMENT 1  
Advice 3750-E**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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|         |  |         |
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| 29667-E | ELECTRIC PRELIMINARY STATEMENT PART J<br>INCOME TAX COMPONENT OF<br>CONTRIBUTIONS PROVISION<br>Sheet 1 | 28686-E |
| 29668-E | ELECTRIC TABLE OF CONTENTS<br>Sheet 1  | 29610-E |
| 29669-E | ELECTRIC TABLE OF CONTENTS<br>PRELIMINARY STATEMENT<br>Sheet 6   | 29496-E |



**ELECTRIC PRELIMINARY STATEMENT PART J**  
**INCOME TAX COMPONENT OF CONTRIBUTIONS PROVISION**

Sheet 1

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 PG&E before January 1, 2011. PG&E will file an advice letter to reflect any changes in the tax factor which would cause an increase or decrease of five percentage points or more. (T)

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. (T)

(Continued)



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Sheet 1

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**ATTACHMENT 1  
Advice 3160-G**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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**GAS PRELIMINARY STATEMENT PART P**  
**INCOME TAX COMPONENT OF CONTRIBUTIONS PROVISION**

Sheet 1

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.

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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 PG&E before January 1, 2011. PG&E will file an advice letter to reflect any changes in the tax factor which would cause an increase or decrease of five percentage points or more. (T)

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. (T)

(Continued)



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(T)

(Continued)

**ADVICE 3160-G/3750-E**

**Attachment 2:  
The Extended ITCC Tax Factor**



**CIAC GROSS-UP COMPUTATION INCLUDING CALIFORNIA TAXES (Electric)**

| (A)  | (B)   | (C)          | (D)                                 | (E)                 | (F)                     | (G)                        | (H)                    | (I)                       | (J)                          | (K)                                  | (L)                  | (M)  | (N)                        | (O)  |
|------|---|--------------|-------------------------------------|---------------------|-------------------------|----------------------------|------------------------|---------------------------|------------------------------|--------------------------------------|----------------------|--|----------------------------|--|
| YEAR | PMT/(BEN)<br>REFLECTING<br>CIAC<br>OF \$1,000 | TAX<br>BASIS | CALIFORNIA<br>DEPRECIATION<br>RATES | CALIFORNIA<br>RATES | STATE<br>TAX<br>BENEFIT | MODIFIED<br>MACRS<br>RATES | FEDERAL<br>TAX<br>RATE | FEDERAL<br>TAX<br>BENEFIT | REMAINING<br>CIAC<br>PAYABLE | WTD. AVG.<br>UNRECOVERED<br>TAX PMT. | RATE<br>OF<br>RETURN | REVENUE<br>REQUIREMENT<br>ON REMAINING<br>INVESTMENT | DISCOUNT<br>FACTOR<br>0.12 | DISCOUNTED<br>REVENUE<br>REQUIREMENT<br>ON REMAINING<br>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   |
|      |   |              |                                     |                     |                         |                            |                        | 407.4815                  |                              |                                      |                      | 215.2183   | / 1000                     | 21.5200%   |
|      | 407.46  |              |                                     |                     |                         |                            |                        |                           |                              |                                      |                      |  |                            | 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                          | Department of Water Resources               | North Coast SolarResources                                 |
| Ameresco                                 | Department of the Army                      | Northern California Power Association                      |
| Anderson & Poole                         | Dept of General Services                    | Occidental Energy Marketing, Inc.                          |
| Arizona Public Service Company           | Division of Business Advisory Services      | OnGrid Solar   |
| BART                                     | Douglass & Liddell                          | Praxair  |
| BP Energy Company                        | Downey & Brand                              | R. W. Beck & Associates                                    |
| Barkovich & Yap, Inc.                    | Duke Energy                                 | RCS, Inc.  |
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| Bloomberg New Energy Finance             | Economic Sciences Corporation               | Recurrent Energy   |
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| C & H Sugar Co.                          | G. A. Krause & Assoc.                       | SMUD   |
| CA Bldg Industry Association             | GLJ Publications                            | SPURR  |
| CAISO                                    | Goodin, MacBride, Squeri, Schlotz & Ritchie | San Francisco Public Utilities Commission                  |
| CLECA Law Office                         | Green Power Institute                       | Santa Fe Jets  |
| CSC Energy Services                      | Hanna & Morton                              | Seattle City Light   |
| California Cotton Ginners & Growers Assn | Hitachi                                     | Sempra Utilities   |
| California Energy Commission             | International Power Technology              | Sierra Pacific Power Company                               |
| California League of Food Processors     | Intestate Gas Services, Inc.                | Silicon Valley Power                                       |
| California Public Utilities Commission   | Lawrence Berkeley National Lab              | Silo Energy LLC  |
| Calpine                                  | Los Angeles Dept of Water & Power           | Southern California Edison Company                         |
| Cameron McKenna                          | Luce, Forward, Hamilton & Scripps LLP       | Sunshine Design  |
| Cardinal Cogen                           | MAC Lighting Consulting                     | Sutherland, Asbill & Brennan                               |
| Casner, Steve                            | MBMC, Inc.                                  | Tabors Caramanis & Associates                              |
| Chris, King                              | MRW & Associates                            | Tecogen, Inc.  |
| City of Glendale                         | Manatt Phelps Phillips                      | Tiger Natural Gas, Inc.                                    |
| City of Palo Alto                        | McKenzie & Associates                       | Tioga Energy   |
| Clean Energy Fuels                       | Merced Irrigation District                  | TransCanada  |
| Coast Economic Consulting                | Mirant                                      | Turlock Irrigation District                                |
| Commerce Energy                          | Modesto Irrigation District                 | U S Borax, Inc.  |
| Commercial Energy                        | Morgan Stanley                              | United Cogen   |
| Consumer Federation of California        | Morrison & Foerster                         | Utility Cost Management                                    |
| Crossborder Energy                       | NLine Energy, Inc.                          | Utility Specialists  |
| Davis Wright Tremaine LLP                | NRG West                                    | Verizon  |
| Day Carter Murphy                        | New United Motor Mfg., Inc.                 | Wellhead Electric Company                                  |
| Defense Energy Support Center            | Norris & Wong Associates                    | Western Manufactured Housing Communities Association (WMA) |
|  | North America Power Partners                | eMeter Corporation   |