Docket A.20-04-023

CCSF CROSS EXAMINATION EXHIBIT

CCSF-7. PG&E Response to CCSF First Set of Data Requests (Revised) (dated October 5, 2020), Question 11

PACIFIC GAS AND ELECTRIC COMPANY
Securitization 2020
Application 20-04-023
Data Response

PG&E Data Request No.:	CCSF_001-Q01-12		
PG&E File Name:	Securitization2020_DR_CCSF_001-Q01-12Rev01		
Request Date:	August 31, 2020	Requester DR No.:	001
Date Sent:	September 15, 2020 (Original) October 5, 2020 (Revised)	Requesting Party:	City and County of San Francisco
PG&E Witness:	Q1: Various Q2-Q5: David Thomason Q6-Q7: Mari Becker Q8: David Thomason Q9: Greg Allen Q10-Q11: David Thomason Q12: Various	Requester:	Suzy Hong

Pacific Gas and Electric Company ("PG&E") submits the following revised response to the City and County of San Francisco's ("CCSF") Question 11 of Data Request 1, served on August 31, 2020. This revised answer attaches an updated PDF that corrects an error in PG&E's 2011 state Consolidated Taxable Income (Loss), and this response supersedes the prior Answer 11.

All of PG&E's prior objections to this set of data requests, set forth in PG&E's Data Response served September 15, 2020, are incorporated herein by reference.

QUESTION 01

Please provide all workpapers and any related calculations and functioning spreadsheets supporting Tables 6-1, 6-2, 6-3, and Figure 6-1 of PG&E's Testimony.

ANSWER 01

PG&E refers CCSF to the working model 2020Securitization_DR_Misc_Chapters 3_6_7_UPDATED08-07-2020_Securitization Application Update Model_Final.xlsx.

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Does PG&E plan to make the five-year financial projections in Exhibit 5.4 of its Testimony public? If so, when does PG&E plan to make available the unredacted five-year financial projections in Exhibit 5.4? If not, please provide the reason or basis for why the five-year financial projections in Exhibit 5.4 warrant confidential treatment when substantially similar information has been made public in the past. (See, for example, I.19 09 16, PG&E's Second Omnibus Supplemental Data Response, Attachment 2 (PlanOfReorganizationOII-2019_DR_MISC_Atch02CPUC financial package 2.18.20_Updated_Redacted.xlsx), dated February 19.)

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QUESTION 03

Please confirm that the five-year projections provided in Exhibit 5.4 of PG&E's Testimony, labeled as "Consolidated Utility" projections, are for PG&E's operations only (electric and gas services) (i.e., does not include PG&E Corp.), and include projections for PG&E's gas operations.

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Has PG&E had discussions with any of the rating agencies regarding the ratings the rating agencies are likely to assign to the Securitized Bonds? Please provide a brief description of these discussions (if any), approximately when they occurred, and the guidance provided the rating agencies.

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QUESTION 09

For the 2,000 scenarios described in PG&E Testimony, Chapter 6. C (Investment Returns, G. Allen)(see, 6-21, line 18):

a. How do these scenarios capture the potential variability in investment returns (by asset class) year-over-year, particularly for the period during which (i) PG&E is utilizing Ratepayer NOLs, and/or (ii) PG&E is making Additional Shareholder Contributions?

b. Please describe whether and to what extent these scenarios included variability in PG&E’s projections of taxable income.

ANSWER 09

a. The Monte Carlo simulation model simulates a series of 120 quarterly returns (30-years) for each asset class for each of the 2,000 trials. Each series of returns for each asset class (US stocks, non-US stocks, US bonds) reflects the quarter-to-quarter and year-to-year volatility (and correlations) from the capital assumptions shown in tables 6-4 and 6-5 of the testimony. For example, the central tendency across the 2,000 trials for US stock returns in the model is an annualized standard deviation of roughly 18.10% (standard deviation of quarterly returns of roughly 9.05%). Thus the model effectively captures the year-to-year variability of investment returns across the entire simulation for each trial, including the period when PG&E is utilizing Ratepayer NOLs and/or making Additional Shareholder Contributions.

b. All of the 2,000 simulations referenced in Mr. Allen’s testimony used the same schedule of Additional Shareholder Contributions shown in Table 6-2 and in Figure 6-1.

QUESTION 10

Over what time period is PG&E measuring “ratepayer neutrality,” e.g. at (i) any instant in time at which the FRC in $/kWh exceeds the Customer Credit in $/kWh for any customer, (ii) over any billing cycle, (iii) over some longer period, but less than 30 years, (iv) only over the 30-year term of the Securitized Bonds, (v) some other period of time. If PG&E’s time period for measuring “ratepayer neutrality” is longer than a billing cycle, what interest rate will PG&E use to compensate ratepayers for the higher bills that will result if the Customer Credit is less than the FRC.

ANSWER 10

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QUESTION 11

For the 25 years from 1995-2019, please provide PG&E’s actual annual taxable income and marginal tax rates (federal and state), using the same methodology used to project PG&E’s taxable income as shown on Table 6-2 of PG&E’s Testimony.

ANSWER 11 REVISED 01

PG&E refers CCSF to Securitization 2020_DR_CCSF_001-Q11Atch01-Rev01.pdf.

QUESTION 12

Please provide PG&E’s previous responses to all data requests by other parties in this proceeding. On an ongoing basis, please provide PG&E’s responses to all data requests by other parties in this proceeding.

ANSWER 12

PG&E objects to this request as overbroad and unduly burdensome. Subject to its objections, PG&E responds as follows:

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PG&E Corporation & Subsidiaries
Taxable Income/(Loss) before NOL carryover

Federal			California	
Year	Adjusted Taxable Income (Loss)	Tax Rate	Adjusted Taxable Income (Loss)	Tax Rate
1995	2,553,103,523	35%	2,160,219,907	9.30%
1996	1,607,722,316	35%	1,482,058,363	9.30%
1997	1,615,113,562	35%	1,117,752,427	8.84%
1998	1,553,844,752	35%	831,133,722	8.84%
1999	2,064,319,166	35%	1,154,896,503	8.84%
2000	(3,095,563,610)	35%	(1,878,493,901)	8.84%
2001	727,633,531	35%	252,976,249	8.84%
2002	2,217,461,068	35%	1,398,482,234	8.84%
2003	285,928,102	35%	745,979,522	8.84%
2004	460,944,733	35%	1,223,161,727	8.84%
2005	2,862,306,646	35%	2,521,374,037	8.84%
2006	2,305,567,492	35%	2,438,435,355	8.84%
2007	1,024,182,508	35%	1,123,027,834	8.84%
2008	(657,847,502)	35%	123,461,020	8.84%
2009	(338,311,604)	35%	968,563,126	8.84%
2010	(476,346,505)	35%	1,309,015,741	8.84%
2011	(1,733,434,831)	35%	318,818,059	8.84%
2012	(585,271,403)	35%	208,270,732	8.84%
2013	(1,278,437,127)	35%	(339,847,480)	8.84%
2014	(762,922,789)	35%	(412,879,626)	8.84%
2015	(740,273,752)	35%	84,490,014	8.84%
2016	(602,371,164)	35%	58,080,613	8.84%
2017	894,034,912	35%	763,201,102	8.84%
2018	296,273,414	21%	7,418,237	8.84%
2019	(1,904,345,320)	21%	**Not yet filed**	8.84%

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2014	(762,922,789)	35%	(412,879,626)	8.84%
2015	(740,273,752)	35%	84,490,014	8.84%
2016	(602,371,164)	35%	58,080,613	8.84%
2017	894,034,912	35%	763,201,102	8.84%
2018	296,273,414	21%	7,418,237	8.84%
2019	(1,904,345,320)	21%	**Not yet filed**	8.84%