

Docket: A.20-04-023

Exhibit Number: A4NR-02

Alliance for Nuclear Responsibility

Cross-Examination Exhibit

PG&E Data Response No. CCSF_003-Q01-11

Question 08

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

PG&E Data Request No.:	CCSF_003-Q01-11		
PG&E File Name:	Securitization2020_DR_CCSF_003-Q01-11		
Request Date:	September 18, 2020	Requester DR No.:	003
Date Sent:	October 2, 2020	Requesting Party:	City and County of San Francisco
PG&E Witness:	Q1-Q3: Joe Sauvage Q4: David Thomason Q5-Q6: Joe Sauvage Q7-Q10: David Thomason Q11: Greg Allen	Requester:	Suzy Hong

GENERAL OBJECTIONS

1. PG&E objects to each request to the extent it seeks information protected from disclosure by the attorney-client privilege, the attorney work-product doctrine, or any other privilege or protection from disclosure. PG&E intends to invoke all such privileges and protections, and any inadvertent disclosure of privileged or protected information shall not give rise to a waiver of any such privilege or protection.
2. These responses are made without waiving PG&E's rights to raise all issues regarding relevance, materiality, privilege, or admissibility in evidence in any proceeding. PG&E reserves the right, but does not obligate itself, to amend these responses as needed based on any changes to PG&E's Application or the proposed securitization structure.
3. PG&E incorporates each of these General Objections into each of its responses below. Each of PG&E's responses below is provided subject to and without waiver of the foregoing objections and any additional objections made below.

actuals for the same values from 1995 through 2019, using the same method that PG&E used to calculate its projections in the "Taxable Income Forecast" tab.

- i. Preliminary Adjusted Utility Income Before Taxes (Federal, Row 4)
- ii. Consolidated Taxable Income Before Wildfire & POR Adjustments (Federal, Row 10)
- iii. Consolidated Interest Expense, excl. [the current application for] Securitization (Federal, Row 18)
- iv. Preliminary Adjusted Utility Income Before Taxes (State, Row 24)
- v. Consolidated Taxable Income Before Wildfire & POR Adjustments (State, Row 31)
- vi. Consolidated Interest Expense, excl. [the current application for] Securitization (State, Row 38)

ANSWER 07

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

i. and iv. There are no historical actuals for Preliminary Adjusted Utility Income Before Taxes. This calculation was an intermediate step within the model to develop the Consolidated Forecast Taxable Income shown in Table 6-2 of Chapter 6, Customer Credit Mechanism and Investment Returns (D. Thomason; Greg Allen), served August 7, 2020.

ii. and v. PG&E construes "Wildfire Adjustments" to refer to payments to victims of the 2017-2018 wildfires, and responds as follows:

Please refer to the answer to Question 11 in CCSF's first set of data requests to PG&E. There are no payments to victims of the 2017-2018 wildfires through the tax year ending 2019. Additionally, the 2019 Consolidated Taxable Income reflects deductions of approximately \$233 million for certain bankruptcy costs.

iii. and vi. PG&E refers CCSF to attachment 2020Securitization_DR_CCSF_003-Q07_Atch01.pdf.

QUESTION 08

Please refer to PG&E Corporation 2020 Second Quarter Earnings (dated July 30, 2020),¹ Slide 9 regarding Ratebase Growth Forecast, which shows PG&E's Weighted Average Ratebase forecast for 2020-2024, along with an actual value for 2019.

- i. Please provide comparable actual values for the total Weighted Average Ratebase from 1995 to 2018, divided into the same four components as shown on Slide 9

¹ As provided in response to Question 2 of San Francisco's First Set of Data Requests in A.20- 04-023.

(i.e., Transmission (TO), Gas Transmission and Storage (GT&S), General Rate Case (GRC), and Spend Above Authorized).

- ii. Please also provide actual values for each of the four components for 2019.
- iii. Has PG&E conducted any construction capacity studies to evaluate the amount of construction activity necessary to support PG&E's projected ratebase growth? If so, do such studies support PG&E's projected rate of growth in ratebase?

ANSWER 08

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

i. Please see attachment 2020Securitization_DR_CCSF_003-Q08_Atch01.pdf for 2000-2019 total Weighted Average Rate Base, from 2000 to 2019, divided into the three components: Transmission (TO); Gas Transmission and Storage (GT&S); and General Rate Case (GRC). PG&E does not track Spend Above Authorized separately, i.e., historical capital expenditures recorded into memorandum accounts, such as a catastrophic events memorandum account (CEMA), are not tracked separately. The total Weighted Average Rate Base amounts from 1995 to 1999 are not readily available.

ii. Please refer to the answer to Question 8.i.

iii. PG&E has not conducted any construction capacity studies to evaluate the amount of construction activity necessary to support PG&E's projected rate base growth.

QUESTION 09

Please refer to page 6-9, fn. 5 of PG&E's Testimony, which states that the proposed methodology described on page 6-9, lines 14-20 is "only for the purpose of calculating the Additional Shareholder Contribution for any year, and does not impact PG&E's actual tax returns or the income or franchise taxes for establishing revenue requirements."

- i. For purposes of determining annual Additional Shareholder Contributions, will PG&E's "taxable income" (see lines 3 and 12 of Table 6-2 of PG&E's Testimony) be based on (i) PG&E's actual taxes (e.g. using accelerated depreciation, where available), or (ii) PG&E's taxes for purposes of ratemaking, or (iii) some other amount? If PG&E's taxable income will be based on some other amount, please describe what that amount is and how it is calculated.
- ii. Please quantify the impact of PG&E's securitization proposal, as set forth in Application 20-04-023, on PG&E's accumulated deferred tax balance annually for the term of the bonds. Please also provide an explanation of how ratepayers will be made whole as the benefit of the accumulated deferred tax balance is returned to ratepayers over time.