

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 29, 2017

Advice Letter 3839-G

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**SUBJECT: Information-Only Filing Regarding \$850 Million Shareholder Penalty
Annual Accounting Report**

Dear Mr. Jacobson:

Advice Letter 3839-G is effective as of May 1, 2017.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division

May 1, 2017

Advice 3839-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

**Subject: Information-Only Filing Regarding \$850 Million Shareholder Penalty
Annual Accounting Report**

Purpose

Pacific Gas and Electric Company (PG&E) submits this Informational-only filing to provide an annual accounting of the Shareholder Funded Gas Transmission Safety Account pursuant to the California Public Utilities Commission (CPUC or Commission) Decision (D.) 15-04-024 (“Penalty Decision”) on Fines and Remedies to Be Imposed on Pacific Gas and Electric Company for Specific Violations in Connection with the Operation and Practices of Its Natural Gas Transmission System Pipelines.

Background

On April 9, 2015, the CPUC issued D.15-04-024, which among other items, ordered PG&E to establish the Shareholder Funded Gas Transmission Safety Account (SFGTSA) and provide a detailed accounting pursuant to Ordering Paragraph 10.

Report Summary

On December 5, 2016, the Commission issued its final 2015 GT&S Decision (D.16-12-010) which authorized final revenue requirements for PG&E’s Gas Transmission and Storage operations for the period 2015-2018. In this decision, the Commission adopted PG&E’s proposed programs and projects which met the “safety related” definition and removed from PG&E’s authorized revenue requirements amounts to be funded by shareholders.¹

The Penalty Decision directed PG&E to submit a detailed accounting annually by May 1 following the Commission’s determination in PG&E’s 2015 GT&S rate case (A.13-12-012). As a result, this first annual report covers the period January 1, 2015 through

¹ In D.15-04-024, p. 96 the CPUC determined established the definition of “safety-related” capital and expenses for purposes of fulfilling the \$850 million shareholder penalty.

December 31, 2016 and complies with requirements pursuant to Section 6.1 of the Penalty Decision.²

Protests

This is an information-only advice letter filing. Pursuant to General Order 96-B Section 6.2, PG&E is not seeking relief through this advice letter and is not subject to protest. Instead, PG&E is reporting progress towards fulfilling the \$850 million shareholder penalty.

Effective Date

PG&E requests that this information-only advice filing become effective May 1, 2017, the date of filing.

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 and the service lists for I.11-02-016, I.11-11-009, I.12-01-007 and A.13-12-012 . Address changes to the General Order 96-B service list should be directed to PG&E at email address 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/>.

/S/

Erik Jacobson
Director, Regulatory Relations

- Attachment A - Pacific Gas and Electric Company's 2016 Annual Accounting Report for \$850 Million Shareholder Penalty
- Attachment B - Shareholder Funded Gas Transmission Safety Account
- Attachment C - Shareholder Expense Accounting Detail – Public Version³
- Attachment D - Shareholder Capital Accounting Detail – Public Version³
- Attachment E - Major Work Category/Maintenance Activity Type Accounting Codes

cc: Service lists:

- (I.) 11-02-016 Gas Transmission System Records OII
- (I.) 11-11-009 Gas Transmission System Class Location OII
- (I.) 12-01-007 San Bruno Fire and Explosion OII
- (A.)13-12-012 2015 GT&S Rate Case

² D.15-05-024 p.99-100

³ PG&E has provided a confidential version to Energy Division

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 G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: AMHP@pge.com and PGETariffs@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) #: **3839-G**

Tier: 1

Subject of AL: **Information-Only Filing Regarding \$850 Million Shareholder Penalty Annual Accounting Report**

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.15-04-024

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: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes. See the attached matrix that identifies all of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Christine Park, (925) 328-5400

Resolution Required? Yes No

Requested effective date: May 1, 2017

No. of tariff sheets: N/A

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).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

This is an information-only advice letter filing. Pursuant to General Order 96-B Section 6.2, PG&E is not seeking relief through this advice letter and is not subject to protest.

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Erik Jacobson

Director, Regulatory Relations

c/o Megan Lawson

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**DECLARATION SUPPORTING
CONFIDENTIAL DESIGNATION
ON BEHALF OF
PACIFIC GAS AND ELECTRIC COMPANY**

1. I, Christine Park, am a Compliance Specialist, Gas Operations Support of Pacific Gas and Electric Company (“PG&E”), a California corporation. Sumeet Singh, the Vice President, Gas Asset and Risk Management of PG&E, delegated authority to me to sign this declaration. My business office is located at:

Pacific Gas and Electric Company
6111 Bollinger Canyon Road
Mailstop BR1Y4B
San Ramon, CA 94583

2. PG&E will produce the information identified in paragraph 3 of this Declaration to the California Public Utilities Commission (“CPUC”) or departments within or contractors retained by the CPUC in response to a CPUC audit, data request, proceeding, or other CPUC request.

Name or Docket No. of CPUC Proceeding (if applicable): Not applicable.

3. Title and description of document(s):

Attachment No.	Title	Description
C	00_SanBrunoExplosion-FireOII_Report_PGE_20170501-AtchC-CONF.xlsx	Accounting Detail Spreadsheet
D	00_SanBrunoExplosion-FireOII_Report_PGE_20170501-AtchD-CONF.xlsx	Accounting Detail Spreadsheet

4. These documents contain confidential information that, based on my information and belief, has not been publicly disclosed. These documents have been marked as confidential, and the

basis for confidential treatment and where the confidential information is located on the documents are identified on the following chart:

Check	Basis for Confidential Treatment	Where Confidential Information is located on the documents
<input checked="" type="checkbox"/>	<p>Customer-specific data, which may include demand, loads, names, addresses, and billing data</p> <p>(Protected under PUC § 8380; Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029; and General Order (G.O.) 77-M)</p>	<p>Confidential information is highlighted yellow on:</p> <p>Atch C. Sheet “Expense Projects”</p> <p>Atch D. Sheet “Order List”</p>
<input type="checkbox"/>	<p>Personal information that identifies or describes an individual (including employees), which may include home address or phone number; SSN, driver’s license, or passport numbers; education; financial matters; medical or employment history (not including PG&E job titles); and statements attributed to the individual</p> <p>(Protected under Civ. Code §§ 1798 <i>et seq.</i> and G.O. 66-C)</p>	
<input checked="" type="checkbox"/>	<p>Physical facility, cyber-security sensitive, or critical energy infrastructure data, including without limitation critical energy infrastructure information (CEII) as defined by the regulations of the Federal Energy Regulatory Commission at 18 C.F.R. § 388.113</p> <p>(Protected under Govt Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR §29.2)</p>	<p>Confidential information is highlighted yellow on:</p> <p>Atch C. Sheet “Expense Projects”</p> <p>Atch D. Sheet “Order List”</p>
<input type="checkbox"/>	<p>Accident reports</p> <p>(Protected under PUC § 315 and G.O. 66-C, 2.1)</p>	

Commercial records that, if revealed, would place PG&E at an unfair business disadvantage, including market-sensitive data; business plans and strategies; long-term fuel buying and hedging plans; price, load, or demand forecasts; power purchase agreements within three years of execution; and internal financial information

(Protected under Govt Code §§ 6254, 6276.44; Evid Code § 1060; Civ. Code § 3426 *et seq.*; and G.O. 66-C, 2.2 (b))

Proprietary and trade secret information or other intellectual property

(Protected under Civ. Code § 3426 *et seq.*; Govt Code § 6254.15)

Corporate financial records

(Protected under Govt Code § 6254.15)

Third-Party information subject to non-disclosure or confidentiality agreements

(*See, eg., D.11-01-036*)

Other basis: _____

5. The importance of maintaining the confidentiality of this information outweighs any public interest in disclosure of this information. This information should be exempt from the public disclosure requirements under the Public Records Act and should be withheld from disclosure.

6. I declare under penalty of perjury that the foregoing is true, correct, and complete to the best of my knowledge.

7. Executed on this 27th day of April, 2017 at San Ramon, California.

Christine Park

Digitally signed by Christine Park
DN: cn=Christine Park, o=Pacific Gas & Electric
Company, ou=Gas Operations Support,
email=c1pv@pge.com, c=US
Date: 2017.04.27 16:41:19 -07'00'

Christine Park
Compliance Specialist, Gas Operations Support
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY

**SHAREHOLDER FUNDED REPORT
ATTACHMENT A**

**REPORTING PERIOD
JANUARY 1, 2015 – DECEMBER 31, 2016**

IN COMPLIANCE WITH CPUC DECISION 15-04-024

SUBMITTED MAY 1, 2017



PACIFIC GAS AND ELECTRIC COMPANY
SHAREHOLDER FUNDED SAFETY PROGRAMS
REPORT FOR THE PERIOD JANUARY 1, 2015 – DECEMBER 31, 2016
IN COMPLIANCE WITH CPUC DECISION 15-04-024

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**PACIFIC GAS AND ELECTRIC COMPANY
SHAREHOLDER FUNDED SAFETY PROGRAMS
REPORT FOR THE PERIOD JANUARY 1, 2015 – DECEMBER 31, 2016
IN COMPLIANCE WITH CPUC DECISION 15-04-024**

I. Introduction and Background

This first Annual Shareholder Funded Report is submitted in compliance with the California Public Utilities Commission (CPUC or Commission) Decision (D.) 15-04-024 *on Fines and Remedies to Be Imposed on Pacific Gas and Electric Company for Specific Violations in Connection with the Operation and Practices of Its Natural Gas Transmission System Pipelines* (“Penalty Decision”).¹ PG&E submits this annual accounting of the Shareholder-Funded account, as an information-only filing pursuant to the requirements of Section 6.1 set forth in D.15-04-024. This Annual Shareholder Funded Report is the first report following the Commission’s Phase II decision (D.) 16-12-010 in PG&E’s 2015 GT&S rate case and reflects the reporting period of January 1, 2015 through December 31, 2016.

II. Gas Safety-Related Programs Authorized in 2015 GT&S Decision (D.16-12-010) and Funded by PG&E Shareholders

On April 9, 2015, the Commission issued D.15-04-024 which addressed three investigations relating to (1) PG&E’s safety recordkeeping for its natural gas transmission system; (2) PG&E’s operation of its natural gas transmission pipeline system in or near locations of higher population density; and (3) PG&E’s pipeline installation, integrity management, recordkeeping and other operational practices, and other events or courses of conduct, that could have led to or contributed to the natural gas explosion that occurred in the City of San Bruno, California on September 9, 2010. The Penalty Decision, among other items, required that PG&E establish the Shareholder Funded Gas Transmission Safety Account (SFGTSA) to record an \$850 million shareholder obligation and track expenditures for designated safety-related projects or programs to be funded by shareholders as determined in PG&E’s 2015 GT&S rate case. The shareholder funded obligation is allocated 19% to expense and 81% to capital expenditures. The Penalty Decision also directed PG&E to establish a Shareholder Gas Safety Funded Tracking Account (SFGTSA) to track expenditures within two sub accounts: one subaccount, not to exceed \$161.5 million for expense and one subaccount to track capital expenditures for the remaining \$688.5 million to total a \$850 million shareholder funded obligation in PG&E’s gas transmission system.

On May 20, 2015, PG&E submitted Advice 3596-G to request authority to establish Preliminary Statement Part DK - Shareholder Gas Safety Funded Tracking Account. On December 22, 2015, the Commission issued Resolution G-3509 which ordered modifications to PG&E’s proposed language. On December 31, 2015, PG&E submitted a supplemental Advice Letter 3596-G-A which replaced Advice Letter 3596-G in its entirety. PG&E’s supplemental advice letter was approved by Energy Division on March 7, 2016. Attachment B is the

¹ D.15-04-024, Conclusion of Law 45.

Shareholder Funded Gas Transmission Safety Account as approved by the Energy Division.

The Commission deferred to PG&E’s 2015 GT&S rate case (A.13-12-012) its determination as to which authorized expense and capital programs are safety-related and should be funded by shareholders.² On December 1, 2016, the Commission approved final revenue requirements in PG&E 2015 GT&S rate case in D.16-12-010. In addition, the Commission adopted a list of safety-related programs and projects which met the Commission’s definition of safety related and established the capital and expense programs and amounts to be funded by PG&E shareholders during the 2015-2018 rate case cycle.³ The Commission forecast expense and capital expenditures by year in order to remove these amounts from PG&E’s authorized revenue requirements for 2015-2018.⁴ Additionally, the Commission determined that these amounts would be removed from PG&E’s rate base, such that ratepayers will not be responsible for any depreciation, or rate of return on these capital amounts. Table 1 provides a summary of Expense Programs and Table 2 provides a summary of Capital Programs and the shareholder penalty allocated to each program.

**TABLE 1
SHAREHOLDER FUNDED EXPENSE PENALTY
(AMOUNTS SHOWN IN THOUSANDS)**

Line	Chapter	Chapter Name	Program	Shareholder Penalty
1	4A	Transmission Pipe Integrity and Emergency Response Programs	Hydrostatic Testing	\$100,927
2	7	Corrosion Control Program Gas Transmission System	Casings	39,592
3	8	Operations and Maintenance	Expense Programs	20,981
4		Total Expense		<u>\$161,500</u>

² D.16-12-010, p. 6.

³ D.16-12-010, Appendix A.

⁴ D.16-12-010, p. 3.

**TABLE 2
SHAREHOLDER FUNDED CAPITAL PENALTY
(AMOUNTS SHOWN IN THOUSANDS)**

Line	Chapter	Chapter Name	Program	Shareholder Penalty
1	4A	Transmission Pipe Integrity and Emergency Response Programs	ILI	92,157
2				11,500
3				103,658
4			Hydrostatic Testing	4,864
5				35,210
6				40,074
7			Earthquake Fault Crossings	8,268
8			Vintage Pipe Replacement	236,327
9			Geo-Hazard Threat Identification	12,336
10			Valve Automation	69,412
11			Inoperable & Hard to Operate Valves	11,003
12				481,077
13	4B	Transmission Pipe Engineering Programs	Class Location Program	28,014
14			Water and Levee Crossing	21,959
15			Shallow Pipe Program	28,309
16				78,282
17	6	Asset Family - Facilities	Gas Transmission SCADA Visibility	9,314
18			Routine Capital Spending - M&C	33,764
19				43,079
20	7	Corrosion Control	CP Systems - Replace	5,353
21			CP Systems - New	13,472
22			Coupon Test Stations	1,932
23			AC Interference Mitigation	7,467
24			DC Interference Mitigation	1,322
25			Casings	27,951
26			Internal Corrosion	879
27				58,375
28	9	Program Management Office	Program Management Office	10,709
29	10	Gas System Operations	Capacity	16,979
30		Total Capital Expenditures		\$688,501

III. Report Format

This Shareholder Funded Report is for the period January 1, 2015 through December 31, 2016 and is the first report following the Commission's determination in D.16-12-010 as to which programs authorized in PG&E's 2015 GT&S rate case would comprise the \$850 million shareholder penalty. As described in PG&E's 2015 GT&S Prepared Testimony, PG&E uses Major Work Categories (MWC) and Maintenance Activity Types (MAT) to record costs

associated with specific types of work.⁵ To facilitate reporting consistent with PG&E's proposed program view, following the adoption of PG&E's proposed programs in D.16-06-056, PG&E established unique MWC/MAT codes for each expense and capital program. Shareholder funded safety-related programs identified by MWC/MAT code as of December 2016 are shown in Attachment E.⁶

A. Cost Model Change

PG&E uses the term "cost model" to describe the methodology by which the Company gathers and assigns costs to its processes or activities. The cost model facilitates: (1) the forecasting, budgeting, and tracking of costs for internal management purposes; and (2) the reporting of operating costs to regulatory bodies and external audiences. The core mechanism of accumulating costs in orders is the activity price for labor (or "standard rate"): when an employee charges time to an order, the employee's activity price provides the means of assigning the employee's labor, non-labor, and overhead costs such as benefit burdens. D.16-12-010 shows adopted program amounts and shareholder penalty amounts based on the cost model in effect through 2015.⁷ In 2016, PG&E changed the way it reports companywide and business unit overhead costs. Through this change, PG&E revised its cost model so that overhead costs are no longer embedded in the "standard rate": used to budget the cost and employee time charges of individual projects and programs.

To facilitate an "apples to apples" comparison between the \$850 million Shareholder Penalty amount, shown in the old cost model view, and 2016 program expense orders, PG&E has applied a conversion factor to apply overheads at the expense order level to costs eligible for the SFGTSA. No change was required for Capital Programs as capital orders include overhead costs.

IV. Shareholder Funded Gas Transmission Safety Account

The SFGTSA is an account authorized by the Commission for PG&E to track PG&E's shareholder obligation for expense and capital additions incurred on or after January 1, 2015 against the safety-related programs or projects designated in D.16-12-010 Appendix G, Tables 1 and 2. The \$850 million penalty is allocated \$688.5 million to capital and \$161.5 million to expense and is tracked in two corresponding subaccounts. Amounts recorded in the SFGTSA are not recoverable from customers.

Amounts recorded in the SFGTSA are limited to the lesser of (i) the amount authorized (including any contingency); or (ii) the amount actually expended. In the event the actual amount spent on safety-related expense work is less than

⁵ PG&E Exhibit 1, Chapter 3, p.3-3.

⁶ As a result of PG&E's MWC/MAT redesign effort, recorded costs may shift between MWC/MAT codes but not between expense or capital or calendar year. PG&E anticipates completing this redesign effort in the Q2 2017.

⁷ PG&E's 2015 GT&S application was filed in December 2013 under the then current cost model referred to in the report as the "old cost model". The Commission adopted GT&S program forecasts and penalty amounts under the "old cost model" view.

\$161.5 million by the end of the 2015 GT&S rate case cycle, the remaining unspent amount is shifted to increase the amount funded by shareholders for capital expenditures. Underspending in capital expenditures does not result in an increase in the amount funded by shareholders for expense work.

A. Shareholder Funded Expense Programs

As of the end of this reporting period, PG&E has completely met the shareholder funded obligation for two of the three expense programs: Hydrostatic testing and Expense Projects, as summarized in Table 3, Shareholder Funded Expense Programs, below.

**TABLE 3
SHAREHOLDER FUNDED EXPENSE PROGRAMS
(DOLLAR AMOUNTS SHOWN IN THOUSANDS)**

Chapter	Expense Program	Penalty Caps	Shareholder Funded Amount	Penalty Cap Reached
4A	Hydrostatic Testing	\$100,927	\$100,927	Yes
7	Casings	39,592	22,248	No
8	Expense Projects	20,981	20,981	Yes
	Total	<u>\$161,500</u>	<u>\$144,156</u>	

Expense Accounting Detail provided in Attachment C includes the following information for each expense order:

- Master Funding ID
- Major Work Category
- Maintenance Activity Type
- Planning order number
- Planning order number description
- Order number
- Order number description
- Expense amount funded by Shareholders
- Conversion factor

B. Disallowances or Recoverable Expense Limits

Disallowances or actual spending above adopted limits prescribed by the Commission in PG&E’s 2015 rate case that overlap with the Shareholder funded programs are excluded from the Shareholder Funded amounts included in the SFGTSA.⁸ For example, in D.16-06-056, the Commission disallowed 19% of PG&E’s Casing Program forecast. PG&E prepares a journal entry to exclude 19% of these expense costs from the SFGTSA. Additionally, PG&E tracked hydrostatic testing expenses up to the

⁸ D.16-12-010, p. 6.

\$100.972 million shareholder penalty amount in the SFGTSA before recording hydrostatic testing costs to PG&E's one-way TIMP balancing account.⁹

C. Shareholder Funded Capital Programs

Shareholder Funded Capital Programs are summarized in Table 4 below. As of the end of this reporting period, PG&E shareholders have met the penalty cap for following five programs—Transmission Integrity Management Program, Hydrostatic Testing, Inoperable and Hard to Operate Valves, Coupon Test Stations, and Casings. The following table shows the amount of capital expenditures for projects that are operative after January 1, 2015 and are applied towards meeting the penalty caps.

⁹ PG&E Advice Letter 3788-G, approved by Energy Division on December 20, 2016.

TABLE 4
SHAREHOLDER FUNDED CAPITAL PROGRAMS
(DOLLAR AMOUNTS SHOWN IN THOUSANDS)

Line	Chapter	Programs	Shareholder Penalty	PMO Allocation	Adjusted Shareholder Penalty	Capital Additions Applied to Shareholder Penalty	Date Penalty Fulfilled
1	4A	Traditional ILI Cost	\$92,157				
2	4A	Non-Traditional ILI Cost	11,500				
3	4A	Subtotal	\$103,657		\$103,657	\$103,657	02/2016
4	4A	Hydrotest – LNG/CNG Cost	4,864	\$91	4,955	2,137	N/A
5	4A	Hydrostatic Testing	35,210	656	35,866	35,866	05/2016
6	4A	Earthquake Fault Crossings	8,268	154	8,422	6,437	N/A
7	4A	Vintage Pipe Replacement	236,327	4,408	240,735	163,464	N/A
8	4A	Geo-hazard Threat Identification	12,336	230	12,566	5,552	N/A
9	4A	Valve Automation	69,412	1,295	70,707	47,792	N/A
10	4A	Inoperable and Hard to Operate Valves	11,003	205	11,208	11,208	07/2015
11	4B	Class Location Program	28,014	523	28,537	19,106	N/A
12	4B	Water and Levee Crossing Program	21,959	410	22,369	18,079	N/A
13	4B	Shallow Pipe Program	28,309	528	28,837	8,962	N/A
14	6	Gas Transmission SCADA Visibility	9,314	174	9,488	98	N/A
15	6	Routine Capital Spending – M&C	33,764	630	34,394	32,110	N/A
16	7	CP Systems – Replace	5,353	100	5,453	1,903	N/A
17	7	CP Systems – New	13,472	251	13,723	3,390	N/A
18	7	Coupon Test Stations	1,932	36	1,968	1,968	10/2016
19	7	AC Interference Mitigation	7,467	139	7,606	5,683	N/A
20	7	DC Interference Mitigation	1,322	25	1,347	–	N/A
21	7	Casings	27,951	521	28,472	28,472	08/2016
22	7	Internal Corrosion	879	16	895	116	N/A
23	9	Program Management Office	10,709	(10,709)	–	–	N/A
24	10	Capacity	16,979	\$317	17,296	–	N/A
25		Total	\$688,501	–	\$688,501	\$496,000	

Appendix G, Table 2 of D.16-12-010 prescribes the maximum amount of capital additions by program that is shareholder funded. D.15-05-024 Conclusion of Law 40 prescribes that capital expenditures shall be recorded to the capital sub-account when the plant or facilities are placed into service. Capital expenditures that are funded by shareholders are recognized as a below-the-line expense in FERC Account 426.5 – Other Deductions as the penalty disallows the recovery of these balances.

Program Management Office (PMO) performs support functions including, but not limited to, scheduling projects, earned value analysis, construction contractor alliance support, and project governance and reporting. These functions are performed by multiple groups within the Gas Transmission organization. The amount of capital PMO costs funded by shareholders through the SFGTSA is \$10.7 million.

As described in the Prepared Testimony for Chapter 9 in the 2015 GT&S rate case application, the actual costs incurred related to PMO activities are allocated between expense and capital orders based on the type of work approved in the filing and subsequently managed by the PMO. To follow this methodology of applying the PMO costs to the underlying capital orders supported by the PMO, PG&E has prorated the \$10.7 million penalty related to PMO to the SFGTSA based on each programs' respective penalty amount. The Traditional and Non-Tradition ILI Programs were not included in the proration to preserve the penalty cap as these programs have a one-way balancing account associated with them.¹⁰

A capital expenditure is associated with the work activities to install new long-lived assets (capital addition) and/or remove the existing assets (cost of removal). The installation portion of the capital expenditure does not become a capital addition until the assets being installed are considered used and useful. The project will receive an operative date once it is determined the assets are used and useful and placed in plant in service. During the interim period, the installation cost is considered Construction Work in Progress (CWIP) and is not a component of rate base. The work associated with a project could span multiple years resulting in the capital addition including capital expenditures incurred in prior years and may continue to have capital additions in future years for costs associated with closing out the project. Given the \$850 million shareholder penalty is applicable to capital expenditures incurred on or after January 1, 2015 up to the maximum shareholder funding cap for each respective program, capital additions are adjusted to ensure the capital additions exclude capital expenditures incurred prior to January 1, 2015 and after the shareholder funding cap.

In D.16-06-056, Ordering Paragraph 71 determined that all capital expenditure disallowances adopted in D.16-06-056, self-identified by PG&E or summarized Appendix H are permanently excluded from rate base. As such, PG&E applies these disallowances as a reduction to capital expenditures and prior to recording the capital expenditures to the SFGTSA. Table 5 below summarizes

¹⁰ See Table 4 for proration of PMO penalty and allocation to capital safety programs.

the disallowances, disallowed amount, and the safety program the disallowances are associated with.

**TABLE 5
GAS TRANSMISSION CAPITAL DISALLOWANCES^(C)**

Disallowance/Cap	Amount Disallowed	Safety Program
Replacement of 99 Inoperable/ Hard-to-Operate Valves	Capital expenditures incurred beyond \$22.2 million related to the first 99 valves replaced in the rate case period	Inoperable/Hard-to-Operate Valves
Casing Mitigation Programs	19% of total capital expenditures	Casings
Shallow Pipe Mobilization and Demobilization	Actual mobilization and demobilization ^(a)	Shallow Pipe
2011-2014 Capital Expenditures Overspend for 104 Projects ^(b)	Capital expenditures incurred beyond amount authorized for 2011 GT&S rate case	Traditional ILI Vintage Pipe Replacement
<p>(a) For projects where mobilization and demobilization costs cannot be uniquely identified, PG&E will write-off 17.18% of the Shallow Pipe capital expenditures. The 17.18% factor is computed by dividing the disallowance in Appendix H, Table 1 by the forecast request.</p> <p>(b) D.16-06-056 disallowed the inclusion of the excess capital expenditures the 104 projects in rate base. The projects continue to receive charges during the 2015 GT&S rate case period. These are a reduction to capital expenditures prior to recording capital expenditures to the SFGTSA.</p> <p>(c) The cost to implement Remedies adopted in D.15-04-024 and Corrosion Control listed in Appendix H, Table 1 of D.16-06-056 will be excluded from the SFGTSA.</p>		

Capital Accounting Detail for shareholder funded capital work provided in Attachment D includes the following information for each capital order:

- 2015 GT&S Prepared Testimony chapter number
- Program Name
- Major Work Category Code
- Maintenance Activity Type Code
- Maintenance Activity Type description
- Master Funding ID
- Planning Order number
- Planning Order description
- Order number
- Order number description
- Operative date
- Capital Amount funded by shareholders

V. Safety-Related Capital and Expense Programs

A summary of safety-related work funded by shareholders during the period January 1, 2015 through December 2016 by expense programs and capital programs is provided respectively in Table 6 and Table 7.

TABLE 6
SHAREHOLDER FUNDED EXPENSE PROGRAMS
JANUARY 1, 2015 – DECEMBER 31, 2016

Line	Chapter	Expense Program	2015 Units Complete	2016 Units Complete	Unit of Measure ^(a)
1	4A	Hydrostatic Testing	69.03	– ^(a)	Miles
2	7	Casing Mitigation	33	13	Projects
3	8	Expense Projects	– ^(b)	– ^(b)	

(a) PG&E shareholders funded the Hydrostatic Testing penalty cap in 2015.

(b) Expense Projects include gas transmission pipeline repairs including leak, corrosion, weld repairs, right-of-way (erosion) and paint/coatings.

TABLE 7
SHAREHOLDER FUNDED CAPITAL PROGRAMS
JANUARY 1, 2015 – DECEMBER 31, 2016

Line	Chapter	Capital Program	2015 Units Complete	2016 Units Complete	Unit of Measure
1	4A	Traditional ILI Cost			
2	4A	Non-Traditional ILI Cost			
3	4A	Subtotal	72.07	1.50	Miles
4	4A	Hydrotest - LNG/CNG Cost	12	1	Projects
5	4A	Hydrostatic Testing	19	25	Projects
6	4A	Earthquake Fault Crossings	0.25	0.05	Miles
7	4A	Vintage Pipe Replacement	4.82	5.48	Miles
8			12	-	Valves ^(a)
9	4A	Geo-hazard Threat Identification	-	0.16	Miles
10	4A	Valve Automation	18	29	Valves
11	4A	Inoperable and Hard to Operate Valves	47	-	Valves
12	4B	Class Location Program	-	2.80	Miles
13	4B	Water and Levee Crossing Program	0.96	0.18	Miles
14	4B	Shallow Pipe Program	0.19	1.20	Miles
15	6	Gas Transmission SCADA Visibility	1	1	Projects
16	6	Routine Capital Spending - M&C	15	14	Projects
17	7	CP Systems - Replace	29	12	Projects
18	7	CP Systems - New	18	9	Projects
19	7	Coupon Test Stations	6	6	Projects
20	7	AC Interference Mitigation	2	4	Projects
21	7	DC Interference Mitigation	0	0	Projects
22	7	Casings	23	38	Projects
23	7	Internal Corrosion		1	Projects
24	10	Capacity	0	0	Miles

(a) 2015 Vintage Pipe Replacement work included replacement of 12 valves.

VI. Conclusion

As of December 31, 2016, of the \$161.5 million shareholder expense penalty, PG&E shareholders have funded over \$144.156 million in hydrostatic testing casing mitigation and expense projects and has met the penalty cap for two of the three expense programs, as identified in the Commission's Phase II GT&S Decision. Of the \$688.5 million capital shareholder penalty, PG&E shareholders have also funded \$496 million in capital additions and have met the capital penalty cap for 5 of the 22 capital programs identified in D.16-12-010.

**SHAREHOLDER FUNDED REPORT
ATTACHMENT B**





GAS PRELIMINARY STATEMENT PART DK
 Shareholder-Funded Gas Transmission Safety Account (SFGTSA)

Sheet 1 (N)
 (N)

DK. Shareholder-Funded Gas Transmission Safety Account

(N)

1. **PURPOSE:** The purpose of the Shareholder-Funded Gas Transmission Safety Account (SFGTSA) is to record PG&E's shareholder obligation and track expenditures for designated safety-related projects or programs to be funded by shareholders as specified in decision (D.)15-04-024 and identified in the 2015 Gas Transmission and Storage Rate Case (GT&S), Application 13-12-012. Shareholders are required to fund \$850 million of safety-related projects/programs. The designated GT&S adopted forecast project/program amounts included in the subaccounts will be excluded from calculating the ratepayer-funded revenue requirement. Meeting the \$850 million PG&E shareholder obligation may extend to a PG&E GT&S proceeding subsequent to A.13-12-012.

2. **APPLICABILITY:** The SFGTSA is shareholder funded and not applicable to any customer classes.

3. **REVISION DATE:** Disposition of the balance in this account shall be determined in a GT&S or any other rate case designated by the Commission.

4. **RATES:** The SFGTSA does not have a rate component.

5. **ACCOUNTING PROCEDURE:**

The SFGTSA consists of two subaccounts in which the total safety-related expenditures to be funded by shareholders total \$850 million.

The **SFGTSA Expense Subaccount** tracks designated safety-related expense projects/programs funded by PG&E shareholders. Shareholder funded expense projects/programs recorded in this subaccount may not exceed \$161.5 million. Shareholder expenditures that exceed the amount authorized by the Commission for each safety-related program or project will not be recorded to this sub-account. If shareholder spending is below the Commission authorized amount for a program or project, the actual amount of the shareholder spending will be recorded to the sub-account as a debit.

(N)

(Continued)



GAS PRELIMINARY STATEMENT PART DK
 Shareholder-Funded Gas Transmission Safety Account (SFGTSA)

Sheet 2 (N)
 (N)

DK. Shareholder-Funded Gas Transmission Safety Account (Cont'd.)

(N)

5. ACCOUNTING PROCEDURE (Cont'd.):

The **SFGTSA Capital Subaccount** tracks designated safety-related capital projects/programs funded by PG&E shareholders. The amount recorded in this subaccount must be at least \$688.5 million. Shareholder expenditures that exceed the amount authorized by the Commission for each safety-related program or project will not be recorded to this sub-account. If shareholder spending is below the Commission authorized amount for a program or project, the actual amount of the shareholder spending will be recorded to the sub-account as a debit.

If the adopted forecast expense projects/programs identified by the Commission in the GT&S is less than \$161.5 million, the difference between credit recorded in the Expense Subaccount and \$161.5 million will be added to the amounts to be funded by shareholders in the Capital Subaccount so that the initial credits to the two subaccounts total \$850 million.

If total shareholder spending on expense projects/programs is less than the full amount designated for funding through the Expense Subaccount, then the underspent amount will be transferred to the Capital Subaccount resulting in a corresponding increase in the shareholder's obligation to fund capital projects/programs.

The combined total amount debited to the subaccounts is to be \$850 million.

(N)

(Continued)



GAS PRELIMINARY STATEMENT PART DK
 Shareholder-Funded Gas Transmission Safety Account (SFGTSA)

Sheet 3 (N)
 (N)

DK. Shareholder-Funded Gas Transmission Safety Account (Cont'd.)

(N)

5. ACCOUNTING PROCEDURE (Cont'd.):

A. SFGTSA Expense Subaccount

Effective January 1, 2015, PG&E will maintain the SFGTSA Expense Subaccount by making the following entries to this account, as appropriate:

- 1) A credit entry equal to the adopted forecast for each designated safety-related expense projects/programs to be funded by shareholders;
- 2) A debit entry equal to actual expenses incurred for each designated safety-related project/program up to the adopted amount for each project/program recorded in Accounting Procedure 5.A.1. The total debited amount is not to exceed \$161.5 million;
- 3) A debit entry equal to the amount of shareholder underspending on expense projects/programs transferred to the Capital Subaccount.

B. SFGTSA Capital Subaccount

Effective January 1, 2015, PG&E will maintain the SFGTSA Capital Subaccount by making the following entries to this account, as appropriate:

1. A credit entry equal to the adopted forecast for each designated safety-related capital project/program to be funded by shareholders;
2. A credit entry equal to the adopted forecast of each additional designated safety-related capital projects/programs to be funded by the amount transferred from the Expense Subaccount under Accounting Procedure 5.A.3;
3. A debit entry equal to actual capital expenditures for each designated safety related capital project/program up to the adopted amount for each project/program recorded in Accounting Procedure 5.B.1 and 5.B.2. The total debited amount is not to be less than \$688.5 million.

(N)

**SHAREHOLDER FUNDED REPORT
ATTACHMENT C**



**Shareholder Funded Gas Transmission Safety Account
Attachment C - Expense Programs Accounting Detail**

Chapter	Description	Penalty	Actuals Applied Against Penalty	Penalty Reached
4A	Hydrostatic testing	100,927	100,927	Yes
7	Casings	39,592	22,248	No
8	Expense Projects	20,981	20,981	Yes
	Total	<u>161,500</u>	<u>144,156</u>	

Order Costs

						Period/Year	Overall Result	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	
Master Funding Id	MWC	MAT	Planning Order	Planning Order Description	Order	Order Description	YTD Nov Actual * 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	
Gas Trans & Storage	JT	JTC	5249860	2016 1023-01 MP 0.0-2.7872 TEST 2016-65	42465203	2016 1023-01 MP 0.0-2.7872 TEST 2016-65	0										0		
Gas Trans & Storage	JT	JTC	5249875	L-302E MP 21.48	42355064	MARYSVILLE BUTTE METER STATION_HYDROTEST	491			1	31	220	147	36	37	14	5	1	
Gas Trans & Storage	JT	JTC	5250012	DFM 7204-01 MP1.89-1.96	42449948	DFM 7204-01 MP 1.89-1.96 TEST T-1111	42								4	6	24	7	
Gas Trans & Storage	JT	JTC	5250033	L-300B MP 280.39-281.03 TEST	42449956	L-300B MP 280.39-281.03 TEST	75									10	33	32	
Gas Trans & Storage	JT	JTC	5250272	HPF Disallowed Offset	8167923	HPF Disallowed offset	14,052									10,615	1,176	2,260	
Gas Trans & Storage	JT	JTC	5250273	HPM IM Disallowed Offset	8167926	HPM IM Disallowed Offset	-1,383									-795	-216	-373	
Gas Trans & Storage	JT	JTC	5250274	HPM Disallowed Offset	8167924	HPM Disallowed Offset	1,383									795	216	373	
Gas Trans & Storage	JT	JTC	5250352	JTC Disallowed Offset - Credit	8168077	JTC Disallowed offset - Credit	-9,966									-5,398	-2,949	-1,619	
Gas Trans & Storage	JT	JTC	5250352	JTC Disallowed Offset - Credit	8168078	JTC Disallowed offset - Debit	9,966									5,398	2,949	1,619	
Gas Trans & Storage	JT	JTC	5250393	Test T-1036A 100% Disallowed	42485806	L-118A MP 64.516-66.208 TEST T-1036A	5										1	5	
Gas Trans & Storage	JT	JTC	5250394	162A MP 6.62-7.709 T-1018	42485808	L-162A MP 6.62-7.71 TEST T-1018	0											0	
Gas Trans & Storage	JT	JTC	5250395	Test T-1011 100% Disallowed	42485807	DFM-0834-01 MP 3.571-3.96 TEST T-1011	3											3	
Gas Trans & Storage	JT	JTC	5250396	Test T-1010 100% Disallowed	42485805	DFM-0813-07 MP 0.0386-0.2428 TEST T-1010	1										0	1	
Gas Trans & Storage	JT	JTC	5250397	Test T-1017 100% Disallowed	42485826	DFM-1615-01 MP 16.42-19.06 TEST T-1017	3										1	3	
Gas Trans & Storage	JT	JTC	5250514	2016 118A MP 66.21-66.89 TEST T-1036B	42483704	2016 118A MP 66.21-66.89 TEST T-1036B	3										0	3	
Gas Trans & Storage	JT	JTC	5250573	L-300A MP 159.33-159.338 TEST	42485829	L-300A MP 159.33-159.338 TEST	2										0	2	
Gas Trans & Storage	JT	JTC	5250800	DFM 0613-01 MP 3.29-3.524 TEST T-1026B	42541510	DFM 0613-01 MP 3.29-3.524 TEST T-1026B	8										2	6	
Gas Trans & Storage	JT	JTC	5250801	DFM 0613-01 MP 3.88-5.29 TEST T-1026C	42541519	DFM 0613-01 MP 3.88-5.29 TEST T-1026C	11										4	7	
Gas Trans & Storage	JT	JTC	5250997	L-153 MP 3.51-3.576 TEST	42554046	L-153 MP 3.51-3.576 TEST T-1119	22										2	19	
Gas Trans & Storage	JT	JTC	5250998	L-167 MP 26.99-28.03 TEST	42554050	L-167 MP 26.99-28.03 TEST T-1120	0										0		
Gas Trans & Storage	JT	JTC	5251054	L-105N-5 MP 36.47 TEST	42562156	TS-1121 L-105N-5 MP 36.47 TEST	0											0	
Gas Trans & Storage	JT	JTC	5251190	DREG4450 MP 0.00-0.09 TEST TS-020	42572308	DREG4450 MP 0.00-0.09 TEST TS-020	1											1	
Gas Trans & Storage	JT	JTC	5251252	1603-01_Uprate_8Inch_Distribution_Main	42575992	1603-01 UPRATE 8-INCH DISTRIBUTION MAIN	0											0	
Gas Trans & Storage	JT	JTC	5252514	Holding PO for SPSI converted orders HPF	42329397	L-402 MP 10.14-27.41 TEST T-1003	842			3	36	10	14	-6	28	86	61	228	382
Gas Trans & Storage	JT	JTC	5252514	Holding PO for SPSI converted orders HPF	42368674	L-402 MP 27.41-38.15 TEST T-1108	174				0	0	0		8	69	29	68	
Gas Trans & Storage	JT	JTC	5252516	Holding PO for SPSI converted orders JTC	42122808	L-402 MP 10.14-27.41 TEST T-1003	4	4	5	-9	0		4	-1	2	64	2	-68	

Total¹

105,182	576	604	1,293	2,117	3,519	4,622	10,515	25,210	19,596	17,472	19,658
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(1) SAP reports are generated monthly. The cumulative total of \$105,182 exceeds hydrostatic testing penalty cap of \$100,927 shown in expense summary tab. PG&E will only record up to the penalty amount of \$100,927 in the SFGTSA.



Order Costs

Master Funding Id	MWC	MAT	Planning Order	Planning Order Description	Order	Order Description	YTD Dec Actual	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	2016 with duress												
								* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	* 1,000 \$	Recast	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016
Gas Trans & Storage	GJ	GJM	S250502	ETS Installation_Line 0837-01 MP 1.5	42394877	CASING ETS INSTALLATION L-0837-01 MP 1.50	610							1	5	24	4	11	-8	16	156	126	179	24	12	60	76	-92	14	0	107.2%	-8	18	168	136	192	26	13	65	81	-99	16	0	
Gas Trans & Storage	GJ	GJM	S250503	ETS Installation_Line 1303-03 MP 0.1	42394878	CASING ETS INSTALLATION L-1303-03 MP 0.13	45						2	8	9	4	2	0	1	1	3	1	2	0	2	2	0	3	0	107.2%	0	1	1	3	4	-0	0	2	2	0	4	0		
Gas Trans & Storage	GJ	GJM	S250505	ETS Installation_Line DREG4381 MP 0	42394868	DREG4381	31					1	0	2	8	5	2	1	0	2	1	3	4	-0	0	0	0	1	0	107.2%	0	2	1	3	4	-0	0	0	0	0	1	0		
Gas Trans & Storage	GJ	GJM	S250506	ETS Installation_Line DREG4381 MP 0	42394869	CASING ETS INSTALLATION DREG4381 MP 0.11	29					0	1	1	7	6	3	2	1	1	4	1	4	1	-1	1	0	1	0	107.2%	1	1	1	4	1	-1	1	0	0	0	1	0		
Gas Trans & Storage	GJ	GJM	S250507	ETS Installation_Line DREG4381 MP 0	42394875	CASING ETS INSTALLATION DREG4381 MP 0.12	28					0	1	1	6	4	2	2	1	2	1	3	1	0	1	1	1	2	0	107.2%	1	2	1	3	1	1	1	0	1	0	2	0		
Gas Trans & Storage	GJ	GJM	S253400	L-300B MP 497.35 Casing Remediation	42733619	L-300 MP 497.35 CASING REMEDIATION	147																		45	70	52	6	-27	0	107.2%	0	0	0	0	0	0	48	75	56	6	-29	0	
Gas Trans & Storage	GJ	GJM	S254114	D-224A MP 0.24 Casing Rem CC-045	42790925	D-224A MP 0.24 CASING REM CC-045	411																					411	0	107.2%	0	0	0	0	0	0	0	0	0	441	0	0		
Gas Trans & Storage	GJ	GJM	S255514	DFM 0606-02 MP 2.78 CASING REMEDIA	84003000	DFM 0606-02 MP 2.78 CASING REMEDIATION	0																						0	107.2%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gas Trans & Storage	GJ	GJM	S255515	LINE 105A MP 39.65 CASING REMOVAL	84002963	LINE 105A MP 39.65 CASING REMOVAL	0																						0	107.2%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gas Trans & Storage	GJ	GJM	S255516	LINE 0613-01 MP 2.58 CASING REMEDIA	84002964	LINE 0613-01 MP 2.58 CASING REMEDIATION	0																						0	107.2%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gas Trans & Storage	GJ	GJM	S255517	LINE 186 MP 8.15 CASING REMEDIATION	84002965	LINE 186 MP 8.15 CASING REMEDIATION	0																						0	107.2%	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gas Trans & Storage	GJ	GJM	S255518	LINE 105A MP 45.68 CASING REMEDIATH	84002966	LINE 105A MP 45.68 CASING REMEDIATION	0																						0	107.2%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas Trans & Storage	GJ	GJM	S255519	LINE 153 MP 13.64 CASING REMOVAL	84002967	LINE 153 MP 13.64 CASING REMOVAL	0																						0	107.2%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas Trans & Storage	GJ	GJM	S255520	LINE 153MP-2.26 CASING REMOVAL	84002968	LINE 153MP-2.26 CASING REMOVAL	0																						0	107.2%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total							22,248	135	170	837	405	745	815	1,356	2,494	1,580	3,270	873	4,654	-585	440	599	1,306	677	1,362	706	1,130	891	416	985	-3,015	-628	472	642	1,400	726	1,460	757	1,211	956	446	1,056	-3,232	
							2015 Total (excludes disallowed)																				Recast 2016 Total (excludes disallowed)																	

<u>MAT</u>	<u>Factor</u>
GFP	1.308539
GJM	1.07202
JOQ	1.898489
JOP	1.623543
JOM	1.625951
JON	1.728744
JOY	1.580384
JO2	1.588115
JOS	1.569291
JOT	1.141312
JPI	1.597224
JTO	1.173622
JTC	1.068457
JT6	1.008776
JTD	1.195435
JTB	1.127983
JT5	0.807886
JTK	1.097543
HPF	0.965773

*Notes: The conversion factors listed above are a representation of annual 2015 costs by MAT code adjusted for inclusion or exclusion of overheads
For more details, refer to Cost Model Change section of the Annual Shareholder Funded Gas Transmission Safety Report.*

**SHAREHOLDER FUNDED REPORT
ATTACHMENT D**



Pacific Gas and Electric Company
Shareholder Funded Capital Accounting Detail
Attachment D

Ln	Chapter	Program	MWC	MAT	MAT Description	Master Funding Id	Planning Order	Planning Order Description	Order	Order Description	Operative Date	Shareholder Funded
632	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763509	LINE 1202-14 MP 0.02	3.1E-07	LINE 1202-14 MP 0.02 CASING REMOVAL	04/12/2016	444,386
633	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763510	LINE 1202-16 MP 2.59	3.1E-07	LINE 1202-16 MP 2.59 CASING REMOVAL	04/12/2016	953,443
634	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763519	LINE 134A MP 19.58	3.1E-07	LINE 134A MP 19.58 CASING REMOVAL	04/12/2016	10,615
635	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763520	LINE 134A MP 26.81	3.1E-07	LINE 134A MP 26.81 CASING REMOVAL	04/12/2016	726,302
636	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763526	LINE E3 MP 2.613	3.1E-07	LINE E3 MP 2.613 CASING REMOVAL	04/12/2016	483,719
637	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763528	LINE E3 MP 2.36	3.1E-07	LINE E3 MP 2.36 CASING REMOVAL	04/12/2016	696,033
638	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763534	LINE 08E MP 8.15	3.1E-07	LINE 08E MP 8.15 CASING REMOVAL	04/12/2016	272,384
639	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763537	LINE 2405-01 MP 0.34	3.1E-07	LINE 2405-01 MP 0.34 CASING REMOVAL	04/12/2016	336,816
640	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763545	LINE 7224-01 MP 1.58	3.1E-07	LINE 7224-01 MP 1.58 CASING REMOVAL	04/12/2016	192,801
641	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763549	LINE GC0515896	3.1E-07	SGOC LINE GC0515896 MP 0.04 CASING REMOVAL	04/12/2016	243,333
642	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763558	3K5 Casings Remediation	3.1E-07	L101 MP 44.15 CASING REMOVAL	08/30/2016	716,171
643	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763558	3K5 Casings Remediation	3.1E-07	L101 MP 44.15 CASING REMOVAL	08/30/2016	619,319
644	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763532	GT CASING REMEDIATION 050A MP 27.01	3.1E-07	GT CASING REMEDIATION 050A MP 27.01	08/29/2016	10,530
645	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763532	GT CASING REMEDIATION 050A MP 27.01	3.1E-07	GT CASING REMEDIATION 050A MP 27.01	08/29/2016	976,148
646	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763411	3K5 Casings Remediation	3.1E-07	GT CASING REMEDIATION 021E MP 63.74	10/17/2016	646,108
647	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763411	3K5 Casings Remediation	3.1E-07	GT CASING REMEDIATION 021E MP 63.74	10/17/2016	107,891
648	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763411	3K5 Casings Remediation	3.1E-07	GT CASING REMEDIATION 021E MP 63.74	11/02/2016	16,829
649	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763411	3K5 Casings Remediation	3.1E-07	GT CASING REMEDIATION 021E MP 63.74	12/22/2016	16,829
650	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763336	0404-02_MP0.00-0.13	3.1E-07	DFM 0404-02_MP 0.04 CASING REMEDIATION	07/19/2016	602,008
651	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763391	1812-13_MP0.0000-2.1000	3.1E-07	DFM 1812-13_MP 0.02 CASING REMEDIATION	07/19/2016	602,008
652	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763414	CASING REMEDIATION 0608-01 MP 2.37	3.1E-07	CASING REMEDIATION 0608-01 MP 2.37	07/19/2016	56,335
653	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763416	CASING REMEDIATION 301B MP 2.01	3.1E-07	CASING REMEDIATION 301B MP 2.01	07/19/2016	34,048
654	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763420	CASING REMEDIATION L-401 MP 323.19	3.1E-07	CASING REMEDIATION L-401 MP 323.19	07/19/2016	253,530
655	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763467	LINE 0109-01 MP 1.39	3.1E-07	LINE 0109-01 MP 1.39 CASING REMOVAL	07/19/2016	1,350,319
656	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763480	LINE 0821-02 MP 3.85	3.1E-07	LINE 0821-02 MP 3.85 CASING REMOVAL	07/19/2016	331,197
657	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763493	LINE 105A MP 42.0585	3.1E-07	LINE 105A MP 42.0585 CASING REMEDIATION	07/19/2016	278,546
658	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763542	LINE 6625-01 MP 58	3.1E-07	LINE 6625-01 MP 58 CASING REMEDIATION	07/19/2016	904,295
659	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5763558	TEST CASING	3.1E-07	LINE 197A MP 35.46 CASING REMOVAL	07/19/2016	314,828
660	7	Casings	3K	3K5	Casing Mitigation	Gas Trans & Storage	5765270	LINE X6460 MP 17.67	3.1E-07	LINE X6460 MP 17.67 CASING REMOVAL	07/19/2016	806,891
661												(6,678,617)
662												28,472,000
663			3K	3KA	Atmospheric Corrosion	Gas Trans & Storage	5766564	Atmospheric Corrosion Spans >100 Feet	3.1E-07	L111A-1 MP3.8 TO MP3.84 REPAINT SPAN	06/06/2016	116,182
664												495,999,597
665												

**SHAREHOLDER FUNDED REPORT
ATTACHMENT E**



Pacific Gas and Electric Company
Major Work Activity and Maintenance Activity Type
Attachment E

Line	Expense Program	Major Work Category	Maintenance Activity Type
1	Hydrostatic Testing	HP - CGT Balancing Accounts (Transmission Integrity Mgmt Progr; JT - T Reliability & General Maint	HPF - Hydrostatic Testing - IM JTC - Hydrostatic Tstng D.11-06-017
2	Casings	GJ - Gas Transmission Mitigate Corr	GJM - Casings
3	Expense Projects	GF - Gas Trans & Dist Sys Mapping JT - GT Reliability & General Maint	GFP - Production Mapping Trans JTB - Pipeline Repair JTD - Pipeline Other JTK - Vegetation Manage Project JTO - Encroachments

**Pacific Gas and Electric Company
Major Work Category and Maintenance Activity Type
Attachment E**

Line	Capital Program	Major Work Category	Maintenance Activity Type
1	ILI - Traditional	98 - GT Integrity Management	98C - ILI Upgrades 98B - ILI Upgrade Valves (No Longer Used) 98D - Long Term Integrity Mngmt Plan (No Longer Used)
2	ILI - Non-Traditional	98 - GT Integrity Management	98C - ILI Upgrades
3			
4	Hydrostatic Testing	75 - GT Pipeline Reliability	75N - Hydrostatic Testing 73D - LNG / CNG
5			
6			
7	Earthquake Fault Crossings	75 - GT Pipeline Reliability	75L - Fault Crossings
8	Vintage Pipe Replacement	75 - GT Pipeline Reliability	75E - Vintage Pipe Replacement 75P - ILI Capital Repair (Non-BA) 75Q - Pipe Replacement (IM) 75S - Direct Assessment 75J - Geo-Hazard Mitigations
9	Geo-hazard Threat Identification	75 - GT Pipeline Reliability	75I - Valve Automation
10	Valve Automation	75 - GT Pipeline Reliability	75D - Valve Program
11	Inoperable & Hard to Operate Valves	75 - GT Pipeline Reliability	
12			
13	Class Location Program	75 - GT Pipeline Reliability	75H - Pipe Replacement Class Loctrn
14	Water and Levee Crossing	75 - GT Pipeline Reliability	75K - Water and Levee Crossings
15	Shallow Pipe Program	75 - GT Pipeline Reliability	75M - Shallow Pipe 75T - Exposed Pipe
16			
17	Gas Transmission SCADA Visibility	76 - GT Station Reliability	76M - GT SCADA Visibility
18	Routine Capital Spending - M&C	75 - GT Pipeline Reliability	75C - Routine Spend M&C - Capital
19			
20	CP Systems - Replace	3K - Gas Trans Remediate Corrosio	3K7 - Cathodic Protection-Replacement
21	CP Systems - New	3K - Gas Trans Remediate Corrosio	3K6 - Cathodic Protection-New
22	Coupon Test Stations	3K - Gas Trans Remediate Corrosio	3K8 - Test Station Installation
23	AC Interference Mitigation	3K - Gas Trans Remediate Corrosio	3K4 - Electrical Interference - AC 3K2 - AC Interf Fault Mitig-Towers (No Longer Used) 3K3 - AC Inter Fault Mitig-Wood Pole (No Longer Used)
24	DC Interference Mitigation	3K - Gas Trans Remediate Corrosio	3K9 - Electrical Interference - DC
25	Casings	3K - Gas Trans Remediate Corrosio	3K5 - Casing Mitigation
26	Internal Corrosion	3K - Gas Trans Remediate Corrosio	3K1 - Internal Corrosion
28			
30	Program Management Office		
31	Capacity	73 - GT Pipeline Capacity	73C - Capacity to Support NOP Reductions

PG&E Gas and Electric Advice Filing List

AT&T	Don Pickett & Associates, Inc.	OnGrid Solar
Albion Power Company	Douglass & Liddell	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Downey & Brand	Praxair
Anderson & Poole	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
Atlas ReFuel	Evaluation + Strategy for Social Innovation	SCD Energy Solutions
BART	G. A. Krause & Assoc.	SCE
Barkovich & Yap, Inc.	GenOn Energy Inc.	SDG&E and SoCalGas
Bartle Wells Associates	GenOn Energy, Inc.	SPURR
Braun Blaising McLaughlin & Smith, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Water Power and Sewer
Braun Blaising McLaughlin, P.C.	Green Charge Networks	Seattle City Light
CENERGY POWER	Green Power Institute	Sempra Energy (Socal Gas)
CPUC	Hanna & Morton	Sempra Utilities
California Cotton Ginners & Growers Assn	ICF	SoCalGas
California Energy Commission	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Gas Company (SoCalGas)
California State Association of Counties	Kelly Group	Spark Energy
Calpine	Ken Bohn Consulting	Sun Light & Power
Casner, Steve	Leviton Manufacturing Co., Inc.	Sunshine Design
Center for Biological Diversity	Linde	Tecogen, Inc.
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	TerraVerde Renewable Partners
City of San Jose	Los Angeles Dept of Water & Power	TerraVerde Renewable Partners, LLC
Clean Power	MRW & Associates	Tiger Natural Gas, Inc.
Clean Power Research	Manatt Phelps Phillips	TransCanada
Coast Economic Consulting	Marin Energy Authority	Troutman Sanders LLP
Commercial Energy	McKenna Long & Aldridge LLP	Utility Cost Management
Cool Earth Solar, Inc.	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Crown Road Energy, LLC	NLine Energy, Inc.	Water and Energy Consulting
Davis Wright Tremaine LLP	NRG Solar	Wellhead Electric Company
Day Carter Murphy	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Defense Energy Support Center	ORA	YEP Energy
Dept of General Services	Office of Ratepayer Advocates	Yelp Energy
Division of Ratepayer Advocates	Office of Ratepayer Advocates, Electricity Planning and Policy B	