

PG&E Corp
Form 10-Q
July 29, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C., 20549
FORM 10-Q
(Mark
One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Exact Name of Registrant as Specified in its Charter _____	State or IRS Employer Other Identification Jurisdiction Number of Incorporation _____
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1-12609 PG&E Corporation 1-2348 Pacific Gas and Electric Company	0413234914 0410742640
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PG&E Corporation 77 Beale Street P.O. Box 770000 San Francisco, California 94177	Pacific Gas and Electric Company 77 Beale Street P.O. Box 770000 San Francisco, California 94177
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Address of principal executive offices, including zip code

PG&E Corporation (415) 973-1000	Pacific Gas and Electric Company (415) 973-7000
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Registrant's telephone number, including area code

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Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

PG&E Corporation: Yes No

Pacific Gas and Electric Company: Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

PG&E Corporation: Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Pacific Gas and Electric Company: Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

PG&E Corporation: Yes No

Pacific Gas and Electric Company: Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock outstanding as of

July 20, 2015:

PG&E Corporation: 482,010,056

Pacific Gas and Electric Company: 264,374,809

PG&E CORPORATION AND
PACIFIC GAS AND ELECTRIC COMPANY
FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2015

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GLOSSARY

The following terms and abbreviations appearing in the text of this report have the meanings indicated below.

2014 Form 10-K	PG&E Corporation's and Pacific Gas and Electric Company's combined Annual Report on Form 10-K for the year ended December 31, 2014
AFUDC	allowance for funds used during construction
ASU	Accounting Standards Update issued by the FASB (see below)
CPUC	California Public Utilities Commission
CRRs	congestion revenue rights
DTSC	California Department of Toxic Substances Control
EPS	earnings per common share
EV	electric vehicle
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GAAP	U.S. Generally Accepted Accounting Principles
GRC	general rate case
GT&S	gas transmission and storage
IRS	Internal Revenue Service
NRC	Nuclear Regulatory Commission
NTSB	National Transportation Safety Board
PSEP	pipeline safety enhancement plan
Regional Board	California Regional Water Control Board, Lahontan Region
SEC	U.S. Securities and Exchange Commission
SED	Safety and Enforcement Division of the CPUC, formerly known as the Consumer Protection and Safety Division or the CPSD
TO	transmission owner
TURN	The Utility Reform Network
Utility	Pacific Gas and Electric Company
VIE(s)	variable interest entity(ies)

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PG&E CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)	(Unaudited)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Operating Revenues				
Electric	\$3,463	\$3,233	\$6,476	\$6,234
Natural gas	754	719	1,640	1,609
Total operating revenues	4,217	3,952	8,116	7,843
Operating Expenses				
Cost of electricity	1,277	1,349	2,277	2,559
Cost of natural gas	118	200	392	560
Operating and maintenance	1,484	1,328	3,407	2,627
Depreciation, amortization, and decommissioning	651	557	1,282	1,095
Total operating expenses	3,530	3,434	7,358	6,841
Operating Income	687	518	758	1,002
Interest income	3	2	4	5
Interest expense	(192)	(188)	(381)	(373)
Other income, net	18	43	76	62
Income Before Income Taxes	516	375	457	696
Income tax provision	110	104	17	195
Net Income	406	271	440	501
Preferred stock dividend requirement of subsidiary	4	4	7	7
Income Available for Common Shareholders	\$402	\$267	\$433	\$494
Weighted Average Common Shares Outstanding, Basic	480	467	479	463
Weighted Average Common Shares Outstanding, Diluted	483	469	483	465
Net Earnings Per Common Share, Basic	\$0.84	\$0.57	\$0.90	\$1.07
Net Earnings Per Common Share, Diluted	\$0.83	\$0.57	\$0.90	\$1.06
Dividends Declared Per Common Share	\$0.46	\$0.46	\$0.91	\$0.91

See accompanying Notes to the Condensed Consolidated Financial Statements.

PG&E CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)	(Unaudited)			
	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2015	2014	2015	2014
Net Income	\$406	\$271	\$440	\$501
Other Comprehensive Income				
Pension and other postretirement benefit plans obligations (net of taxes of \$0, \$0, \$0 and \$0, at respective dates)	-	-	-	-
Net change in investments (net of taxes of \$0, \$7, \$12 and \$3, at respective dates)	-	(11)	(17)	(6)
Total other comprehensive income (loss)	-	(11)	(17)	(6)
Comprehensive Income	406	260	423	495
Preferred stock dividend requirement of subsidiary	4	4	7	7
Comprehensive Income Attributable to Common Shareholders	\$402	\$256	\$416	\$488

See accompanying Notes to the Condensed Consolidated Financial Statements.

PG&E CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions)	(Unaudited)	
	Balance At	
	June 30,	December
	2015	31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$249	\$151
Restricted cash	287	298
Accounts receivable:		
Customers (net of allowance for doubtful accounts of \$56 and \$66 at respective dates)	1,049	960
Accrued unbilled revenue	936	776
Regulatory balancing accounts	2,204	2,266
Other	352	377
Regulatory assets	441	444
Inventories:		
Gas stored underground and fuel oil	141	172
Materials and supplies	315	304
Income taxes receivable	192	198
Other	280	443
Total current assets	6,446	6,389
Property, Plant, and Equipment		
Electric	46,687	45,162
Gas	16,208	15,678
Construction work in progress	2,075	2,220
Other	2	2
Total property, plant, and equipment	64,972	63,062
Accumulated depreciation	(19,962)	(19,121)
Net property, plant, and equipment	45,010	43,941
Other Noncurrent Assets		
Regulatory assets	6,476	6,322
Nuclear decommissioning trusts	2,504	2,421
Income taxes receivable	94	91
Other	1,101	963
Total other noncurrent assets	10,175	9,797
TOTAL ASSETS	\$61,631	\$60,127

See accompanying Notes to the Condensed Consolidated Financial Statements.

PG&E CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)	(Unaudited)	
	Balance At	
	June 30,	December
	2015	31,
		2014
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings	\$1,016	\$ 633
Accounts payable:		
Trade creditors	1,178	1,244
Regulatory balancing accounts	876	1,090
Other	458	476
Disputed claims and customer refunds	448	434
Interest payable	203	197
Other	2,123	1,846
Total current liabilities	6,302	5,920
Noncurrent Liabilities		
Long-term debt	15,544	15,050
Regulatory liabilities	6,330	6,290
Pension and other postretirement benefits	2,536	2,561
Asset retirement obligations	3,609	3,575
Deferred income taxes	8,732	8,513
Other	2,307	2,218
Total noncurrent liabilities	39,058	38,207
Commitments and Contingencies (Note 9)		