

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 Commission Registrant File as Specified Number in its Charter	State or IRS Employer Other Identification Jurisdiction Number of Incorporation
_____	_____	_____

1-12609	PG&E Corporation	0413234914 0413234914
1-2348	Pacific Gas and Electric Company	0410742640 0410742640

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
---	---

Address of principal executive offices, including zip code

PG&E Corporation (415) 973-1000	Pacific Gas and Electric Company (415) 973-7000
------------------------------------	--

Registrant's telephone number, including area code

Edgar Filing: PG&E Corp - Form 10-Q

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

TABLE OF CONTENTS

GLOSSARY

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PG&E CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONDENSED CONSOLIDATED BALANCE SHEETS

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

PACIFIC GAS AND ELECTRIC COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONDENSED CONSOLIDATED BALANCE SHEETS

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1: ORGANIZATION AND BASIS OF PRESENTATION

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

NOTE 3: REGULATORY ASSETS, LIABILITIES, AND BALANCING ACCOUNTS

NOTE 4: DEBT

NOTE 5: EQUITY

NOTE 6: EARNINGS PER SHARE

NOTE 7: DERIVATIVES

NOTE 8: FAIR VALUE MEASUREMENTS

NOTE 9: CONTINGENCIES AND COMMITMENTS

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND

RESULTS OF OPERATIONS

OVERVIEW

RESULTS OF OPERATIONS

LIQUIDITY AND FINANCIAL RESOURCES

ENFORCEMENT AND LITIGATION MATTERS

RATEMAKING PROCEEDINGS

LEGISLATIVE AND REGULATORY INITIATIVES

Proposal for Electric Vehicle (EV) Infrastructure Development

ENVIRONMENTAL MATTERS

CONTRACTUAL COMMITMENTS

RISK MANAGEMENT ACTIVITIES

CRITICAL ACCOUNTING POLICIES

ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

ITEM 4. CONTROLS AND PROCEDURES

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

ITEM 1A. RISK FACTORS

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

ITEM 5. OTHER INFORMATION

ITEM 6. EXHIBITS

SIGNATURES

2

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			