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03/30/18
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**PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT C
TO
PETITION FOR MODIFICATION OF DECISION 16-06-056 OF
PACIFIC GAS AND ELECTRIC COMPANY TO REFLECT TAX
CHANGES**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2017 (U39M).

Application 15-09-001
(Filed September 1, 2015)

**DECLARATION OF MARK T. CARON IN SUPPORT
OF PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 M)
PETITION FOR MODIFICATION
OF DECISION 17-05-013**

1. I, Mark Caron, make this declaration in support of Pacific Gas and Electric Company's Petition for Modification of Decision 17-05-013. The statements in this declaration are true and correct to the best of my knowledge.

2. I am currently Vice President of Tax for PG&E Corporation and Pacific Gas and Electric Company (PG&E). In this capacity, I oversee all tax reporting and planning for PG&E.

3. On May 11, 2017, the California Public Utilities Commission adopted Decision 17-05-013, which decided PG&E's 2017 General Rate Case. The decision adopted an August 3, 2016 settlement agreement that assumed corporate tax rates in effect at that time.

4. On December 22, 2017, the federal Tax Cuts and Jobs Act of 2017 (Tax Act) was signed into law.

5. The Tax Act included four major tax law changes that are significant to PG&E. The Tax Act: (i) reduced the corporate income tax rate from 35 percent to 21 percent effective January 1, 2018; (ii) provided a mandatory methodology to return excess tax reserves to customers (Average Rate Assumption Method (ARAM)); (iii) required public utilities to use

Modified Accelerated Cost Recovery System (MACRS) depreciation after September 27, 2017; and repealed Internal Revenue Code (IRC) Section 199 Manufacturing Tax Deduction effective January 1, 2018.

6. I am informed by my team and believe that the effects of these Tax Act changes, when calculated by PG&E's Results of Operations model, reduce the revenue requirements approved in D.17-05-013 by \$267 million for 2018 and by \$296 million for 2019.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on March 28, 2018, at San Francisco, California.

/s/ Mark T. Caron
Mark T. Caron