

PACIFIC GAS AND ELECTRIC COMPANY
General Rate Case 2011 Phase I
Application 09-12-020
Data Response

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|------------------------|-----------------------------|-------------------|-------------|
| PG&E Data Request No.: | DRA_205-01 | | |
| PG&E File Name: | GRC2011-Ph-I_DR_DRA_205-Q01 | | |
| Request Date: | March 12, 2010 | Requester DR No.: | DRA-205-SWC |
| Date Sent: | March 26, 2010 | Requesting Party: | DRA |
| PG&E Witness: | David Meise[Redacted] | Requester: | Sophie Chia |

EXHIBIT REFERENCE: PG&E-7, CHAPTER 3

SUBJECT: FLEET SERVICES CHARGEBACK COSTS

QUESTION 1

In Exhibit PG&E-7, Chapter 3, page 3-29, Table 3-15, PG&E presents the Fleet Services Chargeback Costs. In Table 3-15, PG&E shows that the “Total Fleet Expenses” forecasted for 2011 is \$145.728 million, which is a reduction from the Notice of Intent (NOI) of July 2009’s “Total Fleet Expenses” forecasted for 2011 of \$157.015 million. Since the fleet services’ chargeback costs are spread across all PG&E lines of business, DRA would like to verify the inputs of the “Total Fleet Expenses” for 2011.

- a. Please provide a detailed description of the process and/or inputs in the Results of Operation (RO) model that PG&E used to input the “Total Fleet Expenses” forecasted for 2011 which then gets spread across PG&E’s lines of business. DRA would like to verify that the “Total Fleet Expenses” forecasted for 2011 has been updated to the GRC application’s amount of \$145.728 million.
- b. Please provide supporting documentation.

ANSWER 1A – WITNESS: [Redacted]

As provided in the testimony in Exhibit 7, Chapter 3, page 3-3 footnote 4, chargeback costs for each line of business used 2008-recorded costs. This means that, in forecasting such costs, the business lines effectively used costs derived from this recorded data in their expense and capital forecasts for the RO model.

Since the RO model used the 2008 recorded costs and the forecasted costs for 2011 are now lower, PG&E agrees that it would be proper to adjust the request by \$3.96 million as follows.

| 2008 Recorded | 2011 Forecast | Difference |
|---------------|---------------|------------|
| \$ 149.688 | \$ 145.728 | \$ 3.96 |

The chargeback translation spreadsheet provided with the results of operation model can be used to adjust the chargeback costs to the different lines of business.

ANSWER 1B – WITNESS: DAVID MEISEL

Please see Exhibit 7, Chapter 3 page 3-3 footnote 4 for documentation on which costs were used in the RO model.