

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

PG&E Data Request No.:	DRA_205-02		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_205-Q02		
Request Date:	March 12, 2010	Requester DR No.:	DRA-205-SWC
Date Sent:	March 26, 2010	Requesting Party:	DRA
PG&E Witness:	David Meisel	Requester:	Sophie Chia

EXHIBIT REFERENCE: PG&E-7, CHAPTER 3

SUBJECT: FLEET SERVICES CHARGEBACK COSTS

QUESTION 2

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 Fuel” forecasted for 2011 is \$31.439 million which is a reduction from the Notice of Intent (NOI) of July 2009’s “Total Fuel” forecasted for 2011 of \$47.889 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 Fuel” for 2011.

- a. Please provide a detailed description of the process and/or inputs in the RO model that PG&E used to input the “Total Fuel” forecasted for 2011 which then gets spread across PG&E’s lines of business. DRA would like to verify that the “Total Fuel” forecasted for 2011 has been updated to the GRC application’s amount of \$31.439 million.
- b. Please provide supporting documentation.

ANSWER 2A – WITNESS Redacted

Similar to question DRA-205-Q01A the RO model used 2008 recorded costs (see Exhibit 7 Chapter 3, page 3-3, footnote 4). Since the 2008 recorded costs are higher than the 2011 forecast, PG&E believes it would be appropriate to adjust the fuel costs by \$6.22 million as follows.

2008 Recorded	2011 Forecast	Difference
\$ 37.655	\$ 31.439	\$ 6.22

The chargeback translation spreadsheet provided in the results of operation model can be used to make these adjustments. Although it was not designed to make adjustments for fuel you can make these adjustments in the “other” category for fuel and the translation will adjust accordingly.

Translation Model (Sample)

2008 Fleet Cost Breakdown (\$ in 000's)

Labor	32,462
Materials and Contracts	21,606
Depreciation	54,432
Leases	8802
Vehicle Registration	5,602
Facilities	6,605
Environmental	500
TS Alliance Partner	884
Other	7,975
Subtotal	138,868
Payroll Taxes	3,092
Benefits	7,729
Total	149,688

Adjusted Totals

Labor	32,462
Materials and Contracts	21,606
Depreciation	54,432
Leases	8,802
Vehicle Registration	5,602
Facilities	6,605
Environmental	500
TS Alliance Partner	884
Other	7,975
Total	138,868

(Make fuel adjustments here)

2008 Fleet Cost Distribution by LOB and Cost Category

Line of Business	Total %	Cap %	Exp %	Non-Earn %
Gas Transmission	4.3	2.5	1.8	0.0
Corporate Business Area (C)	0.4	0.0	0.4	0.0
Credit and Risk	0.1	0.0	0.1	0.0
President & CEO - PG&E Utility Co	0.2	0.0	0.2	0.0
Customer Care	13.4	0.8	12.4	0.2
Diablo Canyon	0.2	0.1	0.1	0.0
Distribution	62.3	41.3	20.9	0.1
Electric Transmission	9.2	6.5	2.7	0.0
ISTS	1.1	0.4	0.7	0.0
Power Gen	5.3	1.3	4.0	0.0
Shared Services	3.5	0.1	3.4	0.0
Total	100.0	53.0	46.7	0.3

Impact of Adjustments (\$ in 000's)

Line of Business	Total	Cap	Exp	Non-Earn
Gas Transmission	5,971	3,472	2,500	-
Corporate Business Area (C)	555	-	555	-
Credit and Risk	139	-	139	-
President & CEO - PG&E Utility Co	278	-	278	-
Customer Care	18,608	1,111	17,220	278
Diablo Canyon	278	139	139	-
Distribution	86,514	57,352	29,023	139
Electric Transmission	12,776	9,026	3,749	-
ISTS	1,528	555	972	-
Power Gen	7,360	1,805	5,555	-
Shared Services	4,860	139	4,721	-

138,868	73,600	64,851	417
138,868	73,600	64,851	417

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The fuel adjustment of \$6.22 million would be (7975-6220 = 1755).

ANSWER 2B – 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.