

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

PG&E Data Request No.:	DRA_179-01		
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Date Sent:	March 19, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Gregory Wilson

SUBJECT: MWC 49 – CAPITAL EXPENDITURES FOR THE TARGETED CIRCUIT INITIATIVE

QUESTION 1

Beginning on page 10-7 of Exhibit PG&E-3, PG&E discusses MWC 49. One of the categories that comprise MWC 49 is the Targeted Circuit Initiative, which PG&E discusses on pages 10-9 and 10-10. PG&E states that the purpose of the Targeted Circuit Initiative is to address the Company's most unreliable circuits.

On line 14 of page 10-9, PG&E mentions that the Targeted Circuit Initiative was initiated in 2009.

- a. Prior to 2009, where (e.g. in which MWC or sub-MWC) did PG&E book capital expenditures that were used to improve the Company's most unreliable circuits?
- b. Have the MWCs (or sub-MWCs) mentioned in response to Question 1.a. been reduced to account for the fact that expenditures have been transferred to the Targeted Circuit Initiative?

ANSWER 1

- a. Capital expenditures for work performed on poor-performing circuits prior to 2009 were generally recorded in the other categories within MWC 49 (see Table 10-4 on p. 10-10 for the list of categories). Various devices such as fuses, reclosers, and fault indicators were installed under these categories. Expenditures associated with capital maintenance work associated with poor performing circuits were recorded in MWC 57.
- b. The expenditure forecasts for the categories in MWC 49 were not reduced to transfer money to the targeted circuit initiative. As noted in the testimony, the targeted circuit initiative is focused on the Company's most unreliable circuits. To put this in context, the targeted circuit initiative is addressing 100 circuits during 2009 and 2010 and will focus on approximately 20 circuits per year during 2011-2013. However, PG&E has approximately 3,000 distribution circuits and it is

necessary to have funding available to install protective devices, fault indicators, etc. to address reliability issues on circuits that are not necessarily the poorest performing circuits (i.e., a portion or a “zone” of a circuit can have reliability issues that affect customers in that zone, but the reliability problem is not so severe that it results in the circuit being among the poorest performers). That is why PG&E’s forecasts for the other categories in MWC 49 are generally in-line with or, in some instances, less than 2008 actual expenditures. Also, no adjustment has been made to transfer funding from MWC 57 to the targeted circuit initiative.