

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

PG&E Data Request No.:	DRA_179-03		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_179-Q03		
Request Date:	March 5, 2010	Requester DR No.:	DRA-179-GAW
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 3

Beginning on line 19 of page 10-9, PG&E states that by improving the reliability of the circuits on which the Targeted Circuit Initiative is focused, the overall system reliability should improve. Doesn't PG&E's recent Cornerstone Improvement Project seek to accomplish the same goals? Please explain how the Targeted Circuit Initiative differs from Cornerstone.

ANSWER 3

PG&E's Cornerstone Improvement Project (CIP) is a stand-alone application (still pending before the Commission) that proposes to significantly improve the reliability of the electric distribution system and to bring PG&E's performance closer to that of other investor-owned utilities in California.

PG&E's forecasts in this GRC, as stated in Exhibit (PG&E-3) Chapter 1, are intended to maintain or, in some cases, incrementally improve electric system reliability as measured by System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI). While the Targeted Circuit Initiative should improve overall system reliability, the scale of the initiative is much smaller than the CIP.

As noted in response to question 1b of this data request, the Targeted Circuit Initiative is focused on 100 circuits in 2009 and 2010 and approximately 20 circuits a year in 2011-2012. Total forecasted expenditures for this time period is \$81.8 million. The CIP proposes a significantly greater amount of work:

- Increase the available capacity and interconnectivity of the distribution system in urban and suburban areas to enable reconfiguration of its system in response to failures of critical system elements and variance in demand forecasts. This portion of the application involves installing 95 substation transformers, 180 new feeders and improving the interconnectivity of the distribution system.

- Expand distribution automation in urban and suburban areas to reduce the frequency, extent and duration of outages. This element of the application involves automating approximately 1,200 feeders.
- Increase mainline protection to reduce the frequency and extent of outages in rural areas, which will involve installing approximately 500 reclosers and 5,000 fuses.

The work proposed in the CIP is separate and is not included with the distribution work proposed in the 2011 GRC. PG&E will coordinate the work proposed in the 2011 GRC and the CIP such that amounts adopted by the Commission in the 2011 GRC are not spent on projects that will be tracked separately in the balancing account proposed in the CIP.