

**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_178-03 | | |
| PG&E File Name: | GRC2011-Ph-I_DR_DRA_178-Q03 | | |
| Request Date: | March 5, 2010 | Requester DR No.: | DRA-178-DFB |
| Date Sent: | March 19, 2010 | Requesting Party: | DRA |
| PG&E Witness: | Sanford Hartman | Requester: | Donna Fay Bower |

SUBJECT: LAW DEPARTMENT – INJURIES AND DAMAGES (ACCOUNT 925)

QUESTION 3

According to Attachment 1, Settlement Payments totaled \$22,841,646 in 2005, \$21,804,810 in 2006, \$10,867,267.52 in 2007 and \$8,401,684.71 in 2008. To what does PG&E attribute the steady decrease in Settlement Payments from 2005 to 2008?

ANSWER 3

There has not been a steady decrease in settlement payments, either in litigation or claims settlements. Annual totals can vary dramatically from year to year based on a few large settlements in a particular year. For example, in 2006 one litigation settlement was in the amount of \$11.7 million. In addition, many matters are settled in the claims process prior to litigation. For example, annual totals for claims settlements were approximately \$14 million in 2005 and 2006 and \$24 million in 2007.