

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

PG&E Data Request No.:	DRA_184-03		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_184-Q03		
Request Date:	March 8, 2010	Requester DR No.:	DRA-184-SWC
Date Sent:	March 22, 2010	Requesting Party:	DRA
PG&E Witness:	Jayne Battey	Requester:	Sophie Chia

SUBJECT: SHARED SERVICES AND OTHER SUPPORT COSTS

QUESTION 3

Exhibit PG&E-7, Chapter 7, page 7-26, and Table 7-2 provides the capital expenditures for MWC 12. Please provide the 2009 recorded capital expenditures for MWC 12 (Environmental).

ANSWER 3

PG&E objects to this data request to the extent it asks for 2009 recorded data while PG&E's 2011 GRC request is based on 2008 recorded data. Notwithstanding the foregoing and without waiving PG&E's right to object to the admissibility of such data, PG&E responds as follows:

The 2009 recorded capital expenditures for MWC12 are summarized in the table below.

For environmental projects, capital expenditures were forecast based on anticipated modifications and upgrades required to ensure compliance with applicable laws and regulations. Actual expenditures for specific projects were both below and above forecasts, based on the actual work ultimately required to maintain compliance.

For Habitat Conservation Plans (HCPs), forecasts were made of the HCP development costs and mitigation expenditures incurred against specific projects. As described in Exhibit (PG&E-7), Chapter 7, page 7-17, costs incurred in developing each HCP are held in a prepaid asset account until permits are obtained, then capitalized in that year. Mitigation costs incurred to purchase land are also held in a prepaid asset account until said land is used to offset a future impact. Those costs then flow to individual projects in which the impact occurred, whether expense or capital. Because costs are not capitalized until a permit is obtained or an impact is mitigated, forecasts of HCP capital costs can differ greatly from recorded costs.

Table 7-1
Pacific Gas and Electric Company
Environmental Program
Capital Expenditures by Major Work Category
(Thousands of Nominal Dollars)

No.	MWC	Subprogram/Title	2008 Recorded	2009 Forecast	2009 Actual	2010 Forecast	2011 Forecast	2012 Forecast	2013 Forecast
1	12	Environmental	\$ 4,411	\$ 5,397	\$ 4,748	\$ 4,777	\$ 6,909	\$ 7,815	\$ 7,496
2									
3		Overall Result	\$4,411	\$5,397		\$4,777	\$6,909	\$7,815	\$7,496

Line 3 from Page WP 7-3, line 6; WP 7-5, line 5

Line 1-3 to Exhibit (PG&E-7), Chapter 7, Table 7-2, Page 7-25

Pacific Gas and Electric Company
Environmental Programs
Capital Expenditures, Environmental Projects and HCPs
(Thousands of Current Year (Nominal) Dollars)

Line No.	MWC	Description	2009 Forecast	2009 Recorded	
1	12	CRE Environmental Capital Projects	\$2,498	\$1,880	Forecast from WP 7-7 Line 1
2	12	New Fleet Tanks & Washracks Projects	\$1,130	\$1,611	Forecast from WP 7-7 Line 2
3	12	Dist Sub SPCC Upgrades	\$1,680	\$1,256	Forecast from WP 7-7 Line 3
4	12	Subtotal Environmental Projects	\$5,308	\$4,747	Forecast from WP 7-5 Line 1
5	12	HCP Total Capital Costs	\$89	\$1	Forecast from WP 7-5 Line 2
6	12	Total Capital	\$5,397	\$4,748	Forecast from WP 7-5 Line 5

