

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

|                        |                             |                   |                 |
|------------------------|-----------------------------|-------------------|-----------------|
| PG&E Data Request No.: | DRA_196-02                  |                   |                 |
| PG&E File Name:        | GRC2011-Ph-I_DR_DRA_196-Q02 |                   |                 |
| Request Date:          | March 10, 2010              | Requester DR No.: | DRA-196-DFB     |
| Date Sent:             | March 24, 2010              | Requesting Party: | DRA             |
| PG&E Witness:          | Hudson Martin               | Requester:        | Donna-Fay Bower |

**EXHIBIT REFERENCE: PG&E-6, CHAPTER 6**

**SUBJECT: RISK AND AUDIT DEPARTMENT COSTS**

**QUESTION 2**

In response to DRA-015-DFB, Q19, PG&E states that the "Corporation's cost of insurance is based upon: Property-the pro-rata share of property premium based upon the assets used by the Corporation to the total property premium of the Utility." What portion of the \$262,049, 2011 Forecast, for PG&E Corporation Property and Liability Insurance is for Property Insurance? Please provide the supporting documentation and calculations for the Property Insurance portion of the \$262,049 forecast.

**ANSWER 2**

Of the \$262,049 forecast of PG&E Corporation Property and Liability Insurance in 2011, \$2,374 is for property insurance.

The calculations are as follows:

- PG&E's total insured property asset base: \$250M
- PG&E Corporation's estimated total property assets: \$37,500
- PG&E Corporation's total property assets as percentage of PG&E's total insured property asset base:  $\$37,500 \div \$250M = 0.015\%$
- Total non-nuclear property and other insurance: \$15,825,764
- PG&E Corporation's share of non-nuclear property and other insurance:  $\$15,825,764 \times 0.015\% = \$2,374$