

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

PG&E Data Request No.:	DRA_212-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_212-Q01		
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Date Sent:	March 24, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Paul Chan

SUBJECT: DEPRECIATION

QUESTION 1

In reference to PG&E-2, Workpapers Supporting Chapter 11, Depreciation Study, Volume 2, page WP-11-664, please provide all the reasons why “in the past 5 years there has been increasing amounts of cost of removal.”

ANSWER 1

Prior to 2004, PG&E did not have a systematic procedure for recording removal costs (COR) associated with gas meters separately from installation costs. As a result, when gas meters were replaced, much of the cost associated with removing meters was, as a practical matter, recorded as part of the cost of installing the new meters. With the installation of PG&E’s customer information system “Customer Care & Billing” (CC&B) in 2004, PG&E began much more systematically recording the COR on these retirements. WP 11-670 in Chapter 11 reflects this more systematic tracking of COR for gas meters over the past five years.