

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

PG&E Data Request No.:	DRA_212-03		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_212-Q03		
Request Date:	March 16, 2010	Requester DR No.:	DRA-212-PMC
Date Sent:	March 24, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Paul Chan

**SUBJECT: DEPRECIATION**

**QUESTION 3**

In reference to PG&E-2, Workpapers Supporting Chapter 11, Depreciation Study, Volume 2, page WP-11-664, please provide the reasons why "accounting practices for cost of removal in the future will produce a more negative result."

**ANSWER 3**

This sentence is in reference to the previous sentence that states "the previous authorized net salvage percent was zero." The net salvage in the future will be less than zero because of new tracking procedures that resulted from the installation of CC&B, and the fact that cost of removal has increased while gross salvage has gone to zero.