

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

PG&E Data Request No.:	DRA_144-01-Supp01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_144-Q01-Supp01		
Request Date:	February 12, 2010	Requester DR No.:	DRA-144-CKT
Date Sent:	March 26, 2010	Requesting Party:	DRA
PG&E Witness:	Trung Q. Ha	Requester:	Clayton Tang

**SUBJECT: PG&E’S PLANNING AND BUDGETING PROCESSES**

**QUESTION 1**

On page 14-2 (beginning at line 2) of Exhibit PG&E-8, PG&E states that “... each LOB (Line of Business) prioritizes forecasted work from high to low priority and aligns the work with the Company’s business practices. Additionally, each LOB categorizes and scores all work in terms of its impact to key metrics and the risk level of not funding.” Please provide copies of:

- a. The prioritization list for all forecasted capital projects in the GRC, for all Lines of Business (e.g., one list which includes all projects regardless of LOB).
- b. The “impact to key metrics” and the “risk-level of not funding” scoring lists for all forecasted capital projects in the GRC, for all Lines of Business (e.g., one list which includes all projects regardless of LOB).
- c. The respective prioritization lists for all forecasted capital projects in the GRC, organized by each Line of Business (e.g., a list for Electric Distribution, a list for Gas Distribution, a list for Information Technology, a list for Corporate Real Estate, a list for Customer Care, a list for A&G, etc.).
- d. The respective “impact to key metrics” and the “risk-level of not funding” scoring lists for all forecasted capital projects in the GRC, organized by each Line of Business (e.g., a list for Electric Distribution, a list for Gas Distribution, a list for Information Technology, a list for Corporate Real Estate, a list for Customer Care, a list for A&G, etc.).

**ANSWER 1 – SUPPLEMENTAL**

As point of clarification, the latest prioritization of our forecasts by LOB is for 2010, as provided in the original response to this data request. This is because the Operating Plan process as described in Exhibit (PG&E-8), Chapter 14, consists of a rolling three year forecast with the first year used for the budget and the subsequent two years for

target setting. As part of the budget preparation process (i.e., first year of the 3-year Operating Plan), the lines of business provide a prioritization of their capital and expense work. This prioritization is not performed for the subsequent two years until those years become the budget year. The LOB prioritization lists are then used by the Operating Plan Steering Committee to determine the level of budget funding that will be ultimately proposed for the Board of Directors' approval.

a. Prioritization lists are developed by each LOB (included in response to c. below) and then submitted to the Finance Department to consolidate the information. However, one single prioritization list for the Company is not created from the information provided by each LOB.

b. See Answer "a".

c. Please refer to attachment "GRC2011-Ph-I\_DR\_DRA\_144-Q01\_Att\_A.zip" for the last prioritization process PG&E undertook. This list applies to the 2010 budget setting process. A&G departments did not request capital funding for 2010.

d. Please refer to the file in answer "c" above. Refer to columns "U to AD" for "impact to key metrics" and "AF to AG" for "risk level of not funding".