

**PACIFIC GAS AND ELECTRIC COMPANY  
General Rate Case 2011 Phase I  
Data Response**

PG&E Data Request No.:	DRA_Oral003-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_Oral003-Q01		
Request Date:	March 3, 2010	Requester DR No.:	DRA_Oral003
Date Sent:	March 17, 2010	Requesting Party:	DRA-Oral
PG&E Witness:	Redacted	Requester:	Tamera Godfrey

**QUESTION 1**

How much of CEMA expenses recorded in MWC IF, that was NOT recovered/settled in the CEMA filing, is still included in the 2011 forecast? Note that in the NOI testimony, PG&E mentioned that it wanted to recover the amount that it was not able to recover in CEMA in the 2011 GRC. When I asked questioned about this statement, and for the specific details of the CEMA amount that is included in the GRC, PG&E did not provide the requested information. In the application, PG&E did not change the forecast for that chapter that mentions CEMA, but changed the testimony to include a request for a 2-way balancing account for CEMA. The CEMA expenses not recovered is in the forecast, and I want to know exactly how much of CEMA expenses are still included in MWC IF. If PG&E can't figure it out, then perhaps Mark can come over and review recorded CEMA expenses and capital and help PG&E figure the capital/expense split for CEMA recorded expenses.

**ANSWER 1**

The unrecoverable dollars are not directly included in PG&E's 2011 forecast. PG&E did not calculate the forecast and then increase that number by the dollars that were not recovered under CEMA. Rather, the major emergency forecast is based on historical costs recorded in both Major Work Categories IF and 95. Per the information provided in the workpapers, the annual recorded costs for 2006 and 2008 were reduced by the amounts requested in the applicable CEMA filings. This left the costs that were considered "unrecoverable" or not qualifying for recovery as part of the annual costs used by the various methodologies to calculate the major emergency forecast. Attached is a spreadsheet that provides the unrecoverable expenses for 2006 and 2008.