

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

PG&E Data Request No.:	DRA_207-07		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_207-Q07		
Request Date:	March 15, 2010	Requester DR No.:	DRA-207-TLG
Date Sent:	March 29, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Tamera Godfrey

**SUBJECT: NEW BUSINESS AND WORK REQUESTED BY OTHERS FOR MWC EV AND EW.**

**QUESTION 7**

Provide the documentation that explains in detail and demonstrates why PG&E's recorded adjusted 2008 expenses of \$40.003 million is insufficient to address its New Business and Work Requested by Others in 2011.

**ANSWER 7**

The forecast of expenditures for MWCs EV and EW, and indexing to associated capital work is discussed in Exhibit (PG&E-3), Chapter 6 on pages 6-40 to 6-43 for MWC EV and pages 6-55 to 6-59 for MWC EW. Both of these work categories are subject to external effects that impact the overall expenditure needs for each year. As discussed in Exhibit (PG&E-3), Chapter 6, Section E, due to the relative challenges in forecasting the NB and WRO programs, PG&E proposes that expenditures associated the NB/WRO Program, along with Rule 20A expenditures forecast in Exhibit (PG&E-3), Chapter 7, be subjected to a combined one-way balancing account, to ensure that any unspent amounts are returned to customers. The mechanics of the proposed balancing account are described in more detail in Exhibit (PG&E-8), Chapter 13