

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

PG&E Data Request No.:	DRA_195-06		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_195-Q06		
Request Date:	March 10, 2010	Requester DR No.:	DRA-195-BEN
Date Sent:	March 29, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Bernard Ayanruoh

SUBJECT: GAS DISTRIBUTION CAPITAL

QUESTION 6

According to PG&E, the company plans to “complete capacity projects in 2009 and 2010 to reduce the number of planned manual operations throughout the system and to meet the needs to new customers planned for the future.” As a result, the test year forecast for MWC 47 “assumes that the load growth remains at the 2008 level for 2009 and then modest increases as the economy recovers.”

- a. What was the 2008 load growth assumed in the forecast and what was the actual 2009 load growth?
- b. What was the escalation rate used to increase the 2009 load growth to 2011?

ANSWER 6

PG&E objects to this question on the grounds that it asks for actual 2009 data, which is not the basis of PG&E’s 2011 GRC request. Notwithstanding the foregoing, and without waiving PG&E’s right to object to the admissibility of the requested information into evidence, PG&E responds as follows.

- a. The term “load growth” as used in Exhibit (PG&E-3), Chapter 19, pages 19-8 to 19-11 refers to the annual growth rate in cold weather peak demand (“gas distribution capacity load growth”). There is no one consistent systemwide gas distribution capacity load growth forecast used in gas planning models for the entire system, but instead gas planning engineers use different forecasts appropriate for the local gas distribution system they are modeling. These forecasts are compiled from information from local governments, PG&E customer service and from economic information services. For reference, gas planning engineers had informally forecasted gas distribution capacity load growth for systems in their divisions for 2008 to 2012 as summarized in attachment GRC2011-Ph-I_DR_DRA_195-Q06-Atch01. The growth ranges shown in the attachment indicate that within a division many different load growth percentages are used for modeling.

For 2009 actual load growth, because local models are updated at different periods, PG&E cannot calculate systemwide load growth from 2008 to 2009. This is because not all local models are updated so a composite 2008 system load cannot be accurately compiled. Demand data is updated every 2 to 7 years and consequently the calculation of 2008 demand would not yield accurate results for comparison with 2009 data.

While PG&E uses models to develop system reinforcement plans and loads those models with the best available customer demand information, PG&E also compares actual system performance against the models to validate or revise investment plans. This is done through the comparison of actual pressure data during cold weather events to predicted system pressures from the model. With this comparison, engineers can assess the accuracy of the model and their investment plans for the systems. In practice this has led to the rescheduling of system reinforcements.

- b. As stated in response (a), PG&E does not use systemwide escalation rates to forecast gas distribution capacity load growth.