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

PG&E Data Request No.:	DRA_227-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_227-Q01		
Request Date:	March 22, 2010	Requester DR No.:	DRA-227-DAO
Date Sent:	April 5, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Dao Phan

EXHIBIT REFERENCE: PG&E-3, CHAPTERS 17 AND 18

SUBJECT: GEEM, GAS DISTRIBUTION O&M

QUESTION 1

PG&E uses the 2008 level of leaks detected per mile surveyed to forecast several work activities in 2011. Does PG&E believe that the level of leaks found in 2008 will continue to occur in 2011 and/or beyond? Please explain the response in detail and provide a copy of all documents used to support PG&E's claim.

ANSWER 1

The assumed leak find rate in the 2009 to 2011 forecast is 0.767 leaks per mile of survey, which was based on the actual leak found rate as of June 2008 YTD or when PG&E developed the forecast. PG&E assumes this leak find rate will continue to occur in 2011 and beyond or until data suggest a different forecast. As PG&E noted in its response to CCUE DR 1, Q 20, which addressed the number of detected leaks and miles of gas distribution facilities leak surveyed in 2004 through 2009, the actual leak find rates were higher than the assumed leak find rate used in the 2011 forecast. In 2008, for example, the actual leak find rate was

0.86 (15,053 leaks detected divided by 17,417 miles leak surveyed).

There are at least three factors that could drive the leak find rate in the next leak survey cycle: (1) actual leak rate or degradation of the system, (2) actual effectiveness of the new leak survey process in finding all the leaks, and (3) implementing new and improved techniques and processes. These factors are unknown. In addition, the actual leak rate can change over time due to the age and condition of the facilities or from other environmental conditions. Therefore, it would be speculative to assume the leak find rate would either increase or decrease based on only one year of data.