

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

PG&E Data Request No.:	DRA_201-06		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_201-Q06		
Request Date:	March 11, 2010	Requester DR No.:	DRA-201-PMC
Date Sent:	April 7, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Paul Chan

**EXHIBIT REFERENCE: PG&E-2, WORKPAPERS SUPPORTING CHAPTER 11, DEPRECIATION STUDY, VOLUME 2, PAGE WP-11-664**

**SUBJECT: DEPRECIATION**

**QUESTION 6**

The SmartMeter Program set up a balancing account that includes the labor costs to install the new meters and to remove the old meters. Based on the fact that the cost of removal is recovered in the SmartMeter Program, please recalculate the proposed net salvage rate for Account 381.

**ANSWER 6**

Cost of removal (COR) associated with removing legacy meters is not being collected through balancing accounts, as COR has been accruing on these meters in Account 381. Accordingly, COR is debited to the Account 381 reserve and depreciation studies continue to use that data in projecting COR depreciation rates for legacy meters in the 2011 GRC.