

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

PG&E Data Request No.:	DRA_172-04		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_172-Q04		
Request Date:	March 2, 2010	Requester DR No.:	DRA-172-GAW
Date Sent:	April 13, 2010	Requesting Party:	DRA
PG&E Witness:	Bruce P. Fraser	Requester:	Gregory Wilson

SUBJECT: DETAILS ON VARIOUS CAPITAL LOADERS/OVERHEADS

QUESTION 4

It is DRA's understanding that PG&E frequently includes contingency factors when deriving its capital forecasts. If true, please provide a list (by MWC and sub-MWC) of the contingency factors that are used.

ANSWER 4

There are not specific contingency amounts included in most of the 2011 GRC capital project forecasts. Generally, a GRC forecast is based upon what the PG&E witness determines to be overall cost, without the addition of a specific contingency. Once the Commission determines the overall revenue requirement it deems appropriate for the Company as part of a general rate case, and the project is determined ready to be presented to management for its approval, contingencies are then in many cases built into the detailed job estimates. Some projects included in this GRC do include a specific contingency amount. For example, the Data Center Project and the information technology portion of the 111 Almaden Building Project included a contingency rate of 5%.