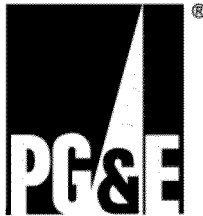


Application: 09-09-013
(U 39 G)
Exhibit No.: _____
Date: May 10, 2010
Witness: Anthony E. Biacci

PACIFIC GAS AND ELECTRIC COMPANY
2011 GAS TRANSMISSION AND STORAGE RATE CASE
ERRATA TO PREPARED TESTIMONY
DATED SEPTEMBER 18, 2009



**PACIFIC GAS AND ELECTRIC COMPANY
2011 GAS TRANSMISSION AND STORAGE RATE CASE, A.09-09-013
ERRATA TO PREPARED TESTIMONY
DATED SEPTEMBER 18, 2009**

Chapter 7: Plant, Depreciation Expense and Reserve, and Rate Base
Witness: Anthony E. Biacci

Page(s)	Line(s)	Column(s)	Delete	Replace With/Insert
7-4	Table 7-1, Line 4	2011	766,923	787,604
7-4	Table 7-1, Line 5	2011	184,303	163,628
7-4	Table 7-1, Line 11	2011	3,175,446	3,175,452
7-4	Table 7-1, Line 17	2011	3,779,367	3,779,373
7-5	Table 7-2, Line 4	2011 Depreciation Expense	21,069	21,608
7-5	Table 7-2, Line 4	2011 WAVG Reserve	346,809	342,161
7-5	Table 7-2, Line 5	2011 Depreciation Expense	5,507	4,969
7-5	Table 7-2, Line 5	2011 WAVG Reserve	96,592	101,239
7-5	Table 7-2, Line 11	2011 WAVG Reserve	1,435,286	1,435,285
7-5	Table 7-2, Line 17	2011 WAVG Reserve	1,636,641	1,636,640
7-7	Table 7-3, Line 4	2009	316,116	315,706
7-7	Table 7-3, Line 5	2009	25,734	26,144
7-7	Table 7-3, Line 4	2010	305,473	305,532
7-7	Table 7-3, Line 5	2010	25,137	25,078
7-7	Table 7-3, Line 4	2011	292,383	317,307
7-7	Table 7-3, Line 5	2011	73,545	48,628
7-7	Table 7-3, Line 11	2011	1,393,579	1,393,586
7-7	Table 7-3, Line 17	2011	1,753,053	1,753,060
7-8	5		512	511

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May 10, 2010
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TABLE 7-1
PACIFIC GAS AND ELECTRIC COMPANY
WAVG PLANT BY GAS TRANSMISSION AND STORAGE UCC
(THOUSANDS OF DOLLARS)

Line No.	UCC	2009	2010	2011
1	<u>Gas Transmission</u>			
2	Gathering (501)	\$62,207	\$65,914	\$69,171
3	Local Transmission (520)	1,226,657	1,295,901	1,376,369
4	Transmission: Northern Path – Line 401 (521)	762,282	766,084	<u>787,604</u> 766,923
5	Transmission: Northern Path – Line 400 (522)	136,802	139,710	<u>163,628</u> 184,303
6	Transmission: Northern Path – Line 2 (523)	51,837	51,909	51,949
7	Transmission: Southern Path – Line 300 North Milpitas to Panoche (524)	102,681	105,589	106,353
8	Transmission: Southern Path – Line 300 South Topock to Panoche (525)	461,195	490,085	512,588
9	Transmission: Bay Area Loop (526)	78,231	83,078	84,364
10	Customer Access Charge (CAC) (540)	20,693	21,927	23,425
11	Gas Transmission Total	<u>\$2,902,583</u>	<u>\$3,020,198</u>	<u>\$3,175,446</u> <u>\$3,175,452</u>
12	<u>Gas Storage</u>			
13	Storage Services – McDonald Island (511)	\$392,344	\$405,232	\$419,274
14	Storage Services – Los Medanos/Pleasant Creek (512)	111,864	117,427	125,501
15	Storage Services – Gill Ranch (513)	2,145	21,291	59,146
16	Gas Storage Total	<u>\$506,353</u>	<u>\$543,950</u>	<u>\$603,921</u>
17	Gas Transmission and Storage Total	<u>\$3,408,936</u>	<u>\$3,564,147</u>	<u>\$3,779,367</u> <u>\$3,779,373</u>

Workpaper PS-8 provides additional supporting detail to the data in this table.

1 The 2011 forecast WAVG plant cumulatively increased
2 \$454.8 million (\$323.3 million increase for gas transmission, and
3 \$131.5 million for gas storage) from 2008 through 2011. This increase
4 represents a forecasted annual plant increase of 2.5 percent,
5 4.6 percent, and 6 percent for 2009, 2010, and 2011, respectively.

6 Plant for recorded year 2008 and forecast years 2009, 2010, and
7 2011 for functional and common plant (including common, general, and
8 intangible plant) is summarized in Workpapers PS-5 and PS-8.

9 **b. Depreciation**

10 PG&E requests that the Commission adopt its 2011 forecast of
11 \$88.5 million for gas transmission-related depreciation expense and

1 \$16.4 million for gas storage-related depreciation expense, as presented
2 in Table 7-2, in determining PG&E's GT&S 2011 revenue requirement.

3 In addition, PG&E requests that the Commission adopt its 2011
4 forecast of \$1,435.3 million for gas transmission-related WAVG
5 depreciation reserve and \$201.4 million for gas storage-related WAVG
6 depreciation reserve, as presented in Table 7-2.

TABLE 7-2
PACIFIC GAS AND ELECTRIC COMPANY
2011 FORECAST DEPRECIATION EXPENSE AND WAVG RESERVE
GAS TRANSMISSION AND STORAGE BY UCC
(THOUSANDS OF DOLLARS)

Line No.	UCC	2011 Depreciation Expense	2011 WAVG Reserve
1	<u>Gas Transmission</u>		
2	Gathering [501]	\$2,141	\$37,598
3	Local Transmission [520]	35,067	544,143
		<u>21,608</u>	
4	Transmission: Northern Path – Line 401 [521]	21,069	342,161 346,809
5	Transmission: Northern Path – Line 400 [522]	4,969 5,507	101,239 96,592
6	Transmission: Northern Path – Line 2 [523]	1,161	25,314
	Transmission: Southern Path – Line 300 North Milpitas to		
7	Panoche [524]	2,817	50,210
	Transmission: Southern Path – Line 300 South Topock to		
8	Panoche [525]	16,841	284,656
9	Transmission: Bay Area Loop [526]	2,511	35,689
10	Customer Access Charge (CAC) [540]	1,341	14,275
11	Gas Transmission Total	<u>\$88,456</u>	<u>1,435,285</u> \$1,435,286
12	<u>Gas Storage</u>		
13	Storage Services – McDonald Island [511]	\$11,342	\$151,687
14	Storage Services – Los Medanos/Pleasant Creek [512]	3,672	50,316
15	Storage Services – Gill Ranch [513]	1,431	(649)
16	Gas Storage Total	<u>\$16,445</u>	<u>\$201,354</u>
17	Gas Transmission and Storage Total	<u>\$104,901</u>	<u>1,636,640</u> \$1,636,641

Workpapers DS-5 and DS-8 provide additional supporting detail to the data in this table.

7 The 2011 forecasted depreciation expense is a \$14.3 million
8 increase (\$10 million increase for gas transmission, and \$4.3 million for
9 gas storage) over the 2008 base year recorded depreciation expense.
10 This increase represents a forecasted annual depreciation expense
11 increase of 6.6 percent, 4.7 percent, and 3.7 percent for 2009, 2010,
12 and 2011, respectively.

TABLE 7-3
PACIFIC GAS AND ELECTRIC COMPANY
WAVG RATE BASE BY GAS TRANSMISSION AND STORAGE UCC
(THOUSANDS OF DOLLARS)

Line No.	UCC	2008	2009	2010	2011
1	<u>Gas Transmission</u>				
2	Gathering (501)	\$26,065	\$21,429	\$23,615	\$25,128
3	Local Transmission (520)	518,592	602,780	645,837	705,252
4	Transmission: Northern Path – Line 401 (521)	372,123	316,116 315,706	305,473 305,532	292,383 317,307
5	Transmission: Northern Path – Line 400 (522)	28,211	25,734 26,144	25,137 25,078	73,545 48,628
6	Transmission: Northern Path – Line 2 (523)	24,063	23,165	21,889	21,716
7	Transmission: Southern Path – Line 300 North Milpitas to Panoche (524)	48,767	46,666	46,964	45,402
8	Transmission: Southern Path – Line 300 South Topock to Panoche (525)	150,849	152,608	169,476	180,998
9	Transmission: Bay Area Loop (526)	42,301	38,563	41,591	40,365
10	Customer Access Charge (CAC) (540)	7,000	7,242	7,855	8,791
					\$1,393,579
11	Gas Transmission Total	\$1,217,971	\$1,234,304	\$1,287,836	<u>\$1,393,586</u>
12	<u>Gas Storage</u>				
13	Storage Services – McDonald Island (511)	\$221,325	\$227,104	\$231,023	\$235,190
14	Storage Services – Los Medanos/ Pleasant Creek (512)	48,407	58,917	61,397	66,263
15	Storage Services – Gill Ranch (513)	130	2,277	21,696	58,021
16	Gas Storage Total	\$269,862	\$288,298	\$314,117	\$359,474
					\$1,753,053
17	Gas Transmission and Storage Total	\$1,487,832	\$1,522,602	\$1,601,953	<u>\$1,753,060</u>

Workpapers RB-1 through RB-4 provide additional supporting detail to the data in this table.

1 The 2011 forecast WAVG rate base cumulatively increased
2 \$265.2 million (\$175.6 million increase for gas transmission, and
3 \$89.6 million for gas storage) from 2008 through 2011. This increase
4 represents a forecasted annual increase of 2.3 percent, 5.2 percent, and
5 9.4 percent for 2009, 2010, and 2011, respectively.

6 **3. Support for Request**

7 **a. Plant**

8 Of the total cumulative increase of \$323.3 million in the gas
9 transmission plant forecast from 2008 to 2011, approximately
10 \$257 million (or 80 percent) is attributable to plant increase in UCC 520:

1 Local Transmission. Of the total cumulative increase of \$131.5 million in
 2 the gas storage plant forecast from 2008 to 2011, approximately
 3 \$59 million (or 45 percent) is attributable to UCC 513: Storage
 4 Services – Gill Ranch Gas Storage, and approximately \$44.6 million (or
 5 34 percent) is attributable to plant increase in UCC ~~512~~511: Storage
 6 Services – McDonald Island. Refer to Chapter 6, “Capital
 7 Expenditures,” Chapter 2, “Gas Transmission Facilities and Services,”
 8 and Chapter 3, “Gas Storage Facilities and Services” for a discussion on
 9 local transmission, Gill Ranch, and McDonald Island.

10 PG&E’s forecast for GT&S plant is reasonable and justified because
 11 the Company:

- 12 · Used plant balances on PG&E’s books as of December 31, 2008.
- 13 · Accurately converted the 2009, 2010, 2011, 2012, 2013, and 2014
 14 forecast capital expenditures described in Chapter 6, “Capital
 15 Expenditures” to gross plant additions.
- 16 · Accurately forecasted 2009, 2010, 2011, 2012, 2013, and 2014
 17 plant retirements consistent with past Commission decisions.
- 18 · Appropriately assigned plant to the UCCs.
- 19 · Allocated the common plant in a reasonable manner.

20 **b. Depreciation**

21 Depreciation expense is a function of plant-in-service and
 22 depreciation accrual rates (i.e., the rates at which various asset classes
 23 of plant-in-service are expected to depreciate). All else equal,
 24 depreciation expense increases as: (1) more plant is added; and
 25 (2) depreciation accrual rates increase.

26 Of the total net increase of \$10 million in gas transmission-related
 27 depreciation expense forecast for 2011, approximately \$12.6 million is
 28 related to the gas transmission plant growth PG&E experienced since
 29 2008, offset by approximately a \$2.6 million reduction related to the

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**TABLE 7-1
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 4 Services – Gill Ranch Gas Storage, and approximately \$44.6 million (or
 5 34 percent) is attributable to plant increase in UCC 511: Storage
 6 Services – McDonald Island. Refer to Chapter 6, “Capital
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