



**Pacific Gas and  
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December 30, 2010

Mr. Paul Clanon  
Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue, Room 5223  
San Francisco, CA 94102

Re: Implementation of the Catastrophic Events Memorandum Account for the November-  
December 2010 Winter Storms

Dear Mr. Clanon:

In accordance with Commission Resolution E-3238, dated July 24, 1991, and the associated PG&E currently effective tariff sheets (Electric Preliminary Statement Section G), PG&E hereby provides notice that we are recording in the electric Catastrophic Event Memorandum Account (CEMA) the costs associated with the restoration of service following a series of winter storms that began November 20, 2010.

Details about the storms, the effect on PG&E's facilities, and the estimated costs of restoration are provided below.

1. Disaster:

By proclamations dated November 30, December 9, 23, and 24, states of emergencies were declared to exist in Calaveras, Tuolumne, Orange, Kern, Tulare, Riverside, San Luis Obispo, San Bernadino, Santa Barbara, Kings, Los Angeles, Inyo, and San Diego Counties, respectively, by Governor Schwarzenegger or by Lieutenant Governor Abel Maldonado as Acting Governor.

The proclamations reported that the series of storms brought high winds and significant amounts of precipitation statewide, whose effects continued for several days. The storms damaged public and private facilities, caused utilities outages, closed roads, and required emergency response and debris clean-up.

2. Service Area Affected:

The storms damaged hydro, electric transmission and distribution facilities throughout PG&E's 19 divisions. The hardest hit areas were the Central Coast, Sierra, North Valley, Stockton, Yosemite, Fresno, Kern, and Los Padres Divisions. The impacted counties within these divisions include Santa Cruz, Monterey, El Dorado, Placer, Nevada, Butte, San Joaquin, Amador, Calaveras, Alpine, Tuolumne, Mariposa, Madera, Merced, Stanislaus, Fresno, Kings, Kern, Tulare, San Luis Obispo, Monterey and Santa Barbara.



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3. Impact on PG&E's Facilities:

PG&E's Outage Information System (OIS) indicated that the storms disrupted service to more than 836,500 electric customers over its duration. The full extent of the damage to PG&E's facilities is still being assessed.

4. Estimated Costs:

Evaluation of the damaged facilities and related costs are preliminary at this time. For the counties with a disaster declaration, the estimated incremental costs are currently forecast at \$8.0 million and may likely exceed that amount.

The total system-wide response costs impacted by this storm series to date are \$34.6 million, \$17.3 million in capital and \$17.3 million in expense, and are forecast to exceed \$38.0 million.

PG&E is submitting this letter to preserve the option of filing an application for cost recovery under CEMA at a later date.

If you have any questions about PG&E's implementation of the CEMA, please contact

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Sincerely,

Brian K. Cherry  
VP, Regulatory Relations

cc: President Michael R. Peevey  
Commissioner John A. Bohn  
Commissioner Nancy E. Ryan  
Commissioner Dian M. Grueneich  
Commissioner Timothy A. Simon  
Julie Fitch, Director, Energy Division  
Joe Como, Acting Director, Division of Ratepayer Advocates