

**PACIFIC GAS AND ELECTRIC COMPANY
San Bruno GT Line Rupture Investigation
Data Response**

PG&E Data Request No.:	CPUC_100-09		
PG&E File Name:	SanBrunoGT-LineRuptureInvestigation_DR_CPUC_100-Q09		
Request Date:	March 21, 2011	Requester DR No.:	
Date Sent:	April 29, 2011	Requesting Party:	CPUC (ED)
		Requester:	Eugene Cadenasso

QUESTION 9

Provide the following in hard copy and excel spreadsheet format for the GPRP from its beginning until transmission projects were considered by PG&E in a different program (see Item # 3):

- a) Amount requested by PG&E in its applications or other filings to the CPUC categorized by year, distribution, transmission, operations and maintenance expense (O&M), and capital projects. Identify any amounts requested for work related to Line 132 and/or Line 109 and a description of the work (include pipeline milepost numbers and location of the work). Provide all supporting documentation (e.g., application, testimony, workpapers, etc) with cites for each request.
- b) Amount the CPUC authorized categorized by year, distribution, transmission, O&M expense, and capital projects. Identify any amounts approved for work related to Line 132 and/or Line 109. Cite relevant decision or resolution number.
- c) Amount PG&E spent on the GPRP since the program began to the present categorized by year, distribution, transmission, O&M, and capital projects. Identify amount spent on work related to Line 132 and/or Line 109 and a description of the work (include pipeline milepost numbers and location of the work).
- d) Identify any amounts reported above that consist of administrative & general, common, or overhead expenses.

ANSWER 9

Consistent with PG&E's transfer of transmission pipeline from the GPRP to programs within the gas transmission business in the late 1990s, PG&E's response to this question covers the time period from 1985-1999. Table 9-1 (SanBrunoGT-LineRuptureInvestigation_DR_CPUC_100-Q09Atch01) sets forth, by year for 1985-1999, information regarding (i) the amount of funding requested by PG&E in its rate case filings for the GPRP; (ii) the imputed amount of funding adopted in the relevant rate case decisions; and (iii) the amounts PG&E spent on the GPRP. Where the

information is available, Table 9-1 further categorizes this information by transmission and distribution pipeline, and capital and operations and maintenance (O&M) expenditures.

The following paragraphs provide further information regarding the four subparts of the Commission's request.

a. Requested Amounts

The requested amounts shown in Table 9-1 are based on information from the following sources: (i) for 1987-1989, Decision 86-12-095 (mimeo) at 79; (ii) for 1990-1995, PG&E's GPRP Reports; (iii) for 1996-1998, Decision 95-12-055 (mimeo) at 56; and (iv) for 1999, Decision 00-02-046 (mimeo) at 212 and 231. PG&E has generally assumed that the requested funding during attrition years is equal to the test year request.

PG&E did not request funding for specifically identified GPRP projects involving Lines 109 and 132 from 1987 through 1999. This response is based on PG&E's review to date, including its review of available GRC applications, opening testimony, and work papers. Although PG&E has not found all such materials, the review of what was found indicated that it was not PG&E's practice to identify specific GPRP projects in its GRC filings. See the materials provided in response to Questions 4 and 5.

For the Commission's information, PG&E is providing in its response to Question 4 a copy of its response to a CPUC data request in the 1987 GRC. See Exhibit 9, Chapter 13 Gas Plant, Data Request 80. The response includes a copy of 1986 pipeline replacement job authorizations, several of which concern Lines 109 and 132. These references do not include dollar amounts and were not specific requests for funding.¹

b. Adopted Amounts

As reflected in Table 9-1, PG&E has determined the adopted funding targets for the GPRP based on the authorized revenue requirement, attrition increases, and the Commission's decision in the relevant rate cases. In general, the Commission's rate case decisions do not authorize PG&E to spend money on any particular capital project or O&M expenditures. Rather, absent a specific call-out in the Commission's decision, a utility is generally provided discretion in the use of CPUC approved funds and is expected to manage budgets in accordance with changing business needs and priorities.

As PG&E did not request GPRP funding for specific projects involving Lines 109 and 132, the Commission also did not adopt spending on any particular GPRP projects relating to Lines 109 or 132 during 1987-1999. Furthermore, as PG&E explained in its 1987 GPRP report, PG&E's internal GPRP planning was subject to change: "This flexibility is necessary because of unforeseen events such as changes in operating

¹ The projects on Lines 109 and 132 referenced in the data request response were completed and are shown on the charts provided with PG&E's response to Question 7.

conditions, unavailability of permits or rights-of-way, modifications of city or county repaving programs, and shifts in priority with further refinement of the priority analysis procedures.”²

c. Recorded Spending

PG&E has filed annual GPRP Reports with the Commission since 1987. The amounts provided for recorded spending in a particular year in Table 9-1 are taken from the GPRP Report for that year with the exception of the 1985 and 1986 recorded spending numbers, which are taken from the 1987 GPRP Report. PG&E notes that adjustments were made in certain years in the 1990s to historic spending information reported in the GPRP Reports to reflect changes in the scope of the program (e.g., to include additional pre-1931 distribution mains in the GPRP) after the original report dates. Table 9-1 reports the spending on the GPRP as originally reported without incorporating these retroactive adjustments.³

Information about spending on work that PG&E performed on Lines 109 and 132 during 1985-1999 will be provided in PG&E’s response to Question 7.

d. General and Administrative Costs

The amounts spent for gas pipeline replacement work reported in this response include allocations for administrative and general, common and overhead expenses. Expense amounts include payroll taxes and benefits. Capital amounts include: (1) the appropriate amount of administrative and general expense in compliance with CPUC and FERC policy; (2) an assignment of Corporate Services and holding company costs to capital when direct charging is not practical; and (3) a portion of labor-driven costs such as workers’ compensation, pensions, and post-retirement benefits.

PG&E is unable to segregate the overhead amounts from the amounts reported above for the period 1985-1996 because PG&E no longer uses the accounting system that was used to generate the recorded amounts reported during that period. For later time periods, the overhead amounts applied to expense costs and capital orders change over time and are calculated and set annually. The expense overhead amounts are calculated and reported at the line of business level and cannot be segregated for the GPRP. The capital overhead amounts are calculated and reported at the major work category (MWC) level.

From 1997-1999, expense amounts included overhead ranging from 12% to 15% and capital included overhead ranging from 5% to 6%.

² 1987 GPRP Report at B-3.

³ This is the most conservative approach, as the GPRP Reports reflect a cumulative net positive adjustment of \$83.5 million to reported spending in 1985-1996. Furthermore, the adjusted spending numbers are not available for individual years. They are, however, incorporated into the cumulative spending data for prior years reported in the GPRP Reports beginning in 1994. GPRP spending on transmission pipelines was later removed from the reported total program spending to date.