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

PG&E Data Request No.:	CPUC_100-10		
PG&E File Name:	SanBrunoGT-LineRuptureInvestigation_DR_CPUC_100-Q10		
Request Date:	March 21, 2011	Requester DR No.:	
Date Sent:	April 29, 2011	Requesting Party:	CPUC (ED)
		Requester:	Eugene Cadenasso

QUESTION 10

Provide the following in hard copy and excel spreadsheet format for the years that transmission pipeline projects were considered by PG&E in a different program other than the GPRP (see Item # 3):

a) Amount requested by PG&E in its applications or other filings to the CPUC for categorized by year, 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, O&M expense, and capital projects. Identify any amounts approved for work related to Line 132 and/or Line 109, from 1986 through 2010. Cite relevant decision or resolution number.

c) Amount PG&E spent categorized by year, O&M, and capital projects. Identify amounts spent on work related to Line 132 and/or Line 109 and a description of the work from 1986 through 2010 (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 10

Consistent with PG&E's transition of transmission pipeline from the GPRP to programs within the gas transmission business, this response covers the time period from 2000-2010. PG&E's spending on the Risk Management Program, the Transmission Integrity Management Program, and other gas transmission pipeline safety and maintenance work is tracked in five different major work categories: Pipeline Safety and Reliability—Capital (MWC 75); Pipeline Integrity Management—Capital (MWC 98); Pipeline Integrity Management—Expense (MWC II); Gas Transmission System Maintenance—Expense

(MWC BX); and Mark and Locate—Expense (MWC DF). The type of work done in each of these MWCs is described in PG&E's response to Question 3.

Table 10-1 (SanBrunoGT-LineRuptureInvestigation_DR_CPUC_100-Q10Atch01)shows the following information for these five MWCs for each year from 2000-2010: (a) the amount PG&E requested in its rate case application and other filings; (b) the imputed adopted amounts from the rate case settlements and decisions; and (c) the recorded spending in each MWC.

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

a. Requested Amounts

The requested amounts shown in Table 10-1 are based on information from the following sources: (i) for 2000-2003, Workpapers supporting the Gas Accord I settlement agreement; (ii) for 2004, PG&E's Gas Transmission & Storage Rate Case, GA II-2004, workpapers supporting Chapters 9 (O&M expenses) and 10 (capital expenditures); (iii) for 2005-2007, Gas Transmission & Storage Rate Case, Gas Accord III, Chapter 3 (O&M expenses), Errata to Workpapers Supporting Testimony (O&M expenses) and Supplemental Testimony, page 4-6 (capital); and (iv) for 2008-2010, Gas Transmission & Storage Rate Case, Gas Accord IV, Capital Workpapers, Page 1, Table 1 and workpapers supporting O&M Expenses, pages 2 and 3. PG&E has generally assumed that the requested funding during attrition years is equal to the test year request. In many instances, the requested amounts in the rate cases are presented in total and not at the MWC level. Therefore, to generate the requested amounts by MWC as presented in Table 10-1, PG&E allocated the total requested amount to the MWCs.

PG&E did not generally request funding for prospective projects relating to Lines 109 or 132 in its rate case applications, opening testimony, and work papers for 2000-2010. The only project relating to Lines 109 or 132 was a project for the replacement of a portion of Line 132 at mile post 42.13-43.55 in PG&E's Workpapers Supporting Capital Expenditures filed in connection with the 2008 Gas Transmission & Storage (GT&S) rate case. PG&E forecasted that it would spend $4,873,000 on this project in 2008 and 2009. (*See* Workpapers Supporting Capital Expenditures, March 15, 2007, Table 2, line 161 & page 84.) The other references to Lines 109 and 132 in the testimony and work papers refer to completed work or work that would be completed before the next rate case began (i.e., work that was not part of the forecast for the rate case application). See the materials provided in response to Questions 4 and 5.

b. Adopted Amounts

As explained in subpart (a) above, PG&E's only explicit request for funding for forecast work on Lines 109 or 132 was part of its submission filed in connection with the 2008 GT&S rate case. The Gas Accord IV Settlement was a black box settlement that did not designate funding for any specific projects. The settlement resulted in significantly lower revenue requirements than reflected in PG&E's forecast, making it impossible to determine what levels of capital or O&M expenditures were adopted in the settlement.[1] Furthermore, as discussed in PG&E's response to Question 9(b), the Commission's rate case decisions generally do not authorize PG&E to spend money on any particular capital project or O&M expenditures and PG&E frequently must reprioritize forecast work.

c. Recorded Spending

PG&E's recorded spending in the work categories associated with gas transmission pipeline safety and maintenance work is set forth in Table 10-1. Information about spending on work that PG&E performed on Lines 109 and 132 during 2000-2010 will be provided in PG&E's response to Question 7. PG&E's response to Question 14 explains why it did not replace the portion of Line 132 in 2008 and 2009 as originally forecast in its 2008 GT&S Rate Case work papers. That segment of Line 132 is scheduled for replacement in 2012.

d. General and Administrative Costs

As discussed in PG&E's response to Question 9(d), the expense and capital spending amounts shown in Tables 9-1 and 10-1 include allocated overhead. For 2000-2010, expense amounts for the gas transmission business included overhead ranging from 12% to 14% and the capital amounts for the relevant major work categories included an overhead allocation ranging from 5% to 12% (the allocation was between 7% and 10% in most years).

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[1] *See* Opinion Regarding the Gas Accord IV Settlement, Decision 07-04-045 (mimeo) at 2 ("Had the Settlement Agreement not been reached, PG&E would have requested much higher revenue requirements and rates."). For 2008-2010, the imputed adopted amounts shown in Table 10-1 are assumed to be equal to PG&E's internal budget. Because PG&E's planned spending shifted between the time of its litigation forecast and its budgets, the imputed adopted amounts for certain major work categories in Table 10-1 are greater than the requested amounts (which are based on the forecast filed at the time of the proposed Gas Accord IV Settlement).