**BEFORE THE PUBLIC UTILITIES COMMISSION**
**OF THE STATE OF CALIFORNIA**

| | |
|---|---|
| Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2011. (U 39 M) | Application No. 09-12-020 (Filed December 21, 2009) |
| Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company. | Investigation 10-07-027 (Filed July 29, 2010) |

# PACIFIC GAS AND ELECTRIC COMPANY'S AUGUST 3, 2011 BUDGET REPORT IN COMPLIANCE WITH CALIFORNIA PUBLIC UTILITIES COMMISSION DECISION 11-05-018


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Dated: August 3, 2011

**BEFORE THE PUBLIC UTILITIES COMMISSION**
**OF THE STATE OF CALIFORNIA**

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# PACIFIC GAS AND ELECTRIC COMPANY'S AUGUST 3, 2011 BUDGET REPORT IN COMPLIANCE WITH CALIFORNIA PUBLIC UTILITIES COMMISSION DECISION 11-05-018

In compliance with Decision (D.) 11-05-018 of the California Public Utilities Commission concerning the above-captioned matter, Pacific Gas and Electric Company hereby submits the attached report presenting electric distribution, electric generation and gas distribution budget amounts for 2011, by major work category, with an explanation of any differences with what is assumed in the October 15, 2010 settlement agreement adopted by D.11-05-018.

This report is timely submitted pursuant to Ordering Paragraph 42 of D.11-05-018.

Respectfully Submitted,

MICHELLE L. WILSON
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By: /s/
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PACIFIC GAS AND ELECTRIC COMPANY

Dated: August 3, 2011

# Pacific Gas and Electric Company's
# August 3, 2011 Budget Report in Compliance with
# California Public Utilities Commission Decision 11-05-018

This report is being submitted in compliance with California Public Utilities Commission (CPUC or Commission) Decision (D.) 11-05-018 concerning Pacific Gas and Electric Company's (PG&E or the Company) 2011 General Rate Case (GRC). Ordering Paragraph (OP) 42 of that decision, in part, requires that:

> Pacific Gas and Electric Company shall provide the following expense and capital expenditure information for electric distribution, electric generation, and gas distribution.
>
> Within 90 days of the issuance of this decision:
>
> Pacific Gas and Electric Company's authorized budgeted amounts for 2011, as of January 31, 2011, by major work category, with an explanation of any differences with what is assumed in the Settlement Agreement for 2011.

As directed, this report covers GRC-jurisdictional revenues in electric and gas distribution, as well as electric generation. Accordingly, funding for electric and gas transmission and storage is not addressed in this report.

Sections 2 through 10 of this report provide the requisite variance explanations by Major Work Category (MWC), arranged by line of business (LOB), as follows:

Section 2 – Gas and Electric Distribution;
Section 3 – Customer Care;
Section 4 – Nuclear Generation;
Section 5 – Power Generation;
Section 6 – Energy Procurement;
Section 7 – Information Technology; and
Section 8 – Shared Services.

In addition to these variance explanations, PG&E has included in Section 1 of this report certain introductory and background material that help give meaning to the variance descriptions that follow.

## SECTION 1 – Introduction and Background

### A. Calculations and Assumptions

#### 1. Assumptions Regarding Funding Levels

The authorized funding level for 2011 in D.11-05-018 is approximately 9% less than the level forecast by PG&E. As a result, the Company expects to spend more than has been authorized in order to continue providing safe and reliable service and to fund unanticipated activities related to the September 9, 2010 San Bruno accident.

PG&E will not be able to undertake all of its forecasted projects and activities during the 2011-2013 GRC cycle under the authorized funding level. As described below, the Company has reduced its planned activities, predominantly in Information Technology (IT), Shared Services and Energy Supply, in areas where reduced spending will not affect public safety. Throughout the budget planning process, the Company has ensured that safety-related and mandatory work have been given top priority.

#### 2. Calculation of Imputed Regulatory Values

The requirement in OP 42—that the Company identify, by MWC, the amounts assumed in the Settlement Agreement—requires PG&E to derive various amounts not specified in the Settlement Agreement. The Settlement Agreement did not provide specific values for most MWCs. The Settlement Agreement identified specific levels for only those MWCs identified in D.11-05-018, Attachment 1, Appendix A, page 1-A3. Therefore, to develop the assumed values for each MWC not identified in the Settlement Agreement, PG&E took the following steps.

To develop the Operations and Maintenance (O&M) and Administrative and General (A&G) expense regulatory values, PG&E applied any reductions specifically identified in the Settlement Agreement to PG&E's request at the applicable MWCs and/or organizational levels. In contrast, PG&E applied general reductions identified in the Settlement Agreement (i.e., those that were not attributed to a specific area) proportionately to PG&E's request across all MWCs and/or organizational levels not otherwise specifically identified in the Settlement Agreement.

To develop the capital expenditure regulatory values, PG&E applied any reductions specifically identified in the Settlement Agreement directly to PG&E's request at the specific MWC level. For any reductions that were not specifically identified, PG&E applied these proportionately to PG&E's request across all MWCs not otherwise specifically identified in the Settlement Agreement. Also, since the Settlement Agreement did not specifically identify capital expenditures for the attrition years of 2012 and 2013, and the adopted attrition revenues would not provide adequate funding to maintain the 2011 spending profile- PG&E further adjusted the 2011 capital expenditure values to yield an evenly-distributed spending profile over the 2011-2013 period.

In Appendix A to this report, PG&E shows the calculations behind the regulatory values included in this report.

### 3. Use of June 2011 Budget Data

The language in D.11-05-018 would have had the Company compare the January 31, 2011 budgets to the amounts assumed in the Settlement Agreement. Because the final decision for the 2011 GRC was not issued until May 2011, PG&E was not able to prepare a 2011 budget that incorporated the final decision until later that month. Accordingly, the budgets for 2011 contained in this report reflect the most recent budgets available: namely, budgets that were developed in June 2011. The June 2011 capital budget data also includes PG&E's estimate of increased spending as a result of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, which includes provisions on bonus depreciation.

### 4. Reorganization of MWCs

From the time the 2011 GRC was filed in December 2009 and when 2011 budgets were developed, there were a number of changes to MWCs. In some cases, MWCs were divided into new MWCs to provide greater reporting granularity; for example, MWC BG which formerly covered both underground and overhead maintenance has been divided into three new MWCs: KA for overhead electric distribution maintenance; KB for underground electric distribution maintenance; and KC for network electric distribution maintenance. In other cases, similar work performed in different MWCs was regrouped into one new MWC. In the variance explanations found in Sections 2 through 8 of this report, PG&E describes the MWC changes and explains the new categorizations. In Appendix B to this report, PG&E maps the previous MWCs to the new MWCs.

## B. Budgeting and Operational Planning Process

The overall objective of the budgeting and operational planning process is to look across the utility to allocate funds in order to provide safe, reliable, customer-focused electric and gas service.

Each LOB developed its 2011 budget based upon its planned activities for the year and in a manner that ensures the safety and reliability of the system, satisfies regulatory and legal mandates, and aligns with the goals of the Company. As described in the "LOB-Specific Prioritization Processes" section below, each LOB develops its budget request in a manner that is specific to its operations. Generally, each LOB takes into consideration the following items:

- Mandated work, which includes critical public and employee safety issues that need to be addressed, regulatory mandates (e.g., CPUC, Federal Energy Regulatory Commission (FERC), Nuclear Regulatory Commission (NRC), North American Electric

Reliability Council), and essential system or infrastructure upgrades or replacements where there is the potential for impacts on safety or reliability.

- Projects/initiatives designed to enhance operational efficiency and effectiveness, which include work where operational targets or planned benefits are critically dependent upon the execution of the project/initiative. Projects and initiatives are prioritized based upon their benefit and impact on the efficiency and effectiveness of operations. PG&E's priorities are to provide safe, reliable, customer-focused gas and electric service at a reasonable price. Resources are prioritized and allocated based upon a project's or initiative's impact on those priorities.
- Utilizing the Company's priorities as a foundation, each LOB prioritized its forecasted work from low to high priority and aligned the work with the Company's priorities.

After the LOBs develop their budget requests, those requests are consolidated with other non-LOB budget items (e.g., corporate expenses) and incorporated into the corporate income statement. The income statement consolidation process includes revenues approved through the various CPUC and FERC rate cases. Examples of corporate expenses include depreciation, interest, taxes, and certain employee benefits. The Operating Planning Committee, the senior management team responsible for the process, then reviews the LOB-specific requests on a consolidated basis and, in conjunction with the Company's senior leadership, establishes budget targets for each LOB.

During the year, PG&E officers in each LOB have the authority to manage their budgets on an overall basis so that they can effectively respond to safety needs or issues, changes in the business, and customer needs. This process provides a framework for ensuring that the Company makes prudent planning and spending decisions. This process is also consistent with the principle that the utility is expected to manage budgets in accordance with changing circumstances.

In 2011, the Company set aside an un-allocated reserve of funds for unforeseen events that could require a timely and flexible response outside the standard planning and budgeting process. This reserve fund provides management flexibility in dealing with unplanned items. Prior to the introduction of this reserve, dealing with unplanned costs during the budget year required budgets for various LOBs to be re-set in order to fund those unplanned items. The review and approval process for releasing funds from the reserve uses a similar prioritization framework as described above. Reserve funds are fully allocated in the current year and are not carried over to succeeding years.

## C. LOB-Specific Prioritization Processes

As mentioned above, this section provides a brief summary of how each LOB prioritizes its work.

### 1. Gas and Electric Distribution

Gas and Electric Distribution's (GED) annual budget prioritization and review process results in a priority ranked list of work based on the priorities of safety and reliability, including work mandated by regulation. GED work includes both forecasted work like New Business and Work Requested by Others (third parties); Emergency Response; and Mark & Locate; as well as planned work like System Maintenance and Capacity and Reliability Improvements. Program managers in charge of each type of work develop a prioritized work plan and then work is converted into dollars based on per unit productivity targets agreed upon with the field construction organization. The work plans from the program managers are then consolidated and reviewed to ensure that the priorities assigned are consistent with the established mandatory and priority definitions. After all mandatory work and safety-related work is funded, remaining work is prioritized using the following criteria: customer reliability impact; internal and external commitments; asset lifecycle replacement that could be deferred without an impact on reliability; and long-term compliance program projects where there is sufficient time available to complete the work in advance of the compliance date.

### 2. Customer Care

Customer Care's annual budget prioritization and review process evaluates work plans proposed by Customer Operations, Customer Energy Solutions, and the SmartMeter™ Program, and results in a ranked list of recommended work. Priority is given to work that promotes public safety, ensures compliance with regulatory requirements, meets labor agreements, and provides satisfying service to PG&E's customers. The Customer Care proposed work plans take into account regulatory submissions, customer service levels, expected savings from the SmartMeter™ Program, labor agreements and other factors impacting customers.

### 3. Nuclear Generation

Nuclear Generation's annual budget prioritization and review process results in a ranked list of recommended work. The highest priority is given to work that allows for the safe operation of Diablo Canyon Power Plant (DCPP), ensures compliance with NRC license conditions and other regulatory requirements, and protects the environment. Nuclear Generation also includes funding for reliability. The economic evaluation of reliability work considers the consequences of an in-service failure and captures the efficiency associated with scheduling work to minimize the number and duration of any unplanned outages. Unplanned costs (e.g., unanticipated component failures, new regulatory requirements), whether expense or capital, are managed by

assessing what lower priority work can be rescheduled and/or performance efficiencies can be captured so that funds are made available to proceed with emergency work.

### 4. Power Generation

Power Generation's annual budget prioritization and review process, which includes both hydroelectric generation and fossil operations, results in a ranked list of recommended work. The highest priority is given to work that allows for the safe operation of the generating assets, ensures compliance with FERC license conditions and other regulatory requirements, and protects the environment. Power Generation also includes funding for reliability and efficiency improvements. Efficiency expenditures are intended to improve operating flexibility and are compared to reliability work so that the highest value work is funded first. The economic evaluation of reliability work considers the consequences of an in-service failure and captures the efficiency associated with scheduling work to minimize the number and duration of unit outages. Life-cycle cost of production for all new generation capacity is compared to market benchmarks to ensure the lowest cost and highest value facilities are placed into service. Unplanned costs (e.g., unanticipated component failures and storm damage), whether expense or capital, are managed by assessing what lower priority work can be rescheduled and/or performance efficiencies can be captured so that funds are made available to proceed with emergency work.

### 5. Energy Procurement

Energy Procurement's budget prioritization and review process considers the following high priority activities: compliance with procurement obligations set by the CPUC, California Independent System Operator (CAISO), California Air Resources Board, the California Legislature, and other oversight bodies; participation in the CAISO market, which has changed its structure through the Market Redesign Technology Upgrade and through ongoing CAISO initiatives; payments to generators; monitoring counterparties for compliance with energy contract obligations; sufficient staffing and expertise to enter into new energy contracts; development and support of PG&E's position on energy procurement matters with regulators and other stakeholders; and evaluation of opportunities for Renewable Portfolio Standard deliveries through utility-owned generation.

### 6. Information Technology

The IT organization goes through two separate budget prioritization and review processes: one is applied to the LOBs' technology projects and the other is applied to the IT organizational budget. Technology projects are prioritized by the Technology Oversight Committee (TOC), which is a cross-functional committee that reviews and governs all of PG&E's technology investments. Highest priority is given to projects that are mandated by a regulatory body. Subsequent allocations are for "in-flight" projects that have already begun executing under an approved prior year budget and require additional funding to successfully conclude in the budget year or beyond. Next, the

TOC funds projects with high impact to the Company's goals. As for the IT organizational budget, high priority is given to mandatory work that has a regulatory requirement, work that is near completion, or work that is contractually mandated by a previous contract between PG&E and a vendor.

### 7. Shared Services

Shared Services' annual budget prioritization and review process evaluates work plans proposed by each Shared Services Unit: Safety, Corporate Real Estate, Transportation Services, Supply Chain, Environmental Operation, Environmental Remediation, and Land and Environmental Management. This review results in a ranked list of recommended work. The highest priority is given to work that promotes public safety, ensures compliance with regulatory, legal, union and other requirements, and protects the environment. The proposed work plans take into account regulatory submissions, internal customer demand, current service levels, external factors and labor agreements.

## D. Expense and Capital Comparison by LOB

PG&E expects to spend more on corporate expenses than provided for in D.11-05-018. Funding must be allocated to these corporate expenses prior to the allocation of funds to the lines of business. This is necessary because these corporate expense items include amounts owed to governmental entities (e.g., property taxes, franchise fees) and amounts due under fixed third-party obligations (e.g., insurance, benefits). These corporate expenses also include depreciation costs tied to rates fixed by the Settlement Agreement, as well as costs driven by external factors (e.g., uncollectibles).

The following section and summary table provides a comparison of the 2011 planned budget relative to the imputed regulatory values for each LOB.

### 1. Expense

The $2.326 billion in planned expenditures for the LOBs and the support organizations (IT, Shared Services and A&G) includes $24 million for the Reserve Fund, resulting in total planned spending above the regulatory value of approximately $36 million. Over the course of the remainder of 2011, PG&E will draw upon this Reserve Fund to address needs as they arise throughout the Company.

The LOBs' 2011 expense plan reflects the prioritization effort described above. Additionally, budgets were increased to cover certain costs resulting from the September 9, 2010 San Bruno accident, which resulted in PG&E shareholder funding to support various gas safety communications with customers and legal costs the Company expects to incur responding to various investigations and court proceedings.

Reflecting the Company's focus of resources on highest priority work, PG&E has planned budgets below the regulatory values predominantly in IT, Shared Services and Energy Supply. In the area of IT, PG&E plans to delay the development of several technology projects throughout the Company that had been slated for 2011. In the area of Shared Services, PG&E intends to delay certain maintenance activities at some of PG&E's buildings and facilities. In the area of Energy Supply, PG&E has reduced planned expenses largely as a result of expected delays impacting the timing of a number of projects (e.g., delays in receipt of new licenses for hydroelectric facilities, rescheduling the nuclear fuel loading campaign to 2012, and delays in identification of an open site for nuclear waste disposal), as well as reclassification of some costs from expense to capital.

**2. Capital**

PG&E expects to spend $2.348 billion in capital during 2011, about $109 million more than provided for in D.11-05-018. This $2.348 billion includes capital spending as a result of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

PG&E's capital plan over the three-year period covered by the 2011 GRC assumes escalating capital spending at a planned rate of approximately 3-4% per annum. This excludes the impacts of incremental spending as a result of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

The capital plan reflects spending in Nuclear and Power Generation to address needs in safety, reliability and regulatory activities. This work includes implementation of NRC security requirements at DCPP, dam safety, and hydroelectric unit reliability—including seismic upgrades and replacing a portion of the Bear River Canal—and relicensing work. In the area of IT, planned spending will cover costs associated with the upgrade to Microsoft Windows 7, the SmartMeter™ Operations Center, and other infrastructure projects critical to supporting data integrity. Reduced capital spending is expected in Shared Services largely related to delayed upgrades to PG&E's buildings and facilities, and delayed fleet purchases.

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## LINE OF BUSINESS EXPENSE AND CAPITAL
## PLANNED BUDGET VS. REGULATORY VALUE
## (BUDGET AS OF JUNE 2011 – IN MILLIONS OF DOLLARS)

| | | Expense(a) | | | | Capital (a) | | | |
|---|---|---|---|---|---|---|---|---|---|
| Line No. | Line of Business | 2011 Imputed Regulatory Values | 2011 Plan | Difference Over/ (Under) | Difference (%) | 2011 Imputed Regulatory Values | 2011 Plan | Difference Over/ (Under) | Difference (%) |
| 1 | Gas and Electric Distribution | $680.0 | $682.7 | $2.7 | 0.4% | $1,435.1 | $1,417.8 | (17.3) | -1.2% |
| 2 | Customer Care | 450.8 | 445.4 | (5.4) | -1.2% | 101.3 | 106.0 | 4.7 | 4.6% |
| 3 | Nuclear Generation | 328.8 | 309.4 | (19.5) | -5.9% | 133.9 | 211.9 | 77.9 | 58.2% |
| 4 | Power Generation | 193.9 | 181.9 | (12.0) | -6.2% | 173.8 | 227.5 | 53.6 | 30.8% |
| 5 | Energy Procurement | 60.5 | 54.0 | (6.5) | -10.7% | – | – | – | |
| 6 | Support Orgs and A&G (b) | 575.7 | 627.9 | 52.3 | 9.1% | 395.0 | 384.6 | (10.4) | -2.6% |
| 7 | Subtotal | $2,289.6 | $2,301.4 | $11.7 | | | | | |
| 8 | Reserve | – | 24.4 | 24.4 | | – | – | – | |
| 9 | Total | $2,289.6 | $2,325.8 | $36.1 | 1.6% | $2,239.2 | $2,347.7 | $108.5 | 4.8% |

(a) There may be differences due to rounding in this and the other tables included in this report.
(b) The imputed regulatory values and planned budgets reflect 100 percent of the costs in these areas, however, only 88 percent of the A&G costs are reflected in GRC revenue requirements.

# SECTION 2

## Gas and Electric Distribution Variance Explanations

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**GAS AND ELECTRIC DISTRIBUTION EXPENSE AND CAPITAL INFORMATION**

**TABLE 2-1**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON SUMMARY**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-3) Chapter | Program | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 2, 12 | Maintenance | BG, BF, BK, GB, KA, KB, KC | $116,234 | $104,776 | $(11,458) | 2-3 |
| 2 | 4 | Pole Test and Treat | GA | 16,462 | 12,000 | (4,462) | 2-5 |
| 3 | 5 | Tree Trimming | HN | 161,500 | 161,500 | 0 | 2-6 |
| 4 | 6 | New Business | EV | 13,488 | 6,160 | (7,328) | 2-7 |
| 5 | 6 | Work Requested by Others | EW | 21,294 | 14,900 | (6,394) | 2-8 |
| 6 | 8 | Substation | GC | 34,423 | 33,322 | (1,101) | 2-9 |
| 7 | 11 | Automation | HX | 1,900 | 2,295 | 395 | 2-10 |
| 8 | 13 | Operations | BA, HG | 36,773 | 41,998 | 5,225 | 2-11 |
| 9 | 14 | Emergency Response | BH, IF | 85,858 | 129,016 | 43,158 | 2-12 |
| 10 | 15 | Electric Engineering | FZ | 25,062 | 21,870 | (3,192) | 2-13 |
| 11 | 16 | Mapping | GE, GF | 8,714 | 5,678 | (3,036) | 2-14 |
| 12 | 17 | Distribution Integrity Management Program | JS | 19,500 | 19,500 | 0 | 2-15 |
| 13 | 18 | Gas Maintenance and Engineering | DE, DF, DG, FG, FH, FI, GG, GZ | 117,225 | 119,216 | 1,990 | 2-16 |
| 14 | 19 | Meter Protection | EX | 1,200 | 199 | (1,001) | 2-19 |
| 15 | 20, 21, 22, 23 | Support | AB, AT | 20,330 | 9,916 | (10,414) | 2-20 |
| 16 | N/A | Implement Regulatory Change | KF | 0 | 367 | 367 | 2-21 |
| 17 | Total Gas and Electric Distribution Expense | | | $679,964 | $682,713 | $2,749 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**GAS AND ELECTRIC DISTRIBUTION EXPENSE AND CAPITAL INFORMATION**

**TABLE 2-2**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITALCOMPARISON SUMMARY**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-3) Chapter | Program | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 1 | Support | 19 | $(5,864) | $0 | $5,864 | 2-22 |
| 2 | 2 | Maintenance | 57, 2A, 2B, 2C | 103,387 | 122,969 | 19,582 | 2-23 |
| 3 | 3 | Pole Replacement | 07 | 53,514 | 88,384 | 34,869 | 2-24 |
| 4 | 6 | New Business | 16, 29 | 373,617 | 209,496 | (164,120) | 2-25 |
| 5 | 6 | Work Requested by Others | 10, 51 | 77,495 | 101,009 | 23,514 | 2-26 |
| 6 | 7 | Rule 20A – Electric Undergrounding | 30 | 69,401 | 53,234 | (16,167) | 2-27 |
| 7 | 8 | Substation | 48, 54, 58, 59 | 170,084 | 122,932 | (47,153) | 2-28 |
| 8 | 9 | Capacity | 06, 46 | 176,761 | 174,821 | (1,940) | 2-30 |
| 9 | 10 | Reliability | 08, 49 | 38,619 | 83,360 | 44,741 | 2-31 |
| 10 | 11 | Automation | 09, 63 | 30,503 | 26,391 | (4,112) | 2-33 |
| 11 | 12 | Underground Cable Replacement | 56 | 45,803 | 41,201 | (4,602) | 2-34 |
| 12 | 14 | Emergency Response | 17, 95 | 142,894 | 199,032 | 56,139 | 2-35 |
| 13 | 19 | Gas Pipeline Replacement | 14 | 123,266 | 123,707 | 441 | 2-36 |
| 14 | 19 | Gas Capital | 47, 50, 52 | 33,684 | 52,092 | 18,408 | 2-37 |
| 15 | 19 | Meter Protection | 27 | 593 | 332 | (261) | 2-38 |
| 16 | 23 | Support | 05, 78 | 1,339 | 3,870 | 2,530 | 2-39 |
| 17 | N/A | Gas High Pressure Regulators | 2K | 0 | 15,000 | 15,000 | 2-40 |
| 18 | Total Gas and Electric Distribution Capital | | | $1,435,096 | $1,417,829 | $(17,267) | |

Line of Business: Gas and Electric Distribution
Maintenance Program – Expense

MWC BG – Preventative Maintenance and Equipment Repair – includes: repair of overhead (OH) and underground (UG) facilities; repair of OH and UG Equipment Requiring Repair (now referred to as Critical Operating Equipment (COE)); repair of streetlights and group streetlight replacements; refurbish and overhaul of specific types of OH and UG distribution line equipment; repair of OH facilities to address migratory bird requirements; investigate and respond to radio television interference (RTVI) inquiries; wash insulators; replenish nitrogen cylinders; repair of network equipment and overhaul of network protectors; and other maintenance work such as reassessments, transformer reclassification, information technology changes and equipment failure analysis. *In 2011, MWC BG has been split into three new MWCs: KA – Electric Distribution Maintenance – Overhead, KB – Electric Distribution Maintenance – Underground, and KC – Electric Distribution Maintenance – Network. Additionally some equipment repair work has been transferred to the existing MWC BK.*

MWC BF – Patrols and Inspections – includes: patrol and inspections of OH and UG facilities, including infrared inspections; inspection and testing of OH and UG line equipment; inspection of network transformers; special patrols; and other work associated with electric distribution system maintenance such as the cost of implementing mobile technology. *In 2011, the inspection of network transformers has been remapped from MWC BF to the new MWC KC – Electric Distribution Maintenance – Network.*

MWC BK – Maintenance of Other Equipment – includes repair of specialized equipment, such as transformers, voltage regulators, circuit reclosers, capacitor banks and line switches, as well as equipment repair activities at the Emeryville repair facility.

MWC GB – Splice/Connector Replacement – includes replacing UG terminations and splices (a termination is generally referred to as an "elbow" and connects an UG cable to a piece of subsurface or padmount equipment whereas a splice connects two UG cables). *In 2011, MWC GB – Splice/Connector Replacement has been eliminated and incorporated into the new MWC KB – Electric Distribution Maintenance – Underground.*

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**GAS AND ELECTRIC DISTRIBUTION EXPENSE AND CAPITAL INFORMATION**

**TABLE 2-3**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BF – BF/KC | $40,712 | $39,048 | $(1,664) | Decrease primarily due to lower unit costs and decision to eliminate or reduce certain lower priority work in 2011, including a mobile hand-held device project. |
| 2 | BG – BK/KA/KB/ KC | 72,665 | 63,446 | (9,219) | Decrease is due to lower unit costs and the elimination of the tag reassessment process. Decrease also reflects the decision not to pursue certain lower priority projects in 2011 including: pole painting and numbering projects; IT programming changes supporting the electric maintenance program; and capacity controller project. |
| 3 | BK – BK | 2,057 | 1,860 | (197) | Decrease primarily due to fewer than originally forecast low-priority transformer repairs and a lower unit cost for the work to be completed. |
| 4 | GB – KB | 800 | 422 | (378) | Decrease primarily due to fewer elbow and splice replacements than originally forecast. |
| 5 | Total | $116,234 | $104,776 | $(11,458) | |

Line of Business: Gas and Electric Distribution
Pole Test and Treat Program – Expense

MWC GA – Poles-Inventory/Test and Treat – includes activities to assess the condition of the lower half of poles and preserve the poles' wood strength. Based on results of pole test and treat activities where the pole condition warrants reinforcement, the pole is restored to its original strength, extending the pole's serviceable life. This program also includes coordination of billing joint owners and tenants for their share of costs for work performed on jointly owned or leased facilities.

**TABLE 2-4**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | GA | $16,462 | $12,000 | $(4,462) | Decrease primarily due to a lower unit cost as well as process improvements. |
| 2 | Total | $16,462 | $12,000 | $(4,462) | |

Line of Business: Gas and Electric Distribution
Tree Trimming Program – Expense

MWC HN – Tree Trimming Balancing Account – includes the cost to patrol, inspect and maintain clearance for approximately five million trees along approximately 113,500 miles of overhead high voltage distribution lines. The program covers routine tree trimming and removal, vegetation control, contractor quality control, environmental compliance and public education.

**TABLE 2-5**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | HN | $161,500 | $161,500 | $0 | Not applicable. |
| 2 | Total | $161,500 | $161,500 | $0 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**GAS AND ELECTRIC DISTRIBUTION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Gas and Electric Distribution
New Business Program – Expense

MWC EV – New Customer Connection Service Inquiry Activities – includes processing customer requests related to new business or increased connection capacity (added load) on existing services.

**TABLE 2-6**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | EV | $13,488 | $6,160 | $(7,328) | Decrease primarily due to a lower forecast of new business applications and requests to upgrade existing facilities due to a slower than anticipated recovery from the economic downturn. |
| 2 | Total | $13,488 | $6,160 | $(7,328) | |

Line of Business: Gas and Electric Distribution
Work Requested by Others Program – Expense

MWC EW – Work Requested by Others (WRO) – Maintenance – encompasses work required by tariff and franchise compliance, including:

- Relocations: Non-plant related relocations of gas and electric facilities; Land Department right-of-way record research requested by third parties that are not project specific; and local division office WRO service inquiries not requiring land department involvement.
- Generation Interconnection Services (GIS): Managing the electric interconnection process for CPUC and Federal Energy Regulatory Commission (FERC)-jurisdictional customer generation projects connected at distribution service level from receipt of the interconnection inquiry through the in-service date of the new generation facility and continues through billing, settlements and refunds.
- Pre-Parallel Inspections: On-site inspections of distribution voltage interconnections that are funded via Electric Tariff Rule 21. Pre-parallel inspections are performed to ensure safe and reliable operation of customer-owned generators paralleled with PG&E's grid.



**TABLE 2-7**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | EW | $21,294 | $14,900 | $(6,394) | Decrease primarily due to lower than originally forecast number of facility relocations and GIS department expenses, partially offset by higher than forecast pre-parallel inspections. |
| 2 | Total | $21,294 | $14,900 | $(6,394) | |

Line of Business: Gas and Electric Distribution
Substation Program – Expense

MWC GC – Operate and Maintain Substations – includes operations, preventive maintenance and corrective maintenance within distribution substations.

- Operations in a substation include: substation facility and equipment inspections; switching; activities associated with providing safe working conditions for employees; restoring service to customers; calibrating and adjusting substation equipment; testing; and maintaining station logs and prints.
- Preventive maintenance includes: diagnostic testing; overhauls; washing insulators; application of room temperature vulcanized rubber coating to reduce the need to complete periodic insulator washing; yard repairs; refurbishing capitalized emergency and surplus equipment; and animal abatement.
- Corrective maintenance includes: repair of failed equipment; mobile substation and mobile transformer installation costs; and relocation of capitalized emergency and surplus equipment.



**TABLE 2-8**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | GC | $34,423 | $33,322 | $(1,101) | Decrease primarily due to lower unit cost for transformer repairs and switch maintenance program. |
| 2 | Total | $34,423 | $33,322 | $(1,101) | |

Line of Business: Gas and Electric Distribution
Automation Program – Expense

MWC HX – Distribution Automation and Protection Support – includes engineering support for the maintenance and operation of automation and protection equipment and the Enhanced Outage Notification (EON) subprogram.

**TABLE 2-9**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | HX | $1,900 | $2,295 | $395 | Increase primarily due to higher than originally forecast cost of electric engineering labor to support power quality and system protection work to improve system reliability. |
| 2 | Total | $1,900 | $2,295 | $395 | |

Line of Business: Gas and Electric Distribution
Operations Program – Expense

MWC BA – Operate Electric Distribution – includes distribution control center and field operations, including work performed by distribution system operators, troublemen, electricians and electric crews. This work includes operating switches to transfer load between circuits, isolating customers or de-energizing sections of line during construction or maintenance and reconfiguring circuits to mitigate problem situations.

MWC HG – Electric Distribution Operations Technology – covers technical support for Electric Distribution Operations, including operational and development support for various control center and emergency preparedness applications and tools (e.g., the Outage Information System, the Outage Management Tool, the Distribution Operator Dashboard and the Integrated Logging Information System).



**TABLE 2-10**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BA | $36,023 | $41,242 | $5,219 | Increase primarily due to an increased forecast of unclaimed meter costs and routine electric operations labor, partially offset by a reduction in forecasted Distribution Control Center consolidation training costs. |
| 2 | HG | 750 | 755 | 5 | Immaterial variance resulting from the budgeting process. |
| 3 | Total | $36,773 | $41,998 | $5,225 | |

Line of Business: Gas and Electric Distribution
Emergency Response Program – Expense

MWC BH – Corrective Maintenance – includes response to overhead or underground outages that occur during normal conditions including routine emergency response work as well as work issued using PG&E's Field Automation System (FAS) for either emergency response or system reliability.

MWC IF – Major Emergency – includes response to overhead or underground outages when a division Operations Emergency Center (OEC) has been activated, indicating emergency conditions at Level 2 or above. (Level 2-4 emergencies are major emergencies that are either division or area-wide (or high profile) and require construction and/or other resources from outside the impacted area.)



**TABLE 2-11**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BH | $64,618 | $71,684 | $7,066 | Increase primarily due to a higher forecast of electric corrective maintenance activities required due to higher than forecasted storm activity in the first half of 2011. |
| 2 | IF | 21,240 | 57,332 | 36,092 | Increase primarily due to an increase in the work resulting from major storms in the first half of 2011. |
| 3 | Total | $85,858 | $129,016 | $43,158 | |

Line of Business: Gas and Electric Distribution
Electric Engineering Program – Expense

MWC FZ – Electric Engineering and Planning – supports many programs that require engineering and planning services, including the Electric Distribution Capacity, Electric Distribution Reliability, and Underground Asset Management programs. This program also supports: (1) investigating secondary voltage complaints that troublemen cannot resolve on the first visit; and (2) supporting operational field work that electric planning personnel initiate, such as phase balancing and replacing fuses that are projected to be overloaded.

**TABLE 2-12**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | FZ | $25,062 | $21,870 | $(3,192) | Decrease primarily due to lower expense-related engineering labor costs than initially forecasted. |
| 2 | Total | $25,062 | $21,870 | $(3,192) | |

Line of Business: Gas and Electric Distribution
Mapping Program – Expense

MWC GE – Operations Distribution – Electric Mapping – includes creating new maps, recording updates and maintaining the electric distribution system maps.

MWC GF – Operations Distribution – Gas Mapping – encompasses tracking the size, material type, location, configuration, and other essential information needed to monitor and identify over 42,000 miles of underground gas main and nearly 3.3 million gas services. Gas mapping updates and maintains the gas distribution system maps and records.

**TABLE 2-13**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | GE | $7,114 | $4,744 | $(2,370) | Decrease primarily due to lower electric mapping labor costs than originally forecasted and a reduction in low-priority mapping improvement projects to support higher priority work. |
| 2 | GF | 1,600 | 934 | (666) | Decrease primarily due to lower gas mapping labor costs than originally forecasted and a reduction in non-critical mapping improvement projects to support higher priority work. |
| 3 | Total | $8,714 | $5,678 | $(3,036) | |

Line of Business: Gas and Electric Distribution
Distribution Integrity Management Program – Expense

MWC JS –Distribution Integrity Management Program (DIMP) – is a key program to improve public safety and the integrity of the gas distribution system. DIMP includes development of an overall plan which evaluates risks and implements projects to reduce risks. MWC JS includes developments and improvements in the following areas: DIMP program, preventative maintenance, leak surveys, operator qualifications, training, and programs such as cross-bored sewer, marker ball installation, and Adlyl-A.

**TABLE 2-14**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | DIMP (JS) | $19,500 | $19,500 | $0 | Not applicable. |
| 2 | Total | $19,500 | $19,500 | $0 | |

Line of Business: Gas and Electric Distribution
Gas Maintenance and Engineering Program – Expense

MWC DE – Leak Survey – is a key public safety and system integrity activity and includes leak survey work to comply with pipeline safety regulations that require PG&E to conduct periodic or routine leak surveys on its distribution systems. It also includes special leak surveys PG&E conducts, outside of the routine leak survey schedule, on its gas distribution system for operating reasons or to assess the integrity of the pipe. For example, a special leak survey occurs when a customer or third-party complains of gas leakage; before and during maximum allowable operating pressure uprates of gas distribution facilities; before, during and after some major third-party construction projects; and for leak rechecks.

MWC DF – Mark and Locate – is a key public safety and system integrity activity and includes work performed to comply with Federal pipeline safety regulations and state law that requires PG&E to belong to, and share the costs of operating the regional "one-call" notification system. Builders, contractors and others planning to excavate use this system to notify underground facility owners, like PG&E, of their plans. PG&E then provides the excavators with information about the location of its underground facilities by having Company personnel visit the work site and place color-coded surface markings to show where pipes and wires are located.

MWC DG – Cathodic Protection – is a key system safety and integrity activity and includes work to mitigate the effects of corrosion on metallic gas distribution pipelines. Corrosion on gas piping systems can cause leaks and other potential safety hazards. In the case of steel gas lines, the pipe is coated or wrapped before installation, and then Cathodic Protection (CP) is applied using either an impressed system or galvanic anodes as required by federal pipeline safety regulations. The CP system requires continual monitoring on regular intervals to ensure that adequate levels of current are maintained. If the CP system is found to be below protection levels, maintenance personnel or corrosion mechanics troubleshoot to identify and find the location of the problem. Appropriate corrective action is subsequently performed, which restores the CP system to satisfactory protection levels.

MWC FG – Operate Gas System – includes a broad range of operations to keep the system safe, such as monitoring the system pressures and flows; checking odorant intensity levels for leak detection; operating valves and regulator stations; and changing pressure recorder charts. Additionally, this program includes occasional manual operations to provide necessary capacity during peak demand periods in the morning (e.g., using a compressed (CNG) or liquefied (LNG) natural gas tanker to inject gas, manually opening separation valves to redirect gas or manually bypassing regulator station equipment to flow more gas).

MWC FH – Preventive Maintenance (Gas) – is a key system safety and integrity activity and includes work to comply with pipeline safety regulations that require PG&E to conduct periodic or routine maintenance on its gas distribution system. Preventive maintenance work includes regulator station maintenance, maintenance on mains and services, distribution valve replacement, service valve replacement, atmospheric corrosion inspections and overall gas maintenance support.

MWC FI – Corrective Maintenance (Gas) – includes work to repair or replace damaged or failed gas facilities. In many cases, the need for such restoration is identified during the "preventive maintenance" activities described in MWC FH. Corrective maintenance is broken down into leak repair, dig-in repair, Cathodic Protection restoration, regulatory station repair and distribution valve repair.

MWC GG – Gas Engineering – includes local gas planning engineers modeling the gas distribution system to ensure a safe, reliable, and cost-effective supply of natural gas to customers and to ensure that the system can accommodate future load growth. By simulating changes in load demand, engineers use the model to identify potential constraints in the system to support service reliability.

MWC GZ – Gas Research, Development and Demonstration – includes RD&D work in targeted areas of gas distribution. The objectives of gas distribution RD&D are to explore new opportunities, concepts and technologies to continue to provide safe, reliable service to customers at a lower cost, where possible.

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**TABLE 2-15**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | DE | $15,482 | $18,609 | $3,127 | Increase primarily due to additional Special Leak Survey units to be completed and an increase in the unit cost attributed to higher complexity of work than originally anticipated. Increase is partially offset by a reduction in Routine Leak Survey units forecasted to be completed. |
| 2 | DF | 29,902 | 26,978 | (2,925) | Decrease primarily due to a reduction in the forecasted volume of Underground Service Alert requests due to the slow down of third-party construction. |
| 3 | DG | 10,757 | 8,748 | (2,009) | Decrease primarily driven by a reduction in the forecast volume of CP troubleshooting, CP resurvey activities and deferral of Isolated Steel Services activities to support higher priority work. The decrease is partially offset by an increase in the unit cost of CP monitoring work. |
| 4 | FG | 3,945 | 3,038 | (907) | Decrease due to a reduction in general support costs for gas operations. |
| 5 | FH | 16,924 | 19,173 | 2,249 | Increase primarily due to more units of preventive maintenance than originally forecast. The increase was offset in part by reductions in: non-recurring projects and forecasted work volume in distribution valve maintenance, service valve replacement, miscellaneous maintenance of mains and services and gas maintenance support. Additional decrease due to a reduction in the unit cost for regulator station maintenance. |
| 6 | FI | 35,656 | 39,550 | 3,895 | Increase primarily due to additional service leak repairs, main leak repairs and regulator station repairs than originally forecast. |
| 7 | GG | 3,060 | 3,070 | 10 | Immaterial increase due to a forecasted increase in gas planning engineering costs. |
| 8 | GZ | 1,500 | 50 | (1,450) | Decrease primarily due to the deferral of gas RD&D projects and program management activities. |
| 9 | Total | $117,225 | $119,216 | $1,991 | |

Line of Business: Gas and Electric Distribution
Meter Protection Program – Expense

MWC EX – Gas Meter Protection Program – includes efforts to ensure that gas meter locations that do not conform to current PG&E standards and/or federal pipeline safety regulations are addressed. The program focuses on two types of non-conforming meter locations: those with inadequate protection from potential damage by vehicles; and those with inaccessible service or shutoff valves. The work to correct these non-conforming facilities generally involves one of three work activities: installing barrier posts, installing a new valve or relocating the service.

**TABLE 2-16**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | EX | $1,200 | $199 | $(1,001) | Decrease primarily due to decision not to pursue non-critical meter protection work in 2011 to support higher priority work. PG&E anticipates completing the program before or by the original proposed target time in 2016. |
| 2 | Total | $1,200 | $199 | $(1,001) | |

Line of Business: Gas and Electric Distribution
Support Program – Expense

MWC AB – Support – encompasses gas and electric distribution quality assurance programs and general support of the gas and electric distribution systems, including performance improvement initiatives, as well as a number of smaller projects including the CPUC-commissioned Electric Magnetic Fields program. This MWC also includes technical training requested in the 2011 GRC.

MWC AT – Electric Research, Development and Demonstration – includes efforts to increase the operating life and improve the operating efficiency and safety of PG&E's electric distribution system, and reduce costs by developing, demonstrating, and/or evaluating new or improved technologies and operating concepts.



**TABLE 2-17**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | AB | $17,530 | $9,916 | $(7,614) | Decrease is primarily due to the decision to delay technical training in 2011 to fund higher priority work.<br>Partially offsetting this decrease is an increase primarily due to planned savings from the Workforce Reduction Program, which was reflected as a negative imputed value being allocated to other specific work categories in the 2011 budget allocation process. |
| 2 | AT | 2,800 | 0 | (2,800) | Decrease is primarily due to the decision not to pursue certain RD&D projects in 2011 to support higher priority work. |
| 3 | Total | $20,330 | $9,916 | $(10,414) | |

Line of Business: Gas and Electric Distribution
Implement Regulatory Change Program – Expense

MWC KF – Implement Regulatory Change – includes work related to modifying PG&E's gas and electric distribution system processes and procedures in response to changes in the regulatory environment. It includes engineering and operations activities to respond to changes in the regulatory environment as well as any related field activities.

**TABLE 2-18**
**GAS AND ELECTRIC DISTRIBUTION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | KF | $0 | $367 | $367 | This work was not planned in the GRC and therefore the increase is attributable to this new work being identified in early 2011. |
| 2 | Total | $0 | $367 | $367 | |

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Line of Business: Gas and Electric Distribution
Support Program – Capital

MWC 19 – Special Programs, Workforce Reduction Program – includes anticipated savings included in PG&E's 2011 GRC Application due to workforce reductions in various gas and electric distribution operations which were reflected as a high-level adjustment rather than applied separately to various MWCs. In the budgeting process these savings are allocated to the MWCs where the work is actually performed.

**TABLE 2-19**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 19 | $(5,864) | $0 | $5,864 | The difference reflects the allocation of savings expected from the Workforce Reduction Program to specific MWCs in the 2011 budget, instead of being reflected as a high-level adjustment in MWC 19 as shown in PG&E's 2011 GRC forecast. |
| 2 | Total | $(5,864) | $0 | $5,864 | |

Line of Business: Gas and Electric Distribution
Maintenance Program – Capital

MWC 57 – Electric Distribution Preventive Maintenance – includes replacing deteriorated overhead and underground facilities on a planned basis where it is not cost effective to repair those facilities. This work is similar to the work performed in MWC BG, but includes replacing equipment, rather than repair and maintenance. Typical equipment replacements include corroded transformers, deteriorated cross-arms, inoperative line switches, and damaged underground enclosures. Equipment is replaced in-kind in most cases; however, upgrades are required where the equipment must meet current operating conditions, technology, and safety standards. *In 2011, MWC 57 has been split into three new MWCs: 2A Electric Distribution Maintenance – Overhead; 2B Electric Distribution Maintenance – Underground; and 2C Electric Distribution Maintenance – Network.*

**TABLE 2-20**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 57 – 2A/2B/2C | $103,387 | $122,969 | $19,582 | Increase primarily due to an increase in the number of units forecasted to be completed to address backlog reduction and improve reliability and system safety including: overhead and underground maintenance; overhead and underground equipment requiring repair (now critical operating equipment (COE)); bird-safe corrective action units; bird retrofit units; network transformer replacement units; and underground switch replacements. |
| 2 | Total | $103,387 | $122,969 | $19,582 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
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Line of Business: Gas and Electric Distribution
Pole Replacement Program – Capital

MWC 07 – Pole Replacement – includes the replacement of poles, 99 percent of which are wood, to support safety and reliability of the electric distribution system.

**TABLE 2-21**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 07 | $53,514 | $88,384 | $34,869 | Increase primarily due to a higher number of planned pole replacements than originally forecast to reduce backlog and improve system reliability and safety. |
| 2 | Total | $53,514 | $88,384 | $34,869 | |

Line of Business: Gas and Electric Distribution
New Business Program – Capital

MWC 16 – Electric Distribution Customer Connections – includes building new underground and overhead primary distribution systems, and the associated secondary systems and services to both residential and non-residential customers.

MWC 29 – Gas Distribution Customer Connections – includes building new gas distribution systems to provide service to new customers and the costs of regulators purchased for emergency response, regulator change outs, and system upgrades.

**TABLE 2-22**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 16 | $309,521 | $185,788 | $(123,733) | Decrease primarily due to a lower forecasted volume of new business electric connections as a result of a slower recovery from the economic downturn than originally forecast. |
| 2 | 29 | 64,095 | 23,708 | (40,387) | Decrease primarily due to a lower forecasted volume of new business gas connections as a result of a slower recovery from the economic downturn than originally forecast. |
| 3 | Total | $373,617 | $209,496 | $(164,120) | |

Line of Business: Gas and Electric Distribution
Work Requested by Others Program – Capital

MWC 10 – Electric Work at the Request of Others – includes relocating electric distribution facilities at the request of a governmental agency or other third parties (*e.g.*, customers and developers) and overhead electric facility underground conversions covered by Tariff Rule 20B and Rule 20C.

MWC 51 – Gas Work at the Request of Others – includes relocating gas distribution and service facilities at the request of a governmental agency or other third parties (*e.g.*, customers and developers). This work could be due to road widening, street improvements, sewer improvements and other similar work.

**TABLE 2-23**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 10 | $56,148 | $64,672 | $8,524 | Increase is primarily due to certain third-party requested projects not previously forecasted, including the Transbay Terminal project. |
| 2 | 51 | 21,347 | 36,337 | 14,990 | Increase is primarily due to a higher number of governmental agency relocation projects than originally forecasted. |
| 3 | Total | $77,495 | $101,009 | $23,514 | |

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Line of Business: Gas and Electric Distribution
Rule 20A – Electric Undergrounding Program – Capital

MWC 30 – Electric Distribution Work Requested by Others – Rule 20A – includes the undergrounding of existing overhead electric distribution facilities. Rule 20A provides that utilities will jointly convert existing overhead electric distribution, telecommunication and other overhead facilities to underground when a specified project has been determined to be in the general public interest.

**TABLE 2-24**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 30 | $69,401 | $53,234 | $(16,167) | Decrease reflects a decision to reduce the number of non-critical electric undergrounding projects in 2011 in order to support higher priority work. |
| 2 | Total | $69,401 | $53,234 | $(16,167) | |

Line of Business: Gas and Electric Distribution
Substation Program – Capital

MWC 48 – Electric Distribution Replace Substation Equipment – includes all major and minor substation equipment replacements not included in MWC 54 (Transformer Program). Specific sub-programs include:

- Ancillary Substation Equipment Replacement
- Ohio Brass Insulator Replacement
- Ground Grid Replacement
- Circuit Breaker Replacement Program
- Switch Replacement
- Battery Replacement
- Civil Structure Replacements
- Switchgear Replacement
- Regulator Replacement
- Yard Improvement Replacement
- Diagnostic Installation Program
- Arc Flash Reduction Replacement

MWC 54 – Electric Distribution Substation Transformer Replacements – includes maintaining or improving substation reliability by replacing transformers that have the highest risk of failure. This MWC also includes maintaining an adequate supply of emergency transformer stock, mobile transformers, and breakers for emergency response.

MWC 58 – Electric Distribution Substation Safety and Environmental – encompasses miscellaneous, unforeseen, short lead-time and emergency environmental work (e.g., removal of an old asbestos panel in a control room that requires special handling).

MWC 59 – Electric Distribution Substation Emergency Replacement – includes replacements for substation equipment that fails or is forced out of service as well as an emergency supply of transformers and other equipment to replace failed equipment.

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**TABLE 2-25**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 48 | $64,924 | $34,234 | $(30,690) | Decrease primarily due to a decision to focus on higher priority work, resulting in reductions in non-critical switchgear, switch and breaker replacement activities, ancillary equipment and diagnostics installation activities, and civil structure activities. |
| 2 | 54 | 70,946 | 56,087 | (14,859) | Decrease primarily due to a decision to focus on higher priority work, resulting in a reduction in non-critical transformer replacement activities. |
| 3 | 58 | 5,673 | 2,200 | (3,473) | Decrease primarily due to a decision to focus on higher priority work, resulting in a reduction in non-critical seismic and other related activities. |
| 4 | 59 | 28,541 | 30,411 | 1,870 | Increase primarily due to a higher forecast of emergency replacement work than originally anticipated. |
| 5 | Total | $170,084 | $122,932 | $(47,153) | |

Line of Business: Gas and Electric Distribution
Capacity – Capital

MWC 06 – Electric Distribution Line and Equipment Capacity – includes capacity expansion work outside a substation necessary to correct specific capacity deficiencies or overload conditions on the distribution lines and equipment and includes: replacing/upgrading conductors and devices along with installing capacitors, switches or other equipment; establishing new circuit outlets; converting circuit line sections to a higher operating voltage; and reconfiguring primary distribution circuits to redistribute loading.

MWC 46 – Electric Distribution Substation Capacity – includes capacity work within substations including: new substations, increased capacity at existing substations and work on feeders/breakers within a substation.



**TABLE 2-26**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 06 | $81,940 | $97,010 | $15,070 | Increase is primarily due to a focus on improving reliability, including higher than originally forecast line capacity projects, overloaded transformer replacements, power factor improvements and primary and secondary voltage corrections. |
| 2 | 46 | 94,821 | 77,811 | (17,010) | Decrease primarily driven by fewer expected substation capacity projects than originally forecast, including fewer substation bank and feeder/breaker expansions. |
| 3 | Total | $176,761 | $174,821 | $(1,940) | |

Line of Business: Gas and Electric Distribution
Reliability Program – Capital

MWC 08 – Base Reliability Program – includes: (1) installing fused cutouts, reclosers, sectionalizers, switches, fault indicators, fused switches and interrupters; (2) rebuilding and reframing overhead distribution lines (including the installation of tree-insulated wire); and (3) performing other reliability and system protection improvement work such as replacing annealed overhead conductors. Base reliability work is intended to maintain the current level of electric distribution system reliability.

MWC 49 – Targeted Reliability Program – includes: (1) overhead fuses; (2) underground protective devices; (3) new line reclosers and converting existing reclosers from manual to remote operation (i.e., making them supervisory control and data acquisition (SCADA) operable); (4) fault indicators; (5) expenditures to resolve high-impact reliability issues; and (6) targeted circuit initiative which addresses the least reliable circuits and typically involves a mixture of installing new fuses, reclosers, fault indicators and animal and bird guards, reframing poles to increase phase separation, repairing or replacing existing equipment, and completing previously identified maintenance tags.

## TABLE 2-27
## GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON
## (IN THOUSANDS OF 2011 DOLLARS)

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 08 | $11,862 | $15,000 | $3,138 | Increase is primarily due to additional high priority base reliability units than originally forecast. |
| 2 | 49 | 26,757 | 68,360 | 41,603 | Increase is primarily due to more high priority targeted circuit work than originally forecast that focuses on improving the lowest performing circuits system-wide and improves reliability and system safety. |
| 3 | Total | $38,619 | $83,360 | $44,741 | |

Line of Business: Gas and Electric Distribution
Automation Program – Capital

MWC 09 – Electric Distribution Automation and Protection – covers investments in field automation and protection devices including: installing or replacing substation Remote Terminal Units; installing or replacing SCADA peripherals; installing or replacing automated line equipment; replacing obsolete protection equipment, primarily relays, in distribution substations; replacing automation or protection equipment due to unanticipated failure; and implementing a new Fire Risk Management (FRM) initiative that will allow remote operation of reclose relays on certain circuit breakers and line reclosers to reduce the likelihood of wildland and urban fires.

MWC 63 – Electric Technology – covers implementation of electric system management technology for centrally located system operators, including investments in system automation and protection and monitoring devices.



**TABLE 2-28**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 09 | $30,503 | $24,391 | $(6,112) | Reduction reflects the decision to pursue a reduced level of non-critical SCADA and FRM work than originally forecast to fund higher priority work. |
| 2 | 63 | 0 | 2,000 | 2,000 | Increase is primarily due to the need for additional Distribution Control Center technology projects than originally forecast that will improve system reliability. |
| 3 | Total | $30,503 | $26,391 | $(4,112) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
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**GAS AND ELECTRIC DISTRIBUTION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Gas and Electric Distribution
Underground Cable Replacement Program – Capital

MWC 56 – Electric Distribution Cable Replacement – includes the non-emergency related replacement of primary distribution cable.

**TABLE 2-29**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 56 | $45,803 | $41,201 | $(4,602) | Decrease primarily due to a decision to focus on higher priority work, resulting in a reduction in cable replacements and tie-cable circuit work. The decrease is partially offset by an increase in the expected cable replacement under PG&E's Equipment Requiring Repair (ERR) program. |
| 2 | Total | $45,803 | $41,201 | $(4,602) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
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**GAS AND ELECTRIC DISTRIBUTION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Gas and Electric Distribution
Emergency Response Program – Capital

MWC 17 – Electric Distribution Emergency Response – includes facility replacements in response to overhead or underground outages incurred during normal conditions.

MWC 95 – Electric Distribution Major Emergency – includes facility replacements performed during emergency conditions at Level 2 or above when a division Operations Emergency Center (OEC) has been activated.

**TABLE 2-30**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 17 | $110,790 | $116,496 | $5,706 | Increase primarily due to a higher forecasted volume of overhead and underground emergency units due to higher than forecasted storm activity in the first half of 2011. |
| 2 | 95 | 32,104 | 82,536 | 50,432 | Increase primarily due to a higher than forecasted major storm activity experienced in the first half of 2011. |
| 3 | Total | $142,894 | $199,032 | $56,139 | |

Line of Business: Gas and Electric Distribution
Gas Pipeline Replacement Program – Capital

MWC 14 – Gas Pipeline Replacement Program (GPRP) – is a key safety and integrity program and encompasses two gas distribution asset replacement programs the GPRP and the Copper Service Replacement Program (CSRP). The GPRP targets pre-1941 gas mains of significant risk. PG&E uses age, materials, seismic factors, and gas leaks to identify and prioritize gas mains for replacement. In addition to gas main replacement, the program includes related service replacement and meter relocation work. The CSRP was added to the GPRP in 1997 because copper services were determined to have a similar relative risk as GPRP pipe.

**TABLE 2-31**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 14 | $123,266 | $123,707 | $441 | Increase due to an increased level of copper service replacements. |
| 2 | Total | $123,266 | $123,707 | $441 | |

Line of Business: Gas and Electric Distribution
Gas Capital Program – Capital

MWC 47 – Gas Distribution New Capacity – includes capacity additions to meet load growth by reinforcing existing gas systems.

MWC 50 – Gas Distribution Reliability – includes installation or replacement of gas facilities to improve system safety and reliability, replace aging facilities (which have reached the end of their useful life, or have increasing failure rates) and maintain compliance with pipeline safety regulations. Facilities replaced include: services, regulator stations, cathodic protection equipment, electronic chart recorders and remote cathodic protection monitoring equipment.

MWC 52 – Gas Distribution Emergency Response – includes work and materials required to replace damaged or failed facilities including replacement of mains and services due to gas dig-ins and external forces such as landslides and earthquakes.



**TABLE 2-32**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 47 | $12,760 | $12,000 | $(760) | Decrease primarily due to economic downturn which leads to fewer capacity improvement projects than originally planned. |
| 2 | 50 | 20,660 | 39,390 | 18,730 | Increase to focus on work that improves system safety and reliability, including a higher volume of main replacements, increased regulator station work, and an increase in reliability work. The increase is partially offset by reductions in lower priority, non-critical cathodic protection remote monitoring and electronic pressure monitoring work. |
| 3 | 52 | 264 | 702 | 438 | Increase primarily due to a higher level of gas emergency response work forecasted than originally planned. |
| 4 | Total | $33,684 | $52,092 | $18,408 | |

Line of Business: Gas and Electric Distribution
Gas Meter Protection Program – Capital

MWC 27 – Gas Meter Protection – is a safety and integrity program and includes moving gas meters and services to safe locations to conform to current standards.

**TABLE 2-33**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 27 | $593 | $332 | $(261) | Decrease primarily due to the decision to pursue fewer non-critical Gas Meter Protection program units in order to support higher priority work. |
| 2 | Total | $593 | $332 | $(261) | |

Line of Business: Gas and Electric Distribution
Support Program – Capital

MWC 05 – Tools and Equipment – includes the costs of miscellaneous tools and equipment. Regular expenditures are necessary to replace damaged, worn out, or obsolete tools and to ensure specialized tools are available to perform testing and other analytical functions.

MWC 78 – Manage Buildings – includes upgrades and additions to the Applied Technology Services (ATS) San Ramon Technology Center (SRTC) facilities to support the changing needs of the business. Planned projects include the modular generation test facility, the flow test facility, the weld lab facility, the weather office facility and the outdoor meteorology measurement facility.



**TABLE 2-34**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 05 | $534 | $88 | $(446) | Decrease is primarily due to a decision to reduce purchases of non-critical field and laboratory equipment and tools in order to fund higher priority work. |
| 2 | 78 | 805 | 3,782 | 2,977 | Increase is primarily due to the need to fund construction of a test yard for the Applied Test Services department. |
| 3 | Total | $1,339 | $3,870 | $2,530 | |

Line of Business: Gas and Electric Distribution
Gas High Pressure Regulators Program – Capital

MWC 2K – Gas Distribution Replace/Convert Customer HPRs – is a key safety and integrity program and includes the replacement of gas customer High Pressure Regulators (HPR) or the reconstruction of gas distribution systems to eliminate the need for HPRs.

**TABLE 2-35**
**GAS AND ELECTRIC DISTRIBUTION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 2K | $0 | $15,000 | $15,000 | This proactive replacement program to improve gas system safety was committed to the CPUC in early 2011 and had not been planned in the GRC. |
| 2 | Total | $0 | $15,000 | $15,000 | |

# SECTION 3

## Customer Care Variance Explanations

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**CUSTOMER CARE 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 3-1**
**CUSTOMER CARE 2011 EXPENSE COMPARISON SUMMARY**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-4) Chapter | Program | GRC MWC | Current MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|---|
| 1 | 2 | Manage Customer Inquiries | DK | DK, IU | $105,107 | $104,159 | $(948) | 3-3 |
| 2 | 2, 3, 8 | Customer Service Offices | FT | DK, EZ, IU, IS, IT | 65,940 | 65,171 | (769) | 3-3 |
| 3 | 4 | Manage Various Customer Care Process | EZ | EZ, IV | 53,843 | 46,511 | (7,332) | 3-3 |
| 4 | 5 | Perform Dispatch and Scheduling | DC | DC | 15,482 | 17,000 | 1,518 | 3-4 |
| 5 | 5 | Perform Field Services | DD | DD | 92,792 | 97,739 | 4,947 | 3-4 |
| 6 | 6 | Perform Gas Meter Maintenance | HY | HY | 11,099 | 9,885 | (1,214) | 3-4 |
| 7 | 6 | Perform Electric Meter Maintenance | EY | EY | 19,236 | 15,116 | (4,120) | 3-4 |
| 8 | 7 | Read and Investigate Meters | AR | AR | 0 | 0 | 0 | 3-4 |
| 9 | 8 | Process Customer Bills | DA | IS | 49,290 | 48,746 | (544) | 3-4 |
| 10 | 8 | Receive and Assure Revenue | DB | IS, IT, IU | 23,236 | 26,466 | 3,230 | 3-5 |
| 11 | 8 | New Customer Connection Administration | EV | EV | (670) | 1 | 670 | 3-5 |
| 12 | 9 | Retain and Grow Customers | FK | FK | 0 | 2,089 | 2,089 | 3-5 |
| 13 | 10, 11 | Manage Energy Efficiency | GM | GM | 11,468 | 6,855 | (4,613) | 3-5 |
| 14 | 12 | Develop New Revenue | EL | EL | 4,004 | 5,660 | 1,656 | 3-5 |
| 15 | 14 | DADCRMA | FN | FN | (51) | 0 | 51 | 3-5 |
| 16 | Total | | | | $450,776 | $445,396 | $(5,380) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**CUSTOMER CARE 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 3-2**
**CUSTOMER CARE 2011 CAPITAL COMPARISON SUMMARY**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-4) Chapter | Program | GRC MWC | Current MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|---|
| 1 | 6 | CFS Capital Tools | 05 | 05 | $1,439 | $1,300 | $(139) | 3-11 |
| 2 | 6 | Electric Metering Capital | 25 | 25 | 20,418 | 25,303 | 4,885 | 3-11 |
| 3 | 6 | Gas Metering Capital | 74 | 74 | 68,264 | 69,427 | 1,163 | 3-11 |
| 4 | 8 | Office Equipment | 87 | 21 | 7,433 | 6,497 | (936) | 3-11 |
| 5 | 10 | Manage Buildings | 78 | 78 | 0 | 0 | 0 | 3-11 |
| 6 | 11 | EV Station Infrastructure | 28 | 28 | 942 | 1,000 | 58 | 3-11 |
| 7 | 11 | Natural Gas Vehicle Station Infrastructure | 31 | 31 | 2,844 | 2,465 | (379) | 3-11 |
| 8 | Total | | | | $101,340 | $105,992 | $4,652 | |

Line of Business: Customer Care Expense

**GRC MWC Descriptions**

MWC DK – Manage Customer Inquiries – includes expenses incurred in operating the Company's four contact centers which process approximately 18 million calls per year, with approximately 9 million of these handled by a customer service representative; and costs associated with PG&E's Customer Relations department.

MWC DK also includes expenses to manage and resolve over 1.4 million customer payment and/or information inquiries for most payment channels (except local office, KIOSK and IPhone), customer correspondence, and literature requests. *In 2011, this work moved to MWC IU – Collect Revenue.*

MWC FT – Customer Service Offices – includes expenses incurred in operating the Company's 75 local customer service offices and approximately 550 Neighborhood Payment Centers (NPCs). At Local Offices, customers can pay bills and request non-payment transactions such as starting or stopping service, setting up pay plans, scheduling service appointments and many other services. NPCs process customer payments at vendor retail establishments at no cost to the customer. *In 2011, this work was split between MWC DK – Manage Customer Inquiries, MWC EZ – Manage Customer Care Processes and MWC IU – Collect Revenue).*

MWC FT also includes expenses incurred to manage all activities related to billing exceptions, account maintenance, and customer initiated billing inquiries. *In 2011, this work moved to MWC IS – Bill Customers.*

MWC FT also includes expenses incurred in the Customer Field Service Department for service shut-off and turn-ons related to customer non-payment of energy bills. *In 2011, this work moved to MWC IT – Manage Credit.*

MWC FT also includes expenses in the Customer Relations Department. *In 2011, this work moved to MWC DK – Manage Customer Inquiries.*

MWC EZ – Manage Various Customer Care Processes – covers customer satisfaction surveys; customer account management to administer rates, rules, and contracts, provide tariff information; address billing, credit, and collection issues; facilitate distribution service needs; respond to customer needs of Energy Service Providers (ESP) and Core Transport Agents (CTA); provide reliability and outage information; coordinate planned outages; provide retail interconnection

information; customer service; policy implementation; and energy audits. *In 2011, the account services portion of this work moved to MWC IV – Provide Account Services.*

MWC DC – Perform Dispatch and Scheduling – covers activities to develop and manage the Customer Field Service resource work plans, including customer, compliance and project workloads, and dispatch work to field employees in PG&E's Customer Field Service and Energy Delivery Restoration organizations. *Starting in February 2011, Dispatch and Scheduling budget and costs moved to MWC DD – Perform Field Services, MWC EY – Perform Electric Meter Maintenance, MWC HY – Perform Gas Meter Maintenance, and MWC IT – Manage Credit.*

MWC DD – Perform Field Services – covers customer-generated field service activities, including pilot relights, gas appliance inspections and adjustments, start/stop service requests, emergency response and other customer-generated field services requests.



MWC HY – Perform Gas Meter Maintenance – covers all gas meter maintenance activities that do not result in meter exchanges, including meter tests, regulator maintenance, meter/module communication trouble-shooting, and meter/module repairs.

MWC EY – Perform Electric Meter Maintenance – covers all electric meter maintenance activities that do not result in meter exchanges, including electric meter tests, meter communication trouble-shooting, and meter repairs.

MWC AR – Perform Meter Reading – covers all meter reading activities, including picking up meter reads from traditional meters and interval meters via meter readers in the field and the Energy Data Services personnel.

MWC DA – Process Customer Bills – includes expenses incurred to print, insert and mail over 57 million customer bills; bill high revenue commercial and industrial customers including the growing number of Net Energy Metering accounts; calculate and remit franchise fees, taxes and customer refunds; perform user acceptance testing of the Customer Billing system to ensure billing accuracy; verify and/or resolve issues associated with the transition to SmartMeter™ devices. *In 2011, this work moved to MWC IS – Bill Customers.*

MWC DB – Receive & Assure Revenue – includes expenses incurred to perform: credit risk management for retail customers; delinquent account follow up and post account closure collections; open account collections on high dollar accounts; balance transfers for closed accounts; fraud verification; and expenses incurred to process energy payments received through the U.S. mail and vendor transactions fees for on-line energy payments; manage cash refunds; investigate and settle customer energy theft allegations; and discontinue service for metered commodity usage with no customer service agreement (broken lock). MWC DB also includes external collection agency costs. I*n 2011, this work was split between MWC IS – Bill Customers, MWC IT – Manage Credit and MWC IU – Collect Revenue.*

MWC EV – New Customer Connection Administration – includes costs associated with the preparation and administration of customer contracts that are necessary for PG&E's new customer connections. These contract administration activities are designed to be completely funded by the customers who drive the need for this work and, as a result, no new 2011 GRC funding was requested.



MWC FK – Retain and Grow Customers – covers investment in service analysis for monitoring and responding to public power issues and economic development; providing detailed analyses of service options desired by customers; and providing detailed explanations of special rate components.

MWC GM – Manage Energy Efficiency (non-balancing account) – covers required safety and compliance work associated with Low Income Energy Efficiency direct installation measures, including Natural Gas Appliance Testing (NGAT) tests which measure levels of carbon monoxide after weatherization of homes of low-income customers. This MWC also covers support required for Clean Air Transportation and for minimal market readiness activities for electric vehicles.

MWC EL – Develop New Revenue – covers work in support of the New Revenue Development team on streetlights, wireless telecomm and fiber optics attachments on PG&E assets, and various other services based on secondary use of PG&E assets.

MWC FN – Direct Access (DADCRMA) Expense – is a one-way balancing account that records the incremental costs and fees associated with discretionary metering and billing services for Direct Access customers.

## New MWC Descriptions

MWC IS – Process Customer Bills – includes expenses incurred to print, insert and mail over 57 million customer bills; bill high revenue commercial and industrial customers including the growing number of Net Energy Metering accounts; calculate and remit franchise fees, taxes and customer refunds; perform user acceptance testing of the Customer Billing system to ensure billing accuracy; and verify and/or resolve issues associated with the transition to SmartMeter™ devices.

MWC IT – Manage Credit – covers expenses incurred to perform: credit risk management for retail customers; delinquent account follow up and post account closure collections; open account collections on high dollar accounts; balance transfers for closed accounts; and fraud verification. MWC IT also includes external collection agency costs.

MWC IU – Collect Revenue – covers expenses incurred to process energy payments received through the US mail and vendor transaction fees for on-line energy payments. MW IU also includes managing cash refunds; investigating and settling all customer energy theft allegations; and discontinuing service for metered commodity usage with no customer service agreement (broken lock).

MWC IV – Provide Account Services – covers the cost of labor, materials and other expenses incurred in responding to customer inquiries, primarily for non-residential customers, regarding contracts, credit, billing and accounting, collections and complaints.

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**CUSTOMER CARE 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 3-3**
**CUSTOMER CARE 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS**

| Line No. | MWC | | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|---|
| | Previous | New | | | | |
| 1 | DK Total<br>Chapter 2 | <br>DK<br>IU | $105,107<br>100,809<br>4,298 | $104,159<br>100,085<br>4,074 | $(948)<br>(724)<br>(224) | Decrease due to: (i) an anticipated reduction in customer complaints and a reduction in actual call volumes, partially offset by higher than forecast average handle times; and (ii) reduced operating costs achieved through process improvements, exception processing automation, and higher electronic payment volumes resulting in fewer inquiries. |
| 2 | FT Total<br><br>Chapter 2, 3, 8 | <br><br>DK,<br>EZ,<br>IU,<br>IS,<br>IT | 65,940<br><br>625<br>32,676<br>0<br>19,813<br>12,826 | 65,171<br><br>10,021<br>1,682<br>20,888<br>23,964<br>8,616 | (769)<br><br>9,396<br>(30,994)<br>20,888<br>4,151<br>(4,210) | Decrease primarily due to an anticipated reduction in the number of customer complaints and reduction in service levels, including longer customer wait times in lines at offices. |
| 3 | EZ Total<br>Chapter 4 | <br>EZ<br>IV | 53,843<br>53,843 | 46,511<br>36,226<br>10,284 | (7,332) | Decrease primarily due to reduction in customer account services support levels. Decrease is partially offset by increased funding to support gas safety communications with customers. |
| 4 | DC Total<br>Chapter 5 | <br>DC<br>DD<br>HY<br>EY<br>IT | 15,482<br>1,376<br>10,565<br>433<br>2,634<br>474 | 17,000<br>1,376<br>11,743<br>475<br>2,887<br>519 | 1,518<br>150<br>1,028<br>42<br>253<br>45 | Increase due to a higher level of gas service representative (GSR) staffing, which required an increase in dispatch and scheduling needs. |

**PACIFIC GAS AND ELECTRIC COMPANY**
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**CUSTOMER CARE 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 3-3**
**CUSTOMER CARE 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS**
**(CONTINUED)**

| Line No. | MWC | | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|---|
| | Previous | New | | | | |
| 5 | DD Chapter 5 | DD | 92,792 | 97,739 | 4,947 | Increase due to a higher level of GSR staffing. |
| 6 | HY Chapter 6 | HY | 11,099 | 9,885 | (1,214) | Decrease primarily due to lower forecast for gas meter repair work. |
| 7 | EY Chapter 6 | EY | 19,236 | 15,116 | (4,120) | Decrease primarily due to lower forecast of SmartMeter™ maintenance activities and electric meter repair work. |
| 8 | AR Chapter 7 | AR | 0 | 0 | 0 | Funding for manual and interval meter reading has been removed from 2011 GRC base revenue and will be tracked in the Meter Reading balancing account per Decision 11-05-018. |
| 9 | DA Chapter 8 | IS | 49,290 | 48,746 | (544) | Decrease primarily due to a lower postal rate increase than originally forecast, as well as a reduction in postage costs resulting from the movement of customers to electronic billing. |

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**CUSTOMER CARE 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 3-3**
**CUSTOMER CARE 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS**
**(CONTINUED)**

| Line No. | MWC | | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|---|
| | Previous | New | | | | |
| 10 | DB Total<br>Chapter 8 | <br>IS<br>IT<br>IU | 23,236<br>2,522<br>13,857<br>6,857 | 26,466<br>2,700<br>15,884<br>7,882 | 3,230<br>178<br>2,027<br>1,025 | Increase due to: (i) higher than anticipated work related to "broken lock" usage; (ii) a higher forecast of remote shut-off and service restoration costs moving from SmartMeter™ project to base operations; and (iii) higher costs for electronic bill payment vendor fees that were partially offset by a reduction in costs due to customer migration to lower cost payment channels. |
| 11 | EV<br>Chapter 8 | <br>EV | (670) | 1 | 670 | Negative imputed value reflects settlement reduction of benefit/payroll tax being applied to all non-called out MWCs. |
| 12 | FK<br>Chapter 9 | <br>FK | 0 | 2,089 | 2,089 | Increase is due to the need to be responsive to customer and government inquiries regarding economic development. |
| 13 | GM Total<br>Chapter 10<br>Chapter 11 | <br>GM<br>GM | 11,468 | 6,855 | (4,613) | Decrease is primarily due to a lower level of anticipated activity in Clean Air Transportation and reduced costs of Natural Gas Appliance Testing, partially offset by increased costs to operate and maintain natural gas fueling facilities. |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**CUSTOMER CARE 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 3-3**
**CUSTOMER CARE 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS**
**(CONTINUED)**

| Line No. | MWC | | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|---|
| | Previous | New | | | | |
| 14 | EL Chapter 12 | EL | 4,004 | 5,660 | 1,656 | Increase primarily due to additional anticipated work requested by third parties and streetlight replacement projects. |
| 15 | FN Chapter 14 | FN | (51) | 0 | 51 | Negative imputed value reflects settlement reduction of benefit/payroll tax being applied to all non-called out MWCs. |
| 16 | Total | | $450,776 | $445,396 | $(5,380) | |

Line of Business: Customer Care Capital

**MWC Descriptions**

MWC 05 – CFS Tools Capital – includes tools and equipment used by field technicians and meter repair facilities to perform field metering and meter repair activities.

MWC 25 – Electric Metering Capital – includes SmartMeter™ network equipment, electric meters, and field technician labor to install/remove electric meters due to maintenance and new business growth activities.

MWC 28 – EV Station Infrastructure – covers capital investments in plug-in electric vehicle (PEV) charging stations.

MWC 31 – Natural Gas Vehicle Station Infrastructure – includes costs associated with necessary upgrades for compressed natural gas fueling stations to fuel vehicles added each year.

MWC 74 – Gas Metering Capital – includes SmartMeter™ network equipment, gas meters, and field technician labor to install/remove gas meters and regulators due to maintenance and new business growth activities.

MWC 78 – Manage Buildings – includes costs associated with the Zero-Net-Energy (ZNE) laboratory and demonstration home project.

MWC 87 – Office Equipment – includes the purchase and installation of equipment related to mailing customer bills and processing payments through U.S. mail and electronic payment channels. (*In 2011, this work moved to MWC 21 – Purchase/Install Other Capital Equipment.)*

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**CUSTOMER CARE 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 3-4**
**CUSTOMER CARE 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|---|
| | Previous | New | | | | |
| 1 | 05 Chapter 6 | 05 | $1,439 | $1,300 | $(139) | Decrease primarily due to a reduction in tool purchases. |
| 2 | 25 Chapter 6 | 25 | 20,418 | 25,303 | 4,885 | Increase due to higher than originally forecast meter purchases at higher installed unit cost. |
| 3 | 74 Chapter 6 | 74 | 68,264 | 69,427 | 1,163 | Increase due to higher than originally forecast meter purchases at higher than planned installed unit cost. |
| 4 | 87 Chapter 8 | 21 | 7,433 | 6,497 | (936) | Decrease due to reduced forecast for bill insert equipment. |
| 5 | 78 Chapter 10 | 78 | 0 | 0 | 0 | No variance. |
| 6 | 28 Chapter 11 | 28 | 942 | 1,000 | 58 | Immaterial variance resulting from budgeting process. |
| 7 | 31 Chapter 11 | 31 | 2,844 | 2,465 | (379) | Decrease primarily due to a reduction in natural gas vehicle fueling station upgrade work. |
| 8 | Total | | $101,340 | $105,992 | $4,652 | |

# SECTION 4

## Nuclear Generation Variance Explanations

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

**TABLE 4-1**
**NUCLEAR GENERATION 2011 EXPENSE PROGRAMS COMPARISON SUMMARY**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-5) Chapter | Program | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 4 | Support | AB | $2,507 | $0 | $(2,507) | 4-5 |
| 2 | 4 | Manage Environmental Operations | AK | 4,528 | 2,767 | (1,761) | 4-6 |
| 3 | 4 | Manage DCPP Business | BP | 9,836 | 10,889 | 1,053 | 4-7 |
| 4 | 4 | DCPP Loss Prevention | BQ | 10,620 | 36,098 | 25,478 | 4-8 |
| 5 | 4 | Operate DCPP Plant | BR | 113,594 | 84,636 | (28,958) | 4-9 |
| 6 | 4 | Maintain DCPP Plant Assets | BS | 116,847 | 106,472 | (10,375) | 4-10 |
| 7 | 4 | Enhance DCPP Personnel Performance | BT | 14,985 | 23,529 | 8,544 | 4-11 |
| 8 | 4 | Maintain DCPP Plant Configuration | BV | 55,880 | 44,986 | (10,893) | 4-12 |
| 9 | 4 | Environmental Remediation | IE | 49 | 0 | (49) | 4-13 |
| 10 | Total Nuclear Generation Expense | | | $328,845 | $309,378 | $(19,467) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

**TABLE 4-2**
**NUCLEAR GENERATION 2011 CAPITAL PROGRAMS COMPARISON SUMMARY**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-5) Chapter | Program | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 4 | Office Furniture and Equipment | 03 | $207 | $200 | $(7) | 4-14 |
| 2 | 4 | Fleet/Auto Equipment | 04 | 2,268 | 654 | (1,614) | 4-15 |
| 3 | 4 | Tools and Equipment | 05 | 1,701 | 883 | (818) | 4-16 |
| 4 | 4 | DCPP Capital Projects | 20 | 129,731 | 210,118 | 80,387 | 4-17 |
| 5 | Total Nuclear Generation Capital | | | $133,907 | $211,854 | $77,948 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

A comparison by MWC within Nuclear Generation is provided starting on page 4-5. Due to accounting changes in how support costs (i.e., supervision and management) are accounted for in the 2011 budget compared to PG&E's 2011 GRC forecast, an expense walk from the imputed regulatory value to the 2011 budget is provided below.

**TABLE 4-3**
**NUCLEAR GENERATION 2011 EXPENSE WALK**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | Item Description | Amount | Explanation |
|---|---|---|---|
| 1 | GRC (Imputed) | $328,845 | |
| 2 | Used Fuel Storage Campaign | (10,210) | Decrease is due to rescheduling a nuclear fuel loading campaign to focus on higher priority work. This work has been rescheduled to 2012 |
| 3 | Strategic Projects | (10,657) | Decrease is due to the deferral of non-critical Underground Cable Inspections, Water Storage Tank Concrete Repairs, Upper Head Temperature Reduction, and Access Road Repairs. These project deferrals do not impact safety and reliability. |
| 4 | Regulatory Driven Projects | (4,226) | Decrease is due to a revision of the project schedule for the NRC Emergency Planning Rule Making and Procedures Upgrade projects. This work has been rescheduled to 2012 and 2013. |
| 5 | Material Parts Obsolescence | (3,542) | Decrease is due to accelerating the evaluation of inventory items for obsolescence. This resulted in expense being incurred in 2010 instead of 2011. |
| 6 | Radiation Waste Disposal | (3,216) | Decrease is due to unavailable open disposal sites within the USA. Implementation has been rescheduled for 2012. |
| 7 | Accounting Changes from Expense to Capital | (1,764) | Decrease is due to accounting changes for two projects: Transformer Super Cooler Replacement and Transition Fire Protection License Basis to NFPA 805. This work was previously charged as expense and is now being charged as capital. |
| 8 | Plant Security and Maintenance Staffing | 8,759 | Increase is primarily due to higher security staffing levels to meet new regulatory requirements. |

**TABLE 4-3**
**NUCLEAR GENERATION 2011 EXPENSE WALK**
**(IN THOUSANDS OF 2011 DOLLARS)**
**(CONTINUED)**

| Line No. | Item Description | Amount | Explanation |
|---|---|---|---|
| 9 | Labor Escalation | 3,509 | Increase is due to higher negotiated labor escalation rates for certain bargaining unit classifications than what was included in the GRC forecast. |
| 10 | License Basis Verification Software | 1,879 | Increase is due to emergent License Basis Verification work that represents a critical high priority project. |
| 11 | Difference – Higher/(Lower) | (19,467) | |
| 12 | Budget | $309,378 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC AB – Nuclear Support – includes the costs associated with the Senior Vice President of Energy Supply and Chief Nuclear Officer.

**TABLE 4-4**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | AB | $2,507 | $0 | $(2,507) | Decrease is due to changing the accounting for these costs. Instead of accounting for these costs in this MWC, they are allocated across all Nuclear Generation MWCs. |
| 2 | Total | $2,507 | $0 | $(2,507) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC AK – Manage Environmental Operations – includes managing the environmental protection programs mandated by federal, state, and local regulations.

**TABLE 4-5**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | AK | $4,528 | $2,767 | $(1,761) | Decrease is due to lower costs for the annual fee for waste discharge requirements per the State Water Resources Control Board. |
| 2 | Total | $4,528 | $2,767 | $(1,761) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC BP – Manage DCPP Business – includes all activities associated with efforts to represent the Company and provide technical input to committees, owners groups, industry, professional and trade associations that support the electric utilities. MWC BP also includes dues to Institute of Nuclear Power Operators, Nuclear Energy Institute, Strategic Teaming and Resource Sharing, and Diablo Canyon Independent Safety Committee. Also consists of activities to provide aircraft services and land management.

**TABLE 4-6**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BP | $9,836 | $10,889 | $1,053 | Increase is due to shift of Diablo Canyon Independent Safety Committee (DCISC) funds from MWC BT and above the line portion for the Nuclear Energy Institute fees. |
| 2 | Total | $9,836 | $10,889 | $1,053 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC BQ – DCPP Loss Prevention – includes support for the management and implementation of the Security, Industrial Safety and Health, Emergency Preparedness and Fire Protection programs.

**TABLE 4-7**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BQ | $10,620 | $36,098 | | See Explanations below |
| 2 | | | | $31,490 | Increase is primarily due to a change in the accounting of support costs for Plant Security. These costs were allocated to all expense MWCs in the 2011 GRC request, but they are now accounted for in the budget in MWC BQ. |
| 3 | | | | (6,010) | Partially offsetting the increase is a decrease due to realignment of a Plant Procedures upgrade project and Emergency Planning Rulemaking Requirements project from MWC BQ to MWC BS. |
| 4 | Total | $10,620 | $36,098 | $25,478 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC BR – Operate DCPP Plant – includes all activities to operate the plant, radiation control, monitoring of plant chemistry, managing radioactive waste and hazardous waste generation, nuclear fuel movement, and reactor physics testing.

**TABLE 4-8**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BR | $113,594 | $84,636 | | See Explanations below |
| 2 | | | | $(7,607) | Decrease is due to a change in accounting allocations of support costs (i.e., Security, Fire, Problem Prevention and Resolution departments). These support costs were allocated to all expense MWCs in the 2011 GRC request, but are now accounted for in MWCs BQ, BR, and BT. |
| 3 | | | | (4,383) | Decrease is due to revised allocation of support costs between expense and capital due to increased capital support, resulting in a reduction in the allocation of support costs to expense work. |
| 4 | | | | (10,210) | Decrease is due to rescheduling the nuclear fuel loading campaign to focus on higher priority work. Work has been rescheduled to 2012. |
| 5 | | | | (3,216) | Decrease is due to unavailable open waste disposal sites within the USA. Shipping of waste has been rescheduled for 2012. |
| 6 | | | | (3,542) | Decrease is due to accelerating the evaluation of inventory items for obsolescence. This resulted in a write-off in 2010. |
| 7 | Total | $113,594 | $84,636 | $(28,958) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC BS – Maintain DCPP Plant Assets – includes all preventative and corrective maintenance activities for systems, structures and components at the plant.

**TABLE 4-9**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BS | $116,847 | $106,472 | | See Explanations below |
| 2 | | | | $(2,238) | Decrease is due to a change in cost accounting allocations of support costs (i.e., Security, Fire, Problem Prevention and Resolution departments). These support costs were allocated to all expense MWCs in the 2011 GRC request, but are now accounted for in MWCs BQ, BR, and BT. |
| 3 | | | | (3,615) | Decrease is due to revised allocation of support costs between expense and capital due to increased capital support, resulting in a reduction in the allocation of support costs to expense work. |
| 4 | | | | (13,125) | Decrease is due to a decision not to fund various projects in 2011 in order to support higher priority items. Delays in these projects will not impact safety and reliability. This includes projects transferred from MWC BQ and projects reclassified from MWC BS to capital. Partially offsetting this decrease is an increase for License Basis Verification project software. |
| 5 | | | | 8,603 | Increase is due to additional staffing required to support base maintenance work and higher labor escalations. |
| 6 | Total | $116,847 | $106,472 | $(10,375) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC BT – Enhance DCPP Personnel Performance – includes all training programs for License and non-License Operator, Maintenance, Engineering, and all general employee training development and delivery.

**TABLE 4-10**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BT | $14,985 | $23,529 | $8,544 | Increase is due to change in cost accounting allocations of support costs (i.e., Security, Fire, Problem Prevention and Resolution, and Learning Services departments). These support costs were allocated to all expense MWCs in the 2011 GRC request, but are now partially accounted for in MWC BT. |
| 2 | Total | $14,985 | $23,529 | $8,544 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC BV – Maintain DCPP Plant Configuration – includes support to provide design engineering, system engineering, component engineering, reactor engineering, in-service testing and inspection, reliability engineering and fire protection engineering.

**TABLE 4-11**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BV | $55,880 | $44,986 | | See Explanations below. |
| 2 | | | | $(5,577) | Decrease is due to a change in cost accounting allocations of support costs (i.e., Security, Fire, Problem Prevention and Resolution departments). These support costs were allocated to all expense MWCs in the 2011 GRC forecasts, but are now accounted for in MWC BQ, BR, and BT. |
| 3 | | | | (1,943) | Decrease is due to revised allocation of support costs between expense and capital due to increased capital support. This caused a reduction in the allocation of support costs to expense work. |
| 4 | | | | (3,373) | Decrease due to deferral of lower priority contracted work. Items have been rescheduled to 2012 and do not impact safety and reliability. |
| 5 | Total | $55,880 | $44,986 | $(10,893) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Expense

MWC IE – Environmental Remediation – includes costs associated with management of remediation activities.

**TABLE 4-12**
**NUCLEAR GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | IE | $49 | $0 | $(49) | Decrease is due to no work identified with non-hazardous environmental remediation activities for Nuclear Generation. |
| 2 | Total | $49 | $0 | $(49) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Capital

MWC 03 – Office Furniture and Equipment – includes the programmatic replacement of office furniture and equipment.

**TABLE 4-13**
**NUCLEAR GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 03 | $207 | $200 | $(7) | Immaterial variance resulting from the budgeting process. |
| 2 | Total | $207 | $200 | $(7) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
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**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Capital

MWC 04 – Fleet/Auto Equipment – includes the programmatic replacement of station fleet/auto equipment which has been in use longer than their useful life.

**TABLE 4-14**
**NUCLEAR GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 04 | $2,268 | $654 | $(1,614) | Decrease is due to funding higher priority work consistent with the Nuclear Generation prioritization process. The purchase of fleet/auto equipment is considered lower priority because a delay in fleet purchases does not directly impact safety, the environment or reliability. |
| 2 | Total | $2,268 | $654 | $(1,614) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Capital

MWC 05 – Tools and Equipment – includes the programmatic replacement of tools no longer able to be maintained for use in plant. Procurement of new tools assists workers in performance of job responsibilities.

**TABLE 4-15**
**NUCLEAR GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 05 | $1,701 | $883 | $(818) | Decrease is due to funding higher priority work consistent with the Nuclear Generation prioritization process. The purchase of capital tools is considered lower priority because a delay in tool purchases does not directly impact safety, the environment or reliability. |
| 2 | Total | $1,701 | $883 | $(818) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**NUCLEAR GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Nuclear Generation Capital

MWC 20 –DCPP Capital Projects – includes replacement of capital structures, systems and components that no longer can be maintained to safely and reliably operate and protect the plant. There are three major drivers to these replacements: (1) reliability has degraded to cause replacement to be needed; (2) obsolete replacement material, not allowing proper maintenance to continue; and (3) regulatory driven (Nuclear Regulatory Commission or NRC) requirements.

**TABLE 4-16**
**NUCLEAR GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 20 | $129,731 | $210,118 | $80,387 | Increase is primarily due to projects related to security and license basis verification work that are required to meet NRC requirements, including implementation of NRC security requirements (Rule 73 and Force on Force Phase 1). In addition, other projects include preparations for spent fuel removal campaigns in 2012, and replacement of Process Controls (7100) Racks. |
| 2 | Total | $129,731 | $210,118 | $80,387 | |

# SECTION 5

## Power Generation Variance Explanations

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

**TABLE 5-1**
**POWER GENERATION 2011 EXPENSE PROGRAMS SUMMARY COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-5) Chapter | Program | MWCs | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 3 | Safety | HZ | $1,646 | $1,321 | $(325) | 5-3 |
| 2 | 3, 5 | Environmental | AK, AY, CR, ES, IE | 4,195 | 6,211 | 2,016 | 5-4 |
| 3 | 3 | Regulatory | DL, DP | 39,425 | 33,045 | (6,380) | 5-6 |
| 4 | 3, 5 | Hydro Operations | AW, EP | 33,492 | 38,140 | 4,648 | 5-7 |
| 5 | 3, 5 | Hydro Maintenance | AI, AX, AZ, BB, BK | 66,893 | 60,783 | (6,110) | 5-8 |
| 6 | 3, 5 | Business | AB, BC | 5,905 | 2,481 | (3,424) | 5-10 |
| 7 | 5 | Fossil Operations | BY | 9,788 | 13,425 | 3,637 | 5-11 |
| 8 | 5 | Fossil Maintenance | BZ, CP | 32,247 | 26,343 | (5,904) | 5-12 |
| 9 | 5 | Projects | CJ | 292 | 0 | (292) | 5-13 |
| 10 | N/A | Operate Other Gen Facilities | CO | 0 | 160 | 160 | 5-14 |
| 11 | Total Power Generation Expense | | | $193,882 | $181,908 | $(11,974) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

**TABLE 5-2**
**POWER GENERATION 2011 CAPITAL PROGRAMS SUMMARY COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-5) Chapter | Program | MWCs | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 3 | Regulatory | 11 | $26,972 | $39,716 | $12,744 | 5-15 |
| 2 | 3 | Environmental | 12 | 5,782 | 7,582 | 1,800 | 5-16 |
| 3 | 3 | Safety | 13 | 46,492 | 67,322 | 20,830 | 5-17 |
| 4 | 3, 5 | Reliability | 05, 81 | 94,585 | 111,836 | 17,250 | 5-18 |
| 5 | N/A | Install IT Applications | 53 | 0 | 1,000 | 1,000 | 5-19 |
| 6 | Total Power Generation Capital | | | $173,832 | $227,456 | $53,624 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Expense

MWC HZ – Safety and Health Management Subprogram – Manage Safety Program – includes the costs related to activities such as: industrial and office ergonomic training/evaluations, illness and injury prevention, regulatory mandated training, culture-based safety practices, safe driving training, first responder training, preparation of safety tailboards and department safety procedures, proper use of personal protective equipment, and other similar activities.

**TABLE 5-3**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | HZ | $1,646 | $1,321 | $(325) | Decrease is due to rescheduling lower priority work to fund higher priority work; all high priority safety work including the base safety related programs, projects, and studies were funded. |
| 2 | Total | $1,646 | $1,321 | $(325) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Expense
MWC AK – Manage Environmental Operations
MWC ES – Implement Environmental Projects
MWC CR – Manage Waste Disposal and Transportation
MWC AY – Habitat and Species Protection
MWC IE – Environmental Remediation

MWCs AK and ES include environmental base work consisting of environmental permitting and compliance costs associated with the Hydro and Fossil facilities. For Hydro, MWC AY and CR capture work that includes solid waste disposal and transportation, water quality protection, oil spill prevention, environmental support for job planning, environmental incident/emergency response, environmental plans and reports, environmental risk management, and sensitive species protection. MWC CR also includes Fossil work to address waste management and required environmental permits and fees, as well as associated internal labor, support services, materials and contracts. MWC IE includes costs associated with management of remediation activities.

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

**TABLE 5-4**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | AK | $3,179 | $4,803 | $1,624 | Increase is due to continued focus on environmental operations. This includes high priority work for solid waste disposal and transportation. |
| 2 | ES | 198 | 800 | 602 | Increase is due to focus on specific environmental projects such as repairing outdated septic system at the Helms Power Plant and managing vegetation to protect the Valley Elderberry Beetle. |
| 3 | CR | 499 | 477 | (21) | Immaterial variance resulting from budgeting process. |
| 4 | AY | 109 | 130 | 21 | Immaterial variance resulting from budgeting process. |
| 5 | IE | 209 | 0 | (209) | Decrease is due to no work identified with non-hazardous environmental remediation activities at Power Generation facilities. |
| 6 | Total | $4,195 | $6,211 | $2,016 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Expense
MWC DL – Regulatory Compliance Subprogram – Compliance with Hydro Licenses
MWC DP – Regulatory Compliance Subprogram – Manage Recreational Facilities

MWCs DL and DP include the costs of the activities associated with obtaining and then maintaining the regulatory approvals to own and operate PG&E's Hydro generating assets and appurtenant facilities. The subprogram also includes the associated state and federal fees. Expense work falls under the following categories: complying with conditions required by FERC, Facility Safety Program, Compliance with Various Regulations, and state and federal fees.

**TABLE 5-5**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | DL | $37,937 | $31,325 | $(6,612) | Decrease is primarily due to delays in receiving new FERC licenses (e.g., Poe, Upper North Fork Feather River, DeSabla-Centerville), partially offset by sites where a new license was issued (i.e., Pit 345, Spring Gap-Stanislaus). |
| 2 | DP | 1,487 | 1,720 | 232 | Increase due to Power Generation's required maintenance of recreational facilities with higher expected costs in the Shasta and DeSabla areas. |
| 3 | Total | $39,425 | $33,045 | $(6,380) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Expense
MWC AW – Operations Subprogram – Operate Generation Facilities
MWC EP – Operations Subprogram – Manage Property and Buildings

MWCs AW and EP include the costs of day-to-day operation and maintenance work at all of PG&E's Hydro facilities. MWC AW is also used by Humboldt Bay Power Plant to operate common structures. These operational activities also ensure safety through routine patrols and inspections.

**TABLE 5-6**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | AW | $33,536 | $37,188 | $3,652 | Increase is due to funding the Corrective Action, Training and Qualifications Programs and the Work Management System Project; this work ensures the safe, reliable operation of the Hydro system through training, root cause analysis and improvements to planning and scheduling. |
| 2 | EP | (44) | 952 | 996 | Increase is due to the revenue for Land Rights work not netted with the expenses in this MWC. Instead, the revenues will be recorded as a corporate item. |
| 3 | Total | $33,492 | $38,140 | $4,648 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Expense
MWC AI – Maintain Reliability and Availability Subprogram – Maintain Generation Facilities – Structure
MWC AX – Maintain Reliability and Availability Subprogram – Maintain Reservoirs, Dams, and Waterways
MWC AZ – Maintain Reliability and Availability Subprogram – Maintain Roads and Bridges
MWC BB – Maintain Reliability and Availability Subprogram – Maintain Generators
MWC BK – Maintain Reliability and Availability Subprogram – Maintain Other Equipment

MWCs AI, AX, AZ, BB, and BK include work associated with Hydro facility maintenance including powerhouse structures, turbine-generator and switchyard equipment, dams, reservoirs, water conveyance systems, roads and bridges, and other facilities, including Fossil. The Hydro assets require substantial human and financial resources to maintain their reliability. The majority of this expense funding is needed to perform routine maintenance activities such as replacing seals in gates and valves, lubrication of rotating equipment components, patching canals, and sealing roads. These maintenance activities also ensure safety through routine and preventative maintenance.

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**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

**TABLE 5-7**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | AI | $6,886 | $7,484 | $598 | Increase is due to the expectation that routine facility maintenance activity costs, as well as specific maintenance project costs, will increase due to the age of Hydro facilities. The average age of the assets is 72 years. |
| 2 | AX | 25,898 | 22,815 | (3,083) | Decrease is due to rescheduling of some non-critical concrete work, dredging, painting and certain other infrastructure items. |
| 3 | AZ | 7,263 | 5,049 | (2,213) | Decrease is due to rescheduling of some road maintenance activities. |
| 4 | BB | 17,915 | 17,480 | (435) | Decrease is due to rescheduling of some road maintenance activities. |
| 5 | BK | 8,931 | 7,954 | (977) | Decrease is due to rescheduling of some painting and other non-critical infrastructure items. |
| 6 | Total | $66,893 | $60,783 | $(6,110) | |

Line of Business: Power Generation Expense
MWC AB – Business Subprogram – Support
MWC BC – Business Subprogram – Manage Property and Buildings

MWCs AB and BC include the administrative costs associated with managing the Irrigation District contracts and the reimbursable expenses incurred to perform maintenance on behalf of the Irrigation Districts, and to support the Lands Conservation Commitment efforts. The Business Subprogram also includes initiating, managing, and implementing business system improvements, managing the long-term plan, portfolio asset investment strategy, and performing generation resource planning to obtain new mature-technology generation options.

**TABLE 5-8**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | AB | $6,600 | $3,068 | $(3,532) | Decrease is due to New Generation expenses being moved to MWC CO, Land Conservation Commitment expenses, Asset Management costs being cascaded to other projects, and the Senior Vice President's and Chief Nuclear Officer's costs being cascaded across all of Energy Supply (rather than just Power Generation). |
| 2 | BC | (695) | (588) | 107 | Immaterial variance resulting from the budgeting process. |
| 3 | Total | $5,905 | $2,481 | $(3,424) | |

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Line of Business: Power Generation Expense

MWC BY – Operate Fossil Generation – includes costs for planning and performing routine operations of the fossil units.

**TABLE 5-9**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BY | $9,788 | $13,425 | $3,637 | Increase is due to higher expected operating costs as a result of higher than expected usage of the plants. |
| 2 | Total | $9,788 | $13,425 | $3,637 | |

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Line of Business: Power Generation Expense
MWC BZ – Fossil Maintenance – Maintain Fossil Generation
MWC CP – Fossil Maintenance – Maintain Other Generation Facilities

MWCs BZ and CP include costs necessary for the maintenance of Fossil Operations. MWC BZ – Maintain Fossil Generation is currently used by Humboldt Bay Power Plant and Gateway Generating Station and will be used by Colusa Generating station and Humboldt Bay Generating Station for planning and performing maintenance of the fossil generation facilities. MWC CP – Maintain Other Generation Facilities is used by the existing small photovoltaic facilities to plan and perform maintenance activities. These maintenance activities also ensure safety through routine and preventative maintenance.

**TABLE 5-10**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | BZ | $32,147 | $26,121 | $(6,025) | Decrease is due to reallocation of maintenance expense to cover higher than expected operating costs and higher than expected usage of the fossil plants funded in MWC BY; in addition, the remaining decrease is due to rescheduling this lower priority work consistent with the Power Generation prioritization process. Lower priority work does not directly impact safety, the environment or reliability and includes painting and other infrastructure work. |
| 2 | CP | 101 | 222 | 121 | Increase is due to updated estimate of costs for maintenance at the existing small photovoltaic facilities (AT&T Park and San Francisco Service Center). |
| 3 | Total | $32,247 | $26,343 | $(5,904) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
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**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Expense

MWC CJ – Fossil Generation Expense Projects – includes all expense projects within Fossil Generation. Expense projects are implemented based on equipment performance and failures, equipment trending, manufacturer recommendations, and unit or equipment operating hours.

**TABLE 5-11**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | CJ | $292 | $0 | $(292) | Decrease is due to the Humboldt Bay Power Plant air district fees that were budgeted to MWCs AK and BZ. |
| 2 | Total | $292 | $0 | $(292) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
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**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Expense

MWC CO – Operate Other Generation Facilities -- includes costs associated with operating Other/New Generation Facilities, such as AT&T Park Solar Plant, San Francisco Service Center Solar Plant, and Vaca-Dixon Solar Station.

**TABLE 5-12**
**POWER GENERATION 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | CO | $0 | $160 | $160 | Increase is due to moving New Generation maintenance work from MWC AB, so that these expenses can be tracked separately. |
| 2 | Total | $0 | $160 | $160 | |

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**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Capital

MWC 11 – Regulatory Compliance Subprogram – Power Generation Licenses and Permits – includes costs for obtaining new FERC licenses, obtaining major license amendments, and surrendering licenses for facilities that are no longer economic, complying with the conditions required by existing and newly issued FERC licenses and major license amendments, and anticipated to be required by pending new FERC licenses, and other compliance work generally related to facility safety.

**TABLE 5-13**
**POWER GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 11 | $26,972 | $39,716 | $12,744 | Increase is due to higher costs of FERC relicensing, license amendments, license surrenders, and delay in receiving licenses. |
| 2 | Total | $26,972 | $39,716 | $12,744 | |

Line of Business: Power Generation Capital

MWC 12 – Environmental Subprogram – Implement Environmental Projects – includes the costs for capital projects in the Environmental Subprogram to comply with water and air quality regulations, and various oil spill prevention projects.

**TABLE 5-14**
**POWER GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 12 | $5,782 | $7,582 | $1,800 | Increase is due to planned implementation of oil spill prevention improvements in multiple Hydro areas. |
| 2 | Total | $5,782 | $7,582 | $1,800 | |

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Line of Business: Power Generation Capital

MWC 13 – Safety and Health Management Subprogram – Power Gen Safety and Regulatory – includes safety-related capital costs relating to specific facility safety projects essential to keeping the public, employees, and the environment safe in and around PG&E's Hydro facilities including dam and penstock safety and remediation of arc flash and grounding hazards at PG&E's powerhouses.

**TABLE 5-15**
**POWER GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 13 | $46,492 | $67,322 | $20,830 | Increase is primarily due to a seismic upgrade project at Crane Valley Dam, Arc Flash Hazard Remediation work, and replacing a portion of the Bear River Canal due to a mud slide. |
| 2 | Total | $46,492 | $67,322 | $20,830 | |

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**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Capital
MWC 81 – Maintain Reliability and Availability Subprogram – Power Generation Maintain Reliability/Availability
MWC 05 – Maintain Reliability and Availability Subprogram – Tools and Equipment

MWCs 81 and 05 include the costs for a range of projects including: Water Storage and Conveyance Projects, Turbine-Generator and Associated Equipment Projects, Infrastructure Projects, and New Renewable Portfolio Standard-Eligible Small Hydro Power Projects.

**TABLE 5-16**
**POWER GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 81 | $93,464 | $111,191 | $17,727 | Increase is due to an upgrade of the Rock Creek Unit and for work at the Tiger Creek and South Yuba Canals as well as additional funding for projects such as canal gunite, lining and roads. |
| 2 | 05 | 1,121 | 645 | (476) | Decrease is due to the need to fund higher priority work consistent with the Power Generation prioritization process. |
| 3 | Total | $94,585 | $111,836 | $17,250 | |

**PACIFIC GAS AND ELECTRIC COMPANY**
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**POWER GENERATION EXPENSE AND CAPITAL INFORMATION**

Line of Business: Power Generation Capital

MWC 53 – Install IT Applications Program – includes costs to install and upgrade computer applications.

**TABLE 5-17**
**POWER GENERATION 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 53 | $0 | $1,000 | $1,000 | Increase is due to the need to fund Power Generation's initiative for a new/enhanced project management tool. |
| 2 | Total | $0 | $1,000 | $1,000 | |

# SECTION 6

## Energy Procurement Variance Explanations

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**ENERGY PROCUREMENT 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 6-1**
**ENERGY PROCUREMENT 2011 EXPENSE PROGRAMS SUMMARY COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-5) Chapter | Program | MWCs | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 6 | Support | AB | $2,310 | $3,011 | $700 | 6-2 |
| 2 | 6 | Acquire and Manage Electric Supply | CT | 54,060 | 46,980 | (7,081) | 6-2 |
| 3 | 6 | Gas Procurement | CV | 4,137 | 4,032 | (105) | 6-2 |
| 4 | Total Energy Procurement Expense | | | $60,508 | $54,022 | $(6,486) | |

Line of Business: Energy Procurement Expense

MWC AB – Support – represents the office of the SVP of Energy Procurement, along with the administrative support functions for the Chief of Staff, business planning, budgeting, and financial and operational reporting.

MWC CT – Acquire and Manage Electric Supply – represents the resources necessary for electric procurement operations for bundled electric supply, including electric generation related gas procurement. These functions include Energy Policy, Planning and Analysis, Energy Supply Management, Renewable Energy, Energy Contract Management and Settlements, and Energy Compliance and Reporting.

MWC CV – Gas Procurement – includes the resources necessary for gas procurement operations for gas supply to PG&E core customers.

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**ENERGY PROCUREMENT 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 6-2**
**ENERGY PROCUREMENT 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | AB | $2,310 | $3,011 | $700 | Increase is due to the allocation of costs of the Energy Supply Senior Vice President and Chief Nuclear Officer which were not previously included within the Energy Procurement budget, an increase to Business Finance allocations of 1 additional full-time equivalent (FTE) position, and the addition of 1 FTE position in the office of the SVP of Energy Procurement. |
| 2 | CT | 54,060 | 46,980 | (7,081) | Decrease is primarily due to the delay in hiring resources for greenhouse gas (GHG) implementation, reduction in contract needs for Independent System Operator systems and other IT systems implementation, and delay in hiring 2 FTE positions in the Energy Contract Management and Settlement departments. |
| 3 | CV | 4,137 | 4,032 | (105) | Decrease is due to the delay in hiring 1 FTE position in the Gas Settlements function. |
| 4 | Total | $60,508 | $54,022 | $(6,486) | |

# SECTION 7

## Information Technology Variance Explanations

## INFORMATION TECHNOLOGY EXPENSE AND CAPITAL INFORMATION

### TABLE 7-1
### INFORMATION TECHNOLOGY 2011 EXPENSE COMPARISON SUMMARY
### (IN THOUSANDS OF 2011 DOLLARS)

| Line No. | (PG&E-7) Chapter | Program | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 2 | Baseline | AK/BP/IM/IN/IO-JV | $183,773 | $201,268 | $17,495 | 7-3 |
| 2 | 2 | IT Lifecycle | IM/IO-JV | 9,845 | 4,333 | (5,512) | 7-3 |
| 3 | 2 | IT Optimization | IM-JV | 7,024 | 10,102 | 3,078 | 7-3 |
| 4 | 2 | Technology Projects (FA IT Projects) | FB/IM/IN-JV | 60,274 | 30,667 | (29,607) | 7-3 |
| 5 | Total | | | $260,915 | $246,369 | $(14,546) | |

## TABLE 7-2
## INFORMATION TECHNOLOGY 2011 CAPITAL COMPARISON SUMMARY
## (IN THOUSANDS OF 2011 DOLLARS)

| Line No. | (PG&E-7) Chapter | Program | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 2 | Baseline | 03/05/85-2F | $8,533 | $7,826 | $(707) | 7-5 |
| 2 | 2 | IT Lifecycle | 85-2F | 48,365 | 63,749 | 15,384 | 7-5 |
| 3 | 2 | IT Optimization | 53-2F | 8,318 | 12,736 | 4,418 | 7-5 |
| 4 | 2 | Technology Projects (FA IT Projects) | 20/21/53/85-2F | 139,290 | 168,544 | 29,254 | 7-5 |
| 5 | Total | | | $204,506 | $252,854 | $48,349 | |

## INFORMATION TECHNOLOGY EXPENSE AND CAPITAL INFORMATION

Line of Business: Information Technology Expense

### GRC MWC Descriptions

MWC AK – Support – includes costs associated with environmental compliance support, permits and facility environmental operations. *In 2011, MWC AK was replaced by MWC JV.*

MWC BP – Manage DCPP Business – includes costs associated with operating and maintaining IT components to support the Diablo Canyon Power Plant. *In 2011, MWC BP was replaced by MWC JV.*

MWC FB – Maintenance of Computing Network & Systems – includes costs to operate and maintain computing networks and supporting systems. *In 2011, MWC FB was replaced by MWC JV.*

MWC IM – IT Applications – includes costs to design, develop, upgrade and maintain IT applications across the Company. *In 2011, MWC IM was replaced by MWC JV.*

MWC IN – Enterprise Management IT – includes costs to design, develop, upgrade and maintain IT systems and environments across the Company. *In 2011, MWC IN was replaced by MWC JV.*

MWC IO – IT Infrastructure – includes costs to operate, maintain, replace and upgrade physical IT assets across the Company. *In 2011, MWC IO was replaced by MWC JV.*

### New MWC Description

MWC JV – Maintain Applications and Infrastructure – beginning in 2011, MWC JV is the sole identifier for all IT expense, replacing all previous MWCs (AK, BP, FB, IM, IN, IO) used for IT work. MWC JV includes costs for ongoing maintenance, operations and repair for PG&E's applications, systems and infrastructure.

## TABLE 7-3
## INFORMATION TECHNOLOGY 2011 EXPENSE COMPARISON
## (IN THOUSANDS OF 2011 DOLLARS)

| Line No. | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | Baseline AK/BP/IM/IN/IO-JV | $183,773 | $201,268 | $17,495 | Increase due to a greater forecast for maintenance and support for Windows 7, the SmartMeter™ Operations Center and an increased focus on high-priority cyber security work (Advanced Detection and Analysis of Persistent Threats). |
| 2 | IT Lifecycle IM/IO-JV | 9,845 | 4,333 | (5,512) | Decrease due to reprioritization of funding to support several large enterprise projects: Windows 7, Advanced Detection and Analysis of Persistent Threats, and the SmartMeter™ Operations Center. The Application Software Lifecycle program will not be pursued in 2011 to offset the increase in estimated costs for the above projects. |
| 3 | IT Optimization IM-JV | 7,024 | 10,102 | 3,078 | Increase due to a greater focus on IT Cost Optimization efforts. |
| 4 | Technology Projects (FA IT Projects) FB/IM/IN-JV | 60,274 | 30,667 | (29,607) | Decrease due to reprioritization of funding to support the projects discussed in the IT Lifecycle section and a decision not to pursue several technology projects within the Supply Chain and Enterprise technology programs in 2011, specifically, Enterprise Content Management, Enterprise Project Systems, customer information system for demand-side management programs, and the Supply Chain Improve Management Reporting and Operations projects. |
| 5 | Total | $260,915 | $246,369 | $(14,546) | |

Line of Business – Information Technology Capital

## GRC MWC Descriptions

MWC 03 – Office Furniture & Equipment – includes costs associated with specialized office furniture and equipment. *In 2011, MWC 03 was replaced by MWC 2F.*

MWC 05 – Tools & Equipment – includes costs associated with purchase of diagnostic tools and equipment required to perform various preventive field functions such as SCADA testing. *In 2011, MWC 05 was replaced by MWC 2F.*

MWC 21 – Purchase/Install Other Capital – includes costs related to the disposition and sale of PG&E's surplus, obsolete or damaged equipment. *In 2011, MWC 21 was replaced by MWC 2F.*

MWC 53 – IT Applications – includes costs to design, develop, upgrade and maintain IT applications across the Company. *In 2011, MWC 53 was replaced by MWC 2F.*

MWC 85 – IT Infrastructure – includes costs to operate, maintain, replace and upgrade physical IT assets across the Company. *In 2011, MWC 85 was replaced by MWC 2F.*

## New MWC Description

MWC 2F – Build Applications and Infrastructure – beginning in 2011, MWC 2F is the unique identifier for all IT capital expenditures, replacing all previous MWCs (03, 05, 21, 53, 85) used for IT work. MWC 2F includes the costs to design, develop and enhance applications, systems and infrastructure technology solutions.

**PACIFIC GAS AND ELECTRIC COMPANY**
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**INFORMATION TECHNOLOGY EXPENSE AND CAPITAL INFORMATION**

**TABLE 7-4**
**INFORMATION TECHNOLOGY 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | Baseline (Break-Replace) 03/05/85-2F | $8,533 | $7,826 | $(707) | Decrease due to reprioritization of work to SmartMeter™ Operations Center, Windows 7 and Data Center work. To fund this higher priority work, PG&E is reducing funding for non-critical preventive maintenance programs within the three major domain areas of IT: Computing, Network and SCADA. |
| 2 | IT Lifecycle 85-2F | 48,365 | 63,749 | 15,384 | Increase due to telecommunications tower work in support of Electric Distribution. Increase is also attributable to unplanned capacity and facilities refresh work in support of Windows 7 and the new Data Center. |
| 3 | IT Optimization 53-2F | 8,318 | 12,736 | 4,418 | Increase due to a decision to accelerate the work on the Data Center project. This project was originally forecast to occur over three years (2011 through 2013). Due to operational needs, work originally planned in 2012 and 2013 has been accelerated to 2011. |
| 4 | Technology Projects (FA IT Projects) 20/21/53/85-2F | 139,290 | 168,544 | 29,254 | Increase due to Company focus on investing in more technology-based solutions to address operational needs. Although 2011 efforts are primarily focused on Windows 7 and the SmartMeter™ Operations Center, projects that focused on preventive maintenance and data integrity were also included in this increase. Examples of these projects include: Advanced Detection and Analysis of Persistent Threats, Enterprise Information Protection program, Condition Based Maintenance – Network Transformers, and Data Historian – Generation. |
| 5 | Total | $204,506 | $252,854 | $48,349 | |

# SECTION 8

## Shared Services Variance Explanations

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**SHARED SERVICES 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 8-1**
**SHARED SERVICES 2011 EXPENSE COMPARISON SUMMARY**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-7) Chapter | Program | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 5, 7 | Support | AB-JL | $7,292 | $7,148 | $(144) | 8-3 |
| 2 | 7 | Manage Environmental Operations | AK | 10,049 | 9,845 | (204) | 8-3 |
| 3 | 6 | Maintain Buildings | BI | 26,529 | 8,300 | (18,230) | 8-3 |
| 4 | 6 | Manage Property & Buildings | EP-JE | 1,998 | 968 | (1,031) | 8-3 |
| 5 | 6 | Manage Property & Buildings | EP-JH | 4,662 | 3,658 | (1,004) | 8-3 |
| 6 | 6 | Real Property Acquisition & Sales | EQ-JH | 448 | 102 | (346) | 8-3 |
| 7 | 6 | Manage Property & Buildings | EQ-JE | 890 | 930 | 40 | 8-3 |
| 8 | 7 | Implement Environment Projects | ES | 1,542 | 780 | (762) | 8-3 |
| 9 | A&G | Special A&G/Other Costs-Budget Dept. | FA | 16,291 | 10,891 | (5,400) | 8-4 |
| 10 | 7 | Environmental Remediation, Non-HSM Recovery | IE-JK | 5,223 | 7,019 | 1,796 | 8-4 |
| 11 | 7 | Support | AB | 2,186 | 0 | (2,186) | 8-4 |
| 12 | 7 | Habitat and Species Protection | AY | 130 | 42 | (88) | 8-4 |
| 13 | 7 | Manage Waste Disposal & Transportation | CR | 3,567 | 2,680 | (887) | 8-4 |
| 14 | Total | | | $80,808 | $52,362 | $(28,446) | |

**PACIFIC GAS AND ELECTRIC COMPANY**
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**SHARED SERVICES 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 8-2**
**SHARED SERVICES 2011 CAPITAL COMPARISON SUMMARY**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-7) Chapter | Program | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Page No. |
|---|---|---|---|---|---|---|---|
| 1 | 3 | Fleet/Automotive Equipment | 04 | $93,352 | $74,620 | $(18,732) | 8-8 |
| 2 | 4, 6 | Tools & Equipment | 05-05/21 | 2,072 | 1,404 | (668) | 8-8 |
| 3 | 7 | Implement Environment Projects | 12 | 6,506 | 4,092 | (2,414) | 8-8 |
| 4 | 4 | DCCP Capital | 20-21 | 383 | 400 | 17 | 8-8 |
| 5 | 6 | Install IT Applications | 53 | 832 | 0 | (832) | 8-8 |
| 6 | 6 | Manage Buildings | 78-22/23 | 65,371 | 50,032 | (15,338) | 8-8 |
| 7 | 6 | Land Management | 79 | 13,966 | 0 | (13,966) | 8-8 |
| 8 | 6 | Information Technology Infrastructure | 85 | 6,665 | 0 | (6,665) | 8-9 |
| 9 | 6 | Office Equipment | 87-23 | 280 | 628 | 348 | 8-9 |
| 10 | 6 | Office Furniture | 88-22 | 5,747 | 542 | (5,205) | 8-9 |
| 11 | Total | | | $195,173 | $131,719 | $(63,454) | |

Line of Business – Shared Services Expense

## GRC MWC Descriptions

MWC AB – Support – includes costs to procure goods and services, including implementing programs to improve organizational effectiveness, developing supplier alliances and maintaining and promoting a diverse supplier base. MWC AB also includes costs associated with climate protection and other environmental leadership initiatives (in 2011, this work is not funded). *In 2011, for procurement-related work, MWC AB was replaced by MWC JL – Procure Materials & Services.*

MWC AK – Manage Environmental Operations – includes costs for environmental compliance support, permits and day-to-day costs that are part of facility environmental operations. MWC AK also includes routine environmental work, including the labor costs of environmental professionals and facility personnel who perform environmental compliance tasks including inspections, compliance assessments, corrective actions and hazardous waste management.

MWC BI – Maintain Buildings – includes costs to repair and maintain base building to extend the life of building components, correct building component deficiencies, improve equipment operating efficiencies, and increase the operating reliability of buildings and yards.

MWC EP – Manage Property & Buildings – includes the cost of managing building leases, managing leases and licenses of PG&E land to third parties, preparing quitclaims, reviewing subdivision maps and ordinances, conducting land rights investigations, addressing trespass and encroachment issues, and administering and perfecting land rights. *In 2011, MWC EP was replaced by MWC JE – Manage Land Services and MWC JH – Implement Real Estate Strategy.*

MWC EQ – Real Property Acquisition & Sales – includes costs for site selection and acquisition for buildings and yards, negotiation of building and land leases and licenses, and the preparation and sale of real estate the Company no longer needs. *In 2011, MWC EQ was replaced by MWC JE – Manage Land Services and MWC JH – Implement Real Estate Strategy.*

MWC ES – Implement Environment Projects – includes costs associated with repairing, replacing, or upgrading equipment to comply with environmental regulations.

MWC FA – Special A&G/Other Costs-Budget Department – includes costs for Safety Engineering, Health Services, and Public Safety work. This work includes providing overall direction and management of PG&E's safety, health and wellness programs, including OSHA compliance, incident investigation, injury and illness prevention, and client department consultation. The Public Safety section develops and implements the Public Safety Information Program, PG&E's program to increase awareness of the safe and proper use of gas and electricity by the public, customers and targeted third-party groups, and help reduce the risk of property loss, injury and death.

MWC IE – Environmental Remediation, Non-HSM Recovery – includes costs for cleanup of contaminated sites which are not recovered through the Hazardous Substance Mechanism (HSM), decommissioning accounts, or at shareholder expense. These include internal labor and expenses associated with management and support of the site remediation as well as contractor and legal fees. *In 2011, MWC IE was replaced by MWC JK – Manage Environmental Remediation-Earnings.*

MWC AY – Habitat and Species Protection – includes compliance with regulations to protect endangered species and sensitive habitats as part of PG&E's broader Environmental Stewardship Program. The Environmental Stewardship Program covers initiatives to support habitat and species protection, avian protection, land stewardship and conservation partnerships. MWC AY specifically includes administration costs for Habitat Conservation Plans and the forecast portion of the mitigation land offset costs that will be charged.

MWC CR – Manage Waste Disposal & Transportation – includes costs of transportation and disposal of hazardous and other regulated wastes in accordance with federal and state laws and regulations.

**New MWC Descriptions**

MWC JE – Manage Land Services – includes costs to establish policies and provide support for the management and protection of the Company's land and land rights in support of PG&E's utility operations. MWC JE also includes costs to manage the Company's timberlands to achieve optimal revenues while maintaining and/or enhancing timberland values. *In 2011, MWC JE replaced MWC EP – Manage Property & Buildings and MWC EQ – Real Property Acquisition & Sales.*

MWC JH – Implement Real Estate Strategy – includes costs for real estate planning, the Building Environmental Sustainability (BES) program management, client relationship management, space management, demand planning, building leasing, lease management, and surplus property sales work. *In 2011, MWC JH replaced MWC EP – Manage Property & Buildings and MWC EQ – Real Property Acquisition & Sales.*

MWC JL – Procure Materials & Services – includes costs to procure goods and services, including implementing programs to improve organizational effectiveness, developing supplier alliances and maintaining and promoting a diverse supplier base. *In 2011, MWC JL replaced MWC AB – Support.*

MWC JK – Manage Environmental Remediation-Earnings – includes costs for the cleanup of contaminated sites which are not recovered through the Hazardous Substance Mechanism (HSM), decommissioning accounts, or at shareholder expense. These include internal labor and expenses associated with management and support of the site remediation as well as contractor and legal fees. *In 2011, MWC JK replaced MWC IE – Environmental Remediation, Non-HSM Recovery.*

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**SHARED SERVICES 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 8-3**
**SHARED SERVICES 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | (PG&E-3) Chapter | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|---|
| 1 | 5, 7 | AB-JL | $7,292 | $7,148 | $(144) | Immaterial variance resulting from budgeting process. |
| 2 | 7 | AK | 10,049 | 9,845 | (204) | Decrease primarily due to reduction in environmental plan development work and reduced support for general environmental operations. |
| 3 | 6 | BI | 26,529 | 8,300 | (18,230) | Decrease reflects the decision not to pursue in 2011 the following projects in order to fund higher priority work in other parts of the Company: (i) 77 Beale St./One Market Plaza project; (ii) Customer Office Refurbishment Project; (iii) certain non-mandatory ADA surveys; and (iv) certain Base Building maintenance projects (e.g., roofing repairs, HVAC repairs, carpet replacement, interior painting). |
| 4 | 6 | EP-JE | 1,998 | 968 | (1,031) | Decrease reflects the decision not to pursue in 2011 the following projects in order to fund higher priority work in other parts of the Company: (i) replanting in Shasta county; and (ii) treating for fuel reduction in Amador, Placer, Plumas, and Tehama counties. |
| 5 | 6 | EP-JH | 4,662 | 3,658 | (1,004) | Decrease reflects the decision not to pursue in 2011 the following projects in order to fund higher priority work in other parts of the Company: (i) certain workplace strategy development, office space consolidation, market studies and demographic data; and (ii) filling positions in Corporate Real Estate department. |
| 6 | 6 | EQ-JH | 448 | 102 | (346) | Decrease reflects less work on Real Estate sales and dispositions (preparing underutilized and surplus properties for disposal) in order to fund higher priority work in other parts of the Company. |
| 7 | 6 | EQ-JE | 890 | 930 | 40 | Immaterial variance resulting from budgeting process. |
| 8 | 7 | ES | 1,542 | 780 | (762) | Decrease due to fewer issues identified requiring environmental mitigation in the past two years than was previously forecasted. |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**SHARED SERVICES 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 8-3**
**SHARED SERVICES 2011 EXPENSE COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**
**(CONTINUED)**

| Line No. | (PG&E-3) Chapter | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|---|
| 9 | A&G | FA | 16,291 | 10,891 | (5,400) | Decrease reflects the decision not to pursue incremental increases in the Company's Wellness Program and new initiatives, e.g., In-Cab Video Technology, offset in part by increases to strengthen current safety program. |
| 10 | 7 | IE-JK | 5,223 | 7,019 | 1,796 | Increase due to need for additional focus on remediation at manufactured gas plant sites. |
| 11 | 7 | AB | 2,186 | 0 | (2,186) | Decrease due to the decision not to pursue in 2011 certain environmental leadership initiatives. |
| 12 | 7 | AY | 130 | 42 | (88) | Immaterial variance. |
| 13 | 7 | CR | 3,567 | 2,680 | (887) | Decrease primarily due to forecasted reductions in the cost of transportation and disposal of hazardous and other regulated waste. |
| 14 | Total | | $80,808 | $52,362 | $(28,446) | |

Line of Business: Shared Services Capital

## GRC MWC Descriptions

MWC 04 – Fleet/Automotive Equipment – includes acquisition of vehicles, power-operated and off-road equipment, and trailers needed to respond to customer service requests and the myriad of maintenance and construction needs of the Company.

MWC 05 – Tools & Equipment – includes purchase of tools and equipment required to perform various functions, including fleet repairs, warehouse operations, etc.

MWC 12 – Implement Environment Projects – includes costs associated with repairing, replacing, or upgrading equipment and facilities to comply with environmental regulations.

MWC 20 – DCPP Capital – includes the costs related to the disposition and sale of PG&E's surplus, obsolete or damaged equipment at Diablo Canyon Power Plant. *In 2011, MWC 20 was replaced by MWC 21 – Purchase/Install – Other Capital.*

MWC 53 – IT Applications – includes costs incurred to install and upgrade computer applications.

MWC 78 – Manage Buildings – includes the cost to replace and construct existing base building to extend the life of building components, correct building component deficiencies, improve equipment operating efficiencies, replace failed or functionally obsolete building components, and increase the operating reliability of buildings and yards, as well as to improve building environmental sustainability, implement work place strategy, and optimize the real estate portfolio. *In 2011, MWC 78 was replaced by MWC 22 – Maintain Buildings and MWC 23 – Implement Real Estate Strategy.*

MWC 79 – Land Management – includes the cost to purchase land for new buildings and yards. *In 2011, MWC 79 is now funded through MWC 23 – Implement Real Estate Strategy.*

MWC 85 – Information Technology (IT) Infrastructure – includes the cost to replace existing and/or purchase additional IT Infrastructure for buildings and yards. *In 2011, MWC 85 is now funded through MWC 22 – Maintain Buildings and MWC 23 – Implement Real Estate Strategy.*

MWC 87 – Office Equipment – includes the cost to replace existing office equipment and/or purchase additional office equipment for existing buildings and yards. *In 2011, MWC 87 is now funded through MWC 22 – Maintain Buildings and MWC 23 – Implement Real Estate Strategy.*

MWC 88 – Office Furniture – includes the cost to replace existing and/or purchase additional office furniture for buildings and yards. *In 2011, MWC 88 is now funded by MWC 22 – Maintain Buildings and MWC 23 – Implement Real Estate Strategy.*



**New MWC Descriptions**

MWC 21 – Purchase/Install – Other Capital – includes costs related to the disposition and sale of PG&E's surplus, obsolete or damaged assets. *In 2011, MWC 21 replaced MWC 20 DCPP Capital.*

MWC 22 – Maintain Buildings – includes the costs to replace and construct existing base building to extend the life of building components, correct building component deficiencies, improve equipment operating efficiencies, replace failed or functionally obsolete building components, and increase the operating reliability of buildings and yards. This includes furniture, office equipment, and IT Infrastructure for buildings. *In 2011, new MWC 23 was transferred funding from MWC 78 – Manage Buildings, MWC 87 – Office Equipment, MWC 88 – Office Furniture, and MWC 85 – Information Technology (IT) – Infrastructure.*

MWC 23 – Implement Real Estate Strategy – includes the costs for new buildings and yards, including the purchase of land and the purchase and installation of furniture, office equipment, and IT Infrastructure, as well as the costs to improve building environmental sustainability, to implement work place strategy, and to optimize the real estate portfolio. *In 2011, new MWC 23 was transferred funding from MWC 78 – Manage Buildings, MWC 79 – Land Management, MWC 87 – Office Equipment, MWC 88 – Office Furniture, and MWC 85 – Information Technology (IT) – Infrastructure.*

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**SHARED SERVICES 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 8-4**
**SHARED SERVICES 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**

| Line No. | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 1 | 04 | $93,352 | $74,620 | $(18,732) | Decrease is due primarily to the accelerated purchase of vehicles into Q4 2010, as well as reprioritization of the remaining funding for life cycle replacements to other parts of the Company for higher priority work. |
| 2 | 05-05/21 | 2,072 | 1,404 | (668) | Decrease reflects the decision not to purchase as many tools and equipment purchases in order to fund higher priority work in other parts of the Company. |
| 3 | 12 | 6,506 | 4,092 | (2,414) | Decrease reflects the decision not to remove as many above-ground and below-ground tanks as previously proposed in order to fund other capital projects across the Company. |
| 4 | 20-21 | 383 | 400 | 17 | Immaterial variance resulting from the budgeting process. |
| 5 | 53 | 832 | 0 | (832) | Decrease reflects the decision to complete the GO Turnstile Project in 2010 ahead of schedule. |
| 6 | 78-22/23 | 65,371 | 50,032 | (15,338) | Decrease reflects the decision not to pursue in 2011 the following projects in order to fund higher priority work in other parts of the company: (i) 77 Beale St./One Market Plaza project; (ii) Distribution Control Center Consolidation project; and (iii) the Energy Procurement Expansion and Relocation Project. These decreases were partially offset by an increase for the Data Center Replacement Project funded by a transfer from MWC 79 (see Row 12). |
| 7 | 79 | 13,966 | 0 | (13,966) | Decrease due to reallocation to MWC 23 for Data Center Replacement and a reduction associated with the Distribution Control Center Consolidation project. |

**PACIFIC GAS AND ELECTRIC COMPANY**
**2011 GENERAL RATE CASE APPLICATION 09-12-020**
**SHARED SERVICES 2011 EXPENSE AND CAPITAL INFORMATION**

**TABLE 8-4**
**SHARED SERVICES 2011 CAPITAL COMPARISON**
**(IN THOUSANDS OF 2011 DOLLARS)**
**(CONTINUED)**

| Line No. | MWC (Previous-New) | GRC (Imputed) | Budget | Difference Higher/(Lower) | Explanation |
|---|---|---|---|---|---|
| 8 | 85 | 6,665 | 0 | (6,665) | Decrease reflects the decision not to pursue in 2011 the following projects in order to fund higher priority work in other parts of the Company: (i) Computer Forensics Lab and Other Investigative Technology; (ii) 111 Almaden Project; (iii) 77 Beale St./One Market Plaza project; and (iv) the Energy Procurement Expansion and Relocation Project. |
| 9 | 87-23 | 280 | 628 | 348 | Increase reflects the decision to allocate funds to the completion of the Sacramento Contact Center Expansion offset by the decision not to pursue the Customer Office Refurbishment project. |
| 10 | 88-22 | 5,747 | 542 | (5,205) | Decrease reflects the decision not to pursue in 2011 the following projects in order to fund higher priority work in other parts of the company: (i) the Customer Office Refurbishment project; (ii) 111 Almaden Project; (iii) 77 Beale St./One Market Plaza project; and (iv) the Energy Procurement Expansion and Relocation Project second office floor. |
| 11 | Total | $195,173 | $131,719 | $(63,454) | |

# APPENDIX A

## Calculations Supporting the Regulatory Values

# METHODOLOGY USED IN THE DEVELOPMENT OF 2011 GRC REGULATORY VALUES

## O&M

| Line of Business | Call-out | Non Call-out | Benefits & Payroll Taxes Burden | Budget Transfer due to ReOrg |
|---|---|---|---|---|
| Gas and Electric Distribution | In accordance with Settlement Agreement called out reductions identified in table Appendix A on page 1-A3 are used. | In accordance with Settlement Agreement non-called out reductions identified in table Appendix A on page 1-A3 are used. | None: The numbers shown in the settlement motion table Appendix A are considered final regulatory values. | O&M imputed values have been adjusted to reflect budget transfers due to reorganization. |
| Customer Care, Nuclear, Power Generation, Energy Procurement, IT, and Shared Services (O&M portion) | In accordance with Settlement Agreement reductions applied to specified MWCs. | The total non call-out represents the difference between the total Settlement Agreement reduction and the total call-out by business unit. The total non call-out is allocated proportionately to each MWC without specific call-out adjustments. | Allocation of benefits burden Settlement Agreement reduction (see Benefits Burden below) and payroll tax burden reduction are applied proportionately to all MWCs (non-called out) based on labor dollars. [(a)] | O&M imputed values have been adjusted to reflect budget transfers due to reorganization. |

(a) Corporate Services, IT, Shared Services imputed values reflect total costs, including 100% of A&G costs.

## Burdens / Overheads

| | | | |
|---|---|---|---|
| Employee Benefits Burden | STIP reduction applied to expense and capitalization of STIP. | Applied to all cost categories, excluding benefits burden call out reductions. | Benefit burden reduction allocated to lines of business based on total labor. |
| Payroll Tax Burden | None. | Calculated in the Results of Operations (RO) Model. | Payroll burden reduction allocated to lines of business based on total labor. |

A-1

## Capital Expenditures

To develop the capital expenditure regulatory values, any reductions specifically identified in the Settlement Agreement were a pplied directly to PG&E's request at the specific MWC level. Any reductions that were not specifically identified were applied proportionately to PG&E's request across all MWCs not otherwi se called-out in the Settlement Agreement. Also, since the Settlement Agreement did not specifically identify capital expenditures for the attrition years of 2012 and 201 3, and the adopted attrition revenues would not provide adequate funding to maintain the 2011 spending profile, the 2011 capital expenditure values were further adjusted to yield an evenly dis tributed spending profile over the 2011-2013 period.

Note: capital imputed values have been adjusted to include capitalized pension A&G costs at the adopted 2011 level.

SB_GT&S_0616628

**Pacific Gas & Electric Company**
**2011 GRC Business Unit Expense Imputed Regulatory Value**
Thousands of 2011 SAP Dollars

| Line | Line of Business / Exhibit-Chapter | MWC | Comparison Exhibit Forecast | Settlement Adjustment: Call-Out[a] | Settlement Adjustment: Non Call-Out[b] | Settlement Adjustment: Employee Benefit Burden/ Payroll Tax / Chargeback | Settlement Adjustment: Total | 2011 Imputed Regulatory Value | Budget Transfer due to ReOrg (Reduction) | Revised Imputed Value | Line |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | (A) | (B) | (C) | (D) | (E) = (B)+(C)+(D) | (F) = (A)+(E) | (G) | (H)=(F)+(G) | |
| | **GAS & ELECTRIC DISTRIBUTION** | | | | | | | | | | |
| | *Electric Distribution* | | | | | | | | | | |
| 1 | 3-1 | AB | (5,325) | 0 | - | - | 0 | (5,325) | 600 | (4,725) | 1 |
| 2 | 3-2 | BF | 40,712 | - | - | - | - | 40,712 | | 40,712 | 2 |
| 3 | 3-2 | BG | 84,810 | (12,145) | - | - | (12,145) | 72,665 | | 72,665 | 3 |
| 4 | 3-2 | BK | 2,057 | 0 | - | - | 0 | 2,057 | | 2,057 | 4 |
| 5 | 3-4 | GA | 16,462 | 0 | - | - | 0 | 16,462 | | 16,462 | 5 |
| 6 | 3-5 | HN | 180,000 | (18,500) | - | - | (18,500) | 161,500 | | 161,500 | 6 |
| 7 | 3-6 | EV | 17,488 | (4,000) | - | - | (4,000) | 13,488 | | 13,488 | 7 |
| 8 | 3-6 | EW | 25,294 | (4,000) | - | - | (4,000) | 21,294 | | 21,294 | 8 |
| 9 | 3-8 | GC | 37,938 | (3,515) | - | - | (3,515) | 34,423 | | 34,423 | 9 |
| 10 | 3-11 | HX | 1,900 | (0) | - | - | (0) | 1,900 | | 1,900 | 10 |
| 11 | 3-12 | GB | 800 | 0 | - | - | 0 | 800 | | 800 | 11 |
| 12 | 3-13 | BA | 39,081 | (3,058) | - | - | (3,058) | 36,023 | | 36,023 | 12 |
| 13 | 3-13 | HG | 750 | - | - | - | - | 750 | | 750 | 13 |
| 14 | 3-14 | BH | 68,441 | (3,823) | - | - | (3,823) | 64,618 | | 64,618 | 14 |
| 15 | 3-14 | IF | 24,199 | (2,959) | - | - | (2,959) | 21,240 | | 21,240 | 15 |
| 16 | 3-15 | FZ | 25,062 | 0 | - | - | 0 | 25,062 | | 25,062 | 16 |
| 17 | 3-16 | GE | 7,114 | 0 | - | - | 0 | 7,114 | | 7,114 | 17 |
| 18 | 3-16 | GF | 1,600 | (0) | - | - | (0) | 1,600 | | 1,600 | 18 |
| 19 | 3-20 | AB (Tech Trng) | 19,083 | (4,514) | - | - | (4,514) | 14,569 | | 14,569 | 19 |
| 20 | 3-21 | AT | 2,800 | - | - | - | - | 2,800 | | 2,800 | 20 |
| 21 | 3-22 | AB (COO) | 5,935 | - | - | - | - | 5,935 | | 5,935 | 21 |
| 22 | 3-23 | AB | 1,751 | - | - | - | - | 1,751 | | 1,751 | 22 |
| | *Gas Distribution* | | | | | | | | | - | |
| 23 | 3-18 | DE (DIMP) | 6,624 | (4,047) | - | - | (4,047) | 2,577 | | 2,577 | 23 |
| 24 | 3-18 | DE | 15,482 | - | - | - | - | 15,482 | | 15,482 | 24 |
| 25 | 3-18 | DF | 29,902 | 0 | - | - | 0 | 29,902 | | 29,902 | 25 |
| 26 | 3-18 | DG | 15,357 | (4,600) | - | - | (4,600) | 10,757 | | 10,757 | 26 |
| 27 | 3-18 | FG | 3,945 | 0 | - | - | 0 | 3,945 | | 3,945 | 27 |
| 28 | 3-18 | FH (DIMP) | 16,923 | (0) | - | - | (0) | 16,923 | | 16,923 | 28 |
| 29 | 3-18 | FH | 16,924 | - | - | - | - | 16,924 | | 16,924 | 29 |
| 30 | 3-18 | FI | 48,496 | (12,840) | - | - | (12,840) | 35,656 | | 35,656 | 30 |
| 31 | 3-18 | GG | 3,060 | 0 | - | - | 0 | 3,060 | | 3,060 | 31 |
| 32 | 3-18 | GZ | 1,500 | - | - | - | - | 1,500 | | 1,500 | 32 |
| 33 | 3-19 | EX | 5,200 | (4,000) | - | - | (4,000) | 1,200 | | 1,200 | 33 |
| 34 | **TOTAL - GAS & ELE. DISTRIBUTION** | | **761,365** | **(82,000)** | **-** | **-** | **(82,000)** | **679,364** | **600** | **679,964** | 34 |
| | **CUSTOMER CARE** | | | | | | | | | | |
| 35 | 4-2 | DK | 113,530 | - | (1,831) | (6,592) | (8,423) | 105,107 | | 105,107 | 35 |
| 36 | 4-2 | FT | 674 | - | (11) | (38) | (49) | 625 | | 625 | 36 |
| 37 | 4-3 | FT | 34,393 | - | (555) | (1,162) | (1,717) | 32,676 | | 32,676 | 37 |
| 38 | 4-4 | EZ | 62,418 | (10,000) | - | - | (10,000) | 52,418 | 1,275 | 53,693 | 38 |
| 39 | 4-5 | DC | 16,906 | - | (273) | (1,001) | (1,274) | 15,632 | (150) | 15,482 | 39 |
| 40 | 4-5 | DD | 99,641 | - | (1,607) | (5,042) | (6,649) | 92,992 | (200) | 92,792 | 40 |
| 41 | 4-6 | EY | 20,523 | - | (331) | (956) | (1,287) | 19,236 | | 19,236 | 41 |
| 42 | 4-6 | HY | 11,834 | - | (191) | (545) | (735) | 11,099 | | 11,099 | 42 |
| 43 | 4-7 | AR | 113,566 | (113,566) | - | - | (113,566) | - | | - | 43 |
| 44 | 4-8 | DA | 60,204 | - | (971) | (862) | (1,833) | 58,371 | | 58,371 | 44 |
| 45 | 4-8 | DB | 24,797 | - | (400) | (1,162) | (1,561) | 23,236 | | 23,236 | 45 |
| 46 | 4-8 | EV | - | - | - | (670) | (670) | (670) | | (670) | 46 |
| 47 | 4-8 | FT | 35,200 | - | (568) | (1,993) | (2,560) | 32,639 | | 32,639 | 47 |
| 48 | 4-9 | FK | 6,989 | (6,989) | - | - | (6,989) | (0) | | (0) | 48 |
| 49 | 4-10 | GM | 6,639 | - | (107) | (336) | (443) | 6,196 | | 6,196 | 49 |
| 50 | 4-11 | GM | 5,550 | - | (89) | (189) | (279) | 5,271 | | 5,271 | 50 |
| 51 | 4-12 | EL | 4,234 | - | (68) | (161) | (230) | 4,004 | | 4,004 | 51 |
| 52 | 4-14 | FN | 0 | - | (0) | (51) | (51) | (51) | | (51) | 52 |
| | *New MWC* | | | | | | | | | - | |
| 53 | | IS | | | | | | | (9,081) | (9,081) | 53 |
| 54 | | IV | | | | | | | 150 | 150 | 54 |
| 55 | **TOTAL - CUSTOMER CARE** | | **617,097** | **(130,555)** | **(7,000)** | **(20,760)** | **(158,315)** | **458,782** | **(8,006)** | **450,776** | 55 |

**Pacific Gas & Electric Company**
**2011 GRC Business Unit Expense Imputed Regulatory Value**
Thousands of 2011 SAP Dollars

| Line | Line of Business / Exhibit-Chapter | MWC | Comparison Exhibit Forecast | Settlement Adjustment | | | | 2011 Imputed Regulatory Value | Budget Transfer due to ReOrg (Reduction) | Revised Imputed Value | Line |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Call-Out[a] | Non Call-Out[b] | Employee Benefit Burden/ Payroll Tax / Chargeback | Total | | | | |
| | | | (A) | (B) | (C) | (D) | (E) = (B)+(C)+(D) | (F) = (A)+(E) | (G) | (H)=(F)+(G) | |
| | **ENERGY SUPPLY** | | | | | | | | | | |
| | *Nuclear* | | | | | | | | | | |
| 56 | 5-4 | AB | 2,510 | - | (70) | (50) | (120) | 2,389 | 118 | 2,507 | 56 |
| 57 | 5-4 | AK | 4,724 | - | (132) | (63) | (196) | 4,528 | | 4,528 | 57 |
| 58 | 5-4 | BP | 10,373 | (437) | - | - | (437) | 9,936 | (100) | 9,836 | 58 |
| 59 | 5-4 | BQ | 10,993 | - | (308) | (66) | (374) | 10,620 | | 10,620 | 59 |
| 60 | 5-4 | BR | 101,896 | 11,698 | - | - | 11,698 | 113,594 | | 113,594 | 60 |
| 61 | 5-4 | BS | 125,552 | - | (3,516) | (5,189) | (8,705) | 116,847 | | 116,847 | 61 |
| 62 | 5-4 | BT | 15,486 | - | (434) | (68) | (501) | 14,985 | | 14,985 | 62 |
| 63 | 5-4 | BV | 59,985 | - | (1,680) | (2,425) | (4,105) | 55,880 | | 55,880 | 63 |
| 64 | 5-4 | IE | 50 | - | (1) | - | (1) | 49 | | 49 | 64 |
| 65 | *Sub-total Diablo Canyon* | | **331,569** | **11,261** | **(6,142)** | **(7,861)** | **(2,742)** | **328,827** | **18** | **328,845** | 65 |
| | *Power Generation* | | | | | | | | | | |
| 66 | 5-3 | AB | 6,726 | - | (188) | (98) | (286) | 6,441 | 54 | 6,495 | 66 |
| 67 | 5-3 | AI | 7,054 | - | (198) | (267) | (464) | 6,590 | | 6,590 | 67 |
| 68 | 5-3 | AK | 1,210 | - | (34) | (42) | (75) | 1,134 | | 1,134 | 68 |
| 69 | 5-3 | AW | 36,095 | - | (1,011) | (1,547) | (2,558) | 33,536 | | 33,536 | 69 |
| 70 | 5-3 | AX | 27,673 | - | (775) | (1,001) | (1,776) | 25,898 | | 25,898 | 70 |
| 71 | 5-3 | AY | 117 | - | (3) | (4) | (8) | 109 | | 109 | 71 |
| 72 | 5-3 | AZ | 7,595 | - | (213) | (119) | (332) | 7,263 | | 7,263 | 72 |
| 73 | 5-3 | BB | 19,247 | - | (539) | (793) | (1,332) | 17,915 | | 17,915 | 73 |
| 74 | 5-3 | BC | (580) | - | 16 | (131) | (115) | (695) | | (695) | 74 |
| 75 | 5-3 | BK | 9,558 | - | (268) | (360) | (627) | 8,931 | | 8,931 | 75 |
| 76 | 5-3 | CR | 250 | - | (7) | (0) | (7) | 243 | | 243 | 76 |
| 77 | 5-3 | DL | 40,257 | - | (1,128) | (1,192) | (2,320) | 37,937 | | 37,937 | 77 |
| 78 | 5-3 | DP | 1,608 | - | (45) | (76) | (121) | 1,487 | | 1,487 | 78 |
| 79 | 5-3 | EP | (28) | - | 1 | (17) | (17) | (44) | | (44) | 79 |
| 80 | 5-3 | ES | 205 | - | (6) | (1) | (7) | 198 | | 198 | 80 |
| 81 | 5-3 | HZ | 1,759 | - | (49) | (63) | (112) | 1,646 | | 1,646 | 81 |
| 82 | 5-3 | IE | 215 | - | (6) | - | (6) | 209 | | 209 | 82 |
| 83 | 5-5 | AB | 113 | - | (3) | (4) | (7) | 105 | | 105 | 83 |
| 84 | 5-5 | AI | 309 | - | (9) | (4) | (13) | 296 | | 296 | 84 |
| 85 | 5-5 | AK | 2,138 | - | (60) | (33) | (93) | 2,045 | | 2,045 | 85 |
| 86 | 5-5 | BY | 10,208 | - | (286) | (134) | (419) | 9,788 | | 9,788 | 86 |
| 87 | 5-5 | BZ | 34,217 | (2,070) | - | - | (2,070) | 32,147 | | 32,147 | 87 |
| 88 | 5-5 | CJ | 300 | - | (8) | (0) | (8) | 292 | | 292 | 88 |
| 89 | 5-5 | CP | 105 | - | (3) | (1) | (4) | 101 | | 101 | 89 |
| 90 | 5-5 | CR | 266 | - | (7) | (2) | (10) | 256 | | 256 | 90 |
| 91 | *Sub-total Power Generation* | | **206,617** | **(2,070)** | **(4,829)** | **(5,890)** | **(12,788)** | **193,828** | **54** | **193,882** | 91 |
| | *Energy Procurement* | | | | | | | | | | |
| 92 | 5-6 | AB | 2,404 | - | (67) | (121) | (188) | 2,216 | 94 | 2,310 | 92 |
| 93 | 5-6 | CT | 89,060 | (35,000) | - | - | (35,000) | 54,060 | | 54,060 | 93 |
| 94 | 5-6 | CV | 4,535 | - | (127) | (271) | (398) | 4,137 | | 4,137 | 94 |
| 95 | *Sub-total Energy Procurement* | | **96,000** | **(35,000)** | **(194)** | **(392)** | **(35,586)** | **60,414** | **94** | **60,508** | 95 |
| 96 | **TOTAL - ENERGY SUPPLY** | | **634,186** | **(25,809)** | **(11,165)** | **(14,142)** | **(51,116)** | **583,070** | **166** | **583,236** | 96 |

**Pacific Gas & Electric Company**
**2011 GRC Business Unit Expense Imputed Regulatory Value**
Thousands of 2011 SAP Dollars

| Line | Line of Business / Exhibit-Chapter | MWC | Comparison Exhibit Forecast | Settlement Adjustment: Call-Out[a] | Settlement Adjustment: Non Call-Out[b] | Settlement Adjustment: Employee Benefit Burden/ Payroll Tax / Chargeback | Settlement Adjustment: Total | 2011 Imputed Regulatory Value | Budget Transfer due to ReOrg (Reduction) | Revised Imputed Value | Line |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | (A) | (B) | (C) | (D) | (E) = (B)+(C)+(D) | (F) = (A)+(E) | (G) | (H)=(F)+(G) | |
| | **IT** | | | | | | | | | | |
| 97 | 7-2 | AK | **68** | - | (5) | (3) | (7) | 61 | | 61 | 97 |
| 98 | 7-2 | BP | **963** | - | (64) | (18) | (83) | 880 | | 880 | 98 |
| 99 | 7-2 | FB | **2,175** | - | (145) | (44) | (189) | 1,986 | | 1,986 | 99 |
| 100 | 7-2 | IM | **181,929** | (26,118) | - | - | (26,118) | 155,811 | | 155,811 | 100 |
| 101 | 7-2 | IN | **50,016** | (7,180) | (3,331) | (1,360) | (11,871) | 38,144 | | 38,144 | 101 |
| 102 | 7-2 | IO | **74,544** | (10,702) | (4,964) | (2,088) | (17,754) | 56,790 | | 56,790 | 102 |
| | *New MWC* | | | | | | | | | - | |
| 103 | | JV | | | | | | | 7,242 | 7,242 | 103 |
| 104 | **TOTAL - IT** | | **309,694** | **(44,000)** | **(8,509)** | **(3,512)** | **(56,021)** | **253,673** | **7,242** | **260,915** | 104 |
| | **SHARED SERVICES** | | | | | | | | | | |
| 105 | 7-5 | AB | 7,901 | - | (526) | (383) | (909) | 6,992 | 300 | 7,292 | 105 |
| 106 | 7-6 | BI | 31,129 | (4,600) | - | - | (4,600) | 26,529 | | 26,529 | 106 |
| 107 | 7-6 | EP | 7,451 | - | (496) | (294) | (790) | 6,660 | | 6,660 | 107 |
| 108 | 7-6 | EQ | 1,492 | - | (99) | (55) | (154) | 1,338 | | 1,338 | 108 |
| 109 | 7-7 | AB | 2,415 | - | (161) | (68) | (229) | 2,186 | | 2,186 | 109 |
| 110 | 7-7 | AK | 11,136 | - | (742) | (345) | (1,087) | 10,049 | | 10,049 | 110 |
| 111 | 7-7 | AY | 140 | - | (9) | (1) | (11) | 130 | | 130 | 111 |
| 112 | 7-7 | CR | 3,822 | - | (255) | (1) | (255) | 3,567 | | 3,567 | 112 |
| 113 | 7-7 | ES | 1,664 | - | (111) | (11) | (122) | 1,542 | | 1,542 | 113 |
| 114 | 7-7 | IE | 5,874 | - | (391) | (260) | (651) | 5,223 | | 5,223 | 114 |
| | *New MWC* | | | | | | | | | - | |
| 115 | | FA | | | | | | | 16,291 | 16,291 | 115 |
| 116 | **TOTAL - SHARED SERVICES** | | 73,024 | (4,600) | (2,790) | (1,418) | (8,808) | 64,216 | 16,591 | 80,808 | 116 |
| | **CORPORATE SVCS - REG REL.** | | | | | | | | | | |
| 117 | 6-2 | AB | 5,946 | (0) | - | (218) | (218) | 5,727 | | 5,727 | 117 |
| 118 | **GRAND TOTAL - GRC** | | 2,401,312 | (286,964) | (29,464) | (40,051) | (356,479) | 2,044,833 | 16,593 | 2,061,426 | 118 |

(a) Call-out amounts reflect specific settlement adjustments as agreed to in the Settlement Agreement adopted in Decision 11-05-018.

(b) The total non call-out represents the difference between the total Settlement Agreement reduction and the total call-out by line of business. The total non call-out is allocated proportionately to each MWC without specific call-out adjustments.

Please note that overall imputed values have been increased through budget transfers and re-organization.

**Pacific Gas & Electric Company**
**2011 GRC Capital Expenditures Imputed Regulatory Value**
Thousands of 2011 SAP Dollars

| Line | | MWC Description | Comparison Exhibit Forecast (A) | Settlement Reduction: Settlement (B) | Settlement Reduction: Attrition (C) | Settlement Reduction: Total (D) = (B)+ (C ) | 2011 Imputed Regulatory Value (E) = (A)+ (D) | Pension Adder (F) | Revised Imputed Value (G)=(E) + (F) | Line |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **Electric Distribution** | | | | | | | | |
| 1 | 6 | E Distr New Capacity - Line | 91,871 | (4,918) | (6,141) | (11,059) | 80,812 | 1,128 | 81,940 | 1 |
| 2 | 7 | E Dist Replace/Reinforce Poles | 60,000 | (3,212) | (4,011) | (7,222) | 52,778 | 737 | 53,514 | 2 |
| 3 | 8 | E Dist Mitigate Recur Outages | 13,300 | (712) | (889) | (1,601) | 11,699 | 163 | 11,862 | 3 |
| 4 | 9 | E Dist Automation & Protection | 34,200 | (1,831) | (2,286) | (4,117) | 30,083 | 420 | 30,503 | 4 |
| 5 | 10 | E Dist Work Requested by Other | 64,723 | (5,162) | (4,207) | (9,369) | 55,354 | 794 | 56,148 | 5 |
| 6 | 16 | E Dist Customer Connects | 356,806 | (28,457) | (23,190) | (51,648) | 305,158 | 4,363 | 309,521 | 6 |
| 7 | 17 | E Dist Emergency Response | 124,217 | (6,649) | (8,303) | (14,952) | 109,265 | 1,525 | 110,790 | 7 |
| 8 | 30 | E Dist WRO - Rule 20A | 80,000 | (6,380) | (5,200) | (11,580) | 68,420 | 981 | 69,401 | 8 |
| 9 | 46 | E Distr New Capacity - Substat | 106,313 | (5,691) | (7,107) | (12,797) | 93,516 | 1,305 | 94,821 | 9 |
| 10 | 48 | E Dist Replace Subst Equipment | 72,796 | (3,897) | (4,866) | (8,763) | 64,033 | 891 | 64,924 | 10 |
| 11 | 49 | E T&D Mainline Prot & Rebuild | 30,000 | (1,606) | (2,005) | (3,611) | 26,389 | 368 | 26,757 | 11 |
| 12 | 54 | E Dist Replace Subst Transform | 79,545 | (4,258) | (5,317) | (9,575) | 69,970 | 977 | 70,946 | 12 |
| 13 | 56 | E Dist Replace Underground Cbl | 51,354 | (2,749) | (3,433) | (6,182) | 45,172 | 630 | 45,803 | 13 |
| 14 | 57 | E Dist Prev Maintenance-Facts | 130,034 | (20,500) | (7,736) | (28,236) | 101,798 | 1,589 | 103,387 | 14 |
| 15 | 58 | E Dist Repl Substation Safety | 6,360 | (340) | (425) | (766) | 5,594 | 78 | 5,673 | 15 |
| 16 | 59 | E Dist Repl Subst-Emergency | 32,000 | (1,713) | (2,139) | (3,852) | 28,148 | 393 | 28,541 | 16 |
| 17 | 95 | ED Major Emergency | 35,995 | (1,927) | (2,406) | (4,333) | 31,662 | 442 | 32,104 | 17 |
| 18 | | **Sub-total Elec. Distribution** | **1,369,514** | **(100,000)** | **(89,662)** | **(189,662)** | **1,179,852** | **16,784** | **1,196,635** | 18 |
| | | **Gas Distribution** | | | | | | | | |
| 19 | 14 | Gas Pipeline Replacement Pgm | 130,900 | - | (9,245) | (9,245) | 121,655 | 1,611 | 123,266 | 19 |
| 20 | 27 | Gas Meter Protection-Capital | 630 | - | (44) | (44) | 586 | 8 | 593 | 20 |
| 21 | 29 | G Dist Customer Connects | 68,065 | - | (4,807) | (4,807) | 63,258 | 838 | 64,095 | 21 |
| 22 | 47 | G Dist New Capacity - Gas | 13,550 | - | (957) | (957) | 12,593 | 167 | 12,760 | 22 |
| 23 | 50 | G Dist Reliability | 21,940 | - | (1,550) | (1,550) | 20,390 | 270 | 20,660 | 23 |
| 24 | 51 | G Dist Work Requested by Other | 22,669 | - | (1,601) | (1,601) | 21,068 | 279 | 21,347 | 24 |
| 25 | 52 | G Dist Emergency Response | 280 | - | (20) | (20) | 260 | 3 | 264 | 25 |
| 26 | | **Sub-total Gas Distribution** | **258,034** | **-** | **(18,224)** | **(18,224)** | **239,810** | **3,175** | **242,985** | 26 |

| Line | | Utility Common and Intangible | | | | | | | | Customer Care | Information Technology | Shared Services | Gas and Electric Distribution | Corporate Services | Line |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 27 | 3 | Office Furniture & Equipment | 80 | - | (6) | (6) | 74 | 1 | 75 | | 75 | | | | 27 |
| 28 | 4 | Fleet / Auto Equip | 132,733 | (33,600) | (7,001) | (40,601) | 92,132 | 1,220 | 93,352 | | | 93,352 | | | 28 |
| 29 | 5 | Tools & Equipment | 5,603 | - | (396) | (396) | 5,207 | 69 | 5,276 | 1,439 | 1,232 | 2,072 | 534 | | 29 |
| 30 | 12 | Implement Environment Projects | 6,909 | - | (488) | (488) | 6,421 | 85 | 6,506 | | | 6,506 | | | 30 |
| 31 | 19 | Special Programs | (6,306) | - | 445 | 445 | (5,861) | (3) | (5,864) | | | | (5,864) | | 31 |
| 32 | 21 | Manage Var Bal Acct Processes | 208 | - | (15) | (15) | 193 | 3 | 196 | | 196 | | | | 32 |
| 33 | 25 | Install New Electric Meters (Cust) | 21,683 | - | (1,531) | (1,531) | 20,151 | 267 | 20,418 | 20,418 | | | | | 33 |
| 34 | 28 | EV - Station Infrastructure | 1,000 | - | (71) | (71) | 929 | 12 | 942 | 942 | | | | | 34 |
| 35 | 31 | NGV - Station Infrastructure | 3,020 | - | (213) | (213) | 2,807 | 37 | 2,844 | 2,844 | | | | | 35 |
| 36 | 53 | IT - Applications | 172,866 | (34,491) | (9,773) | (44,264) | 128,602 | 2,108 | 130,711 | | 129,879 | 832 | | | 36 |
| 37 | 74 | Install New Gas Elec Meters (Cust) | 72,492 | - | (5,120) | (5,120) | 67,372 | 892 | 68,264 | 68,264 | | | | | 37 |
| 38 | 78 | Manage Buildings | 82,172 | (11,895) | (4,963) | (16,859) | 65,314 | 862 | 66,176 | | | 65,371 | 805 | | 38 |
| 39 | 79 | Land Management | 17,305 | (2,505) | (1,045) | (3,550) | 13,754 | 212 | 13,966 | | | 13,966 | | | 39 |
| 40 | 85 | IT - Infrastructure | 102,792 | (20,509) | (5,811) | (26,321) | 76,471 | 1,010 | 77,481 | | 70,817 | 6,665 | | | 40 |
| 41 | 87 | Office Equipment | 8,190 | - | (578) | (578) | 7,612 | 101 | 7,712 | 7,433 | | 280 | | | 41 |
| 42 | 88 | Office Furniture | 6,103 | - | (431) | (431) | 5,672 | 75 | 5,747 | | | 5,747 | | | 42 |
| 43 | 999 | Chargebacks | (4,685) | - | 331 | 331 | (4,354) | (331) | (4,685) | | | | | (4,685) | 43 |
| 44 | | **Sub-total Util. Comm. & Intangible** | **622,166** | **(103,000)** | **(36,667)** | **(139,667)** | **482,498** | **6,619** | **489,118** | **101,340** | **202,198** | **194,790** | **(4,525)** | **(4,685)** | 44 |
| | | **Fossil Generation** | | | | | | | | | | | | | |
| 45 | 5 | Tools & Equipment | 110 | - | (8) | (8) | 102 | 2 | 104 | | | | | | 45 |
| 46 | 81 | Power Gen Maint Relabil/Avail | 1,548 | - | (109) | (109) | 1,439 | 19 | 1,458 | | | | | | 46 |
| 47 | | **Sub-total Util. Fossil Generation** | **1,658** | **-** | **(117)** | **(117)** | **1,541** | **21** | **1,562** | | | | | | 47 |
| | | **Hydro Generation** | | | | | | | | | | | | | |
| 48 | 5 | Tools & Equipment | 1,080 | - | (76) | (76) | 1,004 | 13 | 1,017 | | | | | | 48 |
| 49 | 11 | Power Gen Licenses & Permits | 28,643 | - | (2,023) | (2,023) | 26,620 | 352 | 26,972 | | | | | | 49 |
| 50 | 12 | Implement Environment Projects | 6,140 | - | (434) | (434) | 5,706 | 76 | 5,782 | | | | | | 50 |
| 51 | 13 | Power Gen Safety & Regulatory | 49,372 | - | (3,487) | (3,487) | 45,885 | 608 | 46,492 | | | | | | 51 |
| 52 | 81 | Power Gen Maint Relabil/Avail | 125,704 | (28,000) | (6,901) | (34,901) | 90,804 | 1,202 | 92,006 | | | | | | 52 |
| 53 | | **Sub-total Util. Hydro Generation** | **210,939** | **(28,000)** | **(12,920)** | **(40,920)** | **170,019** | **2,251** | **172,270** | | | | | | 53 |

| Line | | Nuclear | | | | | | | | Nuclear Generation | Information Technology | Shared Services | Line |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 54 | 3 | Office Furniture & Equipment | 220 | - | (16) | (16) | 204 | 3 | 207 | 207 | | | 54 |
| 55 | 4 | Fleet / Auto Equip | 2,408 | - | (170) | (170) | 2,238 | 30 | 2,268 | 2,268 | | | 55 |
| 56 | 5 | Tools & Equipment | 1,806 | - | (128) | (128) | 1,678 | 22 | 1,701 | 1,701 | | | 56 |
| 57 | 20 | DCPP Capital | 152,623 | (12,000) | (9,932) | (21,932) | 130,691 | 1,731 | 132,422 | 129,731 | 2,307 | 383 | 57 |
| 58 | | **Sub-total Util. Diablo Canyon** | **157,057** | **(12,000)** | **(10,245)** | **(22,245)** | **134,812** | **1,785** | **136,597** | **133,907** | **2,307** | **383** | 58 |
| 59 | | **TOTAL GRC INCLUDING COMMON** | **2,619,367** | **(243,000)** | **(167,835)** | **(410,835)** | **2,208,532** | **30,636** | **2,239,168** | | | | 59 |

# APPENDIX B

# Mapping of Major Work Categories

**Pacific Gas & Electric Company**
**2011 GRC Budget Reporting Document - Appendix B**
**Major Work Category (MWC) Conversion Document**

The following tables provide mapping for MWCs used in the 2011 GRC that have been replaced by new MWCs in a LOB. The objectiv of these MWC changes is to provide greater reporting granularity or better management of similar work using a common MWC.

| Gas and Electric Distribution | | | |
|---|---|---|---|
| Prior MWC (used in the GRC) | Prior MWC Description | New MWC | New MWC Description |
| BG | Preventive Maintenance & Equipment Repai | KA | Electric Distribution Maintenance - Overhea |
| BG | Preventive Maintenance & Equipment Repai | KB | Electric Distribution Maintenance - Undergroun |
| BG | Preventive Maintenance & Equipment Repai | KC | Electric Distribution Maintenance - Networ |
| GB | Splice / Connector Replacemen | KB | Electric Distribution Maintenance - Undergroun |
| 57 | Electric Distribution Preventive Maintenanc | 2A | Electric Distribution Maintenance - Overhea |
| 57 | Electric Distribution Preventive Maintenanc | 2B | Electric Distribution Maintenance - Undergroun |
| 57 | Electric Distribution Preventive Maintenanc | 2C | Electric Distribution Maintenance - Networ |

| Customer Care | | | |
|---|---|---|---|
| Prior MWC (used in the GRC) | Prior MWC Description | New MWC | New MWC Description |
| 87 | Office Equipment | 21 | Purchase/Install Other Capital Equipment |
| AB | Support | EZ | Manage Var Cust Care Processes |
| AR | Read & Investigate Meters | IG | Manage Var Bal Acct Processes |
| BG | Preventative Maintenance | IS | Bill Customers |
| CY | Manage Electric Grid Ops | IS | Bill Customers |
| CY | Manage Electric Grid Ops | IV | Provide Account Services |
| DA | Process Customer Bills | IS | Bill Customers |
| DB | Receive & Assure Revenue | IS | Bill Customers |
| DB | Receive & Assure Revenue | IT | Manage Credit |
| DB | Receive & Assure Revenue | IU | Collect Revenue |
| FT | Customer Service Office Txns | DK | Manage Customer Inquiries |
| FT | Customer Service Office Txns | EZ | Manage Var Cust Care Processes |
| FT | Customer Service Office Txns | IS | Bill Customers |
| FT | Customer Service Office Txns | IT | Manage Credit |
| FT | Customer Service Office Txns | IU | Collect Revenue |
| FN | DADCRMA | IG | Manage Var Bal Acct Processes |
| ID | Automated Metering (AMI) | IW | Manage Demand Response |

| Information Technology | | | |
|---|---|---|---|
| Prior MWC (used in the GRC) | Prior MWC Description | New MWC | New MWC Description |
| 3 | Office Furniture & Equipment | 2F | Maintain IT Applications and Infrastructure |
| 5 | Tools & Equipment | 2F | Maintain IT Applications and Infrastructure |
| 21 | Purchase/Install_Other Capital | 2F | Maintain IT Applications and Infrastructure |
| 53 | IT_Applications | 2F | Maintain IT Applications and Infrastructure |
| 85 | IT_Infrastructure | 2F | Maintain IT Applications and Infrastructure |
| AK | Support | JV | Build IT Applications and Infrastructure |
| BP | Manage DCPP Business | JV | Build IT Applications and Infrastructure |
| FB | Maintenance of Computing Network & Systems | JV | Build IT Applications and Infrastructure |
| IM | IT_Applications | JV | Build IT Applications and Infrastructure |
| IN | Enterprise Management_IT | JV | Build IT Applications and Infrastructure |
| IO | IT_Infrastructure | JV | Build IT Applications and Infrastructure |

| Shared Services | | | |
|---|---|---|---|
| Prior MWC (used in the GRC) | Prior MWC Description | New MWC | New MWC Description |
| 20 | DCPP Capital | 21 | Purchase / Install – Other Capital |
| 78 | Manage Buildings | 22 | Maintain Buildings |
| 78 | Manage Buildings | 23 | Implement Real Estate Strategy |
| EP | Manage Property & Buildings | JE | Manage Land Services |
| EP | Manage Property & Buildings | JH | Implement Real Estate Strategy |
| EQ | Real Property Acquisition & Sales | JE | Manage Land Services |
| EQ | Real Property Acquisition & Sales | JH | Implement Real Estate Strategy |
| IE | Environmental Remediation, Non-HSM Recovery | JK | Manage Environmental Remediation-Earnings |

Nuclear Generation, Power Generation, Energy Procurement do not have any new MWCs relative to what was filed in the GRC and the 2011 budget.