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

Re: Implementation of the Catastrophic Events Memorandum Account for the March 15-27,
2011 Winter Storms – Supplemental Letter

Dear Mr. Clanon:

PG&E is submitting this supplemental letter to its letter submitted on May 13, 2011, regarding the gubernatorial proclamation dated April 15, 2011, related to the series of storms that occurred between March 15 and 27, 2011 (the "March Storms") and PG&E's notification to preserve the option to file an application for cost recovery under CEMA. This supplemental letter is based on a major disaster declaration made by Governor Edmund G. Brown Jr. on July 12, 2011, that adds Marin County to the list of counties previously declared in a state of emergency as a result of the severe March Storms by proclamation dated April 15, 2011.

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

1. Disaster:

By gubernatorial proclamation dated April 15, 2011, a state of emergency was declared to exist in the counties of Alameda, Amador, Butte, Contra Costa, Del Norte, Humboldt, Madera, Mariposa, Mendocino, Monterey, San Luis Obispo, Santa Barbara, Santa Cruz, Sierra, Stanislaus, Sutter, Trinity, Tuolumne and Ventura, respectively, by Edmund G. Brown Jr., Governor of the State of California.

Between March 15 and 27, 2011, a series of severe rainstorms brought high winds, significant amounts of precipitation and flooding, whose effects continued for several days. The storms damaged public and private facilities, forcing the evacuation of residents, caused utilities outages, closed roads, and required emergency response and debris clean-up.

On May 24, 2011, the County of Marin Board of Supervisors passed a resolution requesting that the Governor proclaim a state of local emergency due to the extensive damage from the March storms, which significantly affected transportation infrastructure and private property in the County of Marin and its cities. On July 12, 2011, Governor Edmund G. Brown declared that, as a result of the severe March Storms, a state of local emergency also existed within Marin County.

2. Service Area Affected:

This supplemental letter adds Marin County to the list of impacted counties declared in the April 15, 2011 proclamation. Marin County sustained damage to its electric facilities located within PG&E's North Coast South Division.

3. Estimated Costs:

Evaluation of the damaged facilities and related costs are preliminary at this time. For the counties with a disaster declaration, the estimated incremental costs are currently forecast at approximately \$1 million and may likely exceed that amount.

The total system wide response costs impacted by the March storm series to date is approximately \$45 million, approximately \$20 million in capital and \$25 million in expense, and is forecast to exceed that amount.

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

If you have any questions about PG&E's implementation of the CEMA, please contact Errol Kissinger at (415) 973-6063.

Sincerely,



Brian K. Cherry
Vice President - Regulation and Rates

cc: President Michael R. Peevey
Commissioner Timothy A. Simon
Commissioner Mike Florio
Commissioner Catherine J. K. Sandoval
Commissioner Mark J. Ferron
Julie Fitch, Director, Energy Division
Joe Como, Acting Director, Division of Ratepayer Advocates