PACIFIC GAS AND ELECTRIC COMPANY
DWR Rev Req 2012
Rulemaking 11-03-006
Response of DWR to the Data Request of PG&E

Recipient:	Department of Water Resources (DWR)		
PG&E Data Request No.:	PGE_DWR_001		
PG&E File Name:	DWR-RevReq2012_DR_PGE_DWR001		
Request Date:	September 6, 2011		
Due Date:	September 20, 2011		
Response Date:	September 9, 2011		

Q 1: Please confirm DWR is booking all non-avoidable Sempra contract costs, offset by the Continental Forge discount, in SCE's USBA on a cost-follows-contracts basis.

A 1: Yes, from January 1, 2009 forward.

Q 2: Please confirm DWR did not include the Continental Forge discount in its forecast of the Sempra contract non-avoidable cost in DWR's 2009, 2010 and 2011 revenue requirements.

A 2: DWR did not include the Continental Forge discount in its forecast. DWR's established procedure does not forecast settlements when forecasting its contract costs. Actual settlement distributions are reflected in the account balances when received and such settlement distributions are used to reduce Department costs for the subsequent year.

Q 3: Please confirm DWR booked the proportionate share of all non-avoidable Sempra contract costs, offset by the Continental Forge discount, in each IOU's USBA during September through December of 2008, split according to the permanent allocation percentages.

A 3: Yes.

Q 4: Please confirm that the omission of the Continental Forge discount from DWR's 2009, 2010 and 2011 forecast of non-avoidable Sempra contract costs was an inadvertent error by DWR.

A 4: It was not an "inadvertent error." Please see the response to Question 2.

Q 5: Please confirm that due to this inadvertent error the supporting documentation that DWR provided to the IOUs on October 29, 2008 of its revised determination for the 2009 revenue requirement, which also included projections of DWRs non-avoidable costs for years after 2009, did not reflect the Continental Forge discount applied to the non-avoidable Sempra contract costs.

A 5: There was no "inadvertent error". Please see the response to Question 2.