

**PACIFIC GAS AND ELECTRIC COMPANY
Data Response**

PG&E Data Request No.:	CPUC_200-01		
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Request Date:	October 4, 2011	Requester DR No.:	
Date Sent:	October 7, 2011	Requesting Party:	CPUC (CPSD)
		Requester:	Clayton Tang

QUESTION 1

In the TY2011 GRC, PG&E estimated that it would spend the following amounts on the Aldyl-A project: \$1 million in 2009, \$500,000 in 2010, and \$2.1 million in 2011. Please provide the recorded expenses for 2009, 2010, and YTD 2011. Also, if there is a projected 2011 total (given YTD spending), will you also provide that information?

ANSWER 1

It is important to clarify the scope of PG&E's 2011 GRC forecast for Aldyl-A, which covered investigation and analysis, not a program of replacement. PG&E forecast \$1 million in 2009 and \$500,000 in 2010 for "collecting samples of the various types of Aldyl-A pipe used in the system and [] perform an analysis of the rate of embrittlement of those samples." (PG&E-3, p. 17-11, lines 30-31.) PG&E stated that "[f]rom this investigation on industry-wide experience with [Aldyl-A], PG&E will assess the risk presented by Aldyl-A pipe across its service territory" and forecast \$2.125 million in 2011 for "investigation and risk assessment." (PG&E-3, p. 17-11, line 32 to p. 17-12, line 4.) Although the scope of PG&E's Aldyl-A forecast did not include a pipe replacement program, PG&E noted that such a program might be needed, depending on the outcome of PG&E's analysis: "based on the data collected, a capital and/or expense program for the replacement of pipe may be required based on the DIMP algorithm to be developed and the conditions found." (PG&E-3, p. 27-32, lines 11-13.)

In 2009, PG&E spent \$287,000 on Aldyl-A direct expenses within the scope of work identified in the GRC forecast. In 2010, PG&E spent \$81,759 on Aldyl-A direct expenses within the scope of work identified in the GRC forecast.

Year-to-date September 30, 2011, PG&E spent \$154,086 on Aldyl-A direct expenses within the scope of work identified in the GRC forecast. The projected total 2011 spending is \$1.2 million. The GRC Settlement Agreement cited Aldyl-A in connection with the DIMP balancing account. PG&E received less funding for DIMP than it had requested and PG&E reduced spending in certain DIMP areas, including Aldyl-A. PG&E is on track to spend more in DIMP in 2011 than allocated in the GRC Settlement Agreement.

In addition to DIMP program Aldyl-A expenditures, in its normal course of business PG&E has replaced Aldyl-A pipe and services. Without performing a manual review of all gas distribution maintenance activities, the exact level of spending cannot be determined for main replacements or non-leaking service replacements. However, as

part of its leak survey program, PG&E's records indicate that approximately \$560,000, \$350,000 and \$187,000 has been spent on Aldyl-A service replacements in 2009, 2010, and 2011, respectively.