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Sent: 11/4/2011 1:50:02 PM

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Subject: R11 02 019: Errata to Pacific Gas and Electric Company's (PG&E) Gas Pipeline Safety Enhancement Plan (PSEP or Implementation Plan)

To All Parties on the Service List for CPUC Docket Nos. R.11-02-019 and A.09-09-013:

Please find the attached Errata to Pacific Gas and Electric Company's (PG&E) Gas Pipeline Safety Enhancement Plan (PSEP or Implementation Plan) supporting documents, which were originally served on August 26, 2011. The Errata are being served to reflect the corrections described below. PG&E has informed ALJ Bushey of the error (which does not affect PG&E's requested revenue requirement) and the proposal to notify the parties.

It has come to PG&E's attention in the course of responding to discovery that PG&E made an error in allocating costs between Local Transmission, Backbone, and Storage when developing PG&E's forecast rates for its Implementation Plan (R.11-02-019). PG&E allocated such costs consistent with parameters adopted by the Gas Accord V Settlement Agreement (A.09-09-013), but erroneously allocated the costs of certain projects among the Lines of Business, amounting to a net shift of approximately \$82 million from Local Transmission to Backbone (approximately \$67 million) and Storage (approximately \$15 million).

PG&E has made the necessary corrections to appropriately allocate the costs for the projects. The effect of these corrections for the proposed PSEP rates is that Core customer rates will reduce and Noncore customer rates will increase. The difference in rates between those filed, and the corrected rates, ranges from $-\$.00217$ per therm

to \$.00356 per therm. **The requested total revenue requirements do not change.**

PG&E also took this opportunity to correct other minor errors in testimony and workpapers that do not change PG&E's request in this case.

Provided are the following attachments:

(1) Corrected rate tables are provided in the form of a corrected Exhibit D, Statement of Proposed Rate Changes.

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(2) Corrected Results of Operations at Proposed Rates are provided in the form of a corrected Exhibit E.

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(3) Errata to Prepared Testimony

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(4) Updated Workpapers Supporting Prepared Testimony

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Please note that Chapter 9 and 10 workpapers are being replaced in their entirety due to the Line of Business allocation correction. Corrections to Chapter 3 workpapers are minor and correct the specific milepoints/footage included in certain project titles or descriptions, but do not change the scope or amounts related to such projects. Corrections to Chapter 4 workpapers are minor and correct one operative date that was correctly reflected in the Results of Operations model, but not updated in the final summary workpaper (line 19). Corrections to Chapter 5 workpapers are minor and reflect a mis-allocation between Software and Software Development that does not change the scope or amounts related to the Gas Transmission Asset Management project.

(5) Corrected ex parte Slide 12 reflecting illustrative class average end-user rates

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PG&E provides this corrected slide as a replacement for ex parte material previously served upon R.11-02-019 for the following ex parte meetings:

- August 24, 2011 meeting with the offices of Commissioners Florio and Simon.

- August 25, 2011 meeting with the offices of President Peevey and Commissioner Ferron.
- September 1, 2011 meeting with the office of Commissioner Sandoval.

Amy S. Yu, on behalf of

William V. Manheim

Pacific Gas and Electric Company

If you have any difficulty opening the attachments, please contact Christine Munce at 415.973.7806 or C4Mu@pge.com.

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