

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

Order Instituting Rulemaking to Consider
the Annual Revenue Requirement
Determination of the California Department
of Water Resources and related issues.

Rulemaking 11-03-006
(Filed March 10, 2011)

**COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY
ON THE UTILITY JOINT MOTION AND PROPOSED SETTLEMENT
AND ON THE RELATED MEMORANDUM OF
THE CALIFORNIA DEPARTMENT OF WATER RESOURCES (CDWR)**

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Pursuant to the e-mail ruling of assigned Administrative Law Judge Wilson dated February 16, 2012, PG&E hereby submits comments on: 1) the February 10, 2012 joint motion (Motion) of PG&E, SCE, and SDG&E requesting adoption of the settlement regarding allocation of the CFS Discount and the Sempra L-T Contract Refund (Settlement) and 2) CDWR's February 15, 2012 memorandum regarding the same subject, including computations to implement the Settlement terms. As a signatory, PG&E is in support of the Settlement and Motion and has verified that the computations in the CDWR memorandum properly implement the Settlement terms.

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Respectfully submitted,

ANN H. KIM
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By: _____/s/_____
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