

DIVISION OF RATEPAYER ADVOCATES
A.13-02-023 Energy Resource Recovery Acct 2012-Compliance
DRA Response to PG&E DR #5

Recipient	Division of Ratepayer Advocates		
PG&E Data Request No.:	PGE_DRA-005		
PG&E File Name:	EnerResourceRecoveryAcct2012-Compliance_DR_PGE_DRA-005/Q1		
Request Date:	September 18, 2013	PG&E Witness:	Redacted
Due Date:	September 23, 2013	DRA Witness:	Yakov Lasko

Question 5.1

Chapter 2 – PG&E’s Management of Utility-Owned Generation - Nuclear and Hydro (Yakov Lasko)

- 5.1. In its response to PG&E Request 4.1c, DRA states as follows: “DRA’s view is that PG&E failed to comport with the “reasonable manager” standard because PG&E’s actions were based upon *assumptions* (assumptions that themselves were not verified and validated), when PG&E should have been basing its actions upon *facts* that were known or should have been know at the time” (emphasis in original).
- a. What “assumptions” are DRA referring to when it states that “PG&E’s actions were based upon *assumptions*”?

DRA Response

Please refer to DRA’s testimony from page 2-7 line 26 until page 2-8 line 6 and from page 2-9 line 25 until page 2-10 line 19.

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Recipient	Division of Ratepayer Advocates		
PG&E Data Request No.:	PGE_DRA-005		
PG&E File Name:	EnerResourceRecoveryAcct2012-Compliance_DR_PGE_DRA-005/Q2		
Request Date:	September 18, 2013	PG&E Witness:	Redacted
Due Date:	September 23, 2013	DRA Witness:	Michael Yeo

Question 5.2

Chapter 9 – Maximum Disallowance for Standard of Conduct 4 Violation (Michael Yeo)

5.2. On page 9-3, lines 13 through 18, DRA states that the total for all administrative expenses for all procurement activities was \$81.106 million and as a result the maximum disallowance on SOC 4 violations is twice this amount, or \$162.212 million. DRA states that the information was provided by PG&E in an attachment to a data request response. The attachment is referred to as Attachment 9.1 in DRA's testimony.

Attachment 9.1 was provided by PG&E in response to DRA's data request, DRA_020; however, the amount included in that attachment is \$81.017 million, not \$81.106 million. The correct amount is \$81.016 (or \$81.017 million, accounting for rounding error) and, therefore, the maximum disallowance should be calculated as \$162.032 million rather than \$162.212 million, as is shown on line 17 of page 9-3 of DRA's Testimony. PG&E believes the source of the error stems from a typo that was included in a summary table provided in response to DRA_015, also referenced in DRA's Testimony. However, DRA_015 was superseded by DRA_020 and DRA_020 is the source of DRA's attachment 9.1.

- a. Does DRA agree that the numbers presented in the text on page 9-3 should be updated to be consistent with the total authorized revenue requirement reflected on line 45 of the table presented in Attachment 9.1, or \$81.017 million, and that two times \$81.017 million is \$162.032 million?
- b. If so, does DRA agree that a similar change should be made on page 9-1, line 8, such that the maximum disallowance amount should be corrected to be \$162,032,000 rather than \$162,212,000?

DRA Response

- a. Does DRA agree that the numbers presented in the text on page 9-3 should be updated to be consistent with the total authorized revenue requirement reflected on line 45 of the table presented in Attachment 9.1, or \$81.017 million, and that two times \$81.017 million is \$162.032 million? and
- b. If so, does DRA agree that a similar change should be made on page 9-1, line 8, such that the maximum disallowance amount should be corrected to be \$162,032,000 rather than \$162,212,000?

Yes, DRA agrees with the changes as stated by PG&E. In addition, on page 1-6, line 28 of DRA testimony, DRA proposes to change the amount "\$162,212,000" to "\$162,032,000".