

From: Hughes, John (Reg Rel)  
Sent: 7/24/2014 10:03:53 AM  
To: Gatti, Belinda (belinda.gatti@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: RE: PG&E comments to 2014 PD

Belinda

The PD's RO workpapers reflect the forecast 2012 and 2013 plant addition amounts filed in the original application. Those forecast amounts may be found in the workpapers supporting Exhibit (PG&E-2), Results of Operations, Chapter 9, Electric, Gas, and Common Plant. Specifically, please see:

- Page WP 9-9, Line 446, Total MWC 97 (electric plant additions), and
- Page WP 9-11, Line 557, Total MWC 97 (gas plant additions).

As our Opening Comments state on page 14, "...the forecast 2012 and 2013 plant amounts included in the capital-related revenue requirement in the PD workpapers exceed the cost cap by \$3.3M." Our intent in the Comments was to reduce the 2012 and 2013 additions shown in the workpapers cited above by a total of \$3.3M. For simplicity's sake, we did not split this \$3.3M number into electric and gas components, but that can be easily done by applying the 55/45 electric/gas customer factor.

Another approach would be subtract the entire amount from the electric plant additions. If you need the references to the cells in the PD R/O model, let me know. And of course, if you need further clarifications on any other items do not hesitate to contact me.

**From:** Gatti, Belinda [mailto:belinda.gatti@cpuc.ca.gov]  
**Sent:** Wednesday, July 23, 2014 2:46 PM  
**To:** Hughes, John (Reg Rel)  
**Subject:** RE: PG&E comments to 2014 PD

John,

Got another question for you regarding PG&E's comments. This time on customer care.

On page 14, PG&E refers to a corrected final plant amount of \$1,851 M and a total cost cap of \$2,203 M for the SmartMeter program. Which MWC are you referring to? Footnote 77 refers to Commission D.06-07-027 and I found that, but is there a reference to these figures in the GRC testimony/workpapers?

Thanks so much for all your help. -Belinda

**From:** Hughes, John (Reg Rel) [<mailto:J8HS@pge.com>]  
**Sent:** Wednesday, July 16, 2014 3:06 PM  
**To:** Gatti, Belinda  
**Subject:** RE: PG&E comments to 2014 PD

Belinda- Hope this helps.

The iron and pre-1940 steel gas pipe replacement cost was first calculated based on the information provided in the PD:

$(27 \text{ miles of pipe per year} * 5280 \text{ ft/mile}) * 516 \text{ \$/ft} / 1000 = \$73,561$

Then the amount for plastic was calculated by:

$\$296,940 \text{ PD recommendation} - ((\$73,561 \text{ (iron and pre-1940 steel)} + \$1,846 \text{ (approved funding for copper)}) = \$221,533 \text{ for plastic pipe.}$

These calculations are consistent with the statement in the PD on page 98, “About \$75 million a year remains for replacing steel pipe.

Additionally, the \$221,533 is included in the PD’s Exh\_3.2\_to\_3.9\_GasDist\_Adjustments document (cell R30). -

**From:** Gatti, Belinda [<mailto:belinda.gatti@cpuc.ca.gov>]  
**Sent:** Wednesday, July 16, 2014 2:27 PM  
**To:** Hughes, John (Reg Rel)  
**Subject:** PG&E comments to 2014 PD

Hey John,

Got a question for your people. In PG&E’s opening comments to the Pulsifer PD in the 2014 GRC proceeding, there’s a reference to a math error in the PD workpapers. Page 9, Section D refers to a math error in the calculated adopted amount for Aldyl-A.

For the life of me, I can’t find the \$221.5M calculation. I found the reference in the PD, but maybe I’m just looking at the wrong spreadsheet in the workpapers. Can your people steer me in the right direction?

Thanks. -Belinda

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