

**PACIFIC GAS AND ELECTRIC COMPANY  
General Rate Case 2011 Phase I  
Application 09-12-020  
Data Response**

PG&E Data Request No.:	DRA_210-02		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_210-Q02		
Request Date:	March 15, 2010	Requester DR No.:	DRA-210
Date Sent:	March 29, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Dao Phan

**EXHIBIT REFERENCE: PG&E-3, CHAPTER 18**

**SUBJECT: GAS O&M EXPENDITURES, SYSTEM GROWTH, MWC DG**

**QUESTION 2**

In PG&E's response to DRA-58, PG&E provided the 2009 (Jan-July) units completed and unit cost for the various work categories under MWC DG. The YTD 2009 unit cost for CP Isolated Services was \$1,226.81 for 593 units. In PG&E testimony the amount forecast for Isolated services was \$182.10. Please explain the reason(s) for the significantly high unit cost and include a copy of all calculations used to determine the actual costs.

**ANSWER 2**

PG&E objects to this question on the grounds that it asks for actual 2009 data, which is not the basis of PG&E's 2011 GRC request. Notwithstanding the foregoing, and without waiving PG&E's right to object to the admissibility of the requested information into evidence, PG&E responds as follows.

The final 2009 recorded unit count and unit cost data for Isolated Services is included below. As indicated, the 2009 recorded unit cost was substantially higher than the \$182.10 per unit forecasted. This is due to the fact that 2009 work was focused on two unique and relatively costly components of the program: (1) building a database of remaining potential isolated services and (2) correcting previously identified isolated services. With the database of remaining potential isolated services now complete it will need to be periodically updated with units completed but will not require large expenditures as were seen to develop the database in 2009. Similarly, the corrections of previously identified isolated services were required to install anodes on services that had been inspected in previous years and determined to be isolated. Going forward those anode installations will be done at the same time the service is determined to be isolated, so large expenditures in a single year will no longer be required. Also, both of those efforts required relatively substantial expenditures that do not include inspection

of potential isolated services. Specifically, of the \$1,084,000 recorded expenditures in 2009, \$149,000 was spent on developing the database of remaining potential isolated steel services requiring inspection and \$894,000 was spent to install anodes on services that had been inspected in previous years and determined to be isolated. The remaining \$41,000 was spent to inspect the 459 potential isolated steel services. Thus, limiting expenditures just to actual inspections yields a unit cost of ~\$90 per isolated service.

Work Category	Unit of Measure	2009 Recorded		
		Units Completed	Unit Cost	2009 Recorded:
CP Isolated Services	Isolated Services Evaluated	459	\$ 2,362.52	\$ 1,084,397