

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

PG&E Data Request No.:	DRA_210-07		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_210-Q07		
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 7

In PG&E's response to DRA-60, Q. 2, PG&E explained that the 2011 unit cost of \$2,221.22 is calculated by increasing the 2010 unit cost by 2.51% and then doubling. Please provide a step-by-step showing of how PG&E get to \$2,221.22 in 2011 from \$1,083.42 in 2010.

ANSWER 7

DRA refers to the 2011 unit cost of \$2,221.22, which was identified on line 8 of Table 18-5, page 18-19 of the NOI testimony.

PG&E now forecasts the 2011 unit cost for CP Resurvey at \$2,248.09 as identified on line 8 of Table 18-5 of the Application testimony. The \$2,248.09 unit cost is calculated by increasing the 2010 Forecast unit cost (\$1,095.67) by a 3.75% labor wage escalation rate, and then doubling: $\$2,248.09 = \$1,095.67 * 1.0375 * 2$. This calculation is also identified in line 16 on page WP 18-23 of the Application workpapers. Please refer to line 3 on page WP 18-21 and line 10 on page WP 18-22 of the Application workpapers for the calculations used to forecast the 2009 and 2010 unit cost, respectively.