

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

PG&E Data Request No.:	DRA_186-03b		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_186-Q03b		
Request Date:	March 9, 2010	Requester DR No.:	DRA-186-TLG
Date Sent:	March 30, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Tamera Godfrey

**SUBJECT: ELECTRIC DISTRIBUTION OPERATIONS AND MAINTENANCE EXPENSES FOR MWC BF, BG, AND BK**

**QUESTION 3B**

PG&E forecasted \$40.712 million for MWC BF. This is an increase of \$7.487 million or 22.53% over 2008 recorded adjusted expenses of \$33.225 million. PG&E's MWC BF includes individual forecasts for ten subaccounts/line items. The questions below relate to the following five subaccounts/line items and forecast: \$5.641 million for Overhead Line Equipment Inspected and Tested, \$1.131 million for Underground Line Equipment Inspected and Tested, \$2.923 million for Network Transformers Inspected, \$0.311 million for Special Patrols, and \$0.881 million for Miscellaneous Maintenance Items.

- b) PG&E states that its "unit cost will decrease due to process and unit reporting changes. Provide all documentation that explains in detail the process and unit reporting changes and the reasons for the changes that are expected to cause the decrease in unit cost for overhead distribution line equipment inspected and tested and underground distribution line equipment inspected and tested.

**ANSWER 3B**

Described below is a description of the process and unit reporting changes:

- In 2009, PG&E started using SAP to record completed inspection and testing units. Full use of this new process will be implemented in 2010. Utilizing one system and process facilitates consistency and better ensures that unit reporting is more accurate.
- The forecasted 2011 unit cost is based on the projected actual time to perform the work times the applicable standard rate plus escalation as opposed to recorded historical 2008 recorded unit costs (which is higher than historical trends and may not be as accurate due to each divisions manual process). For example, the 2011 unit cost is \$151 and is based on the forecasted 2009 unit cost plus escalation. The

forecasted 2009 unit cost is based the projected time to perform the work including travel (1 hour) at a standard rate of approximately \$150. If the 2008 recorded unit cost (\$211) were used as the basis of the forecast, the forecasted 2011 unit cost would overstate the amount of time and cost to perform the work.

Documentation that explains in detail the process and unit reporting changes is not available.