

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

PG&E Data Request No.:	DRA_186-01b		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_186-Q01b		
Request Date:	March 9, 2010	Requester DR No.:	DRA-186-TLG
Date Sent:	March 23, 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 1B**

PG&E forecasted \$127.579 million for its Electric Distribution Operations and Maintenance expenses for the test year 2011 which is an increase of 27.44% over 2008 expenses of \$100.111 million. The expenses are recorded in three Major Work Categories (MWC): BK with a forecast of \$2.057 million; BF with a forecast of \$40.712 million; and BG with a forecast of \$84.810 million.

PG&E forecasted \$2.057 million for MWC BK, Scrapping and Repair of Transformers-Single Phase Pole Bolt Units. PG&E's increase for Scrapping and Repair of Transformers-Single Phase Pole Bolt is based on its plans to increase the units of repairs from 2,146 in 2008 to 2,700 in 2011. PG&E reduced its 2011 forecast for MWC BK from the forecast that it had in its NOI from \$4.515 million to \$2.057 million. PG&E's forecast reduction is shown in its line item for Scrapping and Repair of Transformers-All Other Sizes and Styles which was reduced from a forecast of \$2.458 million in the NOI to zero in the application. PG&E states that the reduction is due to an accounting change and that portion will now be capitalized.

- b) PG&E's expenses recorded in MWC BK for Transformers Repaired-single phase pole bolt units have been declining each year between 2004 and 2007 from \$4.519 million to \$1.183 million. In 2008 the expenses increased to \$1.785 million. Provide the documentation that explains the decreases and increases in expenses for 2004 through 2008.

**ANSWER 1B**

The historical 2004 through 2008 recorded costs are as follows:

Year	Dollars (in thousands)
2004	\$4,519
2005	\$3,884

2006	\$1,489
2007	\$1,183
2008	\$1,785

The historical recorded costs are based on the number and type of units and their corresponding unit costs. During the period of 2004 through 2007, there was a decline in the number of transformer units repaired due to a lower demand for transformer units and a higher proportion of transformer units scrapped as opposed to repaired.