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

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| PG&E Data Request No.: | DRA_186-01c | | |
| PG&E File Name: | GRC2011-Ph-I_DR_DRA_186-Q01c | | |
| 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 1C**

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.

c) Provide a detailed explanation along with all supporting documentation that PG&E's management relied upon to determine and demonstrate the need for why PG&E's work volume would need to be increased over 2008 levels from 2,146 to 2,700 in the test year.

**ANSWER 1C**

PG&E's forecast for the number of transformers to be repaired in 2011 compared to 2008 is expected to increase from 2,146 to 2,700 (154 units) because PG&E is endeavoring to manage costs since repairs are less expensive than purchases. Specific documentation does not exist to support the need for the increased work volume, however, one of PG&E's transformer suppliers indicates that utilities are increasing the number of units they are repairing.