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

PG&E Data Request No.:	DRA_186-02c		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_186-Q02c		
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 2C

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: $4.984 million for Poles Patrolled, $11.122 million for Poles Inspected, $2.398 million for Enclosures Patrolled, $10.464 million for Enclosures Inspected, and $0.857 million for Poles Infrared Inspected.

c) PG&E's unit cost for poles patrolled increased from $3.28 in 2007 to $3.75 in 2008 and was forecasted to decrease to $3.57 in 2009 and increase to $3.96 in 2011. Provide the documentation that explains the increase and decrease in detail along with the breakdown of the unit cost calculation and copies of contracts to substantiate the unit costs.

Answer 2C

See below for the breakdown of the unit cost calculations.

Historical unit costs for 2007 and 2008 are based on recorded data. They represent the average system unit cost, e.g., recorded unit cost for each division divided by the total completed units recorded.

The forecasted 2009 and 2010 unit costs represent PG&E's operating budget for poles patrolled work for the specified year and are based on division-specific discussions that take into account several factors such as historical unit costs, pole location, and escalation for labor. Forecasted 2011 unit costs are based on a 3% escalation of the forecasted 2010 unit cost.

Note, poles patrolled are performed primarily by PG&E personnel using minor material (small nuts and bolts normally carried as truck stock on a patrol vehicle). Therefore, the

costs and unit costs of poles patrolled are primarily comprised of PG&E labor charges (86% of costs) and material charges (5% of costs), with a small percentage for contracts for sections of lines where it is necessary to use a helicopter to conduct the patrol (9% of costs). Similar to labor and material, contract costs are embedded in the total costs and unit costs. Copies of contacts are maintained in the local divisions, therefore are not readily available. The variation in the unit costs are due to the regional differences in pole locations.

Unit Cost Calculations:

Description		Reference/Comment
2007 Recorded Unit Cost		
Total Dollars	$3,848,000	Exh (PG&E-3), Chapter 2, Work Papers (Table 2-16, WP 2-21)
Total Units	1,173,097	"
Average System Unit Cost	$3.28	"
2008 Recorded Unit Cost		
Total Dollars	$5,006,000	Exh (PG&E-3), Chapter 2, Work Papers (Table 2-16, WP 2-21)
Total Units	1,335,295	"
Average System Unit Cost	$3.75	"
2009 Forecasted Unit Cost	$3.57	The average system unit cost is based on division specific data and discussions with each division at the time of the 2011 GRC forecast. It also reflects PG&E's 2009 operating budget for poles patrolled for the year. See below for division specific data.
2010 Forecasted Unit Cost	$3.84	The average system unit cost is based on division specific data and discussions with each division at the time of the 2011 GRC forecast. It also reflects PG&E's 2010 operating budget for poles patrolled for the year. See below for division specific data.
2011 Forecasted Unit Cost		
2010 Calculated Unit Cost	$3.84	
2011 Calculated Unit Cost	$3.96	Plus 3.0% Escalation

Division (a)	2009 Forecast Units (b)	Unit Cost (c)	Total (b) x (c) (d)
CC	84,640	$ 4.85	$410,504
DA	38,811	$ 3.93	$152,527
DI	43,613	$ 3.87	$168,782
EB	47,590	$ 3.60	$171,324
FR	115,101	$ 2.83	$325,736
KE	76,368	$ 2.83	$216,121
LP	57,500	$ 3.74	$215,050
MI	40,062	$ 5.42	$217,136
NB	42,447	$ 4.60	$195,256
NCN	46,870	$ 4.50	$210,915
NCS	45,000	$ 4.50	$202,500
NV	134,395	$ 3.14	$422,000
PN	44,696	$ 4.14	$185,041
SA	50,565	$ 2.83	$143,099
SF	26,261	$ 5.10	$133,931
SI	101,614	$ 2.83	$287,568
SJ	32,966	$ 4.97	$163,841
ST	80,648	$ 2.83	$228,234
YO	113,996	$ 2.83	$322,609
Total	1,223,143		$4,372,175

Total Forecasted Costs:	$4,372,175
Total Forecasted Units:	1,223,143
Average System Level Unit Cost:	$3.57

Division (a)	2009 Forecast Units (b)	Unit Cost (c)	Total (b) x (c) (d)
CC	74,459	$ 5.04	$375,273
DA	37,345	$ 3.87	$144,525
DI	44,668	$ 4.02	$179,565
EB	45,979	$ 3.74	$171,961
FR	149,527	$ 3.25	$485,963
KE	76,735	$ 3.25	$249,389
LP	67,847	$ 3.89	$263,925
MI	44,780	$ 5.64	$252,559
NB	43,937	$ 5.04	$221,442
NCN	61,900	$ 4.50	$278,550
NCS	59,436	$ 4.50	$267,462
NV	112,686	$ 3.25	$366,230
PN	42,300	$ 4.28	$181,044
SA	60,634	$ 3.11	$188,572
SF	27,440	$ 5.30	$145,432
SI	46,666	$ 4.97	$231,930
SJ	94,868	$ 3.35	$317,808
ST	88,263	$ 3.25	$286,855
YO	127,794	$ 3.25	$415,331
Total	1,307,264		$5,023,816

Total Forecasted Costs:	$5,023,816
Total Forecasted Units:	1,307,264
Average System Level Unit Cost:	$3.84