

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

PG&E Data Request No.:	DRA_186-03r		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_186-Q03r		
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 3R**

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.

- r) PG&E states that the "costs associated with the application development and hardware are included in the Shared Services and Other Support Costs chapter for Information Technology Costs in Exhibit (PG&E-7), Chapter 2". Provide the totals costs of these mobile hand-held units and the specific page number, cite, exhibit, volume, etc where the detailed discussion and support for these mobile units is found.

**ANSWER 3R**

[REVIEWERS – The following reflects Cynthia Lorie's (ISTS) proposed changes DPL 3/223 3:50pm]

The forecasts for the mobile hand-held units are one component of PG&E's overall program forecast. The overall program forecast includes costs for the mobile devices as well as the costs for application development and testing and required infrastructure hardware. The overall program costs are put forth in Exhibit (PG&E-7), Chapter 2, Appendix 2A, page 2A-5, Table 2A-7, line 10 (expense) and page 2A-6, Table 2A-8, line 10 (capital).

PG&E's initial forecast for the Electric Distribution Maintenance IT program was developed using PG&E's Functional Area IT (FAIT) cost estimating tool. The tool does not provide specific estimates for the hand-held devices. PG&E's IT team forecast an initial for the hand-held devices based on their industry experience and best professional judgment. The initial forecast amount for the hand held devices is approximately \$4 million. PG&E does not have a detailed estimate supporting this amount.

The program forecast included in the GRC is an initial forecast that will continue to be revised as additional program requirements are developed. PG&E anticipates purchasing mobile hand-held devices for several user groups including inspections and patrols, streetlights, underground network, and overhead infrared crews. The specific mobile hand-held devices that PG&E will purchase has not yet been determined and, therefore, it is premature for PG&E to provide a detailed cost estimate for the mobile devices. As the program progresses and the business needs and functionality requirements are more fully understood, PG&E will undergo a selection process to choose the appropriate hand-held mobile devices for each user group and, at that time, will be able to develop a detailed per unit cost estimate.

The general features of the mobile units will include the individual unit hardware, the operating system and any additional software required by the end users. Additional features and numbers of units will be determined when the requirements planning is complete.

See below is an excerpt from Data Request DRA-0148 that addresses the costs associated with the application development and hardware.

Electric Distribution Maintenance Hand-Held Program (Exhibit (PG&E-3), Chapter 2)

- a) The Electric Distribution Maintenance Hand-Held program will provide mobile hand-held units for patrols and inspections associated with streetlights, inspection and patrols, underground and overhead Infrared. The program forecasts in Exhibit (PG&E-7), Chapter 2 include capital amounts for developing and testing software applications, purchasing and configuring necessary infrastructure components and purchasing, testing and configuring the hand-held mobile units for the various work groups.

The two cost components are: 1) the forecast costs associated with the software and infrastructure; and 2) the forecast costs associated with the mobile hand-held units. The forecast costs associated with the software and infrastructure are not related to changes in business operating costs. Assuming the program is approved, PG&E will incur all of the software and infrastructure component costs in order to implement the program. However, the forecast costs associated with the mobile hand-held units could be affected by changes in the Electric Distribution Maintenance business operating costs. If the number of mobile inspection and patrol users decreases, the number of hand-held units could likewise decrease. However, PG&E anticipates the variation of mobile inspection

and patrol users will be limited because General Order 165 requires periodic patrols and inspections of electric distribution facilities.

The percentage of costs associated with the software and infrastructure components for the period 2009 - 2011 is approximately 79% and the percentage associated with purchase of the mobile devices is approximately 21%. The percentage of costs associated with the software and hardware program components, for the period 2009 - 2013, is approximately 74% and the percentage associated with purchase of the mobile devices is approximately 26%.

b) Capital forecasts for IT program

Forecast \$ in Millions		
2009	2010	2011
\$0.0	\$3.6	\$7.2

For a description of the capital project, see Exhibit (PG&E-7), Chapter 2, workpaper page 299. While this project description describes the project it does not include the specific for the number of hand-helds and the associated costs.

- c) Forecasts for this program are included in Exhibit (PG&E-7), Chapter 2, Appendix 2A, Tables 2A-7 and 2A-8. Additionally, please see workpapers supporting Exhibit (PG&E-7), Chapter 2, workpaper table 2-8, line 142 (page 55) table 2-47, line 32 (page 176 and page 177); and page 299.