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

PG&E Data Request No.:	DRA_207-05		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_207-Q05		
Request Date:	March 15, 2010	Requester DR No.:	DRA-207-TLG
Date Sent:	March 29, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Tamera Godfrey

SUBJECT: NEW BUSINESS AND WORK REQUESTED BY OTHERS FOR MWC EV AND EW.

QUESTION 5

PG&E's recorded expenses increased by $4.859 million between 2006 and 2007 from $31.488 million to $36.347 million. Provide the documentation that explains the increase in expenses between 2007 and 2008.

ANSWER 5

Attachment GRC2011-Ph-I_DR_DRA_207-Q0407Atch01.xls provides recorded expenditures by individual MAT (or work type) for the 2004 to 2008 period. Between 2006 and 2007, increased expenditures are primarily reflected in MAT EVA – Service inquiry, MAT EVB – OK to Service, and EW – GIS Labor.

MAT EVA covers the initial cost of customer assistance to applicants requesting a new service connection. During 2007, PG&E redesigned its customer contact process to direct most of these inquiries to a central call center and application processing operation. PG&E experienced relatively higher costs during the initial stages of this implementation and subsequently refined the new process and communicated these processes to its customers. Final efficiency gains from this initiative lowered PG&E's overall MAT EVA costs by approximately $4 million annually starting in 2009. These savings are captured in PG&E's current forecast and noted on Exhibit (PG&E-3), Chapter 6, page 6-42 (line 10).

Similar to the response to question 4 of this data request, MAT EVB (see Q4 for description of work) related expenditures were impacted by the downturn in the economy and the shift of work from new construction to remodels.

GIS – Labor costs were impacted by the same increase in renewable customer generation projects discussed in response to question 4 of this data request. Between 2006 and 2007, total renewable projects increase from approximately 4,300 to 6,500, or 50%.