

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

PG&E Data Request No.:	DRA_211-07		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_211-Q07		
Request Date:	March 16, 2010	Requester DR No.:	DRA-211-DAO
Date Sent:	March 30, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Dao Phan

SUBJECT: GAS O&M EXPENDITURES, MWC FH

QUESTION 7

Provide a breakdown of the unit cost elements for Atmospheric Corrosion and compare the differences between 2007 and 2008. For each 2008 cost element that is different than 2007, explain what it is and show how that translates into a higher cost element for 2008 compared to 2007.

ANSWER 7

The breakdown of unit cost elements in for 2007 and 2008 are provided below:

	2007	2008
Field Work	\$ 359.14	\$ 1,389.45
Engineering or Mapping Support	\$ 9.65	\$ 91.51
Materials	\$ 47.46	\$ 69.71
Other	\$ 2.86	\$ 64.75
Total Unit Cost	\$ 419.11	\$ 1,615.42

The unit cost for Atmospheric Corrosion (AC) work increased substantially from 2007 to 2008 even though the total expenditure on AC work actually decreased (from \$333K in 2007 to \$255K in 2008, see WP 18-19). In 2008, the Company reported inspecting 158 distribution locations, compared to 794 locations inspected in 2007. The 2008 unit costs and number of inspections have not been validated due to a new work tracking system that was implemented by PG&E in October 2007 for AC work and not uniformly implemented for all of 2008. Nonetheless, field work represented 86% of the unit cost in both years indicating there was little change in the contributors to the cost of the work.