

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

PG&E Data Request No.:	DRA_206-04a		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_206-Q04a		
Request Date:	March 12, 2010	Requester DR No.:	DRA-206-TLG
Date Sent:	April 2, 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 4A

PG&E forecasted \$2.704 million in 2011 for Distribution line equipment overhauls (Emeryville) which is an increase of 87% over 2008 recorded expenses of \$1.446 million. PG&E forecasted \$1.978 million in 2011 for Distribution line equipment overhauls (Division Up/Down Labor) which is an increase of 416.45% over 2008 recorded expenses of \$0.383 million.

- a) Provide all source documentation PG&E's management relied upon to determine that it needed to perform "more equipment repairs to make more units available" for Distribution line equipment overhauls (Emeryville) and that it needed to take "down more equipment for refurbishment/overhaul" and put up more refurbished equipment than in 2009 for Distribution line equipment overhauls (Division Up/Down Labor) in order to fully justify increases of 87% and 416.45% over 2008 recorded expenses. In the response provide a breakdown of contract costs and source/basis for estimates, copies of vendor contracts for studies, annual salary breakdown for new positions and basis/source for estimated salary, etc., in order to fully justify the request. Also provide copies of PG&E's cost benefit analysis performed and all documentation that PG&E's management relied upon to determine that this change in distribution line equipment work was required in the test year and other documentation that shows PG&E's step by step management approval process for each project (i.e. person(s) requesting project, project preparation, scope, research performed for need/requirements, design, test, implementation, review and communication of needs and expectations, defined deliverables, etc.)

ANSWER 4A

PG&E has no such responsive "source documentation". The decision to pursue this work was made based on cost effectiveness. PG&E performed no cost benefit analysis, however, PG&E's 2011 forecast is based upon EDM program management judgment to effectively manage costs to repair distribution line voltage regulators and line reclosers.

PG&E believes that overhauling equipment (when practicable) is cost-effective compared to purchasing equipment. PG&E's 2011 forecast does not include contract costs since this overhaul work is performed by Emeryville Repair Facility personnel (for the overhaul) and Division personnel (for Division Up/Down Labor). In addition, the 2011 forecast does not include increased positions.

Note, the 2008 recorded expenses are actual costs incurred as opposed to planned work levels. As indicated in Exhibit (PG&E-3), Chapter 1, page 1-35, lines 8-17, due to higher priority T&D work, some electric maintenance work was rescheduled. As a result, relatively lower levels of overhauls were completed in 2008.