

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

PG&E Data Request No.:	DRA_206-04c		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_206-Q04c		
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 4C**

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.

- c) PG&E states regarding Distribution line equipment overhauls (Emeryville), that its “intent is to overhaul this equipment on a regular cycle before a problem with the equipment occurs”. PG&E’s expenses declined each year between 2004 and 2006 from \$2.259 million in 2004 to \$1.269 million in 2006. PG&E’s expenses increased to \$1.495 million in 2007 and remained relatively flat in 2008 at \$1.446 million. Provide the documentation that explains in detail and demonstrates why PG&E’s recorded adjusted 2008 expenses of \$1.446 million is insufficient to address its maintenance program needs in the test year to justify an increase of 87% over 2008 recorded expenses.

**ANSWER 4C**

Recorded 2008 expenses are insufficient to address PG&E’s maintenance needs for the test year because:

- The 2011 forecasted units of 500 are higher than the 2008 recorded units (298). The 2011 forecasted units represent PG&E’s objective to better manage costs because repairs are less expensive than purchases and to make available in inventory additional protective equipment that improves service reliability. Also, the 2008 expenses reflect only the number of units completed as opposed to the planned number of units. 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, lower levels of overhauls were completed in prior years.

- The 2011 forecasted unit cost is based on EDM Program Management judgment. It is a calculated unit cost starting with the 2009 forecasted unit cost plus escalation. The 2009 forecasted unit cost was used as a starting basis since it reflects information available and discussed with the Emeryville Repair Facility at the time the forecast was prepared and is based on the activities performed by Emeryville. Shown below is the calculation.

Description	Unit Cost
2009 Forecasted Unit Cost	\$5,000
2010 Calculated Unit Cost (2009 plus 1.04 escalation)	\$5,200
2011 Calculated Unit Cost (2010 plus 1.04 escalation)	\$5,408

[The 2010 unit costs does not tie out to the WPs on page WP 2-45. JWC]