

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

PG&E Data Request No.:	DRA_206-02h		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_206-Q02h		
Request Date:	March 12, 2010	Requester DR No.:	DRA-206-TLG
Date Sent:	April 6, 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 2H

PG&E forecasted \$7.313 million in 2011 for overhead equipment requiring repair which is an increase of 48.37% over 2008 recorded expenses of \$4.929 million. PG&E forecasted \$2.184 million in 2011 for underground equipment requiring repair which is an increase of 27.20% over 2008 recorded expenses of \$1.717 million. PG&E claims that this work “addresses inoperative equipment.

- h) PG&E’s unit cost for its underground equipment requiring repair increased by \$2,892 between 2005 and 2008 or by 83.97% while units remained relatively flat averaging 269 for the period. Provide the documentation that explains in detail the reasons for the increase between 2005 and 2008 along with the detailed breakdown of the unit cost calculation and copies of contracts to substantiate the unit costs.

ANSWER 2H

The increase of the recorded unit cost from 2005 to 2008 is primarily due to the increased cost of labor for the underground equipment requiring repair work. The labor cost increased from \$759 thousand in 2005 to \$1.635 million in 2008, which is an increase of \$876 thousand or 115%.

Contract costs are not a driver of unit costs as they represent a very small amount of the total costs (ranging from \$13 thousand to \$66 thousand, which is only 1% to 4% of the total costs during the years of 2005 through 2008).

The table below summarizes costs for this work by cost element. It also shows the percent by cost element to the total cost. Note the total costs for 2005 through 2008 differ slightly from the amounts reflected in the GRC testimony due to rounding differences.

Description	2005	2006	2007	2008	% of Total				Change 2005-2008	
	Actual	Actual	Actual	Actual	2005	2006	2007	2008	Amount	%
	\$ 878,179	\$ 1,608,723	\$ 1,483,451	\$ 1,739,867						
- - + PGE1ACTV-TOT	\$ 759,447	\$ 1,270,698	\$ 1,335,722	\$ 1,635,380	86%	79%	90%	94%	\$ 875,933	100%
+ PGE1MATTTOTAL	\$ 92,152	\$ 298,892	\$ 85,779	\$ 37,284	10%	19%	6%	2%	-\$ 54,868	-6%
+ PGE1CONTRACT	\$ 13,085	\$ 29,740	\$ 43,706	\$ 66,592	1%	2%	3%	4%	\$ 53,506	6%
+ PGE1ORD-OTHER	\$ 14,322	\$ 10,076	\$ 19,149	\$ 10,575	2%	1%	1%	1%	-\$ 3,747	0%
- PGE1REIMBURSE	-\$ 828	-\$ 682	-\$ 904	-\$ 9,965	0%	0%	0%	-1%	-\$ 9,136	-1%