

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

PG&E Data Request No.:	DRA_206-01p		
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PG&E Witness:	Redacted	Requester:	Tamera Godfrey

**SUBJECT: ELECTRIC DISTRIBUTION OPERATIONS AND MAINTENANCE EXPENSES FOR MWC BF, BG, AND BK.**

**QUESTION 1P**

PG&E forecasted \$127.579 million for its Electric Distribution Operations and Maintenance expenses for the test year 2011 which is an increase of 27.44% over 2008 expenses of \$100.111 million. The expenses are recorded in three Major Work Categories (MWC): BG with a forecast of \$84.810 million; BK with a forecast of \$2.057 million; and BF with a forecast of \$40.712 million. The questions below relate to MWC BG.

PG&E forecasted \$84.810 million for MWC BG. This is an increase of \$22.033 million or 35.10% over 2008 recorded adjusted expenses of \$62.777 million. PG&E's MWC BG includes individual forecasts for twenty subaccounts/line items.

- p) PG&E states that its 2011 unit cost increases for overhead and underground notifications are "offset by unit reporting process changes". Provide the documentation that explains the reporting process changes in detail and which demonstrates specifically why and how the units were impacted due to the reporting process changes.

**ANSWER 1P**

PG&E has an error in its testimony that appears in two places, on page 2-28 (lines 6-8) and page 2-29 (line 18-20).

The passage on page 2-28 currently reads:

"The forecasted unit cost for 2011 is slightly higher than 2008 due to escalation offset by unit reporting process changes."

PG&E will submit errata that will revise the sentence to:

"The forecasted unit cost for 2011 is slightly higher than 2008 due to escalation offset by process changes involving the bundling of notifications."

The passage on page 2-29 currently reads:

“PG&E forecasts the 2011 unit cost to be slightly higher than the 2008 record unit costs due to escalation offset by unit reporting process changes.”

PG&E will submit errata that will revise this sentence to:

“PG&E forecasts the 2011 unit cost to be slightly higher than the 2008 record unit costs due to escalation offset by process changes involving the bundling of notifications.”

These corrections in the testimony do not affect PG&E’s 2011 expenditure forecast for overhead and underground notification work.

In 2009, PG&E implemented the following two process changes related to notification work: 1) a unit reporting process change that will result in more timely and accurate unit and unit cost data; and 2) a work process change that involves bundling notification work in close proximity in order to reduce crew travel time that should result in completing more units and offset the effects of escalation. Because the unit reporting process change does not offset the effects of escalation, PG&E believes it is necessary to clarify this portion of the testimony.

The table below provides additional information regarding the changes described above.

Time Frame	Process Change: Bundling of EC Notifications	Process Change: Unit Reporting of EC Notifications
2004 through October 2007	Division personnel manually determined and bundled notifications for scheduling and construction work. These notifications were then linked to annual order.	Once the EC Notification was closed in SAP and if the EC Notification was linked to the annual order, the unit was reflected as completed in the SAP Unit Cost Report.
October 2007 through December 2008	Bundling of EC Notifications was not performed since the process in place at the time required a specific order for each notification.	Due to process and system changes, an automated Unit Cost Report was not available. On a monthly basis, Electric Distribution Maintenance program personnel manually queried SAP for closed EC Notifications that were linked to a specific order, obtained the recorded financial data and calculated the unit cost.
January 2009	Modifications to the Notification Management Tool enabled bundling of notifications. This provides a means for increasing productivity by eliminating the need to manage each specific order.	New SAP Unit Cost Report became available. Unit cost reporting was automated for most electric maintenance work activities therefore enabling more timely and accurate reporting.