

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

PG&E Data Request No.:	DRA_206-07c		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_206-Q07c		
Request Date:	March 12, 2010	Requester DR No.:	DRA-206-TLG
Date Sent:	April 1, 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 7c**

PG&E forecasted \$1.701 million for Transformer Labor Reclassification in 2011 which is an increase of \$0.460 million or 37.07% over 2008 expenses of \$1.241 million.

- c) PG&E's forecast of \$1.701 million for Transformer Labor Reclassification in 2011 is an increase of \$0.460 million over 2008 expenses of \$1.241 million or 37.07%. Provide the documentation that explains in detail and demonstrates specifically the reason why PG&E's forecasted expenses are increasing by 37.07% when PG&E's historical expenses averaged \$0.989 million and the units averaged 1, 710 and the unit cost averaged \$0.607 million.

**ANSWER 7c**

The transformer labor reclassification forecast is based on the forecasted number of transformers repaired. Because installation of repaired transformers is considered an expense, as the number of units of transformers repaired increases, the transformer labor reclassification amount will increase. The 2011 forecasted units are higher than the number of units completed in 2008. The increase in units is explained on page WP 2-53, part u, of the workpapers of Exhibit (PG&E-3), Chapter 2.