

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

PG&E Data Request No.:	DRA_284-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_284-Q01		
Request Date:	July 1, 2010	Requester DR No.:	DRA-284-TLG
Date Sent:	July 9, 2010	Requesting Party:	DRA
PG&E Witness:	Jayne Battley	Requester:	Tamera L. Godfrey

**EXHIBIT REFERENCE: PG&E-18, VOLUME 3A, CHAPTER 15 AND PG&E-3 CHAPTER 5, PAGE 5-25, TABLE 5-8**

**SUBJECT: VEGETATION MANAGEMENT AND ENVIRONMENTAL COMPLIANCE RELATING TO SAN JOAQUIN HABITAT CONSERVATION PLAN**

**QUESTION 1**

In response to DRA 280-01, PG&E states that "the reference to the 700 employees relates to PG&E's 2006 estimate of the number of PG&E employees who would need training regarding the HCP. The reference to the 700 employees did not include any tree trimming contractors or other contractors".

- a. Provide the documentation that shows specifically where in the SJV O&M HCP it states that the reference to the 700 employees relates to PG&E's 2006 estimate of the number of employees who would need training regarding the HCP.
- b. Provide the documentation that shows specifically where in the SJV O&M HCP it states that the reference to the 700 employees did not include any tree trimming contractors or other contractors.
- c. Provide the documentation that demonstrates in detail and explains the reason why PG&E's estimate was so far off?
- d. Provide the documentation that shows/demonstrates specifically the total amount that has been spent for the training and provide the documentation that demonstrates where the costs were recorded during the historical period, 2004-2008 and 2009 -2010, (i.e. MWC, dept, etc.)
- e. Provide the documentation that demonstrates the total number of employees that have been trained thus far each year during the historical period (2004-2008 and 2009-2010). Also provide the job titles, annual salaries, assigned work depts., etc.) and total costs incurred each year.

- f. Provide the documentation that explains in detail whether PG&E expects to continue to train so many employees during the three year rate case cycle (2011-2013). If not, provide the documentation that explains in detail all changes to the training program and the expected number of employees that will be trained during 2011-2013. Provide the same information for 2010.
- g. Provide the documentation that demonstrates specifically how the cost incurred for the training thus far has been incorporated into the test year forecast of \$3 million that Redacted is requesting and any other test year forecast that may be included in this 2011 GRC? If the training cost incurred thus far has not been incorporated into the test year forecast, provide the documentation that explains in detail what it has not been done.
- h. Provide the documentation that explains in detail if PG&E's contractors will need training by PG&E before performing the work, if not provide the documentation that explains why this will not be done. If the contractors will need training from PG&E, provide the documentation that explains in detail where specifically PG&E will record the cost.
- i. Provide the documentation that explains in detail how PG&E calculated the 700 employees and the basis for the 700 and all other supporting documentation related to the calculation of the 700.

Answer 1

As a preface to the data responses provided below, please note that the exhibits referenced in DRA's data request – specifically, PG&E-18, Volume 8A, Chapter 15 and PG&E-3, Chapter 5, page 5-25, Table 5-8 – do not include any training expenses associated with the San Joaquin Valley Habitat Conservation Plan (SJV HCP). As previously explained in PG&E's response to Data Request DRA\_092, Question 9, the \$3 million forecast in the referenced exhibits include the following items:

Permit cost:	\$250,000
Biological cost (survey and monitor):	\$2.4 million
National Forest inspections and Biological surveys:	\$150,000
Full-time employee:	\$200,000

- a. The 700 figure shown in Table 7-1 of the HCP reflected PG&E's best estimate at the time of "staff" requiring training. While not specifically defined in the HCP, "staff" refers to PG&E employees only. The estimate was prepared in 2006.
- b. As stated above in response to part a, there is no specific documentation in the HCP that states that the reference to 700 employees did not include any tree trimming contractors or other contractors.

PG&E requires all contractors, including tree trimming contractors, to comply with any and all environmental requirements and commitments relevant to the work being conducted and the work location. Page 2-29 of the HCP outlines the regulatory requirement that PG&E will require third party contractors to comply with all provisions of this HCP. This compliance specifically includes a training requirement that the contractors are responsible to implement.

- c. In the initial development of the HCP, PG&E anticipated that training would be needed primarily for field employees, such as linemen or troublemen who work in the affected geographic areas. As PG&E began implementation of the HCP, however, it became apparent that more fully integrating environmental compliance into the way it works would produce better compliance results and enhance operational efficiency. As a result, training was provided to an expanded group of employees, including supervisors, managers, land planners, estimators, and biologists who work in the affected geographic areas.
- d. PG&E began developing HCP training for its employees in late 2007. Training-related costs include the labor costs of employees who prepare and deliver the training materials, as well as material costs. These costs are recorded in MWC AY and include a portion of the administrative cost of the HCP Administrator, not just training material development costs associated with the SJV HCP.

As provided previously in PG&E's response to Data Request DRA\_184-05, the gas and electric distribution portion of MWC AY costs in 2008 and 2009 were \$0.241 million and \$0.150 million, respectively. As described in Exhibit (PG&E-7), Chapter 7, page 7-17, the gas and electric distribution portion of HCP program costs represented in this GRC comprise 17 percent of the total HCP program costs. As further described on page 7-19, MWC AY also includes expenses associated with administration of the Valley Elderberry Longhorn Beetle Program. Consequently, HCP training costs are a subset of the \$0.150 to 0.241 million total MWC AY costs.

- e. PG&E employees did not begin receiving HCP training until 2008. Please see Attachments 1-3 for 2008, 2009, and 2010 for the requested information. Due to privacy concerns, PG&E is not providing annual salaries for the identified individuals.
- f. The U.S. Fish and Wildlife Service and the California Department of Fish and Game require PG&E to train its employees annually as part of its conservation strategy. Training is an integral part of the HCP permit compliance, and is required by permit conditions issued by the California Department of Fish and Game (Incidental Take Permit No. 2081-2008-001-00); and the United States Fish and Wildlife Service (Endangered Species Act section 10(a)(1)(B) incidental take permit TE168331-0). Table 4-2, Avoidance and Minimization Measure (AMM) 1, of the HCP states that employees and contractors performing O&M activities will receive ongoing environmental education. Therefore, PG&E anticipates that the number of employees that will receive training will be consistent with past years.
- g. As explained in the preface to this data response, the HCP-related training costs are not included in the \$3 million that Mr. Santi is requesting. Such costs are included in the \$0.141 million requested in MWC AY for Habitat and Species Protection in 2011. Please see Exhibit (PG&E-7), p. 7-27, table 7-4.
- h. As stated in the response to b above, PG&E does not provide HCP training for its contractors. Contractors are required to provide all relevant training for their employees at their own expense. Please see Attachment 4 for a sample of correspondence to contractors regarding environmental compliance in the HCP area.
- i. Please see response to part a above.

**Please note that the attachments to this response contain employee names. Due to privacy concerns, PG&E is submitting these attachments pursuant to P.U. Code Section 583.**