

From: Allen, Meredith
Sent: 2/14/2013 4:51:55 PM
To: Sher, Nicholas (nicholas.sher@cpuc.ca.gov); Sterkel, Merideth "Molly" (MeridethMolly.Sterkel@cpuc.ca.gov); Reiger, J. Jason (Jonathan.Reiger@cpuc.ca.gov); Rosauer, Michael (michael.rosauer@cpuc.ca.gov)
Cc: Beardsley Grant, Kate (/O=PG&E/OU=Corporate/cn=Recipients/cn=kebd); Bone, Traci (traci.bone@cpuc.ca.gov); Kraska, David (Law) (/O=PG&E/OU=Corporate/cn=Recipients/cn=DTK5)
Bcc:
Subject: RE: PG&E Responses to Questions re NERC Alert

Hi Nicholas,

Below is an explanation of the differences between the information that is included in the responses below and the TO-14 testimony.

Please let me know if you have questions or need additional information.

Thanks,
Meredith

Question 2 requested an estimate of the cost to identify the discrepancies. PG&E provided an estimate of the cost per mile for assessment work in 2011, 2012 and 2013. This estimated cost per mile includes capital and expense. PG&E's TO-14 testimony did not include an estimate of costs for the assessment work on a per mile basis that included both capital and expense. Instead, PG&E's TO-14 testimony presents NERC Alert expense and capital costs separately.

Question 3 includes capital costs incurred for assessment and mitigation work conducted on circuits once discrepancies were identified. This includes incurred capital costs for 2011, 2012 and a portion of January 2013. PG&E's TO-14 testimony included a forecast of capital costs for both the assessment and mitigation work for 2012 and 2013. Please note that under FERC regulations TO14 uses a single 2013 test year and only capital projects that are placed in service before the end of the test year are included in revenue requirements and rates.

-----Original Message-----

From: Sher, Nicholas [mailto:nicholas.sher@cpuc.ca.gov]
Sent: Friday, February 08, 2013 10:31 AM
To: Allen, Meredith; Reiger, J. Jason; Sterkel, Merideth "Molly"; Rosauer, Michael
Cc: Kraska, David (Law); Beardsley Grant, Kate; Bone, Traci
Subject: RE: PG&E Responses to Questions re NERC Alert

Hi Meredith,

Please have the flash drive delivered to me at 505 Van Ness Ave.

In addition, I note that the dollar amounts provided are different than the amounts listed in PG&E's testimony in its TO 14 case at the FERC. Perhaps we should have a meeting to discuss why the amounts are different? (I am not sure that I am comparing apples to apples).

Thanks,
Nicholas

From: Allen, Meredith [ME Ae@pge.com]

Sent: Thursday, February 07, 2013 1:21 PM
To: Sher, Nicholas; Reiger, J. Jason; Sterkel, Merideth "Molly"; Rosauer, Michael
Cc: Kraska, David (Law); Beardsley Grant, Kate
Subject: PG&E Responses to Questions re NERC Alert

Nicholas,

Below are the responses to questions 2, 3 and 5. I revised the questions for 2 and 3 based on our back and forth regarding what we could provide.

Please let me know if you have questions or need additional information.

Thanks,
Meredith

2. Please provide an estimate of the cost per mile of discrepancy identification?

PG&E Response: The estimated cost per mile associated with identifying the discrepancies is approximately \$1900/mile for assessment work in 2011, 2012 and 2013. This estimate includes the costs per mile regardless of whether the costs were capitalized or expensed. This includes the cost to LiDAR survey, prepare PLS CADD models and verify the results in the field.

3. Please provide the costs to mitigate the discrepancies identified to date?

PG&E Response: The attached document provides by circuit the capital costs incurred for identification and mitigation work conducted on circuits once discrepancies were identified. In certain situations, capital costs were not incurred due to the fact that the mitigation activity did not require installation of a capital unit (e.g. retensioning a conductor). In these instances, the costs were accounted for as an expense and have not been separately tracked.

5. The spreadsheet listed a number of discrepancies, but did not describe those discrepancies in detail. If PG&E has detailed findings, please provide the detailed findings.

PG&E Response: Through the NERC 2011 and 2012 assessments, PG&E evaluated 354 circuits. Except as noted below, for each of these circuits there is a document that describes the feet to structure and/or feet to ground at particular temperatures. PG&E is providing documents for circuits even if discrepancies were not identified. We have compiled these documents on a flash drive that we can hand deliver. Please let us know who we should have delivered to. Please note these documents are confidential. For 1 circuit in Priority 1 and 2 circuits in Priority 2, this document was not prepared because the scope of ongoing construction work encompassed the same analysis required by NERC and therefore the analysis was completed through the project already underway.

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To learn more, please visit <http://www.pge.com/about/company/privacy/customer/>