

From: Allen, Meredith  
Sent: 3/6/2013 6:12:54 PM  
To: Sher, Nicholas (nicholas.sher@cpuc.ca.gov)  
Cc: Kraska, David (Law) (/O=PG&E/OU=Corporate/cn=Recipients/cn=DTK5); Sterkel, Merideth "Molly" (MeridethMolly.Sterkel@cpuc.ca.gov); Reiger, J. Jason (Jonathan.Reiger@cpuc.ca.gov); Rosauer, Michael (michael.rosauer@cpuc.ca.gov); Redacted Bone, Traci (traci.bone@cpuc.ca.gov)

Bcc:

Subject: RE: PG&E Responses to Questions re NERC Alert

Nicholas,

Below are PG&E's responses.

Thanks,  
Meredith

1. Would PG&E please break down by year, 2011, 2012, 2013, how much PG&E has spent, both capital and expense, on remediating NERC clearance issues (the 2010 NERC Alert "project")?

PG&E Response: Below please find the total capital expenditures in 2011, 2012 and 2013 which account for assessment work once a discrepancy has been identified and then the work required to remedy the discrepancies (i.e. mitigation activity). In a few limited instances, 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.

2011 Capital: \$7,983,967

2012 Capital: \$31,667,481

2013 Capital (Through February 25,2013): \$2,719,754

2. In addition, please provide how much more PG&E plans on spending on the 2010 NERC Alert project. That is, for the remainder of 2013, for 2014 and 2015, and so on and so forth.

PG&E Response: For the remainder of 2013, PG&E plans to spend approximately \$4.065 million in expense and \$3.5 million in capital to complete the final phase of the assessment work and \$74.944 million in capital to proceed with mitigation activity on lines where discrepancies have been identified.

We do not have a forecast of costs beyond 2014 given that 1) we have not finished the assessment work and therefore haven't finished identifying all potential discrepancies that will need to be addressed and 2) for a portion of the discrepancies that have been identified, the mitigation work has not yet been scoped.

3. Along with the yearly breakdown, please provide the total PG&E has spent and plans to spend on this 2010 NERC Alert project.

PG&E Response: Through February of 2013, PG&E has spent \$50,047,531 on activities associated with performing the assessments and mitigating discrepancies identified during the assessment process. As noted above, we plan to spend \$7.565 million of assessment and \$74.944 mitigation capital expenditure for the remainder of 2013 and do not have a forecast of costs in 2014 and beyond.

4a) When does PG&E expect to remedy all of the 2010 NERC Alert project discrepancies?

PG&E Response: Given that PG&E is still completing the NERC Assessment process, we do not have an

expected date associated with when identified discrepancies will be remedied. All assessments will be completed by year end.

4b) Also, is it correct to assume that PG&E is only working to remedy the discrepancies that came out of the 2010 NERC Alert review? Other than the discrepancies, will PG&E be doing other work due to the 2010 NERC Alert? That is, other than clearance issues, is PG&E doing other work arising out of the 2010 NERC Alert?

PG&E Response: The primary objective of the NERC alert mitigation work is to remedy discrepancies identified during the assessment process. However, should PG&E identify any other known problems during the construction effort, it will take appropriate action to correct them.

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

From: Sher, Nicholas [<mailto:nicholas.sher@cpuc.ca.gov>]

Sent: Wednesday, February 27, 2013 5:28 PM

To: Allen, Meredith

Cc: Reiger, J. Jason; Sterkel, Merideth "Molly"; Rosauer, Michael; Kraska, David (Law); [Redacted]

Bone, Traci

Subject: RE: PG&E Responses to Questions re NERC Alert

Thank you!

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

From: Allen, Meredith [<mailto:MEAe@pge.com>]

Sent: Wednesday, February 27, 2013 5:24 PM

To: Sher, Nicholas

Cc: Reiger, J. Jason; Sterkel, Merideth "Molly"; Rosauer, Michael; Kraska, David (Law); [Redacted]

Bone, Traci

Subject: Re: PG&E Responses to Questions re NERC Alert

Hi Nicholas,

Thanks for checking in. We will submit the responses by that date.

Meredith

On Feb 27, 2013, at 4:18 PM, "Sher, Nicholas" <[nicholas.sher@cpuc.ca.gov](mailto:nicholas.sher@cpuc.ca.gov)> wrote:

> Heya Meredith and David,

>

> If you are as swamped as I am, I can understand that emails get lost in one's inbox. Consequently, I am resending my February 15 data request.

>

> Please let me know that you have received it and please respond no later than March 6, 2013. PG&E will thus have had three weeks to compile the requested information.

>

> The questions are as follows:

>

> Would PG&E please break down by year, 2011, 2012, 2013, how much PG&E has spent, both capital and expense, on remedying NERC clearance issues (the 2010 NERC Alert "project")?

>

> In addition, please provide how much more PG&E plans on spending on the 2010 NERC Alert project. That is, for the remainder of 2013, for 2014 and 2015, and so on and so forth.

>

> Along with the yearly breakdown, please provide the total PG&E has spent and plans to spend on this 2010

NERC Alert project.

>

> When does PG&E expect to remedy all of the 2010 NERC Alert project discrepancies? Also, is it correct to assume that PG&E is only working to remedy the discrepancies that came out of the 2010 NERC Alert review? Other than the discrepancies, will PG&E be doing other work due to the 2010 NERC Alert? That is, other than clearance issues, is PG&E doing other work arising out of the 2010 NERC Alert?

>

> Thank you,

> Nicholas

>

>

> -----Original Message-----

> From: Sher, Nicholas

> Sent: Friday, February 15, 2013 8:28 AM

> To: Allen, Meredith; Reiger, J. Jason; Sterkel, Merideth "Molly";

> Rosauer, Michael

> Cc: Kraska, David (Law); [Redacted] Bone, Traci

> Subject: RE: PG&E Responses to Questions re NERC Alert

>

> Thanks Meredith.

>

> Would PG&E please break down by year, 2011, 2012, 2013, how much PG&E has spent, both capital and expense, on remedying NERC clearance issues (the 2010 NERC Alert "project")?

>

> In addition, please provide how much more PG&E plans on spending on the 2010 NERC Alert project. That is, for the remainder of 2013, for 2014 and 2015, and so on and so forth.

>

> Along with the yearly breakdown, please provide the total PG&E has spent and plans to spend on this 2010 NERC Alert project.

>

> When does PG&E expect to remedy all of the 2010 NERC Alert project discrepancies? Also, is it correct to assume that PG&E is only working to remedy the discrepancies that came out of the 2010 NERC Alert review? Other than the discrepancies, will PG&E be doing other work due to the 2010 NERC Alert? That is, other than clearance issues, is PG&E doing other work arising out of the 2010 NERC Alert?

>

> Thank you,

> Nicholas

>

>

> From: Allen, Meredith [MEAc@pge.com]

> Sent: Thursday, February 14, 2013 4:51 PM

> To: Sher, Nicholas; Reiger, J. Jason; Sterkel, Merideth "Molly";

> Rosauer, Michael

> Cc: Kraska, David (Law); [Redacted] Bone, Traci

> 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); [Redacted] 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); [Redacted]  
> 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.

>

>

>

>

> PG&E is committed to protecting our customers' privacy.

> To learn more, please visit

> <http://www.pge.com/about/company/privacy/customer/>

>

>

> PG&E is committed to protecting our customers' privacy.

> To learn more, please visit

> <http://www.pge.com/about/company/privacy/customer/>

PG&E is committed to protecting our customers' privacy.

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