

From: Gatti, Belinda  
Sent: 7/23/2014 2:45:39 PM  
To: Hughes, John (Reg Rel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=J8HS)  
Cc:  
Bcc:  
Subject: RE: PG&E comments to 2014 PD

John,

Got another question for you regarding PG&E's comments. This time on customer care.

On page 14, PG&E refers to a corrected final plant amount of \$1,851 M and a total cost cap of \$2,203 M for the SmartMeter program. Which MWC are you referring to? Footnote 77 refers to Commission D.06-07-027 and I found that, but is there a reference to these figures in the GRC testimony/workpapers?

Thanks so much for all your help. -Belinda

**From:** Hughes, John (Reg Rel) [mailto:J8HS@pge.com]  
**Sent:** Wednesday, July 16, 2014 3:06 PM  
**To:** Gatti, Belinda  
**Subject:** RE: PG&E comments to 2014 PD

Belinda- Hope this helps.

The iron and pre-1940 steel gas pipe replacement cost was first calculated based on the information provided in the PD:

$(27 \text{ miles of pipe per year} * 5280 \text{ ft/mile}) * 516 \text{ \$/ft} / 1000 = \$73,561$

Then the amount for plastic was calculated by:

$\$296,940 \text{ PD recommendation} - ((\$73,561 \text{ (iron and pre-1940 steel)} + \$1,846 \text{ (approved funding for copper)}) = \$221,533 \text{ for plastic pipe.}$

These calculations are consistent with the statement in the PD on page 98, “About \$75 million a year remains for replacing steel pipe.

Additionally, the \$221,533 is included in the PD’s Exh\_3.2\_to\_3.9\_GasDist\_Adjustments document (cell R30). -

**From:** Gatti, Belinda [<mailto:belinda.gatti@cpuc.ca.gov>]  
**Sent:** Wednesday, July 16, 2014 2:27 PM  
**To:** Hughes, John (Reg Rel)  
**Subject:** PG&E comments to 2014 PD

Hey John,

Got a question for your people. In PG&E’s opening comments to the Pulsifer PD in the 2014 GRC proceeding, there’s a reference to a math error in the PD workpapers. Page 9, Section D refers to a math error in the calculated adopted amount for Aldyl-A.

For the life of me, I can’t find the \$221.5M calculation. I found the reference in the PD, but

maybe I'm just looking at the wrong spreadsheet in the workpapers. Can your people steer me in the right direction?

Thanks. -Belinda

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