

From: Hughes, John (Reg Rel)
Sent: 7/16/2014 3:05:46 PM
To: Gatti, Belinda (belinda.gatti@cpuc.ca.gov)
Cc:
Bcc:
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