

PACIFIC GAS AND ELECTRIC COMPANY
Wildfire Mitigation Plans
Rulemaking 18-10-007
Data Response

PG&E Data Request No.:	TURN_025-Q01		
PG&E File Name:	WildfireMitigationPlans_DR_TURN_025-Q01		
Request Date:	March 11, 2021	Requester DR No.:	WMP 2021 DR TURN-PGE-011
Date Sent:	March 16, 2021	Requesting Party:	The Utility Reform Network
PG&E Witness:		Requester:	Marcel Hawiger

QUESTION 01

Re. System Hardening (WMP, Sections 7.3.3.3 and 17.3.3.17.1 and Table 12): Please explain why the cost per circuit mile increases from a 2020 actual of about \$1.3 million per mile (\$460/342) to about \$1.9 million per mile forecast for 2021 and 2022.

ANSWER 01

The wildfires in PG&E’s service territory in 2020 had a large impact on Electric Operation’s work plan. PG&E focused on the damaged areas and replaced fire damaged electric lines in Tier 2 and Tier 3 High Fire Threat District (HFTD) areas with circuits built to hardening standards. In 2020, fire rebuild comprised 57% of the completed hardening miles in 2020. Costs for base program 2020 projects (planned system hardening projects) averaged \$1.9M per mile; however, costs for the fire rebuild projects in 2020 averaged \$0.95M per mile. The combination of these two costs based on miles hardened in 2020 averaged \$1.3M/mile. Response to fires, rebuilding and hardening the damaged system is done under the emergency response process. The work done under emergency response is executed at a lower cost due to factors such as:

- Lower Vegetation Management costs for fire affected areas.
- Costs from coordination of dependencies for fire rebuild projects are reduced due to the dependency organizations being centrally located (both internal and external) at the fire incident command center – this includes permitting issues, county coordination, estimating and mapping, environmental issues, etc. The use of emergency permitting protocols also reduce project costs.
- The time frame of a base program project is 18-24 months; the project bears the cost of AFUDC overheads during this time. The time frame of a fire (or any emergency) response project is much less, generally 2-6 months, and therefore the overhead costs are reduced. Shorter project duration reduces related labor cost overheads such as benefits, supervision, and Capital A&G.
- Estimating and design costs are reduced due to the accelerated nature of work from the command center; full job packages are not typically needed because the

emergency response rebuild usually occupies the same path as the damaged circuit 2021.