

PACIFIC GAS AND ELECTRIC COMPANY
General Rate Case 2011 Phase I
Application 09-12-020
Data Response

PG&E Data Request No.:	DRA_Aud007-05		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_Aud007-Q05		
Request Date:	December 30, 2009	Requester DR No.:	DRA-LMW-7
Date Sent:	March 10, 2010	Requesting Party:	DRA-Audit
PG&E Witness:	Hudson T. Martin	Requester:	Mark Waterworth

Exhibit Reference: General Audit

Subject: PG&E Internal Audit Report Review

QUESTION 5

Based on DRA's review of PG&E's internal audit report – File # 07-009 (1B6-1575), Re: Review of Performance Metrics, PG&E's internal audit group noted the Utility lacks precise documentation for internally generated metric formulas and assumptions, and a lack of adequate control over the review of and approval process. Based on this, were any adjustments made to the short-term incentive plan? If yes, then what adjustments? If not, then why?

ANSWER 5

No. The Utility did not adjust the short-term incentive plans based on these audit findings because the Utility determined that the resulting calculations were correct.