

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

PG&E Data Request No.:	DRA_188-10		
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Date Sent:	March 22, 2010	Requesting Party:	DRA
PG&E Witness:	Hudson Martin	Requester:	Donna-Fay Bower

SUBJECT: RISK AND AUDIT DEPARTMENT COSTS

QUESTION 10

Since 2010 Forecast changed the Application please provide a detailed explanation as to why the 2011 forecast did not change also.

ANSWER 10

The method used to forecast A&G costs was to review the work expected to be performed in 2009-2011 and then to calculate the resources required to perform such work. The 2010 forecast was changed to reflect PG&E's business priorities relative to the revenues approved in the 2007 GRC decision. The 2011 forecast did not change because the work expected to be performed in 2011 and the resources required to perform such work did not change.