

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

PG&E Data Request No.:	DRA_175-03		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_175-Q03		
Request Date:	March 3, 2010	Requester DR No.:	DRA-175-DFB
Date Sent:	March 17, 2010	Requesting Party:	DRA
PG&E Witness:	Hudson Martin	Requester:	Donna Fay Bower

SUBJECT: PG&E CORPORATION COSTS

QUESTION 3

On Line 6, Risk and Audit Department, PG&E Corp is forecasting \$1,079,000 in base year dollars. How did PG&E Corporation determine this forecast? In addition, please provide supporting spreadsheet for this calculation.

- a. Please provide a detailed explanation of the services being provided by PG&E Corporation. In addition, provide a breakdown of the costs by labor, non-labor, and outside services/consultants.
 - i. Labor costs should reflect which of the 41 remaining PG&E Corp are included in labor and which functional area it is in.
 - ii. For all Outside Services/Consultants, provide a detail justification for the need for these services, including the costs.

ANSWER 3

The method used to forecast PG&E Corporation's Test Year 2011 costs was to review the work expected to be performed in 2011 and then to calculate the resources required to perform such work. The supporting spreadsheet for this calculation is included as Attachment GRC2011-DR_DRA_175-Q03ACh01.

- a. An explanation of services being provided by the PG&E Corporation employees within the Risk and Audit Department is provided at pages 6-1 through 6-2 of Exhibit (PG&E-6).
 - i. Labor costs for the VP Immediate Office is for one FTE: the Vice President and Chief Risk and Audit Officer.
 - ii. Dollars for outside services/Consultants are for consulting and recruiting fees for the CRO organization.

