

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

PG&E Data Request No.:	DRA_175-05		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_175-Q05		
Request Date:	March 3, 2010	Requester DR No.:	DRA-175-DFB
Date Sent:	March 17, 2010	Requesting Party:	DRA
PG&E Witness:	Andrew Abranches	Requester:	Donna Fay Bower

SUBJECT: PG&E CORPORATION COSTS

QUESTION 5

On Line 9, Finance Organization, PG&E Corp is forecasting \$1,989,000 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 5

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-Q05-Atch01.

- a. The Finance Organization currently has the following Provider Cost Centers (PCCs) related to PG&E Corporation:
 - PCCs 20030 and 20048 (Senior Vice President and Chief Financial Officer's Immediate Office),
 - PCC 20041 (Vice President of Investor Relations' Immediate Office), and
 - PCCs 20051, 20046, and 20047 (Office of the Chief of Staff).

An explanation of services being provided by PG&E Corporation begins on page 8-2, line 3 for the CFO Immediate Office, page 8-11 line 16 for Investor Relations, and page 8-13 line 19 for Office of Chief of Staff.

- i. Of the 41 remaining PG&E Corporation employees, four are in the Finance Organization: 2 FTEs in the Senior Vice President and CFO's Immediate Office (Chief Financial Officer and an Executive Assistant); and 2 FTEs in the Investor Relations' Immediate Office (VP and Executive Assistant). There are no PG&E Corporation employees in the Office of Chief of Staff.
- ii. Outside Services costs for the Finance Organization include:
 - a. Identified \$192k needed for consulting support to seed or advise on various finance initiatives related to changes in financial regulations or organizational changes; which could include International Financial Reporting Standards (IFRS) and Operational Reporting Initiative (ORI).
 - b. Identified \$90k needed for software licensing costs related to core business desktop and connectivity functions; and
 - c. Identified \$110k to benchmark finance, finance management, and diversity best practices with peer utilities and corporations and/or the broader finance professional community.