

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

PG&E Data Request No.:	DRA_175-07		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_175-Q07		
Request Date:	March 3, 2010	Requester DR No.:	DRA-175-DFB
Date Sent:	March 17, 2010	Requesting Party:	DRA
PG&E Witness:	Ezra Garrett	Requester:	Donna Fay Bower

SUBJECT: PG&E CORPORATION COSTS

QUESTION 7

On Line 11, Public Affairs Department, PG&E Corp is forecasting \$692,000 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 7

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-Q07ACh01.

Please note that for the Public Affairs organization, 45% of the SVP immediate office's costs were allocated below the line in 2008 and 2009, based on the composition of above and below the line activities reported by Public Affairs as a whole (consistent with PG&E's 2007 GRC agreement to record time for the Public Affairs organization). For the 2011 GRC forecast, PG&E increased the SVP immediate office costs' below the line allocation to 60% for the reasons described on page 11-3 of Exhibit (PG&E-6). Therefore, the amount shown on the attached spreadsheet is equal to 40% of the Public Affairs SVP office's total forecast 2011 costs.

a. The explanation of services being provided by PG&E Corporation employees within the Public Affairs organization is provided in Exhibit (PG&E-6), beginning on page 11-2, line 2 for the Senior VP of Public Affairs, and page 11-9, line 1 for Corporate Environmental and Federal Affairs.

- i. Labor costs for the Senior VP of Public Affairs include 1 FTE (the SVP). Labor costs for Corporate Environmental and Federal Affairs includes 2 FTEs (the VP and his assistant).
- ii. Outside Services costs for Corporate Environmental and Federal Affairs are for consulting services for Federal Affairs activities.