

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

PG&E Data Request No.:	DRA_145-07-Supp01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_145-Q07-Supp01		
Request Date:	February 12, 2010	Requester DR No.:	DRA-145-TLG
Date Sent:	March 19, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Dao Phan

SUBJECT: SHORT – TERM INCENTIVE PLAN (STIP)

QUESTION 7

PG&E weighted its Employee Survey Index at 5.0%. PG&E states that its employee survey index “measures employee engagement at PG&E. Engaged or energized employees understand the organization’s future vision feel a sense of ownership for the Company’s success and actively contribute to improve performance”. (Page 16-3).

- a) Provide the documentation that substantiates and supports the statements made above.
- b) Provide the documentation that explains in detail how a PG&E self rated employee “engagement” survey benefits ratepayers and calculates into STIP payments funded by ratepayers. Note that ratepayers already fund “engaged” employee annual salaries for actively performing responsibilities related to PG&E’s operations.
- c) Provide the documentation that explains in detail if PG&E has fired or demoted employees for not performing work responsibilities as required during the last five years.
- d) PG&E states that the “performance target for 2009 is 69.50 percent, which is an increase over 2008 results. DRA notes that a 69.50% rating out of 100% can be considered to be a D+ or a C- grade. PG&E utilized a three year average of 2006, 2007 and 2008 “actual results” to calculate its test year STIP forecast. Provide the “actual” “performance target” results for 2004 through 2008 and the “actual” results for 2009 along with the calculation for the performance targets. Also provide the “performance target” and calculation for 2010.
- e) Provide the documentation that explains in detail why PG&E’s 2009 target for its employee survey index of 69.50%, that calculates into STIP funded by ratepayers is low, which PG&E claims is an increase over 2008 results.
- f) Provide the detailed calculation of the 69.50% target for 2009 for its employee survey index.

ANSWER 7 – SUPPLEMENTAL 1

PG&E objects to this request on the grounds that the question asks for actual 2009 data, while PG&E's request is based on 2008 recorded data. Notwithstanding the foregoing and without waiving PG&E's right to object to the admissibility of the requested information into evidence, PG&E responds as follows:

d) The table provided in the original response to this question has been updated to include the 2010 STIP performance target, which was previously not available. The target is a two point increase over the 2009 actual results.

Employee Survey Index			
STIP Plan Year	Year STIP Award Paid	Performance Target	Result
2006	2007	68.0%	64.0%
2007	2008	66.0%	64.26%
2008	2009	66.0%	68.6%
2009	2010	69.5%	66.7%
2010	2011	68.7%	na