

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

PG&E Data Request No.:	DRA_218-02		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_218-Q02		
Request Date:	March 17, 2010	Requester DR No.:	DRA-218-MCL
Date Sent:	March 31, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Mariana Campbell

EXHIBIT REFERENCE: PG&E-6, CHAPTER 10 TAX DEPARTMENT COSTS

SUBJECT: TAX DEPARTMENTS COSTS FOR ACCOUNTS 920, 921 AND 923

QUESTION 2

In reference to data request response to DRA-012-DFB Q7 – Atch02.xls. Effective 1/01/2009, 31 employees were transferred from Corporation to the Utility Tax Department PCC10404.

- a. Explain why and how PG&E determined that 31 employees needed to be transferred to the Utility Tax Department - PCC10404.
- b. Prior the transferred of employees in year 2009, how many employees worked in taxes for the Utility side. Provide job title and salary for each employee.
- c. Was there a time allocation factor for time tracking purposes prior the transferred of employees to the utility side? If yes, please explain time allocation and time tracking for corporate and utility.
- d. Provide breakdown of expenses associated to the 31 employees transferred to the utility from corporate that are embedded in Accounts 920, 921 and 923 for prior years 2004 - 2009.

ANSWER 2

PG&E objects on the grounds that the question asks for actual 2009 data, which is not the basis for PG&E's 2011 GRC request. 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.

- a. As discussed in Exhibit (PG&E-6), Chapter 3, pages 3-3 through 3-4, the Company decided to transfer almost all PG&E Corporation employees to the Company effective

January 1, 2009. This decision was based on PG&E Corporation's mission and focus on the Company and the fact that the transferred employees' workloads were largely, if not entirely, related to the Company's operations and services. Please note that several Tax Department personnel had already been employed by the Company; the 31 employees transferred on January 1, 2009, comprise the majority of the Tax Department (three employees were on leave on January 1, 2009 and were transferred later).

b. As discussed in Question 1.a., the Tax department keeps track of time spent on Utility matters by hours not FTEs. For example, as shown in Question 1.a., 96% of the time for the 33 FTEs was spent on Utility matters in 2009 or the equivalent of 31.7 FTEs.

See attached GRC2011-Ph-I_DR_DRA_218-Q02Atch01-CONF for the job title and salary paid as of December 31, 2008, for the 31 Tax Department employees that transferred to the Utility at January 1, 2009. **This attachment contains confidential information and is submitted pursuant to Public Utilities Code § 583.**

c. The Tax Department's time allocation and time tracking are discussed in Question 1.b.

d. Please refer to table below for a breakdown of expenses associated with the 31 employees transferred to the utility from corporate. Line 24-29 on the table below specifically breakdown cost in Accounts 920, 921 and 923. In 2009, the 31 employees' expenses are captured in the Utility.

Ch.	Organization	Corporation Department	PCCs Restated	Corporation PCC Description
10	Tax	Tax Department	PCC 20042 to 10404	Holding Co - Tax

Line	Cost Category	Cost Description	2004	2005	2006	2007	2008
1	Labor	Productive Time	Redacted				
2		Non Productive Time					
3		Labor Subtotal					
4	Labor Burden	Labor Burden					
5	Materials	Material Total					
6		Other and Employee Related					
7		Materials Subtotal					
8	Contracts	Contract Total					
9	Chargebacks & Other Support	Vehicles					
10		IT-DEVICEFEES					
11		Holding Company Charges					
12		Support					
13		Chargebacks & Other Support Subtotal					
14	Facility Charge	Facility Charge Subtotal					
15	Affiliate Overhead	Charges from the Utility					
16		Remove Affiliate Overhead					
17		Affiliate Subtotal					
18	Below the Line Costs	Utility Below the Line					
19		Corp Partial Below the Line Support					
20		Corp Below the Line Support					
21		Below the Line Costs Subtotal					
22	TOTAL						
23	FERC Account	<i>Line References</i>					
24	Redacted						
25							
27							
28							
29	Redacted		Redacted				
26							
29							
30							
31							