

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

PG&E Data Request No.:	DRA_259-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_259-Q01		
Request Date:	May 4, 2010	Requester DR No.:	DRA-259-MCL
Date Sent:	May 12, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Mariana Campbell

EXHIBIT REFERENCE: PG&E-6, CHAPTER 10

SUBJECT: TAX DEPARTMENT COSTS

QUESTION 1

In reference to the following six sections within the Tax Department, provide answers to the questions below:

- Tax Compliance
 - Tax Accounting
 - Tax audit support
 - Tax regulatory support
 - Tax research and Planning services
 - Property, Sales and Use Tax Support
- a. Provide a cost breakdown for each of the six sections within the Tax Department, for recorded 2008 and 2009, plus forecasted 2011.
 - b. What was the yearly time/cost allocation percentage for each of the above functional areas within the Tax Department for recorded 2008 and 2009, plus forecasted 2011?
 - c. For each of the six sections within the Tax Department, provide the labor cost (FERC Acct 920) for recorded 2008 and 2009, plus recorded 2011.
 - d. For each of the six sections within the Tax Department, provide the cost associated for FERC Accounts 921 Office Supplies and FERC Account 923 Outside Services, for recorded 2008 and 2009, plus recorded 2011.

ANSWER 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:

The Tax Department does not have detailed financial records that track the FERC Account 920, 921 and 923 cost breakdowns for the six sections within the Tax Department for any year. In addition, since the Tax Department is organized as a "matrix," it does not have dedicated staff that work only on one of the six sections (e.g. a staff member may work on a compliance issue for a week in July and work a research assignment for the remainder of the month). However, the Tax Department can estimate the total time spent (not costs) in each of the six departmental sections for 2008 and 2009 (see table below):

<u>Departmental Section</u>	<u>2008 Estimated Time</u>	<u>2009 Estimated Time</u>
Tax Compliance	30.00%	35.00%
Tax Accounting	15.00%	15.00%
Tax Audit Support	10.00%	10.00%
Tax Regulatory Support	5.00%	5.00%
Tax Research and Planning Services	25.00%	20.00%
Property, Sales and Use Tax Support	15.00%	15.00%
Totals	<u>100.00%</u>	<u>100.00%</u>