From: Kahlon, Gurbux

Sent: 1/27/2014 10:43:47 AM

To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7);

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Cc:

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Subject: A question re shareholder vs ratepayer funded personnel costs

With the advent of new players in the market such as CCAs and DA, we are many times asked a question as to which personnel costs are included in ratepayer funded revenue requirement and which ones are paid for by shareholders. A more specific question out there is as to how lobbying staff costs are distinguished from regulatory affair staff costs who may also be engaging in lobbying. I understand lobbying costs are funded by shareholders. Please provide a clear definition of the bright line that divides the two. Please feel free to give me a call if you have questions. Could I have this response by the end of the week? Thanks.

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