

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

PG&E Data Request No.:	DRA_194-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_194-Q01		
Request Date:	March 10, 2010	Requester DR No.:	DRA-194-DFB
Date Sent:	March 24, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Donna-Fay Bower

SUBJECT: BENEFITS

QUESTION 1

For Medical Plan Forecast, (see page WP 17-3) PG&E includes a line item Health Care Fiduciary Compliance and Administration. The forecasts 2009, 2010, 2011, 2012, and 2013 of \$3,123,000, \$2,155,000, \$1,720,000, \$1,720,000, and \$1,720,000, respectively. Please provide the supporting calculations and documentation for how PG&E derived these forecasts.

ANSWER 1

The supporting documentation for the Health Care Fiduciary Compliance and Administration forecast for years 2009, 2010 and 2011 was provided in response to GRC2011-NOI_DR_DRA_006 Questions 15 through 17. For DRA's convenience, these data request responses are provided again in Attachment GRC2011-Ph-I_DR_DRA_194-Q01Atch01. These forecasts were developed largely based on historical experience with these activities and forecast activities in this area. As such, Attachment 1 provides the complete supporting documentation for these estimates.

At the time of the NOI filing, forecast costs for this line item assumed benefit changes resulting from the 2009 Benefits Reopener would be implemented in 2010. However, the final labor agreements call for a January 2011 implementation date for most of the negotiated changes. As a result, certain of the forecast 2009 administrative costs rolled forward to 2010 and 2011. Although PG&E is currently anticipating higher fiduciary compliance and administrative costs beginning 2010 to support the implementation and administration of the new plan options – such as the new Health Savings and Low-Cost Option plans -- PG&E's Application continues with the original Health Care Fiduciary and Administration cost forecast submitted in the NOI.

The Application forecast assumes that Health Care Fiduciary Compliance and Administration costs will remain constant at the 2011 forecast level for years 2012 and 2013.