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

PG&E Data Request No.:	DRA_194-03			
PG&E File Name:	GRC2011-Ph-I_DR_DRA_194-Q03			
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 3

In response to DRA-006, Q 15. PG&E stated that "This forecast will be updated in the Application to reflect the timing and provisions of benefit changes actually contained in the labor agreements." Health Care Fiduciary Compliance and Administration has not changed from the NOI (see page WP 17-3). Why has PG&E not updated its forecast to reflect changes contained in the labor agreements? Please provide the updated forecast.

ANSWER 3

The response to DRA-006, Q15 provided a detailed breakdown of the 2009 forecast of $3,123,000 for Health Care Fiduciary Compliance and Administration. This forecast assumed increased activity required to support the implementation of benefit plan changes resulting from the 2009 Benefits Reopener. However, given the conclusion of the Benefits Reopener and union contract ratification votes in the third quarter 2009, and the 2011 effective date for all negotiated plan changes, planned implementation and communication activities originally forecast for 2009 were rescheduled for 2010.

Due to the timing of the union negotiations as described above, there was no updated 2009 forecast for Health Care Fiduciary Compliance and Administration. However, as shown in the response to DRA 191, the actual 2009 costs were lower than forecast due to the deferred implementation and communication described above.

As noted in response to DRA_194-Q01, PG&E did not update its original request filed in the NOI to reflect timing changes in forecast fiduciary compliance and administrative activities. Only the cost/savings attributable to the actual benefit changes resulting from the Benefits Reopener were updated in PG&E's Application filing.