

March 23, 2010

Redacted

Manager, Retirement Programs
Pacific Gas & Electric Company
245 Market Street, Redacted
San Francisco, CA 94105

Dear Redacted

**PACIFIC GAS AND ELECTRIC TEST YEAR 2011 GRC — DATA REQUEST
NUMBER DRA-194-DFB (ITEM #9)**

Per your request, we have prepared the following response to data request number DRA-194-DFB, item 9 regarding the calculation projected bargained employee contributions.

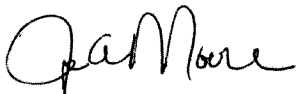
9. In addition, for item (e) Union-represented Employee Contributions please provide the supporting documentation and calculations as how PG&E derived the 2009 through 2013 forecasts

Bargained employee contributions are calculated as follows:

- Total 2009 contributions are determined by multiplying the enrollment in each plan as of June 2008 by the 2009 employee contribution charged for each plan. Employee contributions are set in July of each year based on forecast plan costs at that time. Bargaining unit employee contributions for 2009 are equal to 3.75% of expected 2009 medical plan costs based on cost sharing provisions included in PG&E's current labor agreements.
- Likewise, total 2010 contributions are determined by multiplying the enrollment in each plan as of June 2009 by the 2010 employee contribution charged for each plan. Bargaining unit employee contributions for 2010 are equal to 3.75% of expected 2010 medical plan costs based on cost sharing provisions included in PG&E's current labor agreements.

- 2011 – 2013 contributions are equal to projected medical costs for those years multiplied the determined cost sharing percentage of 7.5%. PG&E's bargained a cost sharing of 7.5% of medical plan costs with the Union for 2011 – 2013.

Sincerely,



Jean Moore

cc: Eric Sock — Towers Watson/Denver
Elodie Marchalot — Towers Watson/San Francisco