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

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|---|---|---|---|
| PG&E Data Request No.: | DRA_196-03 | | |
| PG&E File Name: | GRC2011-Ph-I_DR_DRA_196-Q03 | | |
| Request Date: | March 10, 2010 | Requester DR No.: | DRA-196-DFB |
| Date Sent: | March 24, 2010 | Requesting Party: | DRA |
| PG&E Witness: | Hudson Martin | Requester: | Donna-Fay Bower |

**EXHIBIT REFERENCE: PG&E-6, CHAPTER 6**

**SUBJECT: RISK AND AUDIT DEPARTMENT COSTS**

## QUESTION 3

In addition, PG&E states that "The excess liability program premium is pro-rated based upon the number of employees with the Corporation. The Directors and Officer's premium is an allocation of 97% Utility and 3% Corporation based upon the CEO's time between the two entities." What portion of the $262,049 forecast is for Excess Liability Insurance? Please provide the supporting documentation and calculations for the Excess Liability Insurance.

## ANSWER 3

Of the $262,049 forecast of PG&E Corporation Property and Liability Insurance in 2011, $143,137 is for Excess Liability Insurance.

The calculations are as follows:

- As described in PG&E's response to GRC2011-NOI_DR_DRA_015-Q19, the Corporation purchases a separate Commercial General Liability policy primarily for its lease obligations with landlords. This policy has a $1,000,000 per occurrence limit and is at a premium of $66,637.
- Excess Liability Program is based on the number of Corporation employees as a percentage of total employees against the total premium: $17,000,000 (premium) X 0.0045 (percentage of Corporation employees to total) = $76,500.
- $66,647 + $76,500 = $143,137