

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

PG&E Data Request No.:	DRA_244-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_244-Q01		
Request Date:	April 1, 2010	Requester DR No.:	DRA-244-DFB
Date Sent:	April 14, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Donna Fay Bower

SUBJECT: BENEFITS

QUESTION 1

In reference to response DRA-007-DFB, Question 17 Atch01, Line 2, PG&E indicates the for 2009 an additional \$774,000 is for Company Matching Contributions (Transferred Corp Employees). Did PG&E Corporation have this matching prior to the transfer of employees to PG&E the Utility?

ANSWER 1

Employees of both PG&E Corporation (“holding company”) and Pacific Gas and Electric Company (“Utility”) participate in the same Retirement Savings Plan (401k) and are eligible to receive company matching contributions under the same plan terms. For years prior to 2009, the cost for company matching contributions for Corporation employees were charged to the Corporation financial statements just as costs for Utility employees are charged to the Utility financial statements.

As detailed in footnote (a) of WP 17-32, the 401k forecast for Utility employees is based on the RA2008 cost for the Utility as increased for wage growth in the forecast years. Company matching contributions for transferred Corp employees were separately identified on Line 2 of DRA-007-DFB, Q17-Atch01 because, since the employee transfers were effective January 1, 2009, company matching contributions for these employees were not included in the Utility’s base year RA2008 cost. As noted in the explanation for Line 2 of DRA-007-DFB, Q17-Atch01, the 2009 forecast contribution amount for the transferred employees is based on the holding company’s 2008 recorded 401k costs.