

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

PG&E Data Request No.:	DRA_244-03		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_244-Q03		
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 3

(In reference to response DRA-007-DFB, Question 17 Atch 01) On Line 3 - 2009 Plan Design Changes: Does PG&E envision a plan design change in 2010 and 2011? How did PG&E determine this amount? Please provide the supporting documentation calculation to supporting this amount.

ANSWER 3

As explained in Exhibit (PG&E-6), WP 17-32, footnote (c), plan design changes are included effective in forecast years 2009 and 2011. No plan change is forecast to go into effect in 2010. Estimated first year costs for plan design changes are shown on a separate line in the year they go into effect. In subsequent years, plan change costs are incorporated into the company matching contribution forecast. For example, the first year cost for the 2009 plan change of \$2,032,000 is included in line (a) company matching contribution for 2010 and 2011.

With regard to the calculation of plan change estimates, the 2009 plan change revising the company match schedule* was spelled out on Line 3 of DR DRA-007-DFB, Q17-Atch01. This explanation references Fidelity Investments, the RSP trustee and recordkeeper, as the source of the estimated plan change cost. Attachment GRC2011-Ph-I_DR_DRA_244-Q03-Atch01 provides the Fidelity source document. Fidelity Investment's estimated annual plan change cost is determined by subtracting the forecast annual baseline cost from forecast annual plan cost titled "Variation B" [\$25,816,000 – \$23,378,000 = \$2,438,000]. This estimated annual cost was prorated to reflect the March 1, 2009 effective date.

* Workpaper 17-32 footnote (c) describes this plan change