

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

PG&E Data Request No.:	DRA_244-05		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_244-Q05		
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 5**

(In reference to response DRA-007-DFB, Question 17 Atch 01) -

In addition, please explain why plan design changes are also included in the calculation to arrive at Line 1 for 2009-2011.

**ANSWER 5**

As noted in Exhibit (PG&E-6), WP 17-32, footnote (a), the estimated incremental cost of a plan design change is shown separately in the year of implementation. After the first year of the plan change, the costs are considered part of the baseline operating costs, and are consolidated into the company matching contribution cost.

For example, beginning in 2009, all non-union represented participants with less than three years of service are eligible for company match on their contributions up to six percent of pay. Before this plan change, participants with 1 to 3 years of service received a match on up to three percent of pay; and those with less than one year of service were not eligible for a company match. PG&E estimated that eliminating these service requirements would increase the annual plan cost by \$2.032 million in the first year. The annual cost for company matching contributions are forecast to continue at this higher level in subsequent years since eligibility for the full company match (without regard to years of service) continues for these participants.