

Components of Relocation Assistance and Forecasts

	2009	2010	2011
Move Allowance	\$ 1,500,000	\$1,560,000	\$1,622,400
Household Goods and Storage	1,820,000	1,892,800	1,968,512
Home Sale - Direct Reimbursement	255,000	265,200	275,808
Home Purchase - Direct Reimbursement	1,425,000	1,482,000	1,541,280
Mortgage Subsidies	800,000	832,000	865,280
Home Sale Assistance Program	3,200,000	3,328,000	3,461,120
SUBTOTAL	9,000,000	9,360,000	9,734,400
Bargaining Unit Relocations	60,000	62,000	65,000
TOTAL	9,060,000	9,422,000	9,799,400
Adjustment for Corp. to Utility	-0-	1,000,000	1,000,000
ADJUSTED FORECAST	\$9M	\$10.4M	\$10.8M

Historic averages were used to estimate the number of relocations for the Corporation.

In addition to number, the mix of the individuals contributes to our cost forecasts. The major categories of relocations for the Corporation are those hired into the MBA Leadership Program, Senior Staff positions and Officers.

The typical MBA associate eligible for relocation is from the mid-West or North East, and requires the move of household goods from these areas to California.

The senior staff and officer moves can occur from anywhere in the United States. This group is composed typically of homeowners. As such their relocations involve the sale of current residence, purchase of a new residence and move of their household goods. For the most part, homeowners are eligible for the Home Sale Assistance Program. Under this program, if the employee is unable to, successfully market the property, the home is purchase through this program and resold. The current state of the Real Estate market impacts our forecast.

	# Corp Moves	# Utility Moves	Combined Totals
2007	17	216	233
2008	19	173	192

DESCRIPTION OF COMPONENTS

MOVE ALLOWANCE

A lump sum provided to cover expenses associated with house hunting (travel, lodging and meals), Temporary lodging, Final trip for employee and family (travel, lodging and meals).

HOUSEHOLD GOODS MOVE AND STORAGE

Covers the cost to transport the employee's household goods and storage, when required.

HOME SALE - DIRECT REIMBURSEMENT

Reimbursement of typical seller costs associated with the sale of a residence.

HOME PURCHASE - DIRECT REIMBURSEMENT

Reimbursement of typical buyer (non recurring) costs associated with the purchase of a residence.

MORTGAGE SUBSIDY

Dollars paid directly to the lender to help transition some employees to high cost housing areas.

HOME SALE ASSISTANCE PROGRAM

Assists the employee market their property and covers typical seller closing costs.

BARGAINING UNIT

Per the terms of the Contracts, when employees are displaced they may qualify for relocation assistance as defined in the Contract.