

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

Recipient:	Division of Ratepayer Advocates		
PG&E Data Request No.:	PGE_DRA027		
PG&E File Name:	GRC2011-Ph-I_DR_PGE_DRA027		
Request Date:	May 14, 2010	PG&E Witness:	Redacted
Due Date:	May 28, 2010	PG&E Witness Phone No.:	
Topic:	Cost Escalation		

Subject: Non-Union Labor Escalation Rates

Reference: Exhibit DRA-4 – Cost Escalation

DRA Witness: Thomas Renaghan

Q 1: At the time of the proposed September 2010 update filing the actual labor cost increases for both PG&E's union represented and non-union employees will be known. Our preliminary data shows the following labor escalation rates:

2009	
Non Union	3.54%
Union	4.50%
Total (Non Union + Union)	4.13%
2010	
Non Union	2.89%
Union	3.81%
Total (Non Union + Union)	3.46%
2009 & 2010 Average	
Non Union	3.21%
Union	4.15%
Total (Non Union + Union)	3.79%

Given the above observed total labor escalation rates for 2009 and 2010 of 3.79%, which are consistent with what PG&E projected, and the fact that the union labor contract escalation rate is actually 4.0% in 2011 rather than the 3.75% in PG&E's filing, would the DRA be willing to exclude 2009-2011 labor escalation rates from its proposed September 2010 escalation rate update?

Q 2: If the DRA would ignore the actual labor cost escalation rates for 2009 and 2010 referenced in Q1 of this data request in favor of updated IHS Global Insight indices what would be the DRA's rationale for doing so?