

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-DRA-008		
PG&E File Name:	GRC2011-Ph-I_DR_PGE-DRA_008		
Request Date:	May 11, 2010	PG&E Witness:	Redacted
Due Date:	May 25, 2010	PG&E Witness Phone No.:	Redacted
Topic:	Employee Benefits		

Subject: Employee Benefits

Reference: Exhibit DRA-11; PG&E Exh 6, Chapter 17

DRA Witness: Donna-Fay Bower

Q 1: Beginning page 47, line 23 in Exhibit 6, Chapter 17, DRA states, " It is inappropriate to burden ratepayers by requiring them to provide duplicative funding for medical services that PG&E has included in its Wellness Program....." Please expand on the specific services and benefits currently provided through the health care plans and the Employee Assistance Program that the DRA has determined are duplicative to PG&E's proposed Wellness activities.

Q 2: Please provide a description of the Global Insight "Power Planner" escalation rates used in DRA's forecast of medical costs. Please include supporting documentation from Global Insight that describes the basis for or development of the escalation factors, and information regarding the intended application of the Global Insight rates to forecast medical costs for employer-sponsored medical plans like the PG&E Medical Plan.

Q 3: In the discussion of Retirement Savings Plan (401k) costs on page 55, DRA states, "DRA has analyzed PG&E's request and does not agree with it. PG&E's 2009 recorded RSP costs were \$50.64 million, which is a 7.2 percent increase over 2008 recorded costs. DRA believes that using last recorded 2009 for test year 2011 is reasonable."

- (a) Please provide additional information and supporting documentation for DRA's analysis of PG&E's request, and note the specific items in PG&E's request to which DRA disagrees.
- (b) Please provide the source document or reference to the \$50.64 million recorded cost quoted in this testimony. How does the \$50.64 million relate to the 2009 recorded cost of \$52.539 million shown in DRA's Table 11-21 (page 46)?

Q 4: DRA forecasts for individual plan benefits utilize various bases including 2009 recorded cost for the Vision, Postretirement Life Insurance, Disability, and Retirement Savings Plans; 3-year average (2007-2009) for the Group Life Insurance and Relocation plans; and 5-year average (2004-2008) for the Dental plan. Please explain and provide support behind why the particular forecast period was selected for each plan, and why DRA believes that the methodology selected for that plan is "reasonable".

Q 5: With respect to the table labeled Table 11-24 "DRA's and PG&E's Labor Forecast", (DRA Exhibit-11, page 57) and repeated in the supporting workpapers (DRA-11-WP, page 14), please provide –

- (a) A detailed description of the proposed labor adjustment including the basis for such adjustment. Include all source documents used to support DRA's position that PG&E's labor dollars and have decreased or will decrease by 23 percent.
- (b) The detailed calculations for DRA's recommendation of \$1,036,581. Please describe which labor costs are included in this estimate, and list any labor or labor-related costs that are excluded from this estimate.
- (c) A reference for the source document for the PG&E proposed labor dollars totaling \$1,340,566 shown in column (c).
- (d) Clarification on whether the numbers shown on Table 11-24 are in nominal or base year dollars.

Q 6: With respect to the table labeled Table 11-24 "DRA's Benefits Forecast", (DRA Exhibit-11, page 58) and supporting workpapers (DRA-11-WP, page 15), please provide –

- (a) A detailed description of the proposed labor adjustment including the basis for such adjustment. Please include in your response an explanation detailing the reasons DRA is recommending the proposed labor adjustment be applied to selective Account 926 employee benefit plans as shown on (DRA-11-WP, page 15)
- (b) Include all source documents used to support DRA's position that the costs for the selected benefit plans subject to the labor adjustment would decrease as shown on DRA-11-WP, page 15.
- (c) Clarification as to whether the numbers shown on DRA-11-WP, page 15 are in nominal or base year dollars.