

Example of Proposed Rates
05/01/2009

2010 Projected Premiums Based on Unblended Rates - includes design changes

	7.5% Employee Cost Share NAP/CAP PPO / HDHP	7.5% Employee Cost Share HDHP	7.5% Employee Cost Share 3.75%New Plan PPO	3.75% Employee Cost Share New Plan - PPO	Kaiser HMO	7.5% Employee Cost Share Kaiser HMO	HealthNet HMO	7.5% Employee Cost Share HealthNet HMO	Blue Shield HMO	7.5% Employee Cost Share Blue Shield HMO
EE	\$581	\$43.58	\$551	\$20.68	\$483	\$36.23	\$569	\$504	\$37.80	
EE + Spouse	\$1,220	\$91.50	\$1,155	\$43.31	\$1,013	\$75.98	\$1,195	\$1,057	\$79.28	
EE + Children	\$1,040	\$78.00	\$985	\$36.94	\$862	\$64.65	\$1,018	\$900	\$67.50	
EE + Family	\$1,679	\$125.93	\$1,588	\$59.55	\$1,392	\$104.40	\$1,644	\$1,453	\$108.98	

2009 Employee Contributions Based on Blended Rates - 3.75%

EE	\$549	\$21.73	N/A	N/A	\$442	\$17.50	\$523	\$462	\$20.69	\$18.27
EE + Spouse	\$1,154	\$45.63	N/A	N/A	\$929	\$36.75	\$1,099	\$970	\$43.46	\$38.37
EE + Children	\$989	\$39.11	N/A	N/A	\$796	\$31.50	\$942	\$832	\$37.25	\$32.89
EE + Family	\$1,593	\$63.02	N/A	N/A	\$1,283	\$50.75	\$1,517	\$1,340	\$60.02	\$52.99

2010 Projected Dental/Vision Premiums

	5% Employee Cost Share Dental	5% Employee Cost Share Vision
EE	\$56	\$7
EE + Spouse	\$107	\$14
EE + Children	\$107	\$12
EE + Family	\$158	\$20

PG&E
Retiree Medical Plan Union Reopener Cost Impact Estimates
 In \$ millions

Scenario - Current Company Proposal	Estimated 2010 FAS Cost Impact		
	Company Proposal		
	Union	Nonunion	Total
Baseline Plan Changes**	\$ 7.80	\$ 8.10	\$ 15.90
Pre-65 RMSA Death Benefit (Future Retirees)	\$ 2.10	\$ 1.00	\$ 3.10
Current Death Benefit for Existing Surviving Spouses >> Includes Medicare Part B credit			\$ 0.75
Pre-94 \$40/mo Supplement	\$ 1.50	\$ 1.50	\$ 3.00
			\$ 22.75

22.75
 + 1.00

 23.75
 - 1.5

 22.25
 - 6.1

 16.15
 + 0.75

 16.90

Potential adjustments to Company Proposal	Cost/(Savings)
Current Death Benefit for surviving spouses of current retirees >> Includes Medicare Part B credit	\$ 1.00
Adjust Pre-65 RMSA Death Benefit - Actuarially equivalent benefit to the proposed surviving spouse benefit	\$ (0.60) (Kept in)
Reduce Pre-94 Supplement >> \$20/mo Supplement	\$ (1.50)
Modify RMSA Drawdown >> Pre 65 drawdown 62% in 2011, 60% in 2012, 58% in 2013 56% in 2014, 54% in 2015, 52% in 2016 and beyond	\$ (2.70)
>> Pre 65 drawdown 55% in all years	\$ (2.60)
>> Pre 65 drawdown 65% in 2011, 62% in 2012, 59% in 2013 56% in 2014, 53% in 2015, 50% in 2016 and beyond	\$ (3.40)
>> Pre 65 drawdown 62% in 2011, 59% in 2012, 56% in 2013 53% in 2014, 50% in 2015 and beyond	\$ (4.70)
>> Post 65 drawdown of 30% in all years*	\$ (3.90)
>> Post 65 drawdown of 33% in 2011, 32% in 2012, 31% in 2013 30% in 2014, 29% in 2015, 28% in 2016 and beyond*	\$ (6.30) (6.1) *

*Note: Priced in combination with pre65 drawdown of 65% grading to 50%. Other combinations would have different cost impact.

**Note: As described in Steve Rayburn's 4/24 email

Future retiree RMSA

- \$5,000 allocation after age 45
- \$1,000 allocation for service over 15 years
- 4.5% interest credit on \$5,000 allocation. 4.5% postretirement interest credit on \$1,000 allocation
- Pre 65 drawdown 65% in 2011, 63% in 2012, 61% in 2013
59% in 2014, 57% in 2015, 55% in 2016 and beyond
- Post 65 drawdown of 33% in all years
- No death benefit

Current retiree design

- Pre Medicare - PG&E will pay 65% of the NAP/CAP cost
- Retiree's will pay the cost of the plan in which they enroll in excess of PG&E's subsidy, and at least 28% of the cost of the plan in which they enroll
- No surviving spouse benefit

* Union Drawdown Proposal Pre-Medicare
 65% in 2011, 2% stepdown until
 55% in 2016.
 Medicare eligible drawdown 33%
 in 2011, 1% stepdown to 28%
 in 2016

Active Cost Sharing and Health Care Benefit Design Proposal Description - May 1, 2009

PREMIUM COST SHARE

Medical (NAP/CAP/HMOs) - 7.5%

HDHP - 7.5%

Low Cost PPO - 3.75%

Dental - 5%

Vision - 5%

Unblending of rates - NAP/CAP/HMOs

Spousal/DP Surcharge - \$100

Part-Time Employees - FT contribution + 5%

Dependent Eligibility (Ages 19-23)

NAP/CAP Plan

In-network deductible - \$200/\$600

Out-of-network deductible - \$300/\$750

Emergency room copay - \$100

In-network out-of-pocket max - \$1k/\$2k

Out-of-network out-of-pocket max - \$2k/\$4k

90% coinsurance - inpatient hospital

Outpatient surgery copay - \$50

PCP/specialist copay - \$15/\$25

High Deductible Health Plan

Annual Deductible \$1,250 / \$2,500

Coinsurance Max In-network and Out-of-Area plan \$500/\$1,000

Coinsurance Max Out-of Network \$1,500/\$3,000

HSA \$750/\$1,500

Medco Pharmacy Plan

Retail Refill Penalty - 15%

Alternative Drug Step Therapies

Out-of-pocket maximum - \$750/\$1,500

100% for generic drugs on Medco's low cost generic list

Add Low Cost Active PPO plan; Low Cost Retiree PPO plan

Network:

Active Deductible \$300/\$600 Retiree Deductible \$300/\$600

Active OOP Max \$1,500/\$3000 Retiree OOP Max \$2,000/\$4,000

Active Copay \$15 PCP/\$30 Spc Retiree Copay \$15 PCP/ \$30 Spc

Active Coinsurance 80%; Retiree Coinsurance 75%

Out of Network:

Active Deductible \$400/\$800 Retiree Deductible \$600/\$1,200

Active OOP Max \$2,000/\$4000 Retiree OOP Max \$2,500/\$5,000

Active Cost Sharing and Health Care Benefit Design Proposal Description - May 1, 2009

Active Coinsurance 65%; Retiree Coinsurance 60%

HMOs - Non Medicare Plans

Emergency room copay - \$100

Increase outpatient surgery copay - \$50

Hospital stay copay \$100

Split office visit copay - \$10/\$20

Kaiser - Split Rx copay - \$10 generics; \$20 brand; 2x mail order/BS/HN \$10/\$20/\$40

Add Chiropractic care - 20 visits

HMOs - Medicare plans

Emergency room copay - \$50

Hospital stay copay \$50

Split office visit copay - \$10/\$20

Kaiser - Split Rx copay - \$10 generics; \$20 brand; 2x mail order/BS/HN \$10/\$20/\$40

Add Chiropractic care - 20 visits

Dental

Deductible - \$75/\$225 - Premier (PPO deductible remains unchanged)

Additional cleaning - Pregnancy/Diabetes

Vision

VSP - \$150 frame allowance; contact lense allowance - Enhanced Plan B

UV Allowance

RSP

Immediate match eligibility and remove current requirement for match

Wellness Account - \$200 per employee and per spouse or domestic partner