

PUBLIC VERSION



Advanced Metering Infrastructure (AMI) Steering Committee Review

Confidential - Submitted Pursuant to PU Code Section 583

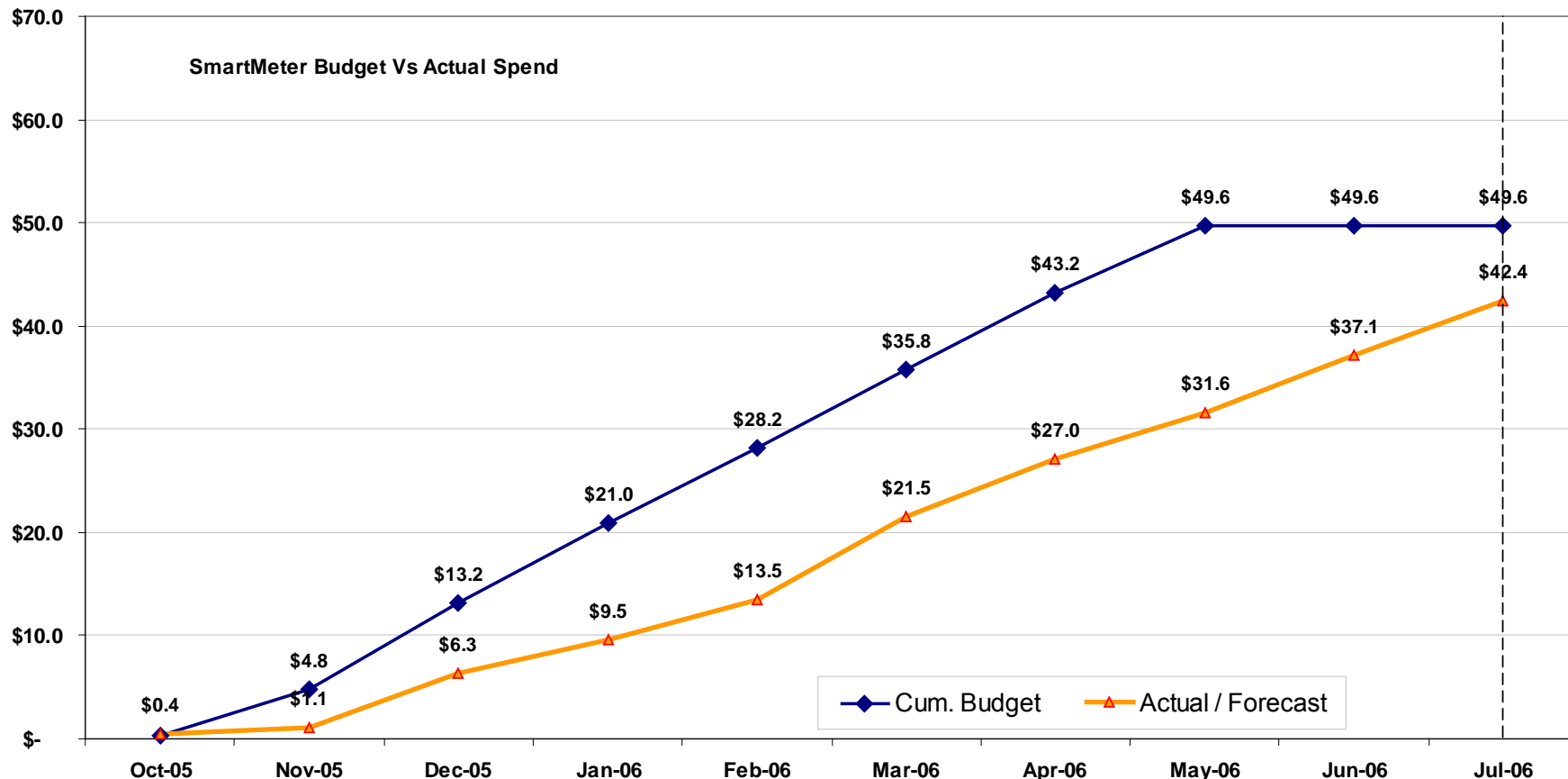
August 15, 2006

- Key Project Communication
- Project Status
- Budget - Overall
- Schedule
- Budget – by Workstream
- Project Contingency Draw Report

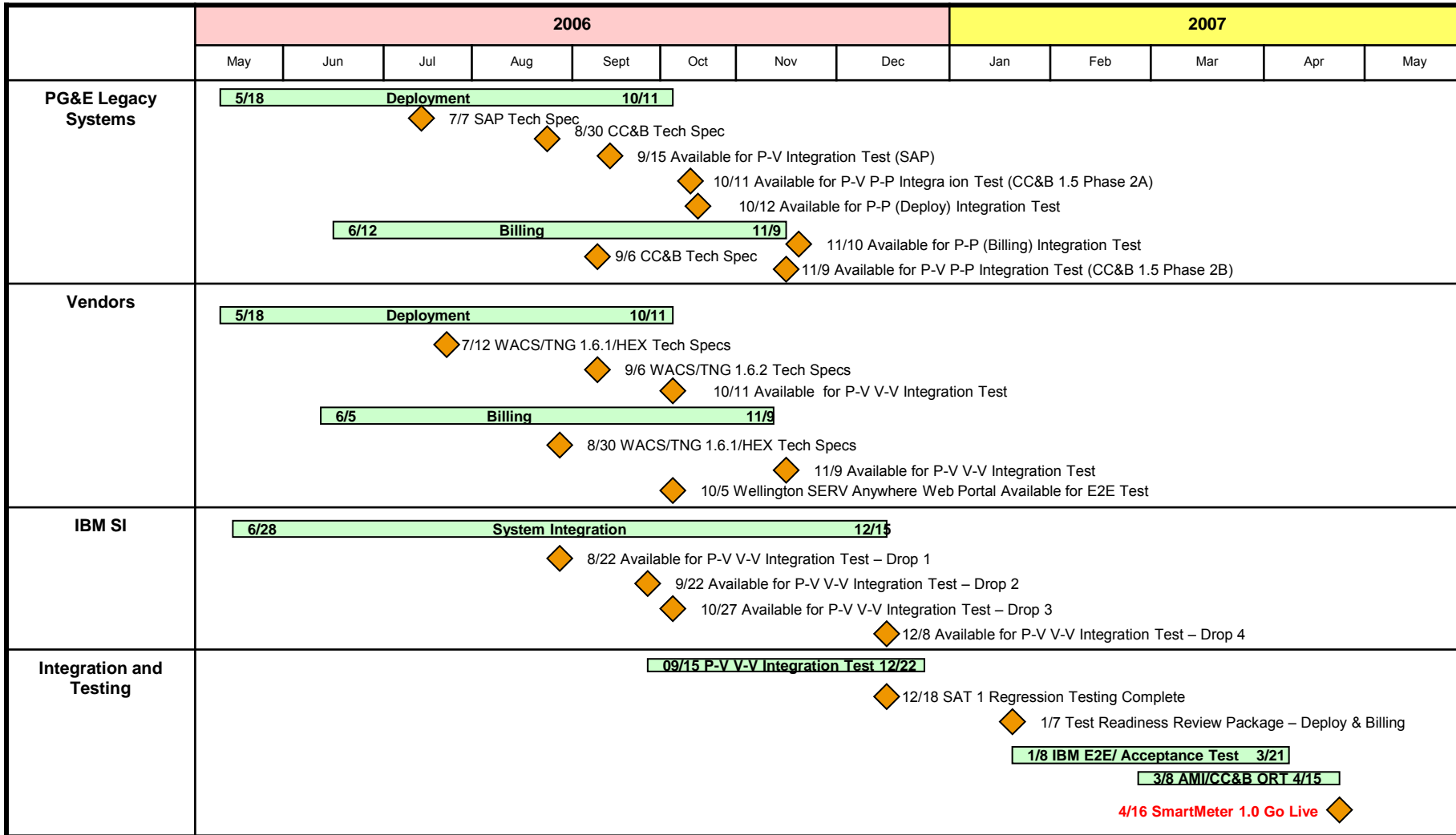
- Regulatory
 - Final decision received 7/20/06!
- System Performance
 - Vacaville continues as test environment; regular reports on testing at each check-in
- Smart Meter 1.0
 - Test Plan to be completed by 8/18
 - Integration testing begins 9/12
- Smart Meter 2.0
 - Subsequent to 4/15 (expanded outage management, remote connect/disconnect, on demand meter reads, enhanced web presentment)
 - Targeted SM 2.0 implementation date to be communicated at September meeting
- Deployment
 - Electric network deployment begins in September, gas network deployment in October and endpoint deployment in November
 - CC&B automating 5 deployment interfaces to increase deployment numbers and reduce rework risk
 - Approved purchase of all Bakersfield equipment
 - DCU IIs in testing
 - Vacaville satellite reading data; evaluating for usage in Bakersfield

		Status	Remediation Actions
	Scope	<ul style="list-style-type: none"> SLAs with PG&E system owners for implementation are nearing completion 	<ul style="list-style-type: none"> Implement hard change control
	Schedule	<ul style="list-style-type: none"> SM1.0 schedule final; SM2.0 delivery date outstanding AMI and CC&B schedules aligned; requires vendors to deliver quality code Field deployment to begin in Q4 as planned Non-CC&B work nearing final alignment 	<ul style="list-style-type: none"> Continuing efforts associated with monitoring vendor unit and string testing performance Active management of SLAs
	Budget	<ul style="list-style-type: none"> Budgets are in process to re-baseline with Full Deployment authorization Release 1.0 (4/07) and 2.0 (TBD) require additional funding beyond the business case for IT (indication was \$35M) Release 2.0 will delay benefits realization beyond meter activation 	<ul style="list-style-type: none"> Re-baselined 5-year budgets to be published 9/1/06 IT forecast and contingency requirements to be presented on 9/12; mitigation planning underway
	Resources	<ul style="list-style-type: none"> Continued over-subscription of SMEs 	<ul style="list-style-type: none"> Awareness of issue, sensitivity in scheduling meetings/activities
	Issues	<ul style="list-style-type: none"> Impact of internal PG&E sub-system interfaces and enhancements on legacy PG&E systems is greater than anticipated Deployment prior to SM1.0 delivery creates risk 	<ul style="list-style-type: none"> SLAs are being finalized with owners of PG&E legacy systems Adding non-CC&B temp resources

Pre-Deployment Spend



- AMI pre-deployment expenditures in June of \$5.3 million, bringing total spend to \$42.4 million against the pre-deployment authorization of \$49 million
- Total SmartMeter expenditures were \$11.3 million in July, bringing total inception to date spend of \$98.7 million



Expenditures by Workstream

SmartMeter Financials

Capital & Expense (000s)	Current Month			Year To Date			Inception to Date (ITD)		
	Actuals	Plan	Variance	Actuals	Plan	Variance	Actuals	Plan	Variance
Workstream									
1 Program Management	\$ 1,629	\$ 1,218	\$ (411)	\$ 9,280	\$ 14,498	\$ 5,218	\$ 10,574	\$ 19,541	\$ 8,967
2 Deployment	\$ 234	\$ 118	\$ (116)	\$ 3,120	\$ 3,336	\$ 216	\$ 3,235	\$ 3,554	\$ 319
3 Operations	\$ 195	\$ 289	\$ 94	\$ 994	\$ 1,010	\$ 16	\$ 994	\$ 1,331	\$ 336
4 Vendor Management	\$ 208	\$ 470	\$ 261	\$ 2,243	\$ 2,254	\$ 11	\$ 2,516	\$ 2,776	\$ 260
5 CM/BR	\$ 93	\$ 150	\$ 57	\$ 1,178	\$ 1,487	\$ 310	\$ 1,436	\$ 2,040	\$ 604
6 Training	\$ 69	\$ 125	\$ 57	\$ 789	\$ 1,028	\$ 238	\$ 919	\$ 1,315	\$ 396
7 Marketing	\$ -	\$ 680	\$ 680	\$ -	\$ 680	\$ 680	\$ -	\$ 680	\$ 680
8 Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Architecture	\$ 1,076	\$ 1,193	\$ 118	\$ 11,988	\$ 6,781	\$ (5,207)	\$ 14,562	\$ 10,431	\$ (4,131)
10 System Integration	\$ 680	\$ 1,843	\$ 1,163	\$ 3,623	\$ 8,551	\$ 4,928	\$ 3,957	\$ 9,291	\$ 5,334
11 Process Development	\$ 329	\$ 45	\$ (284)	\$ 2,496	\$ 363	\$ (2,133)	\$ 2,947	\$ 707	\$ (2,240)
12 Testing	\$ 414	\$ 403	\$ (11)	\$ 3,629	\$ 4,238	\$ 610	\$ 3,926	\$ 5,163	\$ 1,237
13 HW&SW Maintenance	\$ -	\$ 1,092	\$ 1,092	\$ -	\$ 1,092	\$ 1,092	\$ -	\$ 1,092	\$ 1,092
14 CC&B Pre	\$ 259	\$ -	\$ (259)	\$ 3,366	\$ 3,416	\$ 50	\$ 3,950	\$ 4,000	\$ 50
15 CC&B Dep	\$ 5,269	\$ 4,740	\$ (530)	\$ 36,408	\$ 40,504	\$ 4,096	\$ 47,425	\$ 51,461	\$ 4,036
16 Credit & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17 Billing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 Call Center	\$ 857	\$ 957	\$ 100	\$ 2,267	\$ 1,914	\$ (352)	\$ 2,267	\$ 1,914	\$ (352)
19 Customer Data Presentment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Outage Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 Meter Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22									
23 Project Total	\$ 11,312	\$ 13,323	\$ 2,011	\$ 81,381	\$ 91,154	\$ 9,772	\$ 98,708	\$ 115,295	\$ 16,587

Pending Contingency Balancing

CC&B Servers				Comments	Forecast	Potential Savings	
Units	Description	Budget		Cost	Units	Cost	
CC&B	Processing Capacity Increase for V1.5 6 + 5 SUN V890's + IBM P55A's	\$0		Approved by SC, April 2006	█	0	█
AMI Servers				Comments	Forecast	Potential Savings	
Units	Description	Budget		Cost	Units	Cost	
WACS	8 IBM Unix Servers	█		█	0	█	
DCSI	122 IBM Unix Server	█		█	76	█	
Hexagram	26 Dell Servers	█		█	0	█	
MBC DW	2 IBM Unix Servers	█		█	0	█	
IOC Infrastructure				Comments	Forecast	Potential Savings	
Description	Budget		Cost	Units	Cost		
Facilities Power, Rack, Switches Network, Tape Drive, Labor	\$3,030		\$2,923			\$107	
System Software - Expense				Comments	Forecast	Potential Savings	
	Budget						
Oracle	█		█				
BEA	█		\$0				
AMI Sub Total					Net Pending Contingency Balancing		\$12,918

APPROVED USES FOR RISK-BASED ALLOWANCE FUND	Contingency Balance
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Original Contingency Amount \$128,800

Approved Draw-downs

[1]

Net Remaining Balance \$128,800

Note: No Draw-downs have been approved to date



SmartMeter™/CC&B Initiatives September Status Update

Confidential - Submitted Pursuant to PU Code Section 583

September 12, 2006

Key Project Communication

- **Deployment**
 - Electric network deployment begins in September
 - Gas network deployment begins in October
 - Endpoint deployment begins in November
 - Go/No go decision: November 1st
 - Customer communication materials to be mailed on 10/16

- **Smart Meter 1.0**
 - Release scheduled for 4/16/07 on track
 - On track to begin integration testing on 9/15
 - End-to-end testing begins 12/18

- **CC&B**
 - CC&B system freeze begins 10/1
 - BT Release on 11/4/06 on track
 - SWAT Team continues work on BT Benefits Realization
 - Design Alternatives complete for Meter Deployment
 - High-level schedule integration complete; detailed test schedule integration underway

- **Smart Meter 2.0**
 - Scope. Expanded outage management, remote connect/disconnect, on demand meter reads, enhanced web presentment
 - Planning for benefit delivery in the 2007/2008 timeframe; scope and schedule being assessed to fit within resource and other initiative constraints

Project Status

		SLAs	SLAs
	Scope	<ul style="list-style-type: none"> • SLAs with PG&E system owners for implementation are nearing completion (SDC interfaces) • Design alternatives nearing completion 	<ul style="list-style-type: none"> • Implement system design freeze • Escalate change control approval requirements
	Schedule	<ul style="list-style-type: none"> • Begin system integration testing on 9/15 • Field deployment to begin in Q4 as planned • SM2.0 delivery date under evaluation 	<ul style="list-style-type: none"> • Active management of SLAs
	Budget	<ul style="list-style-type: none"> • Cycle 3 budget submitted, including an incremental \$35M for SM1.0 and SM 2.0 • Release 2.0 will delay benefits realization beyond meter activation 	<ul style="list-style-type: none"> • IT forecast and contingency requirements to be presented at next meeting; mitigation planning underway
	Resources	<ul style="list-style-type: none"> • Continued over-subscription of SMEs • Emerging internal PG&E staffing challenges 	<ul style="list-style-type: none"> • Awareness of issue, sensitivity in scheduling meetings/activities • Continual staffing assessment
	Issues	<ul style="list-style-type: none"> • Impact of internal PG&E sub-system interfaces and enhancements on legacy PG&E systems is greater than anticipated • Integration with BT projects • Coordination of environments for testing • Space Planning 	<ul style="list-style-type: none"> • Increasing co-ordination planning • Working with Corporate Real Estate

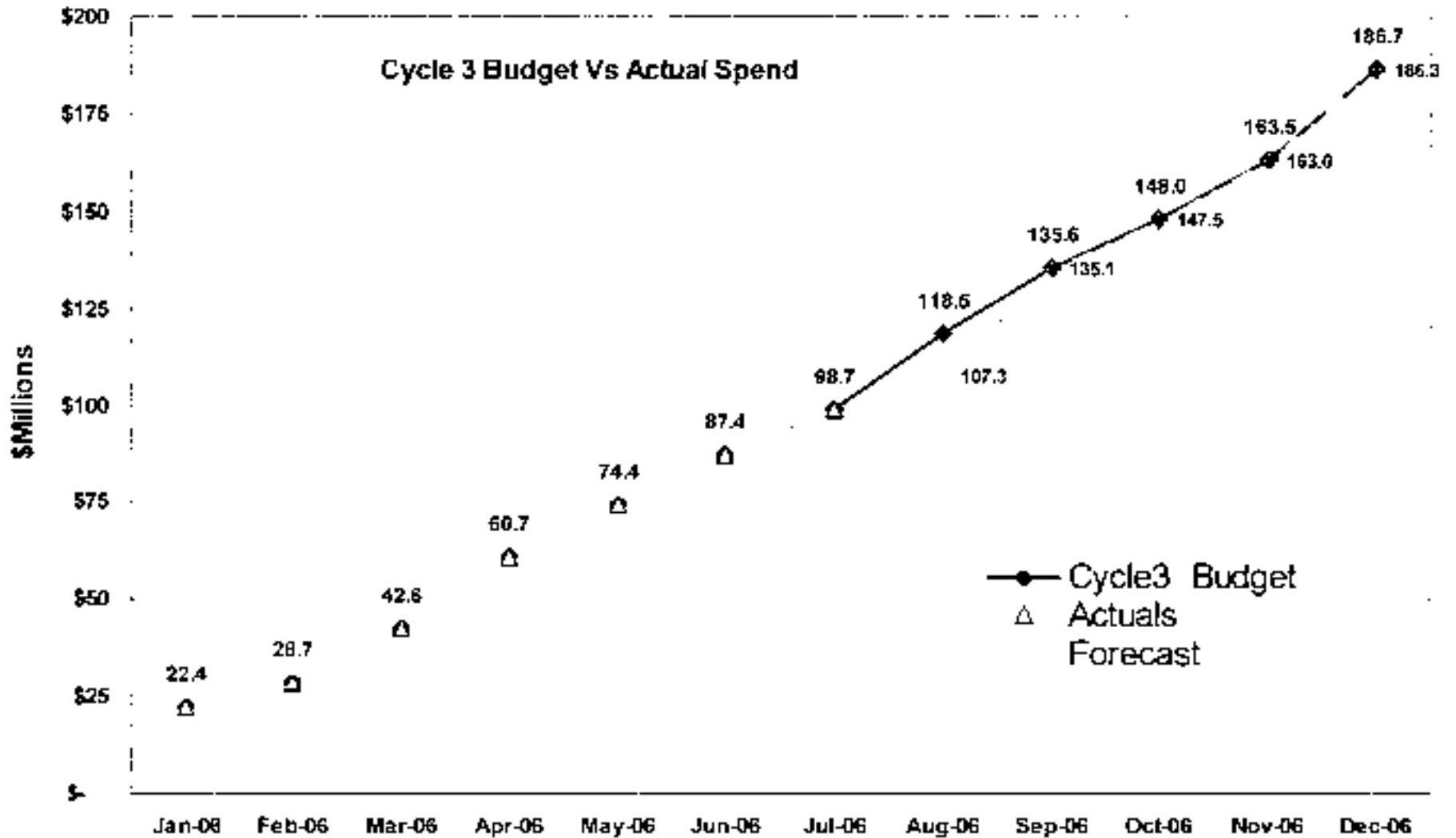
Business Transformation Activities

- **November 4 BT Release on Target**
 - **Functional**
 - Start/Stop Optimization
 - Cancel/Rebill script and E-pay
 - **Technical Preparation for SmartMeter**
 - CC&B v1.5.20 (DB2), Weblog% Upgrade, Defect Fixes
 - **Outstanding: Detailed Requirements for ED/AM Geospatial Dispatch**
- **SWAT Team continues work on Benefits Realization**
- **CTI/IVR activities deferred to late 2007**

SmartMeter April 15 Release

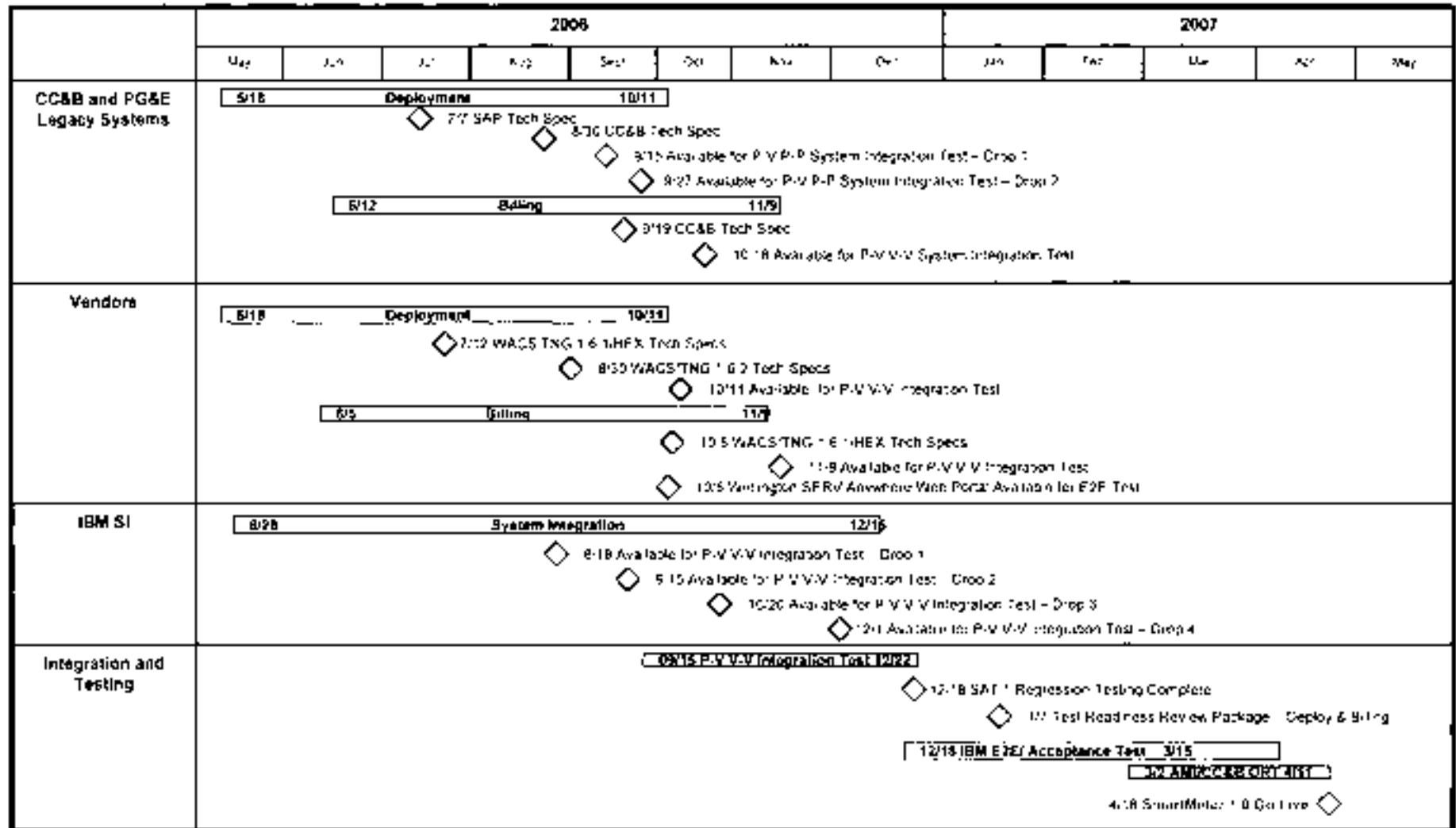
- **Functional Changes**
 - **Design Alternatives complete for Meter Deployment**
 - **Completion of remaining Design Alternatives targeted for 9/30/06 (Billing, Customer Care, CPP, etc.)**
 - **Detailed test plan under development**
- **Re-platform**
 - **SPL Oracle Delivery installed in PG&E Oracle environments. Data replicated and loaded**
 - **Interface Build underway**
- **SmartMeter Integration**
 - **Various Meter Deployment APIs delivered to SI team**
 - **CC&B integration environment will be available 9/15 as requested**
 - **High-level schedule integration complete. Detailed test schedule integration underway.**

Cycle 3 Budget vs. Actual Spend





Schedule – SmartMeter™ 1.0





Schedule – Deployment

	2006								2007				
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
Substations	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">9/15 Substation Construction</div> <ul style="list-style-type: none"> ◇ Ordered first SCEs ◇ Begin Substation Construction in Bakersfield 												
Gas Network	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">9/15 Deployment of Distribution Communication Equipment in Substations</div> <ul style="list-style-type: none"> ◇ Ordered first DCUs ◇ Begin DCU Installation in Bakersfield 												
Endpoints	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">11/6 Meter Deployment</div> <ul style="list-style-type: none"> ◇ Ordered 1st Electric and Gas Modules ◇ 11/1 Final Approval to Begin Deployment, Steering Committee Go/No-Go ◇ 1/16 First Meter Deployment Date ◇ 4/16 Bring Benefits Begin 												
Change Management And Customer Marketing	<ul style="list-style-type: none"> ◇ Initial Deployment Staff Training ◇ Bakersfield All Hands Employee Communicator ◇ Call Center Operations Ready ◇ 10/9 Operational Readiness Test to Begin Deployment <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">10/15 Customer Communication about Meter Changes</div> <ul style="list-style-type: none"> ◇ Begin Marketing CPP to Customers 												



Expenditures by Workstream

SmartMeter Financial Results

Capital Expenditure (000s)	Current Month			Year To Date			Inception to Date (ITD)			Total 2006		
	Actuals	Plan	Variance	Actuals	Plan	Variance	Actuals	Plan	Variance	Forecast	Plan	Variance
Workstream												
1 Director's PMO Office	\$ 582	\$ 1,902	\$ (1,320) [3]	\$ 13,522	\$ 14,755	\$ (1,233)	\$ 15,493	\$ 18,718	\$ (3,225)	\$ 21,496	\$ 21,367	\$ (129)
2 Deployment Office	\$ 153	\$ 86	\$ (67)	\$ 1,130	\$ 1,061	\$ (69)	\$ 1,167	\$ 1,095	\$ (72)	\$ 1,990	\$ 1,908	\$ (82)
3 Web Portal												
4 DCS (Except IT)												
5 Hierogram (Except IT)												
6 Meters - Electric & Gas	\$ 2	\$ 1,047	\$ (1,045) [1]	\$ 122	\$ 1,168	\$ (1,046)	\$ 122	\$ 1,159	\$ (1,037)	\$ 1,809	\$ 1,802	\$ (7)
7 PG&E Gas Network Installation	\$ 16	\$ -	\$ (16)	\$ 21	\$ 11	\$ (10)	\$ 27	\$ 11	\$ (16)	\$ 152	\$ 142	\$ (10)
8 PG&E Electric Network Install	\$ 2	\$ 59	\$ (57)	\$ 230	\$ 297	\$ (67)	\$ 298	\$ 356	\$ (58)	\$ 544	\$ 702	\$ (158)
9 PG&E ITDCs & Exam Installation	\$ 377	\$ 1,722	\$ (1,345) [2]	\$ 642	\$ 1,989	\$ (1,347)	\$ 643	\$ 1,989	\$ (1,346)	\$ 3,294	\$ 3,045	\$ (249)
10 PG&E Electric & Gas Year Install	\$ 72	\$ 30	\$ (42)	\$ 168	\$ 121	\$ (47)	\$ 168	\$ 121	\$ (47)	\$ 376	\$ 329	\$ (47)
11 Operations Office	\$ 391	\$ 655	\$ (264)	\$ 2,071	\$ 2,557	\$ (486)	\$ 2,034	\$ 2,349	\$ (315)	\$ 5,025	\$ 5,290	\$ (265)
12 Communications	\$ 1	\$ 595	\$ (594)	\$ 1	\$ 595	\$ (594)	\$ 1	\$ 595	\$ (594)	\$ 2,896	\$ 2,590	\$ (306)
13 Customer Web Presentation	\$ 80	\$ -	\$ (80)	\$ 326	\$ 246	\$ (80)	\$ 326	\$ 246	\$ (80)	\$ 2,150	\$ 2,070	\$ (80)
14 Demand Response Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176	\$ 176	\$ -
15 CC&B Upgrade	\$ 3,964	\$ 6,148	\$ (2,184) [4]	\$ 46,004	\$ 48,159	\$ (2,155)	\$ 57,625	\$ 57,790	\$ (165)	\$ 70,315	\$ 70,496	\$ (181)
16 SmartMeter Applications	\$ 25	\$ 884	\$ (859)	\$ 3,006	\$ 3,660	\$ (654)	\$ 4,405	\$ 5,059	\$ (654)	\$ 8,200	\$ 8,112	\$ (88)
17 IT Integration	\$ 311	\$ 1,903	\$ (1,592) [3]	\$ 11,440	\$ 13,634	\$ (2,194)	\$ 13,278	\$ 14,900	\$ (1,622)	\$ 21,707	\$ 21,846	\$ (139)
18 IT Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 Data Center	\$ 2,245	\$ 3,728	\$ (1,483) [4]	\$ 6,968	\$ 10,446	\$ (3,478)	\$ 9,909	\$ 11,389	\$ (1,480)	\$ 12,909	\$ 12,995	\$ (86)
20 Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,887	\$ 7,752	\$ (135)
21 Benefits Realized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22												
23 Project Total	\$ 8,546	\$ 19,750	\$ (11,204)	\$ 89,928	\$ 101,140	\$ (11,212)	\$ 107,255	\$ 118,459	\$ (11,204)	\$ 155,526	\$ 169,338	\$ (13,812)

- [1] Meters & modules expected for initial deployment ordered, not yet installed
 [2] Charges for gas for meter implementations not booked, under investigation
 [3] Timing of posting of invoices from system integrator
 [4] Timing of expenditures for plant and test programs

Pending Contingency Balancing

Account	Units	Description	Budget	Cost	Units	Cost
CC&B		Processing Capacity Increase for V1 5 6 + 5 SUN V690's + 3M P55A's	\$0		0	
Approved by SC April 2006						
WACS	8	IBM Unix Servers			0	
OCSI	122	IBM Unix Server			76	
Hexagram	25	Unl. Servers			0	
MBC DW	2	IBM Unix Servers			0	
Facilities		Description Power, Rack, Switches Network, Tape Drive Labor	\$3,030	\$2,923		\$107
Oracle						
BEA						
AMI Sub Total						Net Pending Contingency Balancing \$12,918

APPROVED USES FOR RISK-BASED ALLOWANCE FUND		Contingency Balance
	Original Contingency Amount	\$128,800
	Approved Draw-downs	
	(1)	
	Net Remaining Balance	<u>\$128,800</u>

Note: No Drawdowns have been approved to date



**SmartMeter™/CC&B Initiatives
Steering Committee Review**

Confidential - Submitted Pursuant to PU Code Section 583

October 17, 2006

- **Deployment**
 - Electric network deployment began in Bakersfield
 - Gas network deployment begins in October
 - Endpoint deployment begins in November; media event scheduled on 11/16
 - Go/No go decision: November 1st
 - Customer communication materials to be mailed on 10/23

- **Smart Meter 1.0 Release**
 - Challenge to meet entrance criteria for end-to-end testing; 30 day pressure on schedule
 - Integration testing started on 9/15; first 10 interfaces tested clean
 - Vendor unit & string testing appears better this time

- **CC&B**
 - CC&B system freeze begins late October; regulatory impact review underway
 - BT release scheduled for 11/4/06 on track pending final SOX review
 - SWAT team continues work on BT benefits realization
 - Design alternatives complete for meter deployment, billing and CPP
 - Detailed meter deployment schedule integration complete: billing underway

Contingency Draw- Background

- **Active management of the contingency is part of PG&E's project plan established with the CPUC through the AMI rate application**
- **The contingency is an integral part of the SmartMeter budget and is not funding of last resort – it is intended to cover unforeseeable expenditures for original scope work**
- **All contingency requests must be approved by the SM Steering Committee**
- **Each line item requested for contingency draw is supported by a project change order (PCR) with complete documentation and approved by the PMO**
- **A running over/under scorecard is maintained during interim periods; with periodic closeout to the contingency budget**
- **Chris Johns has endorsed the contingency methodology; he will review all major capital project contingency draws including those for the SM Project**
- **No contingency draws have been approved as yet for the SM Project**

Additions to Pending Contingency*millions*

- **CC&B has completed work in Phase I – the Cordaptix 1.3 to CC&B 1.5 software upgrade**
 - Project team had to rely on more outside labor (SPL, Accenture) than original plan \$3.0
 - Performance testing required more cycles than original estimate \$2.5
 - Project start/stop forced additional project restart expenditures \$2.0
 - Additional requirements and scoping work required for SM 1.0, CC&B Phase II \$2.0
 - AFUDC & capitalized A&G required extended to later implementation date \$1.4
 - Additional requirements and scoping work required for CC&B, Phase I \$1.3
 - CDx shortlist required incremental staffing; not in the original plan \$0.8
 - Sub-total \$13.0

- **SmartMeter 1.0 requirements work completed**
 - IBM team additions to original scope of work to complete requirements \$1.8
 - EDS / WACS extended work on requirements / development \$1.0
 - Sub-total \$2.8

Net project additional expenditures added to the pending contingency items: \$15.8

Pending Contingency Items

Pending Contingency Items – prior balance

•	Expenditures that were less than expected <i>AMI Servers, IOC infrastructure, Oracle, BEA software</i>	██████████
•	Expenditures that were more than expected <i>CC&B performance enhancing Sun servers</i>	██████████
	Net prior pending contingency items favorable balance	(\$12.9M)

October additions to pending contingency items

•	CC&B Phase I upgrade work completed <i>Testing, outside labor, expanded scope, AFUDC & A&G</i>	\$13.0M
•	SmartMeter 1.0 expanded requirements work <i>IBM, EDS – WACS additional requirements work</i>	██████████
	Net additions to pending contingency - unfavorable	██████████

Net balance in pending contingency items	\$2.9M
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Contingency Draw – AMI

Contingency – Beginning Balance	\$129M
• <i>No contingency draws have been approved</i>	
Net Balance.....	\$129M

*Recommendation: close out Pending Contingency items;
draw \$2.9 million against contingency funding;
remaining balance would be: \$126.1M*

Other Project Budget Indications

Expenditures *forecast* above original estimates

	<i>millions</i>
• CC&B Phase II	\$ 9.0
• CC&B Phase III	\$10.3
• SmartMeter 2.0	\$14.9
• Substations	<u>\$ 8.5</u>

Forecast of overruns \$42.7

Expenditures *forecast* below original estimates

	<i>millions</i>
• IT operations	(\$ 7.4)
• SM operations	(\$ 8.9)
• Improved WAN	(\$ 6.5)
• Other	<u>(\$ 1.2)</u>

Forecast of underruns (\$24.0)

Net forecast project overrun \$18.7M

SM 2.0	SM 3.0	SM X.0
<p>Outage Mgmt (11) (P-W 47, 48, 58, 59, 1340) - Alert outage scope verification - Outage restoration verification - Network outage information to GIS - MR Enhancements</p> <p>Customer Care: Collars (05) (P-W 120, 121, 124, 127, 441) (P-W 402, 404, 406, 408, 127, 127, 127, 127) (P-P 14, 14) - Remote Connect/Disconnect Collar - Deployment - Supply Chain (20) - Asset Tracking - Lifecycle Mgmt - Operations - Relations to related processes (credit collection, customer service)</p> <p>Customer Care: Letters (05) - Automated support of Account Services letters in MOSS</p> <p>Meter Read Enhancements (05) (P-W 404, 407, 74, 76) (P-W 41, 176, 74, 73) - Full THG support of new endpoint metering products - Full Metering and THG support for legacy Data for AMI Based SAs - On Request Meter Read - GSR request and response - Identification of Broken Lock usage - Provision of collected and support of electric meter data for account, pre-paid and customer segmentations</p> <p>Histogram Electric (P-W 406, 406, 406, 406, 44, 44) - Deployment (64), Supply Chain (20), Asset Tracking (16), Lifecycle Mgmt (01), Meter Read (05), Operations (18), Outage Mgmt (11)</p> <p>Meter Data Mgt (05) (P-W 404, 404, 404, 404) - Use of weather data in estimator - Daily delivery of research quality meter MTD data to KSA LeadMail</p> <p>MDC DW (05) (P-P 46, 49, 174) - Internal Data from MDC DW to MAOS - Archived usage data provided to CC&B for Carried/Ret'd beyond 14 months</p> <p>Bill Calculation (14) - Additional functions for system re-estimation of estimated bill</p> <p>Customer Web Presentation (07) - No new utility web portals - Online Auditing - Audit Trail tracking and archiving - Employee privacy view - Administrative tool to control privileges access, select - Simple rate analysis tool - Rate analysis request to GSRs - Data download</p> <p>Ops Dashboard - Metrics, visualization of time - Display of high-level status of day performance issues - Automated dispatching capabilities - On-line query capabilities - Real-time data - Metering capability</p>	<p>Customer Care: Letters (05) - GPR letters for target audiences - E-mail notification emails</p> <p>Bill Calculation (14) - Some AMI accounts switched to CC&B</p> <p>Lifecycle Mgt: Equip (01,02) (P-P 447) (P-W 100, 12, 36, 481) - BI driven transfer from GIS to SAP as the system of record for Lifecycle mgt</p> <p>Outage Mgmt (11) (P-W 184) - Autonomous system pricing based on pre-configured strategy - Real-time outage alerts to MAOS - Real-time switching info to THG</p>	<p>Meter Read Enhancements (05) - Other functionality associated with THG 3.0 - Daily data throughput to existing large customer (>700kva) web presentation application</p> <p>Operations (18) (P-W 40, 41, 404, 47, 74, 74, 74, 74, 74) - Real Time Meter Module 5 AMI Network Alerts & Page Message - Real-time THG network alarms - Three Load Control</p> <p>Customer Web Presentation (07) - Prompt interest customer to enroll in GPR when eligible - Compare actual usage - Overlay actual usage with TDJ or GPR rate - Display usage data in per cycle month - Inform CIP customers that they are eligible at account level - Display event information by customer - GPR Customer showing potential savings</p> <p>Other - TBD Data Acquisition - Assets for customer in-house display - Near-time output - Data aggregation for third parties - End-use devices</p>

SM Future Release Timeline

SmartMeter Releases

SM 1.0 4/15/07

Development cost \$124M
Benefit loss \$0M

SM 2.0 1/31/08

Development cost: \$14.9M est
Benefit loss: \$.4M est

SM 3.0 Oct 08

Development cost <\$5M est
Benefit loss \$0M

2009+

SM X.0 ...

Development cost <\$1M est
Benefit loss \$0M

Meter Deployment

Business Transformation Activities

- **November 4 BT Release on Target**
 - Functional
 - Start/Stop Optimization
 - Cancel/Rebill script and E-pay (and Geospatial Dispatch for EDAM)
 - Technical Preparation for SmartMeter
 - CC&B v1.5.20 (DB2), Weblogic Upgrade, Defect Fixes
 - Functional support for Initial field meter deployment
- **SWAT Team continues work on Benefits Realization**

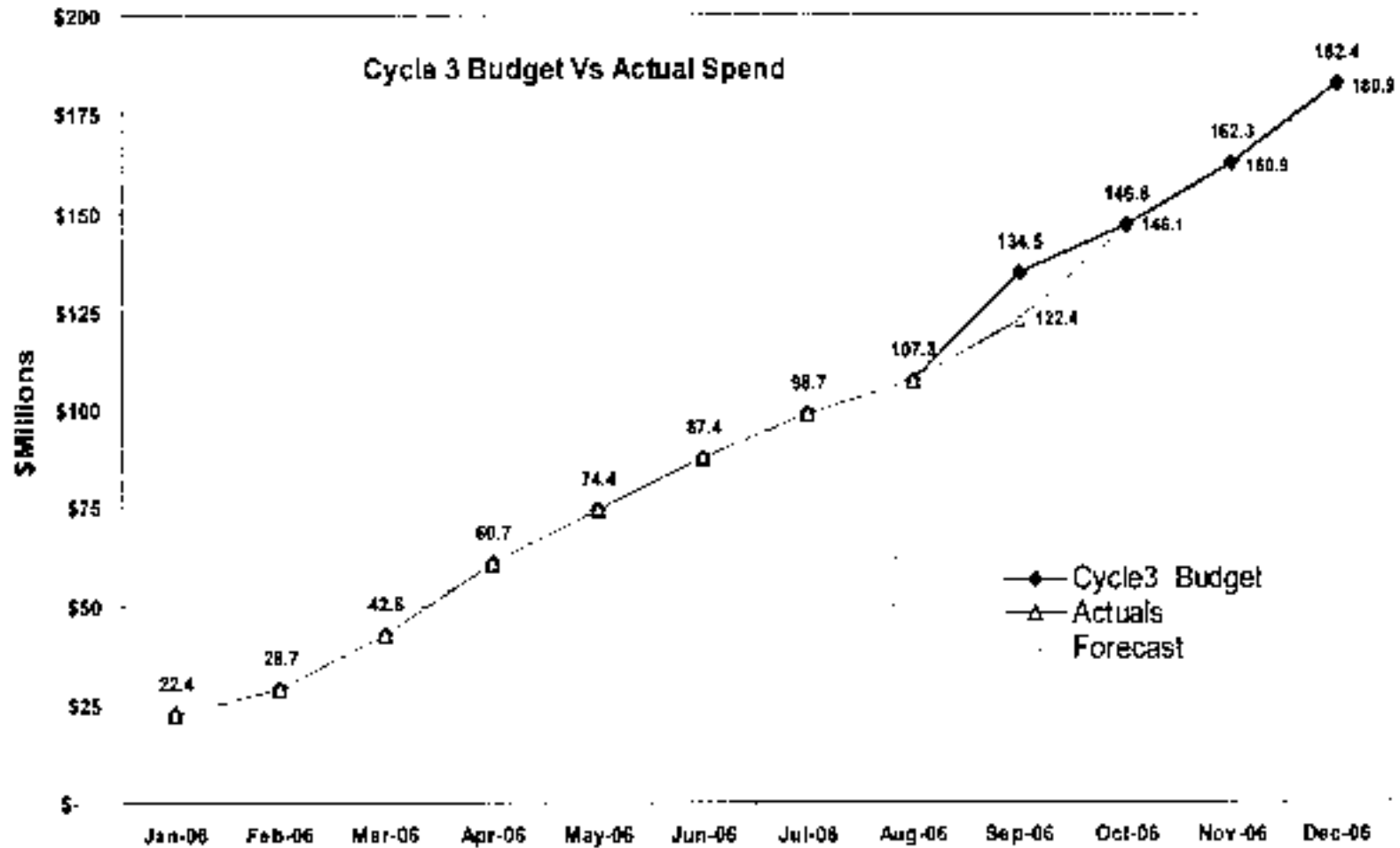
SmartMeter April 15 Release

- **Functional Changes**
 - Design Alternatives complete for Meter Deployment, Billing and CPP. Scope decided.
 - Two outstanding issues around monthly to interval transition and ECI/interval presentation
 - CC&B/SDC Build has started. Detailed test plan under development
- **Re-platform**
 - SPL Oracle Delivery installed in PG&E Oracle environments; Data replicated and loaded
 - Interface Build underway
- **SmartMeter Integration**
 - Various Meter Deployment APIs and WSDLs delivered to SI team
 - Detailed Meter Deployment integration complete. Detailed test schedule for Billing/ CPP integration underway.

		Status	Remediation Actions
	Scope	<ul style="list-style-type: none"> • SLAs with PG&E system owners for implementation are nearing completion (SDC interfaces) • Design alternatives nearing completion • Refinement of some scope items remains outstanding 	<ul style="list-style-type: none"> • Implement system design freeze • Escalate change control approval requirements • Accelerating closure
	Schedule	<ul style="list-style-type: none"> • System integration testing underway • Field deployment underway • Development efforts associated with interfaces will delay the project due to resource and delivery constraints 	<ul style="list-style-type: none"> • Active management of SLAs • Applying resources to attempt to mitigate schedule issues
	Budget	<ul style="list-style-type: none"> • Recommended contingency draw of \$2.9 million; indications are another \$19 million is required • Release 2.0 delay beyond Jan 2008 will be significant on committed benefits realization 	<ul style="list-style-type: none"> • Active scope and schedule management • Active management of vendor deliverables
	Resources	<ul style="list-style-type: none"> • Continued over-subscription of SMEs • Emerging internal PG&E staffing challenges 	<ul style="list-style-type: none"> • Awareness of issue, sensitivity in scheduling meetings/activities • Continual staffing assessment, SDC has added staff recently
	Issues	<ul style="list-style-type: none"> • Impact of internal PG&E sub-system interfaces and enhancements on legacy PG&E systems is greater than anticipated • Integration with EDAM Foundational release • Coordination of environments for testing 	<ul style="list-style-type: none"> • Increasing coordination planning



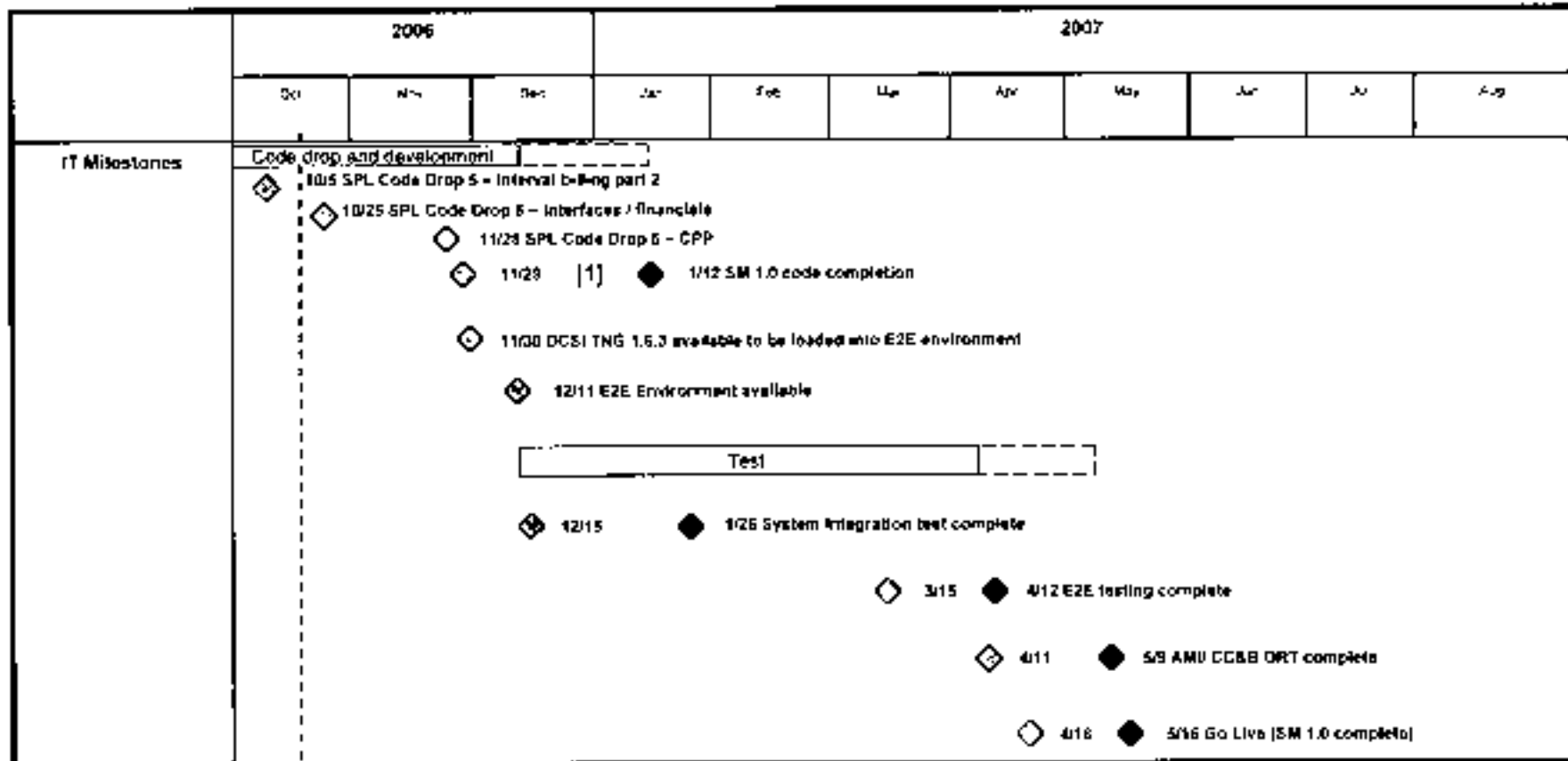
Cycle 3 Budget vs. Actual Spend



\$12 million underrun in September due to invoices not processed by month close; all of the underrun is expected to come through by year end



Schedule – SM1.0 Milestones



- [1] Certain interfaces will not begin build until a deliverable from SPL on 10/13
- Interfaces specifications delay leads to downstream testing delays, a 4 week indicated delay in SM 1.0
 - Project team is developing workaround to reduce schedule impact



Schedule – Deployment

	2006			2007							
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Substations	9/15 Substation Construction										
	Begin Substation Construction in Bakersfield										
Gas Network	9/18 Deployment of Distribution Communication Equipment in Substations										
	Begin DCU Installation in Bakersfield										
Endpoints	11/5 Meter Deployment										
	11/1 Final Approval to Begin Deployment, Steering Committee Go/No Go 11/5 First Meter Deployment Date 4/16 Full Deployment Begins 5/16 Go Live (See IT Schedule)										
Change Management And Customer Marketing	Initial Deployment Staff Training										
	Call Center Operations Ready 10/9 Operational Readiness Test to Begin Deployment 10/23 Customer Communication about Meter Changes Begin Marketing CPP to Customers										

- **Period 2 testing completed**
- **Areas tested this period include:**
 - **Budget and Cost Controls**
 - **Issue Tracking and Change Control**
 - **Specific Project Risk Management Procedures**
 - **Vendor Management and Oversight**
 - **Quality Assurance Procedures**
 - **Documentation Policies and Practices**
 - **Schedule Controls**
 - **Deliverables Acceptance Process**
 - **Contract Compliance Process**
- **Anticipate expanded testing next period for:**
 - **Supply chain management**
 - **Integrated deployment schedule**
 - **QA results for string and unit testing**
- **Coordinating with PG&E Internal Audit regarding documentation standards and guidelines for specific risk mitigation plans**



Expenditures by Workstream

Pre-Deployment & Deployment

Capital & Expense (\$000s)	Current Month			Year To Date			Inception to Date (ITD)			Total 2006		
	Actuals	Plan	Variance	Actuals	Plan	Variance	Actuals	Plan	Variance	Forecast	Plan	Variance
Workstream												
1 Director's PMO Office	\$ 2,490	\$ 2,133	\$ 643	\$ 15,012	\$ 16,654	\$ 643	\$ 17,973	\$ 16,615	\$ 643	\$ 21,711	\$ 21,436	\$ (274)
2 Deployment Office	\$ 53	\$ 146	\$ 53	\$ 1,226	\$ 1,279	\$ 53	\$ 1,266	\$ 1,213	\$ 53	\$ 1,923	\$ 1,980	\$ 57
3 Wellington												
4 DCSI (Except IT)												
5 Hexagram (Except IT)												
6 Meters Electric & Gas	\$ 43	\$ 1,047	\$ 1,004	\$ 165	\$ 1,160	\$ 1,004	\$ 165	\$ 1,169	\$ 1,004	\$ 1,840	\$ 1,809	\$ (31)
7 PG&E Gas Network Installation	\$ (23)	\$ -	\$ 23	\$ 4	\$ 27	\$ 23	\$ 4	\$ 27	\$ 23	\$ 135	\$ 159	\$ 23
8 PG&E Electric Network Install	\$ (89)	\$ 59	\$ 148	\$ 141	\$ 289	\$ 148	\$ 209	\$ 358	\$ 143	\$ 495	\$ 644	\$ 145
9 PG&E LTCs & Excl. Installation	\$ 937	\$ 1,885	\$ 947	\$ 1,181	\$ 2,528	\$ 947	\$ 1,531	\$ 2,528	\$ 947	\$ 2,988	\$ 3,094	\$ 106
10 PG&E Electric & Gas W&A Install	\$ 269	\$ 30	\$ (235)	\$ 427	\$ 198	\$ (229)	\$ 437	\$ 198	\$ (239)	\$ 615	\$ 316	\$ (299)
11 Operations Office	\$ 75	\$ 691	\$ (59)	\$ 2,827	\$ 2,768	\$ (59)	\$ 2,845	\$ 2,785	\$ (59)	\$ 5,084	\$ 5,025	\$ (59)
12 Communications	\$ 28	\$ 644	\$ 616	\$ 29	\$ 645	\$ 616	\$ 29	\$ 645	\$ 616	\$ 3,100	\$ 2,516	\$ (584)
13 Customer Web Presentation	\$ 105	\$ -	\$ (105)	\$ 435	\$ 326	\$ (109)	\$ 435	\$ 326	\$ (109)	\$ 2,150	\$ 2,150	\$ 0
14 Demand Response Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,053	\$ 1,053	\$ 0
15 CC&B Upgrade	\$ 5,571	\$ 7,579	\$ 2,007	\$ 51,575	\$ 53,582	\$ 2,007	\$ 63,176	\$ 55,183	\$ 2,007	\$ 70,266	\$ 70,315	\$ 60
16 SmartMeter Applications	\$ 1,096	\$ 3,094	\$ 2,598	\$ 4,103	\$ 6,700	\$ 2,598	\$ 5,502	\$ 8,090	\$ 2,595	\$ 8,158	\$ 8,148	\$ (10)
17 IT Integration	\$ 2,558	\$ 3,447	\$ 889	\$ 14,538	\$ 15,427	\$ 889	\$ 15,836	\$ 16,725	\$ 889	\$ 21,866	\$ 21,737	\$ (129)
18 IT Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 Data Center	\$ 409	\$ 3,521	\$ 3,112	\$ 9,375	\$ 12,487	\$ 3,112	\$ 10,316	\$ 13,430	\$ 3,112	\$ 10,921	\$ 12,909	\$ 1,988
20 Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ -
21 Benefits Realized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22												
Project Total	\$ 15,167	\$ 27,273	\$ 12,033	\$ 105,115	\$ 117,748	\$ 12,033	\$ 122,442	\$ 134,475	\$ 12,033	\$ 163,622	\$ 165,070	\$ 1,448

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SmartMeter™/CC&B Initiatives Status Update

November 2006



Agenda

Key Project Communication

- Old Business
- Project Status
 - Budget
 - Schedule
 - PwC PMO Quality Assurance
 - Next Steps

Key Project Communication

> Deployment

- ▶ Construction is complete in 3 substations (Bakersfield-Columbus, Magundun and Kern Oil); data center communications links to be completed by end of November
- ▶ 32 DCUs installed, 89 to be completed by end of year
- ▶ 1,355 customer letters sent on 10/23
- ▶ Go decision on endpoints issued on November 1; 209 endpoints installed to date
- ▶ Issue around 15 or 60 min reads for residential solved
- ▶ Media event day held on November 16

> SmartMeter 1.0 Release

- ▶ There are 55 interfaces required for 1.0: 26 have been developed and are in testing, 29 are in development
- ▶ Initial end to end testing will start on 12/18 with plans to stagger starts as systems are ready
- ▶ SmartMeter Ops on schedule to have all staff in place for the start of ORT
- ▶ Release date moved to May 28, 2007 (per Steering Committee briefing 10/31/2006)

> CC&B

- ▶ CC&B system scope decisions completed and incorporated into schedule
- ▶ Soft Table and interface build work has begun with detail designs
- ▶ Functional and integration test planning underway
- ▶ BT release implemented on November 4

SmartMeter 1.0 – CC&B status

Functional Changes

- ▶ CC&B system scope decisions nearly complete; outstanding items are: DASR, Rounding, EMR to Interval Transition, VEE Details
- ▶ October SPL Delivery received
- ▶ Soft Table and Interface build work begun with detail designs
- ▶ Functional and integration test planning underway, test execution to begin soon
- ▶ SDC Build for CC&B in progress

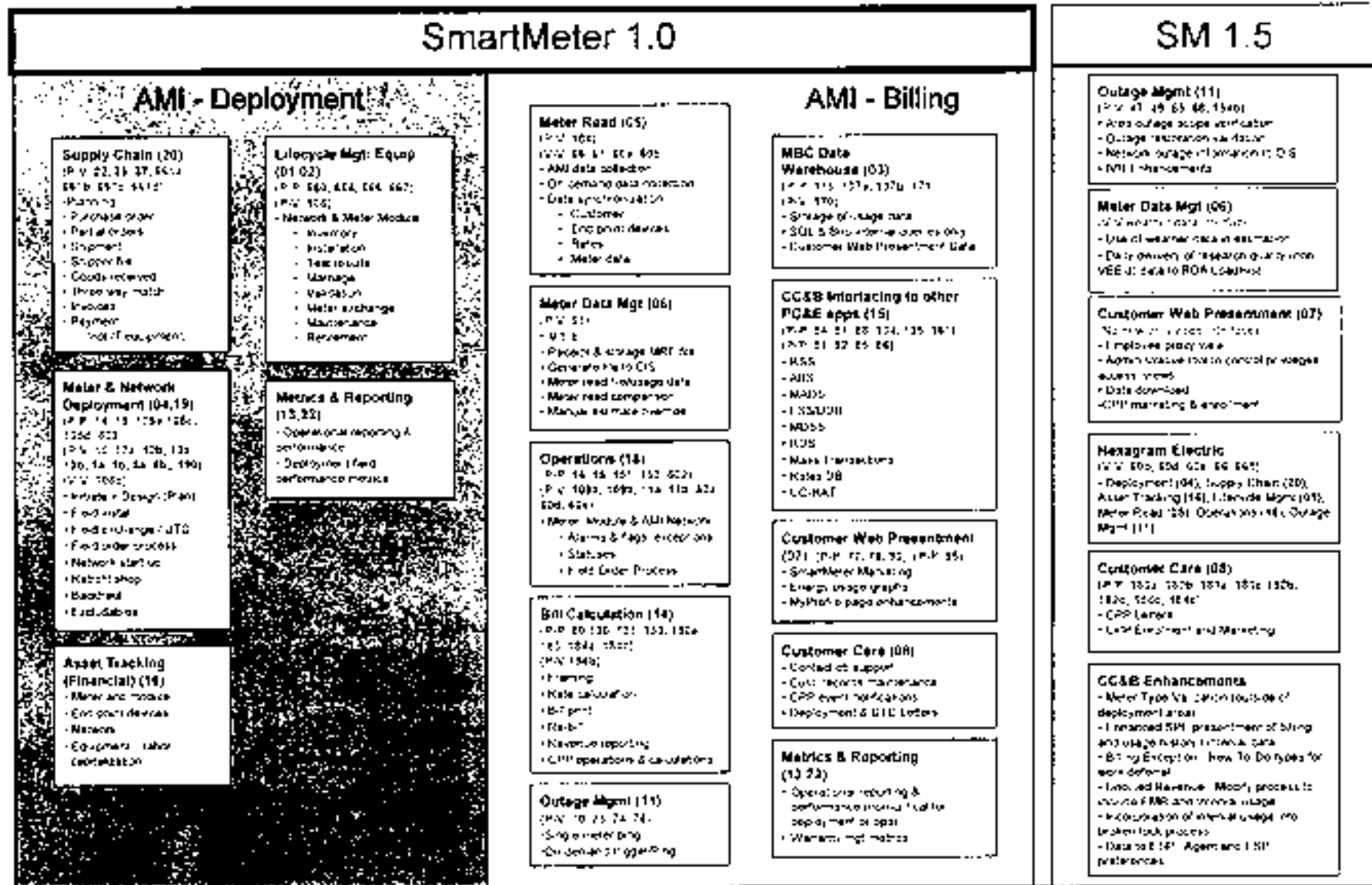
Re-platform

- ▶ The following are the main activities underway. Key status point on these will be mid December.
 - ▶ Data Guard Installation
 - ▶ Change Data Capture Development
 - ▶ Data Conversion
 - ▶ Outage Window Planning and Timing
 - ▶ Performance Testing
 - ▶ Interfaces Development (Cobol, Seebeyond, Mercator)

System Integration efforts

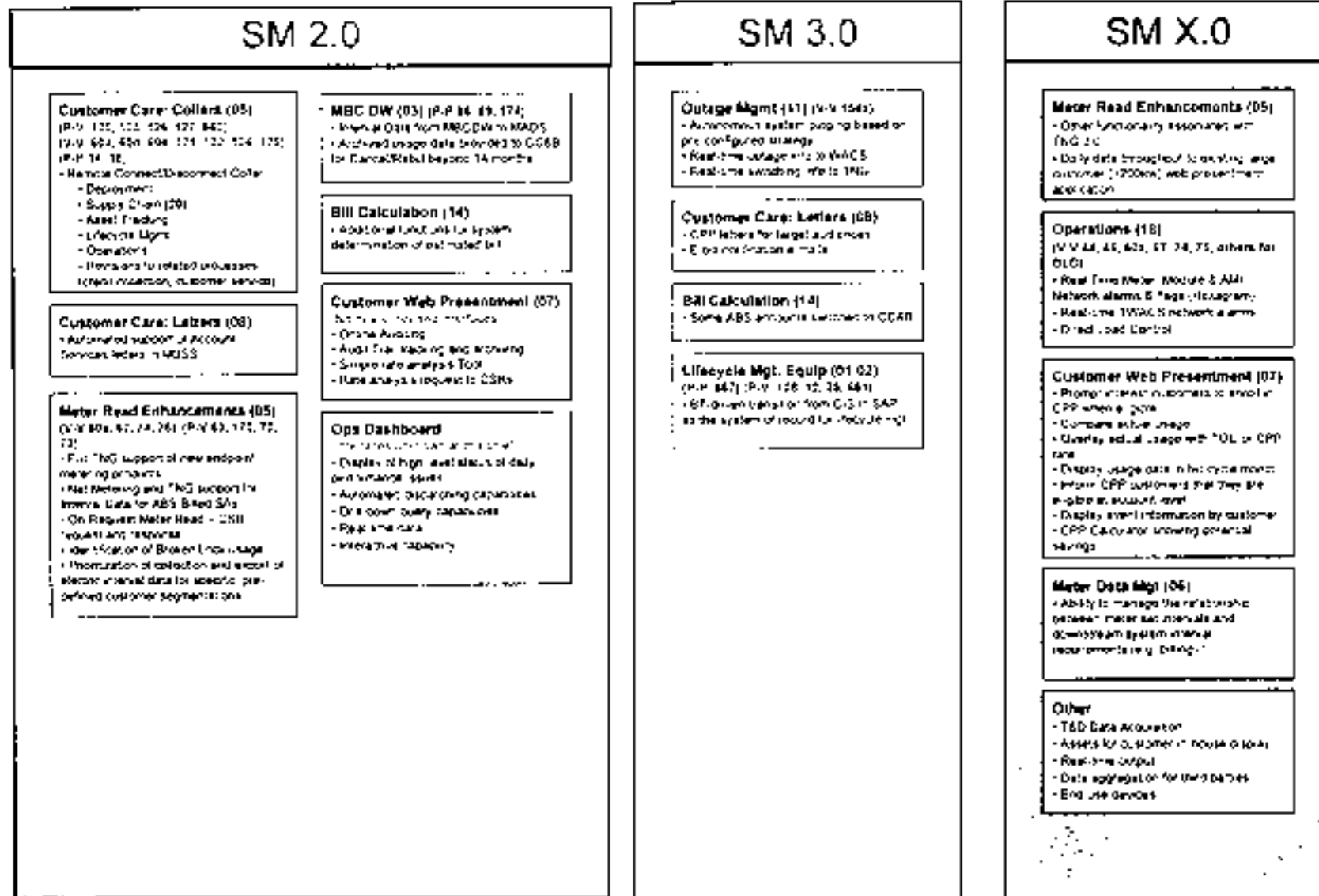
- ▶ Continued work with SDC and Systems Integration to work through detailed interface designs
- ▶ Schedule for SM 1.5 is being evaluated
- ▶ Test team assignments and responsibilities being finalized
- ▶ Targeting to have meter deployment and core billing functions available Dec. 18 for start of End-to-End testing

SM 1.0 and 1.5 Scope

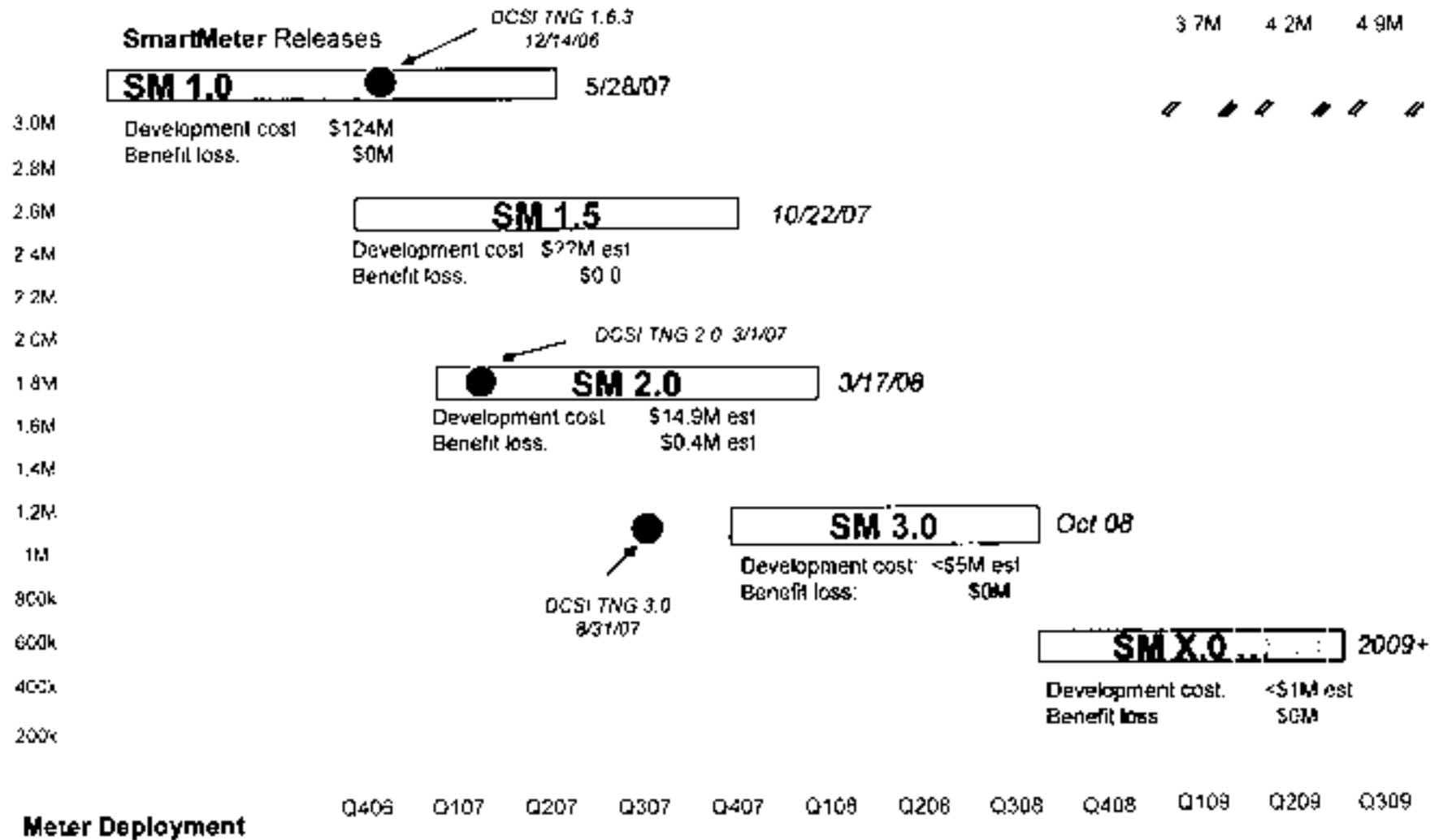


SM 2.0 Scope and beyond






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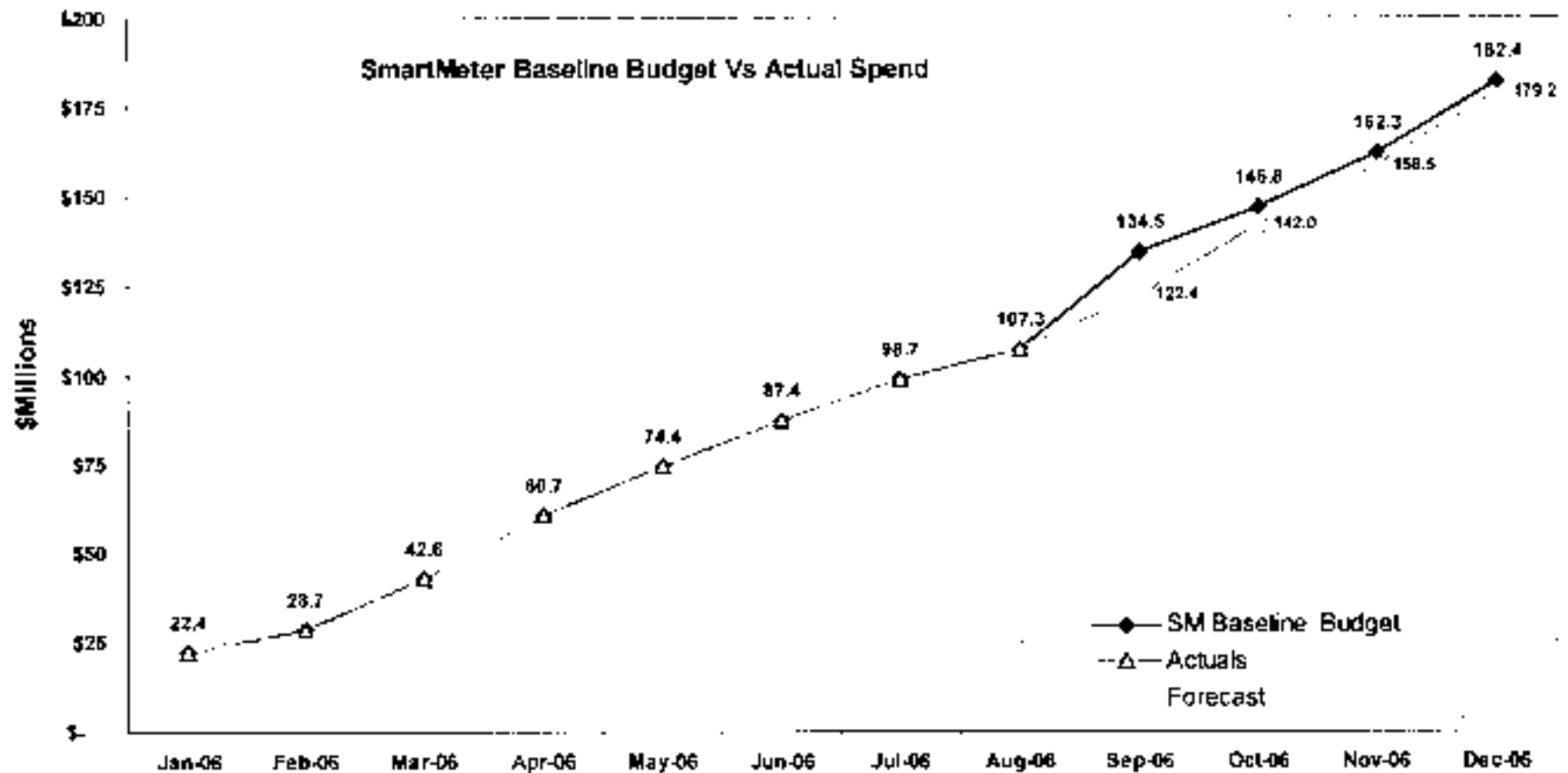
SM Future Release Timeline



Project Status

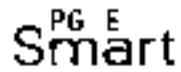
		Status	Remediation Actions
	Scope	<ul style="list-style-type: none"> SLAs with PG&E system owners for implementation are nearing completion (SDC interfaces) Design alternatives analysis complete Evaluating inclusion of SM1.5 release in overall scope 	<ul style="list-style-type: none"> Implemented system design freeze Confirming release schedule and scope for SM1.5 and SM2.0
	Schedule	<ul style="list-style-type: none"> System integration testing underway Field deployment underway Development efforts associated with interfaces will delay the project due to resource and delivery constraints 	<ul style="list-style-type: none"> Active management of SLAs Applying resources to attempt to mitigate schedule issues
	Budget	<ul style="list-style-type: none"> ISIS cost for SM1.0, 1.5 & 2.0 is under detailed analysis Release 2.0 delay beyond Jan 2008 will be significant on committed benefits realization 	<ul style="list-style-type: none"> Reviewing cost metrics: internal / external resources, budget to actual Review functionality for possible move into release 1.5
	Resources	<ul style="list-style-type: none"> Continued over-subscription of SMEs SDC requires 10 additional resources 	<ul style="list-style-type: none"> Awareness of issue sensitivity in scheduling meetings/activities Continual staffing assessment: SDC has added staff recently
	Issues	<ul style="list-style-type: none"> Integration with EDAM Foundational release Coordination of environments for testing Scaling of DCSI system controller hardware DCSI delivery timeline for TNG 2.0 	<ul style="list-style-type: none"> Increasing coordination planning Under investigation

Baseline Budget v Actual Spend



Actuals were \$19.6M for October vs. a budget of \$12.3M

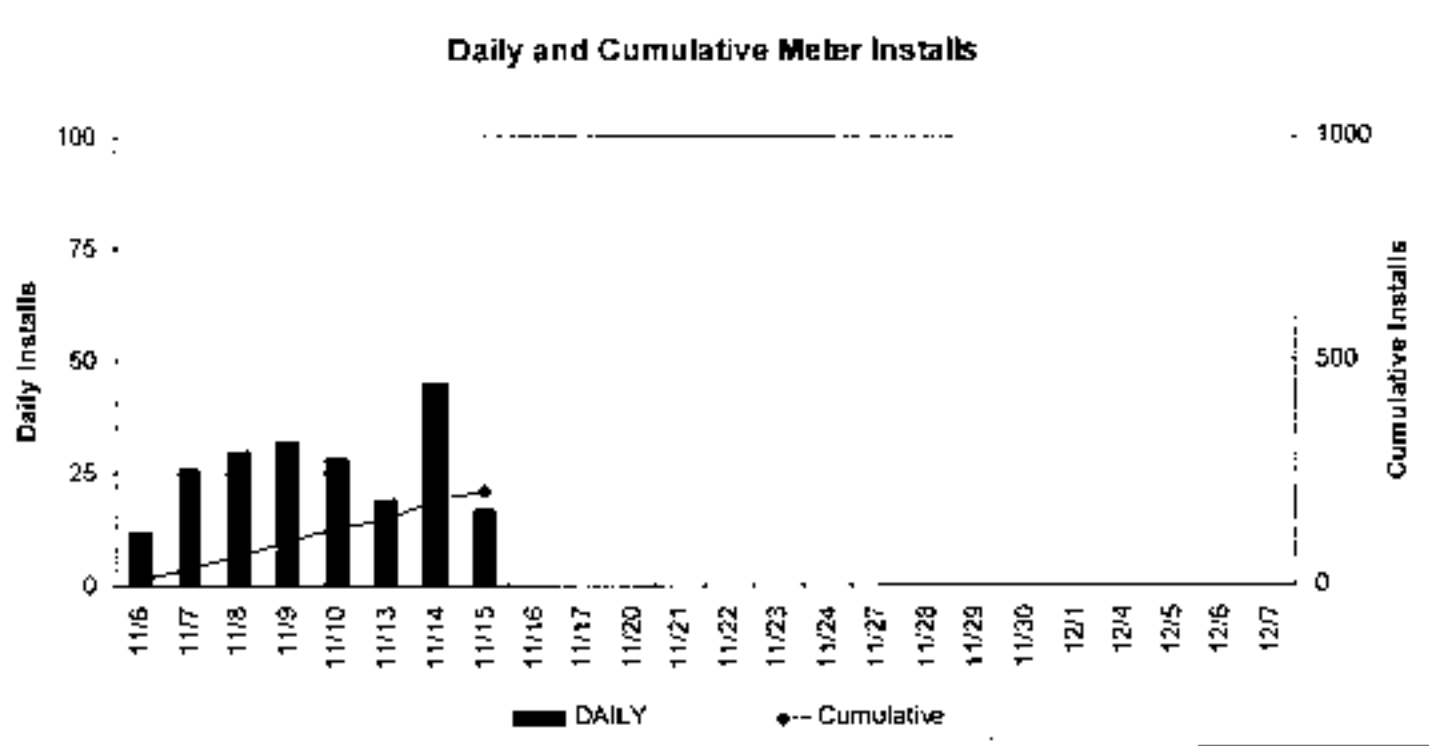
- Largely made up for the significant underrun in September
- > Currently tracking to spend \$115M of capital in 2006, vs cycle 3 forecast of \$122M



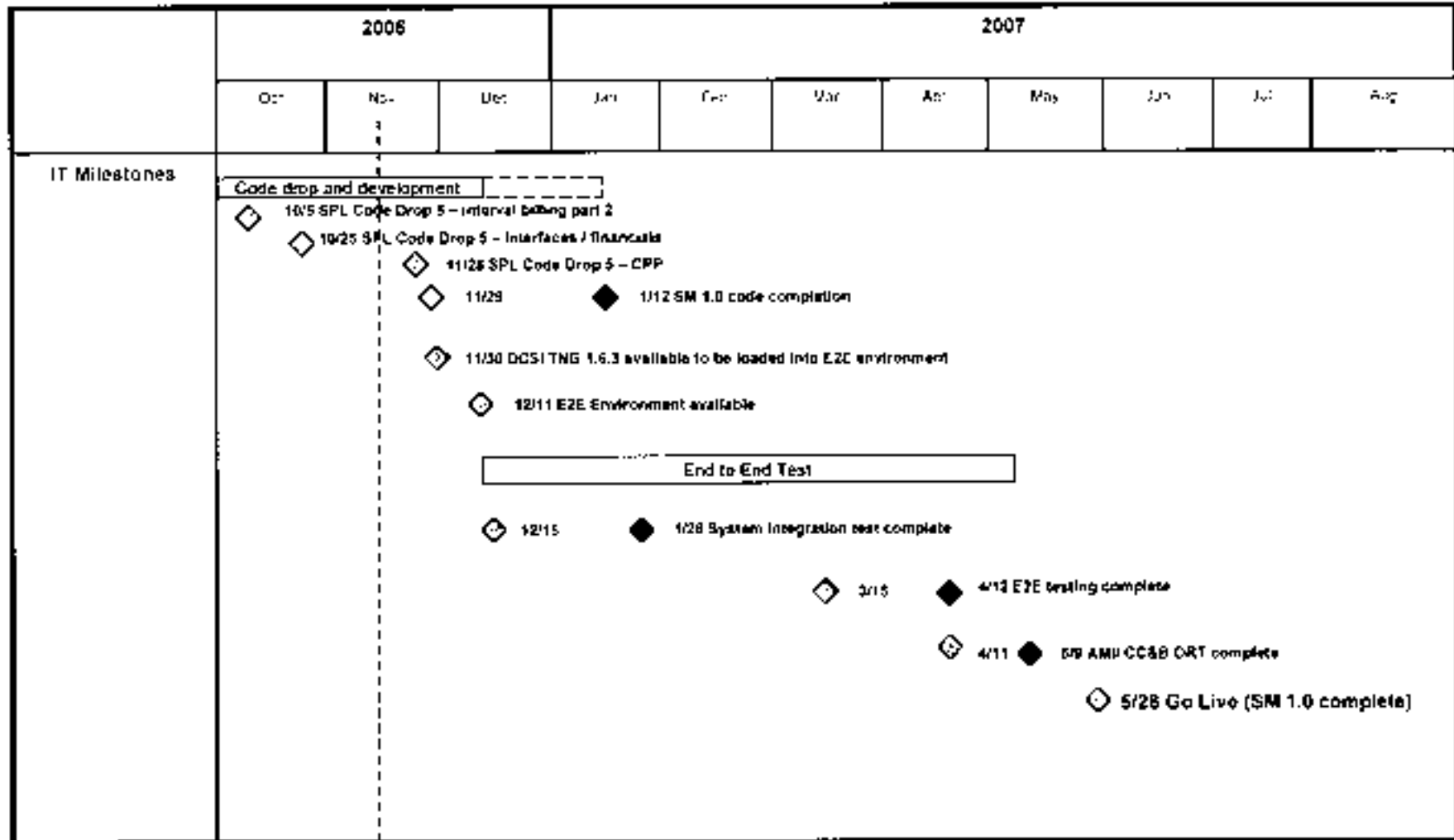
AMI DAILY METRIC REPORT

November 16, 2006

Installation	Wellington Activity		PG&E Activity		TOTAL
	Install Gas	Install Electric	Excludables	UTC	
Wednesday 11/15/2006	9	8	0	0	17
Total to Date	113	93	0	3	209



Schedule – SM 1.0 Revised



Contingency Draw - AMI

Contingency – Beginning Balance	\$129M
• <i>October 06 approved contingency draw</i>	<i>\$(2.9M)</i>
Net Balance.....	\$126.1M

Other Project Budget Indications

Expenditures forecast above original estimates

	<i>millions</i>
• CC&B Phase II	\$ 9.0
• CC&B Phase III	\$10.3
• SmartMeter 2.0	\$14.9
• Substations	<u>\$ 8.5</u>
Forecast of overruns	\$42.7

Expenditures forecast below original estimates

	<i>millions</i>
• IT operations	(\$ 7.4)
• SM operations	(\$ 8.9)
• Improved WAN	(\$ 6.5)
• Other	<u>(\$ 1.2)</u>
Forecast of underruns	(\$24.0)

Net forecast project overrun \$18.7M

Expenditures by Workstream

Pre-Deployment & Deployment

Capital Expenditure (000s)	Current Month			Year To Date			Inception to Date (YTD)			Total 2006		
	Actuals	Plan	Variance	Actuals	Plan	Variance	Actuals	Plan	Variance	Forecast	Plan	Variance
Workstream												
1 Director's PMO Office	\$ 2,875	\$ 1,683	\$ 1,191	\$ 18,636	\$ 18,337	\$ (349)	\$ 20,847	\$ 20,298	\$ (549)	\$ 21,785	\$ 21,436	\$ (349)
2 Deployment Office	\$ 177	\$ 228	\$ 51	\$ 1,402	\$ 1,507	\$ 104	\$ 1,428	\$ 1,542	\$ 104	\$ 1,879	\$ 1,980	\$ 108
3 Wellington												
4 DCSI (Except IT)												
5 Huiyagram (Except IT)												
6 Meters, Electric & Gas	\$ 402	\$ 37	\$ 1426	\$ 628	\$ 1,208	\$ 578	\$ 628	\$ 1,206	\$ 578	\$ 1,610	\$ 1,809	\$ 199
7 PG&E Gas Network Installation	\$ 24	\$ 35	\$ 11	\$ 28	\$ 81	\$ 54	\$ 28	\$ 61	\$ 34	\$ 125	\$ 159	\$ 34
8 PG&E Electric Network Install	\$ 124	\$ 119	\$ (5)	\$ 428	\$ 407	\$ (21)	\$ 487	\$ 476	\$ (11)	\$ 665	\$ 644	\$ (21)
9 PG&E UFG's & Evcl. Installation	\$ 144	\$ -	\$ 144	\$ 1,724	\$ 2,528	\$ 804	\$ 1,724	\$ 2,525	\$ 804	\$ 2,998	\$ 3,094	\$ 98
10 PG&E Electric & Gas WAN Install	\$ -	\$ 59	\$ 59	\$ 270	\$ 257	\$ (16)	\$ 273	\$ 257	\$ (16)	\$ 391	\$ 378	\$ (18)
11 Operations Office	\$ 457	\$ 738	\$ 281	\$ 3,235	\$ 3,508	\$ 271	\$ 3,302	\$ 3,524	\$ 221	\$ 4,804	\$ 5,025	\$ 221
12 Communications	\$ (5)	\$ 844	\$ 849	\$ 23	\$ 1,209	\$ 1,286	\$ 23	\$ 1,289	\$ 1,266	\$ 3,111	\$ 2,570	\$ (541)
13 Customer Web Presentation	\$ 56	\$ -	\$ (56)	\$ 491	\$ 326	\$ (165)	\$ 491	\$ 326	\$ (165)	\$ 2,205	\$ 2,150	\$ (55)
14 Demand Response Program	\$ 1	\$ 175	\$ 174	\$ -	\$ 175	\$ 174	\$ 1	\$ 175	\$ 174	\$ 879	\$ 1,059	\$ 174
15 CC&R Upgrade	\$ 5,589	\$ 5,570	\$ (11)	\$ 57,584	\$ 59,180	\$ 1,596	\$ 65,105	\$ 70,701	\$ 5,596	\$ 68,008	\$ 70,315	\$ 2,307
16 SmartMeter Applications	\$ 57	\$ 57	\$ (1)	\$ 4,160	\$ 6,757	\$ 2,597	\$ 5,550	\$ 8,156	\$ 2,597	\$ 5,550	\$ 8,148	\$ 2,597
17 IT Integration	\$ 5,776	\$ 1,021	\$ 12,854	\$ 20,310	\$ 17,348	\$ (2,962)	\$ 21,811	\$ 18,846	\$ (2,965)	\$ 24,572	\$ 21,707	\$ (2,865)
18 IT Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 Data Center	\$ 1,840	\$ 422	\$ 1,418	\$ 11,215	\$ 12,900	\$ 1,684	\$ 12,158	\$ 13,852	\$ 1,694	\$ 11,215	\$ 12,900	\$ 1,684
20 Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ -
21 Errors and Corrections	\$ 442	\$ -	\$ (442)	\$ 442	\$ -	\$ (442)	\$ 442	\$ -	\$ (442)	\$ -	\$ -	\$ -
22												
23 Project Total	\$ 15,568	\$ 12,312	\$ 17,256	\$ 124,632	\$ 129,460	\$ 4,777	\$ 142,010	\$ 146,787	\$ 4,777	\$ 161,870	\$ 165,070	\$ 3,150

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**SmartMeter™/CC&B Initiatives
Status Update
December 2006**



Agenda

- Key Project Communication
- Old Business
- Project Status
- Budget
- Schedule
- PwC PMO Quality Assurance
- > Next Steps

Key Project Communications

Deployment

- ▶ Construction and data center communications links are complete in 3 substations
- ▶ 60 DCUs installed; 89 to be completed by end of year
- ▶ 1,355 customer letters sent on 10/22; another 375 sent on 11/19
- ▶ Go decision on endpoints issued on November 1; 587 endpoints installed to date

SmartMeter 1.0 Release

- ▶ There are 81 interfaces required for 1.0: 20 are ready for E2E, 55 are in code development and unit test. 6 are awaiting design review
- ▶ Entrance criteria to begin end to end test on 12/18 will not be met: mitigation strategies include using a staggered approach to E2E test and reducing E2E cycles or reducing scope of elements tested to maintain the Go live date
- ▶ SmartMeter Ops on schedule to have all staff in place for the start of ORT

Test Plan Development

- ▶ Working to define the complete integrated testing picture (CC&B Integration Testing, SmartMeter End-to-End Testing, Operations Readiness Testing)
- ▶ Draft ORT schedule produced containing three cycles: March, April, May
- ▶ Continuing work on the baseline list of production application changes to CC&B scheduled between now and go-live in order to put the freeze in place

Final deliverables and CC&B status

Functional Changes

- ▶ Proposed closure of scope items outstanding: DASR, Rounding, Manual to Interval Transition, VEE Details, Letters (meeting to follow)
- ▶ All other functional requirements and functional designs complete. Sign-off reconciliation in progress
- ▶ November SPL delivery in test: two deliveries remain, December 28 and January 31
- ▶ Build of A6 rate complete and ready to move to functional test
- ▶ First set of soft table and Interface build work will be complete and ready for promotion to functional and integration test on Dec. 6

Re-platform

- ▶ First set of re-platform interfaces complete and ready to move to Integration test
- ▶ The following are the main activities underway (key checkpoint in mid-December):
 - ▶ Data Guard Installation, Change Data Capture Development, Data Conversion, Outage Window Planning and Timing, Performance Testing, Interfaces Development (Cobol, Seebeyond, Mercator)
- ▶ Continue to face challenges with getting the infrastructure setup

to Business





Proposed related application to include an electric usage output device to all customers

- ▶ Seven key work elements to be determined/completed prior to filing
 - ▶ Regulatory and filing strategy
 - ▶ Agreement with vendor on technology approach, including hardware availability & timeline and completing necessary contract revisions
 - ▶ Implications to prior system technology decisions and business case
 - ▶ Deployment strategy for output devices (including strategies for both installed AMI meters and AMI meters yet to be deployed)
 - ▶ Cost impacts of technology acquisition and deployment
 - ▶ Determination of output device related benefits
 - ▶ Detailed filing timeline and confirmation of filing target date
- ▶ Work already initiated to bring key stakeholders together for this review process
- ▶ Readiness for application filing targeted for early 2007

SmartMeter 1.5 / 2.0

- ▶ Scope and cost estimates being developed
- ▶ Planning objective for SM 1.5 is 4thQ 2007, SM 2.0 is 1stQ 2008

Project Status

		Status	Remediation Actions
	Scope	<ul style="list-style-type: none"> SLAs with PG&E system owners are nearing completion (SDC interfaces) Scope of SM1.5 & 2.0 releases not set 	<ul style="list-style-type: none"> Implemented system design freeze Firm up scope and timeline in December
	Schedule	<ul style="list-style-type: none"> Entrance criteria will likely not be met by 12/18 for end to end (E2E) test to begin Contention for environments with the start of ORT and E2E testing 	<ul style="list-style-type: none"> E2E testing is planned with staggered starts, further action plans are being developed Mitigation is under review
	Budget:	<ul style="list-style-type: none"> ISTS cost for SM1.0, 1.5 & 2.0 is under detailed analysis Release 2.0 delay beyond 1stQ 2008 will have a significant impact on committed benefits realization 	<ul style="list-style-type: none"> Reviewing cost metrics: internal / external resources, budget to actual Review functionality for possible move into release 1.5
	Resources	<ul style="list-style-type: none"> Continued over-subscription of SMEs 	<ul style="list-style-type: none"> Awareness of issue, sensitivity in scheduling meetings/activities

Project 2011.5 – Key Issues

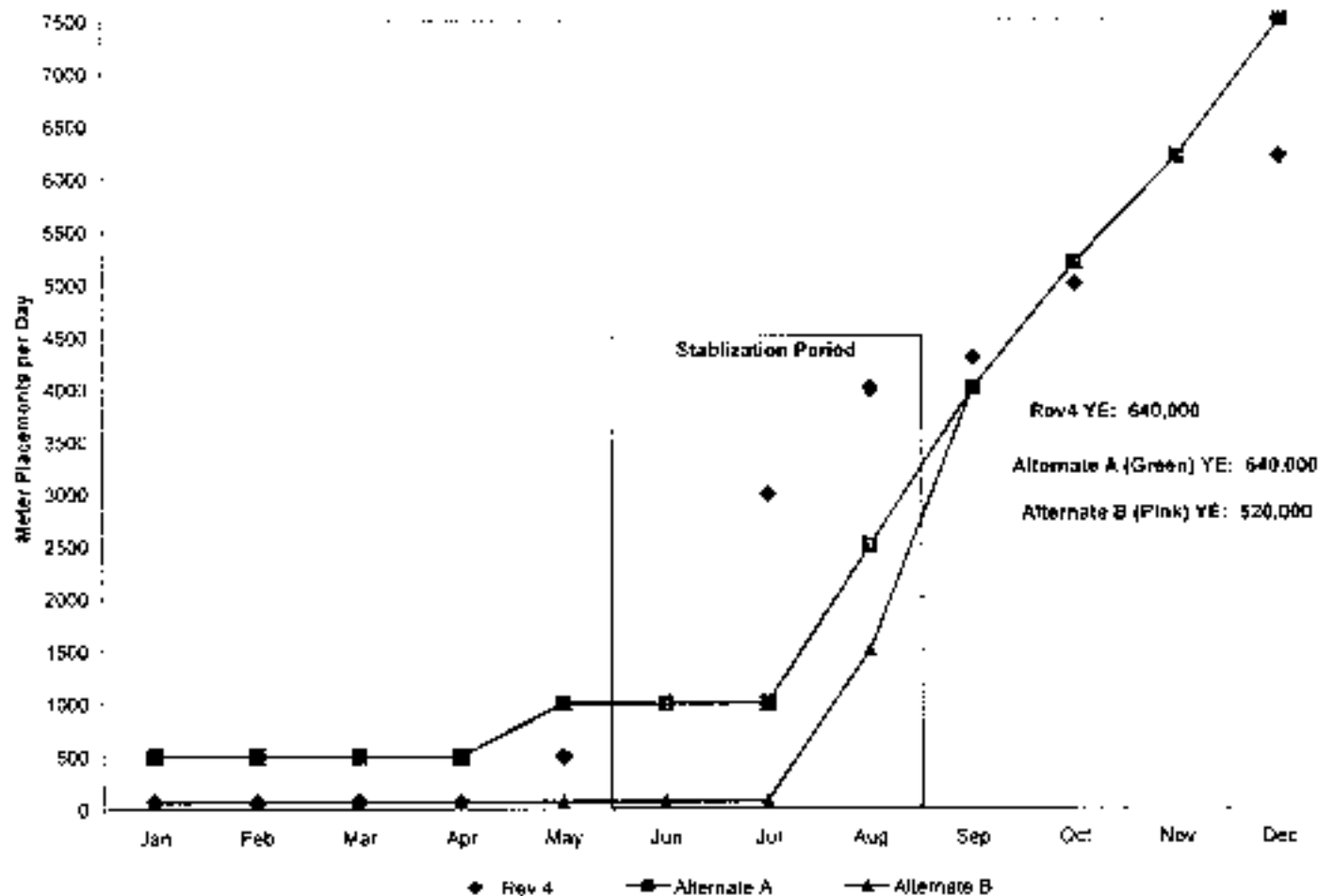
↔	Issue	Current status / downstream effect
Most critical	<p>E2E entrance criteria not met</p> <p>Testing documentation deliverables deadline not met</p> <p>Continue architecture and scalability issues with DCSI technology</p>	<p>Working through outstanding items required to be delivered</p> <p>Working with document owners to provide</p> <p>Monitoring DCSI development to ensure issues are being resolved</p>
Critical issues	<p>WACS to write service code for interfaces 11b/109b</p> <p>CC&B interface related delays (1D, 63, 170, 190, 60d/e)</p> <ul style="list-style-type: none"> · Transition from monthly to interval billing not set · Schedule delay for E2E test · Full pop file requires 15/60 minute indicator <p>System of record for interval size</p> <ul style="list-style-type: none"> · Meter exchanges scenarios: AMI to AMI 	<p>Rewrite underway conforming to changes</p> <p>Working with CC&B to obtain required interface deliverables</p> <p>Nearing completion on approach</p> <p>Stagger start being proposed as approach</p> <p>CC&B is evaluating what is required to include this information</p> <p>Currently evaluating CC&B as SOR</p> <ul style="list-style-type: none"> · Nearing resolution of this issue

Approvals Requested

- 1) Approve purchase of IBM P570 servers for the DCSI distributed master controllers
 - ▶ Initial expectation was P55As would be satisfactory, vendor scalability tests now show P570s will be required
 - ▶ Cost impact to the project: [REDACTED]
 - ▶ Risk: system must still be proven to scale to 100k meters per DMC, or additional P570s will be required
 - ▶ Recommendation: approve purchase, track as pending contingency draw, evaluating contractual obligations of the vendor

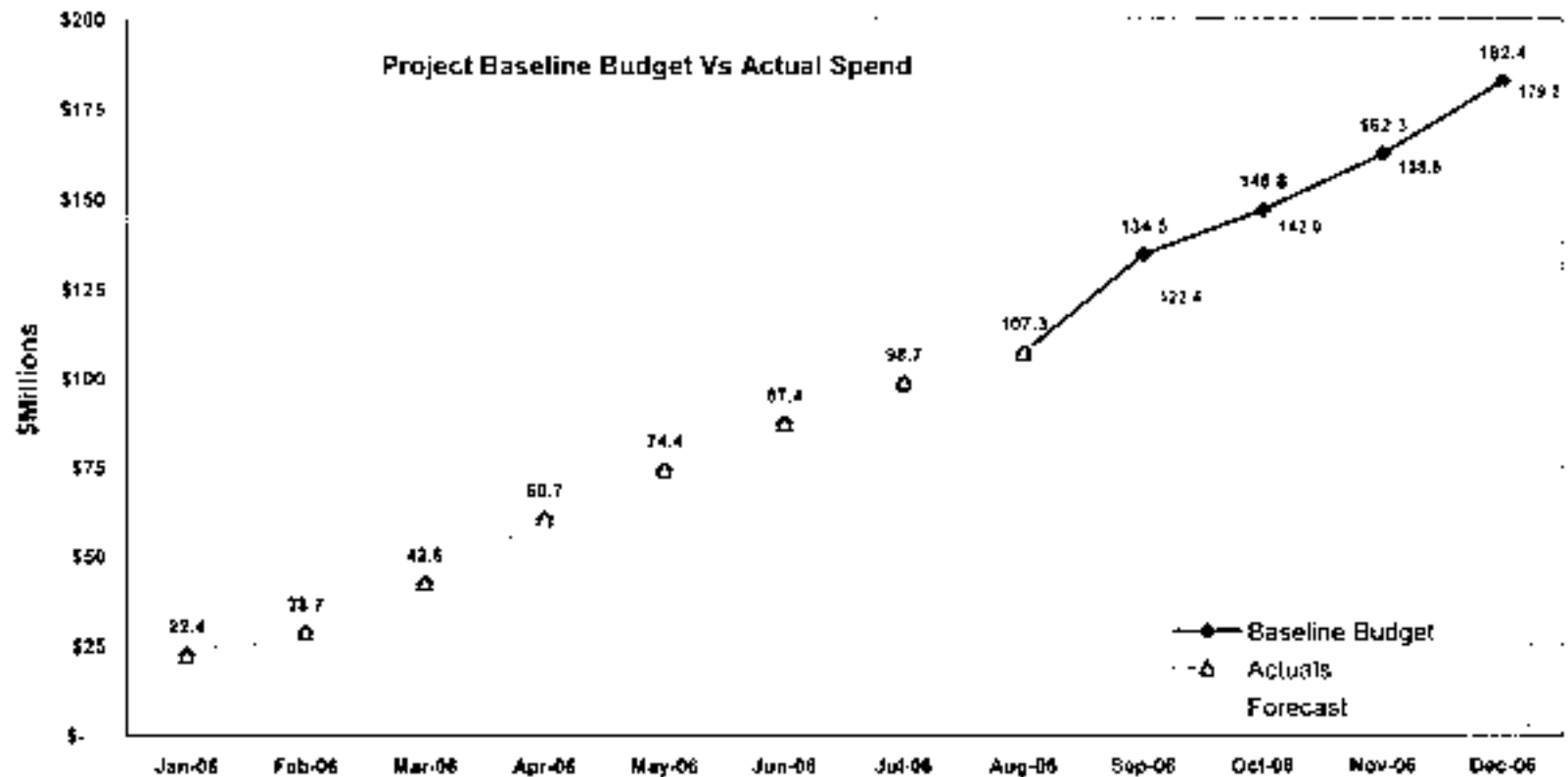
- 2) Meter deployment levels during initial deployment and post-SM1.0 Go Live stabilization period
 - ▶ Meter deployment is currently authorized at 50-100 meters per day
 - ▶ Initial process check-in on November 30 indicated that 500 per day is possible, and even 1000 per day with Wellington and supplier concurrence
 - ▶ Risk: defect fixed during stabilization period will draw resources, system would be put at risk for large processing increases
 - ▶ Recommendation: approve post live deployment at the sustained level of initial deployment through the first six-eight weeks, likely to be at 1000 meter placements per day (see graph next page)

2021 Meter Deployment Scenarios



- What rate should meter deployment stabilize at post-Go live?
- Should the project consider a billing stabilization after Go live?

Baseline Budget Vs Actual Spend



Note: Monthly budget report was not available in time for the meeting

An addendum will be sent when cost reports are available and have been processed

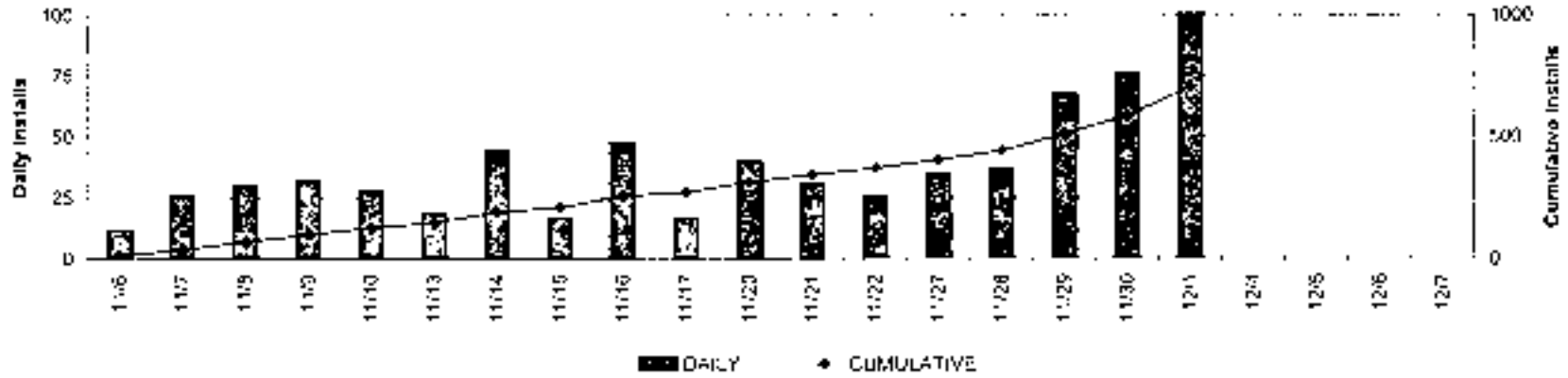
Budget, Actuals & Forecast Review

In thousands									
Area	Budget Re-baseline	Approved PDFs	Total Approved Spend	Actuals (ITD thru Oct06)	Remainder	Forward Spend Forecast	Total Project Spend	Net	
Architecture	2,506	0	2,506	3,244	(738)	0	3,244	(738)	
Process development	7,451	0	7,451	4,549	2,902	2,080	7,529	(78)	
System integration	14,366	0	14,366	7,960	6,406	8,339	16,299	(1,933)	
Test	8,942	0	8,942	5,859	3,083	3,300	9,159	(217)	
SM Integration	33,265	0	33,265	21,611	11,654	14,619	38,230	(2,965)	
CC&B Phase I	15,500	12,788	28,288	29,696	(1,408)	0	29,696	(1,408)	
CC&B Phase II	18,300	2,000	20,300	12,099	8,201	23,475	35,574	(15,274)	
CC&B Phase III	35,800	0	35,800	22,802	12,998	10,570	33,372	2,428	
CC&B - SM 2.0	0	0	0	0	0	4,824	4,824	4,824	
CC&B - All phases	69,600	14,788	84,388	64,597	19,791	38,869	103,466	(19,078)	
Legacy Apps	7,229	0	7,229	1,500	5,729	5,729	7,229	0	
Facilities	2,251	0	2,251	1,552	699	812	2,364	(113)	
SM Hardware	27,828	0	27,828	8,106	18,822	17,515	26,621	1,307	
Data Center	37,408	0	37,408	12,158	25,250	24,056	36,214	1,194	
SM Applications	16,928	0	16,928	5,559	11,369	8,771	14,330	2,598	
All Items Shown	157,201	14,788	171,989	103,925	68,064	88,315	190,240	(18,251)	

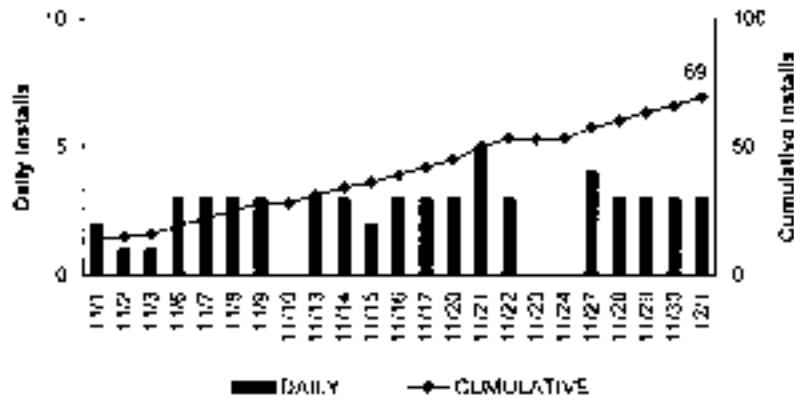
Note: Monthly budget report was not available in time for the meeting

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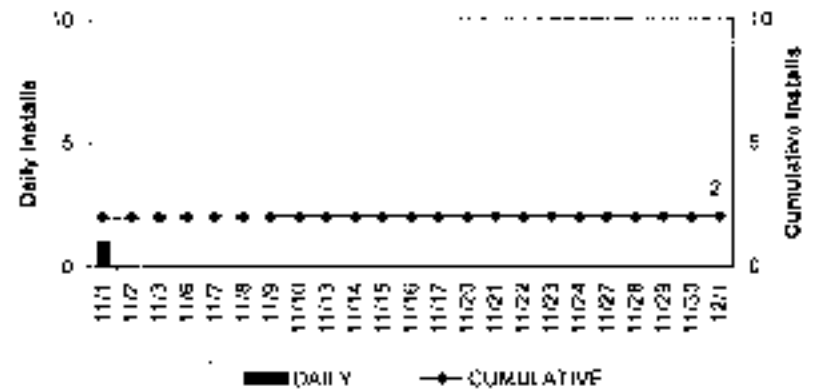
Daily and Cumulative Meter Installs



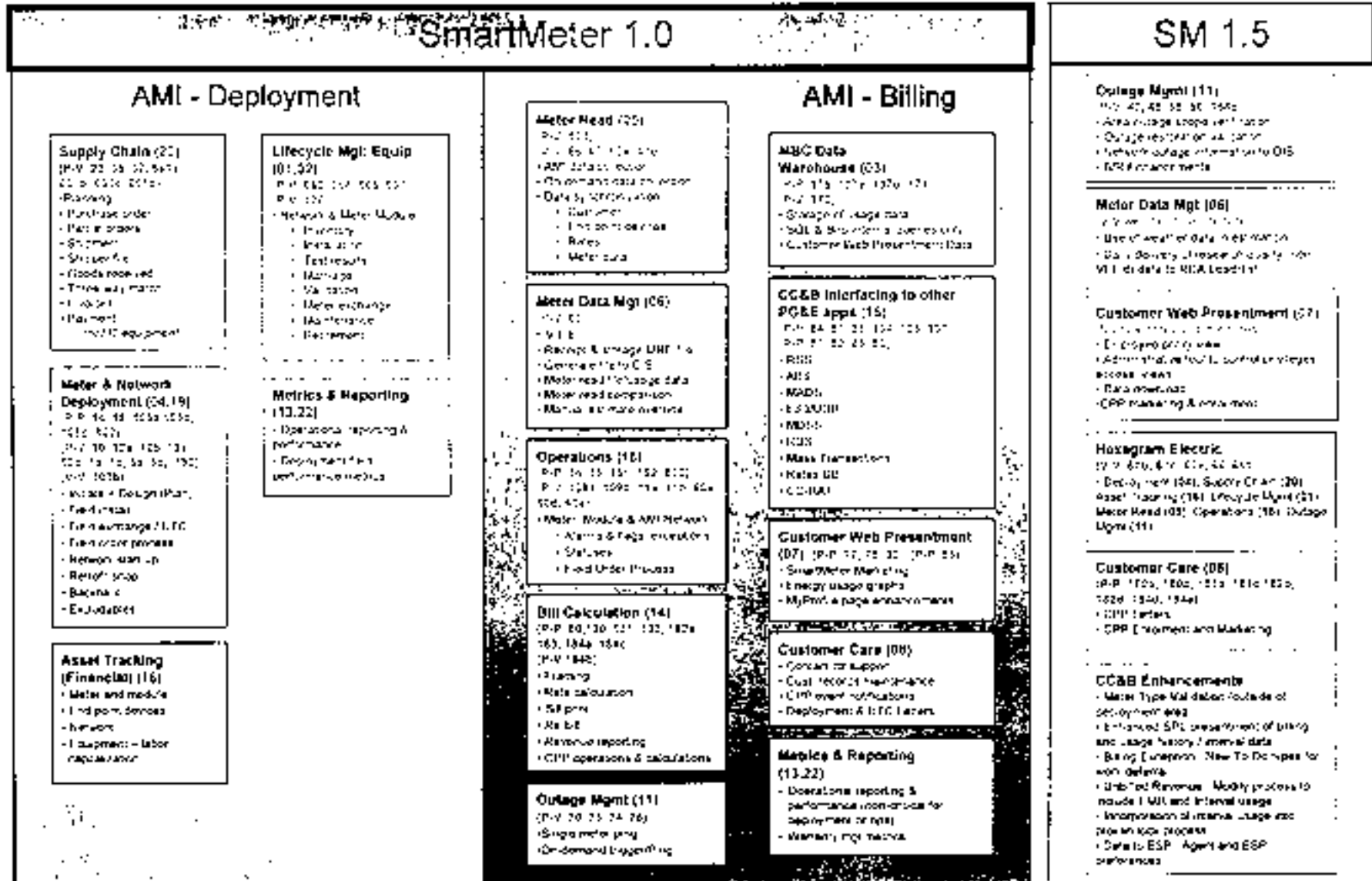
Daily and Cumulative DCU Installs



Daily and Cumulative Substation Installs



Smart 1.0 and 1.5 Scope Content Proposal

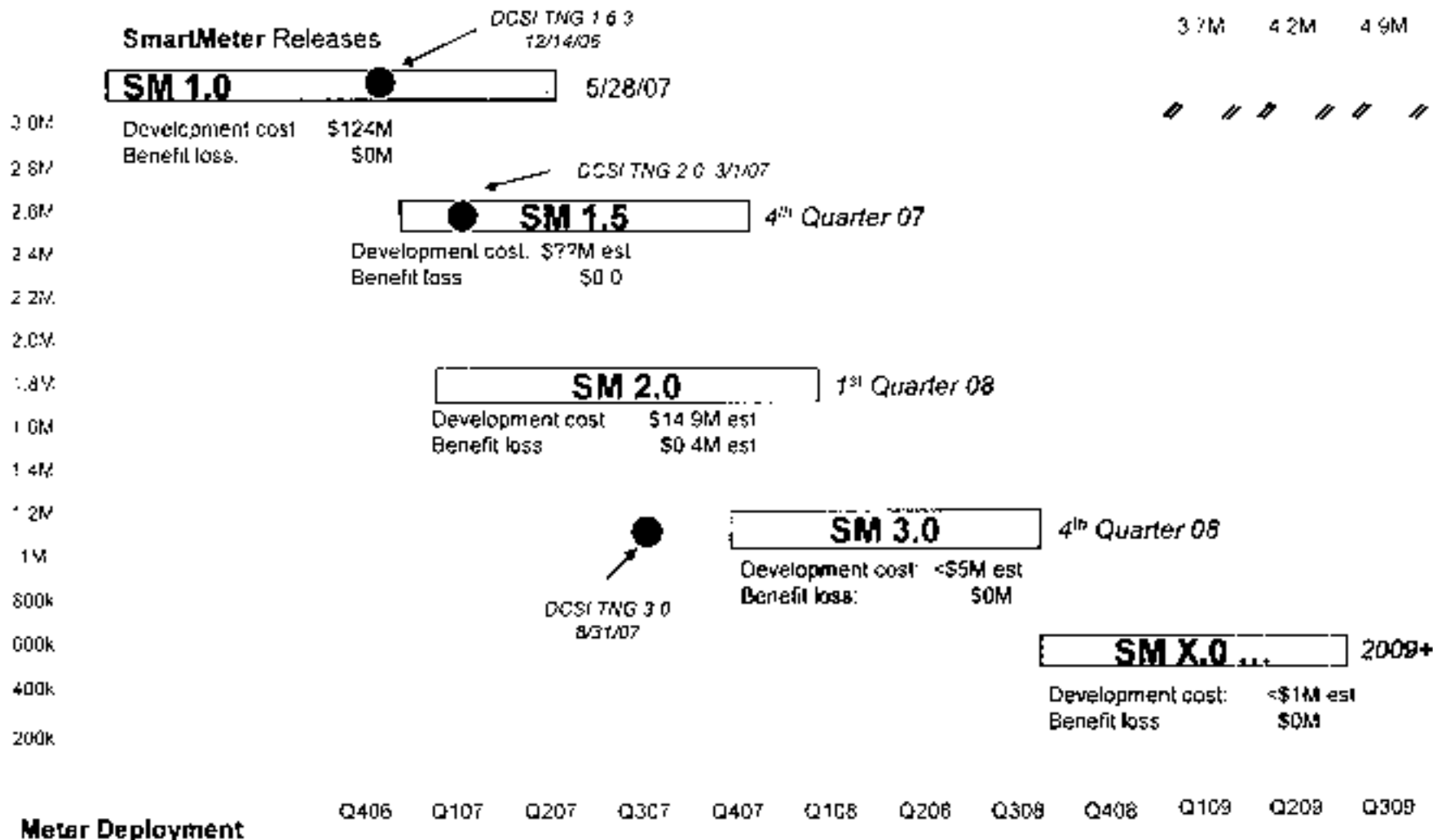


SM 2.0 Scope and beyond

PG E
Smart

SM 2.0	SM 3.0	SM X.0
<p>Customer Care: Collars (23) (P-P 113, 130, 131, 127, 843) (P-P 108, 811, 129, 121, 122, 124, 125) (P-P 14, 15)</p> <ul style="list-style-type: none"> - Remote Control (Smart) Collar <ul style="list-style-type: none"> - Break alert - Supply Chain (22) - Asset Tracking - Lifecycle Mgmt - Operations - Real-time or near-real-time processes - Alert notification customer service <p>Customer Care: Letters (108) - Automated support of Account Services within MMS</p> <p>Meter Read Enhancements (65) (P-P 86a, 47, 74, 75) (P-P 82, 170, 70, 72)</p> <ul style="list-style-type: none"> - Full TNC support of new endpoint metering products - No-Metering and TNC support for wireless Data for ABS, Flow, SAs - On-Knowest Meter Read - CSR request and response - Validation of Prepaid Lock usage - Provision of collection and upload of electric interval data for accurate pre-read customer segmentations <p>MBC DM (83) (P-P 54, 59, 174)</p> <ul style="list-style-type: none"> - Interval Data from RRU (2P) to MADS - Accumulate usage data per customer (CMM) for Customer Rel. Beyond 24 months <p>Bill Calculation (14) - Additional features for system performance of estimated bill</p> <p>Customer Web Presentation (67) - Real-time meter status display <ul style="list-style-type: none"> - Online Auditing - Audit Trail: logging and archiving - Simple rate analysis tool - Rate analysis required for CSRs <p>Ops Dashboard - Real-time meter status display <ul style="list-style-type: none"> - Display of high-level status of daily performance issues - Automated dispatching capabilities - On-demand query capabilities - Real-time data - Instantaneous capacity </p></p>	<p>Outage Mgmt (11) (P-P 134a)</p> <ul style="list-style-type: none"> - Automated system ping based on pre-configured strategy - Real-time usage info to MADS - Real-time switching info to TNC <p>Customer Care: Letters (108) - CPP letters for target audience <ul style="list-style-type: none"> - Email notifications and alerts <p>Bill Calculation (14) - Scale ABS shipments according to CCR</p> <p>Lifecycle Mgt: Equip (1,102) (P-P 847) (P-P 108, 12, 26, 641)</p> <ul style="list-style-type: none"> - ST driven transfer from C/S to SAP as the system of record for lifecycle mgt </p>	<p>Meter Read Enhancements (65) - Other functionality associated with TNC 2.0</p> <ul style="list-style-type: none"> - Daily data brought to front using large customer (270a) web presentation application <p>Operations (15) (P-P 44, 45, 62a, 67, 74, 76, others for DSG)</p> <ul style="list-style-type: none"> - Real-time Meter (Module 3 AND) for usage alarm & flag (read only) - Real-time TNC 5 network alarm - Power Loss Control <p>Customer Web Presentation (67) - Prompt interest customers to enroll in LHM when eligible <ul style="list-style-type: none"> - Compare actual usage - Overlay actual usage with TD/CP or CPP rate - Display usage data in 14 cycle month - Inform CPP customers that they are eligible for account take - Enable event notification to customer - CPP/C relative showing potential savings <p>Meter Data Mgt (66) - Ability to manage the relationship between meter set, flows and downstream system status requirements (e.g. billing)</p> <p>Other</p> <ul style="list-style-type: none"> - TNC Data Acquisition - Alerts for customer in-house display - Real-time output - Data aggregation for meter parties - End-use devices </p>

SM Future Release Timeline



Contingency Draw - AIA

Contingency – Beginning Balance	\$129M
• <i>October 06 approved contingency draw</i>	<i>\$(2.9M)</i>
Net Balance.....	\$126.1M

Other Project Budget Indications

Expenditures *forecast* above original estimates

	<i>millions</i>
• CC&B Phase II	\$ 9.0
• CC&B Phase III	\$10.3
• SmartMeter 2.0	\$14.9
• Substations	<u>\$ 8.5</u>
Forecast of overruns	\$42.7

Expenditures *forecast* below original estimates

	<i>millions</i>
• IT operations	(\$ 7.4)
• SM operations	(\$ 8.9)
• Improved WAN	(\$ 6.5)
• Other	<u>(\$ 1.2)</u>
Forecast of underruns	(\$24.0)

Net forecast project overrun

\$18.7M

Expenditures by Workstream

Pro-Deployment & Deployment												
Capital Expense (2005)	Current Month			Year To Date			Inception to Date (ITD)			Total 2006		
	Actuals	Plan	Variance	Actuals	Plan	Variance	Actuals	Plan	Variance	Forecast	Plan	Variance
Workstream												
1 Director's PMO Office	\$ 2,675	\$ 1,000	\$ (1,675)	\$ 18,556	\$ 18,537	\$ (19)	\$ 20,647	\$ 20,758	\$ (111)	\$ 21,783	\$ 21,436	\$ (347)
2 Deployment Office	\$ 177	\$ 228	\$ 51	\$ 1,433	\$ 1,507	\$ (74)	\$ 1,408	\$ 1,542	\$ (134)	\$ 1,873	\$ 1,680	\$ (193)
3 Wellington												
4 DCSI; Except IT												
5 Hexagram; Except IT												
5 Meters, Electric & Gas	\$ 462	\$ 37	\$ (425)	\$ 578	\$ 1,706	\$ (1,128)	\$ 628	\$ 1,206	\$ (578)	\$ 1,510	\$ 1,809	\$ (299)
7 PG&E Gas Network Installation	\$ 24	\$ 35	\$ (11)	\$ 25	\$ 61	\$ (36)	\$ 28	\$ 61	\$ (33)	\$ 125	\$ 159	\$ (34)
8 PG&E Electric Network Install	\$ 124	\$ 119	\$ (5)	\$ 428	\$ 407	\$ (21)	\$ 497	\$ 476	\$ (21)	\$ 665	\$ 644	\$ (21)
9 PG&E LTC's & Fuel Installation	\$ 144	\$ -	\$ (144)	\$ 1,724	\$ 2,528	\$ (804)	\$ 1,724	\$ 2,528	\$ (804)	\$ 2,996	\$ 3,094	\$ (98)
10 PG&E Electric & Gas W&M Install	\$ -	\$ 50	\$ (50)	\$ 273	\$ 257	\$ (16)	\$ 273	\$ 217	\$ (56)	\$ 351	\$ 316	\$ (35)
11 Operations Office	\$ 457	\$ 708	\$ (251)	\$ 3,275	\$ 3,506	\$ (231)	\$ 3,302	\$ 3,524	\$ (222)	\$ 4,804	\$ 5,025	\$ (221)
12 Communications	\$ (51)	\$ 684	\$ (735)	\$ 27	\$ 1,284	\$ (1,257)	\$ 29	\$ 1,720	\$ (1,691)	\$ 3,111	\$ 2,570	\$ (541)
13 Customer Video Presentation	\$ 56	\$ -	\$ (56)	\$ 431	\$ 326	\$ (105)	\$ 491	\$ 328	\$ (163)	\$ 720	\$ 2,150	\$ (1,430)
14 Demand Response Program	\$ 1	\$ 175	\$ (174)	\$ 1	\$ 175	\$ (174)	\$ 1	\$ 175	\$ (174)	\$ 178	\$ 1,050	\$ (872)
15 CG&B Upgrade	\$ 5,989	\$ 5,878	\$ (111)	\$ 57,564	\$ 59,160	\$ (1,596)	\$ 69,105	\$ 70,761	\$ (1,656)	\$ 68,000	\$ 70,375	\$ (2,375)
16 SmartMeter Applications	\$ 57	\$ 57	\$ (0)	\$ 4,160	\$ 6,757	\$ (2,597)	\$ 5,559	\$ 8,156	\$ (2,597)	\$ 5,550	\$ 8,148	\$ (2,598)
17 IT Integrator	\$ 1,770	\$ 1,521	\$ (249)	\$ 23,312	\$ 17,348	\$ (5,964)	\$ 21,811	\$ 18,646	\$ (3,165)	\$ 24,672	\$ 21,707	\$ (2,965)
18 IT Maintenance	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ (0)
19 Data Center	\$ 1,840	\$ 422	\$ (1,418)	\$ 11,215	\$ 12,905	\$ (1,690)	\$ 12,100	\$ 13,852	\$ (1,752)	\$ 11,215	\$ 12,905	\$ (1,690)
20 Contingency	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ (0)	\$ 4,000	\$ 4,000	\$ (0)
21 Errors and Corrections	\$ 442	\$ -	\$ (442)	\$ 442	\$ -	\$ (442)	\$ 442	\$ -	\$ (442)	\$ -	\$ -	\$ (0)
22												
23 Project Total	\$ 15,588	\$ 12,912	\$ (2,676)	\$ 124,553	\$ 129,460	\$ (4,907)	\$ 142,010	\$ 146,727	\$ (4,717)	\$ 151,920	\$ 155,070	\$ (3,150)

Note: Monthly budget report was not available in time for the meeting

An addendum will be sent when cost reports are available and have been processed

Public Version



PG&E
SmartMeter

**SmartMeter™/CC&B Initiatives
Status Update
January 2007**



Agenda

- ▶ Key Project Communication
- ▶ Old Business
- ▶ Project Status
- ▶ Budget
- ▶ Schedule
- ▶ Next Steps

Key Project Communication

▶ Deployment

- ▶ Completed: 5 Substations, 94 gas network DCUs, 6633 endpoints (incl. Vacaville)
- ▶ DCU site surveys are now complete for Fresno; Concord will be completed this week
- ▶ Two customer issues identified to date; Service Planning is contacting the customers to resolve
 - ▶ E meter covered with stucco and E meter covered with addl panel with stripped screws
- ▶ The first delivered DCSI XMP modules have been returned due to incorrect firmware

▶ SmartMeter 1.0 Release

- ▶ There are 81 interfaces required for 1.0: 40 are ready for E2E, 41 are in code development and unit test
- ▶ First phase of the staggered start End to End testing to begin on 1/22
- ▶ Plan is being developed to identify scope options to meet 5/28 go live. Scope options plan to be completed by 1/12
- ▶ SM operations is testing recently installed software on Vacaville meter-modules

▶ Testing

- ▶ Working to define the complete integrated testing picture (CC&B Integration Testing, SmartMeter End-to-End Testing, Operations Readiness Testing)
- ▶ ORT plan defined with three cycles: March, April, May
- ▶ Several requests for Scope Freeze Exception. Presenting first set on Friday, 01/12/07

SmartMeter 1.0 – CC&B status

▶ Functional Changes

- ▶ Scope items outstanding: meter exchange issue
- ▶ All other functional requirements and functional designs complete. Sign-off of detailed test plans in progress
- ▶ December SPL delivery in test; one delivery remains: January 31
- ▶ Build of all four “Tier 1” rates plus one “Tier 2” rate complete and in functional test. Three more “Tier 2” rates moving to functional test this week.
- ▶ Two large blocks of soft tables and Interface build items have been completed and promoted to functional and integration test environments. Testing in progress.

▶ Re-platform





- ▶ First set of re-platform interfaces completed and moved to Integration test
- ▶ Batch has been successfully executed in Full Scale Test Environment (FSTE)
- ▶ The following are the main activities underway (key checkpoint in mid-December):
 - ▶ Data Guard Installation, Change Data Capture Development, Data Conversion, Outage Window Planning and Timing, Performance Testing, Interfaces Development (Cobol, Seebeyond, Mercator)
- ▶ Continue to face challenges with getting the infrastructure setup

AMI Semi-Annual Assessment

- ▶ As directed in the AMI project order by the CPUC, the Project is to submit a semi-annual self assessment that includes –
 - ▶ An industry update on the state of AMI metering technology
 - ▶ An assessment of the system performance and Project cost effectiveness
 - ▶ Indications of customer interest in real time usage information
- ▶ The assessments are due Jan 20 and July 20 of each year
- ▶ The reports are made available to the service list, but customer and market sensitive data may be protected as appropriate

- ▶ Drafts of the first filing due Jan 20 will be available tomorrow

Project Status

		Status	Remediation Actions
	Scope	<ul style="list-style-type: none"> ▶ SLAs with PG&E system owners are nearing completion (SDC interfaces) ▶ Scope of SM1.5 & 2.0 releases not set 	<ul style="list-style-type: none"> ▶ Implemented system design freeze ▶ Firm up scope and timeline in February
	Schedule	<ul style="list-style-type: none"> ▶ End to end test strategy must be revised to maintain Release 1.0 schedule 	<ul style="list-style-type: none"> ▶ E2E testing is planned with revised approach to potentially reduce elapsed time
	Budget	<ul style="list-style-type: none"> ▶ SM 1.5 & 2.0 will likely require contingency funds ▶ DCSI server configuration requires 4x processor ▶ Systems integration contracts for IBM, EDS need to be extended 	<ul style="list-style-type: none"> ▶ As planned, analysis to begin in February ▶ Evaluating contractual obligations ▶ See requested action page
	Resources	<ul style="list-style-type: none"> ▶ Overlapping releases (1.0, 1.5, 2.0) is causing resource contention 	<ul style="list-style-type: none"> ▶ Will be addressed in the system integrator contract extension

Project Status – Key Issues

↔	Issue	Current status / downstream effect
Most critical	<ul style="list-style-type: none"> ▶ WACS to rewrite Service Order Engine (SOE) code for SDC web services in lieu of 11b/109b ▶ Isolated E2E Test Environment ▶ Meter Exchanges billing scenarios 	<ul style="list-style-type: none"> ▶ Code to be rewritten and be delivered 2/19/07 ▶ Infrastructure team assessing the requirements and feasibility ▶ Technical solutions agreed and in progress. Process changes to reduce estimation being assessed (e.g. extending the blackout window)
Critical issues	<ul style="list-style-type: none"> ▶ Data Mapping for 60d/e changing after WACS code delivery ▶ Schedule Delay for E2E Test ▶ Bill rounding issue - DCSI Anchor reads are 3 decimal places - CC&B needs 6 ▶ ORT Cycle Begins 3/1 while E2E Ends 4/24 ▶ Viability assessment of DCSI technical design 	<ul style="list-style-type: none"> ▶ WACS can still commit to the original due dates but will propose a PDR ▶ Collaborative CC&B/SM testing approach presented to the PMO. PDR pending to adjust IBM contract ▶ Resolved on 1/8/07 in meeting with Helen Burt ▶ Environment contention issue being resolved. Concurrent ORT/E2E testing risks to be evaluated ▶ A SWAT team to undertake architectural evaluation. Existing 3rd party architecture/performance report to be reviewed by PG&E

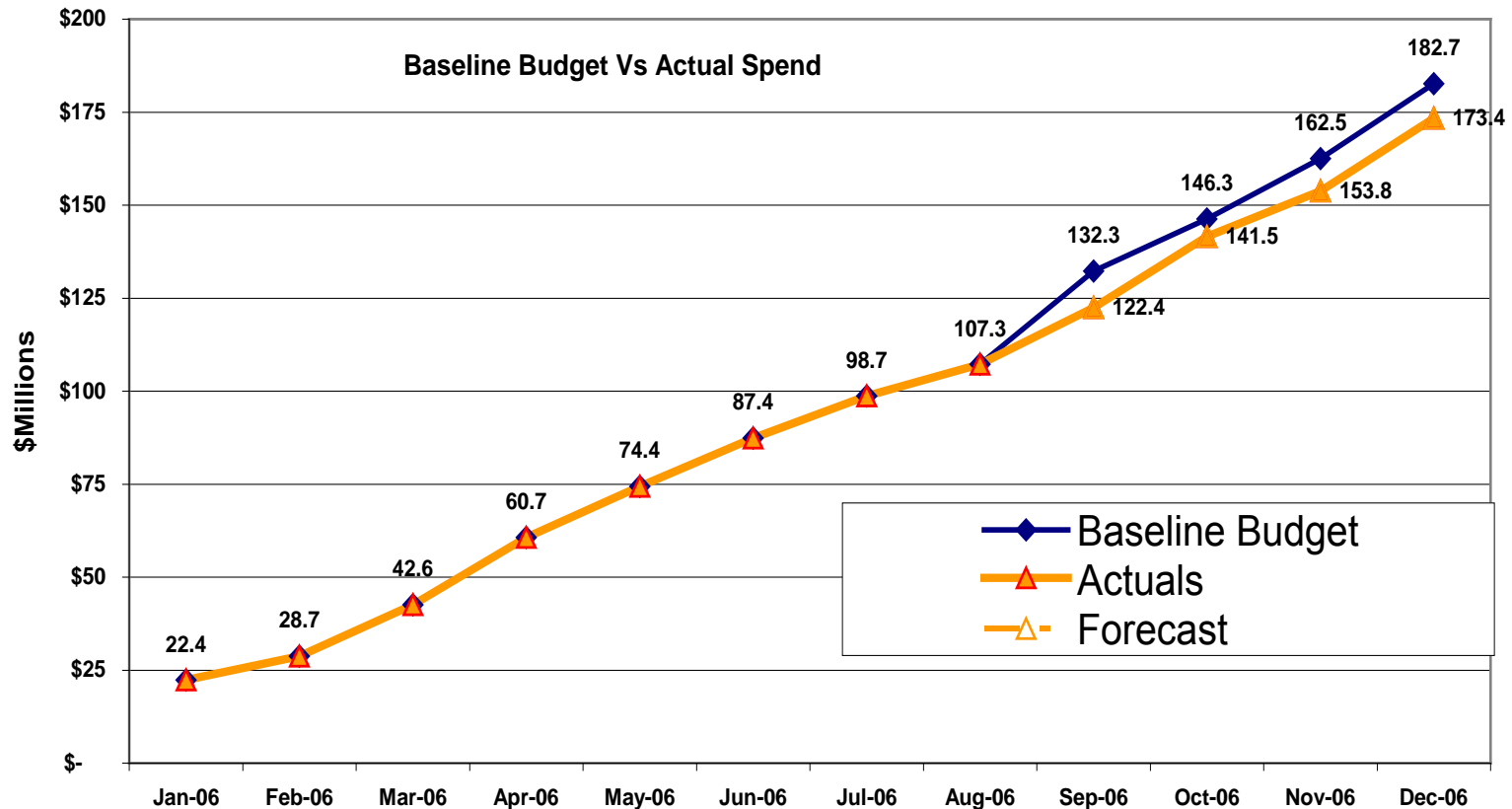
Approvals Requested

- ▶ 1) DCSI server configuration
 - ▶ Initial expectation was P55As would be satisfactory, vendor scalability tests now show P570s will be required
 - ▶ Cost impact to the project: [REDACTED] (not in budget – buys up to 1.2M electric meters)
 - ▶ Risk: system must still be proven to scale to 100k meters per DMC, or additional P570s will be required
 - ▶ **Recommendation:** approve purchase, track as pending contingency draw, evaluating contractual obligations of the vendor

- ▶ 2) EDS (integrator working on WACS software)
 - ▶ Extend work for meter exchange patch, system integration for additional SM releases through Dec 07: [REDACTED] ([REDACTED] in budget, [REDACTED] to be added to pending contingency draw)

- ▶ 3) IBM (integration & PMO work)
 - ▶ Extend contract through SM 1.0 stabilization: [REDACTED]; ([REDACTED] in budget for 2007)

Baseline Budget v Actual Spend



Actuals were \$19.6M for December vs. a budget of \$20.1M

► Final spend of \$118M of capital in 2006, vs original budget of \$154M

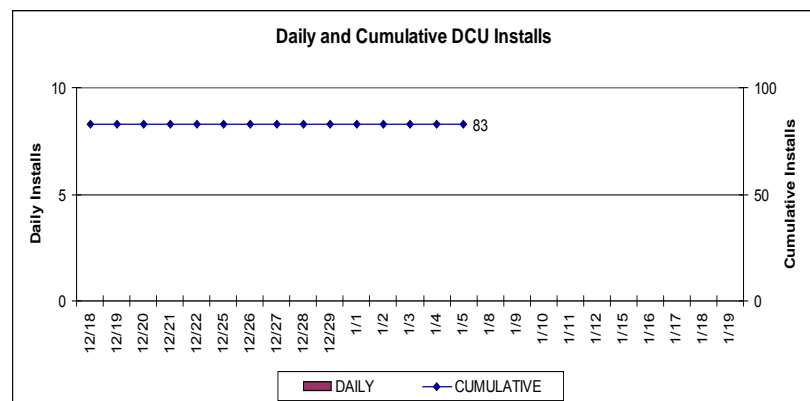
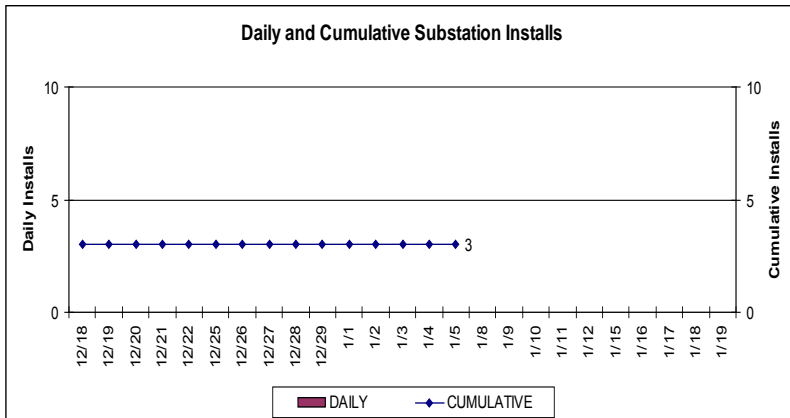
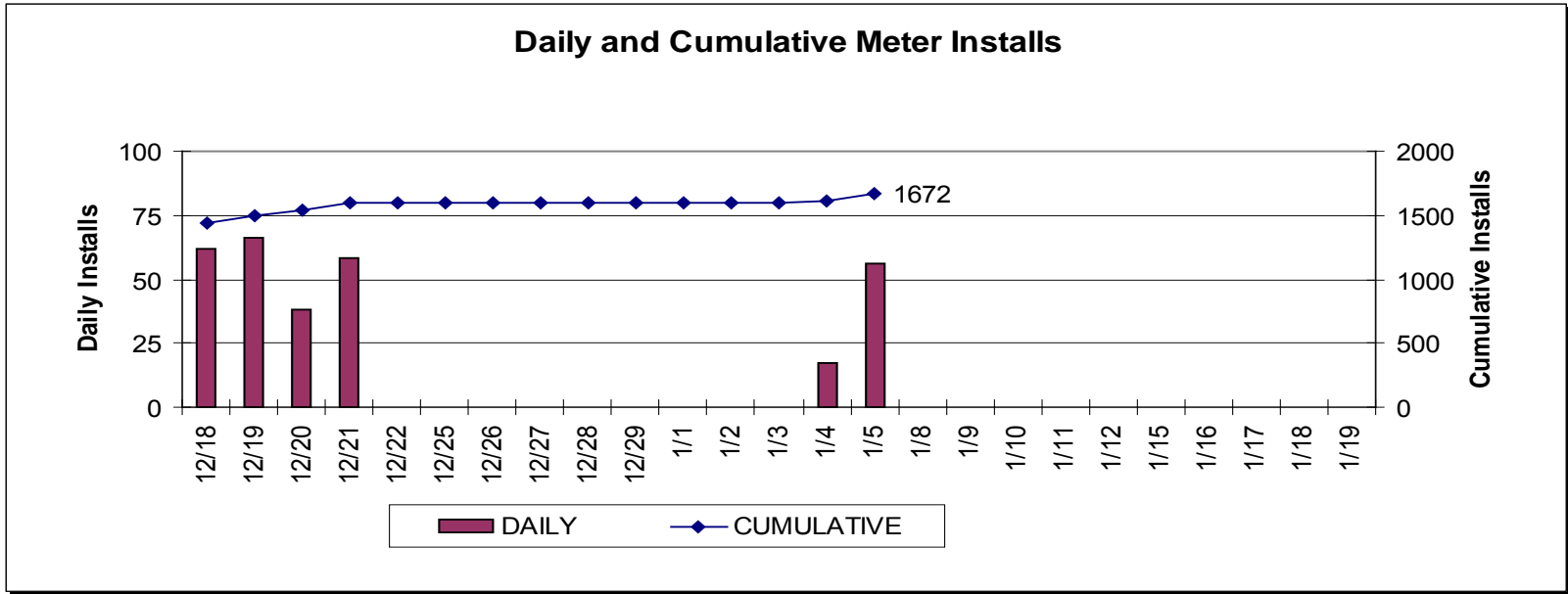
IT Budget, Actuals & Forecast Review

In thousands

Area	Budget Re-baseline	Approved PDRs	Total Approved Spend	Actuals (ITD thru DEC06)	Remainder	Forward Spend Forecast	Total Project Spend	Net
Architecture	2,506	0	2,506	4,239	(1,733)	0	4,239	(1,733)
Process development	7,451	0	7,451	5,035	2,416	2,494	7,529	(78)
System integration	14,366	0	14,366	6,972	7,394	9,327	16,299	(1,933)
Test	8,942	0	8,942	6,091	2,851	3,068	9,159	(217)
SM Integration	33,265	0	33,265	22,337	10,928	14,888	37,225	(3,960)
CC&B Phase I	15,500	12,550	28,050	29,149	(1,099)	0	29,149	(1,099)
CC&B Phase II	18,300	2,000	20,300	17,702	2,598	16,589	34,291	(13,991)
CC&B Phase III	35,800	0	35,800	28,138	7,662	6,685	34,823	977
CC&B - SM 2.0	0	0	0	0	0	4,824	4,824	(4,824)
CC&B - All phases	69,600	14,550	84,150	74,988	9,162	28,098	103,086	(18,936)
Legacy Apps	7,229	0	7,229	1,500	5,729	5,729	7,229	0
Facilities	2,251	0	2,251	1,731	520	633	2,364	(113)
SM Hardware	27,928	0	27,928	9,687	18,241	16,934	26,621	1,307
Data Center	37,408	0	37,408	12,918	24,490	23,296	36,214	1,194
WACS - application								
TNG - application								
Hex - application								
SM Applications	16,928	0	16,928	11,512	5,416	9,926	21,438	(4,510)
All Items Shown	157,201	14,550	171,751	121,755	49,996	76,208	197,963	(26,212)

IT workstreams have about \$50 million of remaining approved budget

- ▶ With the exception of the DCSI architecture, all hardware / software has been purchased



SM 1.0 and 1.5 Scope Current Proposal

SmartMeter 1.0

AMI - Deployment

Supply Chain (20)
(P-V 22, 35, 37, 661a, 661b, 661c, 661d)
 • Planning
 • Purchase order
 • Partial orders
 • Shipment
 • Shipper file
 • Goods received
 • Three-way match
 • Invoices
 • Payment
 (not IT equipment)

Lifecycle Mgt: Equip (01,02)
(P-P 660, 664, 666, 667)
(P-V 108)
 • Network & Meter Module

- Inventory
- Installation
- Test results
- Marriage
- Validation
- Meter exchange
- Maintenance
- Retirement

Meter & Network Deployment (04,19)
(P-P 14, 15, 105a, 105c, 105d, 802)
(P-V 10, 12a, 12b, 13a, 13b, 1a, 1b, 5a, 5b,, 190)
(V-V 108b)
 • Initiate + Design (Plan)
 • Field install
 • Field exchange / UTC
 • Field order process
 • Network start-up
 • Retrofit shop
 • Backhaul
 • Excludables

Metrics & Reporting (13,22)
 • Operational reporting & performance
 • Deployment field performance metrics

Asset Tracking (Financial) (16)
 • Meter and module
 • End point devices
 • Network
 • Equipment – labor capitalization

Meter Read (05)
(P-V 104)
(V-V 66, 67, 60a, 60b)
 • AMI data collection
 • On demand data collection
 • Data synchronization

- Customer
- End-point devices
- Rates
- Meter data

Meter Data Mgt (06)
(P-V 63)
 • V E E
 • Receipt & storage MRE file
 • Generate file to CIS
 • Meter read file/usage data
 • Meter read comparison
 • Manual estimate override

Operations (18)
(P-P 14, 15, 151, 152, 802)
(P-V 109a, 109b, 11a, 11b, 50a, 60d, 60e)
 • Meter, Module & AMI Network

- Alarms & flags, exceptions
- Statuses
- Field Order Process

Bill Calculation (14)
(P-P 80,130, 131, 133, 182a, 183, 184a, 184c)
(P-V 184b)
 • Framing
 • Rate calculation
 • Bill print
 • Re-bill
 • Revenue reporting
 • CPP operations & calculations

Outage Mgmt (11)
(P-V 70, 73, 74, 75)
 • Single meter ping
 • On-demand trigger/Ping

AMI - Billing

MBC Data Warehouse (03)
(P-P 175, 137a, 137b, 171)
(P-V 170)
 • Storage of usage data
 • SQL & Brio internal queries only
 • Customer Web Presentation Data

CC&B Interfacing to other PG&E apps (15)
(P-P 84, 87, 88, 134, 135, 161)
(P-P 81, 82, 85, 86)
 • RSS
 • ABS
 • MADS
 • ES3/UDR
 • MDSS
 • RDS
 • Mass Transactions
 • Rates DB
 • CC-RAT

Customer Web Presentation (07) (P-P 77, 78, 92) (P-P 95)
 • SmartMeter Marketing
 • Energy usage graphs
 • MyProfile page enhancements

Customer Care (08)
 • Contact ctr support
 • Cust. records maintenance
 • CPP event notifications
 • Deployment & UTC Letters

Metrics & Reporting (13,22)
 • Operational reporting & performance (non-critical for deployment or ops)
 • Warranty mgt metrics

SM 1.5

Outage Mgmt (11)
(P-V 47, 49, 55, 56, 154b)
 • Area outage scope verification
 • Outage restoration validation
 • Network outage information to OIS
 • IVR Enhancements

Meter Data Mgt (06)
(V-V weather data interface)
 • Use of weather data in estimation
 • Daily delivery of research quality (non-VEE'd) data to RDA LoadHist

Customer Web Presentation (07)
(No new or revised interfaces)
 • Employee proxy view
 • Administrative tool to control privileges, access, views
 • Data download
 • CPP marketing & enrollment

Hexagram Electric (V-V 60b, 60d, 60e, 66, 661)
 • Deployment (04), Supply Chain (20), Asset Tracking (16), Lifecycle Mgmt (01), Meter Read (05), Operations (18), Outage Mgmt (11)

Customer Care (08)
(P-P 180a, 180b, 181a, 181c, 182b, 182d, 184d, 184e)
 • CPP Letters
 • CPP Enrolment and Marketing

CC&B Enhancements
 • Meter Type Validation (outside of deployment area)
 • Enhanced SPL presentation of billing and usage history / interval data
 • Billing Exception: New To-Do types for work deferral
 • Unbilled Revenue: Modify process to include EMR and Interval usage
 • Incorporation of interval usage into broken lock process
 • Data to ESP: Agent and ESP preferences

Note: (#) denotes business domain ID's as shown in the Functionality Matrix

SM 2.0 Scope and beyond

SM 2.0	SM 3.0	SM X.0
<p>Customer Care: Collars (08) (P-V 120, 123, 126, 127, 662) (V-V 60a, 60d, 60e, 121, 122, 124, 125) (P-P 14, 15)</p> <ul style="list-style-type: none"> Remote Connect/Disconnect Collar <ul style="list-style-type: none"> Deployment Supply Chain (20) Asset Tracking Lifecycle Mgmt Operations Revisions to related processes (credit collection, customer service) <p>Customer Care: Letters (08)</p> <ul style="list-style-type: none"> Automated support of Account Services letters in MDSS <p>Meter Read Enhancements (05) (V-V 60a, 67, 74, 75) (P-V 63, 170, 70, 73)</p> <ul style="list-style-type: none"> Full TNG support of new endpoint metering products Net Metering and TNG support for Interval Data for ABS Billed SAs On-Request Meter Read – CSR request and response Identification of Broken Lock usage Prioritization of collection and export of electric interval data for specific, pre-defined customer segmentations <p>MBC DW (03) (P-P 96, 99, 174)</p> <ul style="list-style-type: none"> Interval Data from MBCDW to MADS Archived usage data provided to CC&B for Cancel/Rebill beyond 14 months <p>Bill Calculation (14)</p> <ul style="list-style-type: none"> Additional functions for system determination of estimated bill <p>Customer Web Presentation (07) (No new or revised interfaces)</p> <ul style="list-style-type: none"> Online Auditing Audit Trail tracking and archiving Simple rate analysis Tool Rate analysis request to CSRs <p>Ops Dashboard (interfaces unknown at this time)</p> <ul style="list-style-type: none"> Display of high-level status of daily performance issues Automated dispatching capabilities Drill-down query capabilities Real-time data Interactive capability 	<p>Outage Mgmt (11) (V-V 154a)</p> <ul style="list-style-type: none"> Autonomous system pinging based on pre-configured strategy Real-time outage info to WACS Real-time switching info to TNG <p>Customer Care: Letters (08)</p> <ul style="list-style-type: none"> CPP letters for target audiences E-bill notification e-mails <p>Bill Calculation (14)</p> <ul style="list-style-type: none"> Some ABS accounts switched to CC&B <p>Lifecycle Mgt: Equip (01,02) (P-P 667) (P-V 108, 12, 35, 661)</p> <ul style="list-style-type: none"> BT-driven transition from CIS to SAP as the system of record for lifecycle mgt 	<p>Meter Read Enhancements (05)</p> <ul style="list-style-type: none"> Other functionality associated with TNG 3.0 Daily data throughput to existing large customer (>200kw) web presentation application <p>Operations (18) (V-V 44, 45, 60a, 67, 74, 75, others for DLC)</p> <ul style="list-style-type: none"> Real Time Meter, Module & AMI Network alarms & flags (Hexagram) Real-time TWACS network alarms Direct Load Control <p>Customer Web Presentation (07)</p> <ul style="list-style-type: none"> Prompt interest-customers to enroll in CPP when eligible Compare actual usage Overlay actual usage with TOU or CPP rate Display usage data in bill-cycle month Inform CPP customers that they are eligible at account level Display event information by customer CPP Calculator showing potential savings <p>Meter Data Mgt (06)</p> <ul style="list-style-type: none"> Ability to manage the relationship between meter set intervals and downstream system interval requirements (e.g. billing)." <p>Other</p> <ul style="list-style-type: none"> T&D Data Acquisition Assets for customer in-house display Real-time output Data aggregation for third parties End-use devices

Note: (#) denotes business domain ID's as shown in the Functionality Matrix

Contingency Draw - AMI

AMI Contingency Reconciliation		(\$000)	Total	Notes
Business Case Approved			\$ 128,773	
PCRs Adopted by Steering Committee		Workstream		
	CC&B Phase 1	CC&B	\$ (1,550)	Performance enhancing Sun servers
	Savings on AMI Servers, IOC, Oracle Architecture		\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
	CC&B Phase 1	CC&B	\$ (11,000)	Approved at Oct 17, 2006 Steering Committee
	CC&B Phase 2	CC&B	\$ (2,000)	Approved at Oct 17, 2006 Steering Committee
PCR 06-0003	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
PCR 06-0004	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
PCR 06-0008	IBM #4	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
	EDS WACS	System Integration	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
Total PCRs Adopted by Steering Committee			\$ (2,856)	
Remaining Contingency			\$ 125,918	
Anticipated PCRs				
	CC&B Smartmeter 1.0	CC&B	\$ (14,192)	
	CC&B Smartmeter 2.0	CC&B	\$ (4,824)	
	IBM Smartmeter 2.0	System Integration	\$ [REDACTED]	
	Expenses on Approved IBM PCRs	PMO	\$ [REDACTED]	
	Substation Installations	E-Network Install	\$ (8,500)	
Total Anticipated PCRs			\$ (35,845)	
Anticipated Contributions				
	IT Operations		\$ 7,400	
	SM Operations		\$ 8,900	
	Improved WAN (Fault Protection)		\$ 6,500	
	Other		\$ 1,200	
Total Anticipated Contributions			\$ 24,000	
Total Expected Draws/Contributions to Contingency			\$ (11,845)	
Balance of Contingency Available			\$ 114,073	

Expenditures by Workstream

Pre-Deployment & Deployment

Capital & Expense (000s)	Current Month			Year To Date			Inception to Date (ITD)			Total 2006	
	Actuals	Plan	Variance	Actuals	Plan	Variance	Actuals	Plan	Variance	Forecast	Plan
Workstream											
Director's PMO Office	\$ 1,643	\$ 1,519	\$ (125)	\$ 22,047	\$ 21,436	\$ (611)	\$ 24,008	\$ 23,397	\$ (611)	\$ 22,047	\$ 21,436
Deployment Office	\$ 222	\$ 238	\$ 17	\$ 1,813	\$ 1,980	\$ 167	\$ 1,848	\$ 2,015	\$ 167	\$ 1,813	\$ 1,980
Wellington											
DCSI (Except IT)											
Hexagram (Except IT)											
Meters; Electric & Gas	\$ 291	\$ 303	\$ 12	\$ 1,297	\$ 1,809	\$ 512	\$ 1,297	\$ 1,809	\$ 512	\$ 1,297	\$ 1,809
PG&E Gas Network Installation	\$ 53	\$ 49	\$ (4)	\$ 131	\$ 159	\$ 28	\$ 131	\$ 159	\$ 28	\$ 131	\$ 159
PG&E Electric Network Install	\$ 304	\$ 119	\$ (186)	\$ 934	\$ 644	\$ (290)	\$ 1,003	\$ 713	\$ (290)	\$ 934	\$ 644
PG&E UTC's & Excl. Installation	\$ 62	\$ 550	\$ 488	\$ 1,865	\$ 3,361	\$ 1,495	\$ 1,865	\$ 3,361	\$ 1,495	\$ 1,865	\$ 3,361
PG&E Electric & Gas WAN Install	\$ -	\$ 59	\$ 59	\$ 273	\$ 376	\$ 103	\$ 273	\$ 376	\$ 103	\$ 273	\$ 376
Operations Office	\$ 589	\$ 212	\$ (377)	\$ 2,562	\$ 1,928	\$ (634)	\$ 2,562	\$ 1,928	\$ (634)	\$ 2,562	\$ 1,928
Communications	\$ 21	\$ 644	\$ 623	\$ 132	\$ 2,576	\$ 2,444	\$ 132	\$ 2,576	\$ 2,444	\$ 132	\$ 2,576
Customer Web Presentation	\$ 55	\$ 1,824	\$ 1,769	\$ 730	\$ 2,150	\$ 1,419	\$ 730	\$ 2,150	\$ 1,419	\$ 730	\$ 2,150
Demand Response Program	\$ 12	\$ 778	\$ 766	\$ 13	\$ 1,053	\$ 1,040	\$ 13	\$ 1,053	\$ 1,040	\$ 13	\$ 1,053
CC&B Upgrade	\$ 7,202	\$ 4,951	\$ (2,250)	\$ 69,909	\$ 67,602	\$ (2,307)	\$ 81,510	\$ 79,203	\$ (2,307)	\$ 69,909	\$ 67,602
SmartMeter Applications	\$ 2,432	\$ 66	\$ (2,366)	\$ 9,018	\$ 8,148	\$ (871)	\$ 10,417	\$ 9,547	\$ (871)	\$ 9,018	\$ 8,148
IT Integration	\$ 2,462	\$ 2,316	\$ (146)	\$ 22,135	\$ 22,631	\$ 496	\$ 23,432	\$ 23,928	\$ 496	\$ 22,135	\$ 22,631
IT Operations	\$ -	\$ 566	\$ 566	\$ 1,633	\$ 3,097	\$ 1,464	\$ 1,651	\$ 3,115	\$ 1,464	\$ 1,633	\$ 3,097
Data Center	\$ 187	\$ -	\$ (187)	\$ 12,005	\$ 12,909	\$ 904	\$ 12,948	\$ 13,852	\$ 904	\$ 12,005	\$ 12,909
Contingency	\$ -	\$ 4,700	\$ 4,700	\$ -	\$ 5,799	\$ 5,799	\$ -	\$ 5,799	\$ 5,799	\$ -	\$ 5,799
Errors and Corrections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Total	\$ 19,576	\$ 20,141	\$ 565	\$ 156,074	\$ 165,347	\$ 9,272	\$ 173,402	\$ 182,674	\$ 9,272	\$ 156,074	\$ 165,347

Public Version

PG&E SmartMeter[™]

**SmartMeter[™]/CC&B Initiatives
Status Update**

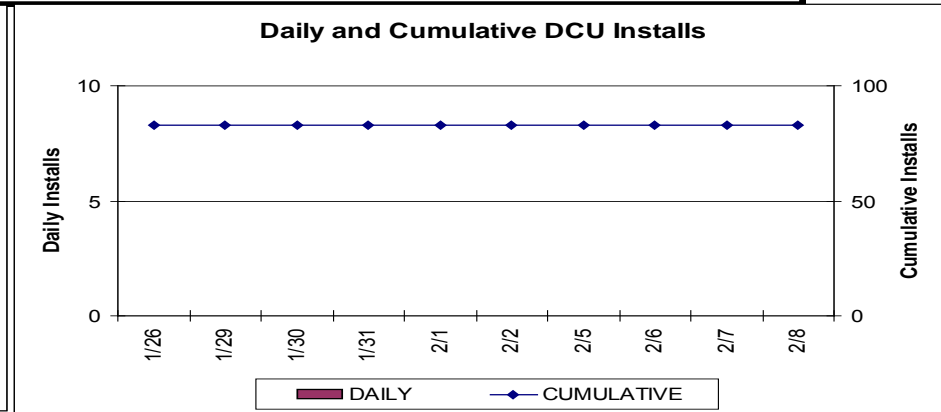
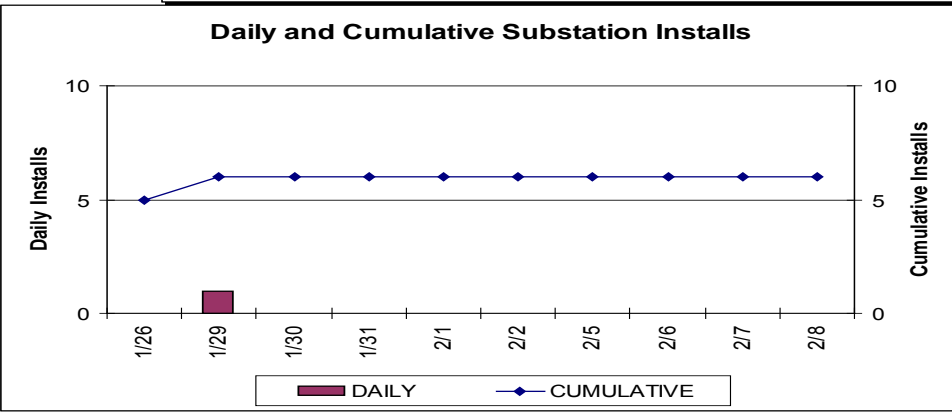
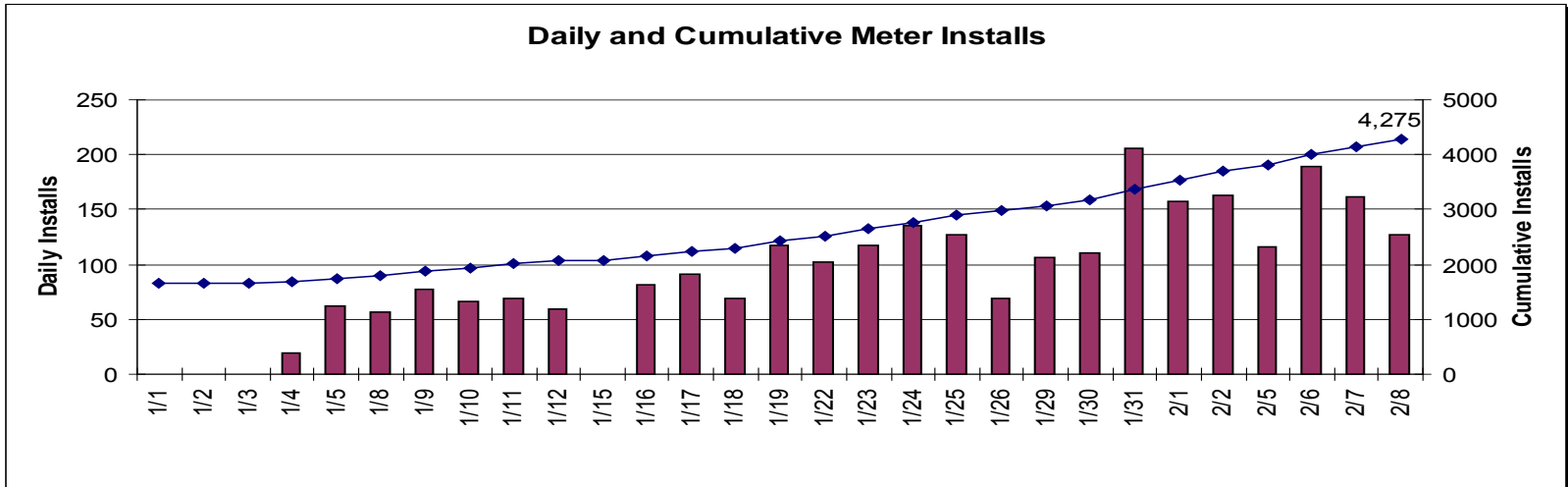
February 2007



Agenda

- ▶ **Deployment & SmartMeter[™] Release Update**
- ▶ **Project Status**
- ▶ **Budget**
- ▶ **Pending decisions**
- ▶ **PwC Update**
- ▶ **Project goals**
- ▶ **Next Steps**

Deployment Update




Deployment Comments:

- ▶ DCU site surveys are complete for Fresno, Concord, Antioch, Chico, Paradise, and Oroville
- ▶ Unable to complete's: 73 UTC's to date (1.78% of total installs);
 - ▶ 56 are Field Service related, (i.e. broken index screws) / 11 access related (Title 300 work) / 6 other
- ▶ Service Planning: 2 customer-side problems encountered; policy document is in development

SmartMeter™ Release Update

▶ SmartMeter™ 1.0 Release

- ▶ There are 81 interfaces for 1.0: 50 are ready for test, 31 are in development and unit test
- ▶ Three cycles of ORT are planned to be executed on March 1st, April 1st and May 1st
- ▶ Scope option plan is continuing to be refined to identify options to meet 5/28 go live
- ▶ 

▶ Testing

- ▶ Collaborative Testing Approach underway: common definitions complete; detailed schedule, reporting, test data development and defect reporting in progress
- ▶ Over 250 defects opened to date (over 50% closed). Test execution approaching 20% complete
- ▶ Master Regression and ORT cycles being synchronized to foster appropriate balance between defect resolution and application stability

▶ Open Issues

- ▶ Total IT budget to complete SM1.0 release needs defined and integrator contracts extended
- ▶ SM1.5 and BT Foundational Releases are currently both scheduled for October 2007
- ▶ Full Pop file has not been released to Wellington; Initial and post-Go Live deployment meter installation rates are in jeopardy

SmartMeter 1.0 – CC&B status





▶ Functional Changes

- ▶ SmartMeter Scope: Meter Installation process approved; TOU meter installs will occur after non-TOU stabilized in production; WACs field order trigger deferred to SM1.5.
- ▶ Regulatory Scope: ClimateSmart alternative decided – detail functional requirements being revised. TO9 on target for production install on 3/1/07. Electronic Data Interchange (EDI) functions to support UDC “bill ready billing” still outstanding.
- ▶ Final SPL formal code for SM1.0 received on January 31 as scheduled. SoftTables configuration complete (including Tier 1 interval rates). Functional test/fix in progress. Interval Rates will require retrofit due to TO9 and ClimateSmart.


▶ Re-platform

- ▶ Oracle Infrastructure build complete; have had successful simulations of On-Line activity and one successful Batch run of billing in Full Scale Test Environment (FSTE).
- ▶ The following are key activities underway (key checkpoint at end of February):
 - ▶ Application regression testing, interface integration testing (COBOL, SeeBeyond and Mercator), Energy Statement CSF to Dialogue testing, performance tuning, Data Conversion tuning, Outage Window Planning and Timing.
- ▶ Infrastructure challenges have shifted from FSTE set-up to FSTE stabilization. Also working with Oracle on a product fix to resolve Change Data Capture volume issues.
- ▶ Readiness review template in place for Replatform checkpoint.

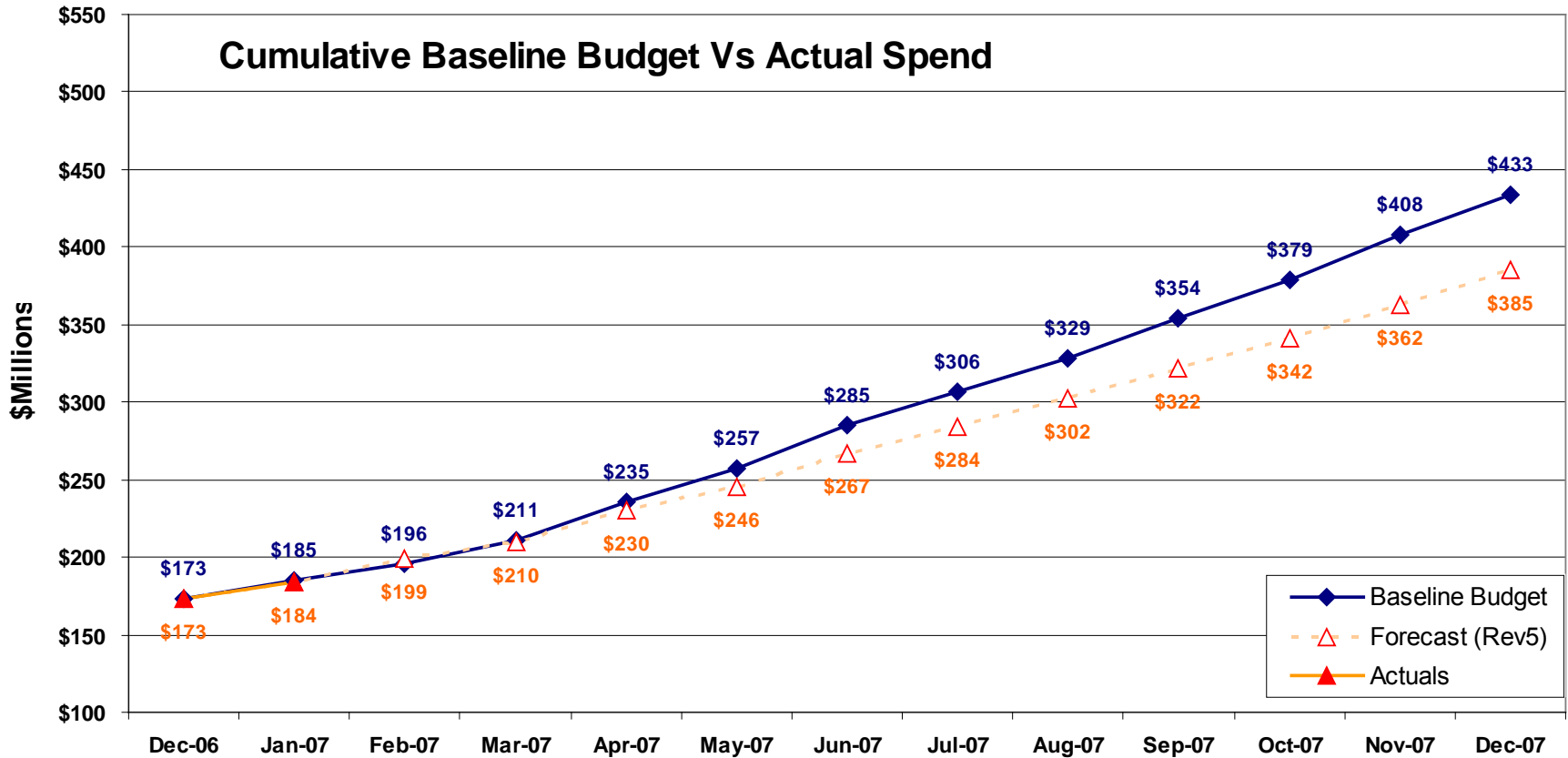
Project Status

		Status	Remediation Actions
	Scope	<ul style="list-style-type: none"> ▶ Development of analysis for “levers” of scope for SM1.0 nearing completion ▶ Impact of meter type deployment (e.g., TOU, parallel operations, interval billing) being finalized ▶ Scope analysis of SM1.5 & 2.0 releases underway 	<ul style="list-style-type: none"> ▶ Implemented system design freeze ▶ Analysis to be presented to SC
	Schedule	<ul style="list-style-type: none"> ▶ Revised testing approach presented to PMO ▶ Critical path impacted by completion of UC4 scripts ▶ Full meter population file not yet delivered; initial and post-go live deployment rate in jeopardy 	<ul style="list-style-type: none"> ▶ Adjustment confirms go-live date ▶ Development team in place and focused on completion of UC4 (batch transfer and scheduling software) scripts ▶ Escalated critical issue
	Budget	<ul style="list-style-type: none"> ▶ SM 1.0 costs under review; integrator contracts nearing end of approved funding 	<ul style="list-style-type: none"> ▶ Comprehensive view of SM1.0 cost to be presented with contract change orders
	Resources	<ul style="list-style-type: none"> ▶ Overlapping releases (1.0, 1.5, 2.0) is causing significant resource contention within project and with other IT priorities ▶ Project is short-handed on scheduling resources 	<ul style="list-style-type: none"> ▶ Will be addressed in the system integrator contract extension ▶ Job posted; active search underway

Project Status – Key Issues

	Issue	Current status / downstream effect
Most critical	<ul style="list-style-type: none"> ▶ Alignment of ORT and Integration Testing to ensure stability of SM1.0 Release ▶ SM1.5 schedule may directly conflict with the BT Foundational release (non-SM related) ▶ SM1.0 costs and integrator contracts extension beyond current funding ▶ Setting definitive scope for SM1.0, 1.5, 2.0 releases ▶ ClimateSmart may impact CC&B delivery, and therefore SM 1.0 schedule 	<ul style="list-style-type: none"> ▶ Analyzing schedule and scope of SM1.0 release to determine impact of integration testing on entry to ORT cycle 2 ▶ Resources and schedule under evaluation ▶ Cost analysis underway ▶ Scoping clarification being undertaken ▶ Options for ClimateSmart being assessed by CC&B
Critical issues	<ul style="list-style-type: none"> ▶ Installing patches and defect fixes could delay testing schedule due to conflict with environments availability 	<ul style="list-style-type: none"> ▶ Process being devised to address co-ordination and prioritization

Baseline Budget v Actual Spend



Actuals were \$10.7M for January vs. a budget of \$11.4M

- ▶ Rev5 deployment plan indicates about \$48 million less in expenditures for this year; however, IT analysis is not complete

IT Budget Review

<i>In thousands</i>					
Area	Budget Re- baseline	Approved PDRs	Total Approved Spend	Actuals (ITD thru Jan '07)	Remainder
CWP (in customer ws)	4,597	-	4,597	778	3,819
PG&E Labor	9,841	-	9,841	8,156	1,685
IBM					
Legacy & Other	6,729	-	6,729	1,500	5,229
Consultants & Integrators	3,711	924	4,635	4,574	61
SM Integration					
CC&B - Capital	48,600	12,550	61,150	61,225	(75)
CC&B - Expense	21,000	2,000	23,000	16,807	6,193
Average Handle Time	6,500	-	6,500	6,515	(15)
CC&B	76,100	14,550	90,650	84,547	6,103
Facilities	2,526	-	2,526	1,732	794
Hardware	43,205	(14,500)	28,705	9,949	18,756
Data Center	45,731	(14,500)	31,231	11,681	19,550
WACS - application					
TNG - application					
Hex - application					
SM Applications	11,087	-	11,087	4,519	6,568
All Items Shown	179,175	2,860	182,035	134,450	47,585

\$48 million of the IT budget remains, however, certain line items (shaded above) require immediate funding approval to continue

Pending Decisions

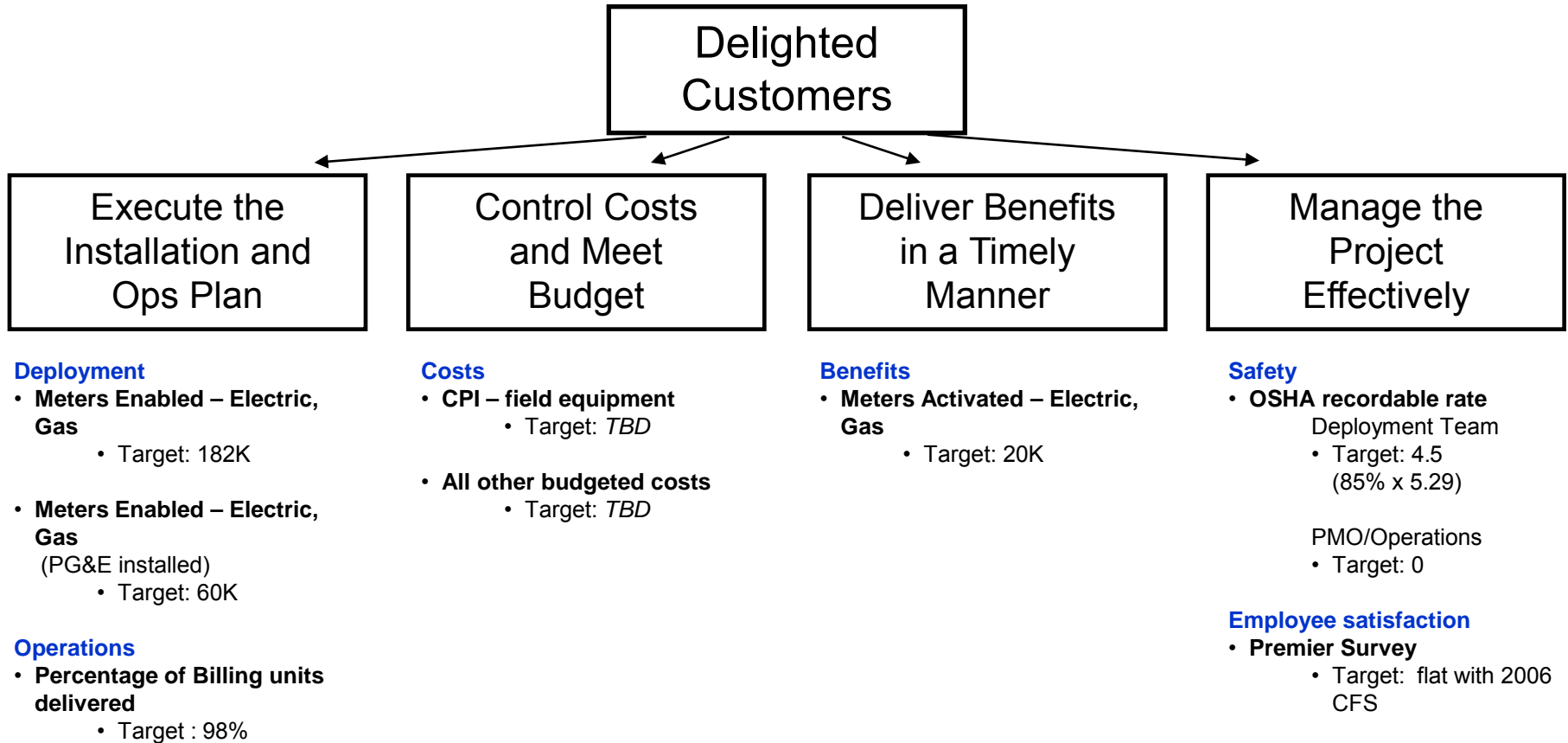
- 1) TOU and Demand meter exchanges
 - Delay until SM1.5 (or sooner)
 - Cost impact: \$361,000

- 2) Customer web presentment is deferred until SM1.5
 - No cost impact

- 3) Certain operational interfaces are deferred until SM1.5 (or sooner)
 - Interface 11a&b, 109 a&b (enabling Automated Network & Field Service Orders)
 - Cost impact: uncertain, depends on transaction volume to be incurred

- 4) CC&B to produce meter population to facilitate meter exchange
 - Additional meters in the current daily exchange file before go live
 - Full pop file required to meet lead times for post go live
 - Cost impact: unknown

Project Goals - 2007



Contingency Reconciliation

SmartMeter ^(TM) Contingency Reconciliation		(\$000)	Total	Notes
Business Case Approved			\$ 128,773	
PCRs Adopted by Steering Committee		Workstream		
	CC&B Phase 1	CC&B	\$ (1,550)	Approved April 2006
	Savings on AMI Servers, IOC, Oracle	Architecture	\$ [REDACTED]	Approved at Oct 17, 2006
	CC&B Phase 1	CC&B	\$ (11,000)	Approved at Oct 17, 2006
	CC&B Phase 2	CC&B	\$ (2,000)	Approved at Oct 17, 2006
PCR 06-0003	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006
PCR 06-0004	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006
PCR 06-0008	IBM #4	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006
	Expenses on Approved IBM PCRs	PMO	\$ [REDACTED]	Approved at Oct 17, 2006
	EDS WACS	System Integration	\$ [REDACTED]	
Total PCRs Adopted by Steering Committee			\$ (3,185)	
Remaining Contingency			\$ 125,588	
Budgeted Contingency pending Approval				
	CC&B Smartmeter 1.0	CC&B	\$ (14,192)	Pending IT budget review
	CC&B Smartmeter 2.0	CC&B	\$ (4,824)	Pending IT budget review
			\$ (19,016)	
Balance of Contingency Available			\$ 106,573	

Expenditures by Workstream

Pre-Deployment & Deployment

Capital & Expense (000s)	Current Month			Year To Date			Inception to Date (ITD)			Total 2007		
	Actuals	Plan	Variance	Actuals	Plan	Variance	Actuals	Plan	Variance	Forecast	Plan	Variance
Workstream												
PMO	\$ 1,416	\$ 796	\$ (620)	\$ 1,416	\$ 796	\$ (620)	\$ 23,278	\$ 22,658	\$ (620)	\$ 79,430	\$ 66,132	\$ (13,298)
SM Operations	\$ (183)	\$ 215	\$ 398	\$ (183)	\$ 215	\$ 398	\$ 2,077	\$ 2,475	\$ 398	\$ 3,328	\$ 3,841	\$ 514
Communications	\$ 357	\$ 120	\$ (238)	\$ 357	\$ 120	\$ (238)	\$ 3,463	\$ 3,226	\$ (238)	\$ 2,125	\$ 2,005	\$ (120)
Customer	\$ 48	\$ 647	\$ 598	\$ 48	\$ 647	\$ 598	\$ 792	\$ 1,391	\$ 598	\$ 13,148	\$ 10,833	\$ (2,314)
Contract Procurement	\$ 888	\$ 820	\$ (68)	\$ 888	\$ 820	\$ (68)	\$ 6,694	\$ 6,626	\$ (68)	\$ 58,726	\$ 93,844	\$ 35,118
Substation Installation	\$ 192	\$ 469	\$ 277	\$ 192	\$ 469	\$ 277	\$ 1,637	\$ 1,914	\$ 277	\$ 15,080	\$ 22,828	\$ 7,748
Endpoint Installation	\$ 307	\$ 572	\$ 265	\$ 307	\$ 572	\$ 265	\$ 2,272	\$ 2,537	\$ 265	\$ 14,682	\$ 22,894	\$ 8,213
Deployment Office	\$ 777	\$ 929	\$ 153	\$ 777	\$ 929	\$ 153	\$ 7,355	\$ 7,508	\$ 153	\$ 15,677	\$ 17,384	\$ 1,707
DCU Placement	\$ 66	\$ 117	\$ 51	\$ 66	\$ 117	\$ 51	\$ 269	\$ 320	\$ 51	\$ 1,811	\$ 1,579	\$ (232)
CC&B	\$ 3,036	\$ 4,160	\$ 1,124	\$ 3,036	\$ 4,160	\$ 1,124	\$ 84,546	\$ 85,670	\$ 1,124	\$ 26,467	\$ 30,637	\$ 4,170
IT Integration	\$ 2,987	\$ 2,364	\$ (624)	\$ 2,987	\$ 2,364	\$ (624)	\$ 33,019	\$ 32,395	\$ (624)	\$ 19,977	\$ 28,653	\$ 8,676
IT Data Center	\$ 234	\$ -	\$ (234)	\$ 234	\$ -	\$ (234)	\$ 11,652	\$ 11,419	\$ (234)	\$ 3,503	\$ 3,269	\$ (234)
SM 1.0 Applications	\$ 16	\$ -	\$ (16)	\$ 16	\$ -	\$ (16)	\$ 4,535	\$ 4,519	\$ (16)	\$ 6,275	\$ 4,959	\$ (1,316)
IT Operations	\$ 597	\$ 150	\$ (447)	\$ 597	\$ 150	\$ (447)	\$ 2,550	\$ 2,103	\$ (447)	\$ 6,117	\$ 5,670	\$ (447)
Project Total	\$ 10,737	\$ 11,358	\$ 621	\$ 10,737	\$ 11,358	\$ 621	\$ 184,139	\$ 184,760	\$ 621	\$ 266,344	\$ 314,530	\$ 48,186

Public Version

PG&E SmartMeter[™]

**SmartMeter[™]/CC&B Initiatives
Status Update**

March 2007



Agenda

- ▶ **SmartMeter[™] Release Update**
- ▶ **Deployment Update**
- ▶ **Budget**
- ▶ **Pending decisions**
- ▶ **Next Steps**

SM Release Status

As of 3/14/07	Projected 5/28/07		Status	Remediation Actions
		Replatform	<ul style="list-style-type: none"> ▶ ORT (Operational readiness testing) has begun with Replatform only ▶ Node instability causing performance test to be delayed ▶ Change Data Capture (CDC) performance and data quality issues ▶ Data Guard performance issues could impact conversion 	<ul style="list-style-type: none"> ▶ As approved by Steering Committee ▶ Switch changed to address node instability – retesting this week ▶ Oracle has delivered patch to address data quality – test in progress ▶ Re-engineering approach to determine best alternative
		Meter Deployment	<ul style="list-style-type: none"> ▶ Product Application Test is 35% complete ▶ Prod Integration Test - Technical is 10 % complete and is scheduled for completion in mid-April ▶ Prod Integration Test – Functional being planned. Scheduled to be complete in the May time period 	<ul style="list-style-type: none"> ▶ Team now working nights & weekends to accelerate testing ▶ Assessing risk and solution to overlap of ORT2 and Prod Integration Test – Functional
		Interval billing	<ul style="list-style-type: none"> ▶ Product Application Test (PAT) is 35% complete ▶ Product Integration Test - Functional being planned. 	<ul style="list-style-type: none"> ▶ Same as Meter Deployment

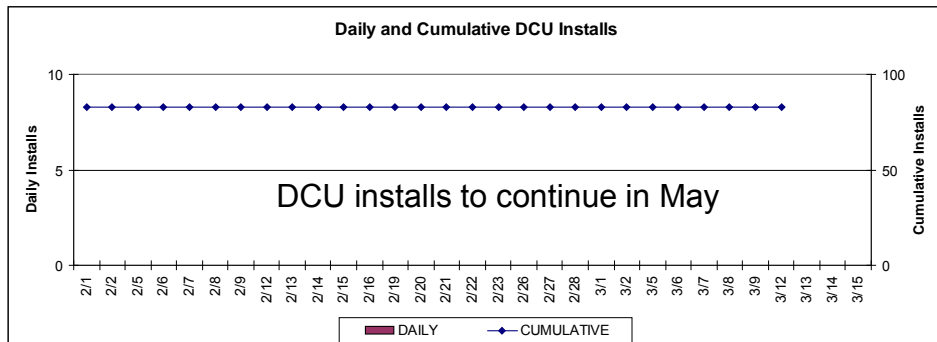
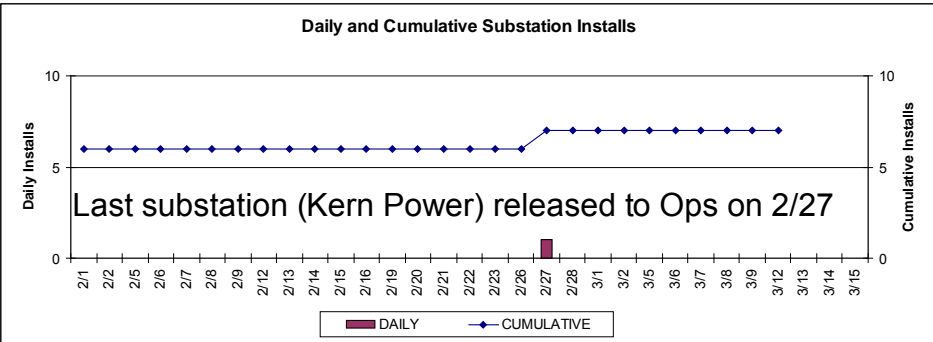
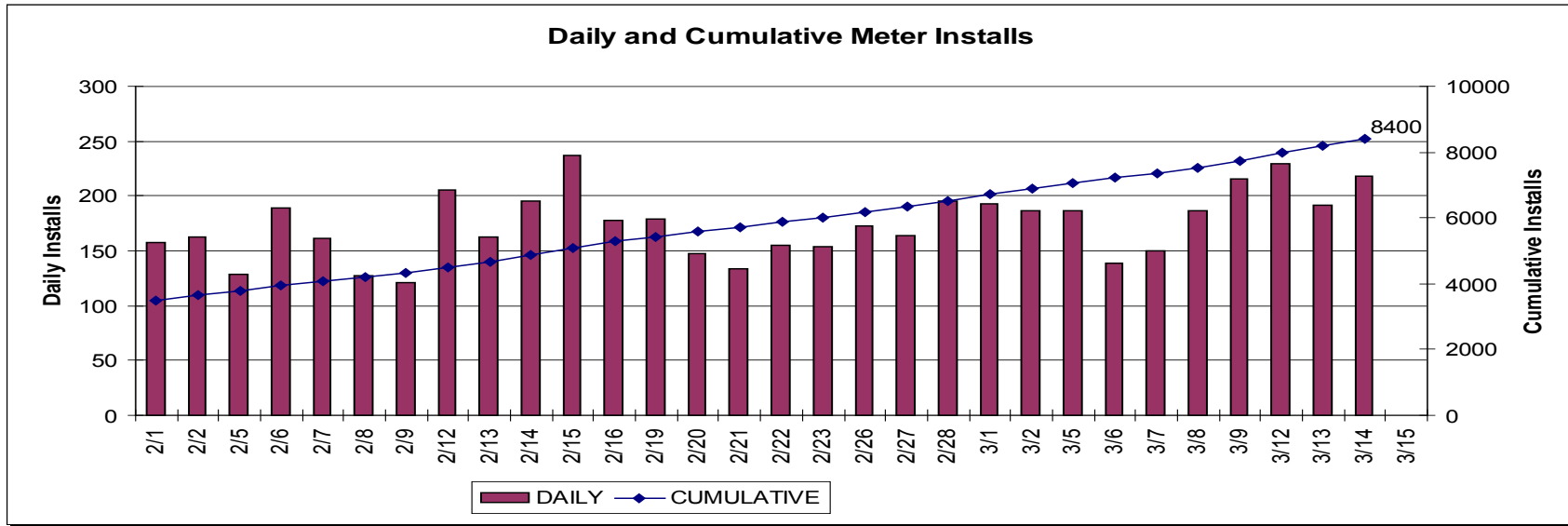
SM Project Status

		Status	Remediation Actions
	Budget	<ul style="list-style-type: none"> ▶ Project costs continue under detailed review with Steering Committee ▶ Contingency draw for IT spend in 2007 to be presented by 3/30 	<ul style="list-style-type: none"> ▶ Expected to be completed next week
	Resources	<ul style="list-style-type: none"> ▶ Overlapping releases may cause significant resource contention within project and with other IT priorities 	<ul style="list-style-type: none"> ▶ SM release schedule is being reconciled with BT

Project Status – Key Issues

Issue	Current status / downstream effect
<ul style="list-style-type: none"> ▶ Exclusion treatment of TOU/demand accounts 	<ul style="list-style-type: none"> ▶ Reconciliation underway to determine treatment of frozen meter reading routes after TOU/demand meters are released
<ul style="list-style-type: none"> ▶ EAI Contention 	<ul style="list-style-type: none"> ▶ Environmental contention issue between BT Foundational and SmartMeter ▶ Short term plan is to use partition in development environment until additional hardware resources are in place. Also need to assess potential impact on integration and full scale environments.
<ul style="list-style-type: none"> ▶ Scripts 	<ul style="list-style-type: none"> ▶ DSCI installation documentation is incomplete and automated install scripts are missing. Increases the time to install and load the TNG software.

Deployment Update

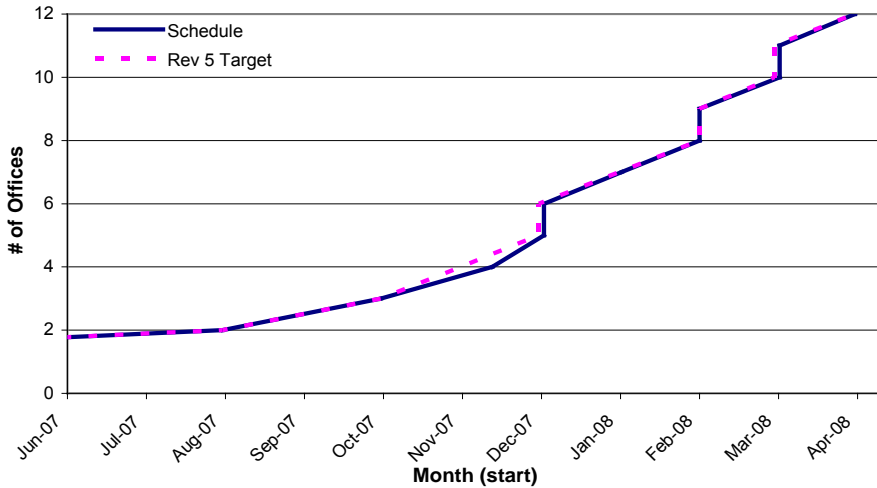


Deployment Comments:

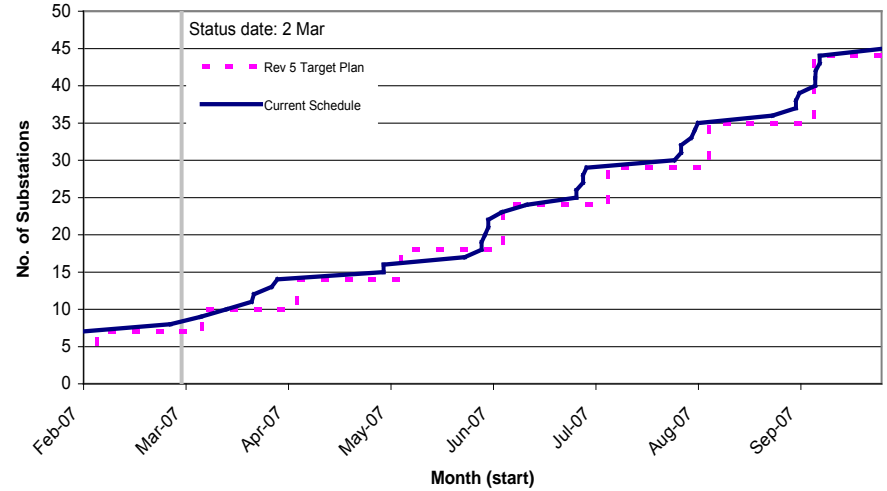
- ▶ DCU site surveys are complete for Fresno, Concord, Antioch, Ford City, Taft, Ridgecrest, Selma, Dinuba, Wasco, Davis, Marysville, Colusa, Chico, Paradise, and Oroville
- ▶ Unable to complete's: 136 UTC's to date (1. 60% of total installs);
 - ▶ 108 are Field Service related, (i.e. broken index screws) / 18 access related (Title 300 work) / 10 other

Deployment Schedule – Status

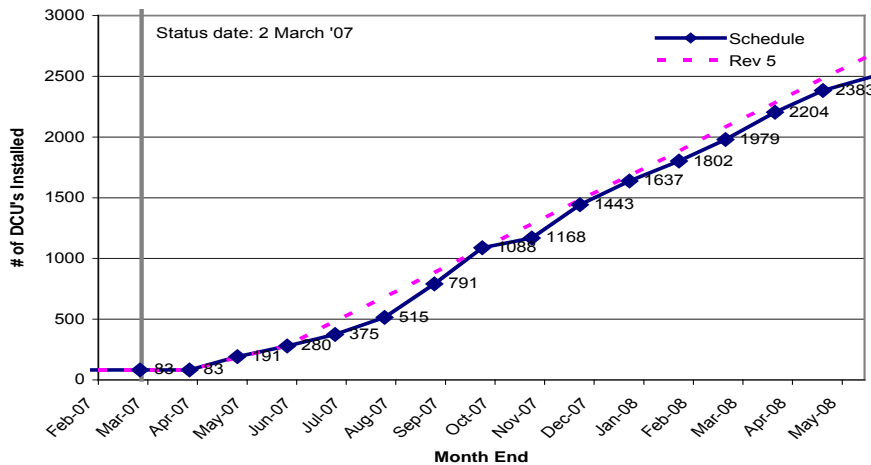
1 Endpoint Installation - Start in an Office



2 Electric Network - Release Substations to Operations



3 DCU Monthly Installs



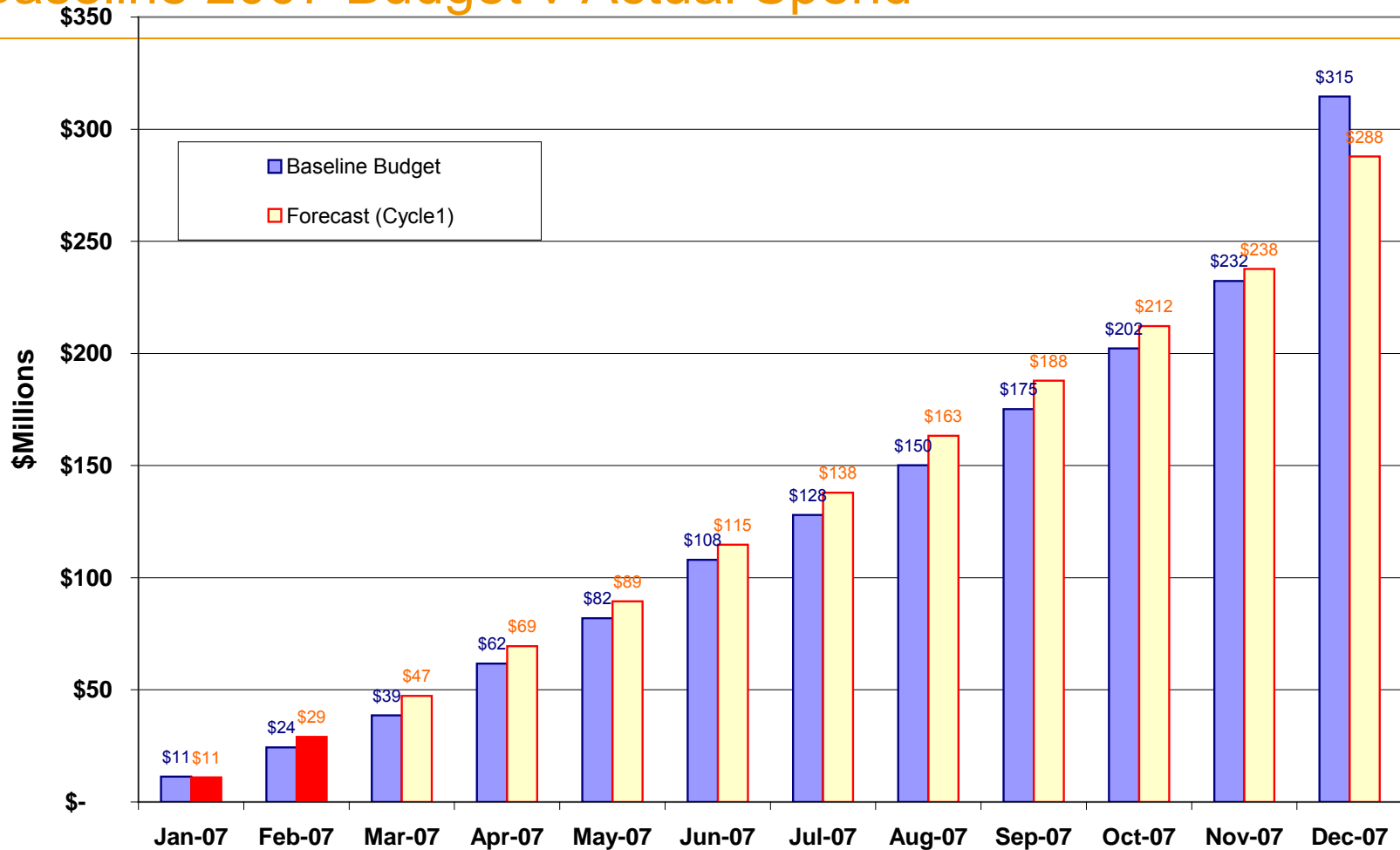
Summary

Chart 1: Endpoint installation is forecast to start on target for every office except Marysville / Colusa

Chart 2: Substation schedule is on target through to October 2007

Chart 3: DCU installation is on target to achieve 1,400+ installs by the end of 2007

Baseline 2007 Budget v Actual Spend



Actuals were \$18.0M for February vs. a budget of \$13.0M

- ▶ IT expenditures will require a 2007 contingency draw
- ▶ Field procurement purchased \$3M of equipment planned in later months
- ▶ Rev5 deployment plan indicates about \$27 million less in capital expenditures for this year

Pending Decisions

- 1) PWC Contract Approval: deep dive completed
- 2) Bakersfield SmartRate marketing program go/no go for April 1st
- 3) Next up: April 3rd ORT readiness review

Project Next Steps

- ▶ March 23: Communications Plan Review, IBM Project Review
- ▶ March 23: Budget Review – Deployment, Operations

- ▶ April 9: Next Steering Committee meeting

Appendix

March 2007

SM 1.0 and 1.5 Scope Current Proposal

Public Version



SmartMeter 1.0

SM 1.5

AMI - Deployment

Supply Chain (20)
(P-V 22, 35, 37, 661a, 661b, 661c, 661d)
 • Planning
 • Purchase order
 • Partial orders
 • Shipment
 • Shipper file
 • Goods received
 • Three-way match
 • Invoices
 • Payment
 (not IT equipment)

Lifecycle Mgt: Equip (01,02)
(P-P 660, 664, 666, 667)
(P-V 108)
 • Network & Meter Module
 • Inventory
 • Installation
 • Test results
 • Marriage
 • Validation
 • Meter exchange
 • Maintenance
 • Retirement

Meter & Network Deployment (04,19)
(P-P 14, 15, 105a, 105c, 105d, 802)
(P-V 1a, 1b, 5a, 5b, 10, 12a, 12b, 13a, 13b, 190)
(V-V 108b)
 • Initiate + Design (Plan)
 • Field install
 • Field exchange / UTC
 • Field order process
 • Network start-up
 • Retrofit shop
 • Backhaul
 • Excludables

Metrics & Reporting (13,22)
 • Operational reporting & performance
 • Deployment field performance metrics

Asset Tracking (Financial) (16)
 • Meter and module
 • End point devices
 • Network
 • Equipment – labor capitalization

Meter Read (05)
(P-V 104)
(V-V 60a, 60b, 66, 67)
 • AMI data collection
 • On demand data collection
 • Data synchronization
 • Customer
 • End-point devices
 • Rates
 • Meter data

Meter Data Mgt (06)
(P-V 63)
 • V E E
 • Receipt & storage MRE file
 • Generate file to CIS
 • Meter read file/usage data
 • Meter read comparison
 • Manual estimate override

Operations (18)
(P-P 14, 15, 151, 152, 802)
(P-V a, 14b, 50a, 60d, 60e, 109a, 109b)
 • Meter, Module & AMI Network
 • Alarms & flags, exceptions
 • Statuses
 • Field Order Process

Bill Calculation (14)
(P-P 131, 133, 182a, 183, 184a, 184c)
(P-V 184b)
 • Framing
 • Rate calculation
 • Bill print
 • Re-bill
 • Revenue reporting
 • CPP operations & calculations

Outage Mgmt (11)
(P-V 70, 73, 74, 75)
 • Single meter ping
 • On-demand trigger/Ping

AMI - Billing

MBCDW (03)
(P-P 171, 175)
(P-V 170)
 • Storage of usage data
 • SQL & Brio internal queries only
 • Customer Web Presentation Data

CC&B Interfacing to other PG&E apps (15)
(P-P 81, 82, 84, 85, 86, 87, 88, 134, 135)
 • RSS
 • MADS
 • ES3/JDR
 • MDSS
 • RDS
 • Mass Transactions
 • Rates DB
 • CC-RAT

Customer Web Presentation (07)
(P-P 77, 78, 92, 95)
 • SmartMeter Marketing
 • Energy usage graphs
 • MyProfile page enhancements

Customer Care (08)
 • Contact ctr support
 • Cust. records maintenance
 • CPP event notifications
 • Deployment & UTC Letters

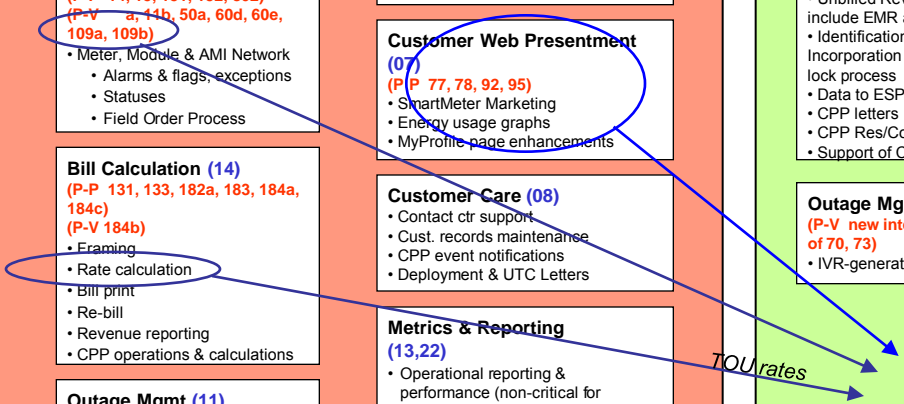
Metrics & Reporting (13,22)
 • Operational reporting & performance (non-critical for deployment or ops)
 • Warranty mgt metrics

Customer Web Presentation (07)
(P-P 180a, 180b, 181a, 181c, 182b, 182d, 184d, 184e)
 • CPP marketing, interest, eligibility, and enrolment online

Customer Care: IVR (08)
(P-P 180a, 180b, 181a, 181c, 182b, 182d, 184d, 184e)
 • IVR-based CPP Enrolment and Marketing

CC&B Enhancements
(P-P 180a, 180b, 181a, 181c, 182b, 182d, 184d, 184e)
 • Meter Type Validation (outside of deployment area)
 • Enhanced SPL presentation of billing and usage history / interval data
 • Billing Exception: New To-Do types for work deferral
 • Unbilled Revenue: Modify process to include EMR and Interval usage
 • Identification of broken lock usage and Incorporation of interval usage into broken lock process
 • Data to ESP: Agent and ESP preferences
 • CPP letters
 • CPP Res/Comm indicator to RDO
 • Support of CWP and IVR CPP functionality

Outage Mgmt (11)
(P-V new interface or possible extension of 70, 73)
 • IVR-generated power status ping



Note: (#) denotes business domain ID's as shown in the Functionality Matrix

Contingency Reconciliation

AMI Contingency Reconciliation		(\$000)	Total
Business Case Approved			\$ 128,773
PCRs Adopted by Steering Committee		Workstream	
	CC&B Phase 1	CC&B	\$ (1,550)
	Savings on AMI Servers, IOC, Oracle Architecture		\$ [REDACTED]
	CC&B Phase 1	CC&B	\$ (11,000)
	CC&B Phase 2	CC&B	\$ (2,000)
PCR 06-0003	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]
PCR 06-0004	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]
PCR 06-0008	IBM #4	Business Process	\$ [REDACTED]
	EDS WACS	System Integration	\$ [REDACTED]
Total PCRs Adopted by Steering Committee			\$ (2,856)
Remaining Contingency			\$ 125,918

Expenditures by Workstream

SmartMeter Spend by Workstream

Capital & Expense (000s)	Current Month - Feb-07			Year To Date			Inception to Date (ITD)	Total 2007				
	Plan	Actuals	Variance	Plan	Actuals	Variance	Actuals	Plan	Forecast	Variance	% Variance	
Workstream												
PMO	\$ 2,108	\$ 2,226	\$ (118)	\$ 2,904	\$ 3,459	\$ (555)	\$ 25,321	\$ 73,832	\$ 43,709	\$ 30,123	40.8%	
SM Operations	\$ 241	\$ 213	\$ 28	\$ 456	\$ 30	\$ 426	\$ 2,290	\$ 3,841	\$ 4,715	\$ (874)	-22.7%	
Communications	\$ 111	\$ 165	\$ (54)	\$ 231	\$ 671	\$ (441)	\$ 3,778	\$ 2,305	\$ 4,111	\$ (1,806)	-78.4%	
Customer	\$ 242	\$ 100	\$ 142	\$ 889	\$ 148	\$ 740	\$ 892	\$ 10,833	\$ 10,734	\$ 100	0.9%	
Contract Procurement	\$ 1,065	\$ 3,923	\$ (2,859)	\$ 1,884	\$ 4,819	\$ (2,935)	\$ 10,625	\$ 95,155	\$ 59,292	\$ 35,863	37.7%	
Substation Installation	\$ 852	\$ 361	\$ 491	\$ 1,322	\$ 657	\$ 665	\$ 2,101	\$ 22,828	\$ 17,678	\$ 5,150	22.6%	
Endpoint Installation	\$ 572	\$ 745	\$ (174)	\$ 1,144	\$ 1,052	\$ 92	\$ 3,018	\$ 21,583	\$ 16,282	\$ 5,301	24.6%	
Deployment Office	\$ 990	\$ 1,233	\$ (244)	\$ 1,919	\$ 2,010	\$ (91)	\$ 8,588	\$ 17,222	\$ 15,690	\$ 1,532	8.9%	
DCU Placement	\$ 117	\$ 34	\$ 82	\$ 233	\$ 100	\$ 133	\$ 303	\$ 1,741	\$ 3,395	\$ (1,654)	-95.0%	
CC&B	\$ 4,160	\$ 3,318	\$ 843	\$ 8,321	\$ 6,354	\$ 1,967	\$ 87,863	\$ 30,637	\$ 53,369	\$ (22,732)	-74.2%	
IT Integration	\$ 2,367	\$ 3,617	\$ (1,251)	\$ 4,730	\$ 6,526	\$ (1,795)	\$ 36,557	\$ 20,653	\$ 40,636	\$ (19,982)	-96.8%	
IT Data Center	\$ -	\$ 1,408	\$ (1,408)	\$ -	\$ 1,642	\$ (1,642)	\$ 13,061	\$ 3,269	\$ 5,330	\$ (2,061)	-63.0%	
SM 1.0 Applications	\$ -	\$ 11	\$ (11)	\$ -	\$ 27	\$ (27)	\$ 4,546	\$ 4,959	\$ 6,321	\$ (1,362)	-27.5%	
IT Operations	\$ 150	\$ 658	\$ (508)	\$ 300	\$ 1,255	\$ (955)	\$ 3,208	\$ 5,670	\$ 6,625	\$ (955)	-16.8%	
Project Total	\$ 12,974	\$ 18,012	\$ (5,038)	\$ 24,332	\$ 28,749	\$ (4,417)	\$ 202,150	\$ 314,530	\$ 287,887	\$ 26,643	8.5%	
Capital	\$ 10,259	\$ 16,122	\$ (5,864)	\$ 18,870	\$ 25,294	\$ (6,425)	\$ 158,605	\$ 251,796	\$ 225,153	\$ 26,643	10.6%	
Expense	\$ 2,715	\$ 1,890	\$ 825	\$ 5,463	\$ 3,455	\$ 2,008	\$ 43,546	\$ 62,734	\$ 62,734	\$ 0	0.0%	
Total	\$ 12,974	\$ 18,012	\$ (5,038)	\$ 24,332	\$ 28,749	\$ (4,417)	\$ 202,150	\$ 314,530	\$ 287,887	\$ 26,643	8.5%	

Public Version

PG&E SmartMeter[™]

**SmartMeter[™]/CC&B Initiatives
Status Update**

April 2007



Agenda

- ▶ **SmartMeter[™] Release Update**
- ▶ **Deployment Update**
- ▶ **Budget**
- ▶ **Project Decisions**
- ▶ **PwC Update**
- ▶ **Appendix**

SM Release Status

As of 4/05/07	Projected 5/28/07		Watch List	Remediation Actions
		Replatform	<ul style="list-style-type: none"> ▶ DB2 to Oracle Data Conversion ▶ Outage Window ▶ Change Data Capture performance & quality issues 	<ul style="list-style-type: none"> ▶ Re-engineering approach to determine best alternative ▶ Data conversion approach modified to compress window and Data Guard materialized across data centers tested; Migration plan needs to be finalized ▶ Oracle has delivered patch to address data quality – testing still in progress
		Meter Deployment	<ul style="list-style-type: none"> ▶ Product Application Test is 64% complete ▶ Prod Integration Test – Technical: 24% testing successfully passed (64% executed) – based on 21 interfaces code tested ▶ Prod Integration Test – Functional being planned, scheduled to be complete in the May time period 	<ul style="list-style-type: none"> ▶ Team working nights & weekends to accelerate testing ▶ Continue testing at maximum capacity ▶ ORT2 and Prod Integration Test – Functional will be overlapped; PIT-F testing prioritizes critical meter deployment processes

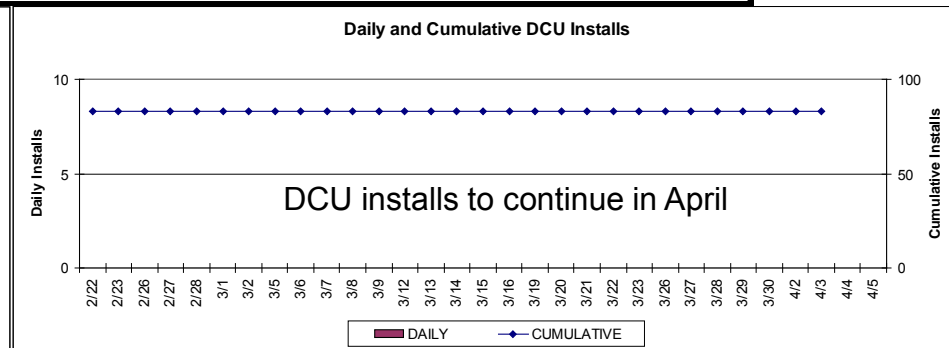
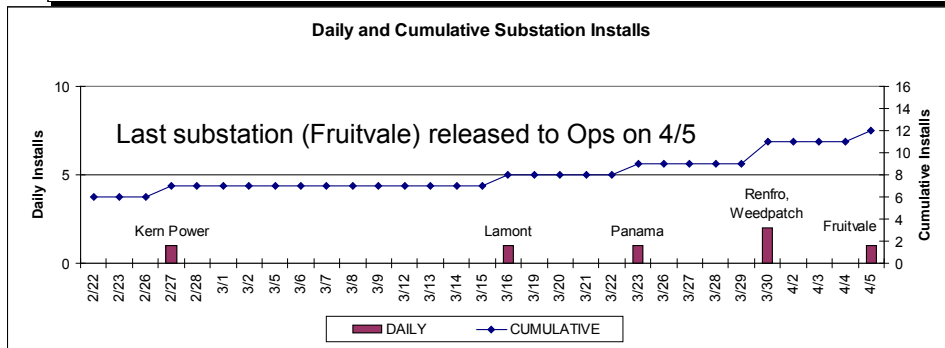
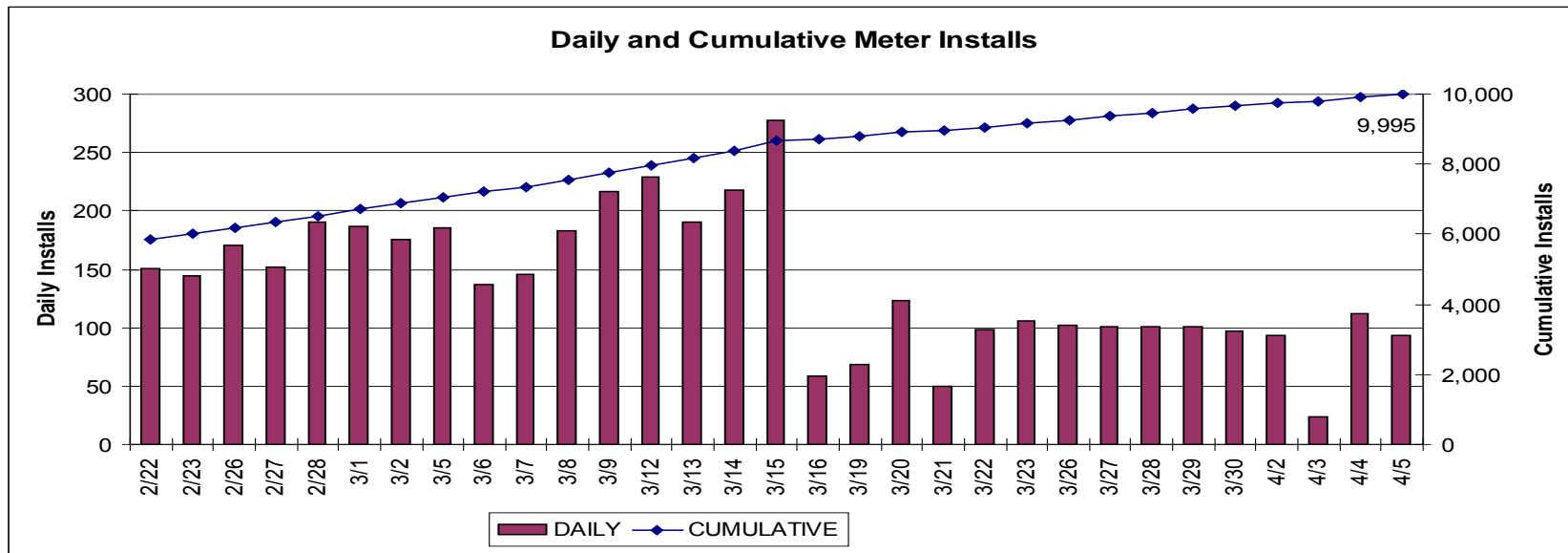
SM Release Status

As of 4/04/07	Projected 5/28/07		Watch List	Remediation Actions
		Interval billing	<ul style="list-style-type: none"> ▶ Product Application Test (PAT) is 53% complete (execution passed) ▶ Prod Integration Test – Technical: 57% testing successfully passed (82% executed) – based on 11 interfaces code tested ▶ Product Integration Test - Functional not yet underway 	<ul style="list-style-type: none"> ▶ Team working nights & weekends to accelerate testing
		Budget	<ul style="list-style-type: none"> ▶ IT budget transfer approved for \$57 million (presented on 3/30). ▶ Substation installation costs remain high 	<ul style="list-style-type: none"> ▶ Deep dive with SM Steering Committee on Substations costs planned for 4/27
		Resources	<ul style="list-style-type: none"> ▶ Resources are working long hours, including evenings and weekends; Small risk of losing a few individuals 	

Project Status – Key Issues

Issue	Current status / downstream effect
<ul style="list-style-type: none"> ▶ Full-Pop file required 	<ul style="list-style-type: none"> ▶ The workaround in the absence of a Full-Pop File from CC&B, is a much smaller, manually produced file for the interim. Enough meter population has been produced for installations through August <i>if this daily refresh works in Oracle</i>
<ul style="list-style-type: none"> ▶ [REDACTED] 	<ul style="list-style-type: none"> ▶ [REDACTED]
<ul style="list-style-type: none"> ▶ ITST non-incremental hours charged to SM 	<ul style="list-style-type: none"> ▶ Policy under review for ISTS hours being charged to the SM project that are non-incremental.
<ul style="list-style-type: none"> ▶ VEE Testing late 	<ul style="list-style-type: none"> ▶ VEE testing will not be complete until 5/1. Mitigation actions being validated.
<ul style="list-style-type: none"> ▶ RSS critical defect impacts 	<ul style="list-style-type: none"> ▶ FSTE environment preparation to be completed; Oracle delivering a fix for the critical “null value” defect.
<ul style="list-style-type: none"> ▶ Deal with SoCal for poles in Area4 	<ul style="list-style-type: none"> ▶ Deal with SoCal for poles in Area4 is overdue. 56 Gas Collector Towers are being stalled.
<ul style="list-style-type: none"> ▶ City of Fresno street lights 	<ul style="list-style-type: none"> ▶ City of Fresno has not agreed to street lights deal. Holding up 36 Gas Collector Towers.

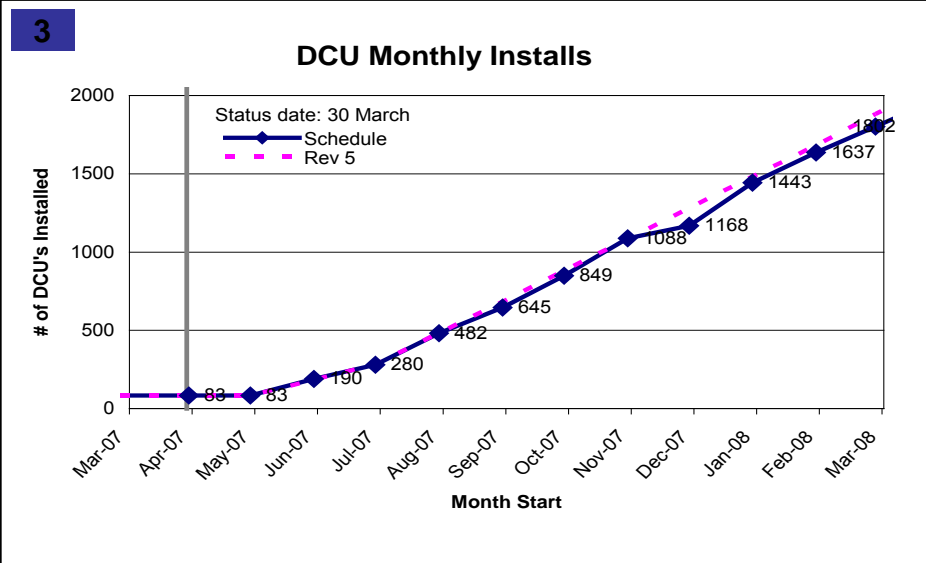
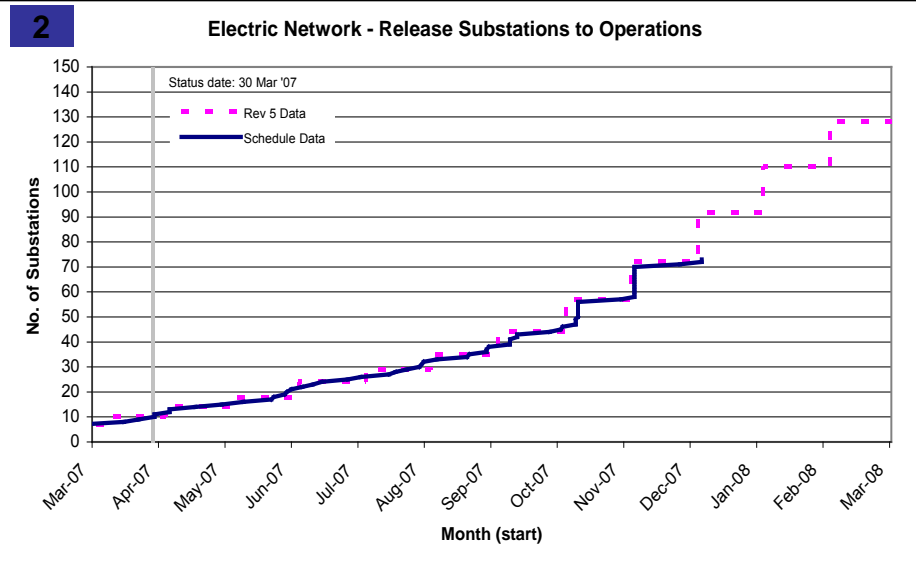
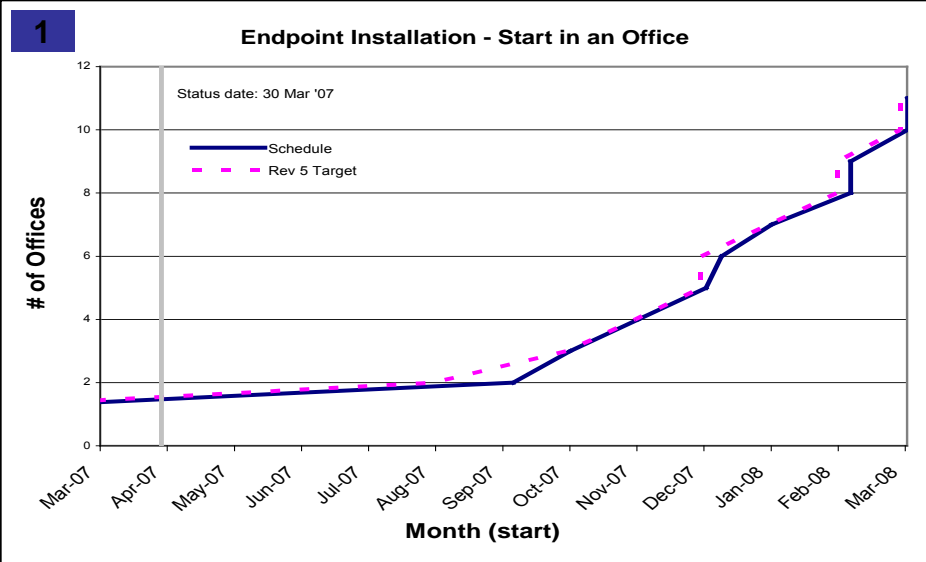
Deployment Update



Deployment Comments:

- ▶ DCU site surveys are complete for Fresno, Concord, Antioch, Ford City, Taft, Ridgecrest, Selma, Dinuba, Wasco, Davis, Marysville, Colusa, Chico, Paradise, Oroville, Oakland/East Oakland, Burney, Grass Valley and Redding for a total of 1225 DCU locations (approximately 25% of total)
- ▶ Unable to complete's: 148 UTC's to date (1. 52% of total installs);
 - ▶ 119 are Field Service related, (i.e. broken index screws) / 18 access related (Title 300 work) / 11 other

Deployment Summary – Status: 30 Mar '07



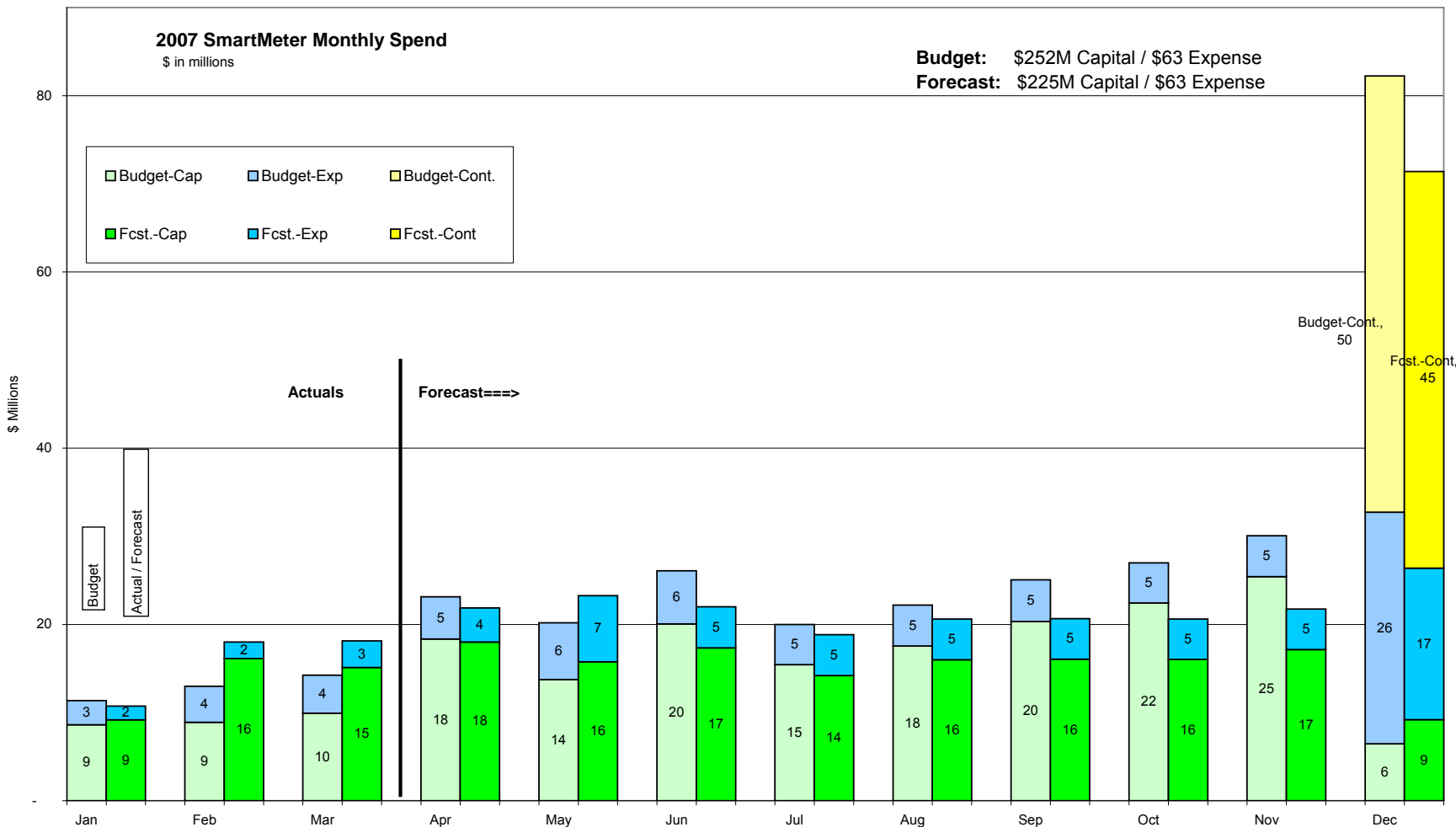
Summary

Chart 1: Schedule logic shows forecast delay to start of endpoint installation for: Concord / Antioch (4d), Oakland / East Oakland (3d), Grass Valley (3d) due to completion of first substations in office.

Chart 2: Substation schedule is on target through to October 2007 and beyond.

Chart 3: DCU installation is on target to achieve 1400+ installs by the end of 2007.

Baseline 2007 Budget v Actual Spend



Actuals were \$18.1M for March vs. a Cycle 1-07 forecast of \$19.0M and a Cycle 3-06 budget of \$14.0M

Contingency Reconciliation

SM Contingency Reconciliation		(\$000)	Total	Notes
Business Case Approved			\$ 128,773	
PCRs Adopted by Steering Committee		Workstream		
	CC&B Phase 1	CC&B	\$ (1,550)	Performance enhancing Sun servers
	Savings on AMI Servers, IOC, Oracle Architecture		\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
	CC&B Phase 1	CC&B	\$ (11,000)	Approved at Oct 17, 2006 Steering Committee
	CC&B Phase 2	CC&B	\$ (2,000)	Approved at Oct 17, 2006 Steering Committee
PCR 06-0003	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
PCR 06-0004	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
PCR 06-0008	IBM #4	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
	EDS WACS	System Integration	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
Total PCRs Adopted by Steering Committee			\$ (2,856)	
Remaining Contingency			\$ 125,918	
Workstream Budget (Over) / Under allocations -				
	PG&E SI		\$ (6,926)	Approved by SM Steering Committee
	IBM SI		\$ [REDACTED]	Approved by SM Steering Committee
	PG&E Proc Development		\$ (1,589)	Approved by SM Steering Committee
	EDS / WACS		\$ [REDACTED]	Approved by SM Steering Committee
	Accenture / BEA Consultants		\$ [REDACTED]	Approved by SM Steering Committee
	CC&B Capital -		\$ (18,043)	Approved by SM Steering Committee
	CC&B Expense		\$ 2,954	Approved by SM Steering Committee
	CC&B future releases		\$ (11,225)	Approved by SM Steering Committee
	Call Center: CC&B launch AHT		\$ (15)	Approved by SM Steering Committee
	DCSI Servers HW		\$ [REDACTED]	Approved by SM Steering Committee
	WACS - Purchase		\$ [REDACTED]	Approved by SM Steering Committee
	IBM PMO Management		\$ [REDACTED]	Approved by SM Steering Committee
	IBM Expenses		\$ [REDACTED]	Approved by SM Steering Committee
			\$ (57,153)	

Program Metrics

SmartMeter - Deployment		February - Month Results				March - Month Results				YTD				Full Year			
Metric	Key Performance Indicator	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Fcst	Target	Var
(a)	(b)	(c)	(d)	(e)	(f)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
PMO																	
1	Lost workday case rate	↔	-	4.6	4.6	↔	-	4.6	4.6	↔	0.0	4.6	4.6	↔	0.0	4.6	4.6
2	Installation Injury - Lost Work Days	↔	-	1.5	1.5	↔	-	2.4	2.4	↔	0.0	4.6	4.6	↔	14.8	15.3	0.5
3	OSHA Recordable Rate	↓	3.1	4.6	1.5	↔	1.9	4.6	2.7	↔	1.9	4.6	2.7	↔	4.6	4.6	0.0
4	# of OSHA Incidents Reported	↓	1.0	1.5	0.5	↔	-	2.4	2.4	↔	1.0	2.4	1.4	↔	14.8	15.3	0.5
5	Issues over 30 Days Past Due	↔	5%	20%	15%	↔	13%	20%	8%	↔	6%	20%	14%	↔	6%	20%	14%
6	Open Issue Count by Severity	↔	50%	45%	-5%	↔	33%	45%	12%	↔	44%	45%	1%	↔	40%	45%	5%
7	Risk Family Count by Value	↔	38%	40%	3%	↔	42%	40%	-2%	↔	37%	40%	3%	↔	30%	40%	10%
10	Schedule Variance to End of Build	↔	-	-	-	↔	-	-	-	↔	-	-	-	↔	-	-	-
Deployment																	
11	Substations Complete	↓	1.0	3.0	(2.0)	↑	5.0	4.0	1.0	↔	8.0	9.0	(1.0)	↔	105.0	105.0	-
12	DCUs Installed	↔	-	-	-	↔	-	-	-	↔	-	-	-	↔	1,400	1,400	-
13	Meters Enabled - Electric & Gas	↔	3,187	1,400	1,787	↔	3,150	1,400	1,750	↔	8,017	4,479	3,538	↔	327,904	327,904	-
14	Wellington Endpoints Installed - E&G	↔	3,186	1,400	1,786	↔	3,149	1,400	1,749	↔	8,014	4,479	3,535	↔	327,904	327,904	-
18	Deployment Exception Rate	↔	0.47%	2.00%	1.5%	↔	0.57%	2.00%	1.4%	↔	0.57%	2.00%	1.4%	↔	0.57%	2.00%	1.4%
19	Customer Complaint Rate	↔	0.0%	0.2%	0.2%	↔	0.0%	0.2%	0.2%	↔	0.0%	0.2%	0.2%	↔	0.2%	0.2%	0.0%
20	Call Center Inbound Rate	↔	0.85%	1.0%	0.2%	↔	0.70%	1.0%	0.3%	↔	0.96%	1.0%	0.0%	↔	1.0%	1.0%	0.0%
21	UTC rate	↔	1.8%	4.0%	2.2%	↔	1.2%	4.0%	2.8%	↔	1.5%	4.0%	2.5%	↔	1.5%	4.0%	2.5%
22	Lit Network (units 000)	↓	12.4	28.6	(16.2)	↑	33.2	27.3	6.0	↔	92.4	102.7	(10.2)	↔	1,943.1	1,936.3	(6.8)
Budget / Earned Value																	
23	Budget vs. Actual since inception (\$M)	↓	\$ 18.0	\$ 13.0	\$ (5.0)	↑	\$ 18.1	\$ 19.0	\$ 0.9	↑	\$ 46.9	\$ 45.3	\$ (1.6)	↔	\$ 287.9	\$ 287.9	\$ -
24	Budget vs. Actual - Capital (\$M)	↓	\$ 16.1	\$ 10.3	\$ (5.9)	↔	\$ 15.1	\$ 15.4	\$ 0.3	↔	\$ 40.4	\$ 36.5	\$ (3.9)	↔	\$ 225.2	\$ 225.2	\$ -
25	Budget vs. Actual - Expense (\$M)	↔	\$ 1.9	\$ 2.7	\$ 0.8	↔	\$ 3.0	\$ 3.6	\$ 0.6	↔	\$ 6.5	\$ 8.8	\$ 2.4	↔	\$ 62.7	\$ 62.7	\$ -
26	Budget vs. Actual to Completion (\$M)	↔	\$ 1,749	\$ 1,749	\$ -	↔	\$ 1,749	\$ 1,749	\$ -	↔	\$ 1,749	\$ 1,749	\$ -	↔	\$ 1,749	\$ 1,749	\$ -
31	Bud. vs. Act. to Completion - IT (\$M)	↔	\$ 279	\$ 182	\$ (97)	↔	\$ 234	\$ 182	\$ (52)	↔	\$ 234	\$ 182	\$ (52)	↔	\$ 234	\$ 182	\$ (52)
Costs																	
32	CPI Substations (\$ 000)	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	\$ 202	\$ 202	\$ -
33	CPI DCU (Gas Network) (\$ 000)	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	\$ 3,104	\$ 3,104	\$ -
34	CPI - Electric Endpoint (\$)	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	\$ 98.27	\$ 98.27	\$ -
35	CPI - Gas Endpoint (\$)	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	\$ 92.36	\$ 92.36	\$ -
41	Deployment Inventory (\$ 000)	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	tbd	tbd	\$ -	↔	\$ 5,847	\$ 5,847	\$ -

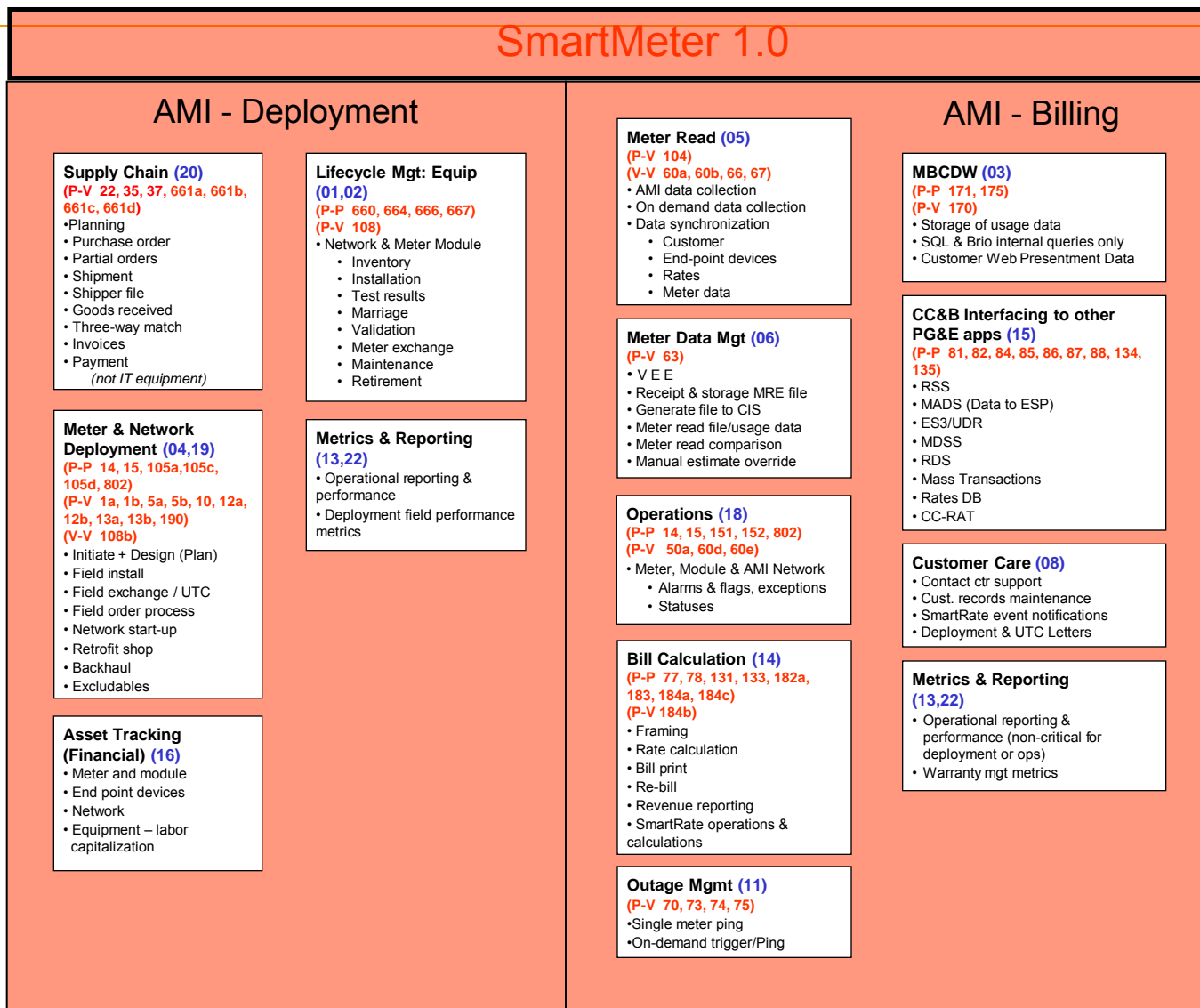
Decisions

- 1) Readiness review for ORT Cycle2 completed on 4/5.
- 2) Deployment plan through Stabilization – including FAS Roll-out from 9/1 – approved.
- 3) SmartRate marketing program materials approved; Go/No-Go decision on 4/17.
- 4) IBM contract extended through Stabilization period.

- 5) NEXT PENDING DECISION:
ORT Cycle Go/No-Go on 4/17.

Appendix

April 2007



Note: (#) denotes business domain ID's as shown in the Functionality Matrix

SM 1.5

		Release-based Functionality (maintenance and performance enhancements)	
<p>Customer Presentment (07) (P-P 92, 95, 180a, 181a, 182b, 184e)</p> <ul style="list-style-type: none"> • Online and IVR-based SmartRate interest, eligibility, and enrollment • SmartRate & SmartMeter marketing • Energy usage graphs and data • Online rate analysis request (actual rate analysis is manual) 	<p>Operations (18, 19) (P-V 11a, 11b, 109a, 109b)</p> <ul style="list-style-type: none"> • Automated field/service order processing and statusing between the MDM and CC&B (meter/module) & SAP (network) 	<p>TNG 2.0: SmartMeter Operations</p> <ul style="list-style-type: none"> • Performance enhancements required to achieve 75,000 endpoints per DMC • Implementation of TWACS-20 protocols as required to accomplish the functionalities included in TNG 2.0 • User prioritization of search and initialization of transponder types and rate codes • Ability for user to disable one or more initialization steps for certain transponders/circumstances • Ability of system to allow user to configure modules for number of intervals and duration of intervals according to the modified tables as provided by DCSI • Ability to configure the initialization process to automatically update transponder type and scaling constants • Ability to configure TNG to search and initialize a transponder without specifying transponder's type/model • Ability to automatically recover data for newly installed meters back to set date 	<p>TNG 2.0: Interval Data Configuration</p> <ul style="list-style-type: none"> • Supported interval data configuration for XMP transponders (15 and 60 min) • Supported interval data configuration for UMT-R transponders (15 and 60 min) • Supported interval data configuration for UMT-C transponders (15, 30 and 60 min) <p>NOTE: Release-based Functionality for TNG will be delivered for SM 1.5, but some functions will not be implemented until SM 2.0 (e.g. Remote Connect/Disconnect and Outage Restoration confirmation)</p>
<p>Customer Care (08)</p> <ul style="list-style-type: none"> • SmartRate letters • CSR-requested SmartRate rate analysis • Identification and incorporation of interval usage data into broken lock process 	<p>Outage Mgmt (11) (P-V new interface or possible extension of 70, 73)</p> <ul style="list-style-type: none"> • IVR-generated power status ping 		
<p>Bill Calc (14) & Revenue Reporting (12) (P-P 84, 180b, 181c, 182d, 184d)</p> <ul style="list-style-type: none"> • CC&B support of SmartRate interest, eligibility & enrollment (online, IVR, CSR) • SmartRate Operations: Program operations • SmartRate Operations: Residential/Commercial indicator (F184 Redesign) • Billing Exception: New To-Do types for work distribution • Unbilled Revenue: Modify process to include EMR and Interval usage • Billing of TOU/Demand metered customers using SmartMeter usage data and SmartRate (TOU rates that are SmartRate eligible) 	<p>Meter Deployment (04)</p> <ul style="list-style-type: none"> • Closed Route Benefits Realization • CG /UTC enhancements 		
<p>Customer Presentment: CWP (07) (Work is independent of SM development and E2E testing)</p> <ul style="list-style-type: none"> • Employee Proxy View & Admin Tool to Control Privileges, Access and Views • Online Auditing and Audit Trail Tracking and Archiving • Data Download 	<p>Meter Read (05) (P-V 104d)</p> <ul style="list-style-type: none"> • New CC&B-processed reads sent to WACS 		

Note: (#) denotes business domain ID's as shown in the Functionality Matrix

Expenditures by Workstream

SmartMeter Spend by Workstream

Capital & Expense (000s)	Current Month - Mar-07			Year To Date		Inception to Date (ITD)	Total 2007			
	Plan	Actuals	Variance	Plan	Actuals	Actuals	Plan	Forecast	Variance	
Workstream										
PMO	\$ 2,953	\$ 2,290	\$ 663	\$ 7,406	\$ 5,749	\$ 27,610	\$ 71,621	\$ 71,621	\$ -	
SM Operations	\$ 506	\$ 281	\$ 225	\$ 566	\$ 311	\$ 2,571	\$ 4,851	\$ 4,851	\$ -	
Communications	\$ 630	\$ 190	\$ 440	\$ 1,301	\$ 861	\$ 3,967	\$ 4,111	\$ 4,111	\$ -	
Customer	\$ 242	\$ 51	\$ 191	\$ 1,229	\$ 199	\$ 943	\$ 12,740	\$ 12,740	\$ -	
Contract Procurement	\$ 874	\$ 2,655	\$ (1,781)	\$ 2,422	\$ 7,474	\$ 13,280	\$ 56,374	\$ 56,374	\$ -	
Substation Installation	\$ 591	\$ 440	\$ 151	\$ 1,399	\$ 1,096	\$ 2,541	\$ 17,689	\$ 17,689	\$ -	
Endpoint Installation	\$ 748	\$ 737	\$ 11	\$ 2,225	\$ 3,119	\$ 5,085	\$ 16,572	\$ 16,572	\$ -	
Deployment Office	\$ 948	\$ 1,293	\$ (345)	\$ 2,197	\$ 1,973	\$ 8,552	\$ 15,092	\$ 15,092	\$ -	
DCU Placement	\$ 21	\$ 52	\$ (32)	\$ 107	\$ 152	\$ 355	\$ 2,437	\$ 2,437	\$ -	
CC&B	\$ 5,570	\$ 4,051	\$ 1,519	\$ 11,924	\$ 10,405	\$ 91,915	\$ 35,507	\$ 35,507	\$ -	
IT Integration	\$ 4,594	\$ 3,834	\$ 760	\$ 10,947	\$ 10,360	\$ 40,391	\$ 33,142	\$ 33,142	\$ -	
IT Data Center	\$ 950	\$ 1,383	\$ (433)	\$ 2,424	\$ 3,025	\$ 14,444	\$ 5,162	\$ 5,162	\$ -	
SM 1.0 Applications	\$ 12	\$ 10	\$ 1	\$ 39	\$ 37	\$ 4,556	\$ 6,322	\$ 6,322	\$ -	
IT Operations	\$ 365	\$ 857	\$ (493)	\$ 1,112	\$ 2,112	\$ 4,066	\$ 6,267	\$ 6,267	\$ -	
Project Total	\$ 19,003	\$ 18,125	\$ 878	\$ 45,297	\$ 46,875	\$ 220,276	\$ 287,887	\$ 287,887	\$ -	
Capital	\$ 15,376	\$ 15,116	\$ 261	\$ 36,476	\$ 40,410	\$ 173,720	\$ 225,153	\$ 225,153	\$ -	
Expense	\$ 3,627	\$ 3,010	\$ 617	\$ 8,821	\$ 6,465	\$ 46,555	\$ 62,734	\$ 62,734	\$ -	
Total	\$ 19,003	\$ 18,125	\$ 878	\$ 45,297	\$ 46,875	\$ 220,276	\$ 287,887	\$ 287,887	\$ -	

Actuals were \$18.1M for March vs. a Cycle 1-07 forecast of \$19.0M and a Cycle 3-06 budget of \$14.0M

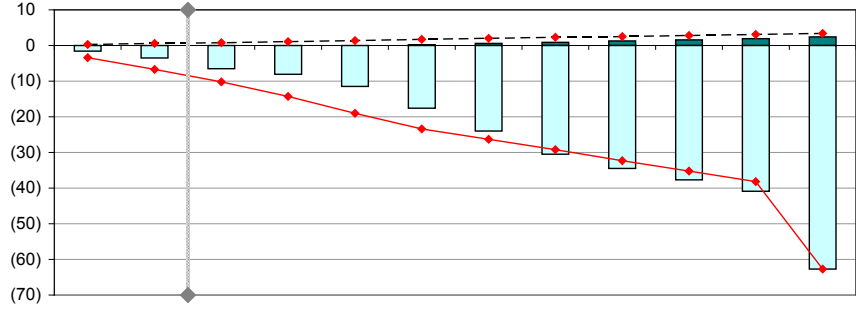


SmartMeter™ Project Release Costs and Benefits*

Balancing Account Expense

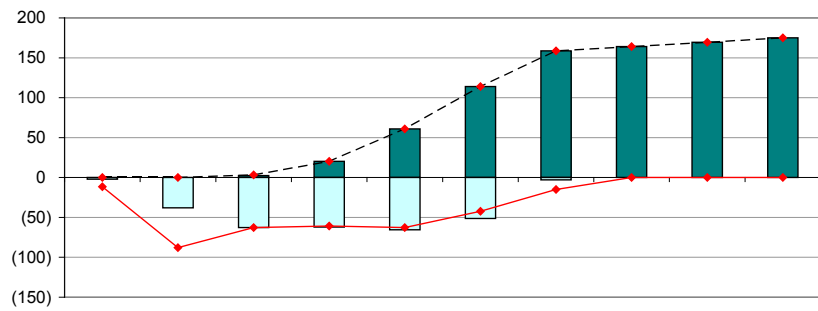
All values are in \$ millions

Cumulative Costs/Benefits (2007)



	J	F	M	A	M	J	J	A	S	O	N	D
Act/For Costs	(1.6)	(3.5)	(6.5)	(8.1)	(11.5)	(17.6)	(24.0)	(30.5)	(34.5)	(37.7)	(40.9)	(62.7)
Act/For Benefits	0.0	0.0	0.0	0.0	0.0	0.2	0.6	0.9	1.3	1.6	1.9	2.4
Planned Costs	(3.4)	(6.7)	(10.2)	(14.3)	(19.0)	(23.4)	(26.3)	(29.2)	(32.3)	(35.2)	(38.2)	(62.7)
Planned Benefits	0.3	0.6	0.8	1.1	1.4	1.7	2.0	2.3	2.5	2.8	3.1	3.4

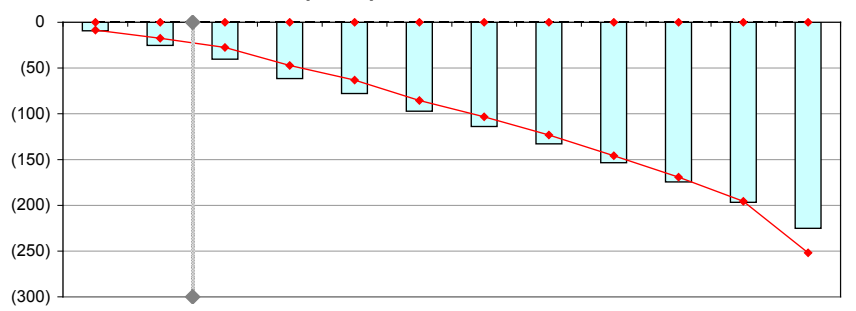
Annual Costs/Benefits (2005-2014)



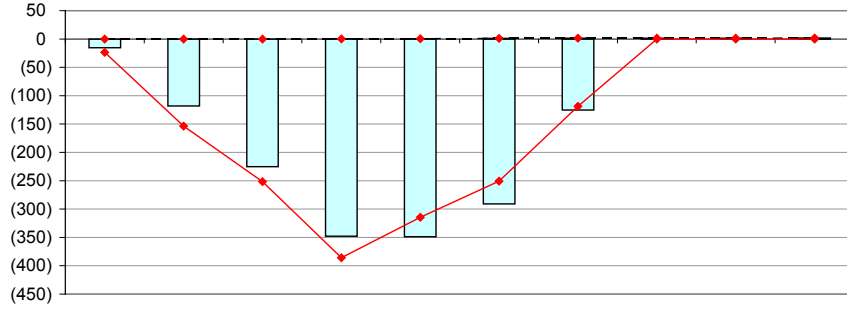
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Act/For Costs	(2.1)	(38.0)	(62.7)	(62.0)	(65.6)	(51.4)	(2.8)	0.0	0.0	0.0
Act/For Benefits	0.0	0.0	2.4	20.3	61.0	113.9	158.8	164.0	169.5	175.1
Planned Costs	(11.5)	(87.9)	(62.7)	(60.7)	(62.7)	(42.2)	(15.0)	0.0	0.0	0.0
Planned Benefits	0.0	0.0	3.4	20.3	61.0	113.9	158.8	164.0	169.5	175.1

Balancing Account Capital Expenditures

Cumulative Costs/Benefits (2007)



	J	F	M	A	M	J	J	A	S	O	N	D
Act/For Costs	(9.2)	(25.3)	(40.4)	(61.4)	(77.9)	(97.1)	(113.9)	(132.8)	(153.4)	(174.5)	(196.8)	(225.2)
Act/For Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planned Costs	(8.6)	(17.5)	(27.4)	(47.1)	(63.1)	(85.5)	(103.3)	(123.1)	(145.8)	(169.2)	(195.6)	(251.8)
Planned Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Act/For Costs	(15.3)	(118.0)	(225.2)	(347.7)	(348.9)	(290.9)	(125.3)	0.0	0.0	0.0
Act/For Benefits	0.0	0.0	0.0	0.1	0.5	1.0	1.5	1.5	1.6	1.6
Planned Costs	(23.4)	(153.6)	(251.8)	(385.8)	(314.5)	(250.8)	(118.9)	0.0	0.0	0.0
Planned Benefits	0.0	0.0	0.0	0.1	0.5	1.0	1.5	1.5	1.6	1.6

Legend:

- ◆ Planned Costs
- ◆ Planned Benefits
- ◆ Actual vs. Forecast Divider
- Act/Forecasted Costs
- Act/Forecasted Benefits

*SmartMeter™ Project financials not yet fully integrated into BT; forecasts reported monthly
Performance Management Tracking – 2012-2014 figures are preliminary

Public Version



PG&E
SmartMeter

SmartMeter™/CC&B Initiatives
Steering Committee Update – May

May 11, 2007



Agenda

- ▶ **Follow-Up Items from May 7th Steering Committee Meeting**
- ▶ **SmartMeterTM Release Update**
- ▶ **Deployment Update**
- ▶ **Budget Status**
- ▶ **Program Metrics**
- ▶ **Project Decisions**
- ▶ **Appendix**

SM IT/CC&B Project Amounts

Public Version










Line #	(A) (B) (C) = (A) + (B)				(D)	(E) (F) (G) = (E) + (F)			(H) (I)		Line #			
	Approved IT Spending Amount					IT Actuals	Forecasted IT Spending Remaining			O&M				
	Original Approved Spend	Cycle 1 Additional Amount	"Go Live" Scenario Amount	Current Forecasted Spend		Actuals (ITD thru Apr '07)	2007 May - Dec SM 1.0	2007 May - Dec SM 1.5	2008 & Beyond	Total Remaining		2007 May - Dec Stabilization	2007 May - Dec SM 1.5	
1	Customer											1		
2		405	0	405	0	405		0	405			2		
3		4,192	1,253	0	5,445	910	3,282	1,253	0	4,535		3		
4		Subtotal Customer	4,597	1,253	0	5,850	910	3,687	1,253	0	4,940	4		
5	SM Integration											5		
6		9,841	7,435	100	17,375	6,574	4,089	6,712	0	10,801		6		
7												7		
8												8		
9												9		
10												10		
11		159	942	0	1,101	1,104	(3)		0	(3)		11		
12												12		
13		3,229	0	0	3,229	0	0	3,229	3,229	0	0	13		
14		2,000	0	0	2,000	0	0	2,000	2,000	0	0	14		
15		0	3,008	1,000	4,008	2,401	1,607	0	1,607			15		
16		Subtotal Integration	44,470	26,404	6,400	77,274	43,922	21,411	6,712	5,229	33,352	16		
17	CC&B											17		
18				8,900	76,354	60,774	12,720	2,861	0	15,581	4,446	4,200	18	
19													19	
20													20	
21			100		532	0	532				324		21	
22				0	6,515	6,515	0	0	0	0			22	
23				0	3,692	3,692	0	0	0	0			23	
24		684	5,081	1,900	5,765	2,977	2,388	400	0	2,788			24	
25		Subtotal CC&B	90,650	18,364	15,500	124,514	97,788	23,466	3,261	0	26,727	8,491	4,200	25
26	Data Center												26	
27													27	
28													28	
29													29	
30													30	
31		2,544	0	0	2,544	1,902	642	0	642				31	
32		Subtotal Data Center	31,231	0	0	37,256	14,814	1,796	0	20,646	22,442		32	
33	SM Applications												33	
34													34	
35													35	
36													36	
37													37	
38													38	
39		0		0	88	73	15	0	15				39	
40		Subtotal Applications	11,087	454	0	11,540	4,568	6,274	0	699	6,973		40	
41													41	
42		Total IT (Excluding AFUDC) =	181,351	44,323	19,000	246,574	156,550	52,624	10,825	26,574	90,024	8,491	4,200	42
43		Total AFUDC =	684	8,177	2,900	9,861	5,451	4,009	400	0	4,409	0	0	43
44		Total IT (Including AFUDC) =	182,035	52,500	21,900	256,435	162,001	56,634	11,225	26,574	94,434	8,491	4,200	44
45													45	
46		Subtotal PMO	61,148	4,353	0	65,502	29,868	19,551	16,082	35,633			46	
47													47	
48		Subtotal PMO + IT =	243,183	56,853	21,900	321,936	191,869	76,185	11,225	42,656	130,067	8,491	4,200	48
49													49	
50		Subtotal Deployment	1,077,800	0	400	1,078,200	33,665	101,889	942,646	1,044,535			50	
51		Subtotal Communications	23,800	0	0	23,800	4,162	2,563	17,075	19,638			51	
52		Subtotal Contingency / Other	125,600	(56,853)	(22,300)	46,447	0	0	46,447	46,447			52	
53													53	
54		Subtotal Total Deployment =	1,470,383	0	0	1,470,383	229,696	180,637	11,225	1,048,824	1,240,687	8,491	4,200	54
55									4,200 *				55	
56								15,425					56	

SM Release Status

Key Headlines for Release:

- Implementation of 5/28 SM 1.0 Go Live Date will be missed. Assessment of alternative schedules resulted in recommendation of a 9/4 release date which was subsequently approved by the Steering Committee.
- System testing behind schedule. Defects as of 4/30/07: 110 defects (19 for replatforming, 84 for meter deployment functionality, 11 for ClimateSmart and UDC); over 60 of those have fixes and are retesting now – six are critical. Key replatforming processes (such as change data capture) not stable. Batch billing 24 hour schedule not yet fully executed. System operation scenarios not sufficiently rehearsed.
- As of Thursday, 5/3/07, PG&E has installed 13,497 endpoints (meters), communication equipment in 17 substations, and 92 Data Control Units on poles in the Bakersfield area. Installation work will continue on or at the current pace until the system functionality is delivered.

Area	Status	Variance Explanation
Financial Variance (YTD)		Compared against the April Year-To-Date Cycle 1 Forecast, total project is 8% favorable on capital (forecast = \$59.3 million versus actual = \$54.5 million), and 11% favorable on expense (forecast = \$10.4 million vs. actual = \$9.3 million).
Financial Variance (EAC)		Currently working to manage capital project within Board of Directors authorized amount of \$1,470 million, which is \$80 million less than the \$1,550 million authorized by the CPUC.
Scope		Scope for SM1.5 will be reviewed week of 5/21.
Milestones		Will address status of milestones after evaluation of new 9/4 release date is completed.
Resources		Resources strained and working long-hours. Open resource requests for Operational Readiness Test (ORT), Testing and PMO resources. Some risk of losing small number of resources. Morale low. Possible environment contention issues; probable resource extension for internal and external personnel.
Schedule		Will address status of schedule after evaluation of new 9/4 release date is completed.
Quality		
Issues		A number of critical/high-level issues exist. See Issues Section in this report.
Actions		
Post Implementation Performance	n/a	Will begin posting after 9/4 SM 1.0 Go-Live release date.

Issues Dashboard

Critical and High Impact Issues

Issues are categorized as CRITICAL and HIGH by the following definitions:

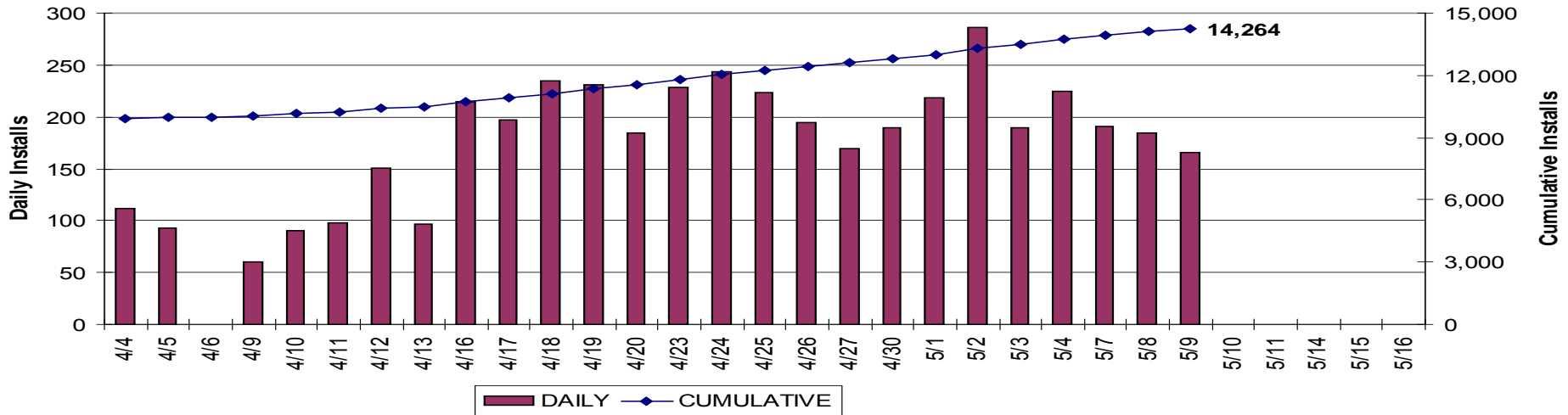
Critical: Major threat to success (as measured against balance of quality, schedule, and budget).

High: Significant disruption to successful delivery of objectives, products, and benefits.

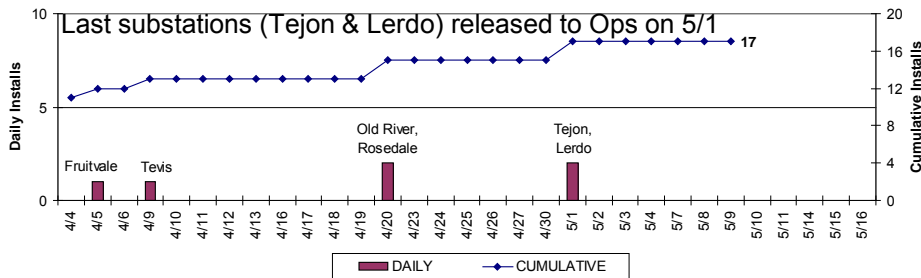
Priority	Description	Comments
Critical	Change Data Capture in Oracle (CDC) Performance	Change Data Capture application was not scaling to required performance. Waiting to test a fix from Oracle that is Oracle RAC compatible. 4/30 update – Per Lungile M – System refreshed on 4/29 back to 2/27 in order to run billing with CDC enabled and with full infrastructure (Data Guard included). CDC performance results satisfactory; awaiting RSS initial results to be available by EOD 5/1.
Critical	Meter discover and initialization process for installed meters in Bakersfield area delayed due to project slip.	The project has been using interfaces which have not completed testing (60, 50, 104, 66, 67) to enable AMS Ops to discover and initialize installed meters. The conversion approach for the MDMS needs to be revisited to determine if the right approach is to “initialize” the MEM go live weekend, or use ORT to enable “cut-over”.
Critical	RSS critical defect impacts	FSTE environment preparation to be completed; Oracle had delivered a fix for the critical “null value” defect which addressed the defect but was not compatible with other code. Awaiting updated fix from Oracle. Per T. Tang, sev 2 issue opened with Oracle; no estimated resolution date yet. Need as soon as possible; cannot go live with re-platform without this fix.
High	Establishment of Substation connectivity with automated discovery process	Currently the process of establishing connectivity and discovery process is labor intensive. Automated mechanism must be provided by DCSI to make this process less error prone and reliable. Tickets have been opened with DCSI for this specific requested feature in TNG.
High	Agreement with Southern California Edison for streetlights & poles in Area4	Agreement with Southern California Edison for streetlights and poles in Area4 is overdue. Fifty-six gas data collector towers (DCUs) are being stalled. 4/26 update – SCE Sr. Mgmt unwilling to set precedent prior to deciding on policy for Wi-Fi installations. Team attempting to contact SCE AMI Project.
High	Dates for ClimateSmart	Issue to be described by CC&B at meeting.

Deployment Update

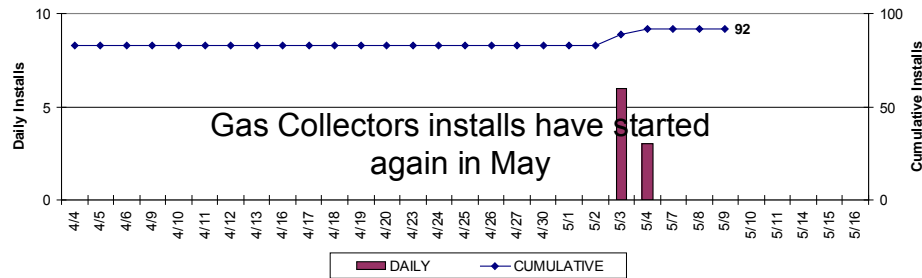
Daily and Cumulative Meter Installs



Daily and Cumulative Substation Installs



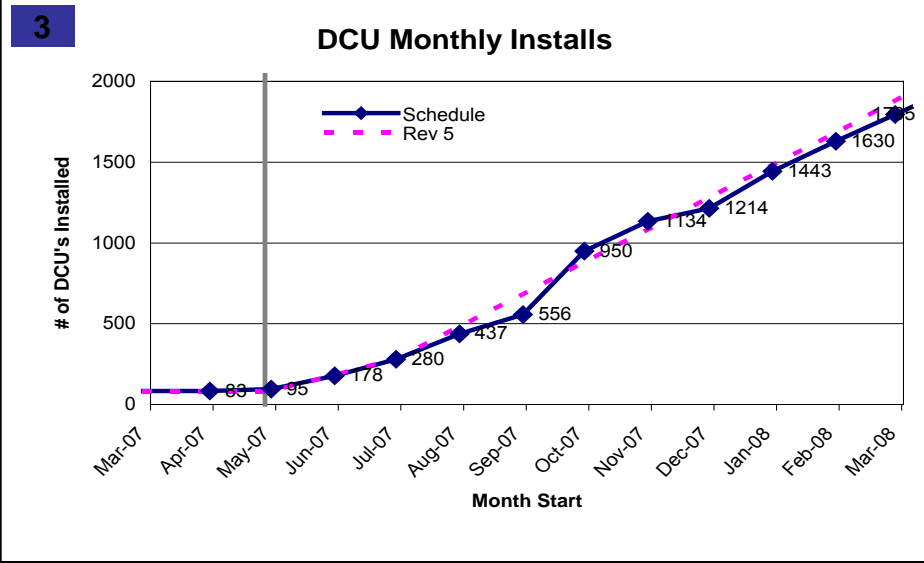
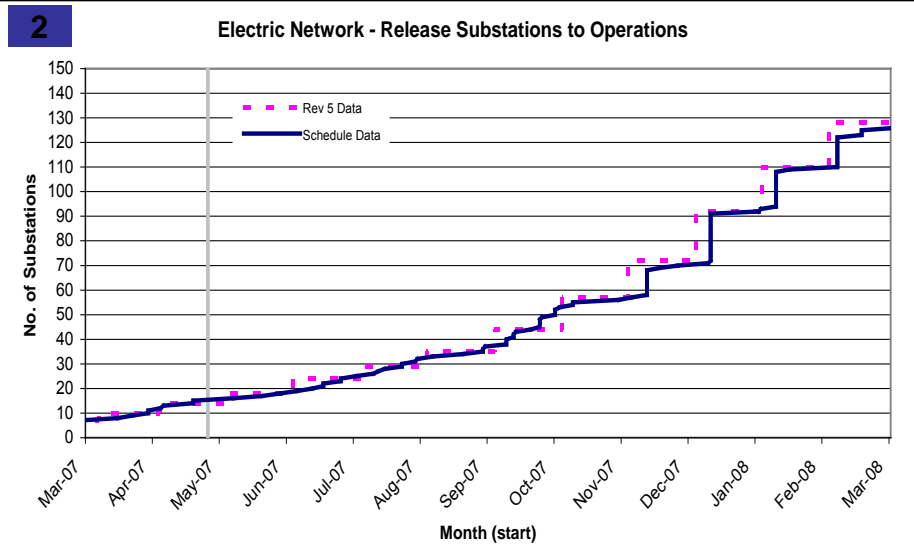
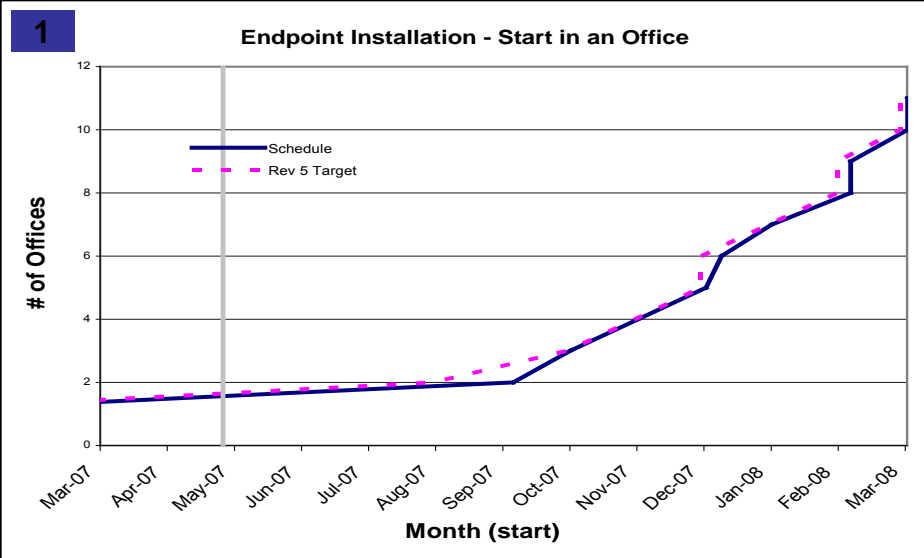
Daily and Cumulative DCU Installs



Deployment Comments:

- ▶ 1,587 DCU locations of the projected 4,692 total (or 33% of total) have been identified in 15 completed PG&E office areas. 517 DCU sites (11% of total) have been released to Wellington as ready for installation. DCU installations commenced on May 1st in Wasco/Ford City/Taft offices.
- ▶ Unable to complete's: 232 UTC's to date (1.57% of total installs);
 - ▶ 181 are Field Service related, (i.e. broken index screws) / 27 access related (Title 300 work) / 24 other

Deployment Summary – Status: 27 April 2007



Summary

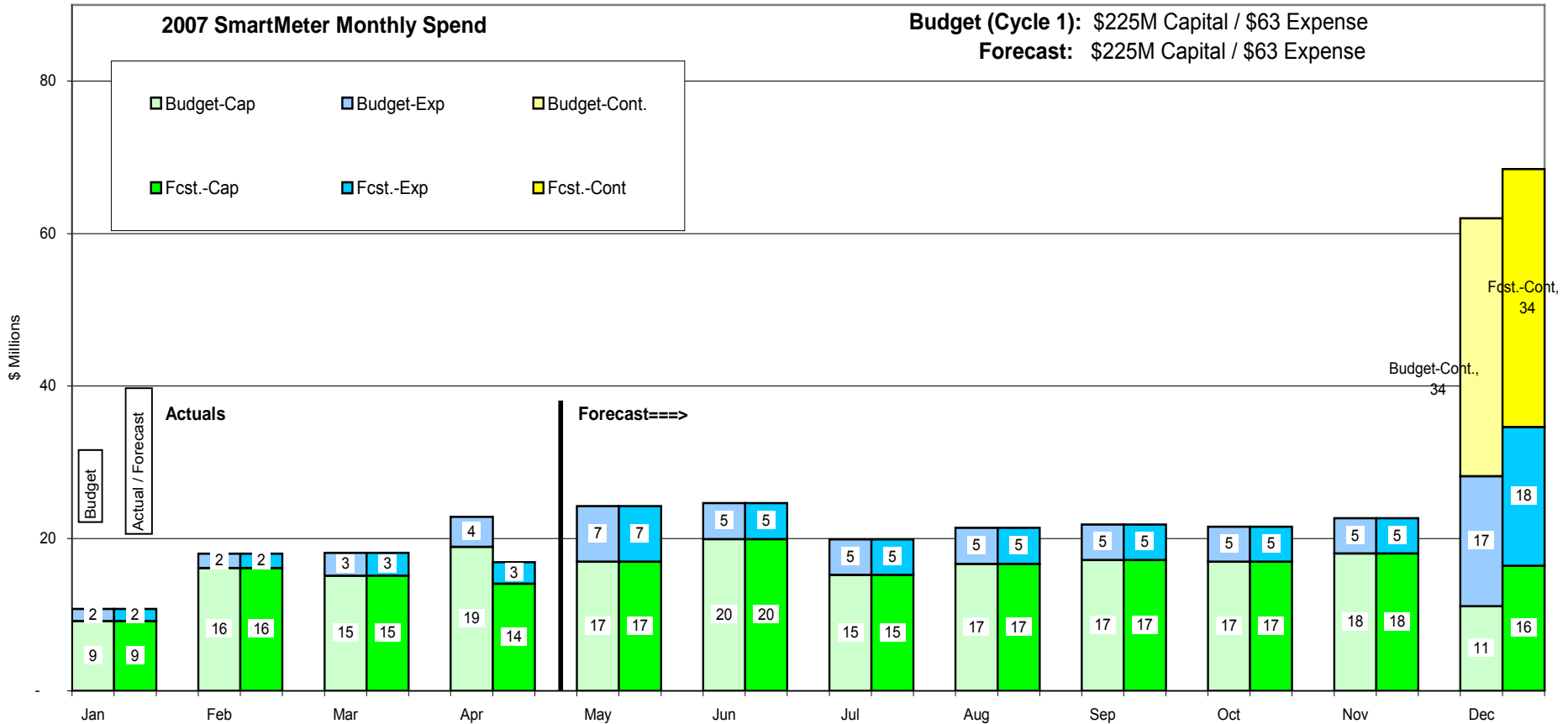
No major or notable changes since last status update.

Chart 1: This chart will be replaced; all endpoint installation dates are currently constrained in the schedule to “must start” as per WEI schedule.

Chart 2: Substation schedule is on target through to October 2007 and beyond. Fresno substation (Ashland) is currently deferred.

Chart 3: DCU installation is on target to achieve 1400+ installs by the end of 2007. Schedule forecast is based on number of DCU’s required after propagation, whereas Rev 5 is based on original estimate, hence some variability.

Baseline 2007 Budget v Actual Spend



Actuals were \$16.9M for April vs. a Cycle 1-07 forecast of \$22.8M and a Cycle 3-06 budget of \$23.1M

Contingency Reconciliation

SM Contingency Reconciliation		(\$000)	Total	Notes
Business Case Approved			\$ 128,773	
PCRs Adopted by Steering Committee		Workstream		
	CC&B Phase 1	CC&B	\$ (1,550)	Performance enhancing Sun servers
	Savings on AMI Servers, IOC, Oracle Architecture		\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
	CC&B Phase 1	CC&B	\$ (11,000)	Approved at Oct 17, 2006 Steering Committee
	CC&B Phase 2	CC&B	\$ (2,000)	Approved at Oct 17, 2006 Steering Committee
PCR 06-0003	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
PCR 06-0004	IBM #1 (No Contract increase)	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
PCR 06-0008	IBM #4	Business Process	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
	EDS WACS	System Integration	\$ [REDACTED]	Approved at Oct 17, 2006 Steering Committee
Total PCRs Adopted by Steering Committee			\$ (2,856)	
Remaining Contingency			\$ 125,918	
Workstream Budget (Over) / Under allocations -				
	PG&E SI		\$ (6,926)	Approved by SM Steering Committee
	IBM SI		\$ [REDACTED]	Approved by SM Steering Committee
	PG&E Proc Development		\$ (1,589)	Approved by SM Steering Committee
	EDS / WACS		\$ [REDACTED]	Approved by SM Steering Committee
	Accenture / BEA Consultants		\$ [REDACTED]	Approved by SM Steering Committee
	CC&B Capital -		\$ (18,043)	Approved by SM Steering Committee
	CC&B Expense		\$ 2,954	Approved by SM Steering Committee
	CC&B future releases		\$ (11,225)	Approved by SM Steering Committee
	Call Center: CC&B launch AHT		\$ (15)	Approved by SM Steering Committee
	DCSI Servers HW		\$ [REDACTED]	Approved by SM Steering Committee
	WACS - Purchase		\$ [REDACTED]	Approved by SM Steering Committee
	IBM PMO Management		\$ [REDACTED]	Approved by SM Steering Committee
	IBM Expenses		\$ [REDACTED]	Approved by SM Steering Committee
			\$ (57,153)	

Program Metrics

SmartMeter - Deployment		March - Month Results				April - Month Results				YTD				Full Year				
Metric	Key Performance Indicator	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Fcst	Target	Var	
(a)	(b)	(c)	(d)	(e)	(f)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
PMO																		
1	OSHA Recordable Rate (SmartMeter)	↔	-	4.6	4.6	↔				↔	-	4.6	4.6		4.1	4.6	0.5	
1a	# of OSHA Incidents (SmartMeter)	↑	-	2.4	2.4	↑	April not yet reported				↑	-	3.3	3.3		13.8	15.3	1.5
2	Issues over 30 Days Past Due	↓	13%	20%	7%	↓	28%	25%	-3%	↓	12%	25%	13%		12%	25%	13%	
3	Open Issue Count by Severity	↓	35%	45%	10%	↓	50%	45%	-5%	↓	45%	45%	0%		40.0%	45.0%	5.0%	
4	Risk Family Count by Value	↓	42%	40%	-2%	↑	38%	40%	3%	↑	37%	40%	3%		30%	40%	10%	
5	Schedule Variance to SM 1.0	↑	-	20	20	↓	99	20	(79)	↓	99	20	(79)		99	20	(79)	
7	Schedule Variance to End of Build	↔	-	-	-	↔	-	-	-	↔	-	-	-		-	-	-	
8	Substations Complete	↑	6	4	2	↓	2	4	(2)	↓	11	11	-		89	89	-	
9	DCUs Installed*	↔	-	-	-	↔	-	-	-	↔	-	-	-		1,400	1,400	-	
13	Meters Enabled - Electric & Gas	↔	3,150	1,000	2,150	↔	3,131	1,000	2,131	↔	11,148	4,000	7,148		241,000	241,000	-	
Costs / Benefits																		
15	Benefits \$ Realized	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
15a	Net Benefits \$ Realized (C-1 forecast)	↔	\$ (46.9)	\$ (46.1)	\$ (0.8)	↑	\$ (63.7)	\$ (68.6)	\$ 4.8	↑	\$ (63.7)	\$ (68.6)	\$ 4.8		\$ (287.9)	\$ (285.5)	\$ (2.4)	
Budget / Earned Value																		
16	Budget vs. Actual - 2007 (\$M)	↑	\$ 18.1	\$ 19.0	\$ 0.9	↑	\$ 16.9	\$ 22.8	\$ 5.9	↑	\$ 63.8	\$ 69.7	\$ 5.9		\$ 287.9	\$ 287.9	\$ -	
17	Budget vs. Actual - Capital (\$M)	↑	\$ 15.1	\$ 15.4	\$ 0.3	↑	\$ 14.1	\$ 18.9	\$ 4.8	↑	\$ 54.5	\$ 59.3	\$ 4.8		\$ 225.2	\$ 225.2	\$ -	
18	Budget vs. Actual - Expense (\$M)	↓	\$ 3.0	\$ 3.6	\$ 0.6	↑	\$ 2.8	\$ 3.9	\$ 1.1	↑	\$ 9.3	\$ 10.4	\$ 1.1		\$ 62.7	\$ 62.7	\$ 0.0	
19	Budget vs. Actual, at Completion (\$M)						\$1,470.0	\$1,470.0	\$ -									
20	Bud. vs. Act., at Completion - IT (\$M)						\$ 234.4	\$ 234.4	\$ -									
Procurement																		
1	Total Weeks of Inventory on Hand					↔	40	3	37	↔	40	3	37		40	3	37	
2	Total wks of inventory in the pipeline					↔	69	3	66	↔	69	3	66		69	3	66	
4	Equipment exception rate					↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
Network deployment																		
5	Substations Complete	↑	6	3	3	↓	2	4	(2)	↓	11	11	-		89	89	-	
6	DCUs Installed	↔	-	-	-	↔	-	-	-	↔	-	-	-		1,400	1,400	-	
7	CPI Substation (Electric Network) (\$ 000)	↔	\$251.62	\$205.17	(\$46.46)	↑	\$233.14	\$205.17	(\$27.98)	↑	\$247.00	\$205.17	(\$41.84)		\$205.17	\$205.17	\$0.00	
8	CPI DCU (Gas Network)	↔	n/a	\$ 3,308	\$ -	↔	n/a	\$ 3,308	\$ -	↔	n/a	\$ 3,308	\$ -		\$ 3,308	\$ 3,308	\$ -	
Meter / Module Deployment																		
11	Meters Enabled - Electric & Gas	↔	3,150	1,000	2,150	↔	3,131	1,000	2,131	↔	11,148	3,000	8,148		241,000	241,000	-	
11a	Wellington Endpoints - Electric & Gas	↔	3,149	1,000	2,149	↔	3,131	1,000	2,131	↔	11,145	3,000	8,145		241,000	241,000	-	
12	Virtual Route Strings closed																	
13	CPI - ██████ Electric Endpoint	↔	\$91.04	\$94.38	\$3.34	↓	\$93.44	\$94.38	\$0.94	↓	\$91.64	\$94.38	\$2.74		\$94.38	\$94.38	\$0.00	
14	CPI - ██████ Gas Endpoint	↔	\$89.33	\$94.95	\$5.62	↑	\$87.00	\$94.95	\$7.95	↑	\$88.75	\$94.95	\$6.20		\$94.95	\$94.95	\$0.00	
15	UTC Rate	↑	1.2%	4.0%	2.8%	↓	2.0%	4.0%	2.0%	↓	1.7%	4.0%	2.3%		1.7%	4.0%	2.3%	
16	FA Upload Exception Rate	↔	0.57%	3.00%	2.43%	↓	0.86%	3.00%	2.14%	↓	0.64%	3.00%	2.36%		0.64%	3.00%	2.36%	
17	QA Exception Rate	↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)						
Operations - Other																		
34	Customer Complaint Rate	↔	0.0%	0.2%	0.2%	↔	0.0%	0.2%	0.2%	↔	0.0%	0.2%	0.2%		0.2%	0.2%	0.0%	
35	Call Center Inbound Rate	↑	0.7%	2.0%	1.3%	↓	1.3%	2.0%	0.7%	↓	1.1%	2.0%	0.9%		2.0%	2.0%	0.0%	

Decisions

- 1) The requirement of sending letters to customers in advance of impending installs is cancelled, however door-hangers must continue to be used after each visit.
- 2) The SM 1.0 release Go Live date is moved from 5/28 to 9/4.
- 3) Additional funding to IT/CC&B with budget transfer amount of \$21.9 million associated with new release date of 9/4.
- 4) Additional funding to Deployment with budget transfer amount of \$0.4 million associated with new release date of 9/4.
- 5) Additional funding to IT/CC&B with budget transfer amount of \$52.5 million currently in over/under allocation category.
- 6) Additional funding to PMO with budget transfer amount of \$4.7 million currently in over/under allocation category.
- 7) Staffing requests for five positions shown in Appendix.

Appendix

May 2007

Staffing Requests Outstanding

	Candidate Name	Hire		Contractor	CoreStaff	Position Title	Work Stream	Responsibilities	Comments
		External	Internal						
1	[REDACTED]		X			System Administrator	IT Operations	Technical support for the 24-hour clock.	Candidate is currently working in CC&B. Position in approved staffing plan and budget.
2	[REDACTED]		X			System Administrator	IT Operations	Technical support for the WACS and DCSI applications.	Candidate is currently working in CC&B. Position in approved staffing plan and budget.
3	[REDACTED]		X			Data Analyst	IT Operations	Technical support for AMS at the RMC.	Candidate is currently working in Business Reports reporting to Fanny Lee. Position in approved staffing plan and budget.
4	[REDACTED]	X				QC/Hardware Engineer	SM Operations	Creating and monitoring quality control plans for SmartMeter hardware, coordination with the inspection department, and field investigation of product failures and issues.	Former PG&E employee (1979 to 1993) with experience in advanced metering.
5	[REDACTED]			X		Strategic Planner	Marketing	Planning, managing and interpreting customer research to identify insights which will inform SmartRate acquisition marketing for 2008 and beyond.	Will be charging 50% of time to SmartRate and 50% to AC Cycling.

Expenditures by Workstream

Capital (000s)	Current Month - April				Year To Date - April				Total 2007	
	Cycle 1			Variance	Cycle 1			% Variance	Cycle 1	Year-End
	Forecast	Actuals	Variance		Forecast	Actuals	Variance		Forecast	Forecast
1 PMO	\$ 582	\$ 701	\$ (119)	\$ 3,980	\$ 4,099	\$ (119)	-3%	\$ 6,680	\$ 6,680	
2 SM Operations	\$ 231	\$ 166	\$ 65	\$ 743	\$ 684	\$ 60	8%	\$ 3,340	\$ 3,340	
3 Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
4 Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 405	\$ 405	
5 Contract Procurement	\$ 2,586	\$ 1,632	\$ 955	\$ 10,060	\$ 9,106	\$ 955	9%	\$ 70,778	\$ 70,778	
6 Substation Installation	\$ 1,702	\$ 349	\$ 1,353	\$ 2,798	\$ 1,446	\$ 1,353	48%	\$ 16,855	\$ 16,855	
7 Endpoint Installation	\$ 652	\$ 481	\$ 171	\$ 3,684	\$ 3,514	\$ 171	5%	\$ 16,668	\$ 16,668	
8 Deployment Office	\$ 1,286	\$ 1,116	\$ 170	\$ 2,720	\$ 2,549	\$ 170	6%	\$ 11,262	\$ 11,262	
9 DCU Placement	\$ 21	\$ 47	\$ (26)	\$ 174	\$ 199	\$ (26)	-15%	\$ 2,315	\$ 2,315	
10 CC&B	\$ 5,233	\$ 5,676	\$ (443)	\$ 15,125	\$ 15,568	\$ (443)	-3%	\$ 32,098	\$ 32,098	
11 IT Integration	\$ 3,877	\$ 3,560	\$ 317	\$ 14,227	\$ 13,910	\$ 317	2%	\$ 31,246	\$ 31,246	
12 IT Data Center	\$ 2,728	\$ 341	\$ 2,387	\$ 5,753	\$ 3,366	\$ 2,387	41%	\$ 5,753	\$ 5,753	
13 SM 1.0 Applications	\$ 12	\$ 11	\$ 1	\$ 49	\$ 48	\$ 1	1%	\$ 6,322	\$ 6,322	
14 IT Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
Contingency (Dec)								\$ 21,430	\$ 21,430	
Project Total	\$ 18,910	\$ 14,079	\$ 4,831	\$ 59,314	\$ 54,489	\$ 4,825	8%	\$ 225,153	\$ 225,153	

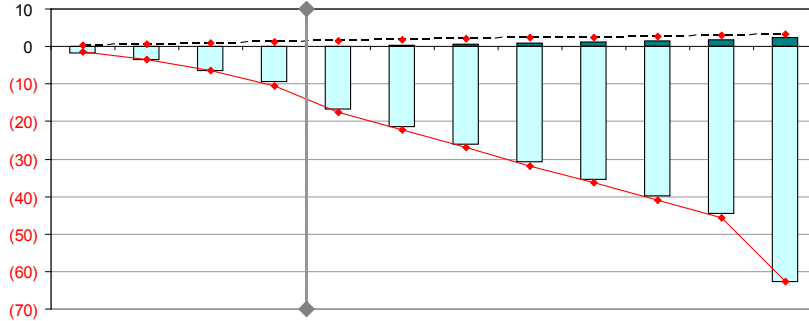
Expense (000s)	Current Month - April				Year To Date - April				Total 2007	
	Cycle 1			Variance	Cycle 1			% Variance	Cycle 1	Year-End
	Forecast	Actuals	Variance		Forecast	Actuals	Variance		Forecast	Forecast
1 PMO	\$ 1,792	\$ 1,557	\$ 235	\$ 4,143	\$ 3,907	\$ 235	6%	\$ 18,494	\$ 18,494	
2 SM Operations	\$ 287	\$ 255	\$ 32	\$ 598	\$ 561	\$ 37	6%	\$ 3,427	\$ 3,427	
3 Communications	\$ 306	\$ 195	\$ 112	\$ 1,168	\$ 1,056	\$ 112	10%	\$ 3,619	\$ 3,619	
4 Customer	\$ 287	\$ 30	\$ 257	\$ 486	\$ 229	\$ 257	53%	\$ 11,136	\$ 11,136	
5 Contract Procurement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
6 Substation Installation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
7 Endpoint Installation	\$ 110	\$ 68	\$ 42	\$ 197	\$ 155	\$ 42	21%	\$ 1,177	\$ 1,177	
8 Deployment Office	\$ -	\$ (27)	\$ 27	\$ 27	\$ -	\$ 27	100%	\$ 27	\$ 27	
9 DCU Placement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
10 CC&B	\$ 554	\$ 197	\$ 357	\$ 1,067	\$ 710	\$ 357	33%	\$ 3,371	\$ 3,371	
11 IT Integration	\$ 207	\$ (0)	\$ 207	\$ 217	\$ 10	\$ 207	96%	\$ 1,995	\$ 1,995	
12 IT Data Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
13 SM 1.0 Applications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
14 IT Operations	\$ 376	\$ 526	\$ (150)	\$ 2,489	\$ 2,638	\$ (150)	-6%	\$ 7,118	\$ 7,118	
Contingency (Dec)								\$ 12,370	\$ 12,370	
Project Total	\$ 3,920	\$ 2,801	\$ 1,118	\$ 10,390	\$ 9,266	\$ 1,124	11%	\$ 62,734	\$ 62,734	

Actuals (capital plus expense) totaled \$16.9M in April vs. a Cycle 1 Forecast of \$22.8M and an original approved budget amount of \$23.1M.

SmartMeter™ Project Release Costs and Benefits*

Balancing Account Expense

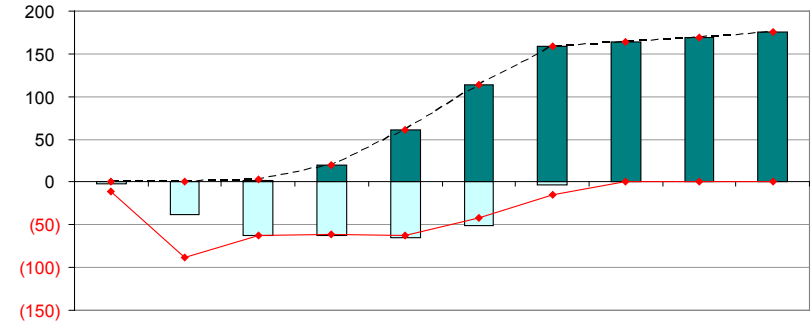
Cumulative Costs/Benefits (2007)



	J	F	M	A	M	J	J	A	S	O	N	D
Act/For Costs	(1.6)	(3.4)	(6.5)	(9.3)	(16.5)	(21.2)	(25.9)	(30.7)	(35.3)	(39.9)	(44.5)	(62.7)
Act/For Benefits	0.0	0.0	0.0	0.0	0.0	0.2	0.6	0.9	1.3	1.6	1.9	2.4
Planned Costs	(1.6)	(3.4)	(6.5)	(10.4)	(17.7)	(22.4)	(27.0)	(31.8)	(36.4)	(41.0)	(45.7)	(62.7)
Planned Benefits	0.3	0.6	0.8	1.1	1.4	1.7	2.0	2.3	2.5	2.8	3.1	3.4

All values are in \$ millions

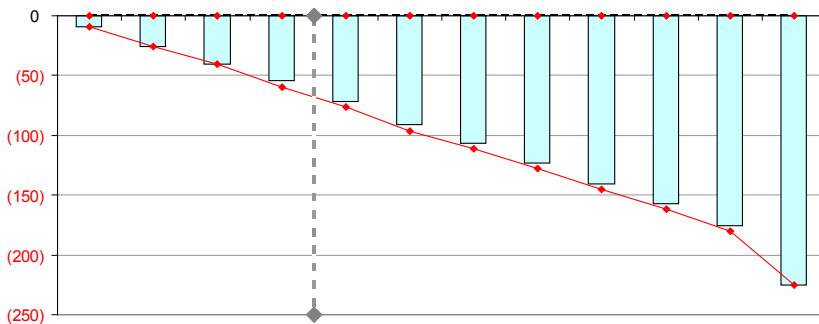
Annual Costs/Benefits (2005-2014)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Act/For Costs	(2.1)	(38.0)	(62.7)	(62.0)	(65.6)	(51.4)	(2.8)	0.0	0.0	0.0
Act/For Benefits	0.0	0.0	2.4	20.3	61.0	113.9	158.8	164.0	169.5	175.1
Planned Costs	(11.5)	(67.9)	(62.7)	(60.7)	(62.7)	(42.2)	(15.0)	0.0	0.0	0.0
Planned Benefits	0.0	0.0	3.4	20.3	61.0	113.9	158.8	164.0	169.5	175.1

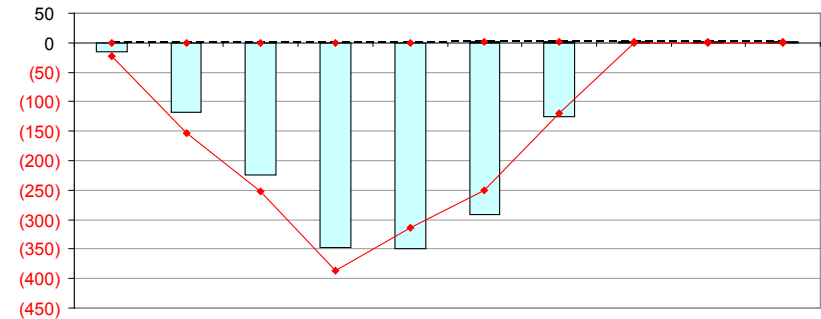
Balancing Account Capital Expenditures

Cumulative Costs/Benefits (2007)



	J	F	M	A	M	J	J	A	S	O	N	D
Act/For Costs	(9.2)	(25.3)	(40.4)	(54.5)	(71.5)	(91.4)	(106.6)	(123.3)	(140.4)	(157.4)	(175.4)	(225.2)
Act/For Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planned Costs	(9.17)	(25.29)	(40.4)	(59.3)	(76.3)	(96.2)	(111.4)	(128.1)	(145.3)	(162.2)	(180.2)	(225.2)
Planned Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Annual Costs/Benefits (2005-2014)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Act/For Costs	(15.3)	(118.0)	(225.2)	(347.7)	(348.9)	(290.9)	(125.3)	0.0	0.0	0.0
Act/For Benefits	0.0	0.0	0.0	0.1	0.5	1.0	1.5	1.5	1.6	1.6
Planned Costs	(23.4)	(153.6)	(251.8)	(385.8)	(314.5)	(250.8)	(118.9)	0.0	0.0	0.0
Planned Benefits	0.0	0.0	0.0	0.1	0.5	1.0	1.5	1.5	1.6	1.6

Legend:

- ◆ Planned Costs
- ◆- Planned Benefits
- ◆ Actual vs. Forecast Divider
- Act/Forecasted Costs
- Act/Forecasted Benefits

Data Source: SmartMeter™ Project PMO
 Data Owner: Jim Meadows
 Frequency of Update: Monthly

Public Version



PG&E SmartMeterTM

**SmartMeterTM/CC&B Initiatives
Steering Committee Update – June 2007**



Agenda

- ▶ **Follow-Up Items from May 7th Steering Committee Meeting**
- ▶ **PWC report on Quality Assessment**
- ▶ **SmartMeter[™] Release Update**
- ▶ **Deployment Update**
- ▶ **Budget Status**
- ▶ **Program Metrics**
- ▶ **Project Decisions**
- ▶ **Appendix**

Key Headlines for Release:

- DB2 Deployment Acceleration delivery on-track.
- Entered SmartMeter™ ORT1.
- ClimateSmart successfully implemented.
- On track to deploy 242,000 meters by December 31st, 2007. Network deployment focus will continue in the Kern Division, and PG&E will not be expanding substation deployment Bern Division and Manteca.
- As of Wednesday 06/06/07, PG&E has installed 21,317 endpoints (meters), communication equipment in 22 substations, and 137 Data Collection Units on poles in the Bakersfield area. Installation work will continue on or at the current pace until the system functionality is delivered.

Area	Status	Variance Explanation
Financial Variance (YTD)		Compared against the May Year-To-Date Cycle 1 Forecast, total project is 5% favorable on capital (forecast = \$76.3 million versus actual = \$72.7 million), and 34% favorable on expense (forecast = \$17.7 million vs. actual = \$11.7mill.).
Financial Variance (EAC)		Currently working to manage capital project within Board of Directors authorized amount of \$1,470 million, which is \$80 million less than the \$1,550 million authorized by the CPUC.
Scope		Scope for SM1.0 reviewed and reset. Added DB2-based deliverables to help achieve Accelerated Meter Deployment for 2007. Some P3 rates in CC&B may not fit into the SM 1.0 release.
Milestones		There is 2-3days slippage in the ORT1 milestone – but a plan is in place to avoid impact to the successor ORT2 milestone. Status of one of the entry criteria is red, and two are amber. See milestones section in this deck.
Resources		Resources strained and working long-hours. Open resource requests for Operational Readiness Test (ORT), Testing and PMO resources. Possible environment contention issues; probable resource extension for internal and external personnel. Additional DB2 work for deployment files is causing some resource contention. CC&B Change Mgt resources affected by BT-Customer Experience changes.
Schedule		Schedule under revision – consistent with revised SM 1.0 date. Testing and ORT Entry Criteria to be approved/signed-off by the business.
Quality		PwC review conducted. Draft report in process of being submitted.
Issues		A number of critical/high-level issues exist – some are overdue. See Issues Section. Process disrupted due to transition.
Actions		Action items on track.
Post Implementation Performance	n/a	Will begin posting after 9/4 SM 1.0 Go-Live release date.

Critical and High Issues Dashboard

Priority	Description	Detailed Description	Notes
High	Ability to search in meters - Interface Readiness	Meter discovery and initialization process for installed meters is still in assembly testing	The project has been using interfaces that have not completed testing (60, 50, 104, 66, 67) to enable AMS Ops to discover and initialize installed meters. The conversion approach for the MDMS is being revisited to determine the right approach to "initialize" and when to schedule ORT to enable the most effective cut-over.
High	Establishment of Substation connectivity with automated discovery process	Currently the process of establishing connectivity and discovery process is labor intensive. Automated mechanism must be provided by DCSI to make this process less error prone and reliable. Tickets have been opened with DCSI for this specific requested feature in TNG.	The code fix has been delivered, and it is expected that we can close this issue next week.
High	Agreement with Southern California Edison for Streetlight & Poles in Area 4	v0.1: Linda Newton-lane 2007-04-25 14:44 GMT-08:00 Agreement with Southern California Edison for streetlights and poles in Area4 is overdue. Fifty-six gas data collector towers (DCUs) are being stalled. Scott Loveless is heading up this issue."	The negotiations with Southern Californian Edison have not reached a satisfactory conclusion. Wilson Lau is now in the process of reviewing options, and has been actioned to present these next week.
High	Exception Handling: Gaps b/n Business Expectations & System Design	Chris Bradford 2006-12-21 11:11 (GMT-08:00) SAP, EAI (BEA) & CC&B approach to identifying and processing file and data exceptions does not match requirements. In general the business expects the following The ability to receive automatic notification of the status of file validation processing, either completed successfully, or with exceptions The ability to view the files processed by the systems. The ability to view the exceptions with exception identifiers (codes). The ability to correct specific records with exceptions, and reprocess them through the validation process, automatically marking the exception record as completed if/when the correction passes validation. The ability to request reprocessing of an entire file through the automated validation process, automatically marking the exception record as completed if/when the file passes validation. The ability to attach user's LAN ID and time/ date to any exception correction. The ability to document and record exception resolution. The ability to create, edit and view exceptions status by total and by LAN ID assigned; eg. Open, In Progress, Forward, Completed, Validated. The ability to segregate exceptions, AMI and non-AMI The ability to view the length of time an exception has been left not completed The ability to assign exceptions to specific LAN IDs for resolution and reassign as necessary	Michael Schulte is in the process of driving the process to identify and resolve issues around exception handling.

SM 1.0 Schedule Status

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Key Dependencies

1. ORT dependent on PAT
2. ORT dependent on PIT-T
3. Aug 1 - Complete Code Freeze
4. PIT-F 85% passed, 100% executed by Aug 1 for Sept Go Live
5. VEE Testing complete before SmartMeter ORT
6. Discover the Meter before SmartMeter ORT

SmartMeter 1.0

	Milestone Date	Schedule Date	April	May	June	July	Aug	Sept	Oct
DB2 Meter Deployment Rampup									
Full Pop/Daily Refresh Build	21-May	21-May		█					
Full Pop/Daily Refresh Test	30-May	30-May		█					
FEX Regression Test	22-May	22-May		█					
Shipper File Build	21-May	21-May		█					
Shipper File Test	6-Jun	6-Jun			█				
Replatform									
Application Test	1-Jun	7-May	█	█					
Performance Engineering Test	1-Jun	1-Jun	█	█					
ORT 1 - Replatform	1-Jul	1-Jul			█				
ORT 2 - Replatform	1-Aug	1-Aug				█			
ORT 3 - Replatform	1-Sep	1-Sep					█		
Master Regression	1-Sep	1-Sep					█		
Mass Meter Deployment - All Scope									
Product Application Test	1-Jul	1-Jul	█	█	█				
Product Integration Test - Technical	1-Jul	7-Jul	█	█	█	█			
Product Integration Test - Functional	1-Aug	1-Aug			█	█			
ORT2 - Meter Deploy	1-Aug	7-Aug				█	█		
ORT3 - Meter Deploy	1-Sep	5-Sep					█	█	
Interval Billing									
Product Application Test	1-Jul	15-Jul	█	█	█	█			
Product Integration Test - Functional	1-Aug	1-Aug			█	█			
ORT2 - Interval Billing	1-Aug	7-Aug				█	█		
ORT3 - Interval Billing	1-Sep	5-Sep					█	█	
SmartMeter Readiness									
VEE Testing	15-Jun	1-Aug		█	█	█	█		
SmartMeter Ops Continuity	31-Jul	29-Aug				█	█		
Vendor Security Compliance	29-Jun	10-Aug			█	█	█		
IT SmartMeter Operations	4-Sep	4-Sep					█	█	
Discover the Meter Infrastructure - Assembly	30-Jun	30-Jun	█	█	█				
Discover the Meter Infrastructure - Production	4-Sep	4-Sep					█	█	
MBCDW Application Test	30-Jun	1-Jul			█	█			
SM SOX	4-Sep	4-Sep					█	█	
Change Management									
Training Delivery - AMI Operations									
Training Delivery - Customer Care									

Milestone Dashboard - 1/3

Public Version



CRITICAL MILESTONE	CRITICAL MILESTONE DESCRIPTION	BTSC AGREED UPON MILESTONE DATE	RELEASE ADJUSTED MILESTONE DATE	WORK PLAN GENERATED DATE	RELEASE ADJUSTED MILESTONE DELTA	WORK PLAN GENERATED MILESTONE DELTA
ORT1 Started	Operational Readiness Test cycle 1 (ORT1) started. Replatform Code has been promoted to the CC&B FSTE environment and ORT1 testing has started. Entrance criteria includes: 1.) Replatform data conversion complete 2.) P1, P2, P3 interfaces in FSTE using UC4 job plans 3.) All	6/1/2007	6/1/2007	6/11/2007	0	0
DB2 based code delivery for meter deployment	Files are delivered from CC&B to support ramp-up to approximately 1000 meters/day.	6/7/2007	6/7/2007	6/7/2007	0	0
PAT Complete	Product Application Test including P1,P2,P3 rates execution is 100% complete in CC&B's O-H environment.	7/2/2007	7/2/2007	7/2/2007	0	0
PIT-T Complete	Product Integration Test - Technical execution is 100% complete, 75-85% passed in the SM system integration environment.	7/2/2007	7/2/2007	7/2/2007	0	0
ORT2 Started	Operational Readiness Test cycle 2 (ORT2) started. Replatform/SM Code has been promoted to the CC&B/SM FSTE environments and ORT1 testing has started. Entrance criteria includes: 1.) 100% PIT-T executed, 75-85% passed, 2.) 100% PAT executed, 75-85% passed and 3.) No critical defects, Any High defects must have workarounds 4.) Search & Discover 50-75% of all existing substations and 40-50% of all meters deployed as of 5/30/07. 5.) SM 24 Hour Clock created & CC&B schedule updated w/ SmartMeter 1.0 UC4 job plans. 6.) June ORT exit criteria as set forth in the "_0604_rev_2.4.ppt" SM ORT dashboards achieved. 7.) Monthly Risk Mitigation targets as set forth in the "_0604_rev_2.4.ppt" SM ORT dashboards achieved.	7/2/2007	7/2/2007	7/2/2007	0	0
CC&B DB2 Production Code Freeze	Existing CC&B Production Code freeze in effect. No additional code/functionality can be added to the test environments. Other changes must be submitted through exception process.	8/1/2007	8/1/2007	8/1/2007	0	0

CRITICAL MILESTONE	CRITICAL MILESTONE DESCRIPTION	BTSC AGREED UPON MILESTONE DATE	RELEASE ADJUSTED MILESTONE DATE	WORK PLAN GENERATED DATE	RELEASE ADJUSTED MILESTONE DELTA	WORK PLAN GENERATED MILESTONE DELTA
PIT-F Complete	Product Integration Test - Functional execution is 100% complete, 75-85% passed in the SM system integration environment.	8/1/2007	8/1/2007	8/1/2007	0	0
ORT3 Started	Operational Readiness Test cycle 3 (ORT3) started. Replatform/SM Code has been promoted to the CC&B/SM FSTE environments. Must successfully complete prior to approval on Business Readiness. Entrance criteria includes: 1.) 100% PIT-F executed, 75-85% passed. 2.) July ORT exit criteria as set forth in the "_0604_rev_2.4.ppt" SM ORT dashboards achieved. 3.) Search & Discover and 100% of all existing substations and 80-100% of all meters deployed as of 5/30/07 4.) Monthly Risk Mitigation targets as set forth in the "_0604_rev_2.4.ppt" SM ORT dashboards achieved.	8/1/2007	8/1/2007	8/1/2007	0	0
Ramp-up of 1000/day meter installation	Meter installation on DB2 reaches approximately 1000/day to ensure goals of 242,000 by 12/31/07. Success criteria includes 1.) DB2 code delivery, 2.) staffed and trained installers, 3.) adequate meters in inventory, and 4.) Cross-dock facility ready.	8/6/2007	8/6/2007	8/6/2007	0	0
Project Readiness - Compliance Assessment Complete	Overall Project Compliance criteria assessment; approval of met and unmet criteria with risk management plans for unmet criteria. Criteria includes the Implementation & Operational Readiness (I&OR), Internal Audit (IAD) and Corporate SOX.	8/8/2007	8/8/2007	8/8/2007	0	0

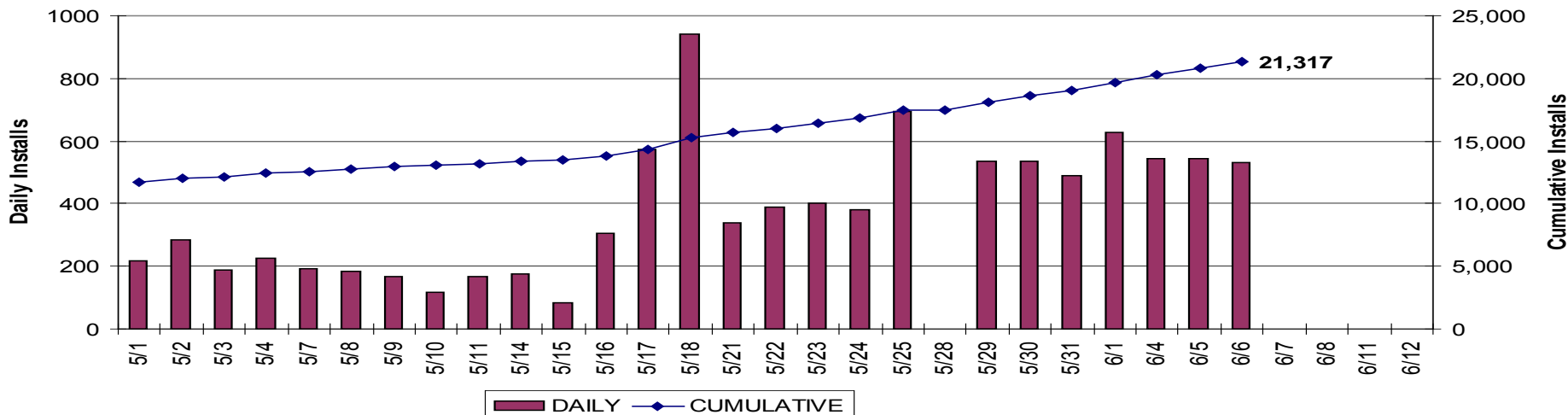
Milestone Dashboard – 3/3

Public Version

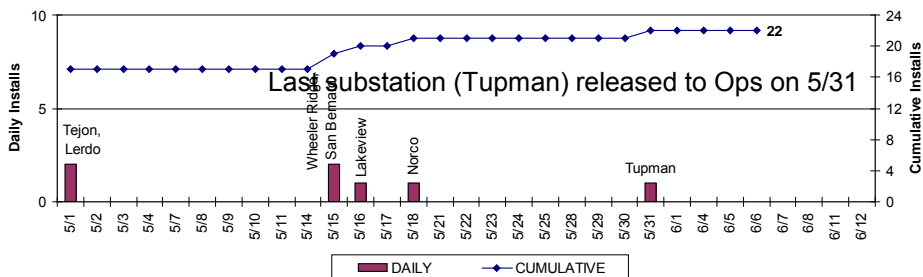
CRITICAL MILESTONE	CRITICAL MILESTONE DESCRIPTION	BTSC AGREED UPON MILESTONE DATE	RELEASE ADJUSTED MILESTONE DATE	WORK PLAN GENERATED DATE	RELEASE ADJUSTED MILESTONE DELTA	WORK PLAN GENERATED MILESTONE DELTA
Preliminary Go/No-Go Assessment	Preliminary Go-Live Project and Business Stakeholder meeting to review current status of remaining tasks; unmet compliance criteria and risk management plans and overall State of Readiness. Remaining project work to "go live" will focus on the "open" items requiring closure before Go decision. PMO to receive preliminary assessment on 8/15.	8/22/2007	8/22/2007	8/22/2007	0	0
Final Go/No-Go System Decision	Final GO-Live review. PMO and Exective Steering Committee review of open items; remaining tasks and State of Readiness.	8/29/2007	8/29/2007	8/29/2007	0	0
SM 1.0 Go-Live	SM Release 1.0 passes Go/No Go decision and becomes operational. System able to bill customers and all other functionality in scope implementation.	9/4/2007	9/4/2007	9/4/2007	0	0
First Virtual Route String Captured	One EMR route from each billing serial in a local headquarters is captured (billed using SmartMeter data). Associated activated meters and benefits (\$1.77 per electric meter/month and \$1.04 per gas meter/month) are being reported to the SM balancing account.	11/30/2007	11/30/2007	11/30/2007	0	0
20,000 Meters Activated	STIP Metric: number of meters/modules that meet all three of the following conditions; SM installed, billed using SM data/system and are part of a virtual route string.	12/31/2007	12/31/2007	12/31/2007	0	0
242,000 Meters Installed	STIP metric indicator (from vendor installation schedule Rev 5) of meters accepted by CC&B as a proper exchange.	12/31/2007	12/31/2007	12/31/2007	0	0

Deployment Update

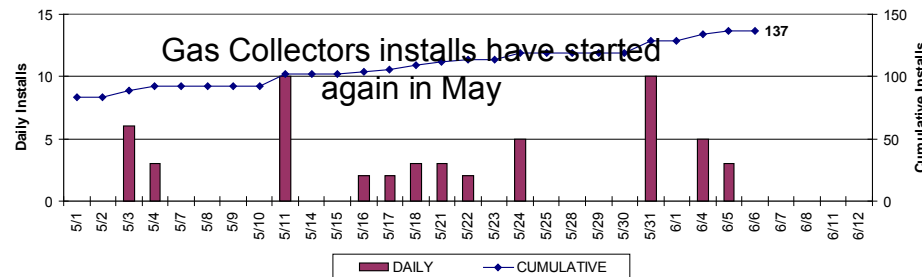
Daily and Cumulative Meter Installs



Daily and Cumulative Substation Installs



Daily and Cumulative DCU Installs



Deployment Comments:

- ▶ 11,655 DCU locations of the projected 4,692 total (or 35% of total) have been identified in 28 PG&E office areas. 553 DCU sites (12% of total) have been released to Wellington as ready for installation. 129 DCUs (3% of total) have been installed to date. DCU installations commenced on May 1st in Wasco/Ford City/Taft offices.
- ▶ Unable to complete's: 368 UTC's to date (1. 73% of total installs);
 - ▶ 268 are Field Service related, (i.e. broken index screws) / 69 access related (Title 300 work) / 31 other

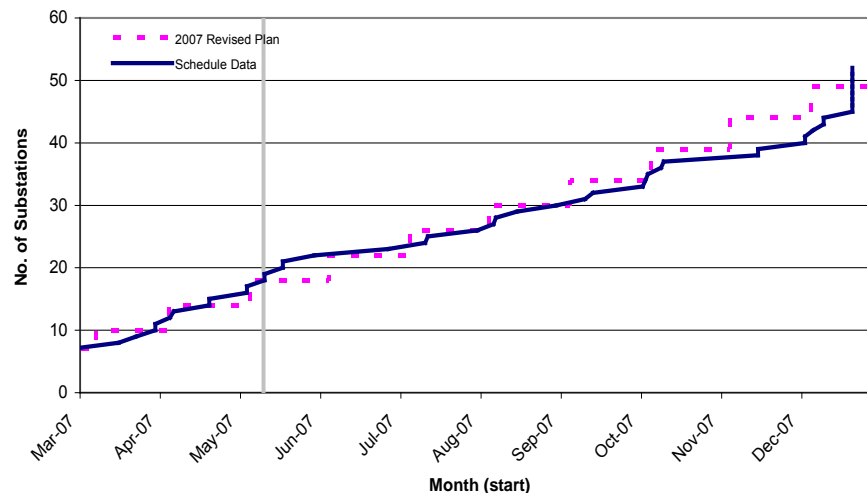
Summary – Status: 25 May 2007

1

Endpoint installations (see chart on next page)

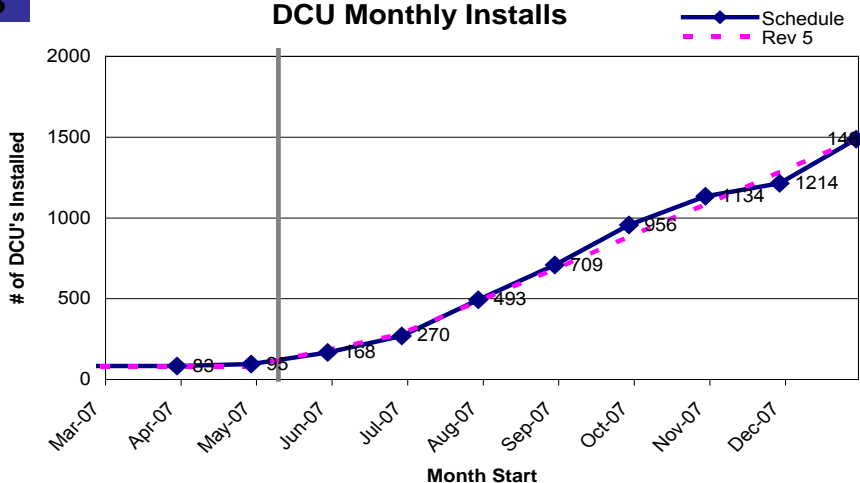
2

Electric Network - Release Substations to Operations



3

DCU Monthly Installs



Summary

Revised endpoint and substation plans for 2007 are shown.

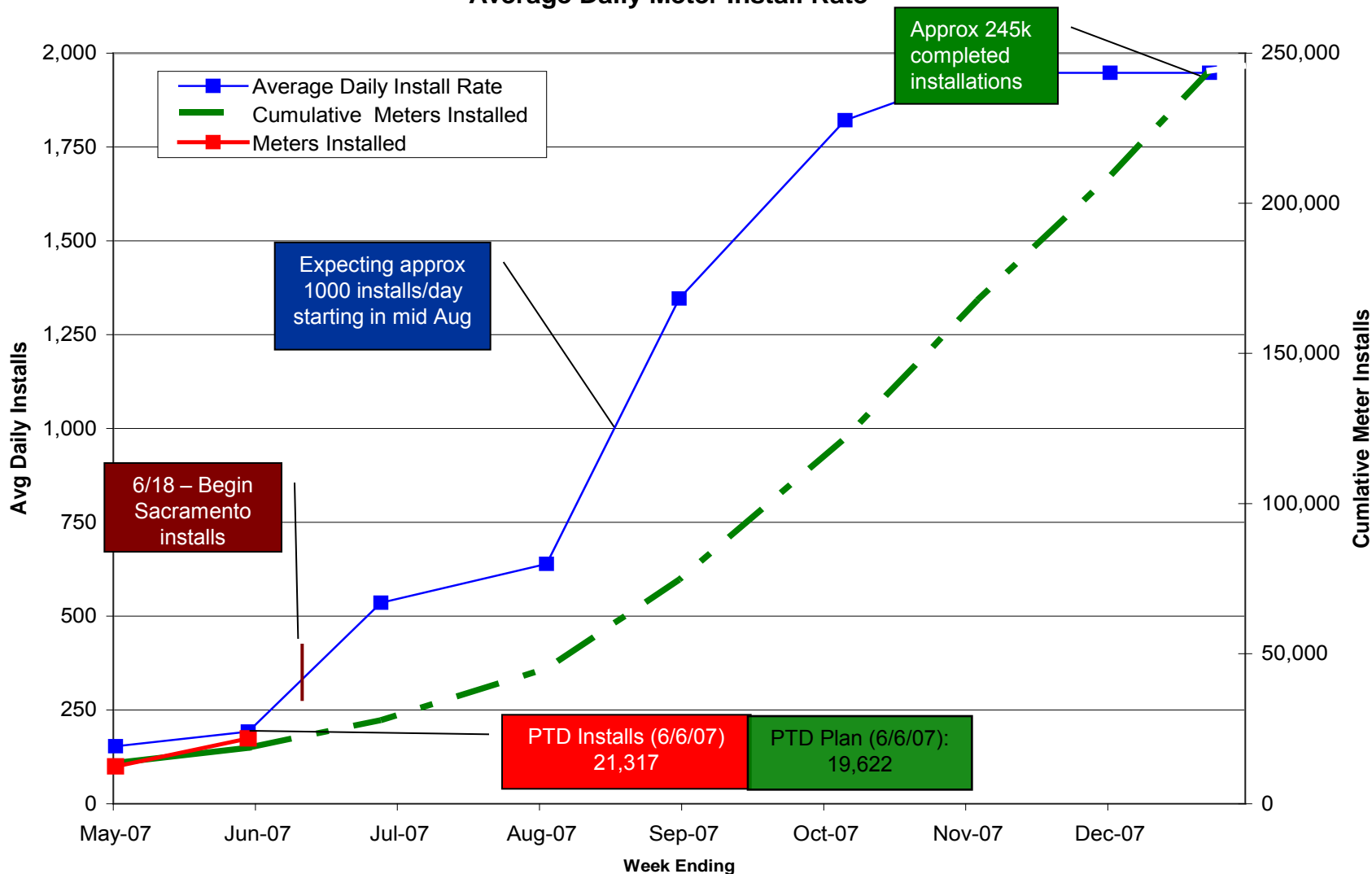
Chart 1: Endpoint installations, 2007 (see chart on next page)

Chart 2: Substation schedule is on target as per revised plan through to December 2007.

Chart 3: DCU installation is on target to achieve 1400+ installs by the end of 2007. Schedule forecast is based on number of DCU's required after propagation, whereas Rev 5 is based on original estimate, hence some variability.

Average Expected Daily Install Rates - Bakersfield and Sacramento Combined

Average Daily Meter Install Rate



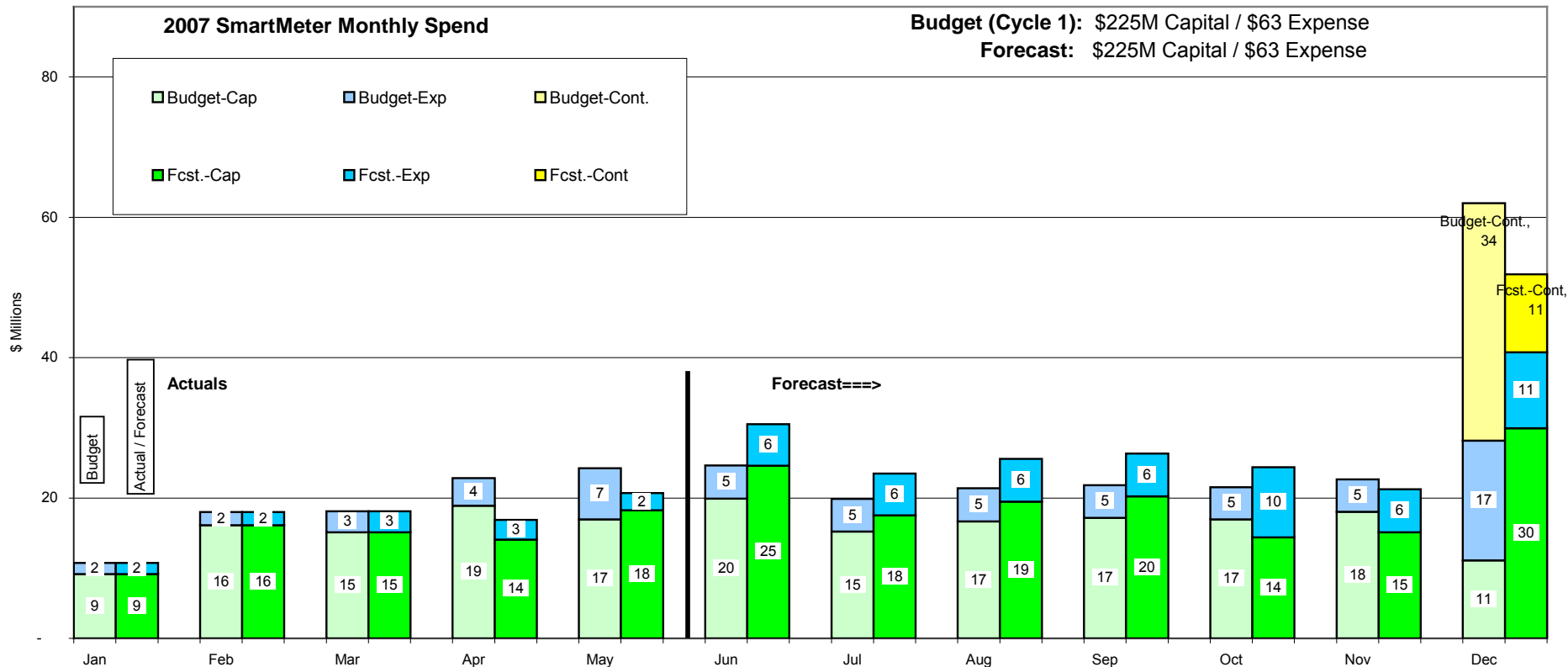
Field Installation Customer Complaints

- ▶ The contact center received the first complaint related to a meter exchange

- ▶ Summary:
 - ▶ Customer was not aware of why his meter was being exchanged. Customer believes he was told not to call PG&E to verify Wellington authorization.
 - ▶ Wellington believes they acted appropriately; has attempted follow-ups with the customer

- ▶ Project Action steps:
 - ▶ Project will take immediate action on each and every complaint
 - ▶ Wellington recalled the customer – now appeased
 - ▶ Improved actions could have been taken by Wellington, CSR, and phone number to reach PG&E to verify authorization

Baseline 2007 Budget v Actual Spend



Actuals were \$20.7M for May vs. a Cycle 1 forecast of \$24.3M and a 2007 budget of \$20.2M

Contingency Reconciliation

SmartMeter Contingency Reconciliation		(\$000)	Total	Notes
Business Case Approved			\$ 128,773	
PCRs Adopted by Steering Committee		Workstream		
	CC&B Phase 1	CC&B	\$ (1,550)	Performance enhancing Sun servers
	Savings on AMI Servers, IOC, Oracle Architecture		\$ 14,500	Approved at Oct 17, 2006 Steering Committee
	CC&B Phase 1	CC&B	\$ (11,000)	Approved at Oct 17, 2006 Steering Committee
	CC&B Phase 2	CC&B	\$ (2,000)	Approved at Oct 17, 2006 Steering Committee
PCR 06-0003	IBM #1 (No Contract increase)	Business Process	\$ (618)	Approved at Oct 17, 2006 Steering Committee
PCR 06-0004	IBM #1 (No Contract increase)	Business Process	\$ (621)	Approved at Oct 17, 2006 Steering Committee
PCR 06-0008	IBM #4	Business Process	\$ (643)	Approved at Oct 17, 2006 Steering Committee
	EDS WACS	System Integration	\$ (924)	Approved at Oct 17, 2006 Steering Committee
Total PCRs Adopted by Steering Committee			\$ (2,856)	
Remaining Contingency			\$ 125,918	
	PG&E SI		\$ (6,926)	Approved by SM Steering Committee
	IBM SI		\$ [REDACTED]	Approved by SM Steering Committee
	PG&E Proc Development		\$ (1,589)	Approved by SM Steering Committee
	EDS / WACS		\$ [REDACTED]	Approved by SM Steering Committee
	Accenture / BEA Consultants		\$ [REDACTED]	Approved by SM Steering Committee
	CC&B Capital - Excepted PCRs		\$ (18,043)	Approved by SM Steering Committee
	CC&B Expense - Excepted PCRs		\$ 2,954	Approved by SM Steering Committee
	CC&B SM 2.0 Capital		\$ (11,225)	Approved by SM Steering Committee
	CC&B SM 2.0 Expense		\$ -	Approved by SM Steering Committee
	Call Center: CC&B launch AHT		\$ (15)	Approved by SM Steering Committee
	DCSI Servers HW		\$ [REDACTED]	Approved by SM Steering Committee
	WACS - Purchase		\$ [REDACTED]	Approved by SM Steering Committee
	IBM PMO Management		\$ [REDACTED]	Approved by SM Steering Committee
	IBM Expenses		\$ [REDACTED]	Approved by SM Steering Committee
Additional IT costs for shift in "Go Live" date to Sept 4				
	Integration Internal		\$ (100)	
	Integration IBM		\$ [REDACTED]	
	Integration EDS/WACS		\$ [REDACTED]	
	AFUDC - Integration		\$ (1,000)	
	CC&B - Internal Labor		\$ (8,900)	
	CC&B - Accenture		\$ [REDACTED]	
	CC&B - SPL		\$ [REDACTED]	
	CC&B - Other		\$ (100)	
	AFUDC - CC&B		\$ (1,900)	
			\$ -	
			\$ (79,053)	

Program Metrics

SmartMeter - Deployment		April - Month Results				May - Month Results				YTD				Full Year			
Metric	Key Performance Indicator	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Fcst	Target	Var
(a)	(b)	(c)	(d)	(e)	(f)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
PMO																	
P1	OSHA Recordable Rate (SmartMeter)	↔	-	4.6	4.6	↔	-	4.6	4.6	↔	-	4.6	4.6	↔	4.1	4.6	0.5
P1a	# of OSHA Incidents (SmartMeter)	↑	-	3.3	3.3	May data not yet reported				↑	-	4.4	4.4	↔	13.8	15.3	1.5
P2	Issues over 30 Days Past Due	↓	28%	25%	-3%	↓	29%	25%	-4%	↓	13%	25%	12%	↔	13%	25%	12%
P3	Open Issue Count by Severity	↓	50%	45%	-5%	↑	35%	45%	10%	↑	44%	45%	1%	↔	40.0%	45.0%	5.0%
P4	Risk Family Count by Value	↑	38%	40%	3%	↓	50%	40%	-10%	↓	40%	40%	0%	↔	30%	40%	10%
P5	Schedule Variance to SM 1.0	↓	99	20	(79)	↔	99	20	(79)	↔	99	20	(79)	↔	99	20	(79)
P7	Schedule Variance to End of Build	↔	-	-	-	↔	-	-	-	↔	-	-	-	↔	-	-	-
Costs / Benefits																	
P15	Benefits \$ Realized, Cumulative (C-1 Forecast)	↔	\$ -	\$ 1.1	\$ (1.1)	↓	\$ -	\$ 1.4	\$ (1.4)	↓	\$ -	\$ 1.4	\$ (1.4)	↔	\$ 2.4	\$ 3.4	\$ (1.0)
P15a	Net Benefits \$ Realized (Cum. Benefits + Cost)	↑	\$ (63.7)	\$ (68.6)	\$ 4.8	↑	\$ (84.5)	\$ (92.6)	\$ 8.1	↑	\$ (84.5)	\$ (92.6)	\$ 8.1	↔	\$ (285.5)	\$ (284.5)	\$ (1.0)
Budget / Earned Value																	
P16	Budget vs. Actual - 2007 (\$M)	↑	\$ 16.9	\$ 22.8	\$ 5.9	↓	\$ 20.7	\$ 24.3	\$ 3.6	↓	\$ 84.5	\$ 94.0	\$ 9.5	↔	\$ 287.9	\$ 287.9	\$ -
P17	Budget vs. Actual - Capital (\$M)	↑	\$ 14.1	\$ 18.9	\$ 4.8	↓	\$ 18.2	\$ 17.0	\$ (1.3)	↓	\$ 72.7	\$ 76.3	\$ 3.6	↔	\$ 225.2	\$ 225.2	\$ 0.0
P18	Budget vs. Actual - Expense (\$M)	↑	\$ 2.8	\$ 3.9	\$ 1.1	↑	\$ 2.5	\$ 7.3	\$ 4.8	↑	\$ 11.7	\$ 17.7	\$ 5.9	↔	\$ 62.7	\$ 62.7	\$ 0.0
P19	Budget vs. Actual, at Completion (\$M)	↔	\$ 1,470	\$ 1,470	\$ -	↔	\$ 1,470	\$ 1,470	\$ -	↔				↔			
P20	Bud. vs. Act., at Completion - IT (\$M)	↔	\$ 234.4	\$ 234.4	\$ -	↔	\$ 256.3	\$ 256.3	\$ -	↔				↔			
Procurement																	
O1	Total Weeks of Inventory on Hand	↔	40	3	37	↓	34	3	31	↓	34	3	31	↔	34	3	31
O2	Total wks of inventory in the pipeline	↔	69	3	66	↓	50	3	47	↓	50	3	47	↔	50	3	47
O4	Equipment exception rate	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%
Network deployment																	
O5	Substations Complete	↓	2	4	(2)	↑	7	5	2	↑	18	18	-	↔	45	45	-
O6	DCUs Installed	↔	-	-	-	↓	46	100	(54)	↓	46	100	(54)	↔	1,400	1,400	-
O7	CPI Substation (Electric Network) (\$ 000)	↑	\$233.1	\$205.2	(\$28.0)	↔	\$244.2	\$205.2	(\$39.1)	↔	\$244.2	\$205.2	(\$39.1)	↔	\$205.2	\$205.2	\$0.0
O8	CPI DCU (Gas Network)	↔	n/a	\$ 3,308	\$ -	May data not yet reported				↔	n/a	\$ 3,308	\$ -	↔	\$ 3,308	\$ 3,308	\$ -
Meter / Module Deployment																	
O11	Meters Enabled - Electric & Gas	↓	2,568	1,000	1,568	↑	6,834	2,500	4,334	↑	17,419	6,500	10,919	↔	241,000	241,000	-
O11a	Wellington Endpoints - Electric & Gas	↓	2,568	1,000	1,568	↑	6,826	2,500	4,326	↑	17,408	6,500	10,908	↔	241,000	241,000	-
O13	CPI - Electric Endpoint	↓	\$93.44	\$94.38	\$0.94	May data not yet reported				↑	\$91.64	\$94.38	\$2.74	↔	\$94.38	\$94.38	\$0.00
O14	CPI - Gas Endpoint	↑	\$87.00	\$94.95	\$7.95	May data not yet reported				↑	\$88.75	\$94.95	\$6.20	↔	\$94.95	\$94.95	\$0.00
O15	UTC Rate	↓	2.5%	4.0%	1.5%	↑	1.9%	4.0%	2.1%	↑	1.8%	4.0%	2.2%	↔	1.8%	4.0%	2.2%
O16	FA Upload Exception Rate	↓	1.05%	3.00%	1.95%	↑	0.51%	3.00%	2.49%	↑	0.61%	3.00%	2.39%	↔	0.61%	3.00%	2.39%
O17	QA Exception Rate	↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)		↔			
O34	Customer Complaint Rate	↔	0.0%	0.2%	0.2%	↔	0.0%	0.2%	0.2%	↔	0.0%	0.2%	0.2%	↔	0.2%	0.2%	0.0%
O35	Call Center Inbound Rate	↓	1.6%	2.0%	0.4%	↑	1.0%	2.0%	1.0%	↑	1.1%	2.0%	0.9%	↔	2.0%	2.0%	0.0%

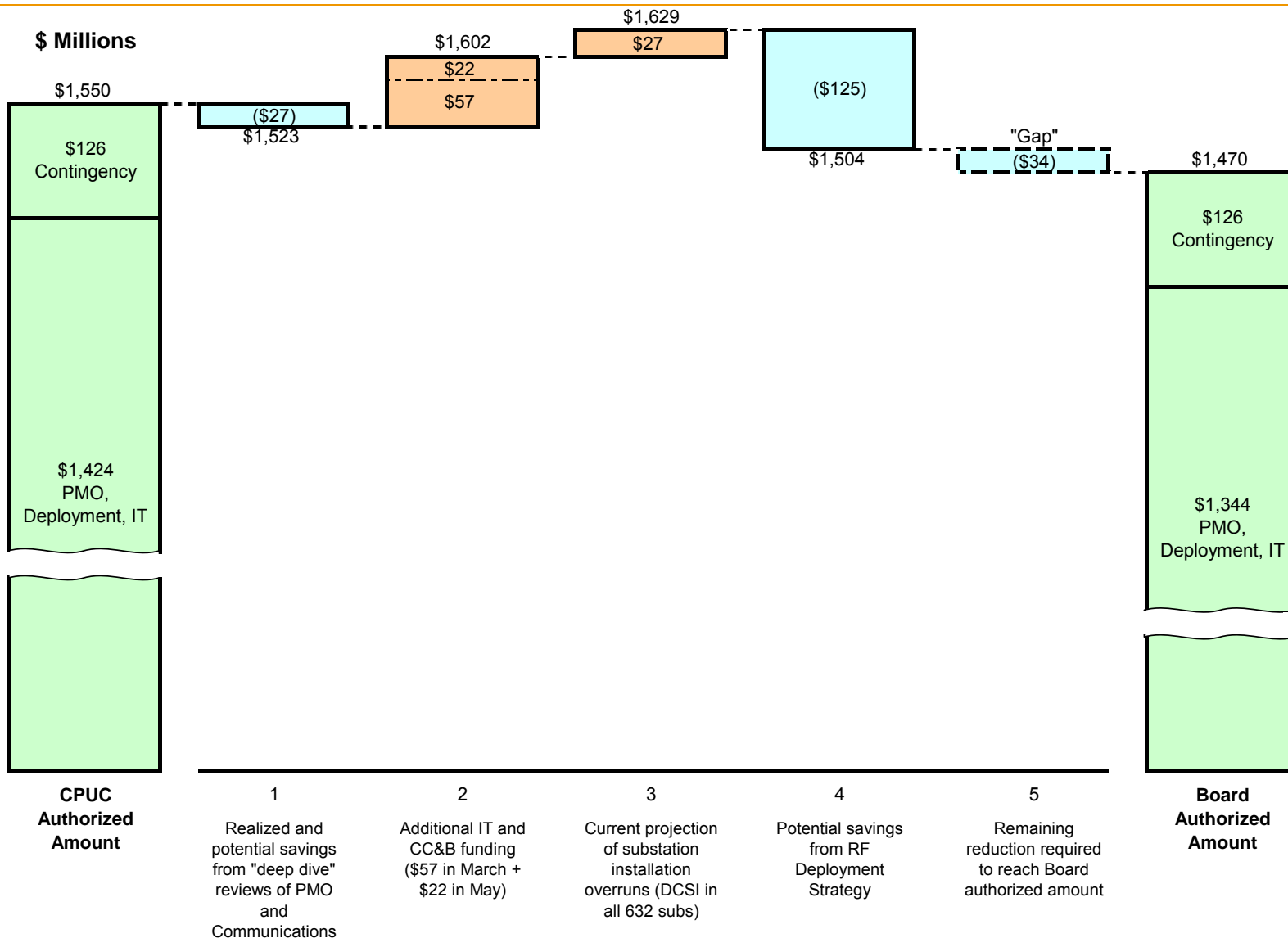
Decisions

- 1) Contract change request resulting from new release date of 9/4 as shown in Appendix.
- 2) Staffing request as shown in Appendix.

Appendix

June 2007

Current Project Financial Status



Budget and Contract Changes

- **May 11th Steering Committee approval to reallocate \$22.3 million in conjunction with SM 1.0 Go Live date change from 5/28 to 9/4.**

\$ Millions	5/11 Steering Committee Approved Budget Reallocation	Contract Change Amount	SmartMeter™ Administered Contract?	
PG&E Labor and Corestaff	9.6			
PwC			Yes	
Wellington			Yes	
FSG Consulting			Yes	
MW Consulting			Yes	
AFUDC	2.9			
PMO Approvals =	14.0			
Accenture			No	
IBM			Yes	
EDS *			Yes	<i>See note below</i>
SPL			No	
Officer Approvals =	8.3			
Total PDR Amount =	22.3			

* Contract change request of \$7.7 million for EDS includes:
 \$1.6 million for CC&B staff augmentation and MBCDW architectural review services
 [REDACTED] for implementation of WACS software (included in prior approved budget amount)
 \$3.0 million for new integrator role (not yet included in approved budget)

SM IT/CC&B Project Amounts

Public Version



Line #		(A) Approved IT Spending Amount					(D) Cycle 2 Additional Requests	(E)= (A)+B+(C)+(D) Current Forecasted Spend	(F) IT Actuals Actuals (ITD thru May '07)	(G) Forecasted IT Spending Remaining				(J) O&M 2007 Jun - Dec O&M	Line #
		Original Approved Spend	Actuals (ITD thru Dec '06)	Actuals (YTD thru May '07)	Cycle 1 Additional Amount	"Go Live" 5/28 to 9/4 Amount				2007 Jun - Dec SM 1 0	2007 Jun - Dec SM 1 5	2008 & Beyond	Total Remaining		
1	Customer														
2	CWP Hardware	405	0	0	0	0	405	0	405	0	405	0	405		2
3	CWP Labor Expense	4,192	730	200	1,253	0	5,445	930	3,262	1,253	0	4,515		3	
4	Subtotal Customer	4,597	730	200	1,253	0	5,850	930	3,667	1,253	0	4,920		4	
5	SM Integration														5
6	SM Integration Internal Labor	9,841	3,637	4,199	7,435	100	17,375	7,836	2,828	6,712	0	9,540		6	
7	SM Integration IBM														7
8	EDS / WACS														8
9	EDS / Integration					0	3,000	0	3,000	3,000	0	3,000		9	
10	PWC Proc Development	0													10
11	Accenture / BEA / Entegry Consultants	0													11
12	Misc IT Int	159	1,095	10	942	0	1,101	1,104	(3)	0	0	(3)		12	
13	Server Oracle - New Deal			0	0	0	0				0	0			13
14	Legacy Systems - Capital	3,229	0	0	0	0	3,229	0	0	3,229	0	3,229		14	
15	Legacy Systems - Expense	2,000	0	0	0	0	2,000	0	0	2,000	0	2,000		15	
16	AFUDC - IT Integration	0	1,363	1,366	3,008	1,000	4,008	2,729	1,280	0	0	1,280		16	
17	Subtotal Integration	44,470	30,003	17,234	26,404	3,900	4,400	47,237	18,597	6,712	5,229	30,538		17	
18	CC&B														18
19	PG&E Labor		50,200	14,139		8,900	3,330	83,884	64,338	9,155	7,061	0	16,216	7,179	19
20	Accenture														20
21	SPL														21
22	Other		0	0		100		532	0	532	0	532	324	22	
23	Call Center AHT		6,515	0		0		6,515	6,515	0	0	0	0	23	
24	Predeployment		3,692	0		0		3,692	3,692	0	0	0	0	24	
25	AFUDC - CC&B	684	1,799	1,563	5,081	1,900	5,765	3,362	2,002	400	0	2,402		25	
26	Subtotal CC&B	90,650	81,510	19,380	22,564	15,700	3,330	132,244	100,890	20,564	7,461	0	28,025	11,224	26
27	Data Center														27
28	DCSI Servers HW														28
29	Hexagram Servers HW														29
30	WACS / MBCDW HW														30
31	WACS Servers SW Exp														31
32	Facilities for Data Center	2,544	1,731	169	0	0	2,544	1,900	644	0	0	644		32	
33	Subtotal Data Center	31,231	11,448	4,039	6,025	0	0	37,256	15,486	1,123	0	20,646	21,770	33	
34	SM Applications														34
35	DCSI - TNG - Purchase			0	0	0									35
36	DCSI - TNG - Svcs (Vacaville)			0	0	0									36
37	Hexagram - Star - Purchase			0	0	0									37
38	Hex - Star - Svcs (Vacaville)			0	0	0									38
39	WACS - Purchase			4	366	0									39
40	AFUDC - SM Applications	0	29	56	88	0	88	85	3	0	0	3		40	
41	Subtotal Applications	11,087	4,519	60	454	0	0	11,540	4,579	6,262	0	6,961		41	
42															42
43	Total IT (Excluding AFUDC) =	181,351	125,019	37,928	48,523	16,700	7,730	256,204	162,946	46,928	15,025	26,574	88,528	11,224	43
44	Total AFUDC =	684	3,191	2,985	8,177	2,900	0	9,861	6,176	3,285	400	0	3,685	0	44
45	Funded by CPP Marketing (O&M) =				(4,200)	2,900	0	(4,200)	0		(4,200)	0	(4,200)	4,200	45
46	Total IT (Including AFUDC) =	182,035	128,210	40,912	52,500	19,600	7,730	261,865	169,122	50,213	11,225	26,574	88,012	15,424	46
47															47
48	Subtotal PMO	61,148	21,862	8,822	4,353	2,400	67,902	30,684	21,136	16,082	37,218				48
49															49
50	Subtotal PMO + IT =	243,183	150,071	49,735	56,853	22,000	7,730	329,766	199,806	71,348	11,225	42,656	125,230	15,424	50
51															51
52	Subtotal Deployment	1,077,800	0	0	0	300	1,078,100	33,665	101,789	942,646	1,044,435				52
53	Subtotal Communications	23,800	0	0	0	0	23,800	4,162	2,563	17,075	19,638				53
54	Subtotal Contingency / Other	125,600	0	0	(56,853)	(22,300)	46,447	0	0	46,447	46,447				54
55															55
56	Subtotal Total Deployment =	1,470,383	150,071	49,735	0	0	1,478,113	237,633	175,700	11,225	1,048,824	1,235,750	15,424		56

Expenditures by Workstream

Capital (000s)	Current Month - May			Year To Date - May				Total 2007		
	Cycle 1			Cycle 1			%	Cycle 1		C2 - C1
	Forecast	Actuals	Variance	Forecast	Actuals	Variance	Variance	Forecast	Forecast	Difference
PMO	\$ 827	\$ 637	190	\$ 4,808	\$ 4,736	71	1%	\$ 6,680	\$ 7,552	872
SM Operations	\$ 231	\$ 186	45	\$ 974	\$ 870	105	11%	\$ 3,340	\$ 3,340	0
Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
Customer	\$ 405	\$ -	405	\$ 405	\$ -	405		\$ 405	\$ -	(405)
Contract Procurement	\$ 2,315	\$ 7,926	(5,611)	\$ 12,375	\$ 17,031	(4,656)	-38%	\$ 70,778	\$ 64,925	(5,853)
Substation Installation	\$ 961	\$ 1,261	(301)	\$ 3,759	\$ 2,707	1,052	28%	\$ 16,855	\$ 8,920	(7,935)
Endpoint Installation	\$ 707	\$ 672	35	\$ 4,391	\$ 4,185	206	5%	\$ 16,668	\$ 15,432	(1,236)
Deployment Office	\$ 1,183	\$ 803	380	\$ 3,903	\$ 3,353	550	14%	\$ 11,262	\$ 11,314	52
DCU Placement	\$ 176	\$ 35	141	\$ 350	\$ 235	115	33%	\$ 2,315	\$ 2,163	(152)
CC&B	\$ 5,517	\$ 2,720	2,797	\$ 20,642	\$ 18,288	2,354	11%	\$ 32,098	\$ 51,211	19,112
IT Integration	\$ 3,986	\$ 3,315	672	\$ 18,213	\$ 17,224	989	5%	\$ 31,246	\$ 38,923	7,677
IT Data Center	\$ -	\$ 673	(673)	\$ 5,753	\$ 4,039	1,714	30%	\$ 5,753	\$ 6,043	290
SM 1.0 Applications	\$ 662	\$ 12	650	\$ 711	\$ 60	651	92%	\$ 6,322	\$ 6,322	0
IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
Technology Monitoring	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
Contingency (Dec)								\$ 21,430	\$ 9,007	(12,423)
Project Total	\$ 16,970	\$ 18,239	(1,269)	\$ 76,284	\$ 72,728	3,556	5%	\$ 225,153	\$ 225,153	

Expense (000s)	Current Month - May			Year To Date - May				Total 2007		
	Cycle 1			Cycle 1			%	Cycle 1		C2 - C1
	Forecast	Actuals	Variance	Forecast	Actuals	Variance	Variance	Forecast	Forecast	Difference
PMO	\$ 409	\$ 178	231	\$ 2,497	\$ 2,267	231	9%	\$ 5,377	\$ 5,495	118
SM Operations	\$ 292	\$ 338	(46)	\$ 890	\$ 899	(9)	-1%	\$ 3,427	\$ 3,761	334
Communications	\$ 306	\$ 250	57	\$ 1,474	\$ 1,306	168	11%	\$ 3,619	\$ 2,602	(1,017)
Customer	\$ 2,290	\$ 31	2,259	\$ 2,775	\$ 260	2,515	91%	\$ 11,136	\$ 1,273	(9,864)
Contract Procurement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
Substation Installation	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
Endpoint Installation	\$ 142	\$ 66	76	\$ 339	\$ 222	117	35%	\$ 1,177	\$ 1,149	(29)
Deployment Office	\$ -	\$ 10	(10)	\$ 27	\$ 10	17	63%	\$ 27	\$ 4,027	4,000
DCU Placement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
CC&B	\$ 1,867	\$ 382	1,484	\$ 2,933	\$ 1,092	1,841	63%	\$ 3,371	\$ 6,082	2,711
IT Integration	\$ 222	\$ -	222	\$ 439	\$ 10	430	98%	\$ 1,995	\$ 1,995	0
IT Data Center	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
IT Operations	\$ 376	\$ 428	(52)	\$ 2,865	\$ 3,066	(201)	-7%	\$ 7,118	\$ 19,010	11,892
Technology Monitoring	\$ 1,383	\$ 782		\$ 3,437	\$ 2,601	836	24%	\$ 13,117	\$ 15,211	2,094
Contingency (Dec)								\$ 12,370	\$ 2,130	(10,240)
Project Total	\$ 7,287	\$ 2,466	4,220	\$ 17,677	\$ 11,732	5,944	34%	\$ 62,734	\$ 62,734	

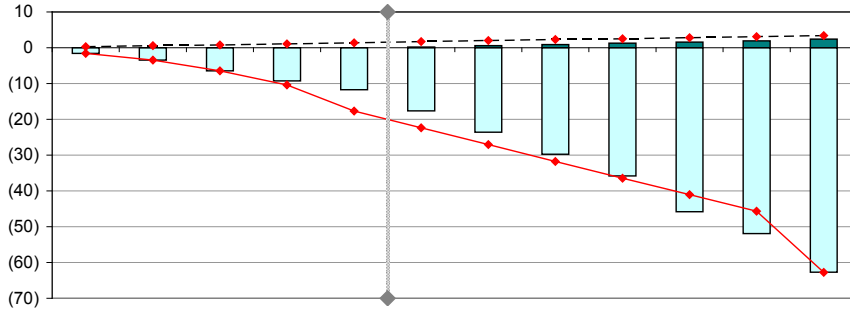
Actuals (capital plus expense) totaled \$20.7M in May vs. a Cycle 1 Forecast of \$24.3M and an original approved budget amount of \$20.2M.



SmartMeter™ Project Release Costs and Benefits*

Balancing Account Expense

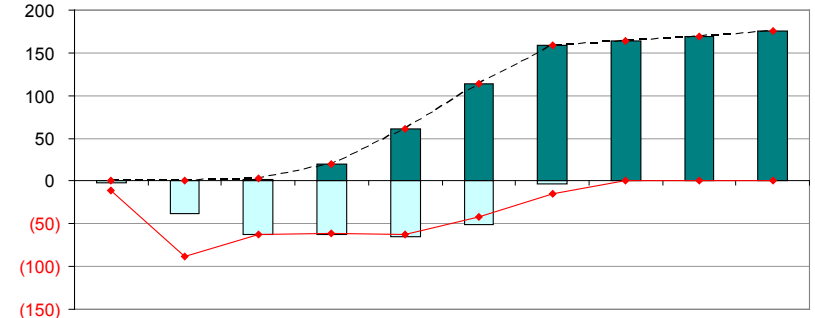
Cumulative Costs/Benefits (2007)



	J	F	M	A	M	J	J	A	S	O	N	D
Act/For Costs	(1.6)	(3.4)	(6.5)	(9.3)	(11.7)	(17.7)	(23.6)	(29.7)	(35.8)	(45.8)	(51.9)	(62.7)
Act/For Benefits	0.0	0.0	0.0	0.0	0.0	0.2	0.6	0.9	1.3	1.6	1.9	2.4
Planned Costs	(1.6)	(3.5)	(6.5)	(10.4)	(17.7)	(22.4)	(27.1)	(31.8)	(36.4)	(41.0)	(45.7)	(62.7)
Planned Benefits	0.3	0.6	0.8	1.1	1.4	1.7	2.0	2.3	2.5	2.8	3.1	3.4

All values are in \$ millions

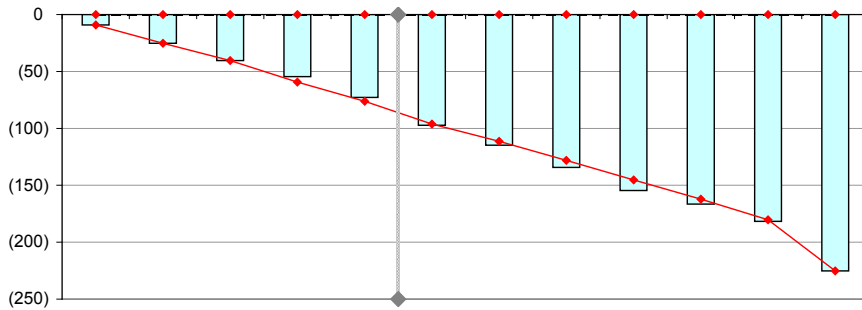
Annual Costs/Benefits (2005-2014)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Act/For Costs	(2.1)	(38.0)	(62.7)	(62.0)	(65.6)	(51.4)	(2.8)	0.0	0.0	0.0
Act/For Benefits	0.0	0.0	2.4	20.3	61.0	113.9	158.8	164.0	169.5	175.1
Planned Costs	(11.5)	(67.9)	(62.7)	(60.7)	(62.7)	(42.2)	(15.0)	0.0	0.0	0.0
Planned Benefits	0.0	0.0	3.4	20.3	61.0	113.9	158.8	164.0	169.5	175.1

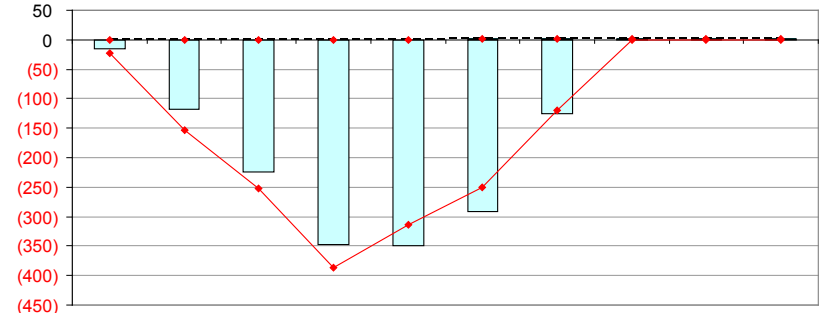
Balancing Account Capital Expenditures

Cumulative Costs/Benefits (2007)



	J	F	M	A	M	J	J	A	S	O	N	D
Act/For Costs	(9.2)	(25.3)	(40.4)	(54.5)	(72.7)	(97.3)	(114.8)	(134.3)	(154.6)	(166.5)	(181.6)	(225.2)
Act/For Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planned Costs	(9.17)	(25.29)	(40.4)	(59.3)	(76.3)	(96.2)	(111.4)	(128.1)	(145.3)	(162.2)	(180.2)	(225.2)
Planned Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Annual Costs/Benefits (2005-2014)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Act/For Costs	(15.3)	(118.0)	(225.2)	(347.7)	(348.9)	(290.9)	(125.3)	0.0	0.0	0.0
Act/For Benefits	0.0	0.0	0.0	0.1	0.5	1.0	1.5	1.5	1.6	1.6
Planned Costs	(23.4)	(153.6)	(251.8)	(385.8)	(314.5)	(250.8)	(118.9)	0.0	0.0	0.0
Planned Benefits	0.0	0.0	0.0	0.1	0.5	1.0	1.5	1.5	1.6	1.6

Legend:

- ◆ Planned Costs
- ◆- Planned Benefits
- Actual vs. Forecast Divider
- Act/Forecasted Costs
- Act/Forecasted Benefits

Data Source: SmartMeter™ Project PMO
 Data Owner: Jim Meadows
 Frequency of Update: Monthly

Public Version



SmartMeter™/CC&B Initiatives

**Steering Committee and CC&B Initiatives Update
July 9, 2007**



Agenda

- ▶ **SmartMeter™ Release Update**
- ▶ **Budget Status**
- ▶ **Program Metrics**
- ▶ **Project Decisions**
- ▶ **Appendix**

Key Headlines for Release:

- PIT – T completed 5 days ahead of schedule; PIT – F Script Execution began 07/02.
- On track to deploy 241,000 meters in 2007. Electric network deployment focus will continue in Kern Division.
- Sacramento gas deployment began on 6/18.
- As of Thursday 07/05/07, PG&E has installed 30,275 endpoints (meters), communication equipment in 25 substations, and 195 Data Collection Units on poles in the Bakersfield area.

Area	Status	Variance Explanation
Financial Variance (YTD)		Compared against the June Year-To-Date Cycle 1 Forecast, total project is 2% favorable on capital (forecast = \$96.2 million versus actual = \$93.8 million), and 34% favorable on expense (forecast = \$22.4 million vs. actual = \$14.8 million).
Financial Variance (EAC)		Currently working on Cycle 2 forecast (2008 – 2012), along with financial scenarios involving different technology options for September Boards presentation.
Scope		Scope for SM1.0 set. Scope for post SM 1.0 under review.
Milestones		Entered ORT2 with limited exceptions, all entry criteria for ORT2 not fully met.
Resources		SmartMeter IT Operations staffing at 78% of plan, resources are stretched.
Schedule		PIT-F script execution began 2 weeks later than expected, refined plan under review to mitigate a 4 day delay. The DCSI, TNG defects are on schedule to meet entrance for ORT 2 and ORT 3 and go live.
Quality		PWC report issued for review & comment.
Issues		Managed and monitored regularly for timely completion.
Actions		Action items on track.
Post Implementation Performance	n/a	Will begin posting after 9/4 SM 1.0 Go-Live release date.

Critical and High Issues Dashboard

Issues are categorized as CRITICAL and HIGH by the following definitions:

Critical: Major threat to success (as measured against balance of quality, schedule, and budget).

High: Significant disruption to successful delivery of objectives, products, and benefits.

Critical and High Impact Issues

21	32401	High	High Defects relating to DCSI code in TNG 1.6	Dennis Riley	Robert Cahn	July 18, 2007	DCSI	June 12, 2007	39272	39272	
22	32478	High	Data Cleansing of historic CC&B data	James Meadows	Randy Dieterle	July 31, 2007	CC&B	June 20, 2007	39272	39272	
24	32438	High	Accelerated Meter Deployment: Exclusion process for full pop file/daily refresh file is not excluding all required accounts	Kurt Pacheco	Peter Knoot	July 16, 2007	Deployment	June 14, 2007	39272	39272	
26	31934	High	Agreement with Southern California Edison for Streetlight & Poles in Area 4	Wilson Lau	Amit Patel	July 31, 2007	Deployment	May 24, 2007	39272	39272	
28	32660	High	PET for SmartMeter having issues – need to determine if there is a risk to Replatform and react accordingly	John W.	Paul Burgess	7/20/2007	CC&B	July 13, 2007	39272	39272	

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SM 1.0 Schedule Status

Key Dependencies

1. ORT dependent on PAT
2. ORT dependent on PIT-T
3. Aug 1 - Complete Code Freeze
4. PIT-F 85% passed, 100% executed by Aug 1 for Sept Go Live
5. VEE Testing complete before SmartMeter ORT
6. Discover the Meter before SmartMeter ORT3

	Milestone Date	Schedule Date	April	May	June	July	Aug	Sept	Oct	
SmartMeter 1.0	Replatform									
	Application Test	1-Jun	7-May	█	█					
	Performance Engineering Test	1-Jun	1-Jun	█	█					
	ORT 1 - Replatform	1-Jul	1-Jul			█	█			
	ORT 2 - Replatform	1-Aug	1-Aug				█	█		
	ORT 3 - Replatform	1-Sep	1-Sep					█	█	
	Master Regression	1-Sep	1-Sep					█	█	
	Mass Meter Deployment									
	Product Application Test	1-Jul	1-Jul	█	█	█	█			
	Product Integration Test - Technical	1-Jul	1-Jul	█	█	█	█			
	Product Integration Test - Functional	1-Aug	7-Aug				█	█		
	ORT2 - Meter Deploy	1-Aug	1-Aug					█	█	
	ORT3 - Meter Deploy	1-Sep	4-Sep						█	█
	Interval Billing									
	Product Application Test	1-Jul	1-Jul	█	█	█	█			
	Product Integration Test - Functional	1-Aug	7-Aug				█	█		
	ORT2 - Interval Billing	1-Aug	1-Aug					█	█	
	ORT3 - Interval Billing	1-Sep	4-Sep						█	█
	SmartMeter Readiness									
	VEE Testing	2-Jul	2-Jul	█	█	█	█			
Vendor Security Compliance	1-Aug	1-Aug				█	█			
MBCDW Readiness	1-Jul	1-Jul	█	█	█	█				
SM SOX Readiness	4-Sep	4-Sep					█	█		
SM1.0 Go-Live	4-Sep	8-Sep						█	█	
Change Management										
Training Delivery - Customer Care	30-Jul	31-Aug					█	█		

A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle 1 (ORT1) Replatform Started.	Criteria includes: 1) Replatform data conversion complete, 2) P1,P2,P3 interfaces in FSTE using UC4 job plans, 3) All Conversion Activities Completes within 4.5 day Outage Window, 4) Risk Mitigation targets achieved.	6/1/2007	6/1/2007	6/1/2007	0	0	Milestone achieved. However CDC Publishing Build/Test delayed ORT operations test by 3.5 days within the ORT cycle. A mitigation plan is in place and the projected ORT1 finish is not impacted.	Operational Readiness Test Cycle 2 (ORT2) Replatform/SM Started.
Helen Burt Pat Lawicki	SmartMeter	DB2 based code delivery for meter deployment	Files are delivered from CC&B to support ramp-up to approximately 1000 meters/day.	6/7/2007	6/7/2007	6/7/2007	0	0	Milestone achieved.	CC&B DB2 Production Code Freeze
Helen Burt Pat Lawicki	SmartMeter	PAT Complete	Product Application Test including P1, P2, and P3 rates execution is 100% complete in CC&B's OH environment.	7/2/2007	7/2/2007	7/2/2007	0	0	Milestone achieved.	Operational Readiness Test Cycle 2 (ORT2) Replatform/SM Started.
Helen Burt Pat Lawicki	SmartMeter	PIT-T Complete	Product Integration Test - Technical execution is 100% complete, 75-85% passed in the SM system integration environment.	7/2/2007	7/2/2007	7/2/2007	0	0	Milestone achieved.	Operational Readiness Test Cycle 2 (ORT2) Replatform/SM Started.
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle 2 (ORT2) Replatform/SM Started.	Criteria includes: 1) 100% PIT-T and PAT executed, 75-85% passed, 2) No critical defects, High defects have workarounds, 3) SM 24H Clock created & CC&B sched updated w/SM UC4 job plans, 4) ORT1 exit criteria achieved, 5) Risk Mitigation targets achieved.	7/2/2007	7/2/2007	7/2/2007	0	0		Operational Readiness Test Cycle 3 (ORT3) Replatform/SM Started.
Helen Burt Pat Lawicki	SmartMeter	PIT-F Complete	Product Integration Test - Functional execution is 100% complete, 75-85% passed in the SM system integration environment.	8/1/2007	8/1/2007	8/7/2007	0	4	PIT-F workplan as of 7/2 is reflecting a 8/7 finish. This impacts the start of ORT3.	
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle 3 (ORT3) Replatform/SM Started.	Criteria includes: 1) 100% PIT-F executed, 75-85% passed, 2) ORT2 exit criteria achieved, and 3) Monthly Risk Mitigation targets achieved.	8/1/2007	8/1/2007	8/7/2007	0	4	Reference PIT-F Complete for status.	Final Go/No-Go System Decision
Helen Burt Pat Lawicki	SmartMeter	CC&B DB2 Production Code Freeze	Existing CC&B Production Code freeze in effect. No additional code/functionality can be added to the test environments. Other changes must be submitted through exception process.	8/1/2007	8/1/2007	8/1/2007	0	0		Operational Readiness Test Cycle 3 (ORT3) Replatform/SM Started.

Milestone Dashboard – 2/2

Public Version



Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	Ramp-up of 1000/day meter installation	Meter installation on DB2 reaches approximately 1000/day to ensure goals of 242,000 by 12/31/07. Success criteria includes 1.) DB2 code delivery, 2.) staffed and trained installers, 3.) adequate meters in inventory, and 4.) Cross-dock facility ready.	8/6/2007	8/6/2007	8/6/2007	0	0		242,000 Meters Installed
Helen Burt Pat Lawicki	SmartMeter	Project Readiness - Compliance Assessment Complete	Overall Project Compliance criteria assessment; approval of met and unmet criteria with risk management plans for unmet criteria. Criteria includes the Implementation & Operational Readiness (I&OR), Internal Audit (IAD) and Corporate SOX.	8/8/2007	8/8/2007	8/8/2007	0	0		Preliminary Go/No-Go Assessment
Helen Burt Pat Lawicki	SmartMeter	Preliminary Go/No-Go Assessment	Prelim Go-Live Project/Business Stakeholder meeting. Review remaining tasks; unmet compliance criteria, risk management plans, and overall readiness. Focus on the open items requiring closure before Go decision. PMO prelim assessment on 8/15.	8/22/2007	8/22/2007	8/22/2007	0	0		Final Go/No-Go System Decision
Helen Burt Pat Lawicki	SmartMeter	Final Go/No-Go System Decision	Final GO-Live review. PMO and Executive Steering Committee review of open items; remaining tasks and State of Readiness.	8/29/2007	8/29/2007	8/29/2007	0	0		SM 1.0 Go-Live
Helen Burt Pat Lawicki	SmartMeter	SM 1.0 Go-Live	SM Release 1.0 passes Go/No Go decision and becomes operational. System able to bill customers and all other functionality in scope implementation.	9/4/2007	9/4/2007	9/8/2007	0	4	Reference PIT-F Complete for status.	
Helen Burt Pat Lawicki	SmartMeter	First Virtual Route String Captured	One EMR route from each billing serial in a local headquarters is captured (billed using SM data). Associated activated meters and benefits (\$1.77 per electric meter/month and \$1.04 per gas meter/month) are being reported to the SM balancing account.	11/30/2007	11/30/2007	11/30/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	20,000 Meters Activated	STIP Metric: number of meters/modules that meet all three of the following conditions; SM installed, billed using SM data/system and are part of a virtual route string.	12/31/2007	12/31/2007	12/31/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	242,000 Meters Installed	STIP metric indicator (from vendor installation schedule Rev 5) of meters accepted by CC&B as a proper exchange.	12/31/2007	12/31/2007	12/31/2007	0	0		

DELTA CALCULATIONS

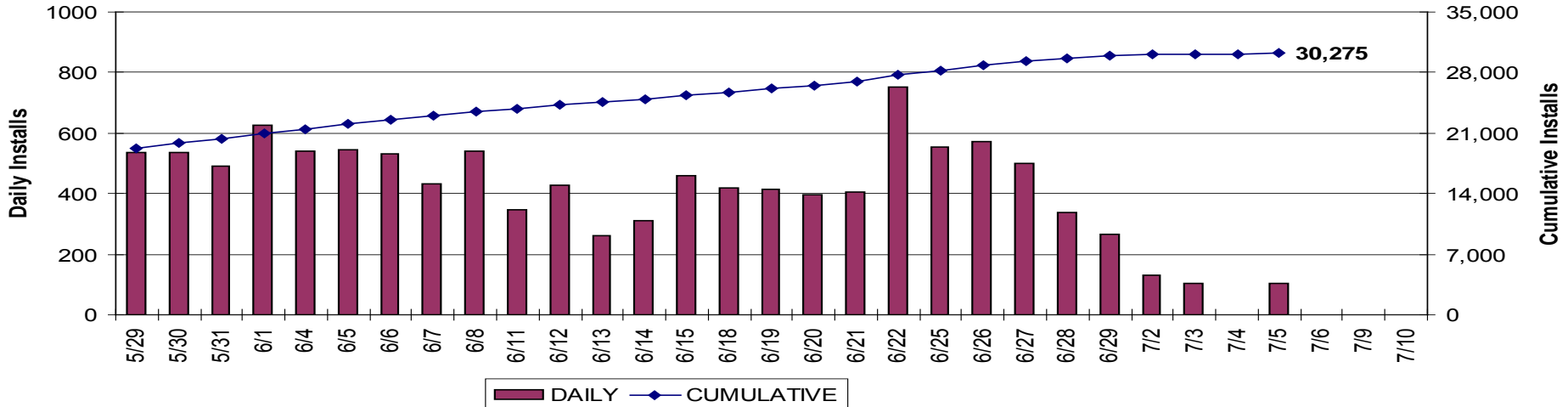
Release Adjusted Milestone Delta	Release Adjusted Milestone Date - BTSC Agreed Upon Milestone Date
Work Plan Generated Milestone Delta	Work Plan Generated Date - BTSC Agreed Upon Milestone Date

COLOR LEGEND

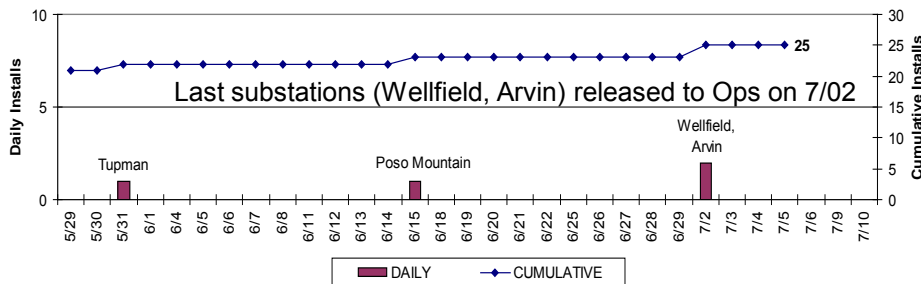
	Delta is Less than or equal to 0 days (Early, On Time)
	Delta is 1- 7 days (Late)
	Delta is Greater than 7 days (Late)

Deployment Update

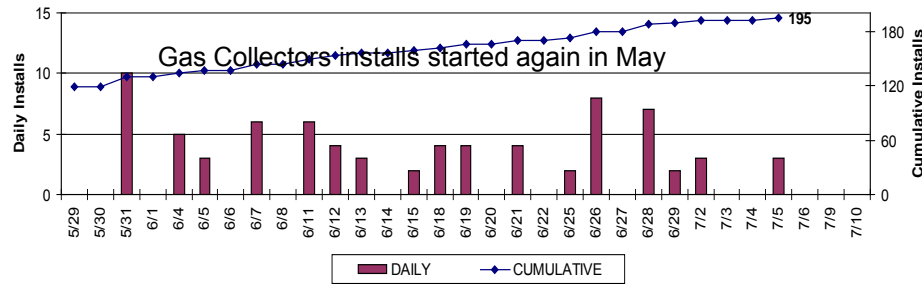
Daily and Cumulative Meter Installs



Daily and Cumulative Substation Installs



Daily and Cumulative DCU Installs



Deployment Comments:

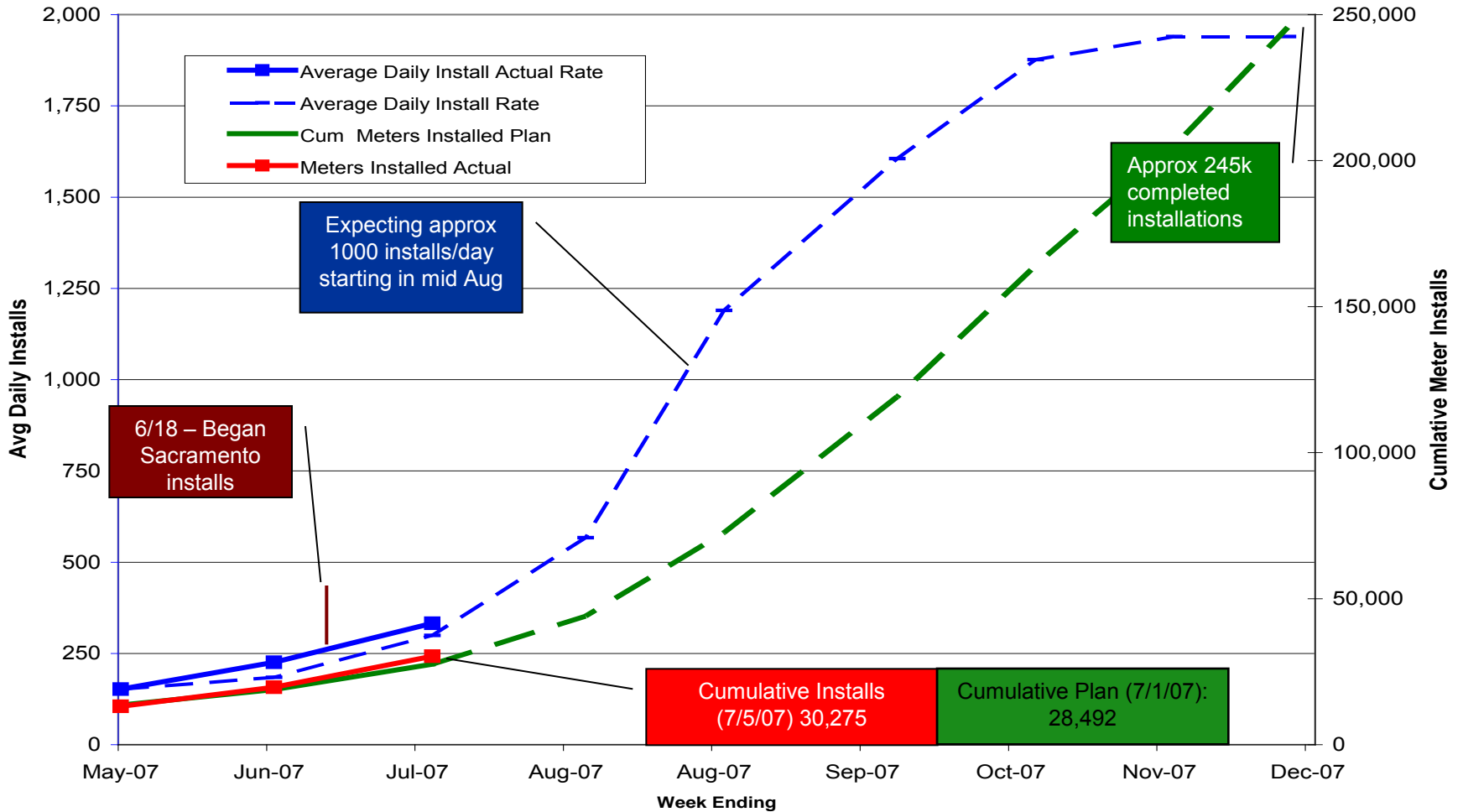
► 1,985 DCU locations of the estimated 4,692 total (or 42% of total) have been identified in 30 PG&E office areas. 1,472 DCU sites (31% of total) have been released to Wellington as ready for installation. 192 DCUs (4% of total) have been installed to date. DCU installations commenced on May 1st in Wasco/Ford City/Taft offices.

► Unable To Complete's: 594 UTC's to date (1. 97% of total installs);

► 383 are Field Service related, (i.e. broken index screws) / 165 access related (Title 300 work) / 46 other

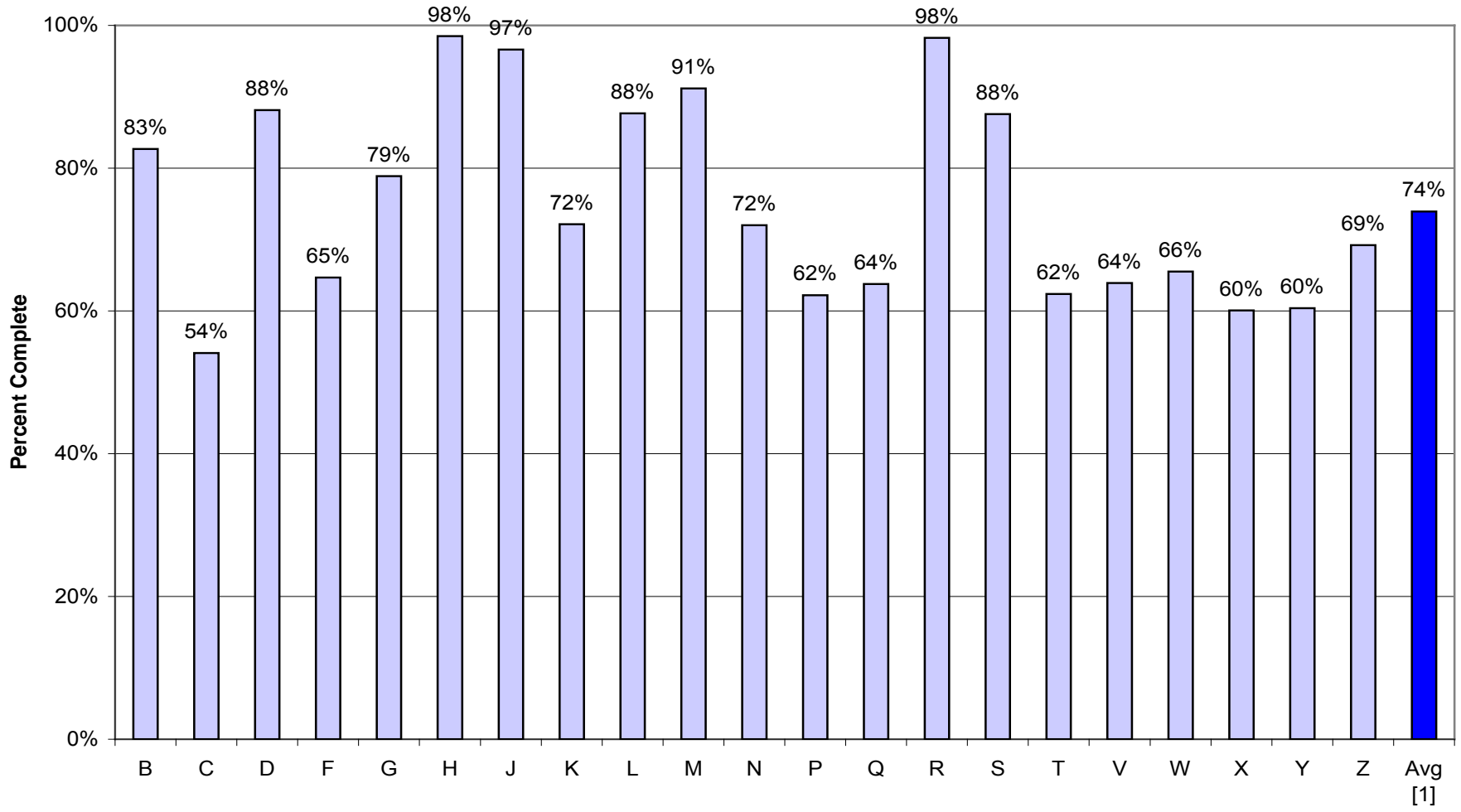
Average Expected Daily Install Rates - Bakersfield and Sacramento Combined

2007 Install rate vs. Plan



Meter Routes Progress

Bakersfield (TC) Maximum Complete by Serial (6/30/07)



[1] = (9,328 / 12,615). 27,478 total meters enabled = 2.9 ratio.

SM IT/CC&B Project Amounts

Public Version



Line #	(A) (B) (C)			(D) = (A)+(B)+(C)	(E)	(F) (G) (H)=(F)+(G)			(I)	Line #	
	Approved IT Spending Amount			Current Forecasted Spend	IT Actuals	Forecasted IT Spending Remaining			O&M		
	Original Approved Spend	Cycle 1 Additional Amount	"Go Live" 5/28 to 9/4 Amount		Actuals (ITD thru Jun '07)	2007 Jun - Dec SM 1.0	2007 Jun - Dec SM 1.5	2008 & Beyond	Total Remaining	2007 Jun - Dec O&M	
1	Customer:										
2	CWP Hardware	405	0	0	405	0	405	0	405		
3	CWP Labor Expense	4,192	1,253	0	5,445	936	3,256	1,253	4,509		
4	Subtotal: Customer	4,597	1,253	0	5,850	936	3,661	1,253	4,914		
5	SM Integration:										
6	SM Integration Internal Labor	9,841	7,435	100	17,375	9,443	1,220	6,712	7,932		
7	SM Integration IBM	23,265	4,655	1,800	29,721	26,083	3,637	0	3,637		
8	EDS / WACS										
9	EDS / Integration			0	0	0	0		0		
10	PWC Proc Development	0		0							
11	Accenture / BEA / Entegriy Consultants	0		0							
12	Misc IT Int	159	942	0	1,101	1,104	(3)	0	(3)		
13	Server Oracle - New Deal			0	0			0	0		
14	Legacy Systems - Capital	3,229	0	0	3,229	0	0	3,229	3,229		
15	Legacy Systems - Expense	2,000	0	0	2,000	0	0	2,000	2,000		
16	AFUDC - IT Integration	0	3,008	1,000	4,008	3,094	915	0	915		
17	Subtotal: Integration	44,470	26,404	1,000	74,774	51,371	11,462	6,712	5,229	23,403	
18	CC&B:										
19	PG&E Labor			8,900	80,554	67,850	5,643	7,061	0	12,704	7,179
20	Accenture										
21	SPL										
22	Other			100	532	0	532	0	532	324	
23	Call Center AHT			0	6,515	6,515	0	0	0		
24	Predeployment			0	3,692	3,692	0	0	0		
25	AFUDC - CC&B	684	5,081	1,900	5,765	3,916	1,448	400	0	1,848	
26	Subtotal: CC&B	90,650	22,564	15,700	128,914	109,815	11,638	7,461	0	19,099	11,224
27	Data Center:										
28	DCSI Servers HW			0							
29	Hexagram Servers HW			0							
30	WACS / MBCDW HW			0							
31	WACS Servers SW Exp			0							
32	Facilities for Data Center	2,544	0	0	2,544	1,901	643	0	643		
33	Subtotal: Data Center	31,231	0	0	37,256	15,625	985	0	20,646	21,631	
34	SM Applications:										
35	DCSI - TNG - Purchase		0	0							
36	DCSI - TNG - Svcs (Vacaville)		0	0							
37	Hexagram - Star - Purchase		0	0							
38	Hex - Star - Svcs (Vacaville)		0	0							
39	WACS - Purchase			0							
40	AFUDC - SM Applications	0	88	0	88	97	(9)	0	(9)		
41	Subtotal: Applications	11,087	454	0	11,540	4,591	6,250	0	0	0	
42	Total IT (Excluding AFUDC) =										
43		181,351	48,523	16,700	248,474	175,232	31,642	15,025	26,574	73,242	11,224
44	Total AFUDC =	684	8,177	2,900	9,861	7,107	2,354	400	0	2,754	0
45	Funded by CPP Marketing (O&M) =		(4,200)		(4,200)	0		(4,200)		(4,200)	4,200
46	Total IT (Including AFUDC) =	182,035	52,500	19,600	254,135	182,339	33,996	11,225	26,574	71,796	15,424
47	Subtotal: PMO										
48		61,148	4,353	2,400	67,902	31,398	20,421	16,082	36,503		
49	Subtotal: PMO + IT =	243,183	56,853	22,000	322,036	213,737	54,417	11,225	42,656	108,299	15,424
50	Subtotal: Deployment										
51		1,077,800	0	300	1,078,100	33,665	101,789	942,646	1,044,435		
52	Subtotal: Communications	23,800	0	0	23,800	4,162	2,563	17,075	19,638		
53	Subtotal: Contingency / Other	125,600	(56,853)	(22,300)	46,447	0	0	46,447	46,447		
54	Subtotal: Total Deployment =										
55		1,470,383	0	0	1,470,383	251,564	158,769	11,225	1,048,824	1,218,819	15,424

Contingency Reconciliation

SmartMeter Contingency Reconciliation	(\$000)	Total	Notes
1. Business Case Approved Contingency		\$ 128,773	
PCRs Adopted by Steering Committee	Workstream		
CC&B Phase 1	CC&B	\$ (1,550)	Performance enhancing Sun servers
Savings on AMI Servers, IOC, Oracle	Architecture	\$ 14,500	Approved at Oct 17, 2006 Steering Committee meeting
CC&B Phase 1	CC&B	\$ (11,000)	Approved at Oct 17, 2006 Steering Committee meeting
CC&B Phase 2	CC&B	\$ (2,000)	Approved at Oct 17, 2006 Steering Committee meeting
PCR 06-0003 IBM #1 (No Contract increase)	Business Process	\$ (618)	Approved at Oct 17, 2006 Steering Committee meeting
PCR 06-0004 IBM #1 (No Contract increase)	Business Process	\$ (621)	Approved at Oct 17, 2006 Steering Committee meeting
PCR 06-0008 IBM #4	Business Process	\$ (643)	Approved at Oct 17, 2006 Steering Committee meeting
EDS WACS	System Integration	\$ (924)	Approved at Oct 17, 2006 Steering Committee meeting
Total PCRs Adopted by Steering Committee		\$ (2,856)	
Remaining Contingency Balance =		\$ 125,918	
<hr/>			
2. Pending Disposition			
PG&E SI		\$ (7,435)	Approved at May 11, 2007 Steering Committee meeting
IBM SI		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
PWC Proc Development		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
EDS / WACS		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
Accenture / BEA Consultants		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
Misc IT		\$ (942)	Approved at May 11, 2007 Steering Committee meeting
IT Integration (AFUDC)		\$ (3,008)	Approved at May 11, 2007 Steering Committee meeting
CC&B Capital - Excepted PCRs		\$ (18,364)	Approved at May 11, 2007 Steering Committee meeting
Call Center: CC&B launch AHT		\$ (1,253)	Approved at May 11, 2007 Steering Committee meeting
DCSI Servers HW		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
WACS - Purchase		\$ (454)	Approved at May 11, 2007 Steering Committee meeting
		\$ (52,500)	
Additional IT costs for shift in "Go Live" date to Sept 4			
Integration Internal		\$ (100)	Approved at May 11, 2007 Steering Committee meeting
Integration IBM		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
Integration EDS/WACS		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
AFUDC - Integration		\$ (1,000)	Approved at May 11, 2007 Steering Committee meeting
CC&B - Internal Labor		\$ (8,900)	Approved at May 11, 2007 Steering Committee meeting
CC&B - Accenture		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
CC&B - SPL		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
CC&B - Other		\$ [REDACTED]	Approved at May 11, 2007 Steering Committee meeting
AFUDC - CC&B		\$ (1,900)	Approved at May 11, 2007 Steering Committee meeting
PMO		\$ (2,400)	Approved at May 11, 2007 Steering Committee meeting
Deployment		\$ (300)	Approved at May 11, 2007 Steering Committee meeting
		\$ (22,300)	

Program Metrics

SmartMeter - Deployment		May - Month Results				June - Month Results				YTD				Full Year				First Report Date	
Metric (a)	Key Performance Indicator (b)	Status (c)	Actual (d)	Target (e)	Var (f)	Status (c)	Actual (d)	Target (e)	Var (f)	Status (g)	Actual (h)	Target (i)	Var (j)	Status (k)	Fcst (l)	Target (m)	Var (n)	Report Date	
PMO																			
P1	OSHA Recordable Rate (SmartMeter)	↔	-	4.6	4.6	June data not yet reported				↔	-	4.6	4.6	↔	4.1	4.6	0.5	9/30/06	
P1a	# of OSHA Incidents (SmartMeter)	↑	-	4.4	4.4	June data not yet reported				↔	-	5.5	5.5	↔	13.8	15.3	1.5	9/30/06	
P2	Issues over 30 Days Past Due	↓	29%	25%	-4%	↑	7%	25%	18%	↓	13%	25%	12%	↔	13%	25%	12%	9/30/06	
P3	Open Issue Count by Severity	↑	35%	45%	10%	↑	22%	45%	23%	↑	41%	45%	4%	↔	40.0%	45.0%	5.0%	9/30/06	
P4	Risk Family Count by Value	↓	50%	40%	-10%	↑	38%	40%	3%	↓	39%	40%	1%	↔	30%	40%	10%	9/30/06	
P5	Schedule Variance to SM 1.0	↑	-	20	20	↔	-	20	20	↑	-	20	20	↔	-	20	20	9/30/06	
P7	Schedule Variance to End of Build	↔	-	-	-	↔	-	-	-	↔	-	-	-	↔	-	-	-	9/30/06	
Costs / Benefits																			
P15	Benefits \$ Realized, Cumulative (C-1 Forecast)	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ 1.7	\$ 1.7	\$ -	9/30/07	
P15a	Net Benefits \$ Realized (Cum. Benefits + Cost)	↑	\$ (84.5)	\$ (94.0)	\$ 9.5	↑	\$(108.6)	\$(118.6)	\$ 10.0	↑	\$(108.6)	\$(118.6)	\$ 10.0	↔	\$ (279.8)	\$ (286.2)	\$ 6.4	11/30/06	
Budget / Earned Value																			
P16	Budget vs. Actual - 2007 (\$M)	↓	\$ 20.7	\$ 24.3	\$ 3.6	↓	\$ 24.2	\$ 24.6	\$ 0.5	↓	\$ 108.6	\$ 118.6	\$ 10.0	↔	\$ 287.9	\$ 287.9	\$ -	9/30/06	
P17	Budget vs. Actual - Capital (\$M)	↓	\$ 18.2	\$ 17.0	\$ (1.3)	↑	\$ 21.1	\$ 19.9	\$ (1.2)	↓	\$ 93.8	\$ 96.2	\$ 2.4	↔	\$ 221.7	\$ 225.2	\$ 3.5	9/30/06	
P18	Budget vs. Actual - Expense (\$M)	↑	\$ 2.5	\$ 7.3	\$ 4.8	↓	\$ 3.0	\$ 4.7	\$ 1.7	↑	\$ 14.8	\$ 22.4	\$ 7.6	↔	\$ 59.8	\$ 62.7	\$ 2.9	9/30/06	
P19	Budget vs. Actual, at Completion (\$M)	↔	\$ 1,470	\$ 1,470	\$ -	↔	\$ 1,470	\$ 1,470	\$ -	↔	\$1,470.0	\$1,470.0	\$ -	↔	\$1,470.0	\$1,470.0	\$ -	9/30/06	
P20	Bud. vs. Act., at Completion - IT (\$M)	↔	\$ 256.3	\$ 256.3	\$ -	↔	\$ 256.3	\$ 256.3	\$ -	↔	\$ 256.3	\$ 256.3	\$ -	↔	\$ 256.3	\$ 256.3	\$ -	9/30/06	
OPERATIONS																			
Procurement																			
O1	Total Weeks of Inventory on Hand	↓	34	3	31	↓	27	3	24	↓	27	3	24	↔	27	3	24	4/30/07	
O2	Total wks of inventory in the pipeline	↓	50	3	47	↔	50	3	47	↓	50	3	47	↔	50	3	47	4/30/07	
O4	Equipment exception rate	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	4/30/07	
Network deployment																			
O5	Substations Complete	↑	7	5	2	↓	1	5	(4)	↑	19	19	-	↔	45	45	-	9/30/06	
O6	DCUs Installed	↓	46	100	(54)	↑	60	100	(40)	↓	106	200	(94)	↔	1,400	1,400	-	9/30/06	
O7	CPI Substation (Electric Network) (\$ 000)	↑	\$132.5	\$205.2	\$72.6	June data not yet reported				↔	\$203.3	\$205.2	\$1.9	↔	\$205.2	\$205.2	\$0.0	9/30/06	
O8	CPI DCU (Gas Network)	↑	\$ 2,930	\$ 3,308	\$ 378	June data not yet reported				↔	\$ -	\$ 3,308	\$ 3,308	↔	\$ 3,308	\$ 3,308	\$ -	9/30/06	
Meter / Module Deployment																			
O11	Meters Enabled - Electric & Gas	↑	6,834	2,500	4,334	↑	10,864	2,500	8,364	↑	28,283	9,000	19,283	↔	243,947	241,000	2,947	11/30/06	
O13	CPI - Electric Endpoint	↑	\$84.32	\$94.38	\$10.06	June data not yet reported				↔	\$88.21	\$94.38	\$6.17	↔	\$94.38	\$94.38	\$0.00	11/30/06	
O14	CPI - Gas Endpoint	↑	\$80.81	\$94.95	\$14.14	June data not yet reported				↔	\$86.23	\$94.95	\$8.72	↔	\$94.95	\$94.95	\$0.00	11/30/06	
O15	UTC Rate	↑	1.9%	4.0%	2.1%	↓	2.4%	4.0%	1.6%	↑	2.0%	4.0%	2.0%	↔	2.0%	4.0%	2.0%	11/30/06	
O16	FA Upload Exception Rate	↑	0.51%	3.00%	2.49%	↔	0.63%	3.00%	2.37%	↑	0.62%	3.00%	2.38%	↔	0.62%	3.00%	2.38%	11/30/06	
O17	QA Exception Rate	↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)		↔				5/1/07	
Operations - Other																			
O34	Customer Complaint Rate	↔	0.0%	0.2%	0.2%	↔	0.0%	0.2%	0.2%	↔	0.0%	0.2%	0.2%	↔	0.2%	0.2%	0.0%	10/31/06	
O35	Call Center Inbound Rate	↑	1.0%	2.0%	1.0%	↓	0.0%	0.0%	0.0%	↑	2.2%	5.2%	3.0%	↔	5.2%	5.2%	0.0%	10/31/06	

Decisions

No specific decisions required.

Appendix

July 2007

Expenditures by Workstream

Capital (000s)	Current Month - June			Year To Date - June				Total 2007		
	Cycle 1			Cycle 1			%	Cycle 1		C2 - C1
	Forecast	Actuals	Variance	Forecast	Actuals	Variance	Variance	Forecast	Forecast	Difference
1 PMO	\$ 358	\$ 498	(139)	\$ 5,166	\$ 5,234	(68)	-1%	\$ 6,680	\$ 7,554	874
2 SM Operations	\$ 481	\$ 186	294	\$ 1,455	\$ 1,056	399	27%	\$ 3,340	\$ 3,340	0
3 Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
4 Customer	\$ -	\$ -	0	\$ 405	\$ -	405		\$ 405	\$ -	(405)
5 Contract Procurement	\$ 3,987	\$ 5,344	(1,356)	\$ 16,362	\$ 22,375	(6,013)	-37%	\$ 70,778	\$ 68,375	(2,403)
6 Substation Installation	\$ 923	\$ 479	444	\$ 4,682	\$ 3,186	1,496	32%	\$ 16,855	\$ 8,008	(8,847)
7 Endpoint Installation	\$ 738	\$ 786	(48)	\$ 5,129	\$ 4,971	158	3%	\$ 16,668	\$ 17,235	567
8 Deployment Office	\$ 857	\$ 742	116	\$ 4,760	\$ 4,094	666	14%	\$ 11,262	\$ 10,331	(931)
9 DCU Placement	\$ 169	\$ 34	135	\$ 519	\$ 269	250	48%	\$ 2,315	\$ 2,192	(123)
10 CC&B	\$ 3,938	\$ 8,762	(4,823)	\$ 24,580	\$ 27,050	(2,469)	-10%	\$ 32,098	\$ 46,364	14,266
11 IT Integration	\$ 2,864	\$ 4,135	(1,270)	\$ 21,078	\$ 21,359	(281)	-1%	\$ 31,246	\$ 38,150	6,903
12 IT Data Center	\$ -	\$ 139	(139)	\$ 5,753	\$ 4,177	1,576	27%	\$ 5,753	\$ 5,860	107
13 SM 1.0 Applications	\$ 5,611	\$ 12	5,600	\$ 6,322	\$ 72	6,250	99%	\$ 6,322	\$ 6,322	0
14 IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
15 Technology Monitoring	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
Contingency (Dec)								\$ 21,430	\$ 11,422	(10,008)
Project Total	\$ 19,928	\$ 21,115	(1,187)	\$ 96,212	\$ 93,843	2,369	2%	\$ 225,153	\$ 225,153	

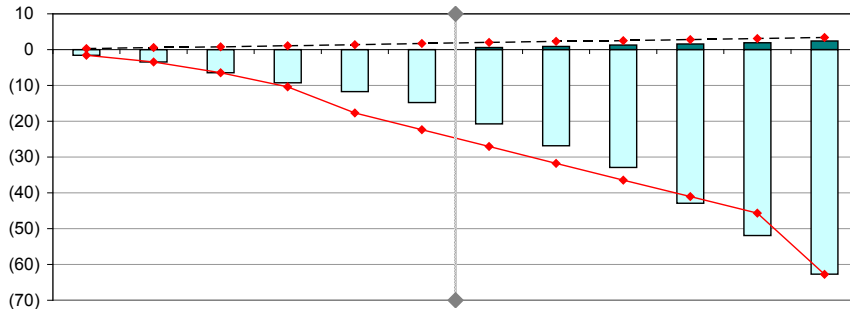
Expense (000s)	Current Month - June			Year To Date - June				Total 2007		
	Cycle 1			Cycle 1			%	Cycle 1		C2 - C1
	Forecast	Actuals	Variance	Forecast	Actuals	Variance	Variance	Forecast	Forecast	Difference
1 PMO	\$ 409	\$ 217	192	\$ 2,907	\$ 2,484	423	15%	\$ 5,377	\$ 2,446	(2,931)
2 SM Operations	\$ 307	\$ 363	(56)	\$ 1,196	\$ 1,262	(66)	-5%	\$ 3,427	\$ 3,706	279
3 Communications	\$ 306	\$ 54	252	\$ 1,781	\$ 1,360	420	24%	\$ 3,619	\$ 2,525	(1,095)
4 Customer	\$ 1,187	\$ 951	235	\$ 3,962	\$ 1,211	2,751	69%	\$ 11,136	\$ 2,422	(8,714)
5 Contract Procurement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
6 Substation Installation	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
7 Endpoint Installation	\$ 142	\$ 69	73	\$ 481	\$ 291	190	40%	\$ 1,177	\$ 1,146	(31)
8 Deployment Office	\$ -	\$ 10	(10)	\$ 27	\$ 20	7	26%	\$ 27	\$ 4,027	4,000
9 DCU Placement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
10 CC&B	\$ 173	\$ 164	10	\$ 3,106	\$ 1,256	1,850	60%	\$ 3,371	\$ 16,890	13,519
11 IT Integration	\$ 222	\$ -	222	\$ 661	\$ 10	652	99%	\$ 1,995	\$ 1,995	0
12 IT Data Center	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
13 SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
14 IT Operations	\$ 570	\$ 536	35	\$ 3,435	\$ 3,601	(166)	-5%	\$ 7,118	\$ 8,841	1,723
15 Technology Monitoring	\$ 1,383	\$ 672	711	\$ 4,820	\$ 3,273	1,547	32%	\$ 15,200	\$ 15,200	0
Contingency (Dec)								\$ 10,287	\$ 3,537	(6,750)
Project Total	\$ 4,699	\$ 3,036	1,664	\$ 22,376	\$ 14,768	7,608	34%	\$ 62,734	\$ 62,734	

Actuals (capital plus expense) totaled \$24.2M in June vs. a Cycle 1 Forecast of \$24.6M and an original approved budget amount of \$26.1M.

SmartMeter™ Project Release Costs and Benefits*

Balancing Account Expense

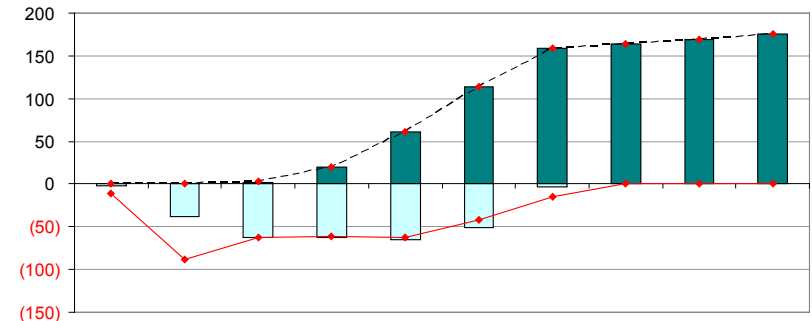
Cumulative Costs/Benefits (2007)



	J	F	M	A	M	J	J	A	S	O	N	D
Act/For Costs	(1.6)	(3.4)	(6.5)	(9.3)	(11.7)	(14.8)	(20.7)	(26.8)	(32.9)	(42.9)	(51.9)	(62.7)
Act/For Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.9	1.3	1.6	1.9	2.4
Planned Costs	(1.6)	(3.5)	(6.5)	(10.4)	(17.7)	(22.4)	(27.1)	(31.8)	(36.4)	(41.0)	(45.7)	(62.7)
Planned Benefits	0.3	0.6	0.8	1.1	1.4	1.7	2.0	2.3	2.5	2.8	3.1	3.4

All values are in \$ millions

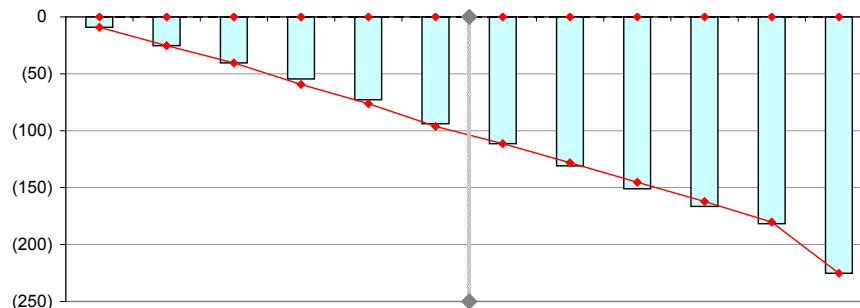
Annual Costs/Benefits (2005-2014)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Act/For Costs	(2.1)	(38.0)	(62.7)	(62.0)	(65.6)	(51.4)	(2.8)	0.0	0.0	0.0
Act/For Benefits	0.0	0.0	2.4	20.3	61.0	113.9	158.8	164.0	169.5	175.1
Planned Costs	(11.5)	(67.9)	(62.7)	(60.7)	(62.7)	(42.2)	(15.0)	0.0	0.0	0.0
Planned Benefits	0.0	0.0	3.4	20.3	61.0	113.9	158.8	164.0	169.5	175.1

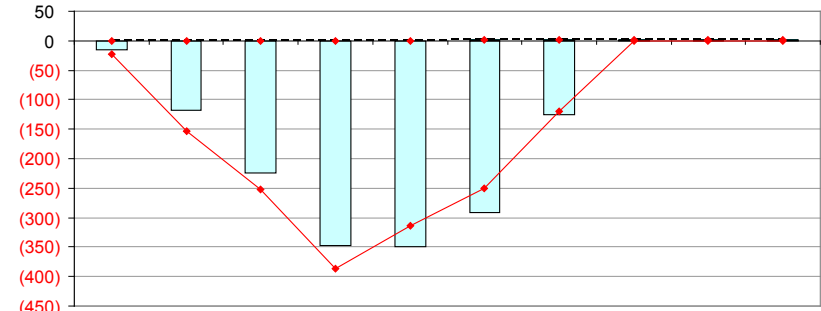
Balancing Account Capital Expenditures

Cumulative Costs/Benefits (2007)



	J	F	M	A	M	J	J	A	S	O	N	D
Act/For Costs	(9.2)	(25.3)	(40.4)	(54.5)	(72.7)	(93.8)	(111.4)	(130.8)	(151.1)	(166.5)	(181.6)	(225.2)
Act/For Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planned Costs	(9.17)	(25.29)	(40.4)	(59.3)	(78.3)	(96.2)	(111.4)	(128.1)	(145.3)	(162.2)	(180.2)	(225.2)
Planned Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Annual Costs/Benefits (2005-2014)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Act/For Costs	(15.3)	(118.0)	(225.2)	(347.7)	(348.9)	(290.9)	(125.3)	0.0	0.0	0.0
Act/For Benefits	0.0	0.0	0.0	0.1	0.5	1.0	1.5	1.5	1.6	1.6
Planned Costs	(23.4)	(153.6)	(251.8)	(385.8)	(314.5)	(250.8)	(118.9)	0.0	0.0	0.0
Planned Benefits	0.0	0.0	0.0	0.1	0.5	1.0	1.5	1.5	1.6	1.6

Legend:

- ◆ Planned Costs
- Planned Benefits
- Actual vs. Forecast Divider
- Act/Forecasted Costs
- Act/Forecasted Benefits

Confidential – Submitted Pursuant to PU Code Section 583

Data Source: SmartMeter™ Project PMO
 Data Owner: Jim Meadows
 Frequency of Update: Monthly

Public Version



**SmartMeter™/CC&B Initiatives
Steering Committee Update – August
August 22, 2007**



Agenda

- ▶ **SmartMeter™ Release Update**
- ▶ **Budget Status**
- ▶ **Deployment Update**
- ▶ **Program Metrics**
- ▶ **Schedule / Scope Update**
- ▶ **Project Decisions**
- ▶ **Appendix**

Key Headlines for Release:

- Re-platform plus two Mass Meter Deployment functions (Field Exchange & FAS) will be delivered on 9/4.
- The first of the remaining Mass Meter Deployment functions will be delivered by 9/24/07 and the rest by 11/1/07.
- Target for SmartMeter™ Anchor Billing delivery is 11/15/07.
- As of Saturday 08/18/07, installed 67,996 endpoints (meters), communication equipment in 29 substations, and 299 Data Collection Units.
- Endpoints (meters + modules) are being deployed at a rate of approximately 1900 meters a day

Area	Status	Variance Explanation
Financial Variance (YTD)		Compared against the July Year-To-Date Cycle 1 Forecast, total project has a 0% variance for capital expenditure (forecast = \$111.4 million versus actual = \$111.8 million), 42% favorable on expense (forecast = \$27.1 million vs. actual = \$15.7 million).
Financial Variance (EAC)		Working on Cycle 2 forecast (2008 – 2012), along with financial scenarios involving different technology options. Preliminary Cycle 2 cost estimates are coming in higher than planned and benefits lower than planned.
Scope		SmartMeter™ Anchor Billing is deferred to 11/15 release. Replatform and two out of the seven Mass Meter Deployment (MMD) functions to be delivered 9/4. Remaining five functions to be delivered as interim drops by 11/1/07.
Milestones		Entered Operational-Readiness-Testing-3 (ORT3) with exceptions. I&OR assessment is late and identifies gaps. Delayed SmartMeter™ Billing has pushed milestone for 1st completed virtual route string to 12/31/07. DCU deployment behind schedule.
Resources		SmartMeter IT Operations staffing as of August is 78% of plan. An offer was made to a candidate this week. Resources are stretched in general with long hours and weekends.
Schedule		SmartMeter™ Anchor Billing is deferred to 11/15 release. Replatform and two out of the seven Mass Meter Deployment (MMD) functions to be delivered 9/4. Remaining five functions to be delivered as interim drops by 11/1/07.
Quality		PwC to conduct further review of SmartMeter™ project.
Issues & Risks		Internal Audit have concerns around “Residual Risks” (risk resulting from outstanding issues/risks and scope/defect-fix deferral at go-live). Risk Mitigation Validation was moved from “Red” to “Green” by Internal Audit. Some Issues are past resolution dates.
Actions		Action items on track.
Post Implementation Performance		Expecting manageable challenges through the stabilization period.

Issues Dashboard

Critical and High Impact Issues

Issues are categorized as CRITICAL and HIGH by the following definitions:

Critical: Major threat to success (as measured against balance of quality, schedule, and budget).

High: Significant disruption to successful delivery of objectives, products, and benefits.

Request No.	Priority	Description	Request Status	Created On	Committed Resolution Date	Date Issue Resolved	Owner	Assigned To	Sub-Project	Duration (days)	Overdue (Days)
32801	High	Need new functionality matrix with business requirements with new scope for 9/4	Closed	July 23, 2007	August 17, 2007		Michael Schulte	Denise Alexander	Business Requirements	28	3
32429	High	Handle DA Data Exceptions	Closed	June 14, 2007	August 17, 2007		Michael Schulte	Denise Alexander	PMO	67	3
32800	High	Test Team needs formal communication of scope for 9/4	Closed	July 23, 2007	July 31, 2007	August 1, 2007	Steve Knaebel	Robert Cahn	SM IT	28	1
32676	High	Approach and Business Sign-off for Product Integration Test needs to be defined	Assign	July 9, 2007	August 1, 2007		Jas Staso	Duncan Cano	Testing	42	19
32821	High	DCSI Comm Server restarts causing instability to SM infrastructure (PG&E Defect 1910)	Assign	July 25, 2007	August 31, 2007		Dennis Riley	Robert Cahn	DCSI	26	
32401	High	High Defects relating to DCSI code in TNG 1.6	Assign	June 12, 2007	August 31, 2007		Dennis Riley	Robert Cahn	DCSI	69	
31910	Critical	Oracle Change Data Capture Data Errors	Closed	May 24, 2007	June 29, 2007	June 1, 2007	John Warnock	Paul Burgess	CC&B	36	
31925	High	Slowdown in Call Centers	Closed	May 24, 2007	May 31, 2007	June 1, 2007	John Warnock	Paul Burgess	CC&B	7	
31920	Critical	Oracle Change Data Capture Performance and Stability	Closed	May 24, 2007	June 29, 2007	June 1, 2007	John Warnock	Paul Burgess	CC&B	36	
31922	High	The SM Team's Endurance	Closed	May 24, 2007	June 29, 2007	June 1, 2007	Terri Mac Williams	Paul Burgess	CC&B	36	
31961	High	Testing 24-Hour Clock/UC4/Re-platform interfaces at full scale before Go-Live	Closed	May 25, 2007	May 28, 2007	June 6, 2007	John Warnock	John Warnock	CC&B	3	

Issues Dashboard

Issues are categorized as CRITICAL and HIGH by the following definitions:

Critical: Major threat to success (as measured against balance of quality, schedule, and budget).

High: Significant disruption to successful delivery of objectives, products, and benefits.

Critical and High Impact Issues

Request No.	Priority	Description	Request Status	Created On	Committed Resolution Date	Date Issue Resolved	Owner	Assigned To	Sub-Project	Duration (days)	Overdue (Days)
31937	High	UC4 resources required to extend till July or August	Closed	May 24, 2007	June 15, 2007	June 10, 2007	Steve Knaebel	Linda Newton-lane	PMO	22	
31924	High	Ability to search in meters - Interface Readiness	Closed	May 24, 2007	June 15, 2007	June 21, 2007	Steve Knaebel	Susan Rodriguez	PMO	22	
31919	High	Establishment of Substation connectivity with automated discovery process	Closed	May 24, 2007	May 31, 2007	June 22, 2007	Dennis Riley	Susan Rodriguez	DCSI	7	
32484	High	Defect automated shipper file from CC&B for accelerated deployment	Closed	June 21, 2007	July 16, 2007	July 5, 2007	Paul Burgess	Paul Burgess	CC&B	25	
31963	High	Use of Vacaville for Meter Exchange Scenario Testing	Closed	May 25, 2007	June 30, 2007	July 24, 2007	Bob Craig	Eun Han	Testing	36	
32660	High	PET for SmartMeter having issues.	Closed	July 6, 2007	July 12, 2007	July 26, 2007	Vanessa Rogers	Linda Newton-lane	CC&B	6	
32733	High	ORT and PIT-F Data Requirements for Wellington	Closed	July 13, 2007	July 31, 2007	August 8, 2007	Dennis Riley	Robert Cahn	Wellington	18	
32820	Critical	Unplanned activities as result of ORT SI goals not met	Closed	July 25, 2007	July 31, 2007	August 16, 2007	Holly Webb	Paul Burgess	CC&B	6	
32438	High	Accelerated Meter Deployment: Exclusion process for full pop file/daily refresh file is not excluding all required accounts	Closed	June 14, 2007	August 31, 2007	August 17, 2007	Kurt Pacheco	Peter Knoot	Deployment	78	
32478	High	Data Cleansing of historic CC&B data	Closed	June 20, 2007	September 1, 2007	August 20, 2007	James Meadows	Randy Dieterle	Business Requirements	73	
31969	High	Adding Substations to SM	Closed	May 25, 2007	August 31, 2009	August 20, 2007	Randy Dieterle	JoAnne Apodaca	Smart Meter Ops	829	
32948	High	Alain, Holly, Laurence and Kelly will determine how to deliver the initial pop and	Assign	August 3, 2007	September 4, 2007		Alain Erdozaincy	Paul Burgess	CC&B	17	

Upcoming Critical Milestones

A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	Project Readiness - Compliance Assessment Complete	Overall Project Compliance criteria assessment; approval of met and unmet criteria with risk management plans for unmet criteria. Criteria includes the Implementation & Operational Readiness (I&OR), Internal Audit (IAD) and Corporate SOX.	8/8/2007	8/8/2007	8/22/2007	0	10	Milestone achieved on 8/22/07.	Preliminary Go/No-Go Assessment
Helen Burt Pat Lawicki	SmartMeter	Preliminary Go/No-Go Assessment	Prelim Go-Live Project/Business Stakeholder meeting. Review remaining tasks; unmet compliance criteria, risk management plans, and overall readiness. Focus on the open items requiring closure before Go decision. PMO prelim assessment on 8/15.	8/22/2007	8/22/2007	8/21/2007	0	-1	Milestone achieved on 8/21/07.	Final Go/No-Go System Decision
Helen Burt Pat Lawicki	SmartMeter	Final Go/No-Go System Decision	Final GO-Live review. PMO and Executive Steering Committee review of open items; remaining tasks and State of Readiness.	8/29/2007	8/29/2007	8/29/2007	0	0		SM 1.0 Go-Live
Helen Burt Pat Lawicki	SmartMeter	SM 1.0 Go-Live	SM Release 1.0 passes Go/No Go decision and becomes operational. System able to support the following Mass Meter Deployment functions: FAS & Field Exchange.	9/4/2007	9/4/2007	9/4/2007	0	0	Change in ORT Test Strategy (PIT-F Cycle1 vs Cycle 1.5 being predecessor) no longer pushes the SM1.0 go-live.	
Helen Burt Pat Lawicki	SmartMeter	First Virtual Route String Captured	One EMR route from each billing serial in a local headquarters is captured (billed using SM data). Associated activated meters and benefits (\$1.77 per electric meter/month and \$1.04 per gas meter/month) are being reported to the SM balancing account.	12/31/2007	12/31/2007	12/31/2007	0	0	Virtual Route String is now targeted for 12/31/07 pending a delivery of SmartMeter™ Billing functionality on 11/15/07.	
Helen Burt Pat Lawicki	SmartMeter	20,000 Meters Activated	STIP Metric: number of meters/modules that meet all three of the following conditions; SM installed, billed using SM data/system and are part of a virtual route string.	12/31/2007	12/31/2007	12/31/2007	0	0	Meters Activated at risk pending delivery of SmartMeter™ Billing functionality.	
Helen Burt Pat Lawicki	SmartMeter	242,000 Meters Installed	STIP metric indicator (from vendor installation schedule Rev 5) of meters accepted by CC&B as a proper exchange.	12/31/2007	12/31/2007	12/31/2007	0	0		

DELTA CALCULATIONS

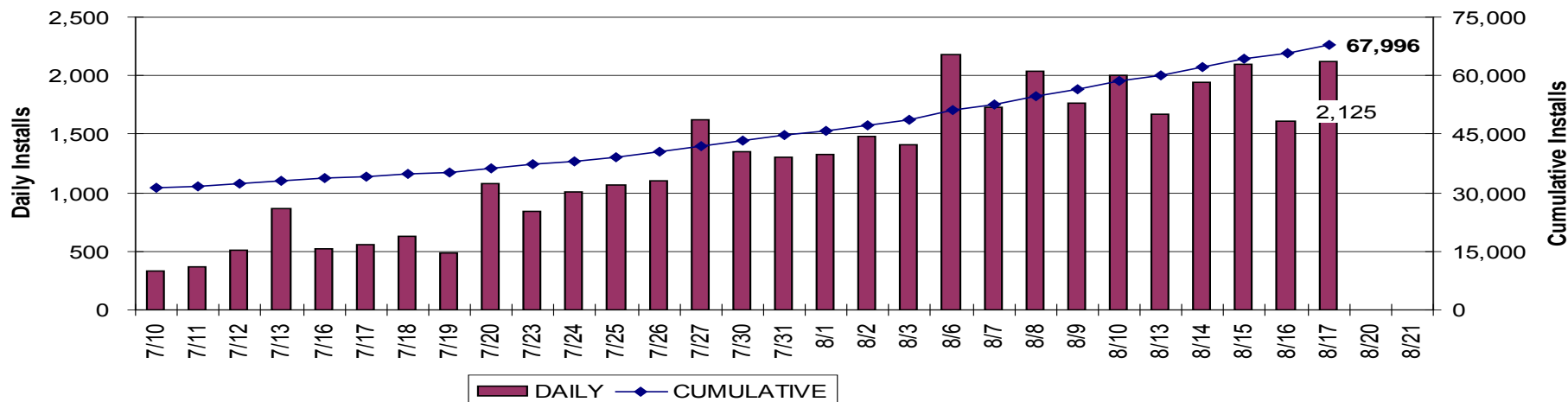
Release Adjusted Milestone Delta	Release Adjusted Milestone Date - BTSC Agreed Upon Milestone Date
Work Plan Generated Milestone Delta	Work Plan Generated Date - BTSC Agreed Upon Milestone Date

COLOR LEGEND

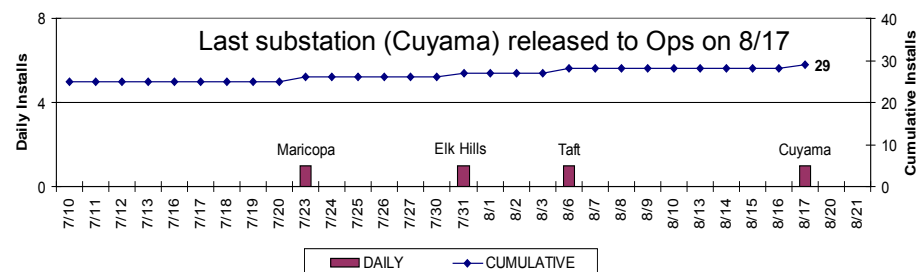
	Delta is Less than or equal to 0 days (Early, On Time)
	Delta is 1- 7 days (Late)
	Delta is Greater than 7 days (Late)

Deployment Update

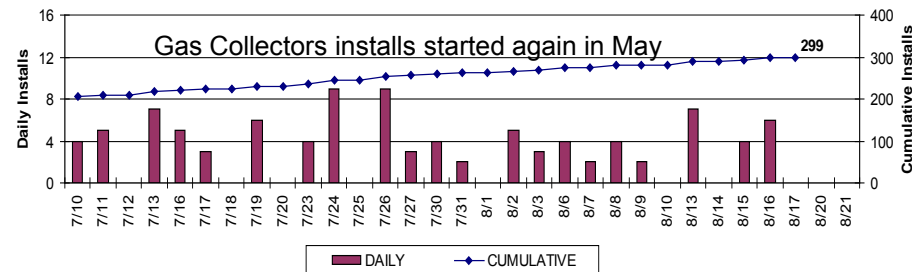
Daily and Cumulative Meter Installs



Daily and Cumulative Substation Installs



Daily and Cumulative DCU Installs

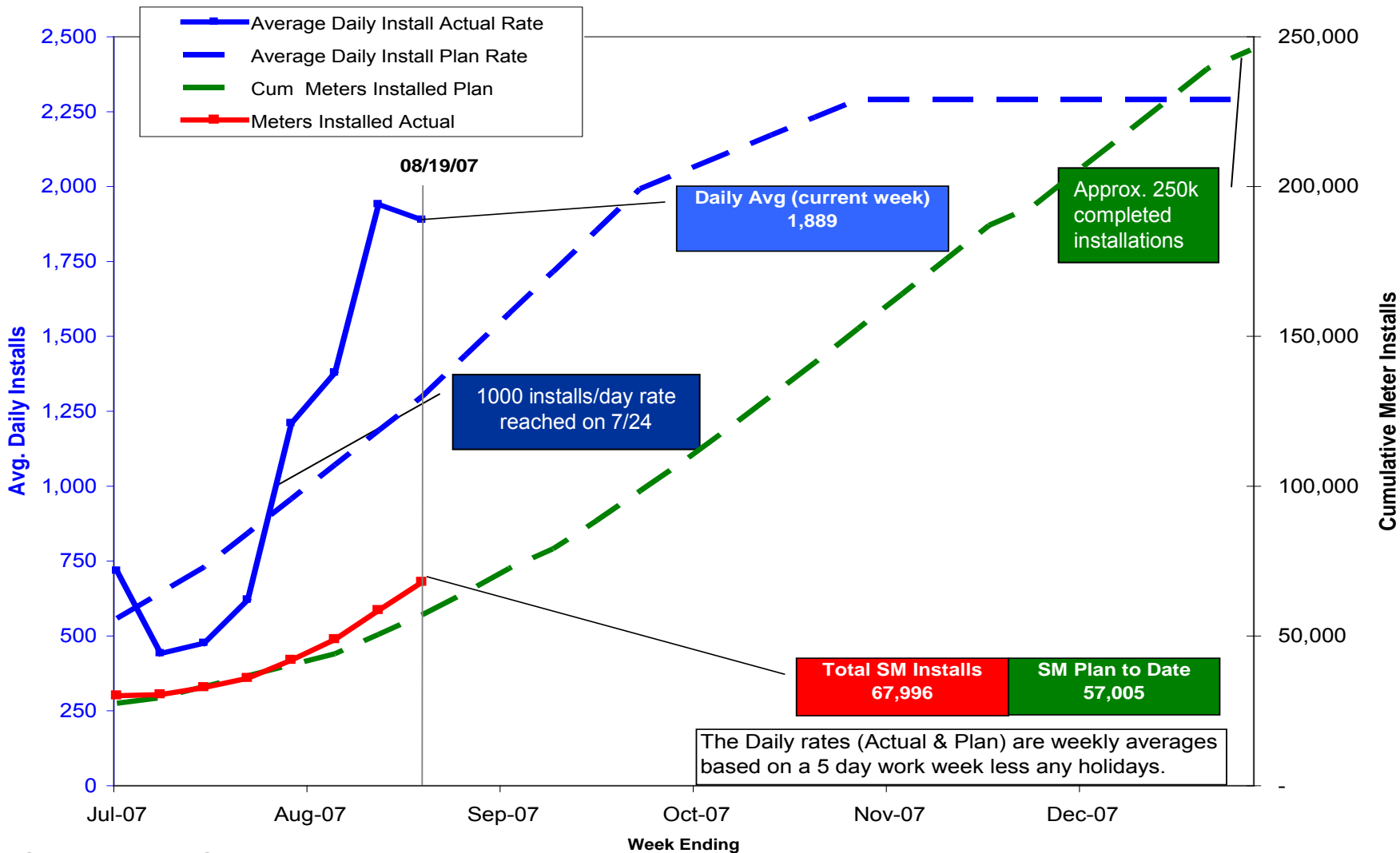


Deployment Comments:

- ▶ Daily totals for 8/3 & 8/6 adjusted from previous reported amounts to correct for FEX upload system errors: 8/3 from 1,792 to 1,412; 8/6 1,270 to 2,175
- ▶ Unable To Complete's: 1,626 UTC's to date (2.3% of total installs);
 - ▶ Approximatley 981 are Field Service related, (i.e. broken index screws) / 376 access related (Title 300 work) / 269 other

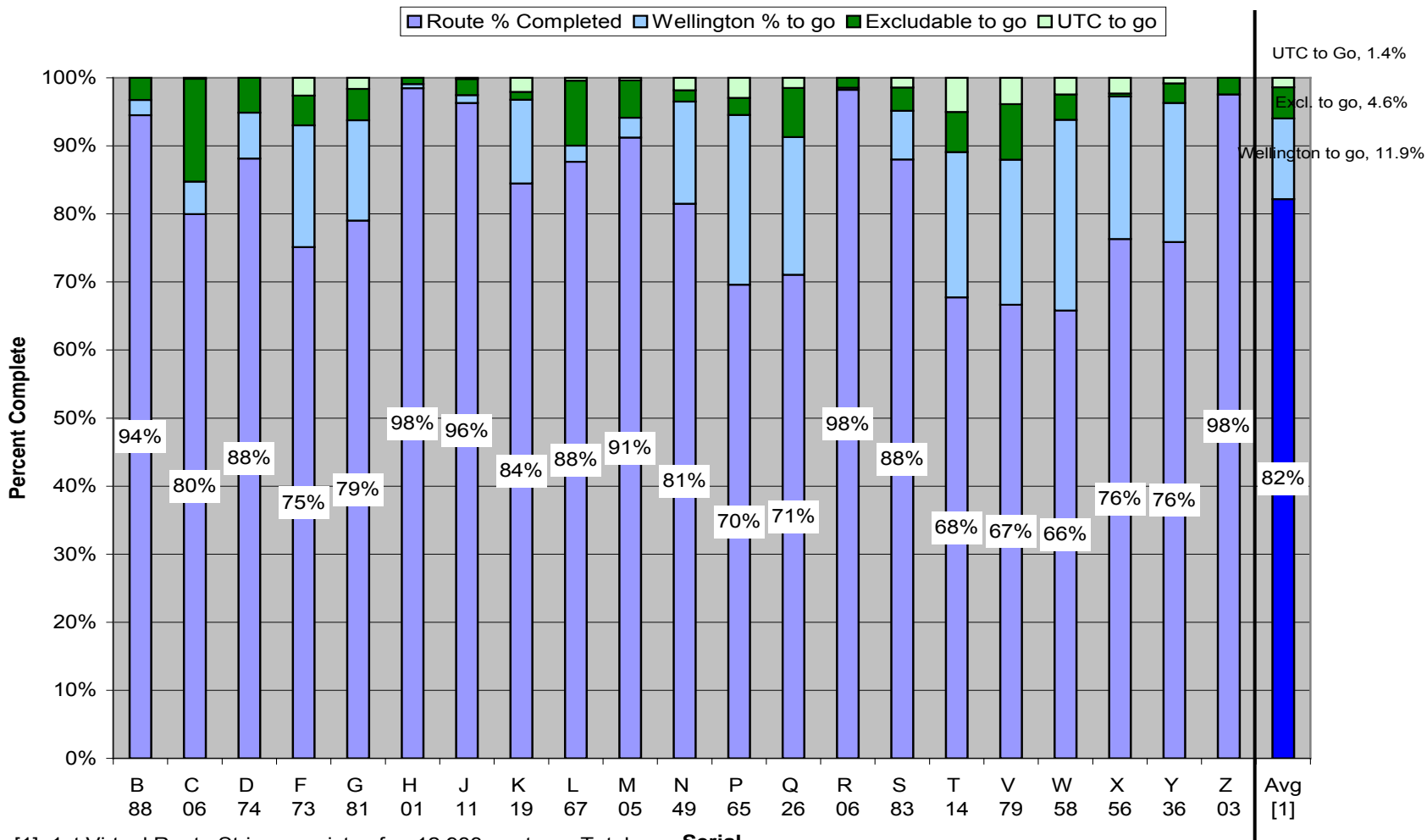
Average Expected Daily Install Rates - Bakersfield and Sacramento Combined

2007 Install Rate vs. Plan - Meter Totals & Installation Averages



Meter Routes Progress

Bakersfield (TC) Maximum Complete by Serial (8/17/07)



[1] 1st Virtual Route String consists of = 12,933 meters. Total enabled meters to date: 10,626. 82% Complete.

Serial

2nd Virtual Route String consists of = 11,951 meters. Total enabled meters to date: 8,576. 72% Complete.

To achieve 38,500 activated meters requires ~ 4 Virtual Route Strings

Contingency Reconciliation

SmartMeter Contingency Reconciliation	(\$000)	Total	Notes
1. Business Case Approved Contingency		\$ 128,773	
Total PCRs Adopted by Steering Committee		\$ (2,856)	
Remaining Contingency Balance =		\$ 125,918	
<hr/>			
2. Pending Disposition			
IT: Customer	\$	(1,253)	Approved at May 11, 2007 Steering Committee meeting
IT Integration (AFUDC)	\$	(26,404)	
CC&B	\$	(33,788)	
Data Center	\$	(6,025)	
SM Applications	\$	(454)	
Funded by CPP Marketing / O&M	\$	11,224	
PMO	\$	(4,353)	
		\$ (61,053)	
Additional IT costs for shift in "Go Live" date to Sept 4			
IT: IT Integration (AFUDC)	\$	(4,500)	Approved at May 11, 2007 Steering Committee meeting
CC&B	\$	(15,500)	
PMO	\$	(1,400)	
Deployment	\$	(900)	
		\$ (22,300)	

Program Metrics

SmartMeter - Deployment		June - Month Results				July - Month Results				YTD				Full Year				First Report Date
Metric (a)	Key Performance Indicator (b)	Status (c)	Actual (d)	Target (e)	Var (f)	Status (c)	Actual (d)	Target (e)	Var (f)	Status (g)	Actual (h)	Target (i)	Var (j)	Status (k)	Fcst (l)	Target (m)	Var (n)	Report Date
Program Management Office (PMO)																		
P1	OSHA Recordable Rate (SmartMeter)	↔	-	4.6	4.6	↔	-	4.6	4.6	↔	-	4.6	4.6	↔	-	4.6	4.6	9/30/06
P1a	# of OSHA Incidents (SmartMeter)	↑	-	5.5	5.5	↑	-	6.8	6.8	↑	-	6.8	6.8	↔	-	15.3	15.3	9/30/06
P2	Issues over 30 Days Past Due	↑	7%	25%	18%	↓	19%	25%	6%	↓	13%	25%	12%	↔	13%	25%	12%	9/30/06
P3	Open Issue Count by Severity	↑	22%	45%	23%	↓	29%	45%	16%	↓	39%	45%	6%	↔	39%	45%	6%	9/30/06
P4	Risk Family Count by Value	↑	38%	40%	3%	↑	33%	40%	7%	↑	38%	40%	2%	↔	38%	40%	2%	9/30/06
P5	Schedule Variance to SM 1.0	↔	-	20	20	↔	-	20	20	↔	-	20	20	↔	-	20	20	9/30/06
P7	Schedule Variance to End of Build	↔	-	-	-	↔	-	-	-	↔	-	-	-	↔	-	-	-	9/30/06
P14	Meters Activated - Electric & Gas	↔	-	-	-	↔	-	-	-	↔	-	-	-	↔	20,000	20,000	-	11/30/07
Costs / Benefits																		
P15	Benefits \$ Realized, Cumulative (C-1 Forecast)	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ 1.4	\$ 1.4	\$ -	9/30/07
Budget / Earned Value																		
P16	Budget vs. Actual - 2007 (\$M)	↓	\$ 24.2	\$ 24.6	\$ 0.5	↑	\$ 18.8	\$ 19.9	\$ 1.0	↑	\$ 127.5	\$ 138.5	\$ 11.0	↔	\$ 287.9	\$ 287.9	\$ -	9/30/06
P17	Budget vs. Actual - Capital (\$M)	↑	\$ 21.1	\$ 19.9	\$ (1.2)	↓	\$ 17.9	\$ 15.2	\$ (2.7)	↓	\$ 111.8	\$ 111.4	\$ (0.4)	↔	\$ 225.2	\$ 225.2	\$ -	9/30/06
P18	Budget vs. Actual - Expense (\$M)	↓	\$ 3.0	\$ 4.7	\$ 1.7	↑	\$ 0.9	\$ 4.7	\$ 3.8	↑	\$ 15.7	\$ 27.1	\$ 11.4	↔	\$ 62.7	\$ 62.7	\$ -	9/30/06
P19	Budget vs. Actual, at Completion (\$M)	↔	\$ 1,470	\$ 1,470	\$ -	↔	\$ 1,470	\$ 1,470	\$ -	↔								9/30/06
P20	Bud. vs. Act., at Completion - IT (\$M)	↔	\$ 256.3	\$ 256.3	\$ -	↔	\$ 277.9	\$ 277.9	\$ -	↔								9/30/06
OPERATIONS																		
Procurement																		
O1	Total Weeks of Inventory on Hand	↓	28	3	25	↑	46	3	43	↑	46	3	43	↔	46	3	43	4/30/07
O2	Total wks of inventory in the pipeline	↓	26	3	23	↑	35	3	32	↑	35	3	32	↔	35	3	32	4/30/07
O4	Equipment exception rate	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	4/30/07
Network deployment																		
O5	Substations Complete	↓	1	5	(4)	↑	4	2	2	↑	23	21	2	↔	45	45	-	9/30/06
O6	DCUs Installed	↑	60	100	(40)	↓	73	200	(127)	↓	179	400	(221)	↓	292	1,400	(1,108)	9/30/06
O7	CPI Substation (Electric Network) (\$ 000)	↑	\$91.8	\$205.2	\$113.4	↓	\$190.4	\$205.2	\$14.8	↓	\$190.4	\$205.2	\$14.8	↔	\$205.2	\$205.2	\$0.0	9/30/06
O8	CPI DCU (Gas Network)	↓	\$ 3,472	\$ 3,308	\$ (164)	↑	\$ 3,199	\$ 3,308	\$ 109	↑	\$ 3,199	\$ 3,308	\$ 109	↔	\$ 3,308	\$ 3,308	\$ -	9/30/06
O10	Gas installs failing inspection	↔	0.04%	(track only)		↔	0.04%	(track only)		↔	0.04%	(track only)		↔	0.04%	(track only)		6/30/07
O10a	Electric installs failing inspection	↔	0.02%	(track only)		↔	0.02%	(track only)		↔	0.02%	(track only)		↔	0.02%	(track only)		6/30/07
Meter / Module Deployment																		
O11	Meters Enabled - Electric & Gas	↑	10,864	2,500	8,364	↑	14,692	2,500	12,192	↑	42,975	11,500	31,475	↔	243,947	241,000	2,947	11/30/06
O13	CPI - Electric Endpoint	↓	\$85.76	\$94.38	\$8.62	↓	\$89.21	\$94.38	\$5.17	↓	\$89.21	\$94.38	\$5.17	↔	\$94.38	\$94.38	\$0.00	11/30/06
O14	CPI - Gas Endpoint	↓	\$87.82	\$94.95	\$7.13	↓	\$89.14	\$94.95	\$5.81	↓	\$89.14	\$94.95	\$5.81	↔	\$94.95	\$94.95	\$0.00	11/30/06
O15	UTC Rate	↓	2.4%	4.0%	1.6%	↓	2.8%	4.0%	1.2%	↓	2.3%	4.0%	1.7%	↔	2.8%	4.0%	1.2%	11/30/06
O16	FA Upload Exception Rate	↔	0.63%	3.00%	2.37%	↓	2.41%	3.00%	0.59%	↓	1.23%	3.00%	1.77%	↔	1.23%	3.00%	1.77%	11/30/06
O17	QA Exception Rate	↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)		5/1/07
Operations - Other																		
O34	Customer Complaint Rate	↔	0.0%	0.2%	0.2%	↓	0.0%	0.1%	0.1%	↓	0.0%	0.1%	0.1%	↔	0.0%	0.0%	0.0%	10/31/06
O35	Call Center Inbound Rate	↑	0.4%	2.0%	1.6%	↑	0.3%	2.0%	1.7%	↑	0.6%	2.0%	1.4%	↔	0.6%	2.0%	1.4%	10/31/06

Schedule / Scope Update

SmartMeter™ 1.0

September

October

November, 15

- ▶ Replatform
- ▶ FAS
- ▶ Field Exchange

- ▶ Daily Refresh
- ▶ UTC
- ▶ Shipper File
- ▶ Two week look ahead
- ▶ GEMMS

- ▶ Anchor reads
- ▶ SmartMeter™ Anchor Billing

Future Release

TBD

- ▶ SmartMeter™ Interval Billing
- ▶ Customer Web Presentment
- ▶ MBCDW
- ▶ Auto Registration

Decisions

- ▶ **SmartMeter Deployment deliverables have been prioritized, only the first two will be delivered on 9/4 – Field Exchange and FAS.**
- ▶ **Move the SM billing date to 11/15. Delivery of Interval Billing is TBD.**
- ▶ **Milestone for “completed” Virtual Route Strings moved to 12/31/07.**
- ▶ **Change request approved for Meter Reading Unplanned Overtime (\$630,000).**
- ▶ **DCU deployment plan adjusted to target gas only areas; detail plan to follow.**
- ▶ **Pending staff request for deployment operations clerk (page 17).**

Appendix

August 2007

Expenditures by Workstream

Capital (000s)		Current Month - July			Year To Date - July				Total 2007					
#	Workstream	Cycle 1			Cycle 1			%	Cycle 1			Cycle 2		C2 - C1 Difference
		Forecast	Actuals	Variance	Forecast	Actuals	Variance		Forecast	Forecast				
1	PMO	\$ 319	\$ 485	(166)	\$ 5,485	\$ 5,719	(234)	-4%	\$ 6,680	\$ 7,328	647			
2	SM Operations	\$ 231	\$ 179	52	\$ 1,686	\$ 1,235	451	27%	\$ 3,340	\$ 3,340	0			
3	Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0			
4	Customer	\$ -	\$ -	0	\$ 405	\$ -	405		\$ 405	\$ -	(405)			
5	Contract Procurement	\$ 6,238	\$ 8,287	(2,049)	\$ 22,600	\$ 30,662	(8,061)	-36%	\$ 70,778	\$ 68,756	(2,021)			
6	Substation Installation	\$ 1,139	\$ 450	689	\$ 5,821	\$ 3,636	2,185	38%	\$ 16,855	\$ 8,027	(8,828)			
7	Endpoint Installation	\$ 2,375	\$ 363	2,011	\$ 7,504	\$ 5,334	2,169	29%	\$ 16,668	\$ 17,258	590			
8	Deployment Office	\$ 898	\$ 1,187	(289)	\$ 5,658	\$ 5,281	377	7%	\$ 11,262	\$ 10,344	(919)			
9	DCU Placement	\$ 299	\$ 65	234	\$ 818	\$ 334	484	59%	\$ 2,315	\$ 2,266	(49)			
10	CC&B	\$ 1,128	\$ 4,413	(3,284)	\$ 25,709	\$ 31,462	(5,753)	-22%	\$ 32,098	\$ 49,510	17,412			
11	IT Integration	\$ 2,585	\$ 1,538	1,047	\$ 23,663	\$ 22,896	766	3%	\$ 31,246	\$ 36,310	5,064			
12	IT Data Center	\$ -	\$ 144	(144)	\$ 5,753	\$ 4,321	1,432	25%	\$ 5,753	\$ 5,924	171			
13	SM 1.0 Applications	\$ -	\$ 832	(832)	\$ 6,322	\$ 904	5,418	86%	\$ 6,322	\$ 6,322	0			
14	IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0			
15	Technology Monitoring	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0			
	Unassigned Spend								\$ 21,430	\$ 9,767	(11,663)			
	Project Total	\$ 15,212	\$ 17,942	(2,730)	\$ 111,424	\$ 111,785	(361)	0%	\$ 225,153	\$ 225,153				

Expense (000s)		Current Month - July			Year To Date - July				Total 2007					
#	Workstream	Cycle 1			Cycle 1			%	Cycle 1			Cycle 2		C2 - C1 Difference
		Forecast	Actuals	Variance	Forecast	Actuals	Variance		Forecast	Forecast				
1	PMO	\$ 412	\$ 148	264	\$ 3,318	\$ 2,632	686	21%	\$ 7,460	\$ 5,454	(2,006)			
2	SM Operations	\$ 315	\$ 379	(64)	\$ 1,511	\$ 1,640	(130)	-9%	\$ 3,427	\$ 4,739	1,312			
3	Communications	\$ 306	\$ 51	255	\$ 2,087	\$ 1,412	675	32%	\$ 3,619	\$ 2,621	(998)			
4	Customer	\$ 1,187	\$ (692)	1,878	\$ 5,149	\$ 520	4,629	90%	\$ 11,136	\$ 1,562	(9,574)			
5	Contract Procurement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0			
6	Substation Installation	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0			
7	Endpoint Installation	\$ 147	\$ 86	61	\$ 627	\$ 376	251	40%	\$ 1,177	\$ 1,148	(29)			
8	Deployment Office	\$ -	\$ 2	(2)	\$ 27	\$ 22	5	18%	\$ 27	\$ 27	0			
9	DCU Placement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0			
10	CC&B	\$ 122	\$ 244	(122)	\$ 3,229	\$ 1,500	1,728	54%	\$ 3,371	\$ 16,609	13,238			
11	IT Integration	\$ 222	\$ -	222	\$ 884	\$ 10	874	99%	\$ 1,995	\$ 10	(1,985)			
12	IT Data Center	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0			
13	SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0			
14	IT Operations	\$ 582	\$ 439	143	\$ 4,017	\$ 4,041	(24)	-1%	\$ 7,118	\$ 8,753	1,635			
15	Technology Monitoring	\$ 1,383	\$ 249	1,134	\$ 6,203	\$ 3,522	2,681	43%	\$ 13,117	\$ 15,211	2,094			
	Unassigned Spend								\$ 10,287	\$ 6,600	(3,687)			
	Project Total	\$ 4,675	\$ 906	3,769	\$ 27,051	\$ 15,674	11,377	42%	\$ 62,734	\$ 62,734				

Actuals (capital plus expense) totaled \$18.6M in July vs. a Cycle 1 Forecast of \$19.9M and an original approved budget amount of \$19.9M.

Public Version



PG&E
SmartMeter 

SmartMeter™/CC&B Initiatives
September 19, 2007



Agenda

- ▶ **SmartMeter™ Release Update**
- ▶ **Budget Status**
- ▶ **Deployment Update**
- ▶ **Program Metrics**
- ▶ **Schedule / Scope Update**

SmartMeter™ Release – Status as of 9/17

Public Version



Key Headlines for Release:

- Replatform delivered 9/4. Two Mass Meter Deployment functions (Field Exchange & FAS) delivered 9/10, as scheduled.
- Target for SmartMeter™ Anchor Billing delivery is 11/15/07.
- As of Sunday, 09/17/07, installed 104,176 endpoints (meters), communication equipment in 33 substations, and 335 Data Collection Units.
- Endpoints (meters + modules) are being deployed at a rate of over 2500 meters a day.

Area	Status	Variance Explanation
Financial Variance (YTD)		Compared with the August Year-To-Date Cycle 2 Forecast, the project has a 1% favorable variance on capital expenditures (forecast = \$135.2 million versus actual = \$133.4 million), and a 14% favorable variance on expense expenditures (forecast = \$21.6 million vs. actual = \$18.5 million).
Financial Variance (EAC)		Working on Cycle 2 forecast (2008 – 2012), along with financial scenarios involving different technology options. Preliminary Cycle 2 cost estimates are coming in higher than planned and benefits lower than planned.
Scope		The first of the remaining Mass Meter Deployment functions will be delivered by 9/24/07 and the rest by 11/1/07. SmartMeter™ Anchor Billing has higher priority than deployment functionality – therefore some risk to deployment scope.
Milestones		Additional milestones added to the BT IWP for SmartMeter™ 1.1 on 9/18. Pre-10/1 milestones have been ahead of schedule. Milestones for deployment post 10/1 are at risk.
Resources		SmartMeter IT Operations staffing as of August is 78% of plan. Candidate has started on 9/11. Another candidate is in third round of interviews. For the short term, other resources will be augmented by Corestaff.
Schedule		SmartMeter™ Anchor Billing schedule was presented to Steering Committee on 9/14. Remaining Meter Deployment five functions to be delivered as interim drops by 11/1/07.
Quality		Current with quality assessments.
Issues & Risks		New Risks and Issues associated with SmartMeter™ 1.1 are being assessed.
Organizational Readiness	TBD	Organizational Readiness to be re-assessed for remaining SM 1.0 deliverables. UAT for remaining Meter Deployment interfaces to be scheduled.
Actions		BTSC action items on track.
Post Implementation Performance		1,480 bills generated per minute for a total of 352K bills. System performance currently exceeding expectations. CSR's experience with the system has been better than expected so far. Patches scheduled from Oracle for specific issues.

Milestone Dashboard

Public Version

A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle 1 (ORT1) Replatform Started.	Criteria includes: 1) Replatform data conversion complete, 2) P1,P2,P3 interfaces in FSTE using UC4 job plans, 3) All Conversion Activities Completes within 4.5 day Outage Window, 4) Risk Mitigation targets achieved.	6/1/2007	6/1/2007	6/1/2007	0	0	Milestone achieved. However CDC Publishing Build/Test delayed ORT operations test by 3.5 days within the ORT cycle. A mitigation plan is in place and the projected ORT1 finish is not impacted.	Operational Readiness Test Cycle 2 (ORT2) Replatform/SM Started.
Helen Burt Pat Lawicki	SmartMeter	DB2 based code delivery for meter deployment	Files are delivered from CC&B to support ramp-up to approximately 1000 meters/day.	6/7/2007	6/7/2007	6/7/2007	0	0	Milestone achieved.	CC&B DB2 Production Code Freeze
Helen Burt Pat Lawicki	SmartMeter	PAT Complete	Product Application Test including P1, P2, and P3 rates execution is 100% complete in CC&B's OH environment.	7/2/2007	7/2/2007	7/2/2007	0	0	Milestone achieved.	Operational Readiness Test Cycle 2 (ORT2) Replatform/SM Started.
Helen Burt Pat Lawicki	SmartMeter	PIT-T Complete	Product Integration Test - Technical execution is 100% complete, 75-85% passed in the SM system integration environment.	7/2/2007	7/2/2007	7/2/2007	0	0	Milestone achieved.	Operational Readiness Test Cycle 2 (ORT2) Replatform/SM Started.
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle 2 (ORT2) Replatform/SM Started.	Criteria includes: 1) 100% PIT-T and PAT executed, 75-85% passed, 2) No critical defects, High defects have workarounds, 3) SM 24H Clock created & CC&B sched updated w/SM UC4 job plans, 4) ORT1 exit criteria achieved, 5) Risk Mitigation targets achieved.	7/2/2007	7/2/2007	7/2/2007	0	0	Milestone Achieved with exceptions as described in "SmartMeter July PET Formal Assessment_0709."	Operational Readiness Test Cycle 3 (ORT3) Replatform/SM Started.
Helen Burt Pat Lawicki	SmartMeter	PIT-F Complete	Product Integration Test - Functional execution is 100% complete, 75-85% passed in the SM system integration environment.	8/1/2007	8/1/2007	8/2/2007	0	1	Milestone Achieved.	Operational Readiness Test Cycle 3 (ORT3) Started. Replatform/SM Code promoted to CC&B/SM FSTE.
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle 3 (ORT3) Replatform/SM Started.	Criteria includes: 1) 100% PIT-F executed, 75-85% passed, 2) ORT2 exit criteria achieved, and 3) Monthly Risk Mitigation targets achieved.	8/1/2007	8/1/2007	8/1/2007	0	0	Milestone Achieved with Exceptions as described in "Final July ORT Status Update - Aug 7, 2007"	Final Go/No-Go System Decision
Helen Burt Pat Lawicki	SmartMeter	CC&B DB2 Production Code Freeze	Existing CC&B Production Code freeze in effect. No additional code/functionality can be added to the test environments. Other changes must be submitted through exception process.	8/1/2007	8/1/2007	8/1/2007	0	0	Milestone Achieved.	Operational Readiness Test Cycle 3 (ORT3) Replatform/SM Started.
Helen Burt	SmartMeter	Ramp-up of 1000/day meter installation	Meter installation on DB2 reaches approximately 1000/day to ensure goals of 242,000 by 12/31/07. Success criteria includes 1.) DB2 code delivery, 2.) staffed and trained installers, 3.) adequate meters in inventory, and 4.) Cross-dock facility ready.	8/6/2007	8/6/2007	7/24/2007	0	-9	Milestone achieved. 1000 meters installed per day occurred on 7/24 and has exceeded 1000 per day since.	242,000 Meters Installed

Milestone Dashboard

Public Version

A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	Project Readiness - Compliance Assessment Complete	Overall Project Compliance criteria assessment; approval of met and unmet criteria with risk management plans for unmet criteria. Criteria includes the Implementation & Operational Readiness (I&OR), Internal Audit (IAD) and Corporate SOX.	8/8/2007	8/8/2007	8/22/2007	0	10	Milestone achieved on 8/22/07.	Preliminary Go/No-Go Assessment
Helen Burt Pat Lawicki	SmartMeter	Preliminary Go/No-Go Assessment	Prelim Go-Live Project/Business Stakeholder meeting. Review remaining tasks; unmet compliance criteria, risk management plans, and overall readiness. Focus on the open items requiring closure before Go decision. PMO prelim assessment on 8/15.	8/22/2007	8/22/2007	8/21/2007	0	-1	Milestone achieved on 8/21/07.	Final Go/No-Go System Decision
Helen Burt Pat Lawicki	SmartMeter	Final Go/No-Go System Decision	Final GO-Live review. PMO and Executive Steering Committee review of open items; remaining tasks and State of Readiness.	8/29/2007	8/29/2007	8/29/2007	0	0	Milestone achieved on 8/30/07.	SM 1.0 Go-Live
Helen Burt Pat Lawicki	SmartMeter	SM 1.0 Go-Live	SM Release 1.0 passes Go/No Go decision and becomes operational. System able to support the following Mass Meter Deployment functions: FAS & Field Exchange.	9/4/2007	9/4/2007	9/4/2007	0	0	Milestone achieved.	
Helen Burt Pat Lawicki	SmartMeter	First Virtual Route String Captured	One EMR route from each billing serial in a local headquarters is captured (billed using SM data). Associated activated meters and benefits (\$1.77 per electric meter/month and \$1.04 per gas meter/month) are being reported to the SM balancing account.	12/31/2007	12/31/2007	12/31/2007	0	0	Virtual Route String at risk pending delivery of delivery of SmartMeter™ Billing functionality.	
Helen Burt Pat Lawicki	SmartMeter	20,000 Meters Activated	STIP Metric: number of meters/modules that meet all three of the following conditions; SM installed, billed using SM data/system and are part of a virtual route string.	12/31/2007	12/31/2007	12/31/2007	0	0	Meters Activated at risk pending delivery of SmartMeter™ Billing functionality.	
Helen Burt Pat Lawicki	SmartMeter	242,000 Meters Installed	STIP metric indicator (from vendor installation schedule Rev 5) of meters accepted by CC&B as a proper exchange.	12/31/2007	12/31/2007	12/31/2007	0	0		

DELTA CALCULATIONS

Release Adjusted Milestone Delta	Release Adjusted Milestone Date - BTSC Agreed Upon Milestone Date
Work Plan Generated Milestone Delta	Work Plan Generated Date - BTSC Agreed Upon Milestone Date

COLOR LEGEND

	Delta is Less than or equal to 0 days (Early, On Time)
	Delta is 1- 7 days (Late)
	Delta is Greater than 7 days (Late)

Issues Dashboard

Issues are categorized as CRITICAL and HIGH by the following definitions:

Critical: Major threat to success (as measured against balance of quality, schedule, and budget).

High: Significant disruption to successful delivery of objectives, products, and benefits.

Critical and High Impact Issues

Project/Release	Request No.:	Priority:	Description:	Request Status:	Created On:	Committed Resolution Date:	Date Issue Resolved:
Smart Meter Project 1.0	32401	High	High Defects relating to DCSI code in TNG 1.6	Assign	June 12, 2007	September 14, 2007	
Smart Meter Project 1.0	33170	High	Analysis and development of the potential fixes for the SM Data Conversion meter install date issue (Defect 2202) will not allow enough time for IT Ops and AMS Operations to fully practice operating	In Progress	September 6, 2007	October 7, 2008	
Smart Meter Project 1.0	31934	High	Agreement with Southern California Edison for Streetlight & Poles in Area 4	Ready for Review	May 24, 2007	December 31, 2007	

Comments:

Expenditures by Workstream

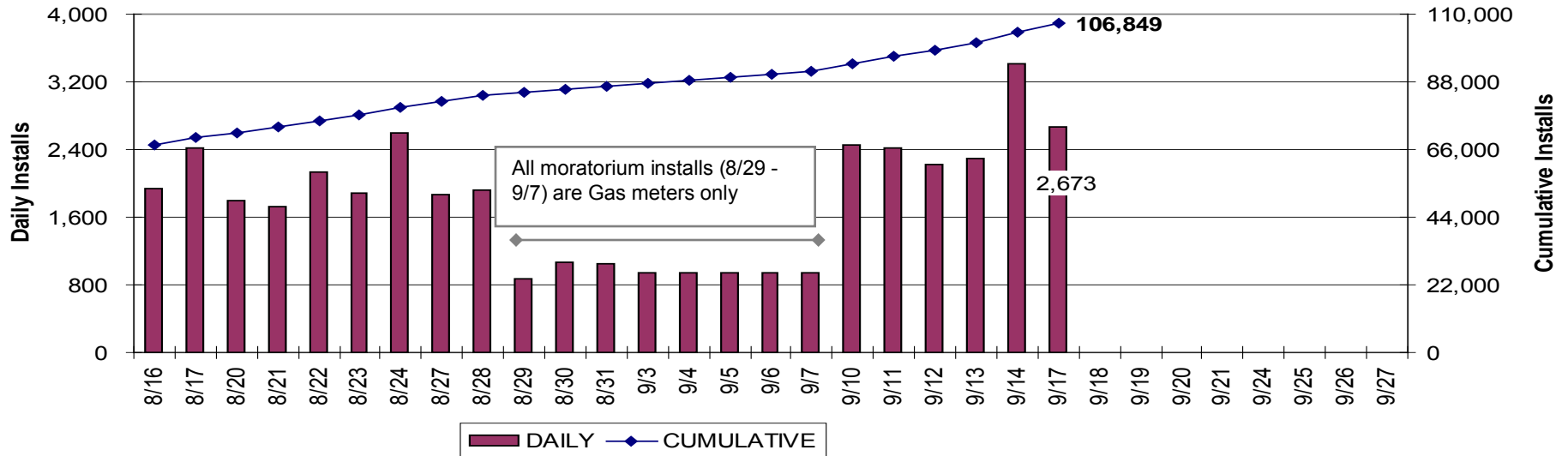
Capital (000s)	Current Month - August			Year To Date - August				Total 2007		
	Cycle 2			Cycle 2			%	Cycle 1	Cycle 2	C1 - C2
	Forecast	Actuals	Variance	Forecast	Actuals	Variance		Forecast	Forecast	Difference
1 PMO	\$ 801	\$ 608	193	\$ 6,520	\$ 6,327	193	3%	\$ 6,680	\$ 9,033	(2,353)
2 SM Operations	\$ 231	\$ 307	(76)	\$ 1,466	\$ 1,577	(111)	-8%	\$ 3,340	\$ 3,340	0
3 Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
4 Customer	\$ -	\$ -	0	\$ -	\$ -	0		\$ 405	\$ -	405
5 Contract Procurement	\$ 9,344	\$ 10,114	(770)	\$ 40,006	\$ 40,776	(770)	-2%	\$ 70,778	\$ 63,756	7,021
6 Substation Installation	\$ 652	\$ 538	114	\$ 4,288	\$ 4,174	114	3%	\$ 16,855	\$ 8,027	8,828
7 Endpoint Installation	\$ 1,625	\$ 898	727	\$ 6,959	\$ 6,197	762	11%	\$ 16,668	\$ 17,258	(590)
8 Deployment Office	\$ 846	\$ 728	119	\$ 6,127	\$ 6,009	119	2%	\$ 11,262	\$ 10,344	919
9 DCU Placement	\$ 459	\$ 117	342	\$ 794	\$ 452	342	43%	\$ 2,315	\$ 3,329	(1,014)
10 CC&B	\$ 5,370	\$ 5,105	265	\$ 36,833	\$ 36,568	265	1%	\$ 32,098	\$ 46,947	(14,849)
11 IT Integration	\$ 3,938	\$ 2,694	1,244	\$ 26,835	\$ 25,591	1,244	5%	\$ 31,246	\$ 38,315	(7,069)
12 IT Data Center	\$ 189	\$ 122	67	\$ 4,509	\$ 4,443	67	1%	\$ 5,753	\$ 6,484	(731)
13 SM 1.0 Applications	\$ -	\$ 335	(335)	\$ 904	\$ 1,239	(335)	-37%	\$ 6,322	\$ 6,395	(73)
14 IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
15 Technology Monitoring	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
Contingency (Dec)								\$ 21,430	\$ 11,925	9,505
Project Total	\$ 23,457	\$ 21,566	1,890	\$ 135,242	\$ 133,351	1,890	1%	\$ 225,153	\$ 225,153	

Expense (000s)	Current Month - August			Year To Date - August				Total 2007		
	Cycle 2			Cycle 2			%	Cycle 1	Cycle 2	C1 - C2
	Forecast	Actuals	Variance	Forecast	Actuals	Variance		Forecast	Forecast	Difference
1 PMO	\$ 422	\$ 307	114	\$ 3,054	\$ 2,939	114	4%	\$ 5,377	\$ 5,455	(78)
2 SM Operations	\$ 399	\$ 298	101	\$ 2,039	\$ 1,938	101	5%	\$ 3,427	\$ 4,739	(1,312)
3 Communications	\$ 279	\$ 110	169	\$ 1,691	\$ 1,522	169	10%	\$ 3,619	\$ 2,621	998
4 Customer	\$ 125	\$ 46	79	\$ 645	\$ 566	79	12%	\$ 11,136	\$ 1,562	9,574
5 Contract Procurement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
6 Substation Installation	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
7 Endpoint Installation	\$ 155	\$ 55	99	\$ 531	\$ 432	99	19%	\$ 1,177	\$ 1,148	29
8 Deployment Office	\$ -	\$ (16)	16	\$ 22	\$ 6	16	71%	\$ 27	\$ 27	0
9 DCU Placement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
10 CC&B	\$ 2,012	\$ 225	1,787	\$ 3,512	\$ 1,726	1,787	51%	\$ 3,371	\$ 8,874	(5,503)
11 IT Integration	\$ -	\$ 1	(1)	\$ 10	\$ 11	(1)	-15%	\$ 1,995	\$ 10	1,985
12 IT Data Center	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
13 SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	0
14 IT Operations	\$ 697	\$ 274	424	\$ 4,738	\$ 4,314	424	9%	\$ 7,118	\$ 9,960	(2,842)
15 Technology Monitoring	\$ 1,801	\$ 1,545	256	\$ 5,323	\$ 5,067	256	5%	\$ 15,200	\$ 15,211	(11)
Contingency (Dec)								\$ 10,287	\$ 13,128	(2,841)
Project Total	\$ 5,891	\$ 2,846	3,045	\$ 21,565	\$ 18,520	3,045	14%	\$ 62,734	\$ 62,734	

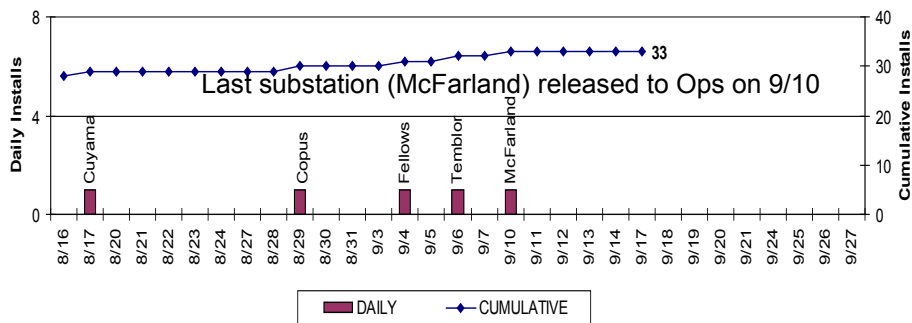
Actuals (capital plus expense) totaled \$24.4M in August vs. a Cycle 2 Forecast of \$29.3M and an original approved budget amount of \$21.4M.

Deployment Update

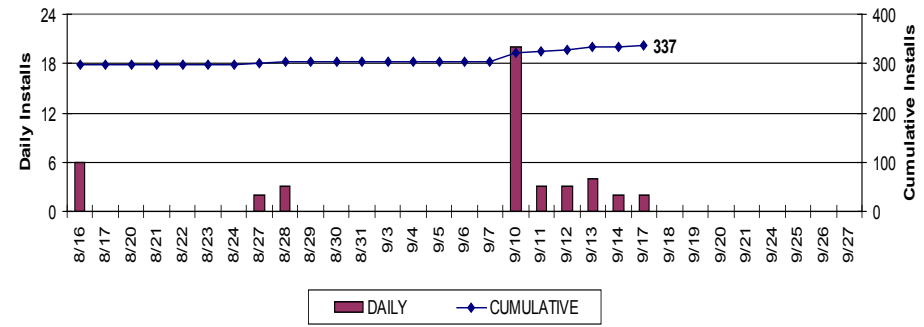
Daily and Cumulative Meter Installs



Daily and Cumulative Substation Installs



Daily and Cumulative DCU Installs

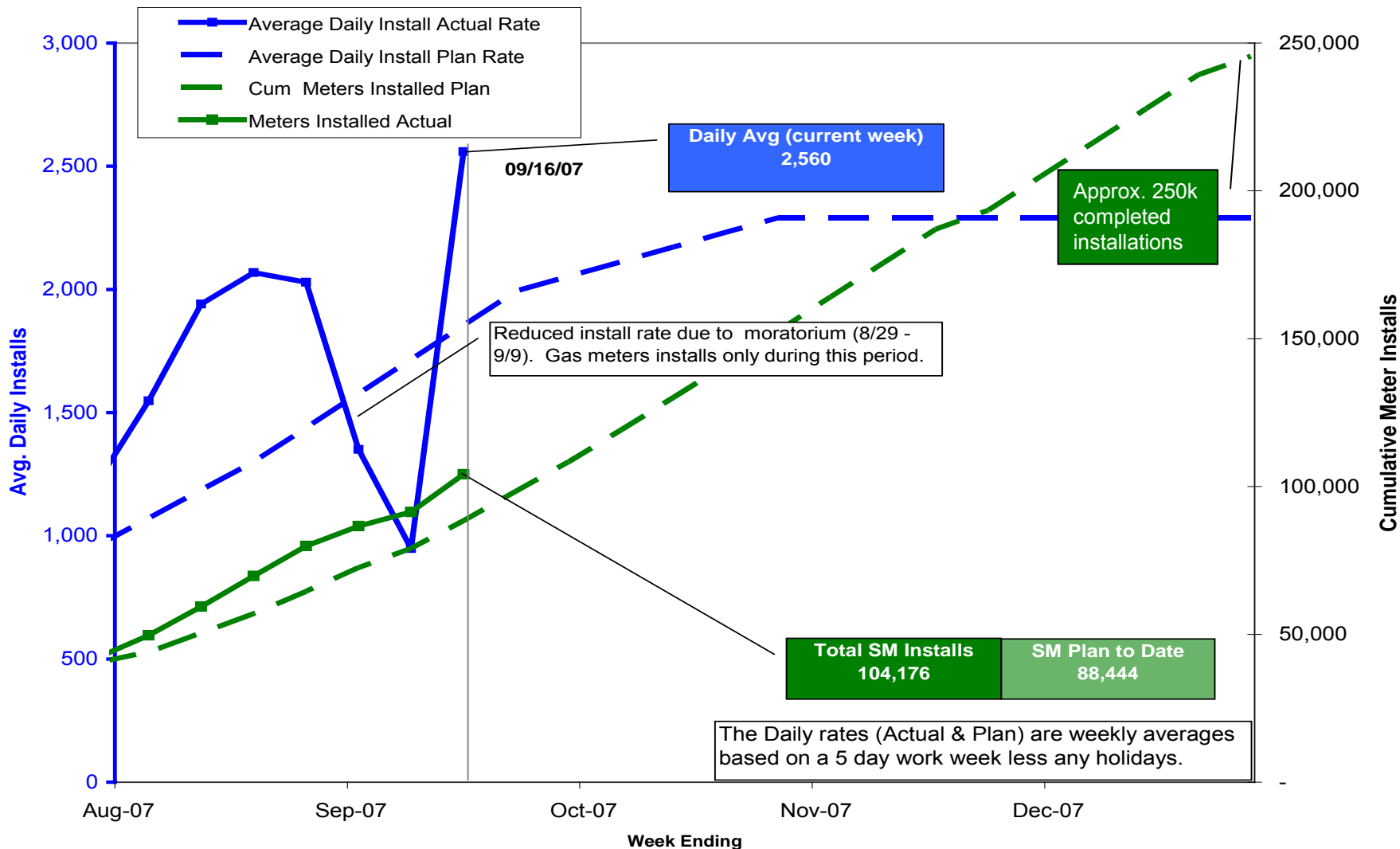


Deployment Comments:

► Unable To Complete's: 2,207 UTC's to date (2.1% of total installs); approximately 1,488 are Gas and 719 are Electric meters.

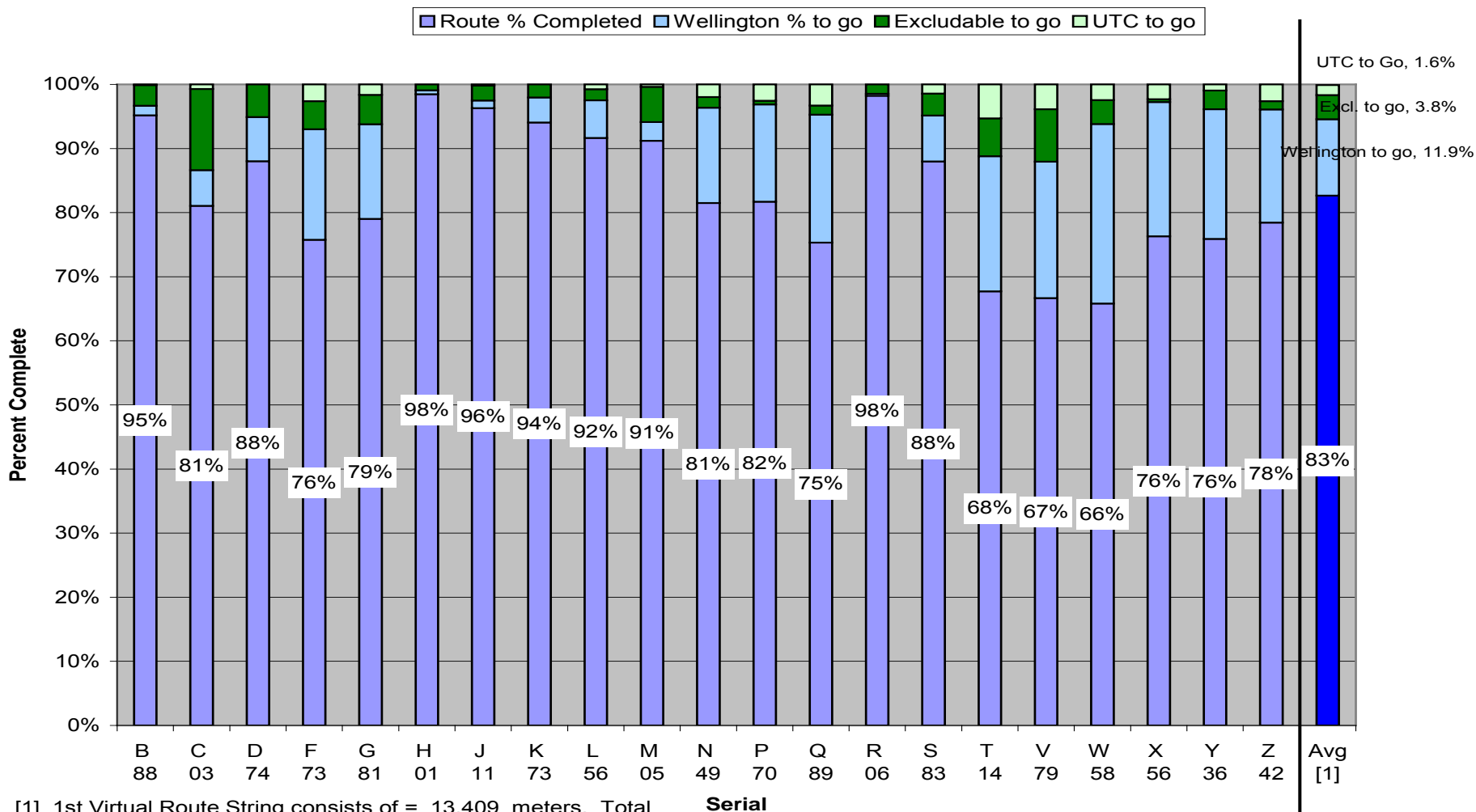
Average Expected Daily Install Rates - Bakersfield and Sacramento Combined

2007 Install Rate vs. Plan - Meter Totals & Installation Averages



Meter Routes Progress

Bakersfield (TC) Maximum Complete by Serial (9/03/07)



[1] 1st Virtual Route String consists of = 13,409 meters. Total enabled meters to date: 11,085. 83% Complete.

2nd Virtual Route String consists of = 14,638 meters. Total enabled meters to date: 11,119. 76% Complete.

To achieve 38,500 activated meters requires ~ 4 Virtual Route Strings

Contingency Reconciliation

SmartMeter Contingency Reconciliation	(\$000)	Total	Notes
1. Business Case Approved Contingency		\$ 128,773	
Total PCRs Adopted by Steering Committee		\$ (2,856)	
Remaining Contingency Balance =		\$ 125,918	
<hr/>			
2. Pending Disposition			
IT: Customer	\$	(1,253)	Approved at May 11, 2007 Steering Committee meeting
IT Integration (AFUDC)	\$	(26,404)	
CC&B	\$	(33,788)	
Data Center	\$	(6,025)	
SM Applications	\$	(454)	
Funded by CPP Marketing / O&M	\$	11,224	
PMO	\$	(4,353)	
		\$ (61,053)	
Additional IT costs for shift in "Go Live" date to Sept 4			
IT: IT Integration (AFUDC)	\$	(4,500)	Approved at May 11, 2007 Steering Committee meeting
CC&B	\$	(15,500)	
PMO	\$	(1,400)	
Deployment	\$	(900)	
		\$ (22,300)	

Program Metrics

SmartMeter - Deployment		July - Month Results				August - Month Results				YTD				Full Year			
Metric	Key Performance Indicator	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Fcst	Target	Var
(a)	(b)	(c)	(d)	(e)	(f)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Program Management Office (PMO)																	
P1	OSHA Recordable Rate (SmartMeter)	↔	-	4.6	4.6	↔	-	4.6	4.6	↔	-	4.6	4.6	↔	-	4.6	4.6
P1a	# of OSHA Incidents (SmartMeter)	↑	-	6.8	6.8	↑	-	8.2	8.2	↑	-	8.2	8.2	↓	-	8.2	8.2
P14	Meters Activated - Electric & Gas	↔	-	-	-	↔	-	-	-	↔	-	-	-	↔	20,000	20,000	-
Costs / Benefits																	
P15	Benefits \$ Realized, Cumulative (C-1 Forecast)	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ 1.4	\$ 1.4	\$ -
Budget / Earned Value																	
P16	Budget vs. Actual - 2007 (\$M)	↑	\$ 18.8	\$ 19.9	\$ 1.0	↑	\$ 24.4	\$ 29.3	\$ 4.9	↑	\$ 151.9	\$ 167.8	\$ 16.0	↔	\$ 287.9	\$ 287.9	\$ -
P17	Budget vs. Actual - Capital (\$M)	↓	\$ 17.9	\$ 15.2	\$ (2.7)	↑	\$ 21.6	\$ 23.5	\$ 1.9	↑	\$ 133.4	\$ 134.9	\$ 1.5	↔	\$ 225.2	\$ 225.2	\$ -
P18	Budget vs. Actual - Expense (\$M)	↑	\$ 0.9	\$ 4.7	\$ 3.8	↓	\$ 2.8	\$ 5.9	\$ 3.0	↑	\$ 18.5	\$ 32.9	\$ 14.4	↔	\$ 62.7	\$ 62.7	\$ -
P19	Budget vs. Actual, at Completion (\$M)	↔	\$ 1,470	\$ 1,470	\$ -	↔	\$ 1,470	\$ 1,470	\$ -	↔							
P20	Bud. vs. Act., at Completion - IT (\$M)	↔	\$ 277.9	\$ 277.9	\$ -	↔	\$ 277.9	\$ 277.9	\$ -	↔							
OPERATIONS																	
Procurement																	
O1	Total Weeks of Inventory on Hand	↑	46	3	43	↓	29	3	26	↓	29	3	26	↓	29	3	26
O2	Total wks of inventory in the pipeline	↑	35	3	32	↓	26	3	23	↓	26	3	23	↓	26	3	23
O4	Equipment exception rate	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%
Network deployment																	
O5	Substations Complete	↑	4	2	2	↓	3	3	-	↓	26	25	1	↔	45	45	-
O6	DCUs Installed	↓	73	200	(127)	↓	42	200	(158)	↓	221	600	(379)	↔	274	1,400	(1,126)
O7	CPI Substation (Electric Network) (\$ 000)	↓	\$190.4	\$205.2	\$14.8					↔	\$190.4	\$205.2	\$14.8				
O8	CPI DCU (Gas Network)	↑	\$ 3,199	\$ 3,308	\$ 109					↔	\$ 3,199	\$ 3,308	\$ 109				
O10	Gas installs failing inspection	↔	0.04%	(track only)		↔	0.04%	(track only)		↔	0.04%	(track only)		↔	0.04%	(track only)	
O10a	Electric installs failing inspection	↔	0.02%	(track only)		↔	0.02%	(track only)		↔	0.02%	(track only)		↔	0.02%	(track only)	
Meter / Module Deployment																	
O11	Meters Enabled - Electric & Gas	↑	14,692	2,500	12,192	↑	39,013	2,500	36,513	↑	81,988	14,000	67,988	↔	243,947	241,000	2,947
O13	CPI - ██████ Electric Endpoint	↓	\$89.21	\$94.38	\$5.17					↔	\$89.21	\$94.38	\$5.17				
O14	CPI - ██████ Gas Endpoint	↓	\$89.14	\$94.95	\$5.81					↔	\$89.14	\$94.95	\$5.81				
O15	UTC Rate	↓	2.8%	4.0%	1.2%	↑	2.4%	4.0%	1.6%	↔	2.3%	4.0%	1.7%	↑	2.4%	4.0%	1.6%
O16	FA Upload Exception Rate	↓	2.41%	3.00%	0.59%	↑	0.74%	3.00%	2.26%	↑	1.00%	3.00%	2.00%	↑	1.00%	3.00%	2.00%
O17	QA Exception Rate	↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)	
Operations - Other																	
O35	Call Center Inbound Rate	↑	0.3%	2.0%	1.7%	↓	0.4%	2.0%	1.6%	↑	0.5%	2.0%	1.5%	↑	0.5%	2.0%	1.5%

Schedule / Scope Update

SmartMeter™ 1.0

September

October

November 15

- ▶ Replatform
- ▶ FAS
- ▶ Field Exchange

- ▶ Daily Refresh*
- ▶ UTC
- ▶ Shipper File*
- ▶ Two week look ahead
- ▶ GEMMS

- ▶ Anchor reads
- ▶ SmartMeter™ Anchor Billing

Future Release

TBD

- ▶ SmartMeter™ Interval Billing
- ▶ Customer Web Presentment
- ▶ MBCDW
- ▶ Auto Registration

*Potential contention with BT-Foundational under investigation

Public Version

PG&E SmartMeter[™]

**SmartMeter[™]/CC&B Initiatives
Steering Committee Update – October
October 8, 2007**



Picture of the Month



Agenda

- ▶ **SmartMeter[™] Release Update**
- ▶ **Budget Status**
- ▶ **Deployment Update**
- ▶ **Program Metrics**
- ▶ **Schedule / Scope Update**

SmartMeter™ Release as of 10/02 Public Version



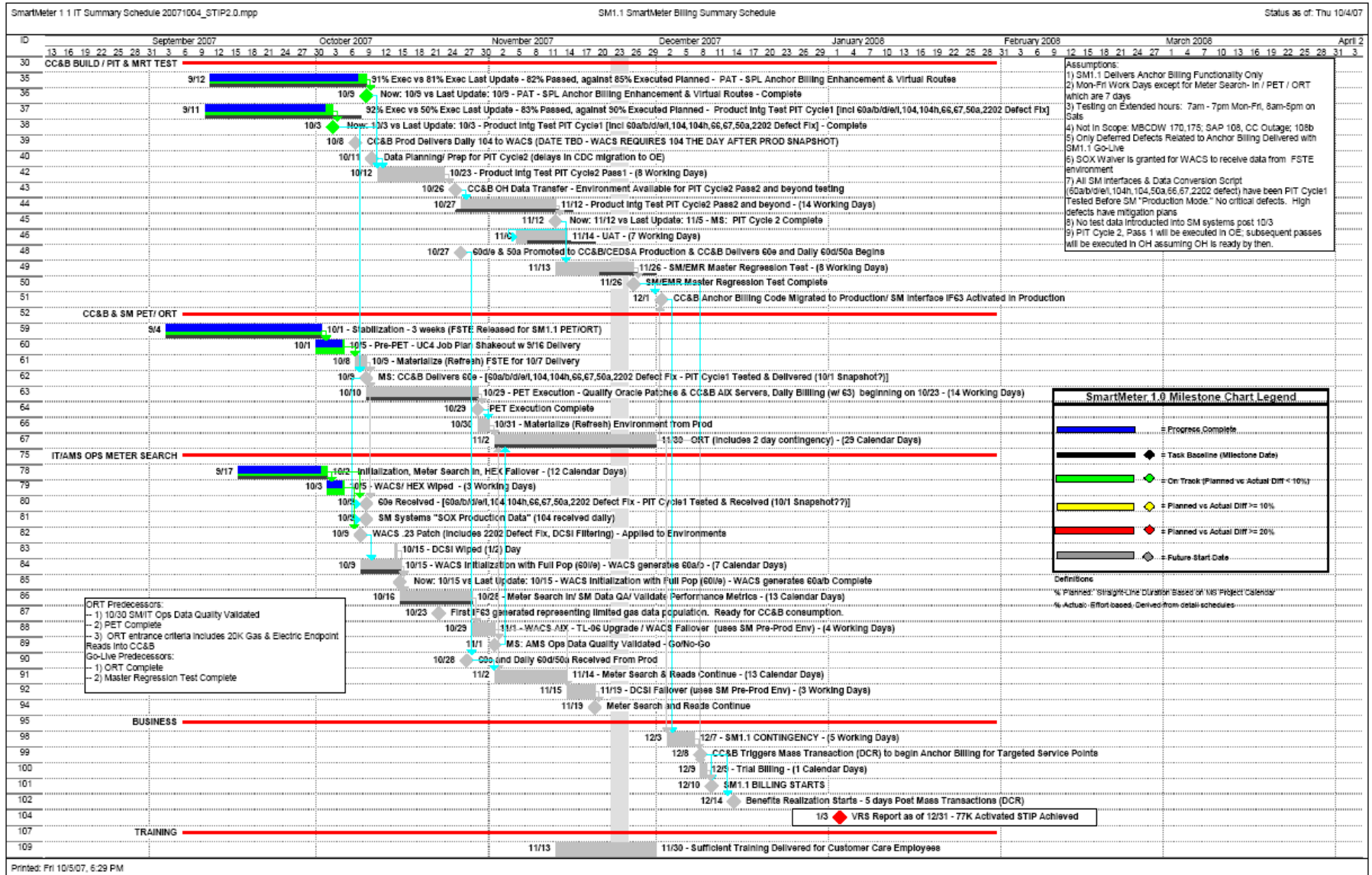
Key Headlines for Release:

- Target for SmartMeter™ Anchor Billing delivery is 12/17/07.
- As of Thursday 10/4/07, installed 140,169 endpoints (meters), communication equipment in 34 substations, and 355 Data Collection Units.
- Completed first substation “hot installation”.
- Endpoints (meters + modules) are currently 23,059 meters ahead of schedule.

Area	Status	Variance Explanation
Financial Variance (YTD)		Compared with the September Year-To-Date Cycle 2 Forecast, the project has a 7% favorable variance on capital expenditures (forecast = \$163.5 million versus actual = \$152.7 million), and a 16% favorable variance on expense expenditures (forecast = \$27.4 million vs. actual = \$22.9 million).
Financial Variance (EAC)		Technology assessments continue in order to validate on-target EAC assumption of \$1.749 billion.
Scope		The remaining Mass Meter Deployment functions are deferred to a later release - tbd.
Milestones		Milestones have been developed for SM release 1.1
Resources		Previous IT resources have been addressed. Deployment team requires additional resources.
Schedule		SmartMeter™ release 1.1 Billing schedule established. The remaining Meter deployment functions are deferred to a later release - tbd.
Quality		Current with quality assessments.
Issues & Risks		New Risks and Issues associated with SmartMeter™ 1.1 are being assessed.
Organizational Readiness	TBD	Organizational Readiness to be re-assessed for remaining SM 1.0 deliverables. UAT for remaining Meter Deployment interfaces to be scheduled.
Actions		BTSC action items on track.
Post Implementation Performance		System performance currently exceeding expectations. As expected, there have been some relatively minor issues around Deployment and around Billing – all of which are being addressed.

Data Source: Current Gold Book reporting and SmartMeter™ Release Team
 Data Owner / Reporter: Jim Meadows / Amar Shabbir
 Frequency of Update: Weekly

Schedule



Printed: Fri 10/5/07, 6:29 PM

Milestone Dashboard

Public Version

SM PMO Notes:

- Draft SM1.1 dates below not yet in BT/IWP Project Server.
- SM1.0 Milestones to be retired from chart when SM1.1 schedule is published.

A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #1	60e,104h,50a Delivered with known/existing defects	9/16/2007	9/13/2007	9/13/2007		-2	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Product Integration Test (PIT) Cycle 1 Complete	Product Integration Test Cycle 1 is 100% executed and 85% passed.	10/7/2007	10/3/2007	10/3/2007		-3		
Helen Burt Pat Lawicki	SmartMeter	Product Application Test (PAT) Complete	Anchors/Cancel-Rebill/Start-Stop Virtual Routes and 2) Extended Anchors/Cancel Rebill are 100% executed and	10/9/2007	10/9/2007	10/9/2007		0		
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #2	60a/b/d/e/i, 104, 104h, 66, 67, 50a, 2202 Defect Fix - PIT Cycle 1 Tested & Delivered	10/9/2007	10/9/2007	10/9/2007		0		
Helen Burt Pat Lawicki	SmartMeter	Performance Engineering Test (PET) Complete	PET is 100% Executed, 85% of Goals Achieved	10/29/2007	10/29/2007	10/29/2007		0		
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #3	60e Delivered, Daily 60d/50a Delivery Begins	10/31/2007	10/28/2007	10/28/2007		-2		
Helen Burt Pat Lawicki	SmartMeter	AMS Ops Data Quality Validated	AMS Ops validates SM reads are within published performance metrics	10/31/2007	10/31/2007	10/31/2007		0		
Helen Burt Pat Lawicki	SmartMeter	PIT Cycle 2 Complete	Product Integration Test Cycle 2 is 100% executed and 85% passed.	11/15/2007	11/12/2007	11/12/2007		-2		
Helen Burt Pat Lawicki	SmartMeter	User Acceptance Test (UAT) Complete	User Acceptance Test is 100% executed	11/17/2007	11/14/2007	11/14/2007		-3		
Helen Burt Pat Lawicki	SmartMeter	Master Regression Test (MRT) Complete	Master Regression Test is 100% executed and 85% Passed	11/30/2007	11/26/2007	11/26/2007		-4		
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle (ORT) Complete	Criteria includes: 1) SM 24H Clock created & CC&B sched updated w/SM UC4 job plans, 2) PET exit criteria achieved, 3) Risk Mitigation targets achieved.	11/30/2007	11/30/2007	11/30/2007		0		

Milestone Dashboard

Public Version

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Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	Project Readiness - Compliance Assessment Complete	Overall Project Compliance criteria assessment; approval of met and unmet criteria with risk management plans for unmet criteria. Criteria includes the implementation & Operational Readiness (I&OR), Internal Audit (IAD) and Corporate SOX.	11/30/2007	11/30/2007	11/30/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	Preliminary Go/No-Go Assessment	Prelim Go-Live Project/Business Stakeholder meeting. Review remaining tasks; unmet compliance criteria, risk management plans, and overall readiness. Focus on the open items requiring closure before Go decision.	11/30/2007	11/30/2007	11/30/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	Final Go/No-Go System Decision	Final GO-Live review. PMO and Executive Steering Committee review of open items; remaining tasks and State of Readiness.	12/9/2007	12/9/2007	12/9/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	SM 1.1 Go-Live - SM Billing Starts	CC&B able to bill off a SmartMeter read	12/10/2007	12/10/2007	12/10/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	First Virtual Route String Captured	One EMR route from each billing serial in a local headquarters is captured (billed using SM data). Associated activated meters and benefits (\$1.77 per electric meter/month and \$1.04 per gas meter/month) are being reported to the SM balancing account.	12/31/2007	12/31/2007	12/31/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	77,000 Meters Activated	STIP Metric: number of meters/modules that meet all three of the following conditions; SM installed, billed using SM data/system and are part of a virtual route string.	12/31/2007	12/31/2007	12/31/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	242,000 Meters Installed	STIP metric indicator (from vendor installation schedule Rev 5) of meters accepted by CC&B as a proper exchange.	12/31/2007	12/31/2007	12/17/2007	0	-9		

DELTA CALCULATIONS

Release Adjusted Milestone Delta	Release Adjusted Milestone Date - BTSC Agreed Upon Milestone Date
Work Plan Generated Milestone Delta	Work Plan Generated Date - BTSC Agreed Upon Milestone Date

COLOR LEGEND

	Delta is Less than or equal to 0 days (Early, On Time)
	Delta is 1- 7 days (Late)
	Delta is Greater than 7 days (Late)

Data Source: Milestone Tracking Repository 10/04/07
 Data Owner / Reporter: Jim Meadows / Farah Bustos – IWP Team
 Frequency of Update: Weekly

Issues Dashboard

Critical and High Impact Issues

Issues are categorized as CRITICAL and HIGH by the following definitions:

Critical: Major threat to success (as measured against balance of quality, schedule, and budget).





High: Significant disruption to successful delivery of objectives, products, and benefits.

Request No.:	Priority:	Description:	Request Status:	Created On:	Committed Resolution Date:	Sub-Project	Owner	Assigned To:	Duration (days)
32401	High	High Defects relating to DCSI code in TNG 1.6	In Progress	June 12, 2007	September 28, 2007	DCSI	Dennis Riley	Robert Cahn	111
33170	High	Resolution of Defect 2202 may not allow enough practice time for IT Ops and AMS Operations. There is also a billing problem.	In Progress	September 6, 2007	October 7, 2008	CC&B	Alain Erdozaincy	Paul Burgess	25
31934	High	Agreement with Southern California Edison for Streetlight & Poles in Area 4	Ready for Review	May 24, 2007	December 31, 2007	Deployment	Louis Pagan	Peter Knoot	130
tbd	High	Hexagram does not yet have modules for all meters. Is impacting deployment efficiency.	In Progress	October 4th	December 31, 2007	Deployment	Deb Ervin	Peter Knoot	

Comments:

Risks Dashboard - Identified Risk Families

Risks with score above 15

PPMC ID	Risk	Owner	Prob . (P)	Impa ct (I)	Scor e (Pxl)	Previou s Score	Statu s
33206	SM1.1 ORT objectives nor sufficiently met	Holly Webb	5	5	25	New	
31931	Deployment costs	Wilson Lau	4	5	20	No Change	
31932	Business readiness	Deanna Hanson	4	4	16	No Change	
31935	Project benefits	Bruce Agid	4	4	16	No Change	

Expenditures by Workstream

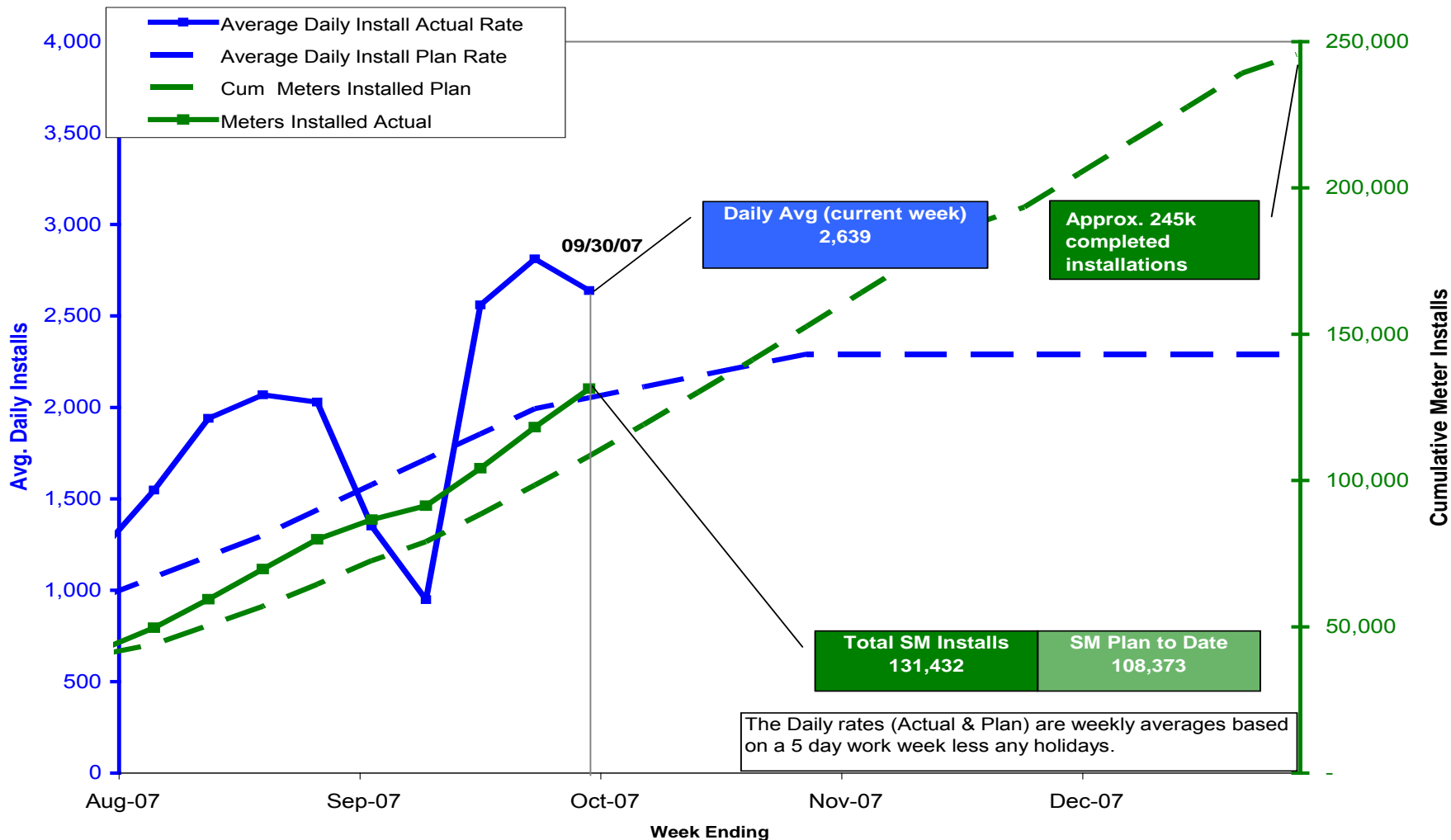
Capital (000s)	Current Month - September			Year To Date - September				Current Year-End Forecast	Cycle 2 Year-End Forecast	Inception To Date
	Cycle 2			Cycle 2			%			
	Forecast	Actuals	Variance	Forecast	Actuals	Variance	Variance			
1 PMO	\$ 620	\$ 619	1	\$ 7,141	\$ 6,946	195	3%	\$ 8,627	\$ 9,033	\$ 21,325
2 SM Operations	\$ 481	\$ 319	162	\$ 1,947	\$ 1,896	51	3%	\$ 2,838	\$ 3,340	\$ 2,941
3 Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -
4 Customer	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -
5 Contract Procurement	\$ 10,777	\$ 8,626	2,150	\$ 50,783	\$ 49,403	1,380	3%	\$ 63,756	\$ 63,756	\$ 53,721
6 Substation Installation	\$ 837	\$ 499	338	\$ 5,125	\$ 4,672	452	9%	\$ 6,931	\$ 8,027	\$ 5,914
7 Endpoint Installation	\$ 3,632	\$ 2,208	1,424	\$ 10,591	\$ 8,405	2,186	21%	\$ 15,031	\$ 17,258	\$ 11,716
8 Deployment Office	\$ 910	\$ 819	91	\$ 7,037	\$ 6,828	210	3%	\$ 10,199	\$ 10,344	\$ 12,589
9 DCU Placement	\$ 459	\$ 441	19	\$ 1,253	\$ 892	361	29%	\$ 2,802	\$ 3,329	\$ 1,419
10 CC&B	\$ 2,723	\$ 2,675	48	\$ 39,556	\$ 39,243	313	1%	\$ 50,451	\$ 46,947	\$ 94,914
11 IT Integration	\$ 2,681	\$ 2,553	129	\$ 29,516	\$ 28,143	1,373	5%	\$ 37,908	\$ 38,315	\$ 56,910
12 IT Data Center	\$ 163	\$ 419	(256)	\$ 4,673	\$ 4,861	(189)	-4%	\$ 5,370	\$ 6,484	\$ 16,577
13 SM 1.0 Applications	\$ 4,959	\$ 126	4,833	\$ 5,863	\$ 1,366	4,497	77%	\$ 6,700	\$ 6,395	\$ 5,676
14 IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -
15 Technology Monitoring	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -
16 Contingency (Dec)								\$ 2,000	\$ 11,925	\$ -
Project Total	\$ 28,243	\$ 19,304	8,939	\$ 163,484	\$ 152,655	10,829	7%	\$ 212,613	\$ 225,153	\$ 283,703

Expense (000s)	Current Month - September			Year To Date - September				Current Year-End Forecast	Cycle 2 Year-End Forecast	Inception To Date
	Cycle 2			Cycle 2			%			
	Forecast	Actuals	Variance	Forecast	Actuals	Variance	Variance			
1 PMO	\$ 422	\$ 150	272	\$ 3,475	\$ 3,089	387	11%	\$ 4,354	\$ 5,455	\$ 10,425
2 SM Operations	\$ 405	\$ 369	36	\$ 2,444	\$ 2,308	137	6%	\$ 3,584	\$ 4,739	\$ 4,639
3 Communications	\$ 163	\$ 149	14	\$ 1,854	\$ 1,671	183	10%	\$ 2,244	\$ 2,621	\$ 4,816
4 Customer	\$ 160	\$ 30	130	\$ 806	\$ 596	210	26%	\$ 1,402	\$ 1,562	\$ 1,324
5 Contract Procurement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -
6 Substation Installation	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -
7 Endpoint Installation	\$ 166	\$ 42	125	\$ 697	\$ 473	224	32%	\$ 658	\$ 1,148	\$ 462
8 Deployment Office	\$ -	\$ 39	(39)	\$ 22	\$ 45	(23)	-105%	\$ 45	\$ 27	\$ 100
9 DCU Placement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -
10 CC&B	\$ 2,039	\$ 1,926	113	\$ 5,552	\$ 3,652	1,900	34%	\$ 5,513	\$ 8,874	\$ 28,760
11 IT Integration	\$ -	\$ 29	(29)	\$ 10	\$ 40	(30)	-316%	\$ 40	\$ 10	\$ 1,191
12 IT Data Center	\$ -	\$ -	0	\$ -	\$ -	0		\$ 905	\$ -	\$ -
13 SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -
14 IT Operations	\$ 701	\$ 414	287	\$ 5,419	\$ 4,728	691	13%	\$ 6,797	\$ 9,960	\$ 6,821
15 Technology Monitoring	\$ 1,801	\$ 1,217	584	\$ 7,124	\$ 6,284	841	12%	\$ 11,688	\$ 7,078	\$ 5,956
16 Contingency (Dec)								\$ 2,000	\$ 13,128	\$ -
Project Total	\$ 5,858	\$ 4,364	1,494	\$ 27,403	\$ 22,884	4,518	16%	\$ 39,230	\$ 54,601	\$ 64,493

Actuals (capital plus expense) totaled \$23.7M in September vs. a Cycle 2 Forecast of \$34.1M and an original approved budget amount of \$25.7M.

Average Expected Daily Install Rates - Bakersfield and Sacramento Combined

2007 Install Rate vs. Plan - Meter Totals & Installation Averages



Deployment Comments:

► Unable To Complete's: 3,471 Pending to date (2.4% of total installs): Approximately 1562 Meter Issues, 1085 access related, 824 Other (no meter, no power, miscoded, revenue assurance)

Meter Routes Progress

OVERALL ROUTE COMPLETION SUMMARY ACROSS SERIALS								
Route	Route String 1	Route String 2	Route String 3	Route String 4	Route String 5	Route String 6	Route String 7	Route String 8
B	97.88%	97.32%	97.52%	98.26%	91.99%	88.82%	75.06%	46.67%
C	89.72%	92.51%	77.18%	68.04%	75.38%	66.67%	59.44%	58.30%
D	91.59%	90.64%	89.91%	73.79%	59.21%	57.32%	61.59%	43.61%
F	90.75%	91.44%	81.72%	77.15%	77.72%	74.78%	54.10%	58.57%
G	89.19%	79.62%	74.14%	81.61%	91.12%	66.58%	68.36%	75.04%
H	92.04%	88.73%	96.52%	96.43%	99.72%	97.65%	81.50%	99.09%
J	91.68%	95.08%	69.10%	97.61%	88.73%	90.71%	86.18%	95.54%
K	77.15%	73.20%	86.20%	95.73%	73.16%	58.98%	84.29%	70.40%
L	89.70%	97.07%	96.80%	92.38%	93.27%	69.21%	90.41%	42.11%
M	66.51%	75.36%	79.30%	60.19%	64.34%	95.00%	61.01%	3.80%
N	77.08%	75.66%	83.36%	76.10%	71.73%	73.46%	53.01%	59.93%
P	93.09%	70.34%	73.68%	77.41%	82.90%	62.37%	72.34%	56.77%
Q	82.82%	70.43%	62.96%	73.90%	77.89%	64.05%	75.66%	49.91%
R	81.81%	89.03%	82.99%	79.79%	99.70%	93.98%	75.00%	60.54%
S	82.81%	63.47%	90.67%	79.28%	70.20%	69.23%	65.81%	68.54%
T	75.77%	65.94%	71.91%	66.87%	62.38%	71.16%	63.37%	61.37%
V	88.50%	81.03%	69.54%	66.30%	59.12%	65.59%	72.54%	77.72%
W	55.78%	59.10%	68.74%	74.01%	67.64%	53.24%	84.14%	56.12%
X	73.22%	77.49%	71.69%	74.95%	76.67%	58.82%	64.73%	60.86%
Y	83.88%	75.53%	62.14%	78.23%	63.62%	70.53%	67.49%	69.48%
Z	78.24%	73.25%	68.39%	79.17%	79.36%	71.61%	58.96%	63.52%
W. Average:	82.92%	78.97%	77.71%	79.19%	75.53%	69.10%	67.80%	54.63%

Total meters	21,151.	17,720.	15,437.	13,828.	12,122.	12,291.	10,903.	11,546.	114,998.
SM-enabled	17,538.	13,994.	11,996.	10,951.	9,156.	8,493.	7,392.	6,308.	85,828.

Based on current available data from SM-4230 RSS report

Contingency Reconciliation

SmartMeter Contingency Reconciliation	(\$000)	Total	Notes
1. Business Case Approved Contingency		\$ 128,773	
Total PCRs Adopted by Steering Committee		\$ (2,856)	
Remaining Contingency Balance =		\$ 125,918	
<hr/>			
2. Pending Disposition			
IT: Customer	\$	(1,253)	Approved at May 11, 2007 Steering Committee meeting
IT Integration (AFUDC)	\$	(26,404)	
CC&B	\$	(33,788)	
Data Center	\$	(6,025)	
SM Applications	\$	(454)	
Funded by CPP Marketing / O&M	\$	11,224	
PMO	\$	(4,353)	
		\$ (61,053)	
Additional IT costs for shift in "Go Live" date to Sept 4			
IT: IT Integration (AFUDC)	\$	(4,500)	Approved at May 11, 2007 Steering Committee meeting
CC&B	\$	(15,500)	
PMO	\$	(1,400)	
Deployment	\$	(900)	
		\$ (22,300)	

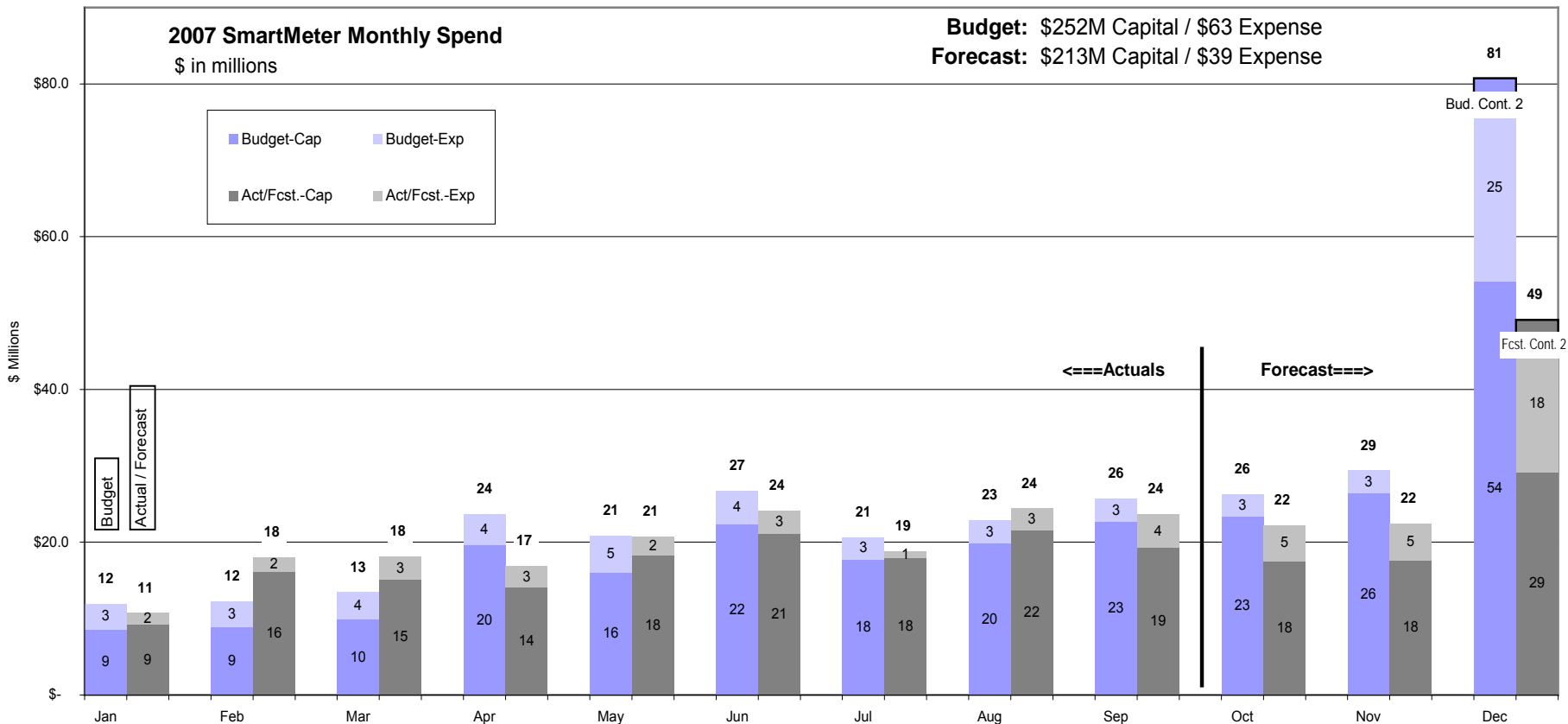
Program Metrics

SmartMeter - Deployment		August - Month Results				September - Month Results				YTD				Full Year			
Metric	Key Performance Indicator	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Fcst	Target	Var
(a)	(b)	(c)	(d)	(e)	(f)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Program Management Office (PMO)																	
PMO																	
P1	OSHA Recordable Rate (SmartMeter)	↔	-	4.6	4.6	↓	-	1.5	1.5	↓	-	1.5	1.5	↓	-	1.5	1.5
P1a	# of OSHA Incidents (SmartMeter)	↑	-	1.5	1.5	↑	-	2.4	2.4	↑	-	2.4	2.4	↑	-	2.4	2.4
P14	Meters Activated - Electric & Gas	↔	-	-	-	↔	-	-	-	↔	-	-	-	↑	77,000	20,000	57,000
Costs / Benefits																	
P15	Benefits \$ Realized, Cumulative (C-1 Forecast)	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ -	\$ -	\$ -	↔	\$ 1.1	\$ 1.1	\$ -
Budget / Earned Value																	
P16	Budget vs. Actual - 2007 (\$M)	↑	\$ 24.4	\$ 29.3	\$ 4.9	↑	\$ 23.7	\$ 34.1	\$ 10.4	↑	\$ 175.5	\$ 190.9	\$ 15.4	↑	\$ 251.8	\$ 276.9	\$ 25.1
P17	Budget vs. Actual - Capital (\$M)	↑	\$ 21.6	\$ 23.5	\$ 1.9	↑	\$ 19.3	\$ 28.2	\$ 8.9	↑	\$ 152.7	\$ 163.5	\$ 10.8	↑	\$ 212.6	\$ 225.6	\$ 13.0
P18	Budget vs. Actual - Expense (\$M)	↓	\$ 2.8	\$ 5.9	\$ 3.0	↓	\$ 4.4	\$ 5.9	\$ 1.5	↑	\$ 22.9	\$ 27.4	\$ 4.5	↑	\$ 39.2	\$ 51.3	\$ 12.1
P19	Budget vs. Actual, at Completion (\$M)	↔	\$ 1,470	\$ 1,470	\$ -	↔	\$ 1,470	\$ 1,470	\$ -	↔							
P20	Bud. vs. Act., at Completion - IT (\$M)	↔	\$ 277.9	\$ 277.9	\$ -	↔	\$ 277.9	\$ 277.9	\$ -	↔							
OPERATIONS																	
Procurement																	
O1	Total Weeks of Inventory on Hand	↓	29	3	26	↔	29	3	26	↔	29	3	26	↔	29	3	26
O2	Total wks of inventory in the pipeline	↓	26	3	23	↓	19	3	16	↓	19	3	16	↓	19	3	16
O4	Equipment exception rate	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↓	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%
Network deployment																	
O5	Substations Complete	↓	3	3	-	↔	4	4	-	↔	30	29	1	↑	46	45	1
O6	DCUs Installed	↓	42	200	(158)	↑	51	200	(149)	↓	272	800	(528)	↑	362	1,400	(1,038)
O7	CPI Substation (Electric Network) (\$ 000)	↓	\$193.0	\$205.2	\$12.1					↔	\$193.0	\$205.2	\$12.1	↔	\$193.0	\$205.2	\$12.1
O8	CPI DCU (Gas Network)	↓	\$ 3,634	\$ 3,308	\$ (326)					↔	\$ 3,634	\$ 3,308	\$ (326)	↔	\$ 3,634	\$ 3,308	\$ (326)
O10	Gas installs failing inspection	↔	0.04%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)	
O10a	Electric installs failing inspection	↔	0.02%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)	
Meter / Module Deployment																	
O11	Meters Enabled - Electric & Gas	↑	39,013	2,500	36,513	↓	44,819	36,000	8,819	↑	126,807	50,000	76,807	↔	243,947	241,000	2,947
O13	CPI - ██████ Electric Endpoint	↓	\$91.56	\$94.38	\$2.82					↔	\$91.56	\$94.38	\$2.82	↔	\$91.56	\$94.38	\$2.82
O14	CPI - ██████ Gas Endpoint	↓	\$93.93	\$94.95	\$1.02					↓	\$93.93	\$94.95	\$1.02	↓	\$93.93	\$94.95	\$1.02
O15	UTC Rate	↑	2.4%	4.0%	1.6%	↓	3.0%	4.0%	1.0%	↓	2.5%	4.0%	1.5%	↓	3.0%	4.0%	1.0%
O16	FA Upload Exception Rate	↑	0.74%	3.00%	2.26%	↓	7.22%	3.00%	-4.22%	↓	3.20%	3.00%	-0.20%	↓	3.20%	3.00%	-0.20%
O17	QA Exception Rate	↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)	
Operations - Other																	
O35	Call Center Inbound Rate	↓	0.6%	2.0%	1.4%	↔	0.6%	2.0%	1.4%	↓	0.6%	2.0%	1.4%	↓	0.6%	2.0%	1.4%

Appendix

October 2007

Baseline 2007 Budget v Actual Spend



Actuals (capital plus expense) totaled \$23.7M in September vs. a Cycle 2 Forecast of \$34.1M and an original approved budget amount of \$25.7M.

UTC Mitigation Activities

- ▶ **Beginning in 2008, Wellington to perform gas index changes**
 - ▶ An estimated 25,000-40,000 UTCs will be eliminated
 - ▶ Cost Avoidance [REDACTED]

- ▶ **Wellington to interpret gas meter badges**
 - ▶ Meter badges in the field do not have leading 000's or trailing alpha characters that exist in CC&B
 - ▶ Eliminates an additional 285,000 "Wrong Meter Number" UTCs
 - ▶ Cost Avoidance [REDACTED]

- ▶ **Gas Meter Index Screw Matrix**
 - ▶ Updated matrix on 3 screw indexes to allow 1 screw to break and still not be UTC'd
 - ▶ Cost Avoidance [REDACTED]

- ▶ **New A-Base Meter Adapter**
 - ▶ Original meter adapter created space limitations
 - ▶ New adapter will allow several A-Base SmartMeters to be installed on existing meter panels without any further modifications
 - ▶ Cost Avoidance – N/A

UTC Completion Strategies

▶ Access Related UTCs (833)

- ▶ Contact Center CSRs will make outbound calls to customers in an effort to secure access for meter exchanges
- ▶ CSRs will schedule meter installation FA/FO's to be fielded by Title 300 employees

▶ Gas Cover Screw/Index Problem UTCs (942)

- ▶ UTCs will be dispatched out of AMP
 - ▶ Previously manually scheduled by CCO employees
- ▶ Field Service personnel will change out gas meters and install SmartMeter gas modules

Public Version



PG&E
SmartMeter

**SmartMeter™/CC&B Initiatives
Steering Committee Update – November
November 15, 2007**



Agenda

- ▶ **SmartMeter[™] Release Update**
- ▶ **Schedule Update**
- ▶ **Dashboards review**
- ▶ **Budget Status**
- ▶ **Program Metrics**
- ▶ **Decisions**



SmartMeter™ Release as of 11/13/07

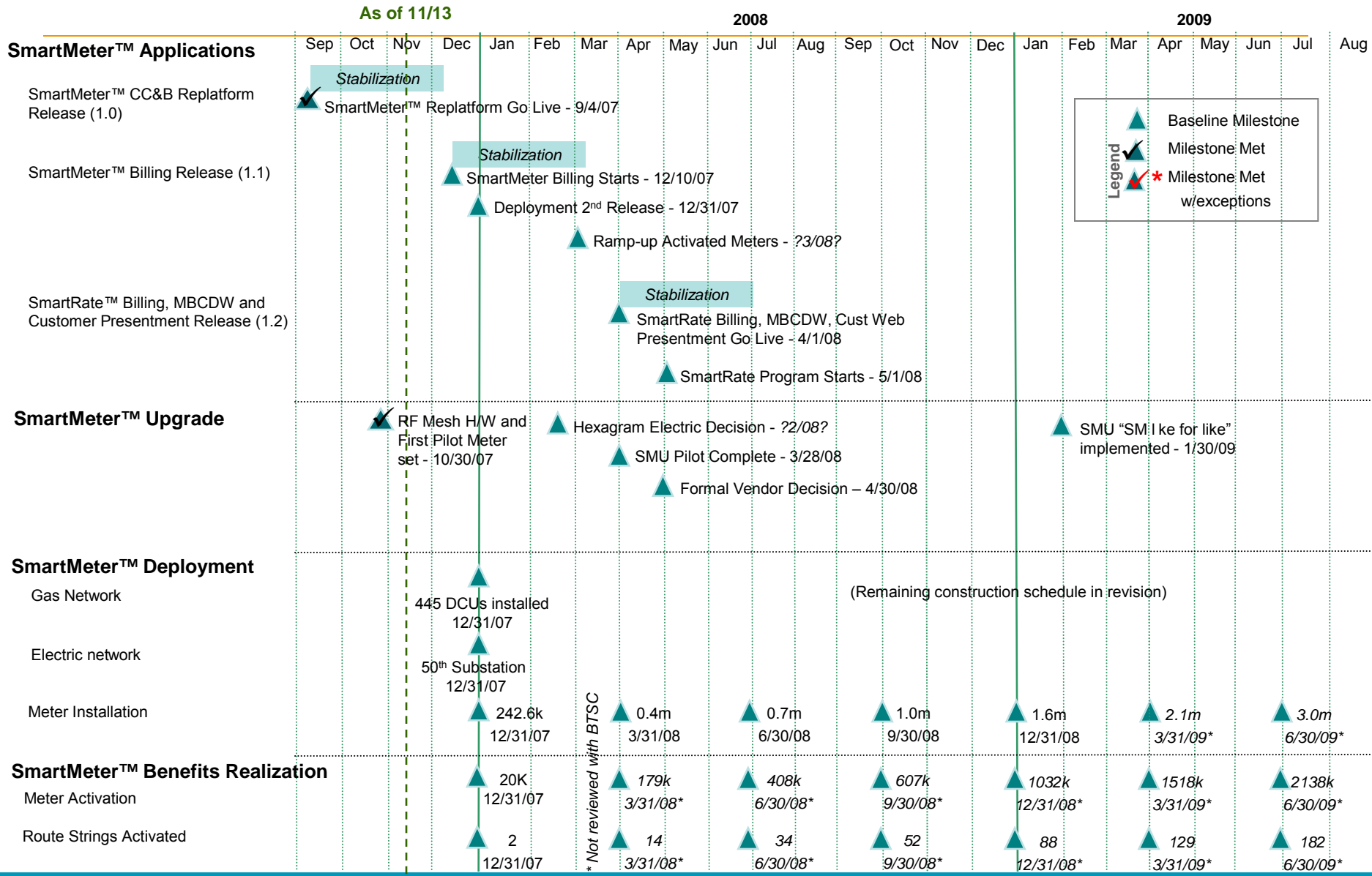
Key Headlines for Release:

- Target for SmartMeter™ Billing release go-live is 12/8/07. First bills to be printed 12/10/07.
- As of Sunday, 11/11/07, installed 211,549 endpoints (meters), year-end projection 246,000 meters installed, communication equipment in 37 substations, and 426 Data Collection Units.
- Endpoints (meters + modules) are currently 35,943 meters ahead of schedule.

Area	Status	Variance Explanation
Financial Variance (YTD)		Compared with the Year-To-Date Cycle 2 Forecast, the project has a 5% favorable variance on capital expenditures (forecast = \$177.1 million versus actual = \$168.6 million), and a 7% favorable variance on expense expenditures (forecast = \$29.3 million vs. actual = \$27.3 million).
Financial Variance (EAC)		Technology assessments continue in order to validate on-target EAC assumption of \$1.749 billion.
Scope		Remaining Meter Deployment functions deferred to a later release - schedule tbd. Scope of releases post-SmartMeter™ Billing to be finalized and then approved by the business. SmartMeter™ Upgrade project technology & plan to be integrated with SmartMeter™ Project.
Milestones		On track.
Resources		There are no immediate resource constraints.
Schedule		The remaining Meter deployment functions are deferred to a later release - tbd. Schedule for releases post-SmartMeter™ Billing to be developed and then approved by the business.
Quality		On track.
Issues & Risks		There is a risk that the SmartMeter Upgrade work will impact SmartMeter. Electric meter technology decision delay may affect deployment schedule due to impact to meter supply chain.
Organizational Readiness		Delay in implementation of five interfaces may have an impact on training and 2008 deployment schedule.
Actions		No overdue project or BTSC actions.
Post Implementation Performance		System performance currently exceeding expectations. As expected, there have been some relatively minor issues around Deployment and around Billing – all of which are being addressed.

Schedule

Public Version



Legend

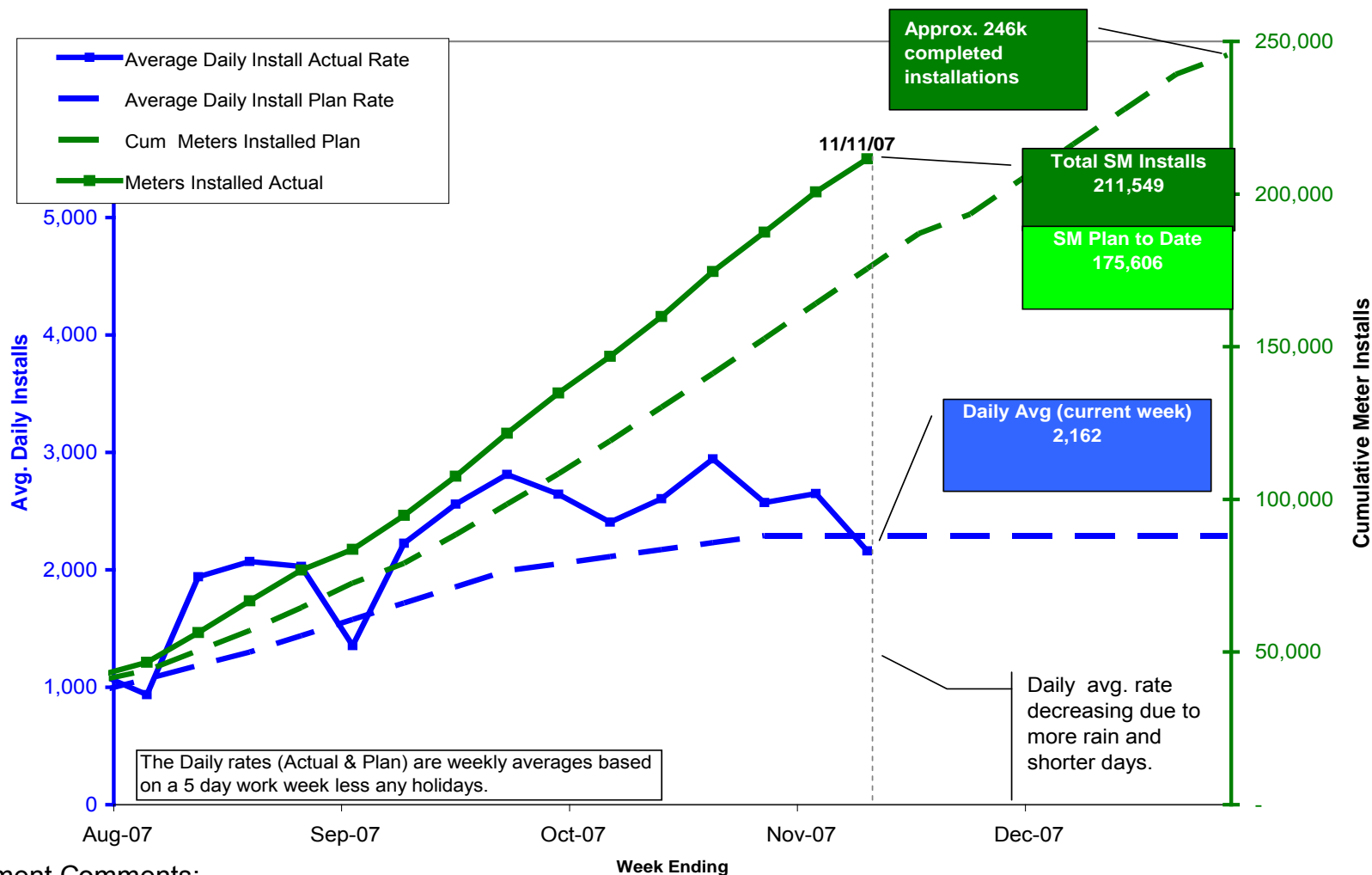
- ▲ Baseline Milestone
- ✓ Milestone Met
- ▲* Milestone Met w/exceptions

Schedule: SmartMeter™ Billing - SM1.1

	Milestone Date	Schedule Date	Sept	Oct	Nov	Dec	Jan
PAT / PIT / MRT							
Product Integration Test - Cycle 1 - <i>COMPLETE</i>	7-Oct	29-Sep	█				
Product Integration Test - Cycle 2 - <i>COMPLETE</i>	15-Nov	9-Nov		█			
Master Regression Test	30-Nov	24-Nov			█		
PET / ORT							
Performance Engineering Test - <i>COMPLETE</i>	29-Oct	26-Oct		█			
Operational Readiness Test	30-Nov	30-Nov			█		
IT/ AMS OPS METER SEARCH							
60e WACS Consumption 1 - <i>COMPLETE</i>	16-Sep	13-Sep	█				
60e WACS Consumption 2 - <i>COMPLETE</i>	9-Oct	9-Oct		█			
60e WACS Consumption 3 - <i>COMPLETE</i>	31-Oct	28-Oct		█			
SM Initialization & Initial Search-In - <i>COMPLETE</i>	31-Oct	31-Oct		█			
BUSINESS							
UAT	17-Nov	21-Nov			█		
CHANGE MANAGEMENT							
Training Delivery - Customer Care	30-Nov	30-Nov				█	
GO-LIVE MILESTONES							
Billing Starts	10-Dec	10-Dec				█	
VRS Report - 77K Activated STIP Achieved	31-Dec	31-Dec					█

Schedule: Field Deployment

2007 Install Rate vs. Plan - Meter Totals & Installation Averages



Deployment Comments:

➤ Daily install rate will come down due to seasonal shorter daylight.

2007 SmartMeter™ Goals Dashboard

• Actual data as of Tuesday, November 13th

<<Actuals | Targets>>

Team	Activity	STIP	22-Oct	29-Oct	5-Nov	12-Nov	19-Nov	26-Nov	3-Dec	10-Dec	17-Dec	24-Dec	31-Dec	Goal Met	
IT	Overall PIT Progress		7%	33%	51%	100%	100%								
	ORT Progress					0%	55%	90%	100%						
	UAT Progress					2%	99%	100%							
	MRT Progress						68%	100%							
Deploy	Total Territory	1.0	169,446	183,967	200,740	208,792	203,706	209,352	217,632	225,912	234,192	242,000	242,000		
	Installs	1.5	169,446	183,967	200,740	208,792	244,500	254,250	264,000	273,750	283,500	293,250	303,000		
	Total Bakersfield Installs		120,425	136,408	145,483	158,426	139,588	144,124	152,289	160,453	168,618	176,783	181,319		
	% Complete	1.0	97.3%	97.3%	101.7%	103.0%	99.2%	99.7%	100.0%						✓
	Bakersfield	1.5	92.3%	94.5%	96.7%	98.0%	98.4%	99.7%	100.0%						
		2.0	41.3%	52.2%	63.0%	85.0%	84.3%	92.2%	100.0%						
SM Ops	Total Meters Read		65,397	80,017	84,105	104,813	117,170	130,113	143,057	156,000					
	% Meters Read In	1.0			86%	90%	94%	97%	98%						
		1.5			85%	90%	92%	93%	97%	98%					
		2.0			54%	61%	74%	80%	90%	98%					
CC&B	# SP SM-Read									40,000	150,000				
	# Bills Generated										4,500	22,000	39,000		
	% Bills Correct										99.00%	99.00%	99.00%		
	% of Timely Bills										99.66%	99.66%	99.66%		
Activation	Activated Meters	1.0									20,000				
		1.5										38,500			
		2.0										77,000			
Benefits Realization	Reduced FTE's	1.0									2	2	2		
		1.5									2	2	4		
		2.0									2	2	7		

Meets or exceeds target
 Potential problem – 0-20% adverse
 Serious issue - >20% adverse

Comments

Team	Commentary	Mitigation (if necessary)
IT	1. PIT Testing delays impacted ORT start date by a week	1. Team adjusted ORT schedule by taking out the contingency and ORT is now planned to begin on 11/9 and still finish 11/30 if no significant issues
Deploy	1. Deployment for total territory 1.0 STIP is a week and a half ahead of planned 2. Deployment is back on track for 2.0 STIP goal	1. N/A 2. N/A
SM Ops	1. 2.0 STIP Meters read behind schedule to due to 60D's / 60E's not being ready and TNG performance problem	1. The IT team is working to get 60 E / 60D issues fixed. TNG performance problem being investigated

Milestone Dashboard

Public Version



A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #1	60e,104h,50a Delivered with known/existing defects.	9/16/2007	9/16/2007	9/13/2007	0	-2	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Product Integration Test (PIT) Cycle 1 Complete	Product Integration Test Cycle 1 is 100% executed and 85% passed.	10/7/2007	10/7/2007	10/5/2007	0	-1	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #2	60a/b/d/e/i,104,104h,66,67,50a,2202 Defect Fix - PIT Cycle1 Tested & Delivered	10/9/2007	10/9/2007	10/9/2007	0	0	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Performance Engineering Test (PET) Complete	PET is 100% Executed, 85% of Goals Achieved	10/29/2007	10/29/2007	10/26/2007	0	-1	Milestone Achieved. Qualification of IF63 continues until 11/8 with no impact on schedule.	
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #3	60e Delivered, Daily 60d/50a Delivery Begins	10/31/2007	10/31/2007	10/28/2007	0	-2	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	AMS Ops Data Quality Validated	AMS Ops validates SM reads are within published performance metrics	11/1/2007	11/1/2007	11/8/2007	0	5	Milestone Achieved for ORT entrance purposes. Data quality efforts will continue through ORT.	
Helen Burt Pat Lawicki	SmartMeter	PIT Cycle 2 Complete	Product Integration Test Cycle 2 is 100% executed and 85% passed.	11/15/2007	11/15/2007	11/8/2007	0	-3	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	User Acceptance Test (UAT) Complete	User Acceptance Test is 100% executed	11/17/2007	11/17/2007	11/21/2007	0	2		
Helen Burt Pat Lawicki	SmartMeter	Product Application Test (PAT) Complete	Product Application Test including 1) Extended Anchors/Cancel-Rebill/Start-Stop Virtual Routes and 2) Extended Anchors/Cancel Rebill are 100% executed and 85% passed.	11/19/2007	11/19/2007	11/2/2007	0	-10	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Master Regression Test (MRT) Complete	Master Regression Test is 100% executed and 85% Passed	11/30/2007	11/30/2007	11/25/2007	0	-4		
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle (ORT) Complete	Criteria includes: 1) SM 24H Clock created & CC&B sched updated w/SM UC4 job plans, 2) PET exit criteria achieved, 3) Risk Mitigation targets achieved.	11/30/2007	11/30/2007	11/30/2007	0	0		

Milestone Dashboard

Public Version



A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	Project Readiness - Compliance Assessment Complete	Overall Project Compliance criteria assessment; approval of met and unmet criteria with risk management plans for unmet criteria. Criteria includes the implementation & Operational Readiness (I&OR), Internal Audit (IAD) and Corporate SOX.	11/30/2007	11/30/2007	11/30/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	Preliminary Go/No-Go Assessment	Prelim Go-Live Project/Business Stakeholder meeting. Review remaining tasks; unmet compliance criteria, risk management plans, and overall readiness. Focus on the open items requiring closure before Go decision.	11/30/2007	11/30/2007	11/30/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	Final Go/No-Go System Decision	Final GO-Live review. PMO and Executive Steering Committee review of open items; remaining tasks and State of Readiness.	12/9/2007	12/9/2007	12/9/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	SM 1.1 - SM Billing Starts	CC&B able to bill off a SmartMeter read	12/10/2007	12/10/2007	12/10/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	First Virtual Route String Captured	One EMR route from each billing serial in a local headquarters is captured (billed using SM data). Associated activated meters and benefits (\$1.77 per electric meter/month and \$1.04 per gas meter/month) are being reported to the SM balancing account.	12/31/2007	12/31/2007	12/31/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	20,000 Meters Activated	STIP Metric: number of meters/modules that meet all three of the following conditions; SM installed, billed using SM data/system and are part of a virtual route string.	12/31/2007	12/31/2007	12/31/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	242,000 Meters Installed	STIP metric indicator (from vendor installation schedule Rev 5) of meters accepted by CC&B as a proper exchange.	12/31/2007	12/31/2007	12/17/2007	0	-9		

DELTA CALCULATIONS

Release Adjusted Milestone Delta	Release Adjusted Milestone Date - BTSC Agreed Upon Milestone Date
Work Plan Generated Milestone Delta	Work Plan Generated Date - BTSC Agreed Upon Milestone Date

COLOR LEGEND

	Delta is Less than or equal to 0 days (Early, On Time)
	Delta is 1- 7 days (Late)
	Delta is Greater than 7 days (Late)

Issues/Risks Summary Dashboard

Risk/Issue	Owner	Impact	Status
SM 1.1 ORT schedule condensed from 28 days to 18 days.	Holly Webb	Further delay to ORT completion may delay SM 1.1 go-live date.	ORT is on track for completion as scheduled by 11/30 (as of 11/12).
Mass meter deployment functionality (5 interfaces) delay.	Alain Erdozaincy	2008 deployment may be delayed if deployment functionality is not delivered by Dec 31, 2007.	Delivery of all functionalities is currently on track.
Inability to secure attachment rights for gas network in Sacramento may delay benefit realization.	Wilson Lau	Inability to capture benefits realization for Sacramento.	Sacramento City Council postponed approval hearing. Governmental Relations to meet with individual city council members per city request. Government Relations team to provide an update to the SmartMeter SC on 11/26.
SmartRate Billing scope is undefined.	Steve Knaebel	Potential delay in the commencement of SmartRate program as committed to CPUC for April 1, 2008.	SmartMeter SC decision on scope of billing needed.
Electric technology decision may delay 2008 deployment schedule.	Jim Meadows	Delay in selection of electric technology may not allow sufficient lead time for procurement of inventory for the second half of 2008.	Hexagram electric technology is currently being tested in Vacaville pilot program.



Expenditures by Workstream

Capital (000s)			Current Month - October				Year To Date - October				Cycle 2 Year-End		Inception To Date
#	Workstream	Pg	Cycle 2		Variance	Cycle 2		Variance	%	Forecast	Current Year-End Forecast		
			Forecast	Actuals		Forecast	Actuals			Forecast	Actuals	Forecast	Forecast
1	PMO	4	\$ 559	\$ 641	(81)	\$ 7,700	\$ 7,587	113	1%	\$ 9,033	\$ 8,708	\$ 21,955	
2	SM Operations	5	\$ 231	\$ 176	55	\$ 2,178	\$ 2,072	106	5%	\$ 3,340	\$ 2,783	\$ 3,140	
3	Communications	6	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	
4	Customer	7	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	
5	Contract Procurement	8	\$ 3,062	\$ 6,135	(3,072)	\$ 53,845	\$ 55,537	(1,692)	-3%	\$ 63,756	\$ 70,461	\$ 61,343	
6	Substation Installation	9	\$ 801	\$ 692	109	\$ 5,926	\$ 5,364	561	9%	\$ 8,027	\$ 6,912	\$ 6,645	
7	Endpoint Installation	10	\$ 1,623	\$ 824	799	\$ 12,214	\$ 9,229	2,986	24%	\$ 17,258	\$ 12,407	\$ 11,195	
8	Deployment Office	11	\$ 965	\$ 790	175	\$ 8,003	\$ 7,618	385	5%	\$ 10,344	\$ 10,195	\$ 13,288	
9	DCU Placement	12	\$ 459	\$ 156	304	\$ 1,713	\$ 1,048	665	39%	\$ 3,329	\$ 1,374	\$ 1,251	
10	CC&B	13	\$ 2,999	\$ 3,679	(679)	\$ 42,555	\$ 42,921	(367)	-1%	\$ 46,947	\$ 49,283	\$ 101,023	
11	IT Integration	14	\$ 2,893	\$ 2,598	295	\$ 32,409	\$ 30,742	1,667	5%	\$ 38,315	\$ 39,087	\$ 59,650	
12	IT Data Center	15	\$ -	\$ 136	(136)	\$ 4,673	\$ 4,998	(325)	-7%	\$ 6,484	\$ 5,337	\$ 16,417	
13	SM 1.0 Applications	16	\$ -	\$ 128	(128)	\$ 5,863	\$ 1,493	4,370	75%	\$ 6,395	\$ 6,702	\$ 6,013	
14	IT Operations	17	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	
15	Technology Monitoring	18	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	
16	Contingency (Dec)									\$ 11,925	\$ 2,000	\$ -	
	Project Total		\$ 13,594	\$ 15,954	(2,360)	\$ 177,078	\$ 168,609	8,469	5%	\$ 225,153	\$ 215,249	\$ 301,920	

Expense (000s)			Current Month - October				Year To Date - October				Cycle 2 Year-End		Inception To Date
#	Workstream	Pg	Cycle 2		Variance	Cycle 2		Variance	%	Forecast	Current Year-End Forecast		
			Forecast	Actuals		Forecast	Actuals			Forecast	Actuals	Forecast	Forecast
1	PMO	4	\$ 422	\$ 364	58	\$ 3,897	\$ 3,453	445	11%	\$ 5,455	\$ 4,296	\$ 10,946	
2	SM Operations	5	\$ 442	\$ 1,455	(1,014)	\$ 2,886	\$ 3,763	(877)	-30%	\$ 4,739	\$ 4,616	\$ 6,023	
3	Communications	6	\$ 161	\$ (58)	219	\$ 2,015	\$ 1,613	402	20%	\$ 2,621	\$ 2,025	\$ 4,719	
4	Customer	7	\$ 227	\$ 421	(194)	\$ 1,033	\$ 1,017	16	2%	\$ 1,562	\$ 1,596	\$ 1,761	
5	Contract Procurement	8	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	
6	Substation Installation	9	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	
7	Endpoint Installation	10	\$ 64	\$ 27	36	\$ 761	\$ 501	260	34%	\$ 1,148	\$ 599	\$ 503	
8	Deployment Office	11	\$ -	\$ 98	(98)	\$ 22	\$ 143	(121)	-550%	\$ 27	\$ 143	\$ 143	
9	DCU Placement	12	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	
10	CC&B	13	\$ 1,463	\$ 621	842	\$ 7,014	\$ 4,273	2,742	39%	\$ 8,874	\$ 7,512	\$ 27,680	
11	IT Integration	14	\$ -	\$ 0	(0)	\$ 10	\$ 40	(30)	-317%	\$ 10	\$ 40	\$ 1,135	
12	IT Data Center	15	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ 604	\$ 29	
13	SM 1.0 Applications	16	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	
14	IT Operations	17	\$ 636	\$ 304	331	\$ 6,054	\$ 5,032	1,022	17%	\$ 9,960	\$ 6,415	\$ 6,985	
15	Technology Monitoring	18	\$ 711	\$ 1,170	(458)	\$ 5,655	\$ 7,453	(1,798)	-32%	\$ 7,078	\$ 11,056	\$ 7,453	
16	Contingency (Dec)									\$ 13,128	\$ 2,000	\$ -	
	Project Total		\$ 4,125	\$ 4,403	(278)	\$ 29,348	\$ 27,287	2,060	7%	\$ 54,601	\$ 40,902	\$ 67,378	

Confidential - Submitted Pursuant to PU Code Section 583. Actuals (capital plus expense) totaled \$20.4M in October vs. a Cycle 2 Forecast of \$17.7M and an original approved budget amount of 30.2M.

Contingency Reconciliation

SmartMeter Contingency Reconciliation	(\$000)	Total	Notes
1. Business Case Approved Contingency		\$ 128,773	
Total PCRs Adopted by Steering Committee		\$ (2,856)	
Remaining Contingency Balance =		\$ 125,918	
<hr/>			
2. Pending Disposition			
IT: Customer	\$	(1,253)	Approved at May 11, 2007 Steering Committee meeting
IT Integration (AFUDC)	\$	(26,404)	
CC&B	\$	(33,788)	
Data Center	\$	(6,025)	
SM Applications	\$	(454)	
Funded by CPP Marketing / O&M	\$	11,224	
PMO	\$	(4,353)	
		\$ (61,053)	
Additional IT costs for shift in "Go Live" date to Sept 4			
IT: IT Integration (AFUDC)	\$	(4,500)	Approved at May 11, 2007 Steering Committee meeting
CC&B	\$	(15,500)	
PMO	\$	(1,400)	
Deployment	\$	(900)	
		\$ (22,300)	



Program Metrics

SmartMeter - Deployment		September - Month Results				October - Month Results				YTD				Project Extrapolation			
Metric	Key Performance Indicator	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Fest	Target	Var (\$M)
(a)	(b)	(c)	(d)	(e)	(f)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Program Management Office (PMO)																	
PMO																	
P1	OSHA Recordable Rate (SmartMeter)	↔	-	1.5	1.5	↓	0.4	1.5	1.2	↓	0.4	1.5	1.2				
P1a	# of OSHA Incidents (SmartMeter)	↑	-	2.4	2.4	↔	1.0	3.3	2.3	↔	1.0	3.3	2.3				
P2	Issues over 30 Days Past Due	↓	9%	20%	11%	↑	6%	20%	14%	↑	12%	20%	8%				
P3	Open Issue Count by Severity	↑	3	15	12	↑	2	15	13	↔	10	15	5				
P4	Risk Family Count by Value	↑	19%	40%	21%	↓	29%	40%	11%	↑	35%	40%	5%				
P5	Schedule Variance to SM 1.1	↔	-	20	20	↔	-	20	20	↔	-	20	20				
P7	Schedule Variance to End of Build	↔	-	-	-	↔	-	-	-	↔	-	-	-				
P14	Meters Activated - Electric & Gas	↔	-	-	-	↔	-	-	-	↔	-	-	-				
Costs / Benefits																	
P15	Benefits \$ Realized, Cumulative (C-1 Forecast)	↔	\$ -	\$ -	\$ -	↑	\$ 0.4	\$ 0.4	\$ 0.0	↑	\$ 0.4	\$ 0.4	\$ 0.0				
Budget / Earned Value																	
P16	Budget vs. Actual - 2007 (\$M)	↑	\$ 23.7	\$ 33.0	\$ 9.4	↓	\$ 20.4	\$ 17.7	\$ (2.6)	↓	\$ 195.9	\$ 206.4	\$ 10.5				
P17	Budget vs. Actual - Capital (\$M)	↑	\$ 19.3	\$ 28.2	\$ 8.9	↓	\$ 16.0	\$ 13.6	\$ (2.4)	↓	\$ 168.6	\$ 177.1	\$ 8.5				
P18	Budget vs. Actual - Expense (\$M)	↓	\$ 4.4	\$ 4.8	\$ 0.4	↓	\$ 4.4	\$ 4.1	\$ (0.3)	↓	\$ 27.3	\$ 29.3	\$ 2.1				
P19	Budget vs. Actual, at Completion (\$M)	↔	\$1,470	\$1,470	\$ -	↔	\$1,470	\$1,470	\$ -	↔							
P20	Bud. vs. Act., at Completion - IT (\$M)	↔	\$277.9	\$277.9	\$ -	↔	\$277.9	\$277.9	\$ -	↔							
OPERATIONS																	
Procurement																	
O1	Total Weeks of Inventory on Hand	↔	29	3	26	↓	22	3	19	↓	22	3	19				
O2	Total wks of inventory in the pipeline	↓	19	3	16	↓	15	3	12	↓	15	3	12				
O4	Equipment exception rate	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%	↔	0.00%	0.00%	0.00%				
Network deployment																	
O5	Substations Complete	↔	4	4	-	↔	3	3	-	↓	33	33	-				
O6	DCUs Installed	↑	51	200	(149)	↔	56	200	(144)	↓	328	1,000	(672)				
O7	CPI Substation (Electric Network) (\$ 000)	↑	\$191.7	\$205.2	\$13.5	↑				↔	\$191.7	\$205.2	\$13.5	↓	\$191.7	\$205.2	(\$4.0)
O8	CPI DCU (Gas Network)	↑	\$3 558	\$3,308	\$ (250)	↑				↔	\$ 3,558	\$ 3,308	\$ (250)	↑	\$ 3,558	\$ 3,308	(\$1.4)
O10	Gas installs failing inspection	↔	0.04%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)					
O10a	Electric installs failing inspection	↔	0.02%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)					
Meter / Module Deployment																	
O11	Meters Enabled - Electric & Gas	↓	47,684	36,000	11,684	↑	63,858	46,000	17,858	↑	193,530	96,000	97,530				
O13	CPI - Electric Endpoint	↓	\$93.01	\$94.38	\$1.37	↑				↔	\$93.01	\$94.38	\$1.37	↑	\$93.01	\$94.38	\$38.5
O14	CPI - Gas Endpoint	↑	\$93.10	\$94.95	\$1.85	↑				↔	\$93.10	\$94.95	\$1.85	↑	\$93.10	\$94.95	\$3.2
O15	UTC Rate	↓	2.8%	4.0%	1.2%	↑	1.3%	4.0%	2.7%	↑	2.1%	4 0%	1.9%				
O16	FA Upload Exception Rate	↓	1.60%	3.00%	1.40%	↑	0.07%	3.00%	2.93%	↑	0.84%	3.00%	2.16%				
O17	QA Exception Rate	↔	0.00%	(track only)		↔	0.00%	(track only)		↔	0.00%	(track only)					
Operations - Other																	
O35	Call Center Inbound Rate	↑	0.5%	2.0%	1.5%	↑	0.5%	2.0%	1.5%	↔	0.6%	2 0%	1.4%				

Public Version



PG&E
SmartMeter

**SmartMeter™/CC&B Initiatives
Steering Committee Update – December
December 10, 2007**

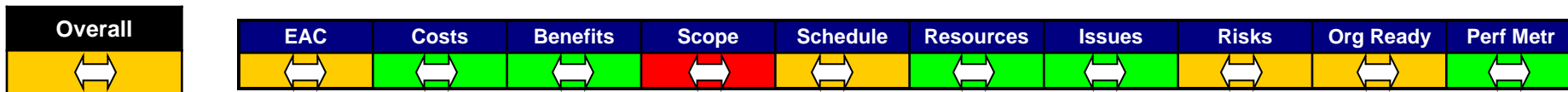


Agenda

- ▶ **SmartMeter[™] Release Update**
- ▶ **Schedule Update**
- ▶ **Benefits Update**
- ▶ **Dashboards review**
- ▶ **Budget Status**
- ▶ **Program Metrics**
- ▶ **Decisions**



SmartMeter™ Overall Release



Key Achievements

- First SmartMeter sourced bills to be printed 12/10/07.
- As of Thursday, 12/06/07, installed 247,666 meters, 42 substations, and 457 Data Collection Units. EOY projection: 264,000 meters.
- Benefits realization now at \$830,000, with at least 20,000 activated meters anticipated in December

Challenges (key focus areas)

EAC:

Cost overruns may be up to \$166 million (beyond CPUC authorization) for IT and substation installations

Offsets:

- 1) Actual endpoint installation cost efficiencies - \$35 million
- 2) Potential use of RF network in certain areas - \$90 million

Scope:

- 1) SmartRate billing release (April 08) scope to be finalized.
- 2) SmartMeter™ Upgrade project technology undetermined.

Schedule:

- 1) Five meter deployment functions undelivered.
- 2) Other System Deliverables for benefits realization remained unscheduled

Risks:

- 1) Unsecured DCU attachment rights.
- 2) Risk of production billing not working

Org Readiness:

- 1) Final look and feel of System Deliverables for mass meter deployment remain unknown.

Actions

EAC:

- 1) Continue pilots test of advanced radio frequency Hex-Electric networks for electric network
- 2) The Project projects to ultimately draw \$41M of contingency funding

Scope:

- 1) Active with CC&B scope prioritization effort to find release dates for further SmartMeter™ releases
- 2) Upgrade technology being testing; selection expected in 1st quarter, 2008

Schedule:

- 1) Deployment functions to be delivered by end of December 2007.

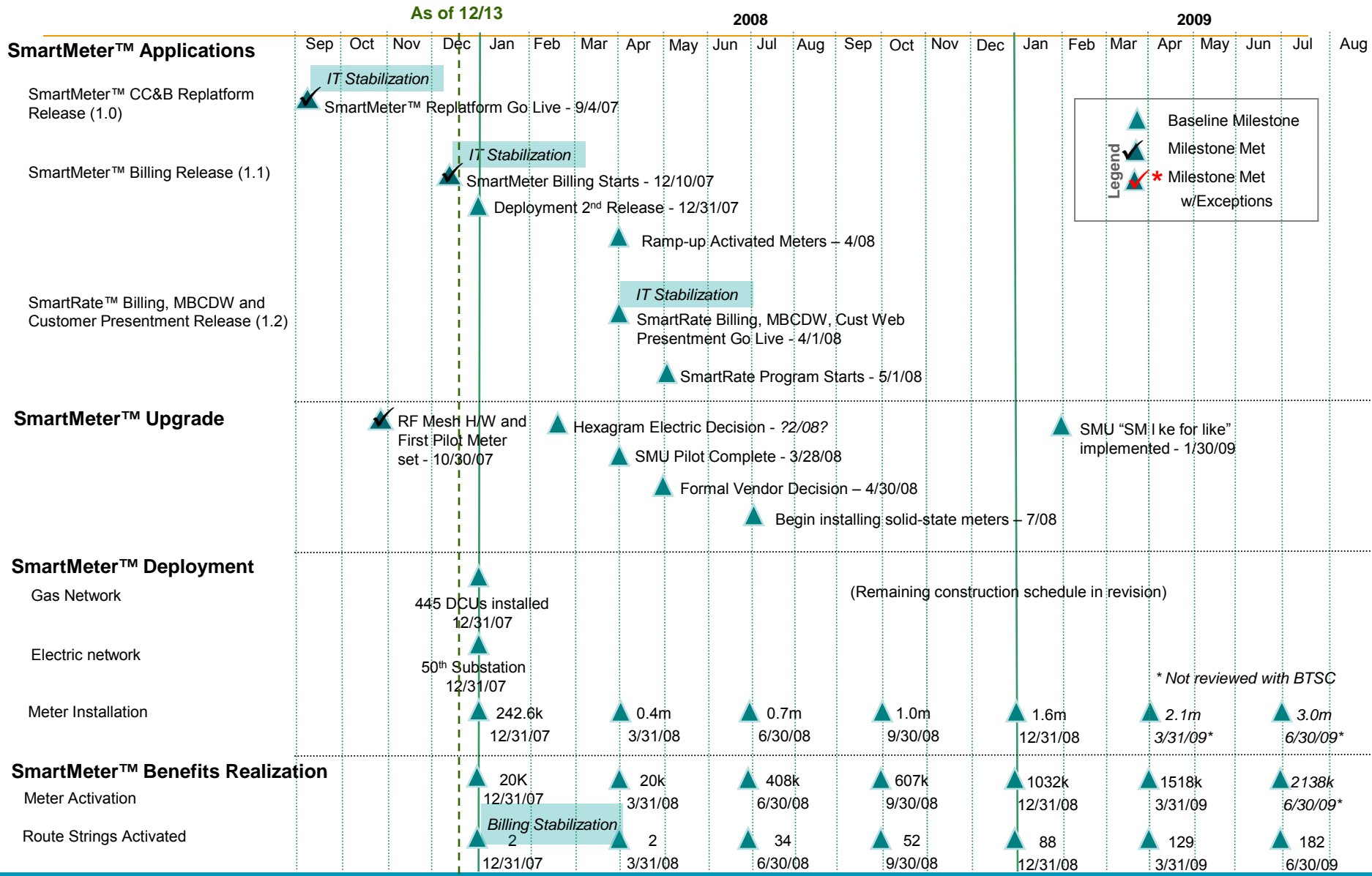
Risks:

- 1) DCU site acquisition task force includes new strategy for payments, new pole permits
- 2) Bills all hand reviewed; sustain minimum number of SM billed accts for a stabilization period of 90 days

Org Readiness:

- 1) Request UAT for specific new processes

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Benefits Realization

Fixed Benefits

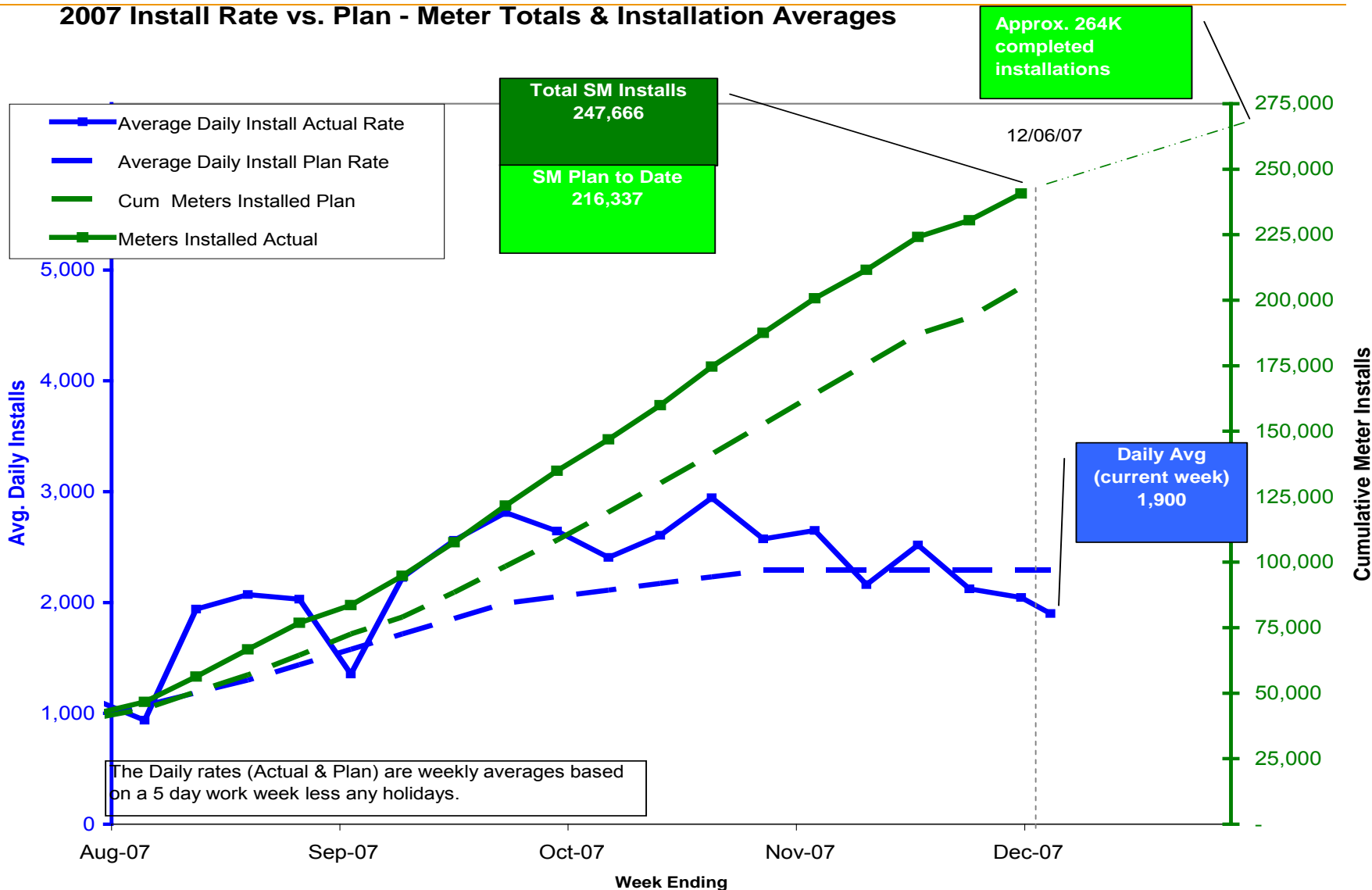
- ▶ YTD November: [REDACTED] benefits booked to the SM balancing account for Elimination of CIS licenses.
Year end target [REDACTED]

Activated Meter Benefits

- ▶ December 14: Achieve 20,000 activated meters (two virtual route strings)
 - ▶ Capture two meter reading positions. One vacancy and one hiring hall (HH will be transferred to a vacancy in another office)
- ▶ December 21: Achieve 77,000 activated meters (five additional virtual route strings)
 - ▶ Capture six additional meter reading positions. All hiring hall (two will be transferred to vacancies in other offices, four to be returned to the hiring hall).
- ▶ January 5: Book benefits to SM balancing account for December activated meters

Schedule: Field Deployment

2007 Install Rate vs. Plan - Meter Totals & Installation Averages





2007 SmartMeter™ Goals Dashboard

• Actual data as of Monday, December 10th

<<Actuals | Targets>>

Team	Activity	STIP	22-Oct	29-Oct	5-Nov	12-Nov	19-Nov	26-Nov	3-Dec	10-Dec	17-Dec	24-Dec	31-Dec	Goal Met
IT	Overall PIT Progress		7%	33%	51%	100%	100%							✓
	ORT Progress					0%	44%	76%	90%	90%				
	UAT Progress					2%	38%	65%	65%	65%				✓
	MRT Progress						85%	99%	99%	99%				✓
Deploy	Total Territory	1.0	169,446	183,967	200,740	208,792	220,642	228,303	240,729	247,666	234,192	242,000	242,000	✓
	Installs	1.5	169,446	183,967	200,740	208,792	220,642	228,303	240,729	247,666	283,500	293,250	303,000	
	% Complete	1.0	97.3%	97.3%	101.7%	103.0%	104.6%	111.4%	132.9%					✓
	Bakersfield	1.5	92.3%	94.5%	96.7%	98.0%	99.0%	111.1%	137.3%					✓
		2.0	41.3%	52.2%	63.0%	85.0%	92.5%	109.8%	129.1%					✓
SM Ops	% Meters Read In	1.0					82.7%	91.5%	92.0%	96.6%				X
		1.5					85.2%	92.9%	93.3%	97.4%				
		2.0					71.8%	91.2%	91.2%	95.7%				
CC&B	# SP SM-Read									44,879	150,000			
	# Bills Generated										4,500	22,000	39,000	
	% Bills Correct										99.00%	99.00%	99.00%	
	% of Timely Bills										99.66%	99.66%	99.66%	
Activation	Activated Meters	1.0									20,000			
		1.5										38,500		
		2.0										77,000		
Benefits Realization	Reduced FTE's	1.0									2	2	2	
		1.5										2	2	3
		2.0										2	2	8

Meets or exceeds target
 Potential problem – 0-10% adverse
 Serious issue - >10% adverse

Comments

Team	Commentary	Mitigation (if necessary)
IT	1. ORT is complete with approved exceptions 2. UAT is complete with approved exceptions 3. MRT is complete with approved exceptions	1. Continue to test and close out defects 2. Continue to test and close out defects 3. Continue to test and close out defects
Deploy	1. Deployment for total territory met 1.0 STIP	1. N/A
SM Ops	1. Target was not met to search in and read 98% of the meters needed for a STIP 1.0 by 12/1 (currently off by 1.4%) but expected to be met this week <ul style="list-style-type: none"> Issues delaying search in capabilities around 60D interface file still having issues and Renfro substation not online 	1. Based on status, we have contingency plans for consideration to ensure we hit our 20,000 meter target the week of 12/10 and 77,000 target the week of 12/17.



Issues/Risks Summary Dashboard

Risk/Issue	Impact	Owner	Status
Mass meter deployment functionality (5 interfaces) delay.	2008 deployment may be delayed if deployment functionality is not delivered by Dec 31, 2007.	Alain Erdozaincy	Delivery of all functionalities is currently on track.
Inability to secure attachment rights for gas network in Sacramento may delay benefit realization.	Inability to capture benefits realization for Sacramento.	Wilson Lau	Sacramento city council postponed approval hearing. Governmental Relations to schedule meeting with Mayor's Chief of Staff by December 14, 2007 to resolve impasse.
Electric technology decision may affect 2008 deployment schedule.	IT systems do not allow for duplicate module serial numbers from different vendors.	Jim Meadows	Hexagram electric technology is currently being tested in Vacaville pilot program

Milestone Dashboard

Public Version



A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #1	60e,104h,50a Delivered with known/existing defects.	9/16/2007	9/16/2007	9/13/2007	0	-2	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Product Integra ion Test (PIT) Cycle 1 Complete	Product Integration Test Cycle 1 is 100% executed and 85% passed.	10/7/2007	10/7/2007	10/5/2007	0	-1	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #2	60a/b/d/e/i,104,104h,66,67,50a,2202 Defect Fix - PIT Cycle1 Tested & Delivered	10/9/2007	10/9/2007	10/9/2007	0	0	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Performance Engineering Test (PET) Complete	PET is 100% Executed, 85% of Goals Achieved	10/29/2007	10/29/2007	10/26/2007	0	-1	Milestone Achieved.	
Helen Burt Pat Lawicki	SmartMeter	CC&B - 60e Delivery #3	60e Delivered, Daily 60d/50a Delivery Begins	10/31/2007	10/31/2007	10/28/2007	0	-2	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	AMS Ops Data Quality Validated	AMS Ops validates SM reads are within published performance metrics	11/1/2007	11/1/2007	11/8/2007	0	5	Milestone Achieved for ORT entrance purposes. Data quality efforts will continue through ORT.	
Helen Burt Pat Lawicki	SmartMeter	PIT Cycle 2 Complete	Product Integration Test Cycle 2 is 100% executed and 85% passed.	11/15/2007	11/15/2007	11/8/2007	0	-3	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	User Acceptance Test (UAT) Complete	User Acceptance Test is 100% executed	11/17/2007	11/17/2007	11/26/2007	0	3	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Product Application Test (PAT) Complete	Product Application Test including 1) Extended Anchors/Cancel-Rebill/Start-Stop Virtual Routes and 2) Extended Anchors/Cancel Rebill are 100% executed and 85% passed.	11/19/2007	11/19/2007	11/2/2007	0	-10	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Master Regression Test (MRT) Complete	Master Regression Test is 100% executed and 85% Passed	11/30/2007	11/30/2007	11/25/2007	0	-4	Milestone Achieved	
Helen Burt Pat Lawicki	SmartMeter	Operational Readiness Test Cycle (ORT) Complete	Criteria includes: 1) SM 24H Clock created & CC&B sched updated w/SM UC4 job plans, 2) PET exit criteria achieved, 3) Risk Mi iga ion targets achieved.	11/30/2007	11/30/2007	11/30/2007	0	0	Milestone Achieved. ORT Exit Criteria will be re-visited on 12/7 to report on any changes prior to 12/8 go-live.	

Milestone Dashboard

Public Version



A milestone is CRITICAL if one or more of the following conditions are met:

- (1) It is related to a deployment date
- (2) There is a dependency to/from an event in another release
- (3) It is a transition point to a next phase within a release
- (4) Benefits begin

Upcoming Critical Milestones

Executive Sponsor	Release	Critical Milestone	Critical Milestone Description	BTSC Agreed Upon Milestone Date	Release Adjusted Milestone Date	Work Plan Generated Date	Release Adjusted Milestone Delta	Work Plan Generated Milestone Delta	Milestone Impacts & Status	Successors
Helen Burt Pat Lawicki	SmartMeter	Project Readiness - Compliance Assessment Complete	Overall Project Compliance criteria assessment; approval of met and unmet criteria with risk management plans for unmet criteria. Criteria includes the implementation & Operational Readiness (I&OR), Internal Audit (IAD) and Corporate SOX.	12/7/2007	12/7/2007	12/7/2007	0	0	Per 11/27 BTSC presentation, this will occur prior to 12/8.	
Helen Burt Pat Lawicki	SmartMeter	Business Readiness Assessment Complete	Prelim Go-Live Readiness by Business Directors: Review remaining tasks; unmet compliance criteria, risk management plans, and workstream readiness. Focus on the open items requiring closure before final Go decision.	12/7/2007	12/7/2007	12/7/2007	0	0	Per 11/27 BTSC presentation, this will occur on 12/7 and with no formal Preliminary Go/No Go.	
Helen Burt Pat Lawicki	SmartMeter	Final Go/No-Go System Decision	Final GO-Live review. PMO and Executive Steering Committee review of open items; remaining tasks and State of Readiness.	12/7/2007	12/7/2007	12/7/2007	0	0	Per 11/27 BTSC presentation, this will occur on 12/7 and with no formal Go/No Go on 12/9.	
Helen Burt Pat Lawicki	SmartMeter	SM 1.1 - SM Billing Starts	CC&B able to bill off a SmartMeter read	12/10/2007	12/10/2007	12/10/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	First Virtual Route String Captured	One EMR route from each billing serial in a local headquarters is captured (billed using SM data). Associated activated meters and benefits (\$1.77 per electric meter/month and \$1.04 per gas meter/month) are being reported to the SM balancing account.	12/31/2007	12/31/2007	12/31/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	20,000 Meters Activated	STIP Metric: number of meters/modules that meet all three of the following conditions; SM installed, billed using SM data/system and are part of a virtual route string.	12/31/2007	12/31/2007	12/31/2007	0	0		
Helen Burt Pat Lawicki	SmartMeter	242,000 Meters Installed	STIP metric indicator (from vendor installation schedule Rev 5) of meters accepted by CC&B as a proper exchange.	12/31/2007	12/31/2007	12/3/2007	0	-19	Milestone Achieved	

DELTA CALCULATIONS

Release Adjusted Milestone Delta	Release Adjusted Milestone Date - BTSC Agreed Upon Milestone Date
Work Plan Generated Milestone Delta	Work Plan Generated Date - BTSC Agreed Upon Milestone Date

COLOR LEGEND

	Delta is Less than or equal to 0 days (Early, On Time)
	Delta is 1- 7 days (Late)
	Delta is Greater than 7 days (Late)

Expenditures by Workstream

#	Workstream	Current Month - November			Year To Date - November				Cycle 2 Year End Forecast	11/15 Rev Year-End Forecast	Required December To Reach Forecast	Inception To Date	#
		Cycle 2			Cycle 2			%					
		Forecast	Actuals	Variance	Forecast	Actuals	Variance	Variance					
1	PMO	\$ 616	\$ 264	353	\$ 8,316	\$ 7,851	466	6%	\$ 9,033	\$ 8,708	\$ 858	\$ 22,219	1
2	SM Operations	\$ 231	\$ 236	(5)	\$ 2,408	\$ 2,307	101	4%	\$ 3,340	\$ 2,783	\$ 476	\$ 3,376	2
3	Communications	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	\$ -	3
4	Customer	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	\$ -	4
5	Contract Procurement	\$ 2,751	\$ 5,322	(2,571)	\$ 56,596	\$ 60,859	(4,263)	-8%	\$ 63,756	\$ 70,461	\$ 9,602	\$ 66,666	5
6	Substation Installation	\$ 905	\$ 243	662	\$ 6,831	\$ 5,607	1,224	18%	\$ 8,027	\$ 6,912	\$ 1,305	\$ 6,888	6
7	Endpoint Installation	\$ 1,553	\$ 1,383	169	\$ 13,767	\$ 10,612	3,155	23%	\$ 17,258	\$ 12,407	\$ 1,795	\$ 12,578	7
8	Deployment Office	\$ 995	\$ 715	280	\$ 8,998	\$ 8,333	665	7%	\$ 10,344	\$ 9,189	\$ 856	\$ 14,003	8
9	DCU Placement	\$ 459	\$ 148	311	\$ 2,172	\$ 1,196	976	45%	\$ 3,329	\$ 1,374	\$ 178	\$ 1,399	9
10	CC&B	\$ 2,596	\$ 1,524	1,073	\$ 45,151	\$ 44,445	706	2%	\$ 46,947	\$ 48,483	\$ 4,038	\$ 102,547	10
11	IT Integration	\$ 2,871	\$ 2,007	865	\$ 35,281	\$ 32,748	2,532	7%	\$ 38,315	\$ 39,087	\$ 6,338	\$ 61,656	11
12	IT Data Center	\$ -	\$ 139	(139)	\$ 4,673	\$ 5,137	(464)	-10%	\$ 6,484	\$ 5,337	\$ 200	\$ 16,556	12
13	SM 1.0 Applications	\$ -	\$ 128	(128)	\$ 5,863	\$ 1,621	4,242	72%	\$ 6,395	\$ 6,702	\$ 5,081	\$ 6,141	13
14	IT Operations	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	\$ -	14
15	Technology Monitoring	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ 1,500	\$ 1,500	\$ -	15
16	Unassigned Spend								\$ 11,925	\$ -	\$ -	\$ -	16
17	Project Total	\$ 12,978	\$ 12,108	871	\$ 190,056	\$ 180,717	9,340	5%	\$ 225,153	\$ 212,943	\$ 32,227	\$ 314,028	17

#	Workstream	Current Month - November			Year To Date - November				Cycle 2 Year End Forecast	11/15 Rev Year-End Forecast	Required December To Reach Forecast	Inception To Date	#
		Cycle 2			Cycle 2			%					
		Forecast	Actuals	Variance	Forecast	Actuals	Variance	Variance					
18	PMO	\$ 422	\$ 709	(287)	\$ 4,319	\$ 4,162	158	4%	\$ 5,455	\$ 4,000	\$ (161)	\$ 11,655	18
19	SM Operations	\$ 449	\$ 378	70	\$ 3,335	\$ 4,141	(807)	-24%	\$ 4,739	\$ 4,616	\$ 475	\$ 6,401	19
20	Communications	\$ 250	\$ 67	183	\$ 2,265	\$ 1,680	585	26%	\$ 2,621	\$ 2,025	\$ 344	\$ 4,786	20
21	Customer	\$ 293	\$ 24	269	\$ 1,327	\$ 1,041	285	22%	\$ 1,562	\$ 1,596	\$ 555	\$ 1,785	21
22	Contract Procurement	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	\$ -	22
23	Substation Installation	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	\$ -	23
24	Endpoint Installation	\$ 62	\$ (6)	68	\$ 822	\$ 495	328	40%	\$ 1,148	\$ 599	\$ 104	\$ 497	24
25	Deployment Office	\$ -	\$ 193	(193)	\$ 22	\$ 336	(314)	-1425%	\$ 27	\$ 143	\$ (193)	\$ 336	25
26	DCU Placement	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	\$ -	26
27	CC&B	\$ 1,345	\$ 1,314	31	\$ 8,360	\$ 5,587	2,773	33%	\$ 8,874	\$ 7,812	\$ 2,225	\$ 28,995	27
28	IT Integration	\$ -	\$ 0	0	\$ 10	\$ 40	(30)	-317%	\$ 10	\$ 40	\$ -	\$ 1,135	28
29	IT Data Center	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ 604	\$ 604	\$ 29	29
30	SM 1.0 Applications	\$ -	\$ 0	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	\$ -	30
31	IT Operations	\$ 636	\$ 395	241	\$ 6,690	\$ 5,427	1,263	19%	\$ 9,960	\$ 6,415	\$ 989	\$ 7,380	31
32	Technology Monitoring	\$ 711	\$ 1,408	(697)	\$ 6,367	\$ 8,861	(2,495)	-39%	\$ 7,078	\$ 11,906	\$ 3,045	\$ 8,861	32
33	Unassigned Spend								\$ 13,128	\$ -	\$ -	\$ -	33
34	Project Total	\$ 4,168	\$ 4,483	(315)	\$ 33,516	\$ 31,770	1,746	5%	\$ 54,601	\$ 39,756	\$ 7,986	\$ 71,861	34

Contingency Reconciliation

SmartMeter Contingency Reconciliation	(\$000)	Total	Notes
1. Business Case Approved Contingency		\$ 128,773	
Total PCRs Adopted by Steering Committee		\$ (2,856)	
Remaining Contingency Balance =		\$ 125,918	
<hr/>			
2. Pending Disposition			
IT: Customer	\$	(1,253)	Approved at May 11, 2007 Steering Committee meeting
IT Integration (AFUDC)	\$	(26,404)	
CC&B	\$	(33,788)	
Data Center	\$	(6,025)	
SM Applications	\$	(454)	
Funded by CPP Marketing / O&M	\$	11,224	
PMO	\$	(4,353)	
		\$ (61,053)	
Additional IT costs for shift in "Go Live" date to Sept 4			
IT: IT Integration (AFUDC)	\$	(4,500)	Approved at May 11, 2007 Steering Committee meeting
CC&B	\$	(15,500)	
PMO	\$	(1,400)	
Deployment	\$	(900)	
		\$ (22,300)	

Program Metrics

SmartMeter - Deployment		October - Month Results				Project Ex.	November - Month Results				Project Extrapolation	
Metric	Key Performance Indicator	Status	Actual	Target	Var	Var (\$M)	Status	Actual	Target	Var		Var (\$M)
(a)	(b)	(c)	(d)	(e)	(f)	(n)	(c)	(d)	(e)	(f)		(n)

Program Management Office (PMO)

PMO

P1	OSHA Recordable Rate (SmartMeter)	↓	0.4	1.5	1.2		↑					
P1a	# of OSHA Incidents (Smar Meter)	↔	1.0	3.3	2.3		↑					
P14	Meters Activated - Electric & Gas	↔	-	-	-		↔	-	-	-		
P15	Benefits \$ Realized, Cumulative (C-1 Forecast)	↑	\$ 0.4	\$ 0.4	\$ 0.0		↑	\$ 0.8	\$ 0.8	\$ 0.1		

OPERATIONS

Procurement

O1	Total Weeks of Inventory on Hand	↓	22	3	19		↑	28	3	25		
O2	Total wks of inventory in the pipeline	↓	15	3	12		↔	15	3	12		
O4	Equipment exception rate	↔	0.00%	0.00%	0.00%		↔	0.00%	0.00%	0.00%		

Network deployment

O5	Substations Complete	↔	3	3	-		↔	5	5	-		
O6	DCUs Installed	↔	56	200	(144)		↓	41	200	(159)		
O7	CPI Substation (Electric Network) (\$ 000)	↓	\$194.8	\$205.2	\$10.4	(\$4.0)	↑					(\$5.0)
O8	CPI DCU (Gas Network)	↑	\$ 3,492	\$ 3,308	\$ (184)	(\$1.4)	↑					(\$1.2)
O10	Gas installs failing inspection	↔	0.04%	(track only)			↔	0.03%	(track only)			
O10a	Electric installs failing inspection	↔	0.02%	(track only)			↔	0.02%	(track only)			

Meter / Module Deployment

O11	Meters Enabled - Electric & Gas	↑	63,858	33,679	30,179		↓	45,543	19,443	26,100		
O13	CPI - ██████ Electric Endpoint	↑	\$91.57	\$94.38	\$2.81	\$38.5	↑					\$37.0
O14	CPI - ██████ Gas Endpoint	↑	\$92.73	\$94.95	\$2.22	\$3.2	↑					\$4.9
O15	UTC Rate	↑	1.3%	4.0%	2.7%		↓	1.7%	4.0%	2.3%		
O16	FA Upload Exception Rate	↑	0.07%	3.00%	2.93%		↔	0.11%	3.00%	2.89%		
O17	QA Exception Rate	↔	0.00%	(track only)			↔	3.86%	(track only)			

Operations - Other

O35	Call Center Inbound Rate	↑	0.5%	2.0%	1.5%		↓	0.9%	2.0%	1.1%		
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Public Version

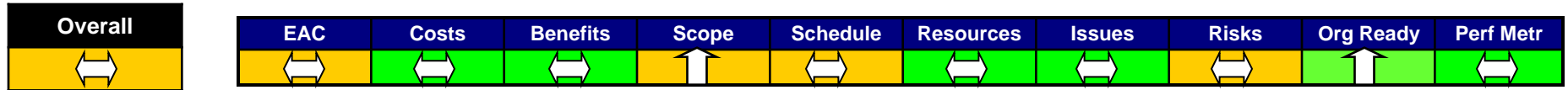


PG&E SmartMeterTM

**SmartMeterTM/CC&B Initiatives
Steering Committee Update – January
January 9, 2008**



- ▶ **SmartMeter™ Release Update**
- ▶ **Schedule Update**
- ▶ **Benefits Update**
- ▶ **Deployment Update**
- ▶ **Risks Summary**
- ▶ **Budget Status**
- ▶ **Program Metrics**
- ▶ **Decisions**



Key Achievements

- **First SmartMeter sourced bills printed 12/10/07.**
- **As of Thursday, 01/03/08, installed 276,410 meters, 50 substations, and 478 Data Collection Units.**
- **Benefits realized and credited to the balancing account total \$1.36 million through 12/31/07.**
- **Testing is on schedule for the upgrade pilots.**
- **Transferred \$143 million of construction-work-in-progress (CWIP) capital to plant-in-service on 12/8/07.**

Challenges (key focus areas)

EAC:
 Cost overruns may be up to \$166 million beyond CPUC authorization (before contingency draw) for IT and substation installations
 Offsets:
 1) Actual endpoint installation cost efficiencies - \$35 million
 2) Potential use of contingency network in certain areas - \$90 million

Scope:
 1) SmartMeter™ Upgrade project technology undetermined

Schedule:
 1) Three meter deployment functions remain outstanding

Risks:
 1) Unsecured DCU attachment rights

Actions

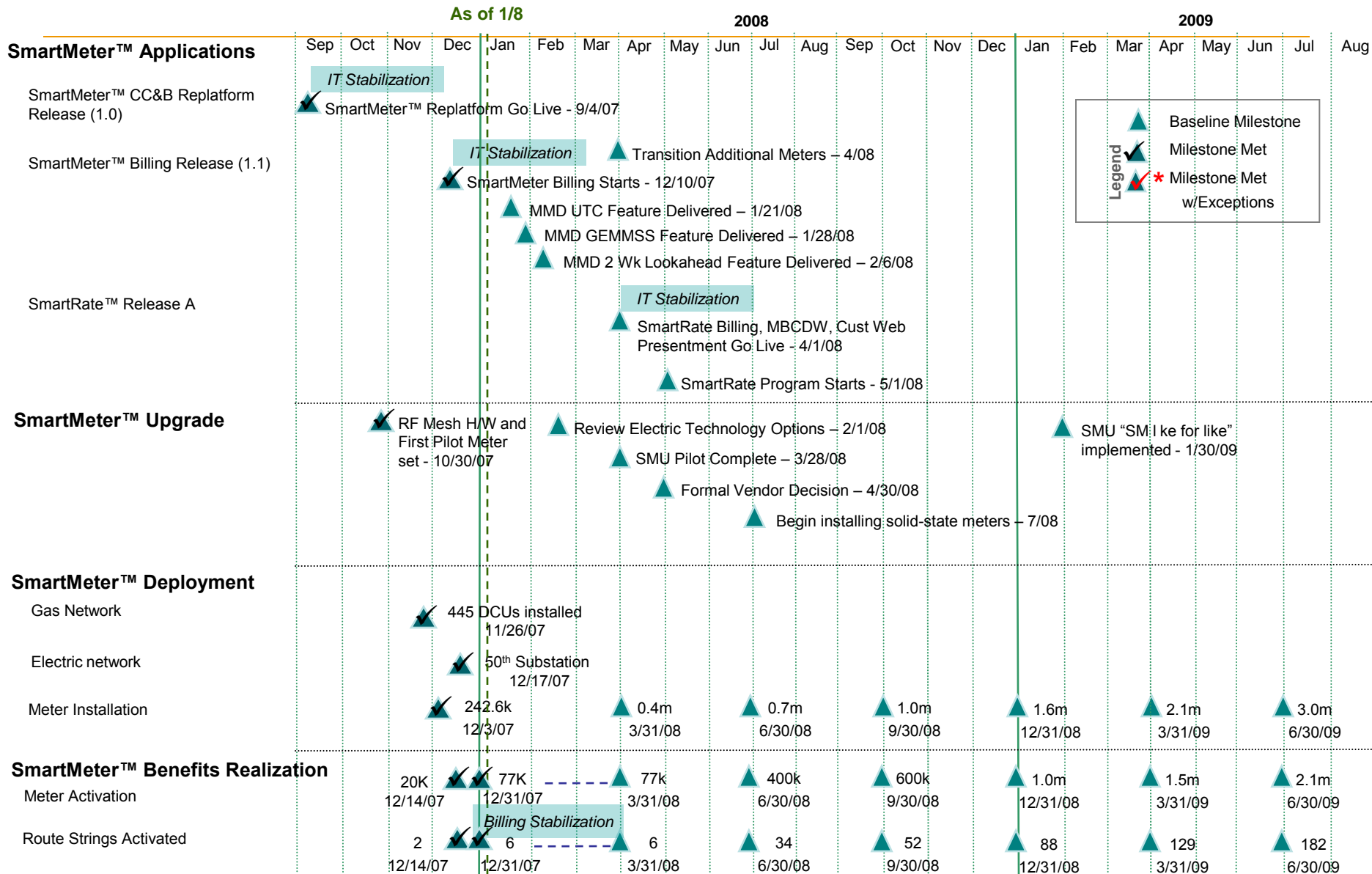
EAC:
 1) Continue pilots test of lower costs advanced radio frequency networks
 2) The Project forecasts to potentially draw \$41M of contingency funding

Scope:
 1) Upgrade technology being tested; selection expected in 1st quarter, 2008

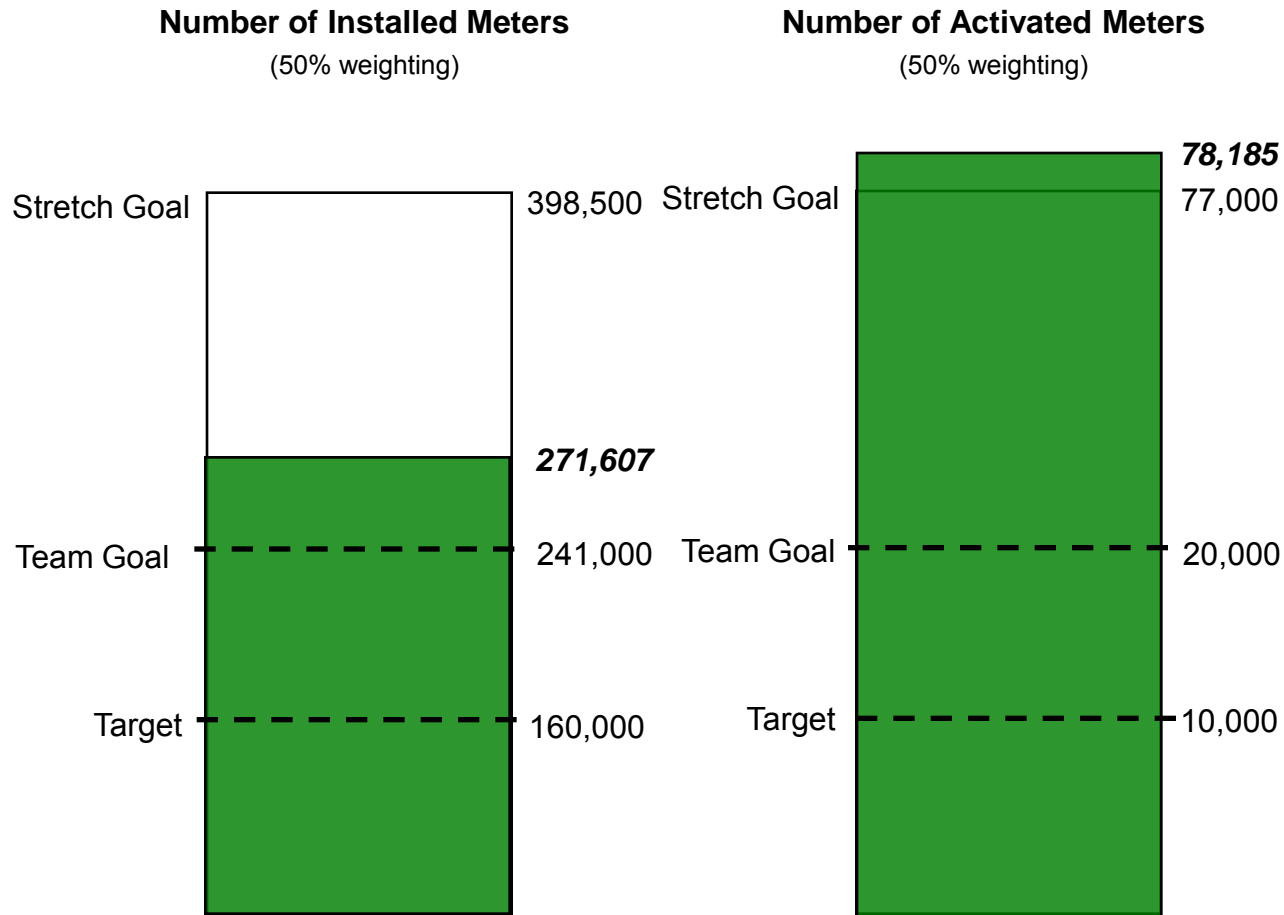
Schedule:
 1) Deployment functions to be delivered by February 15th

Risks:
 1) DCU site acquisition task force includes new strategy for payments, new pole permits

Proposed Overall Schedule

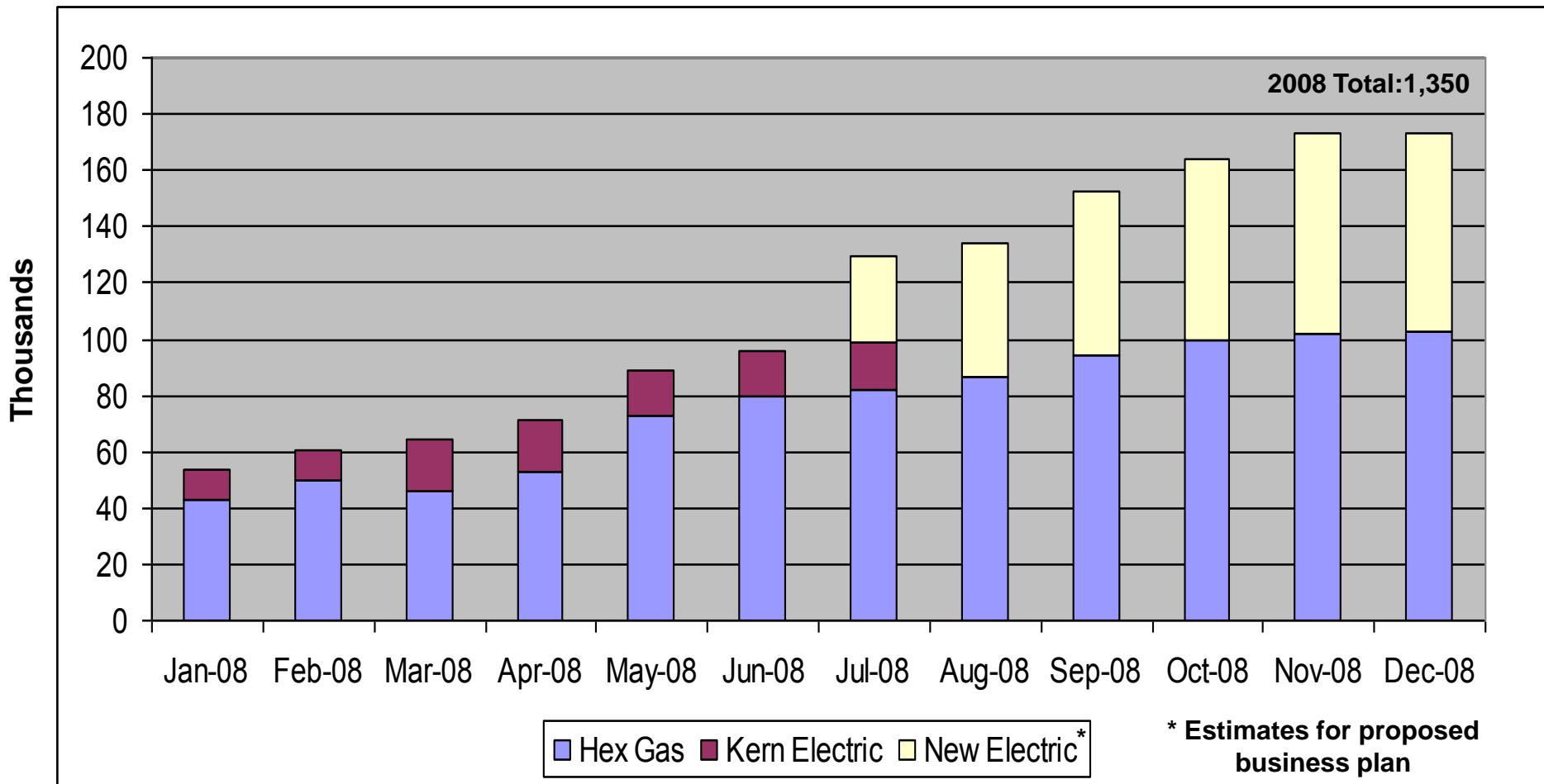


Project 2007 Year End Summary



- ❖ **SmartMeter** billing system goes live! \$143 million of CWIP capital spend goes into service
- ❖ 2007 Capital Spending = \$214 million (\$33 million in December)
- ❖ 50th substation turned over to operations; 476 gas collector DCUs
- ❖ 150,577 meters now in billing; less than 1% exception rate; 99.65% on time billing
- ❖ YTD safety: 2 autos, 1 OSHA, 1 LWD

Proposed 2008 Deployment Plan



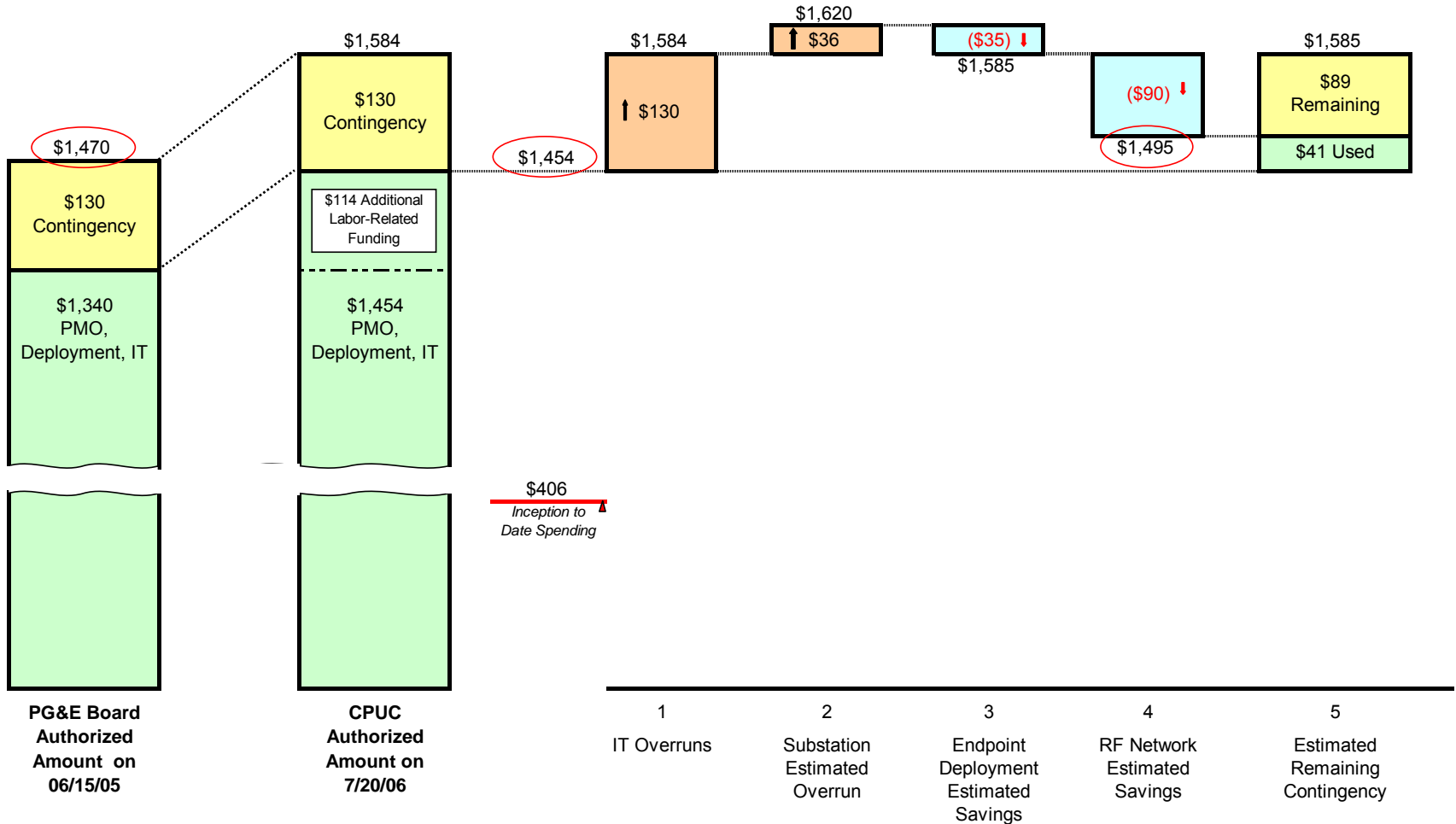
Risks/Issues Dashboard

Risk/Issue	Impact	Owner	Status
Inability to secure attachment rights for gas network in Sacramento may delay benefit realization.	Inability to capture benefits realization for Sacramento.	Wilson Lau	Met with individual counsel members and they are in support to change the ordinance to allow installs. Confirming date of changes today.
Mass meter deployment functionality (3 interfaces) delay.	2008 deployment may be delayed if deployment functionality is not delivered by the respective dates.	Alain Erdozaincy	IT is closely monitoring and communicating status.
Electric technology decision may affect 2008 deployment schedule.	There needs to be a seamless transition if there is a technology transition in the field to meet deployment numbers.	Jim Meadows	Hexagram electric technology is currently being tested in Vacaville pilot program.
SmartRate implementation needs to be modified to meet 2008 goals	Technical issues may challenge the support in signing up customers for web presentment.	Sophia Mintun	Working with the team to understand the right customer web presentment answer for the client.
Resource availability to support both Production and the Project work	Ongoing support of SM 1.1 and Meter Deployment creates resource constraints for both CC&B and SM IT Operations. Priority needs to be identified for project work	Jim Meadows	Team will closely monitor production support needs and utilize the prioritization and escalation process.
Higher than anticipated defect rate could cause a miss in the targeted implementation date	Currently have 159 defects attributed to SM1.0, SM1.1 which need to be prioritized based on our Defect Deferral Process	Alain Erdozaincy	The team is prioritizing the issues utilizing the prioritization process
TNG 2.0 or 3.0 upgrade	TNG 2.0 or 3.0 upgrade will impact testing timeline for Release A. Environment / Network dependencies, identified substations needed for testing	Bob Craig	Team pulling together an expedited plan for testing TNG packages

Total SmartMeter Financial Summary

\$ Millions

(Project O&M expenses and variances are not included in amounts shown)



Summary Financials

	Project	O&M	Total	PDR	Forecast		Revised Budget	Inception to Date	Remaining Budget	2008 Budget
					Additional	Saved				
PMO	\$ 45.2	\$ -	\$ 45.2	\$ 4.8	\$ -	\$ -	\$ 50.0	\$ 36.7	\$ 13.3	\$ 7.7
Communications	\$ 23.8	\$ -	\$ 23.8	\$ -	\$ -	\$ -	\$ 23.8	\$ 4.8	\$ 19.0	\$ 2.8
Customer	\$ 4.6	\$ 73.7	\$ 78.3	\$ (2.9)	\$ -	\$ -	\$ 75.4	\$ 1.9	\$ 73.5	\$ 10.3
Deployment	\$ 1,178.1	\$ -	\$ 1,178.1	\$ 7.4	\$ 24.5	\$ (125.0)	\$ 1,085.0	\$ 120.9	\$ 964.1	\$ 203.5
IT	\$ 177.4	\$ 9.9	\$ 187.3	\$ 105.5	\$ 24.5	\$ -	\$ 317.3	\$ 231.4	\$ 85.9	\$ 22.2
Operations	\$ 13.9	\$ 81.3	\$ 95.2	\$ 2.1	\$ -	\$ -	\$ 97.3	\$ 19.1	\$ 78.2	\$ 26.2
SM Project Upgrade	\$ 15.2	\$ -	\$ 15.2	\$ -	\$ -	\$ -	\$ 15.2	\$ 11.1	\$ 4.1	\$ 16.4
Sub Total Workstreams	\$ 1,458.2	\$ 164.9	\$ 1,623.1	\$ 116.9	\$ 49.0	\$ (125.0)	\$ 1,664.0	\$ 425.9	\$ 1,238.1	\$ 289.1
Contingency	\$ 126.0	\$ -	\$ 126.0	\$ -	\$ -	\$ (41.0)	\$ 85.1	\$ -	\$ 126.0	\$ 25.0
Total	\$ 1,584.2	\$ 164.9	\$ 1,749.1	\$ 116.9	\$ 49.0	\$ (166.0)	\$ 1,749.1	\$ 425.9	\$ 1,364.1	\$ 314.1

Budget Approvals

Approved	1,470
Pending	114
Total	1,584

Program Metrics

SmartMeter - Deployment			Project Ex.	November - Month Results				Project Ex.	December - Month Results				Project Ex.	YTD			
Metric	Key Performance Indicator		Var (\$M)	Status	Actual	Target	Var	Var (\$M)	Status	Actual	Target	Var	Var (\$M)	Status	Actual	Target	Var
(a)	(b)		(n)	(c)	(d)	(e)	(f)	(n)	(c)	(d)	(e)	(f)	(n)	(g)	(h)	(i)	(j)
PMO			October														
P1	OSHA Recordable Rate (SmartMeter)	Overall (PG&E)2007 1 0 STIP		↑	2.3	4.6	2.3		↑					↑	-	4.6	4.6
P1a	# of OSHA Incidents (SmartMeter)	Overall (PG&E)2007 1 0 STIP		↑	-	4.4	4.4		↑					↑	-	5.5	5.5
P14	Meters Activated - Electric & Gas	Rev. 6		↔	-	-	-		↑	78,185	77,000	1,185		↑	78,185	77,000	1,185
P15	Benefits \$ Realized, Cumulative (C-1 Foreca	Rev. 6		↑	\$ 0.8	\$ 0.8	\$ 0.1		↑	\$ 1.4	\$ 1.1	\$ 0.2		↑	\$ 1.4	\$ 1.1	\$ 0.2
OPERATIONS																	
Procurement																	
O1	Total Weeks of Inventory on Hand	SM internal target		↑	28	3	25		↓	25	3	22		↑	25	3	22
O2	Total wks of inventory in the pipeline	SM internal target		↔	15	3	12		↓	6	3	3		↓	6	3	3
O4	Equipment exception rate	SM internal target		↔	0.00%	0.00%	0.00%		↔	0.00%	0.00%	0.00%		↔	0.00%	0.00%	0.00%
Network deployment																	
O5	Substations Complete	Rev. 5		↔	5	5	-		↔	8	8	-		↔	46	46	-
O6	DCUs Installed	Rev. 6a		↑	41	60	(19)		↓	24	60	(36)		↓	393	1,120	(727)
O7	CPI Substation (Electric Network) (\$ 000)	Rev. 5	(\$5.0)	↑	\$190.9	\$205.2	\$14.2	(\$3.8)	↑					↑	\$0.0	\$205.2	\$205.2
O8	CPI DCU (Gas Network)	Rev. 5	(\$1.2)	↓	\$ 3,778	\$ 3,308	\$ (470)	(\$2.7)	↑					↑	\$ -	\$ 3,308	\$ 3,308
O10	Gas installs failing inspection	SM internal target		↔	0.03%	(track only)			↔	0.03%	(track only)			↔	0.03%	(track only)	
O10a	Electric installs failing inspection	SM internal target		↔	0.02%	(track only)			↔	0.02%	(track only)			↔	0.02%	(track only)	
Meter / Module Deployment																	
O11	Meters Enabled - Electric & Gas	Rev. 5		↓	43,024	18,805	24,219		↓	35,053	13,217	21,836		↓	271,607	270,000	1,607
O13	CPI - ██████ Electric Endpoint	Rev. 5	\$37.0	↑	\$95.92	\$94.38	(\$1.54)	\$33.4	↑					↑	\$0.00	\$94.38	\$94.38
O14	CPI - ██████ Gas Endpoint	Rev. 5	\$4.9	↔	\$92.64	\$94.95	\$2.31	\$5.2	↑					↑	\$0.00	\$94.95	\$94.95
O15	UTC Rate	Rev. 5		↓	1.8%	4.0%	2.2%		↓	4.3%	4.0%	-0.3%		↓	2.4%	4.0%	1.6%
O16	FA Upload Exception Rate	SM internal target		↔	0.11%	3.00%	2.89%		↔	0.10%	3.00%	2.90%		↓	0.63%	3.00%	2.37%
O17	QA Exception Rate	n/a		↔	3.86%	(track only)			↔	0.00%	(track only)			↔	0.00%	(track only)	
Operations - Other																	
O35	Call Center Inbound Rate	SM internal target		↓	0.9%	2.0%	1.1%		↓					↓	0.5%	0.0%	-0.5%

► Approval on Letter

- To minimize incidents in the field the team is going to begin sending out pre-deployment letters to both gas and electric customers
 - This is dependent on the 2 week look ahead functionality being delivered (ETC 2/6)

Cost - \$495K [APPROVED]

- Post billing letters will be sent to customers on the plastic card program or who provide monthly access

Cost - \$342K [DEFERRED]

► Gas O&M installs

- Utilize field force to switch out gas meters with the new technology when responding to O&M calls it is estimated **100K additional meters** could be deployed [MORE INFORMATION REQUIRED]
- **Risk:** Random implementation of new gas technology making it a challenge if the technology strategy changes

- ▶ Expenditures by workstream
- ▶ Contingency Reconciliation

Expenditures by Workstream

Capital (000s)		Current Month - December			Year To Date - December				11/15 Rev	Inception To	#
#	Workstream	Cycle 2		Variance	Cycle 2		% Variance	Year-End Forecast	Date	#	
		Forecast	Actuals		Forecast	Actuals					
1	PMO	\$ 717	\$ 3,351	(2,634)	\$ 9,033	\$ 11,202	(2,169)	-24%	\$ 8,708	\$ 25,570	1
2	SM Operations	\$ 932	\$ 248	683	\$ 3,340	\$ 2,555	785	23%	\$ 2,783	\$ 3,624	2
3	Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	3
4	Customer	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	4
5	Contract Procurement	\$ 7,161	\$ 10,074	(2,913)	\$ 63,756	\$ 70,933	(7,177)	-11%	\$ 70,461	\$ 76,739	5
6	Substation Installation	\$ 1,196	\$ 1,074	122	\$ 8,027	\$ 6,681	1,346	17%	\$ 6,912	\$ 7,961	6
7	Endpoint Installation	\$ 3,491	\$ 4,154	(663)	\$ 17,258	\$ 14,766	2,492	14%	\$ 12,407	\$ 16,732	7
8	Deployment Office	\$ 1,346	\$ 655	691	\$ 10,344	\$ 8,988	1,356	13%	\$ 9,189	\$ 14,658	8
9	DCU Placement	\$ 1,157	\$ 128	1,029	\$ 3,329	\$ 1,324	2,005	60%	\$ 1,374	\$ 1,527	9
10	CC&B	\$ 1,796	\$ 4,610	(2,814)	\$ 46,947	\$ 49,055	(2,108)	-4%	\$ 48,483	\$ 107,157	10
11	IT Integration	\$ 3,035	\$ 1,342	1,692	\$ 38,315	\$ 34,091	4,225	11%	\$ 39,087	\$ 62,999	11
12	IT Data Center	\$ 1,811	\$ 1,456	355	\$ 6,484	\$ 6,593	(109)	-2%	\$ 5,337	\$ 18,012	12
13	SM 1.0 Applications	\$ 532	\$ 4,979	(4,447)	\$ 6,395	\$ 6,601	(206)	-3%	\$ 6,702	\$ 11,120	13
14	IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	14
15	Technology Monitoring	\$ -	\$ 776	(776)	\$ -	\$ 776	(776)		\$ 1,500	\$ 776	15
16	Unassigned Spend (Dec)	\$ 11,925	\$ -	11,925	\$ 11,925	\$ -	11,925		\$ -	\$ -	16
17	Project Total	\$ 35,097	\$ 32,847	2,250	\$ 225,153	\$ 213,565	11,589	5%	\$ 212,943	\$ 346,875	17

Expense (000s)		Current Month - December			Year To Date - December				11/15 Rev	Inception To	#
#	Workstream	Cycle 2		Variance	Cycle 2		% Variance	Year-End Forecast	Date	#	
		Forecast	Actuals		Forecast	Actuals					
18	PMO	\$ 1,135	\$ (512)	1,648	\$ 5,455	\$ 3,649	1,805	33%	\$ 4,000	\$ 11,143	18
19	SM Operations	\$ 1,404	\$ 434	970	\$ 4,739	\$ 4,575	163	3%	\$ 4,616	\$ 6,835	19
20	Communications	\$ 356	\$ 13	343	\$ 2,621	\$ 1,693	928	35%	\$ 2,025	\$ 4,799	20
21	Customer	\$ 235	\$ 125	111	\$ 1,562	\$ 1,166	396	25%	\$ 1,596	\$ 1,910	21
22	Contract Procurement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	22
23	Substation Installation	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	23
24	Endpoint Installation	\$ 325	\$ 81	244	\$ 1,148	\$ 576	572	50%	\$ 599	\$ 578	24
25	Deployment Office	\$ 5	\$ 2,360	(2,355)	\$ 27	\$ 2,696	(2,669)	-9877%	\$ 143	\$ 2,696	25
26	DCU Placement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	26
27	CC&B	\$ 514	\$ 1,923	(1,409)	\$ 8,874	\$ 7,510	1,364	15%	\$ 7,812	\$ 30,918	27
28	IT Integration	\$ 0	\$ 0	(0)	\$ 10	\$ 40	(30)	-311%	\$ 40	\$ 1,135	28
29	IT Data Center	\$ -	\$ -	0	\$ -	\$ -	0		\$ 604	\$ 29	29
30	SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	30
31	IT Operations	\$ 3,070	\$ 1,294	1,775	\$ 9,759	\$ 6,721	3,038	31%	\$ 6,415	\$ 8,674	31
32	Technology Monitoring	\$ 711	\$ 1,458	(746)	\$ 7,078	\$ 10,319	(3,241)	-46%	\$ 11,906	\$ 10,319	32
33	Unassigned Spend (Dec)	\$ 13,128	\$ -	13,128	\$ 13,128	\$ -	13,128	100%	\$ -	\$ -	33
34	Project Total	\$ 20,884	\$ 7,176	13,709	\$ 54,400	\$ 38,946	15,454	28%	\$ 39,756	\$ 79,036	34

Contingency Reconciliation

SmartMeter Contingency Reconciliation	(\$000)	Total
1. Business Case Approved Contingency		\$ 128,773
Total PCRs Adopted by Steering Committee		\$ (2,856)
	Remaining Contingency Balance =	\$ 125,918

Public Version



**SmartMeter™/CC&B Initiatives
Steering Committee Update – February**

February 14, 2008



Agenda

- ▶ **SmartMeter™ Release Update**
- ▶ **Schedule Update**
- ▶ **Deployment Update**
- ▶ **Budget Status**
- ▶ **Risks Summary**
- ▶ **Program Metrics**
- ▶ **Decisions**
- ▶ **Appendix**

SmartMeter™ Overall Release

Overall

EAC	Costs	Benefits	Scope	Schedule	Resources	Issues	Risks

Key Achievements

- ▶ SmartRate Scope document finalized and signed off
- ▶ CWP vendor and solution determined
- ▶ SC approval for Release B high level budget and timeline obtained
- ▶ As of Monday, 02/11/08, installed 324,963 endpoints, communication equipment in 50 substations, and 526 Data Collection Units.

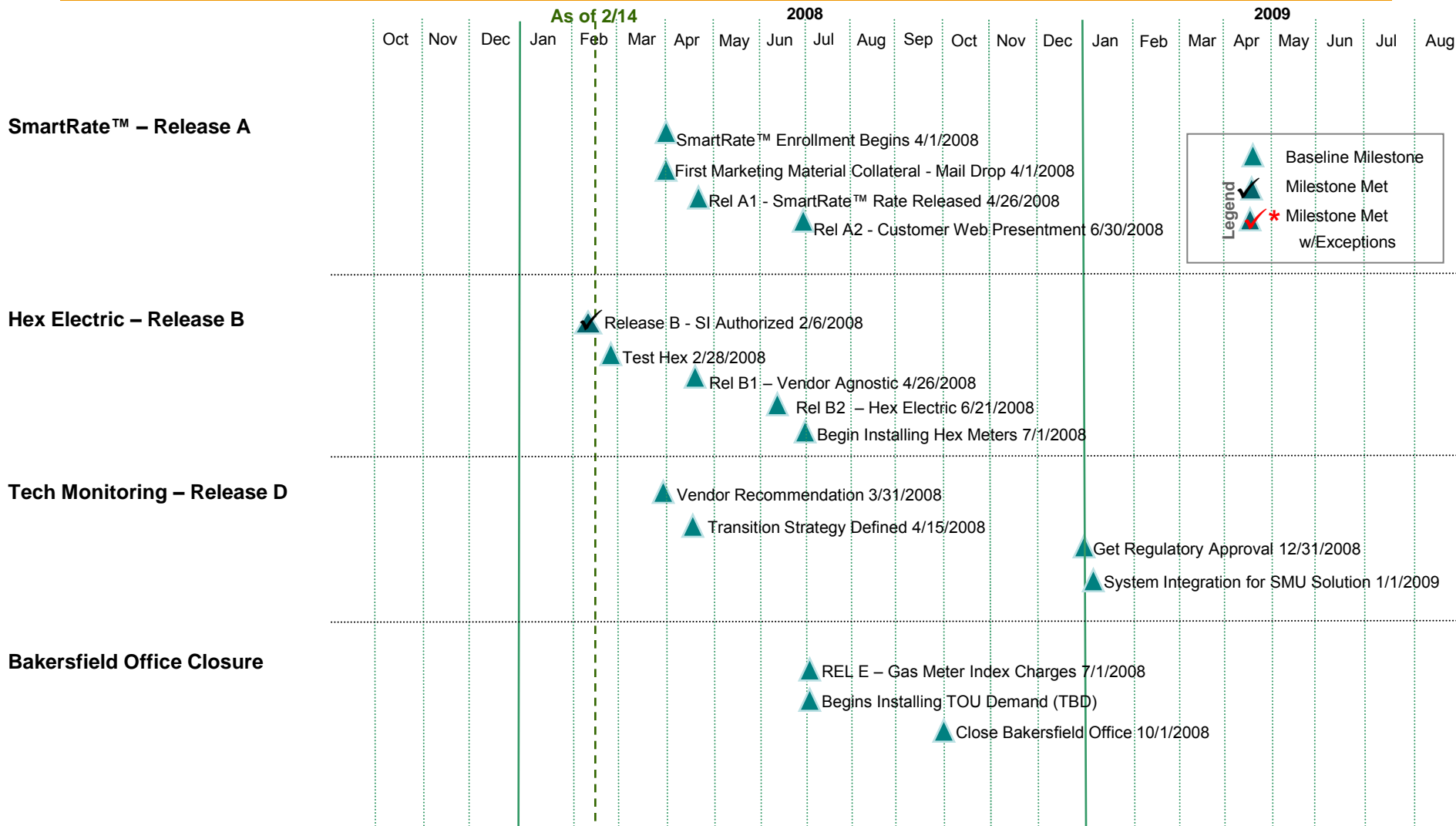
Challenges (key focus areas)

Actions

<ol style="list-style-type: none"> 1. Estimate at completion cost overruns of up to \$166 million (before contingency draw) for IT and field installation activities 2. Preliminary budget for Release A produced, releases B-G budgets not determined 3. SmartRate Release A schedule shows testing complete on April 26th, with a contingency test that may finish on May 5th. 4. CWP (Customer Web Presentment) beta release targeted for 6/01/07 5. TNG 1.6.3 is only delivering 90% of interval reads 6. Delay in securing DCU (Data Collection Units) attachment rights results in a delay of transitioning SM-enabled (installed) meters to billing with SM data. 	<ol style="list-style-type: none"> 1. Optimizing between powerline carrier and radio-based networks to minimize costs 2. Preliminary budget finalized for Release A.. <ol style="list-style-type: none"> a) Rel A budget being tested for compliance with incremental work b) Rel B/C agreed last week c) Remaining releases budgets yet to be determined 3. Testing phases overlapped in some areas, overtime, additional resources added 4. Proposal to go live on May 25 or earlier as 'beta' customer site with additional customer support 5. Severity 1 defect filed with vendor for repair <ol style="list-style-type: none"> a) Working to find a more limited set of customers to pull full anchors/intervals b) Reviewing impact on estimated bill rate 6. Additional Sales & Service support secured to expedite third party negotiations.
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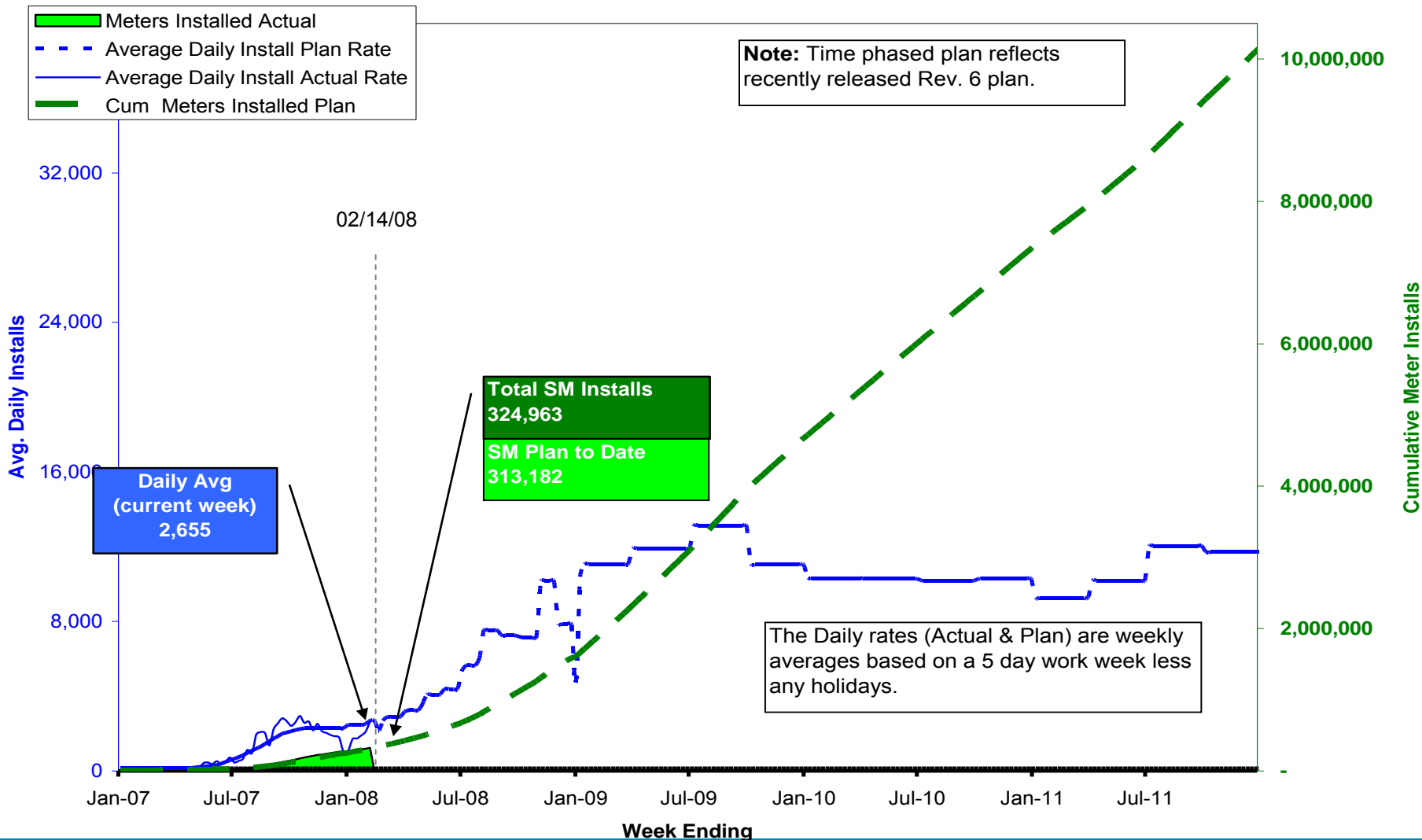
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2008 Project Schedule and Milestones



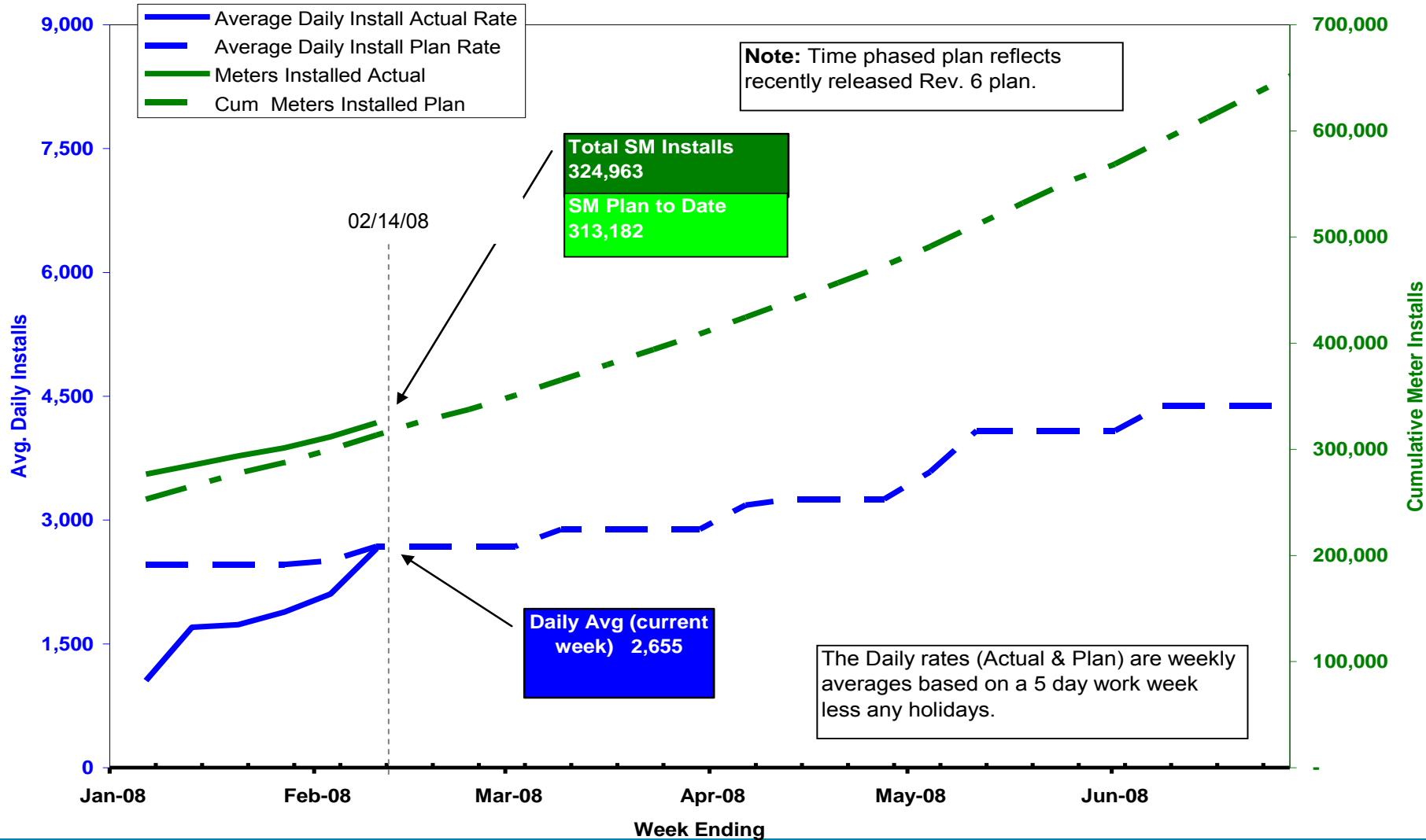
Schedule: Field Deployment (Overall)

SmartMeter Install Rate vs. Plan Meter Totals & Installation Averages



Schedule: Field Deployment (2008)

2008 Install Rate vs. Plan Meter Totals & Installation Averages



Expenditures by Workstream

Capital (000s)		Current Month - January			Year To Date - January				Year-End Budget Forecast	Inception To Date	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance			#
1	PMO	\$ 520	\$ 1,291	(771)	\$ 520	\$ 1,291	(771)	-148%	\$ 6,244	\$ 26,861	1
2	SM Operations	\$ 291	\$ 119	172	\$ 291	\$ 119	172	59%	\$ 3,275	\$ 3,743	2
3	Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	3
4	Customer	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	4
5	Contract Procurement	\$ 4,046	\$ 2,379	1,667	\$ 4,046	\$ 2,379	1,667	41%	\$ 143,097	\$ 79,118	5
6	Substation Installation	\$ 172	\$ 53	118	\$ 172	\$ 53	118	69%	\$ 579	\$ 8,015	6
7	Endpoint Installation	\$ 1,916	\$ 943	973	\$ 1,916	\$ 943	973	51%	\$ 40,654	\$ 17,675	7
8	Deployment Office	\$ 924	\$ 955	(31)	\$ 924	\$ 955	(31)	-3%	\$ 13,076	\$ 15,613	8
9	DCU Placement	\$ 121	\$ 93	28	\$ 121	\$ 93	28	23%	\$ 3,512	\$ 1,620	9
10	CC&B	\$ 1,285	\$ 218	1,067	\$ 1,285	\$ 218	1,067	83%	\$ 5,139	\$ 107,375	10
11	IT Integration	\$ 1,956	\$ 1,852	104	\$ 1,956	\$ 1,852	104	5%	\$ 15,799	\$ 64,851	11
12	IT Data Center	\$ -	\$ 28	(28)	\$ -	\$ 28	(28)		\$ 3,244	\$ 18,040	12
13	SM 1.0 Applications	\$ -	\$ 212	(212)	\$ -	\$ 212	(212)		\$ -	\$ 11,332	13
14	IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	14
15	Technology Monitoring	\$ 381	\$ 332	49	\$ 381	\$ 332	49		\$ 381	\$ 1,108	15
16	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 25,000		16
17	Project Total	\$ 11,612	\$ 8,475	3,137	\$ 11,612	\$ 8,475	3,137	27%	\$ 260,000	\$ 355,350	17

Expense (000s)		Current Month - January			Year To Date - January				Year-End Budget Forecast	Inception To Date	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance			#
18	PMO	\$ 124	\$ (355)	479	\$ 124	\$ (355)	479	386%	\$ 1,487	\$ 10,788	18
19	SM Operations	\$ 960	\$ 611	349	\$ 960	\$ 611	349	36%	\$ 8,705	\$ 7,447	19
20	Communications	\$ 230	\$ 64	165	\$ 230	\$ 64	165	72%	\$ 2,755	\$ 4,864	20
21	Customer	\$ 383	\$ (337)	720	\$ 383	\$ (337)	720	188%	\$ 8,058	\$ 609	21
22	Contract Procurement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	22
23	Substation Installation	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	23
24	Endpoint Installation	\$ 216	\$ 118	99	\$ 216	\$ 118	99	46%	\$ 2,481	\$ 696	24
25	Deployment Office	\$ -	\$ 2,267	(2,267)	\$ -	\$ 2,267	(2,267)		\$ -	\$ 4,963	25
26	DCU Placement	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	26
27	CC&B	\$ 475	\$ 1,113	(638)	\$ 475	\$ 1,113	(638)	-134%	\$ 3,983	\$ 32,031	27
28	IT Integration	\$ 430	\$ 56	374	\$ 430	\$ 56	374	87%	\$ 3,275	\$ 2,154	28
29	IT Data Center	\$ 370	\$ -	370	\$ 370	\$ -	370		\$ 370	\$ 29	29
30	SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	30
31	IT Operations	\$ 1,430	\$ 490	940	\$ 1,430	\$ 490	940	66%	\$ 15,114	\$ 9,164	31
32	Technology Monitoring	\$ 1,794	\$ 1,027	767	\$ 1,794	\$ 1,027	767	43%	\$ 9,719	\$ 11,345	32
33	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 4,463		33
34	Project Total	\$ 6,412	\$ 5,055	1,357	\$ 6,412	\$ 5,055	1,357	21%	\$ 60,410	\$ 84,091	34

Benefits Status

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

	Actual	Forecast for Revenue Requirement Purposes												ITD Actual
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Activated Meter Benefits:	\$ 111	\$ 121	\$ 114	\$ 114	\$ 202	\$ 299	\$ 315	\$ 333	\$ 388	\$ 468	\$ 621	\$ 853	\$ 1,172	\$ 232
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 1,667
Total:	\$ 1,361	\$ 538	\$ 531	\$ 531	\$ 619	\$ 716	\$ 732	\$ 749	\$ 804	\$ 884	\$ 1,037	\$ 1,269	\$ 1,589	\$ 1,898
Cumulative Actual + Forecast:	\$ 1,361	\$ 1,898	\$ 2,429	\$ 2,960	\$ 3,579	\$ 4,294	\$ 5,026	\$ 5,775	\$ 6,579	\$ 7,464	\$ 8,501	\$ 9,770	\$ 11,359	

2008 Line of Business Expense Reductions, Budget vs. Actual

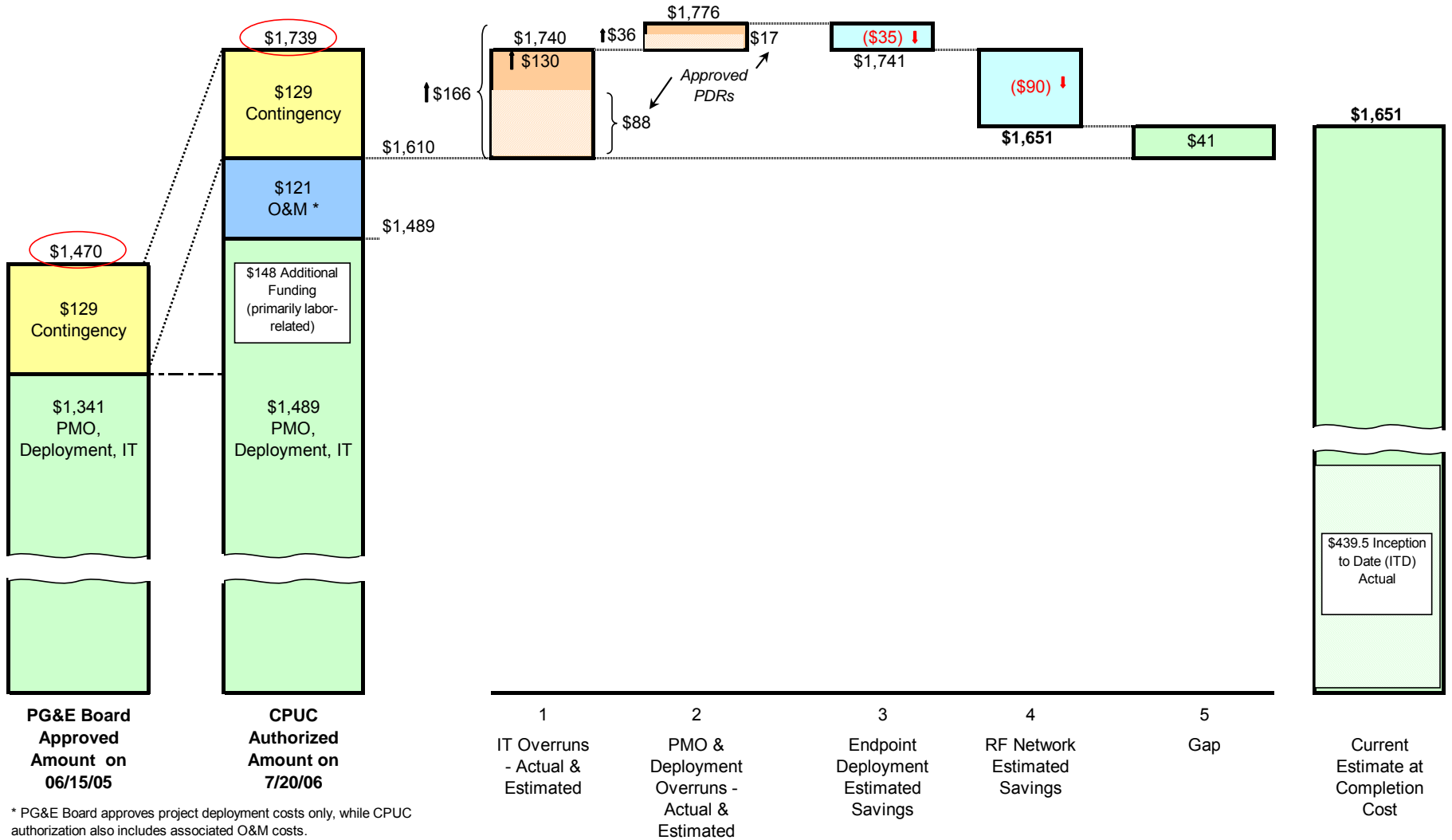
(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted Benefits:	\$ 627	\$ 643	\$ 674	\$ 726	\$ 753	\$ 795	\$ 965	\$ 1,045	\$ 1,143	\$ 1,236	\$ 1,353	\$ 1,441	\$ 11,400
Estimated Actual Benefits*:	\$ 613												

* Note: Estimated actuals will be recorded on a one month lag

Total SmartMeter Financial Summary

\$ Millions



* PG&E Board approves project deployment costs only, while CPUC authorization also includes associated O&M costs.

Risks/Issues Dashboard

► Risks

ID	Created On	Mitigation Date	Date Resolved	Risks	Impact	Owner	Status Summary
34119	11/20/2007	4/30/2008		Risk: Electric technology decision may affect 2008 deployment schedule	Delay in sufficient lead time for procurement of inventory for the second half of 2008.	Jim Meadows	Hexagram electric technology is currently being tested in Vacaville pilot program.
33955	10/29/2007	12/31/2008		SmartRate enrollment (10,000 -12,000) and 5 MW 2008 goals may not be met	<ul style="list-style-type: none"> * Benefits based on the 5 MW goal may not be realized. * Impact to regulatory compliance, company image, credibility of the SmartMeter and SmartRate program. 	Sophia Mintun	<ul style="list-style-type: none"> * Technical assessment conducted for CWP (Customer Web Presentation) solution to ensure schedule viability. * Monitoring schedule to measure progress and identify schedule related issues. * Mitigation plan determined.

► Issues

ID	Created On	Resolution Date	Date Resolved	Issues	Impact	Owner	Status Summary
35979	01/05/2008	TBA		CC&B and IT Operations resource constraints.	Schedule impact due to resource availability to perform ongoing operations and project related work.	Art Silva/ Roger Delight	Closely monitoring production support needs, and utilizing the prioritization and escalation process.
33815	10/19/2007	3/31/2008		Mass meter deployment functionality (3 interfaces) delayed.	2008 deployment may be delayed if full deployment functionality is not delivered by the currently scheduled dates.	Laurence Bellenguez	<ul style="list-style-type: none"> * Daily Refresh is in production and will run daily by 2/28/08. * Two Week Look Ahead scheduled for completion by 3/31/08. * Final interface (GEMMS) delivery scheduled for late July 2008.
TBA	TBA	TBA		CPUC stipulated reduced meter maintenance cost benefit needs to be returned to SM.	SM project costs reduced \$10.7 million before authorization by CPUC in order to offset projected savings in GRC-funded work.	Jim Meadows	Investigating methods to transfer associated savings back to SM project from LOB benefiting from savings.

Program Metrics

SmartMeter - Deployment		
Metric	Key Performance Indicator	Target Source
(a)	(b)	

PMO

P1	OSHA Recordable Rate (SmartMeter)	Overall (PG&E)2007 1.0 STIP
P1a	# of OSHA Incidents (SmartMeter)	Overall (PG&E)2007 1.0 STIP
P14	Meters Activated - Electric & Gas	Rev. 6
P15	Benefits \$ Realized	Rev. 6

Procurement

O1	Total Weeks of Inventory on Hand	SM Internal target
O2	Total wks of inventory in the pipeline	SM Internal target
O4	Equipment exception rate	SM Internal target

Network deployment

O5	Substa ions Complete	2007 Rev. 5
O6	DCUs Installed	2007 Rev. 5
O7	CPI Substation (Electric Network) (\$ 000)	2007 Rev. 5
O8	CPI DCU (Gas Network)	2007 Rev. 5
O10	Gas installs failing inspection	track only
O10a	Electric installs failing inspection	track only

Meter / Module Deployment

O11	Meters Enabled - Electric & Gas	2007 Rev. 5
O13	CPI - ██████ Electric Endpoint	SM CPI target
O14	CPI - ██████ Gas Endpoint	SM CPI target
O15	UTC Rate	SM Internal target
O16	FA Upload Exception Rate	SM Internal target
O17	QA Exception Rate	track only

Operations - Other

O35	Call Center Inbound Rate	SM Internal target
O36	Electric billing data collection failure rate	track only
O37	Gas billing data collec ion failure rate	track only

Project Ex.
Var (\$M)
(n)
November

December - Month Results				Project Ex.
Status	Actual	Target	Var	Var (\$M)
(c)	(d)	(e)	(f)	(n)

↑	2.1	4.6	2.5
↑	-	5.5	5.5
↑	78,185	77,000	1,185
↑	\$ 0.5	\$ 0.5	\$ -

↓	25	3	22
↓	6	3	3
↔	0.00%	0.00%	0.00%

↔	8	8	-
↓	24	60	(36)
↑	\$188.5	\$205.2	\$16.6
↓	\$ 3,854	\$ 3,308	\$ (546)
↔	0.30%	(track only)	
↔	0.50%	(track only)	

↓	35,105	13,220	21,885
↑	\$94.83	\$94.38	(\$0.45)
↓	\$94.23	\$94.95	\$0.72
↓	4.2%	4.0%	-0.2%
↔	0.10%	3.00%	2.90%
↔	3.86%	(track only)	

↓	1.8%	2.0%	0.2%
↔	0.107%	(track only)	
↔	0.038%	(track only)	

January '08 - Month Results				Project Ex.
Status	Actual	Target	Var	Var (\$M)
(c)	(d)	(e)	(f)	(n)

↑	-	4.6	4.6
↔	-	0.7	0.7
↔	184	-	184
↔	\$ 0.6	\$ 0.6	\$ -

↓	6	3	3
↑	7	3	4
↔	0.00%	0.00%	0.00%

↔	-	-	-
↑	35	60	(25)
↔	n/a	n/a	-
↑	\$ 3,651	\$ 3,308	\$ (343)
↔	0.30%	(track only)	
↔	0.15%	(track only)	

↓	36,306	51,705	15,399
↓	\$94.96	\$94.38	(\$0.58)
↑	\$92.81	\$94.95	\$2.14
↓	6.3%	4.0%	-2.3%
↓	0.37%	3.00%	2.63%
↔	3.86%	(track only)	

↑	1.4%	2.0%	0.6%
↓	0.131%	(track only)	
↓	0.044%	(track only)	

(\$3.8)
(\$2.7)

\$33.4
\$5.2

(\$3.8)
(\$3.1)

\$32.4
\$1.7

(\$3.8)
(\$2.1)

\$30.0
\$6.3

Total

\$32.1

\$27.3

\$30.4

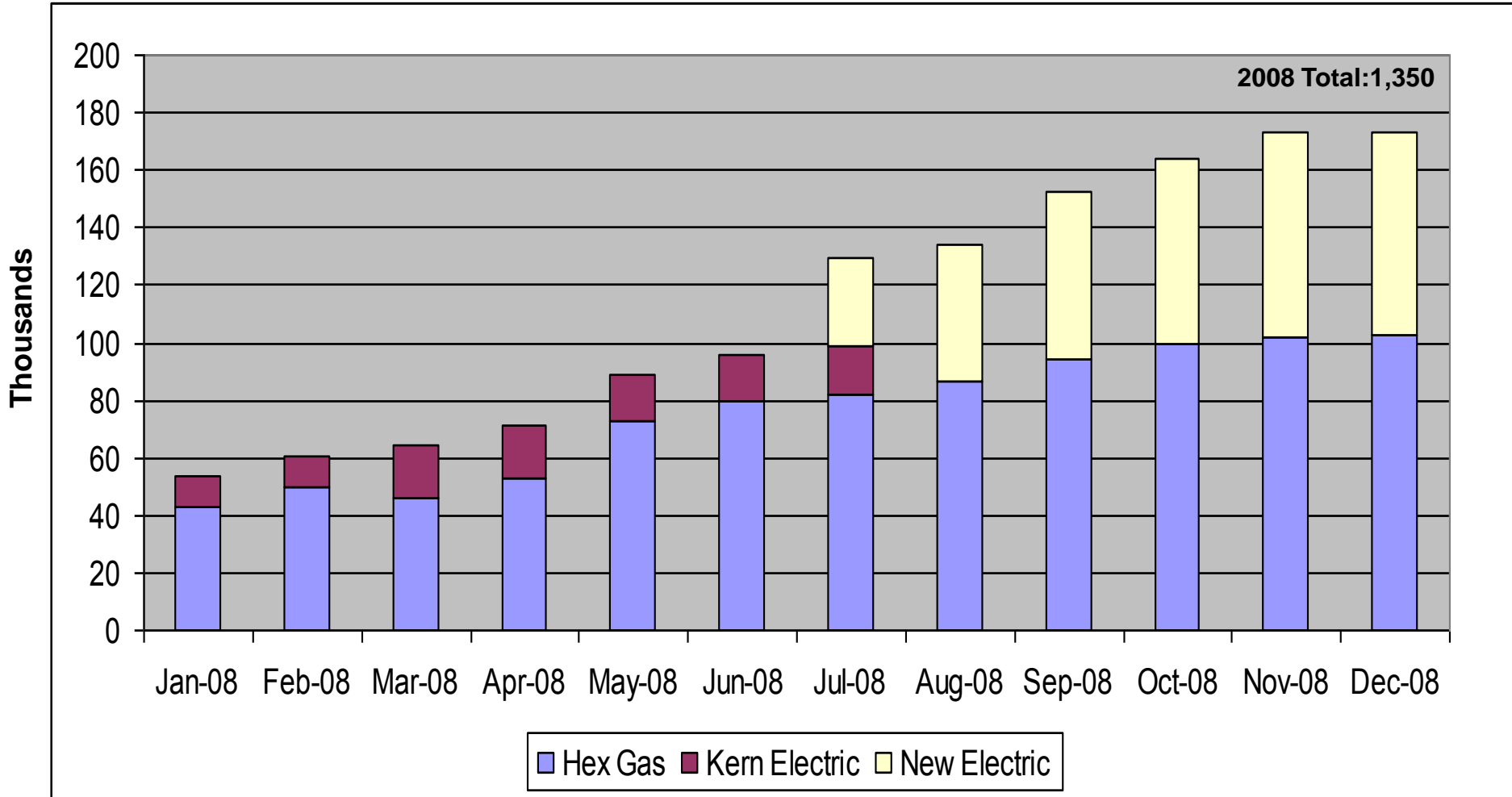
APPROVED:

- ▶ Release B/C - SI Implementation of Hex Electric timing and costs
 - Key dates Meter Installs: 4/25/08
 - Billing: 6/20/08 (contingency to 7/21/08)
 - Budget Release B: \$169k, Release C: \$501k

- ▶ Gas O&M installs
 - Utilize field force to switch out gas meters with the new technology when responding to normally scheduled operations and maintenance calls
 - Estimated 100K additional meters could be deployed
 - **Risk:** Random implementation of new gas technology making it a challenge if the technology strategy changes
 - There are no future plans at this point to switch out the gas technology, which mitigates this risk

- ▶ Proposed Deployment Plan
- ▶ Gas O&M Recommendation Details
- ▶ SmartMeter Balancing Account
- ▶ SmartMeter Contingency Reconciliation

Proposed 2008 Deployment Plan



Gas O&M Recommendation

Key Decision Points

- ▶ SmartMeter sees **no significant issues** impeding the installation of Hexagram gas O&M and new business meters
- ▶ Hexagram gas O&M and new business installations present a cost avoidance of approximately \$1.5M annually once process is fully phased in

Recommendation

- ▶ The SmartMeter™ team **recommends moving forward** with Hexagram gas O&M and new business installations immediately

Next Steps

Schedule

- | | |
|--|-------------------|
| 1. Update training materials, program all handhelds (J. Karafotas) | 2/18-3/17 |
| 2. Deliver inventory (D. Ervin) | Prior to training |
| 3. Deliver training (J. Karafotas) | 3/17 - 5/9 |

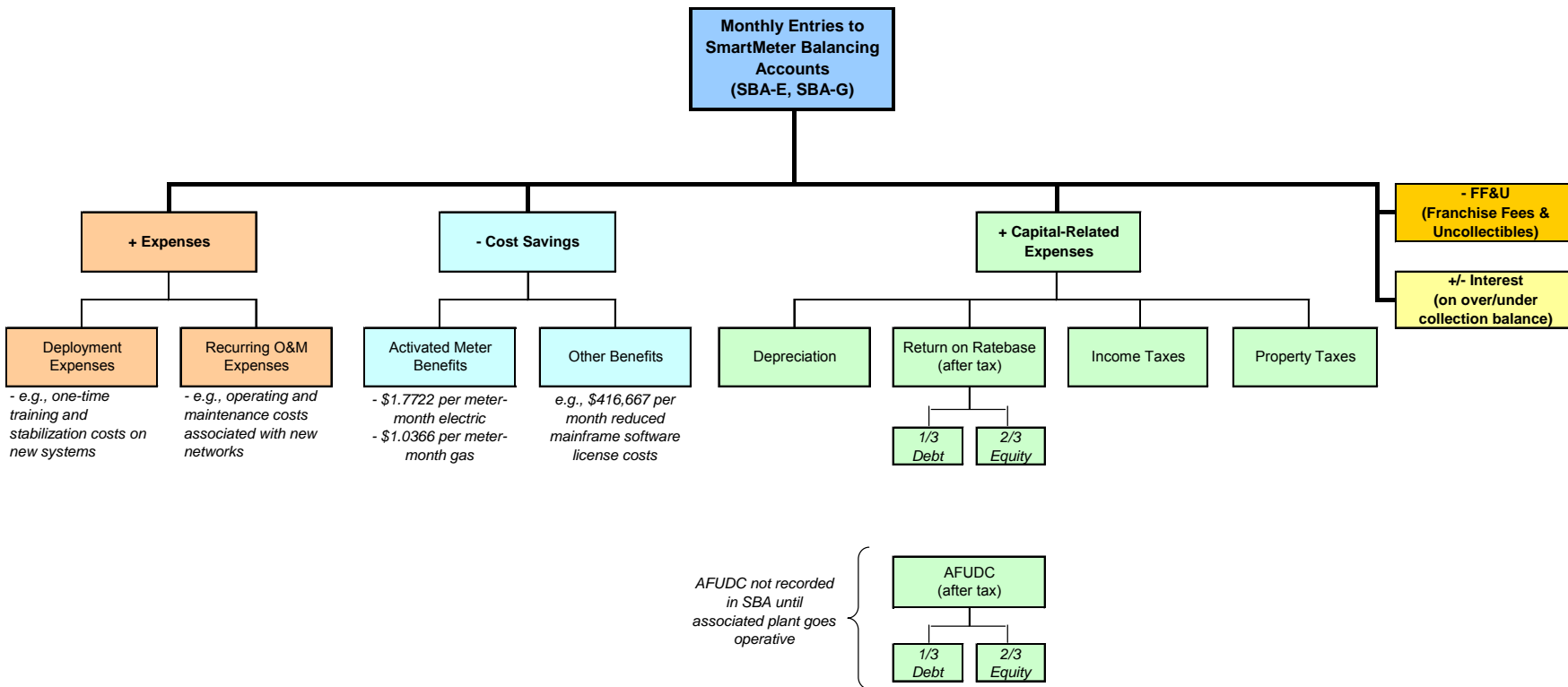
Resources needed

- ▶ 4 of the previously upgraded rotational personnel to assist in the prep and delivery of the training

Issues

1. Until the gas meter inventory without preinstalled modules is depleted, CFS will need to install modules on Gas meters at the time gas meters are exchanged
 - ▶ Impact of ~10 minutes per installation
2. Meter / Module can't be systematically be married at the manufacturer (defect 1968 / 860). Workaround exists to trick the system to think the marriage is performed in the field.
 - ▶ Impact is a potentially a higher error rate in meter/module field marriage
 - ▶ Defect re-opened, criticality = high

Appendix - SmartMeter Balancing Account



Appendix – SmartMeter Contingency Reconciliation

SmartMeter Contingency Reconciliation	Total (\$000)
1. Business Case Approved Contingency	\$128,773
Total PDRs Adopted by Steering Committee	\$2,856
Remaining Contingency Balance	\$125,918

Workstream Budget Under Allocations (expect some offset by future project underruns)

CC&B Date Move 1	\$58,183
CC&B Date Move 2	\$22,300
Technology assessment	\$7,500
Non-retrofitable gas meters	\$3,315
SM 1 hardware parallel environment	\$2,997
Vendor termination fees	██████████
Performance recognition 2007	\$854
Use anchor reads to bill in CC&B	\$747
Labor Day OT Meter Reading	\$630
Manual review of customer bills	\$596
IVR Outage (Go Live)	\$573
TOU Deployment Deferrals	\$448
CC&B Memory Upgrade	\$416
Upgrade 4 servers from their current memory	\$386
PG&E failed to order from tendor	██████████
SmartTrack system	\$150
MBCDW architectural review	\$126
Vendor technical support for ongoing testing	\$115
Other	\$616
Subtotal PDRs	\$102,508
Total PDRs	\$105,364

Public Version



**SmartMeter™/CC&B Initiatives
Steering Committee Update – March**

March 12, 2008



Agenda

- ▶ **Release Status Update**
- ▶ **Schedule Update**
- ▶ **Deployment Update**
- ▶ **Budget Status**
- ▶ **Risks Summary**
- ▶ **Program Metrics**
- ▶ **Decisions**
- ▶ **Appendix**

Release Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment-Endpoints							
Deployment-Network							
IT releases:							
Release A							
Release B							
Release D - Authorized				*Q4 2008			
Release E - Planning				*Q3 2008			
Release F	n/a	n/a		*Q4 2008			

*denotes estimated delivery date

Challenges (key focus areas)

Actions

Deployment - Endpoints

- Endpoint deployment is behind by 11,531meters

Deployment - Network

- Deployment is behind by 40 units due to inability to secure DCU attachment rights
- Delay in installing DCUs will impact benefits realization

Release A

- IT Ops resource are short key resources
- TNG 1.6.3 is only delivering < 90% of interval reads for electric meters.

Release B

- Scope document awaiting sign off.
- Additional hardware may be required
- WebLogic version mismatch between Ecologic and PG&E
- Need material code values for CC&B lookup tables have minor issues

Deployment - Endpoints

- Working extended hours and Saturdays; count may be low by 5,000 meters due to report lag

Deployment - Network

- Second installation crew added, schedule can be recovered to planned.
- Continue ongoing contact with city jurisdictions

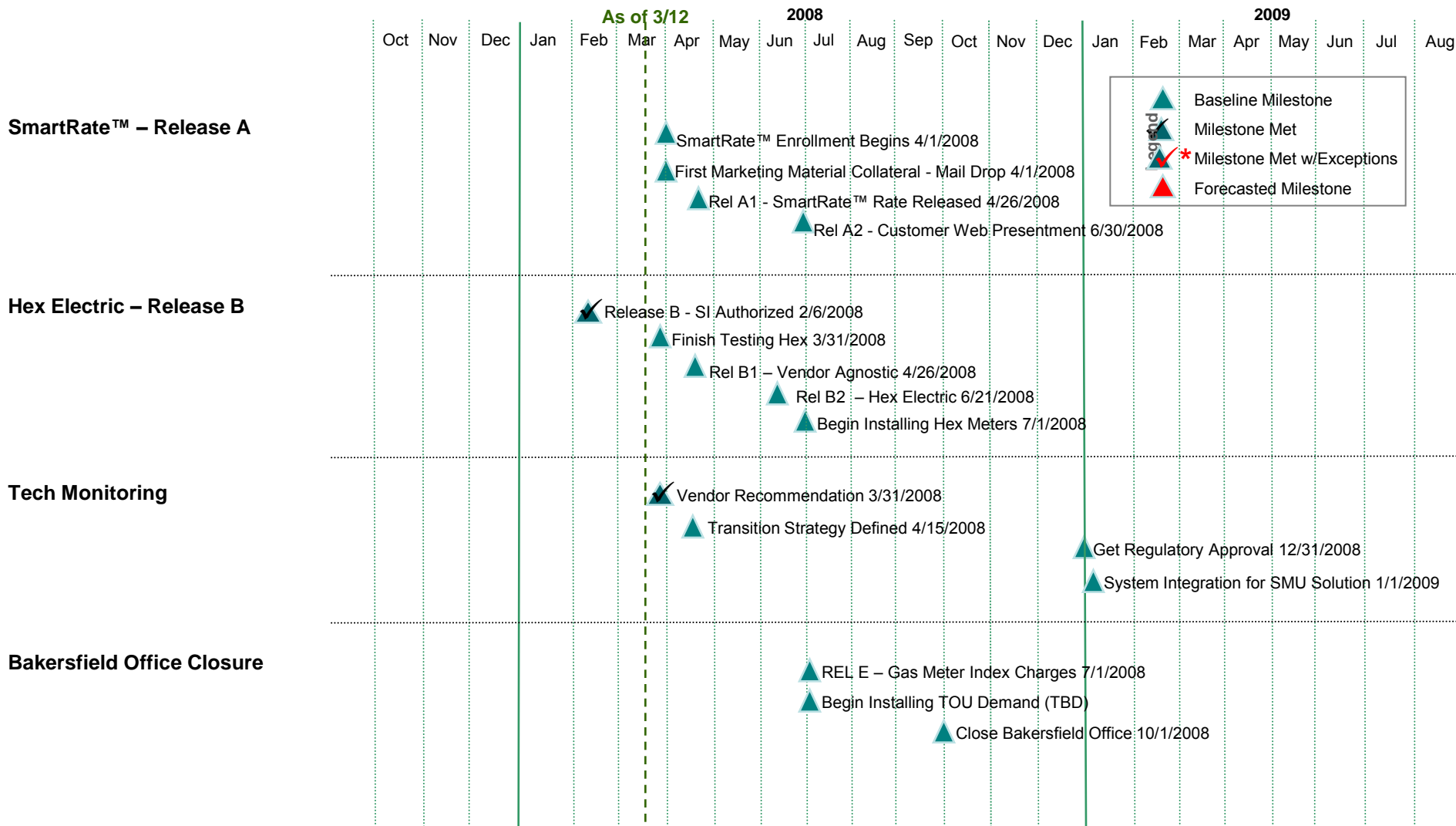
Release A

- Resource requests have been submitted
- Prioritization of meters for interval collection will help ensure billing quality data for SmartRate customers

Release B

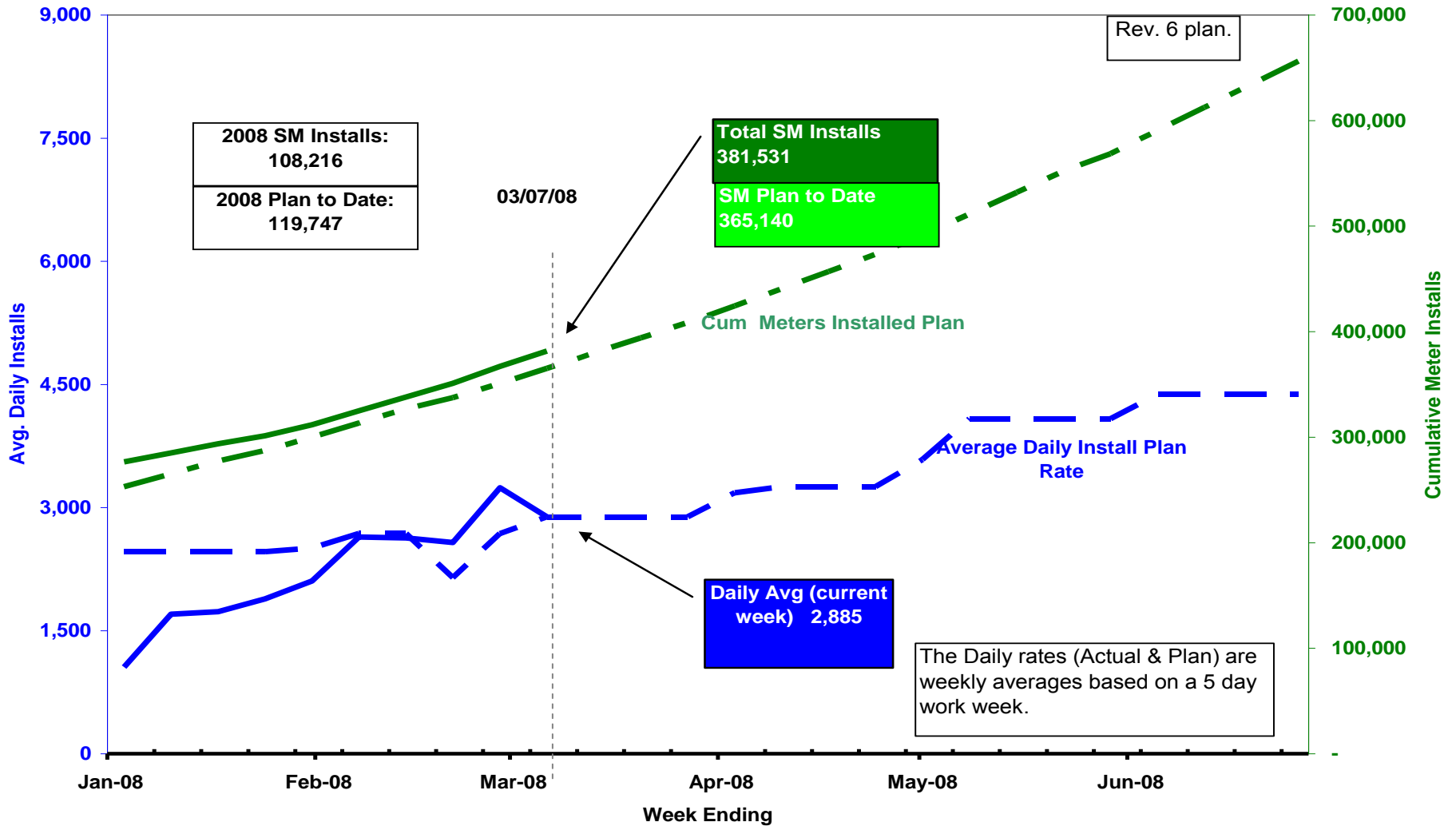
- Release scope document sign off expected by 3/14
- Tech architecture design walkthrough scheduled for 3/12
- Explore Ecologic changes vs a PG&E upgrade to WebLogic v10
- Identify and resolve open items week of 3/10

Schedule Update



Deployment Update

2008 Install Rate vs. Plan Meter Totals & Installation Averages



Budget Status - Expenditures by Workstream

\$ Thousands

Capital		Current Month - February			Year To Date - February				Year-End Budget Forecast	Inception To Date	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance			#
1	PMO	\$ 946	\$ 724	222	\$ 1,893	\$ 2,130	(237)	-13%	\$ 6,244	\$ 32,503	1
2	SM Operations	\$ 271	\$ 181	91	\$ 562	\$ 299	263	47%	\$ 3,275	\$ 3,923	2
3	Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	3
4	Customer	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	4
5	Contract Procurement	\$ 4,075	\$ 4,793	(718)	\$ 8,120	\$ 7,172	949	12%	\$ 143,097	\$ 83,911	5
6	Substation Installation	\$ 199	\$ 75	124	\$ 371	\$ 128	242	65%	\$ 579	\$ 8,090	6
7	Endpoint Installation	\$ 2,077	\$ 1,208	869	\$ 3,994	\$ 2,151	1,843	46%	\$ 40,654	\$ 18,884	7
8	Deployment Office	\$ 969	\$ 575	394	\$ 1,893	\$ 1,530	363	19%	\$ 13,076	\$ 16,188	8
9	DCU Placement	\$ 150	\$ 95	55	\$ 271	\$ 188	83	31%	\$ 3,512	\$ 1,715	9
10	CC&B	\$ -	\$ (223)	223	\$ -	\$ (5)	5		\$ 5,139	\$ 107,152	10
11	IT Integration	\$ 2,815	\$ 2,038	777	\$ 5,630	\$ 3,775	1,855	33%	\$ 15,799	\$ 61,971	11
12	IT Data Center	\$ -	\$ 64	(64)	\$ -	\$ 92	(92)		\$ 3,244	\$ 18,104	12
13	SM 1.0 Applications	\$ -	\$ 106	(106)	\$ -	\$ 318	(318)		\$ -	\$ 11,438	13
14	IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	14
15	Technology Monitoring	\$ -	\$ (247)	247	\$ 381	\$ 85	296	78%	\$ 381	\$ 862	15
16	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 25,000		16
17	Capital Totals	\$ 11,503	\$ 9,389	2,114	\$ 23,115	\$ 17,864	5,251	23%	\$ 260,000	\$ 364,740	17
18	Non-Earnings Impact Expense Totals	\$ 5,626	\$ 2,389	3,237	\$ 12,038	\$ 7,443	4,595	38%	\$ 60,410	\$ 86,480	18

Capital Year-To-Date Variance Explanations

Timing: +\$5,251

- Work on IT Releases beginning later than planned (+\$1,855).
- Equipment purchases less than forecast due to delay in gas tin meter change out program and slowdown in DCU installations (+\$949).
- Delays in endpoint installations due to installer training and understaffing in prior month and not yet caught up (+\$973).
- UTC/Excludable work by PG&E employees below forecast (+\$688).
- Various items (+\$786)

Budget Status - Benefits

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

	Actual	Budget												ITD Actual
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 114	\$ 202	\$ 299	\$ 315	\$ 333	\$ 388	\$ 468	\$ 621	\$ 853	\$ 1,172	\$ 354
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 2,083
Total:	\$ 1,361	\$ 538	\$ 539	\$ 531	\$ 619	\$ 716	\$ 732	\$ 749	\$ 804	\$ 884	\$ 1,037	\$ 1,269	\$ 1,589	\$ 2,437
Cumulative Actual + Forecast:	\$ 1,361	\$ 1,898	\$ 2,437	\$ 2,968	\$ 3,587	\$ 4,302	\$ 5,034	\$ 5,783	\$ 6,587	\$ 7,472	\$ 8,509	\$ 9,778	\$ 11,367	

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)

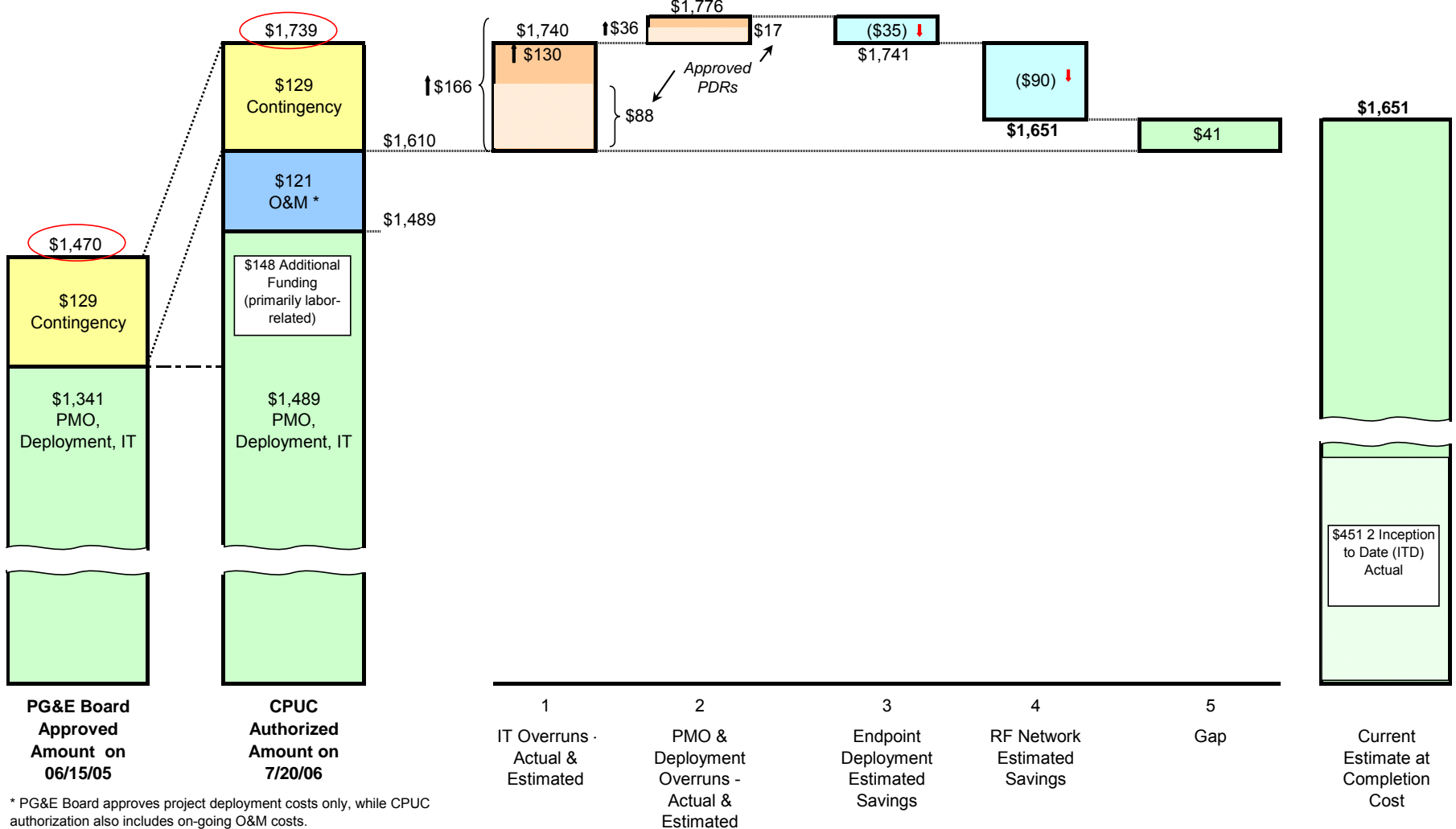
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted LOB Benefits:	\$ 627	\$ 643	\$ 674	\$ 726	\$ 753	\$ 795	\$ 965	\$ 1,045	\$ 1,143	\$ 1,236	\$ 1,353	\$ 1,441	\$ 11,400
Currently Forecasted LOB Benefits:	\$ 625	\$ 617	\$ 618	\$ 673	\$ 723	\$ 736	\$ 784	\$ 849	\$ 921	\$ 1,077	\$ 1,244	\$ 1,486	\$ 10,353
Estimated Actual LOB Benefits*:	\$ 625												

* Estimated actual benefits reported on a one-month lag basis.

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

Budget Status - Total Financial Summary

\$ Millions



* PG&E Board approves project deployment costs only, while CPUC authorization also includes on-going O&M costs.

Budget Status - Financial Forecast Summary

Row	\$ Millions	A	B	C		D	E	F	G	H
		Approved Budget Totals	Approved PDR Totals	Forecasted Future		Current Estimate at Completion (EAC) Cost	Inception to Date (ITD) Spending	% of EAC	Forecasted Amount Remaining	
				Additions	Savings					
1	PMO	\$ 45.2	\$ 4.8	\$ -	\$ -	\$ 50.0	\$ 47.4	95%	\$ 2.6	
2	Communications	\$ 23.8	\$ -	\$ -	\$ -	\$ 23.8	\$ 1.0	4%	\$ 22.8	
3	Customer	\$ 68.3	\$ (4.2)	\$ -	\$ -	\$ 64.1	\$ 0.6	1%	\$ 63.5	
4	Deployment	\$ 1,178.1	\$ 7.4	\$ 14.2	\$ (125.0)	\$ 1,074.6	\$ 132.2	12%	\$ 942.4	
5	IT	\$ 184.4	\$ 87.7	\$ 46.5	\$ -	\$ 318.6	\$ 244.2	77%	\$ 74.4	
6	Operations	\$ 95.2	\$ 2.2	\$ -	\$ -	\$ 97.4	\$ 11.9	12%	\$ 85.5	
7	Technology Monitoring	\$ 15.2	\$ 7.5	\$ -	\$ -	\$ 22.7	\$ 13.9	61%	\$ 8.8	
8	Sub Total:	\$ 1,610.2	\$ 105.4	\$ 60.6	\$ (125.0)	\$ 1,651.2	\$ 451.2	27%	\$ 1,200.0	

\$166.0

Contingency Status:

9	Beginning Balance	\$ 128.8				\$ 128.8	\$ -	
10	Approved Draw ()		\$ (2.9)	\$ -	\$ -	\$ (2.9)	} \$41.0	
11	Potential Draw () or Replacement	\$ -	\$ (102.5)	\$ (60.6)	\$ 125.0	\$ (38.1)		
12	Contingency Subtotal = 9 + 10 + 11:	\$ 128.8	\$ (105.4)	\$ (60.6)	\$ 125.0	\$ 87.8	\$ -	

13	Total = 8 + 11	\$ 1,739.0	\$ -	\$ -	\$ -	\$ 1,739.0	\$ 451.2	
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Risks Summary

► Risks

ID	Created On	Mitigation Date	Date Resolved	Risks	Impact	Owner	Status Summary
34119	11/20/2007	4/30/2008	pending close	Electric technology decision may affect 2008 deployment schedule.	Delay in sufficient lead time for procurement of inventory for the second half of 2008.	Jim Meadows	SC approval to deploy Hexagram electric meters received on 2/27/08.
33524	10/8/2007	12/31/2011		Ability to install gas network in areas without PG&E overhead facilities.	Delay in network deployment, increase in estimated billing and delay in benefits realization.	Tony Pagan	DCU Task Force for negotiating 3rd party attachment meets weekly for issue resolution. Negotiations planned to commence as early as practical in deployment. Alternatives to PG&E overhead facilities identified for network implementation.
33953	10/29/2007	12/31/2008		Endpoint deployment schedule will not be met for 2008.	Cost, schedule and company image.	Tim Cottengim	Conducting monthly reviews of deployment plan. Examining metrics during deployment. Monitoring leading indicators. Continued coordination with field services to develop staffing plans.

► Issues

ID	Created On	Resolution Date	Date Resolved	Issues	Impact	Owner	Status Summary
36135	3/4/2008	3/28/2008		Delay in securing DCU attachment rights in the city of Sacramento.	Delay in network deployment for Sacramento and delay in benefits realization.	Tony Pagan	PG&E working with the City Council Staff to obtain variance permit for DCU antennas.
36068	2/22/2008	3/31/2008		CPUC stipulated reduced meter maintenance cost benefit needs to be returned to SM.	SM project costs reduced \$10.7 million before authorization by CPUC in order to offset projected savings in GRC-funded work.	Jim Meadows	Investigating methods to transfer associated savings back to SM project from LOB benefiting from savings.
33588	2/11/2008	3/31/2008		Processes delayed to enable meter replacements for meter modules incorrectly installed.	Ability to interval bill customers.	Tim Cottengim	Complete meter replacements by April and include customers for SmartRate marketing in May.
	new issue	4/1/2008		TNG 1 6 3 is only delivering < 90% of interval reads for all meters.	Interval data collection, billing and marketing for SmartRate customers.	Randy Dieterle	Prioritization operational methodology in place to insure billing quality interval data for SmartRate customers.
34181	11/30/2007	4/15/2008		IT systems do not allow for duplicate module serial numbers from different vendors.	Storage constraints due to existing inventory that is not deployable.	Debra Ervin-Henwood	Evaluating an interim fix to allow existing inventory to be deployed starting mid June 2008. Delivery of a comprehensive solution planned with Release E in July 2008.

Program Metrics

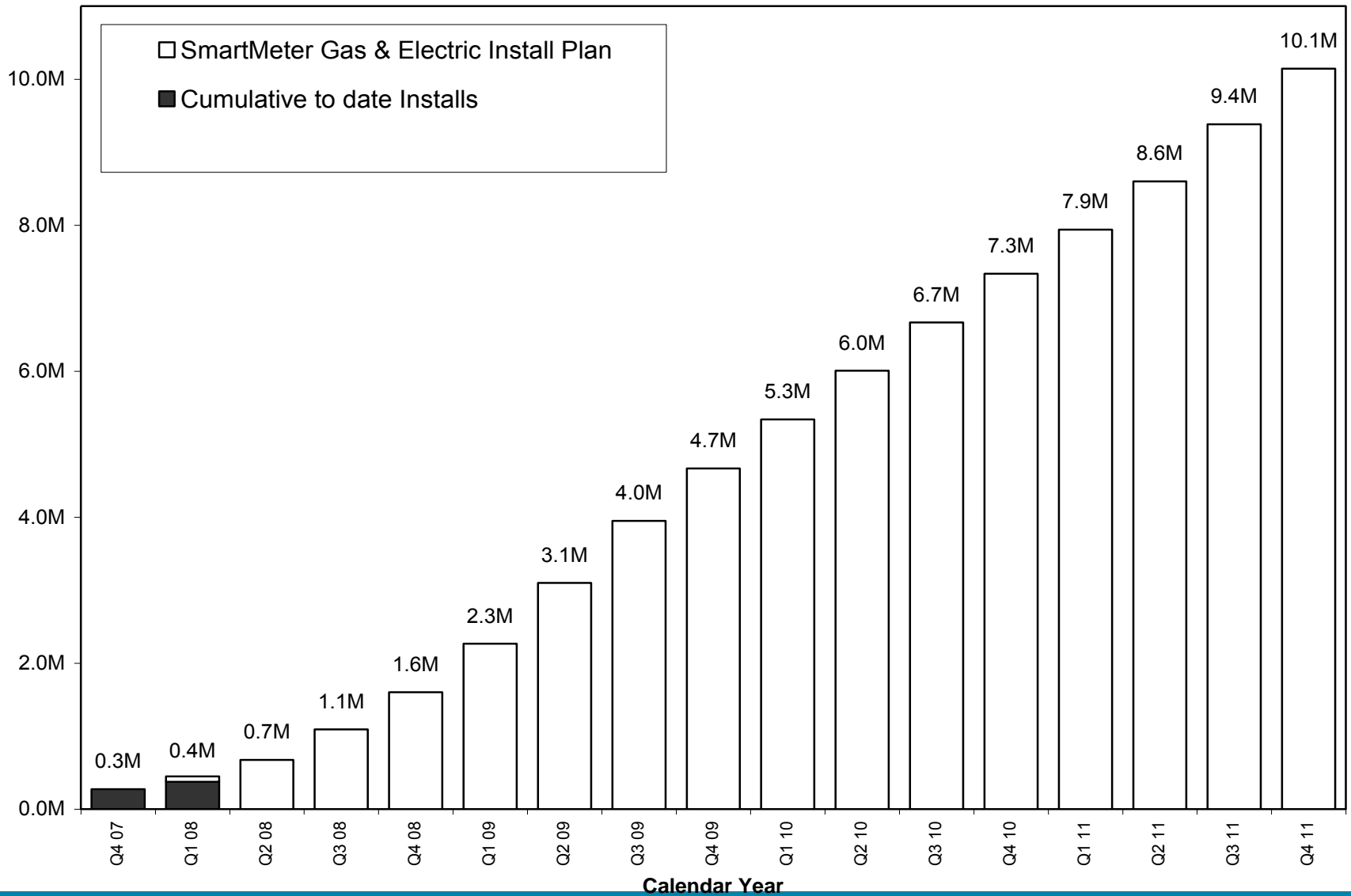
SmartMeter - Deployment			January '08 - Month Results				Project Ex.	February '08 - Month Results				Project Ex.	YTD				ITD					
Metric	Key Performance Indicator	Target Source	Status	Actual	Target	Var	Var (\$M)	Status	Actual	Target	Var	Var (\$M)	Status	Actual	Target	Var	Status	Actual	Target	Var		
(a)	(b)		(c)	(d)	(e)	(f)	Jan. '08	(c)	(d)	(e)	(f)	Feb. '08	(g)	(h)	(i)	(j)	(g)	(h)	(i)	(j)		
PMO																						
CF1	SM Earning Contribution (\$M - estimated)	Rev. 6	↔	\$ 1.61	\$ 1.61	\$ 0.01		↓	\$ 1.63	\$ 1.65	\$ (0.02)		↔	\$ 3.24	\$ 3.26	\$ 0.03						
CF2	Benefits \$ Realized (\$ M)	Rev. 6	↔	\$ 0.62	\$ 0.62	\$ -							↓	\$ 0.62	\$ 0.62	\$ -			\$ 1.92	\$ 1.92	\$ -	
CF3	SM Reads Delivered on Time	Rev. 6	↔	100.0%	99.8%	0%							↔	100.0%	99.8%	0%						
CF4	Meters Enabled - Electric & Gas	Rev. 6	↓	36,306	51,705	(15,399)		↑	56,399	53,611	2,788		↓	92,705	105,316	(12,611)			366,020	350,709	15,311	
CF5	Actual to Plan Capital Variance (\$M)	Rev. 6	↔	\$ 14.0	\$ 18.0	\$ 4.0		↓	\$ 9.4	\$ 11.5	\$ 2.1		↑	\$ 23.40	\$ 29.50	\$ 6.1			\$ 364.74	\$ 370.84	\$ 6.1	
P1	OSHA Recordable Rate (SmartMeter)	2008 STIP Target	↑	-	4.6	4.6		↔	-	4.6	4.6		↑	-	4.6	4.6						
P1a	# of OSHA Incidents (SmartMeter)	2008 STIP Target	↔	-	0.7	0.7		↑	-	1.5	1.5		↓	-	1.5	1.5						
P13	Meter Reader HC reductions	Rev. 6	↔	1	2	(1)		↔	4	5	(1)		↔	5	7	(2)			12	14	(2)	
Procurement																						
O1	Total Weeks of Inventory on Hand	SM Internal target	↓	6	3	3		↔	6	3	3		↓	6	3	3						
O2	Total wks of inventory in the pipeline	SM Internal target	↑	7	3	4		↔	7	3	4		↑	7	3	4						
Network deployment																						
O6	DCUs Installed	2008 Plan	↑	35	60	(25)		↓	53	90	(37)		↑	88	150	(62)			564	1,353	(789)	
O8	CPI DCU (Gas Network)	2007 Rev. 5	↑	\$ 3,651	\$ 4,004	\$ 353	(\$2.1)	↑	\$ 3,487	\$ 4,004	\$ 517	(\$1.2)	↑	\$ 3,487	\$ 4,004	\$ 517			\$ 3,487	\$ 4,004	\$ 517	
O10	Gas installs failing inspection	track only	↔	0.30%	(track only)								↔	0.00%	(track only)							
O10a	Electric installs failing inspection	track only	↔	0.15%	(track only)								↔	0.16%	(track only)							
O12	Electric network failure rate	track only	↔	6.0%	(track only)								↔	6.4%	(track only)							
O12a	Gas network failure rate	track only	↔	0.4%	(track only)								↔	0.4%	(track only)							
Meter / Module Deployment																						
O13	CPI - Electric Endpoint	SM CPI target	↑	\$94.96	\$105.64	\$10.68	\$30.0	↓	\$96.22	\$105.64	\$9.42	\$25.1	↑	\$96.22	\$105.64	\$9.42			\$95.09	\$96.51	\$1.41	
O14	CPI - Gas Endpoint	SM CPI target	↑	\$92.81	\$105.64	\$12.83	\$6.3	↓	\$94.15	\$105.64	\$11.49	\$1.9	↑	\$94.15	\$105.64	\$11.49			\$94.20	\$98.22	\$4.02	
O15	UTC Rate	SM Internal target	↓	6.3%	4.0%	-2.3%		↑	4.0%	4.0%	0.0%		↓	4.7%	4.0%	-0.7%			3.0%	4.0%	1.0%	
O16	FA Upload Exception Rate	SM Internal target	↓	0.37%	3.00%	2.63%		↑	0.10%	3.00%	2.90%		↑	0.20%	3.00%	2.80%			0.52%	3.00%	2.48%	
Operations - Other																						
O35	Call Center Inbound Rate	SM Internal target	↑	1.36%	2.0%	0.6%		↓	1.41%	2.0%	0.6%		↓	1.4%	2.0%	0.6%			0.97%	2.0%	1.0%	
O36	Electric billing collection estimated rate	track only	↔	0.131%	(track only)			↓	0.557%	(track only)			↓	0.275%	(track only)							
O37	Gas billing collection estimated rate	track only	↔	0.044%	(track only)			↑	0.013%	(track only)			↑	0.034%	(track only)							
							\$34.2								\$25.7							

APPROVED:

- ▶ Purchase of 2008 Hexagram electric meters approved
 - ▶ 400k to 600k meters
 - ▶ Will not include HAN
 - ▶ Will include integrated disconnect switches in 2S meter form

- ▶ Project Deployment Plan Progress
- ▶ Contingency Reconciliation

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation

\$000s

1. Business Case Approved Contingency

\$128,773

Total PDRs Adopted by Steering Committee

\$2,856

Remaining Contingency Balance

\$125,918

2. Approved Project Decision Requests (PDRs) - Pending Contingency Drawdown

CC&B Date Move 1	\$58,183
CC&B Date Move 2	\$22,300
Technology assessment	\$7,500
Non-retrofitable gas meters	\$3,315
SM 1 hardware parallel environment	\$2,997
L&G termination fees	██████████
Performance recognition 2007	\$854
Use anchor reads to bill in CC&B	\$747
Labor Day OT Meter Reading	\$630
Manual review of customer bills	\$596
IVR Outage (Go Live)	\$573
TOU Deployment Deferrals	\$448
CC&B Memory Upgrade	\$416
Upgrade 4 servers from their current memory	\$386
PG&E failed to order from L&G	██████████
SmartTrack system	\$150
MBCDW architectural review	\$126
Wellington technical support for ongoing testing	██████████
Other (less than \$100,000 each)	\$616
Subtotal PDRs	<u>\$102,508</u>

Total PDRs

\$105,364

Public Version



**SmartMeter™/CC&B Initiatives
Steering Committee Update – April**

April 14, 2008



Agenda

- ▶ **Release Status Update**
- ▶ **Schedule Update**
- ▶ **Deployment Update**
- ▶ **Budget Status**
- ▶ **Risks Summary**
- ▶ **Issues Summary**
- ▶ **Program Metrics**
- ▶ **Appendix**

Release Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment-Endpoints (CPI/2008 Total)							
Deployment-Network (CPI/2008 Total)							
IT releases:							
Release A - Build/Test							
Release B - Build							
Release D - Planning							
Release E - Planning							
Release F	n/a	n/a		*Q4 2008			

Challenges (key focus areas)

Actions

**denotes estimated delivery date*

Deployment - Endpoints

- 2nd half of year deployment areas under review
- Deployment plan will target 1.35M to 1.65M installations in 2008

Deployment - Network

- City / County of Sacramento remains un-deployed
- Delay in installing DCUs will impact benefits realization.

Release A

- PIT Phase II, PET, ORT, exit criteria not on track, 4/26 Go live date will be missed

Release B

- Environment and resource contention identified, public communications link now critical path

Release D

- Plan phase exit delayed

Release E

- Release now in analyze phase; date of delivery further impacts benefit realization for 2008

Deployment - Endpoints

- Revised deployment area target reviewed on 4/14/08

Deployment - Network

- Poles setting process underway, contractual headway being made in County, City now in new processing effort

Release A

- Go-Live date may be as late as 5/10; analysis underway

Release B

- Go –Live date may slip to 8/1

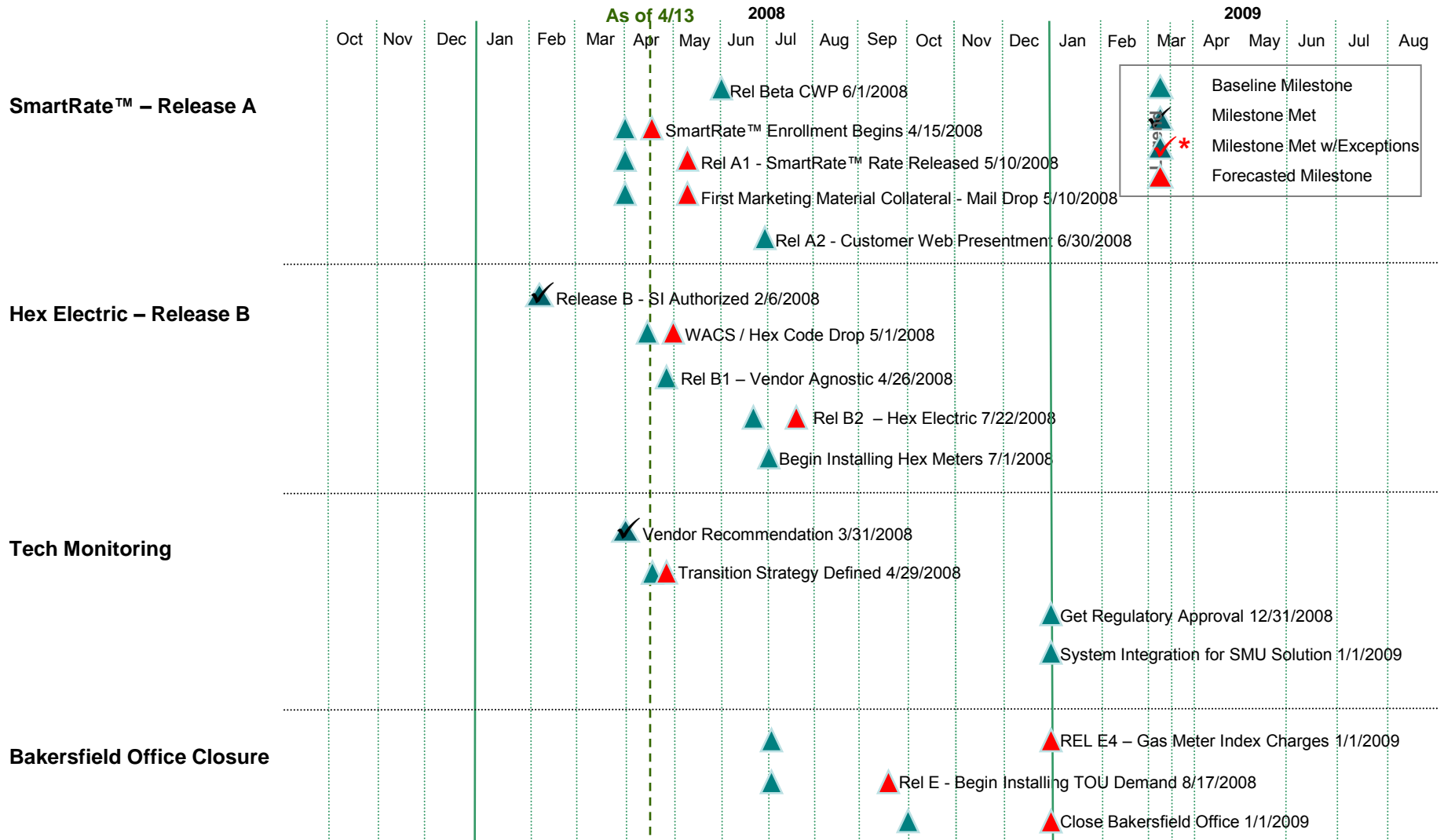
Release D

- Plan phase exit projected at 4/16

Release E

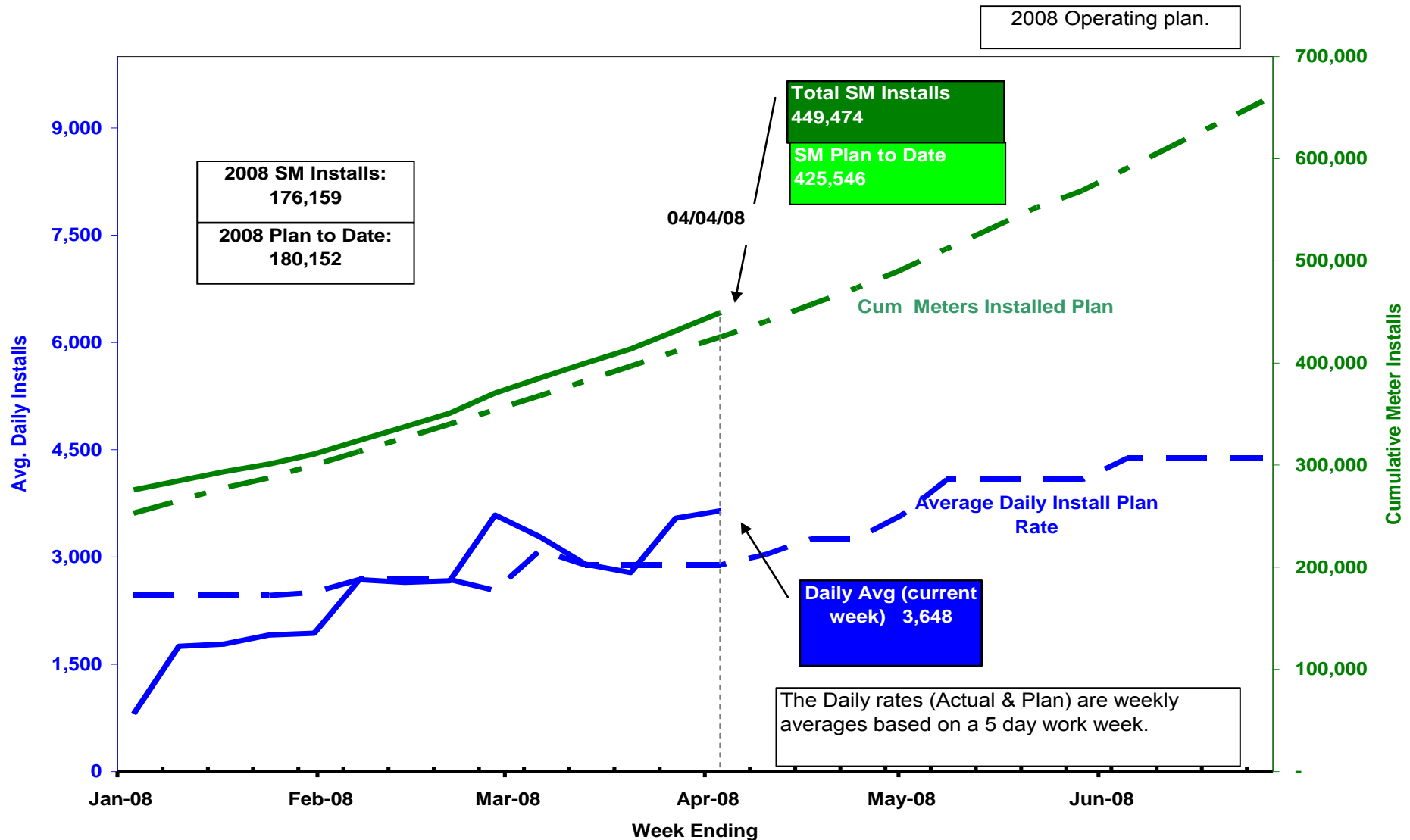
- Resource contention study underway

Schedule Update



Deployment Update

2008 Install Rate vs. Plan Meter Totals & Installation Averages



Budget Status - Expenditures by Workstream

\$ Thousands

#	Workstream	Current Month - March			Year To Date - March				Approved Year-End Budget	Inception To Date	#
		Budget	Actuals	Variance	Budget	Actuals	Variance	%			
1	PMO	\$ 946	\$ 481	465	\$ 2,839	\$ 2,611	228	8%	\$ 8,800	\$ 32,984	1
2	SM Operations	\$ 271	\$ 196	75	\$ 834	\$ 496	338	41%	\$ 3,275	\$ 4,120	2
3	Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	3
4	Customer	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	4
5	Contract Procurement	\$ 5,193	\$ 3,506	1,687	\$ 13,314	\$ 10,678	2,636	20%	\$ 143,097	\$ 87,417	5
6	Substation Installation	\$ 21	\$ 74	(53)	\$ 391	\$ 202	189	48%	\$ 579	\$ 8,163	6
7	Endpoint Installation	\$ 2,167	\$ 1,815	352	\$ 6,161	\$ 3,966	2,195	36%	\$ 40,654	\$ 20,699	7
8	Deployment Office	\$ 1,000	\$ 794	206	\$ 2,893	\$ 2,324	569	20%	\$ 13,076	\$ 16,982	8
9	DCU Placement	\$ 209	\$ 231	(22)	\$ 480	\$ 419	61	13%	\$ 3,512	\$ 1,946	9
10	CC&B	\$ -	\$ 9	(9)	\$ -	\$ 4	(4)		\$ -	\$ 107,161	10
11	IT Integration	\$ 931	\$ 104	827	\$ 2,794	\$ 1,020	1,774	64%	\$ 6,053	\$ 59,013	11
12	IT Data Center	\$ -	\$ 31	(31)	\$ -	\$ 123	(123)		\$ 3,244	\$ 18,135	12
13	SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ 318	(318)		\$ -	\$ 11,438	13
14	IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	14
15	Technology Monitoring	\$ -	\$ (11)	11	\$ 381	\$ 75	306	80%	\$ 381	\$ 851	15
16	IT Integration - New	\$ 1,884	\$ 3,159	(1,275)	\$ 5,652	\$ 6,019	(367)	-6%	\$ 12,329	\$ 6,220	16
17	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 25,000		17
18	Capital Total	\$ 12,623	\$ 10,390	2,233	\$ 35,738	\$ 28,254	7,484	21%	\$ 260,000	\$ 375,130	18
19	Non-Earnings Impact Expense Total	\$ 5,515	\$ 3,660	1,855	\$ 17,553	\$ 11,103	6,450	37%	\$ 60,410	\$ 90,140	19

Capital Year-To-Date Variance Explanations

Timing: +\$7,484

- Equipment purchases less than forecast due to delay in gas tin meter change out program, slowdown in DCU installations, inventory build-up, and electric technology solution not yet available (+\$2,636).
- Current average per endpoint installation costs below projection in budget forecast model (\$1,257)
- Work on IT Releases beginning later than planned (+\$1,407).
- UTC/Excludable work by PG&E employees below forecast due to lack of enabling technology and system solutions (+\$938).
- Various items (+\$1,246)

Budget Status - Benefits

	Actual				Actual									
<i>(\$ in thousands)</i>	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ITD Actual
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 202	\$ 299	\$ 315	\$ 333	\$ 388	\$ 468	\$ 621	\$ 853	\$ 1,172	\$ 518
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 2,500
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581	\$ 619	\$ 716	\$ 732	\$ 749	\$ 804	\$ 884	\$ 1,037	\$ 1,269	\$ 1,589	\$ 3,018
Cumulative Actual + Forecast:	\$ 1,361	\$ 1,898	\$ 2,437	\$ 3,018	\$ 3,637	\$ 4,352	\$ 5,084	\$ 5,833	\$ 6,637	\$ 7,522	\$ 8,559	\$ 9,828	\$ 11,417	

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

<i>(\$ in thousands)</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted LOB Benefits:	\$ 627	\$ 643	\$ 674	\$ 726	\$ 753	\$ 795	\$ 965	\$ 1,045	\$ 1,143	\$ 1,236	\$ 1,353	\$ 1,441	\$ 11,400
Currently Forecasted LOB Benefits:	\$ 625	\$ 646	\$ 674	\$ 671	\$ 726	\$ 741	\$ 752	\$ 764	\$ 797	\$ 842	\$ 910	\$ 1,107	\$ 9,255
Estimated Actual LOB Benefits*:	\$ 625	\$ 674	\$ 674										

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

Risks Summary

► Risks

ID	Created On	Date Resolved	Risks	Impact	Owner	Status Summary
34119	11/20/2007	close pending	Electric technology decision may affect 2008 deployment schedule.	Delay in sufficient lead time for procurement of inventory for the second half of 2008.	Jim Meadows	SC approval to deploy Hexagram electric meters received on 2/27/08.
33524	10/8/2007		Ability to install gas network in areas without PG&E overhead facilities.	Delay in network deployment, increase in estimated billing and delay in benefits realization.	Tony Pagan	DCU Task Force for negotiating 3rd party attachment meets weekly for issue resolution. Negotiations planned to commence as early as practical in deployment. Alternatives to PG&E overhead facilities identified for network implementation.
33953	10/29/2007		Endpoint deployment schedule will not be met for 2008.	Cost, schedule and company image.	Tim Cottengim	Conducting weekly reviews of deployment plan. Examining metrics during deployment. Monitoring leading indicators. Continued coordination with field services to develop staffing plans.
new			Project deploying new technology.	Billing errors, customer complaints.	Jim Meadows	Mitigation strategy identified. Rigor will be added to release testing plans. Looking into possibility to remotely deploy flash updates.
new			Benefits forecasted to shortfall against 2008 budget.	Impact to budget and delay in benefits realization.	Bruce Agid	Mitigation strategies identified and being implemented.

Issues Summary

► Issues

ID	Created On	Resolution Date	Date Resolved	Issues	Impact	Owner	Status Summary
36135	3/4/2008	9/1/2008		Delay in securing DCU attachment rights in the city of Sacramento.	Delay in network deployment for Sacramento and delay in benefits realization.	Tony Pagan	Poles setting process underway, contractual headway being made in County. City now in processing effort.
36068	2/22/2008	3/31/2008	close pending	CPUC stipulated reduced meter maintenance cost benefit needs to be returned to SM.	SM project costs reduced \$10.7 million before authorization by CPUC in order to offset projected savings in GRC-funded work.	Jim Meadows	Investigating methods to transfer associated savings back to SM project from LOB benefiting from savings.
33588	2/11/2008	5/31/2008		Processes delayed to enable meter replacements for meter modules incorrectly installed.	Ability to interval bill customers.	Tim Cottengim	Complete meter replacements by April and include customers for SmartRate marketing in May.
	new issue	4/1/2008	close pending	TNG 1.6.3 is only delivering < 90% of interval reads for all meters.	Interval data collection, billing and marketing for SmartRate customers.	Randy Dieterle	Prioritization operational methodology in place to ensure billing quality interval data for SmartRate customers.
	3/31/2008	10/30/2008		IT functionalities to enable full scale deployment is delayed (duplicate module ID, TOU/Demand, daily refresh, full pop file).	Delay in benefits realization and deployment acceleration.	Lawrence Bellenguez	Releases prioritized by functionalities providing highest benefits.

Program Metrics

SmartMeter - Deployment		February '08 - Month Results				March '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 1.63	\$ 1.65	\$ (0.02)	-1.1%	\$ 1.66	\$ 1.69	\$ (0.03)	-1.9%	\$ 4.90	\$ 4.96	\$ (0.06)	-1.2%	\$ 23.56	\$ 23.56	\$ -	0.0%
CF2	Actual to Plan Capital Variance (\$M)	\$ (2.0)	\$ -	\$ 2.0	-17.8%	\$ (2.2)	\$ -	\$ 2.2	-17.5%	\$ (7.4)	\$ -	\$ 7.4	-20.7%	\$ -	\$ -	\$ -	0.0%
P1	OSHA Recordable Rate (SmartMeter)	-	4.6	4.6	100 0%	-	4.6	4.6	100 0%	-	4.6	4.6	100 0%	-	4.6	4.6	100 0%
C1	Customers enrolled in SmartRate	-	-	-		-	-	-		-	-	-					
CF3	Meters Enabled - Electric & Gas	56,399	53,611	2,788	5.2%	68,779	60,611	8,168	13.5%	161,484	165,927	(4,443)	-2.7%	1,359,059	1,359,059	-	0.0%
D1	Total Weeks of Inventory on Hand	6	3	3	100 0%	6	3	3	100 0%	6	3	3	100 0%	3	3	-	0.0%
D2	Total wks of inventory in the pipeline	7	3	4	133 3%	7	3	4	133 3%	7	3	4	133 3%	3	3	-	0.0%
D3	DCUs Installed	53	120	(67)	-55.8%	71	120	(49)	-40.8%	159	360	(201)	-55.8%	1,228	1,440	(212)	-14.7%
D4	Meter Reader HC reductions	3	-	3		2	-	2		7	-	7		64	111	(47)	-42.3%
D5	CPI - Endpoints (all-in)	\$120.16	\$121.40	\$1.24	1.0%	\$115.57	\$121.40	\$5.83	4.8%	\$125.24	\$121.40	(\$3.84)	-3.2%	\$121.40	\$121.40	\$0.00	0.0%
D6	CPI Network (all-in)	\$ 4,249	\$ 4,493	\$ 244	5.4%	\$ 3,914	\$ 4,493	\$ 578	12.9%	\$ 4,288	\$ 4,493	\$ 205	4.6%	\$ 4,493	\$ 4,493	\$ -	0.0%
D7	Electric network failure rate	6.9%	(track only)			7.2%	(track only)			6.91%	(track only)						
D9	Gas network failure rate	0.14%	(track only)			0.14%	(track only)			0.14%	(track only)						
D10	UTC Rate	4.0%	4.0%	0.0%	0.0%	3.2%	4.0%	0.8%	20.8%	4.0%	4.0%	0.0%	-0.5%	4.0%	4.0%	0.0%	0.0%
D11	Kern Meter Reading FTE Equivalent Remaining	22	22	-	0.0%	20	22	2	9.1%	20	22	2	9.1%	2	2	-	0.0%
D12	Meters Under Network	66%	(track only)			67%	(track only)			66.0%	(track only)			4.0%	4.0%	0.0%	0.0%
O1	Customer Complaint Rate (formal complaints)	0.0%	0.1%	0.1%	100 0%	0.0%	0.1%	0.1%	100 0%	0.0%	0.1%	0.1%	100 0%				
O2	Call Center Inbound Rate	1.41%	(track only)			2.51%	(track only)			1.9%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	96.4%	99.5%	-3.1%	-3.2%	93.50%	99.50%	-6.00%	-6.0%	99.91%	99.5%	0.4%	0.4%				
O4	% of Complete Gas Anchor Data Delivered	96.5%	99.5%	-3.0%	-3.0%	93.54%	99.50%	-5.96%	-6.0%	99.99%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	99.9%	99.5%	0.4%	0.4%	N/A				99.99%	99.5%	0.5%	0.5%				
O7	% SLA Compliance Rate	96.2%	95.0%	1.2%	1.2%	90.0%	95.0%	-5.0%	-5.3%	90.00%	95.0%	-5.0%	-5.3%				
O8	% of Bills not Estimated	99.7%	99.8%	-0.1%	-0.1%	99.4%	99.8%	-0.4%	-0.4%	99.5%	99.8%	0%	-0.3%				
CF5	Benefits \$ Realized (\$ M)	\$ 0.65	\$ 0.64	\$ 0.00	0.4%	\$ 0.67	\$ 0.67	\$ (0.00)	-0.1%	\$ 0.65	\$ 0.64	\$ 0.0	0.4%	\$ 11.40	\$ 11.40	\$ -	0.0%
B1	Meters Activated - Electric & Gas	598	-	598		36,161	-	36,161		36,943	-	36,943		708,000	1,037,000	(329,000)	-31.7%

Target are based on the 2008 Operating Baseline Plan

Variance explanations

1. **CF2 Actual to Plan Capital Variance (\$M)**

March & YTD

- Year to date underspent, forecasted to catch-up during the year.

2. **D3 DCUs Installed**

March & YTD

- Delays continue in securing DCU attachment rights

3. **O3 % of Complete Electric Anchor Data Delivered**

O4 % of Complete Gas Anchor Data Delivered

March

Less than 99.5% target due to interface upload failures on 3/4, 3/11, and 3/19/08, when 0% reads were delivered to CC&B)

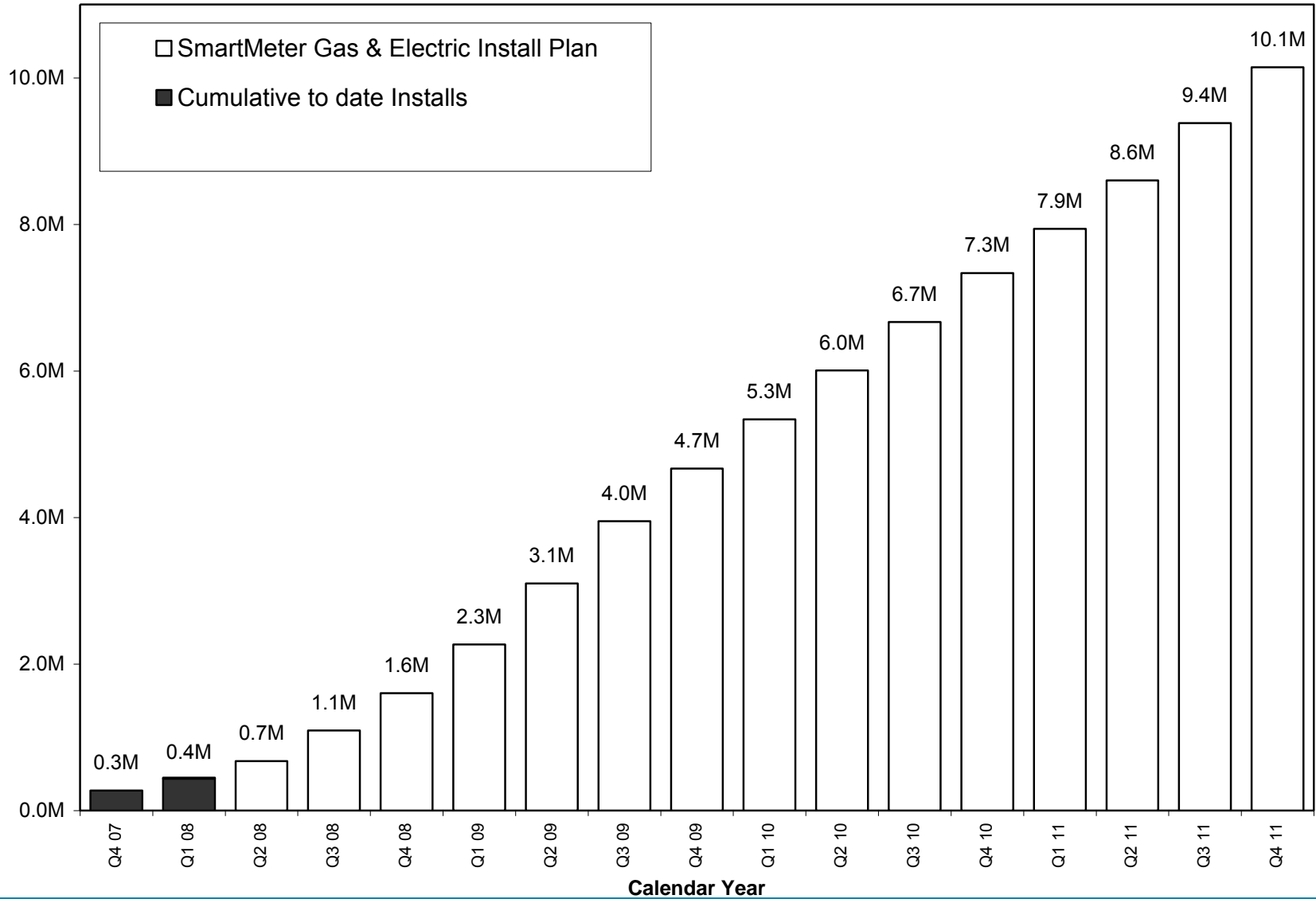
4. **O7 % SLA Compliance Rate**

YTD

ECO Substation Switch without notice.

- ▶ Project Deployment Plan Progress
- ▶ Contingency Reconciliation

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation	<u>\$000s</u>
1. Business Case Approved Contingency	\$128,773
Total PDRs Adopted by Steering Committee	\$2,856
Remaining Contingency Balance	<u>\$125,918</u>
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
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CC&B Date Move 2	\$22,300
Change Management	\$7,591
Technology Assessment	\$7,501
Non-retrofitable gas meters	\$3,315
SM 1 hardware Parallel Environment	\$2,997
L&G termination fees	██████████
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Performance recognition 2007	\$854
Use anchor reads to bill in CC&B	\$747
Labor Day OT Meter Reading	\$630
Manual review of customer bills	\$596
IVR Outage (Go Live)	\$573
TOU Deployment Deferrals	\$448
CC&B Memory Upgrade	\$416
Upgrade 4 servers (2 in SF and 2 in Fairfield) from their current memory of 32 GB each to 64 GB each	\$386
PG&E failed to order from Landis+Gyr	██████████
SmartTrack System	\$150
MBCDW architectural review	\$126
Wellington technical support for ongoing testing	██████████
Other (less than \$100,000 each)	\$616
Net Reduction Advertising	<u>-\$7,000</u>
Subtotal PDRs	<u>\$103,975</u>
Total PDRs	<u><u>\$106,831</u></u>

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**SmartMeter™/CC&B Initiatives
Steering Committee Update – May**

May 16, 2008

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status**
 - ▶ **Risks Summary**
 - ▶ **Issues Summary**
 - ▶ **Program Metrics**
- ▶ **Approved 2008 Deployment Plan**
- ▶ **Appendix**

Release Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment-Endpoints (CPI/2008 Total)							
Deployment-Network (CPI/2008 Total)							
IT releases:							
Release A – Deploy/Build							
Release B – Build							
Release E1 – Planning/Analyze							

Challenges (key focus areas)

Deployment - Network

- 60% of planned DCUs deployed to date due to delay in obtaining DCU attachment rights.

Release A

- SmartRate Testing set for Go live on 5/17

Release B

- Revised release cost estimate pending
- Aclara delivered software with critical defect

Release E1

- Testing resources identified as long pole to schedule; delivery after 9/1 of all rates is further benefits erosion for 2008

Actions

Deployment - Network

- 7 Planned New Poles in Galt & Elk Grove (5/30): permits today
- 19 Planned New Poles (4 in city of Sac) (6/30): permits today
- 20 New Poles in Lieu of Streetlight in the Sac (7/5)

Release A

- Go decision evaluation today. CWP release is on target.

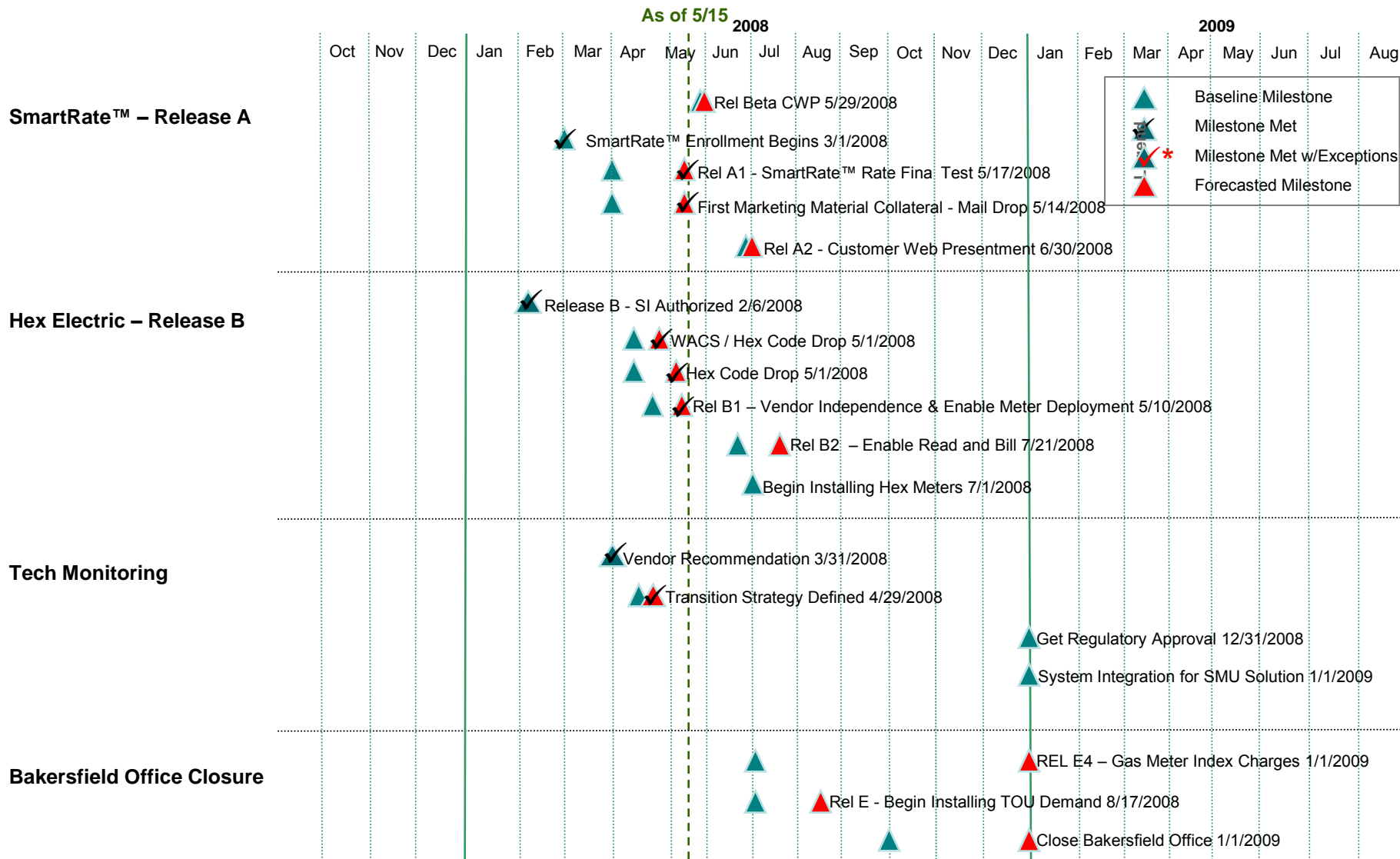
Release B

- Release test / resource plan review underway with Plan the Plan
- Aclara defect fix set for 5/20; twice daily calls in place to measure progress

Release E1

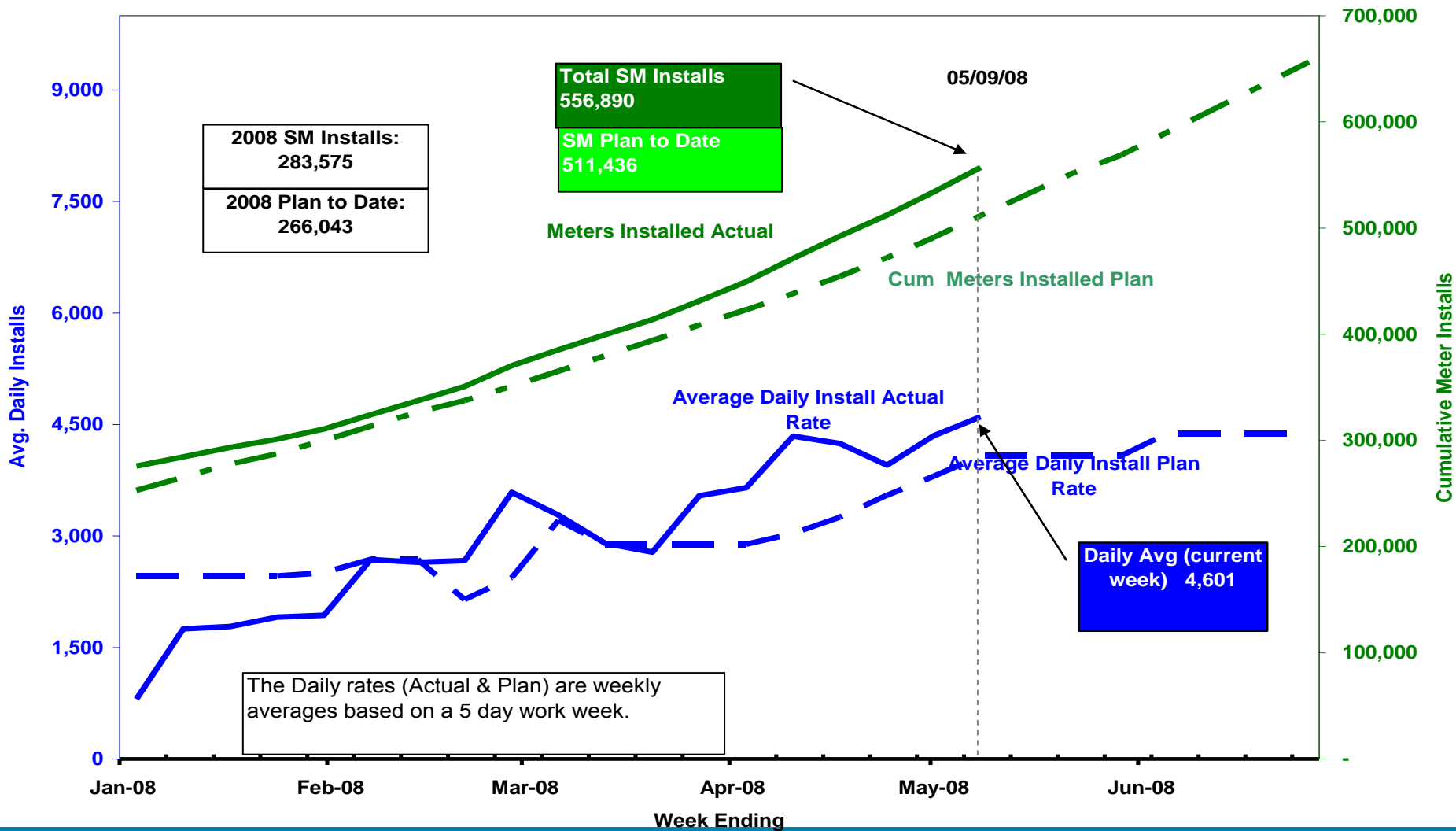
- Analysis underway for adding 6-10 testers
- Bringing date forward to 8/1 delivers 130k

Schedule Update



Deployment Update

2008 Install Rate vs. Operating Plan - Meter Totals & Installation Averages
As of May 9th



Budget Status - Expenditures by Workstream

\$ Thousands

Capital (000s)		Current Month - April			Year To Date - April				Current Year- End Forecast	Approved Year-End Budget	Inception To Date Spending	#
#	Workstream	Budget	Actuals	\$ Variance	Budget	Actuals	\$ Variance	% Variance				
1	PMO	\$ 946	\$ 1,791	(844)	\$ 3,785	\$ 4,402	(616)	-16%	\$ 12,296	\$ 8,800	\$ 34,775	1
2	SM Operations	\$ 271	\$ 187	84	\$ 1,105	\$ 683	422	38%	\$ 1,389	\$ 3,275	\$ 4,307	2
3	Communications	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	3
4	Customer	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	4
5	Contract Procurement	\$ 6,486	\$ 5,076	1,410	\$ 19,800	\$ 15,755	4,046	20%	\$ 170,684	\$ 143,097	\$ 92,494	5
6	Substation Installation	\$ 21	\$ 49	(29)	\$ 412	\$ 252	161	39%	\$ 677	\$ 579	\$ 8,213	6
7	Endpoint Installation	\$ 2,340	\$ 1,906	435	\$ 8,501	\$ 5,872	2,629	31%	\$ 43,576	\$ 40,654	\$ 22,604	7
8	Deployment Office	\$ 1,024	\$ 879	145	\$ 3,917	\$ 3,203	714	18%	\$ 11,333	\$ 13,076	\$ 17,861	8
9	DCU Placement	\$ 318	\$ 187	131	\$ 798	\$ 606	192	24%	\$ 2,760	\$ 3,512	\$ 2,133	9
10	CC&B	\$ -	\$ 51	(51)	\$ -	\$ 55	(55)		\$ 55	\$ -	\$ 107,212	10
11	IT Integration	\$ -	\$ (285)	285	\$ 2,794	\$ 735	2,059	74%	\$ 735	\$ 6,053	\$ 58,728	11
12	IT Data Center	\$ -	\$ 39	(39)	\$ -	\$ 162	(162)		\$ 162	\$ 3,244	\$ 18,174	12
13	SM 1.0 Applications	\$ -	\$ -	0	\$ -	\$ 318	(318)		\$ 318	\$ -	\$ 11,438	13
14	IT Operations	\$ -	\$ -	0	\$ -	\$ -	0		\$ -	\$ -	\$ -	14
15	Technology Monitoring	\$ -	\$ 0	(0)	\$ 381	\$ 75	306	80%	\$ 75	\$ 381	\$ 852	15
16	IT Integration - New	\$ 2,815	\$ 2,935	(120)	\$ 8,467	\$ 8,953	(487)	-6%	\$ 29,049	\$ 12,329	\$ 9,155	16
17	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0			\$ 25,000		17
18	Capital Total	\$ 14,223	\$ 12,816	1,407	\$ 49,961	\$ 41,070	8,891	18%	\$ 273,110	\$ 260,000	\$ 387,945	18
Non-Earnings Impact												
19	Expenses	\$ 4,936	\$ 3,989	947	\$ 22,489	\$ 15,092	7,396	33%	\$ 57,785	\$ 60,410	\$ 94,129	19

Capital Year-To-Date Variance Explanations

Timing: +\$8,891

- Equipment purchases less than forecast due to differences in the assumed timing (+\$4,046).
- Current average per endpoint installation costs below plan and UTC/Excludable work by PG&E employees below plan (\$2,629)
- Timing of expenditures on IT Releases later than planned (+\$1,343).
- Various items (+\$873)

Budget Status - Benefits

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

	Actual					Budget								
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ITD Actual
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 299	\$ 315	\$ 333	\$ 388	\$ 468	\$ 621	\$ 853	\$ 1,172	\$ 696
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 2,917
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581	\$ 595	\$ 716	\$ 732	\$ 749	\$ 804	\$ 884	\$ 1,037	\$ 1,269	\$ 1,589	\$ 3,612
Cumulative Actual + Forecast:	\$ 1,361	\$ 1,898	\$ 2,437	\$ 3,018	\$ 3,612	\$ 4,328	\$ 5,060	\$ 5,809	\$ 6,613	\$ 7,497	\$ 8,535	\$ 9,804	\$ 11,393	

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted LOB Benefits:</u>													
Monthly	\$ 627	\$ 643	\$ 674	\$ 726	\$ 753	\$ 795	\$ 965	\$ 1,045	\$ 1,143	\$ 1,236	\$ 1,353	\$ 1,441	\$ 11,400
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,423	\$ 4,218	\$ 5,183	\$ 6,227	\$ 7,370	\$ 8,605	\$ 9,958	\$ 11,400	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 626	\$ 647	\$ 675	\$ 687	\$ 736	\$ 752	\$ 764	\$ 776	\$ 810	\$ 856	\$ 926	\$ 1,116	\$ 9,371
Cumulative	\$ 626	\$ 1,273	\$ 1,948	\$ 2,635	\$ 3,371	\$ 4,123	\$ 4,887	\$ 5,663	\$ 6,473	\$ 7,329	\$ 8,255	\$ 9,371	
YTD Variance	\$ (1)	\$ 3	\$ 3	\$ (35)									

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

Risks Summary

ID	Created On	Date Resolved	Risks	Impact	Owner	Status Summary
37341	4/24/2008		Delay for SmartRate billing testing.	Ability to support large number of SmartRate bills in production.	Steve Knaebel	End-to-end billing functionality testing to be completed prior to Go-Live (5/17 revised completion date). Estimated reads to be monitored for exception volume assessments.
33524	10/8/2007		Ability to install gas network in areas without PG&E overhead facilities.	Delay in network deployment, increase in estimated billing and delay in benefits realization.	Tony Pagan	Negotiations planned to commence as early as practical in deployment. Alternatives to PG&E overhead facilities identified for network implementation. Testing capability/performance of DCUs installed in nearby locations for ability to provide network coverage where no overhead facilities exist.
31933	5/24/2007		Vendor SmartMeter products cannot be delivered to meet the 2008 deployment schedule.	Impact to schedule, benefits realization, idle installation crew/stand down costs, capital budget may not be met.	Debra Ervin	Supply chain and vendor performance being monitored for early warning signs to create action plan based on results.
33953	10/29/2007		Endpoint deployment schedule may not be met for 2008.	Cost, schedule and company image.	Tim Cottengim	Conducting weekly reviews of deployment plan. Examining metrics during deployment. Monitoring leading indicators. Continued coordination with field services to develop staffing plans.
37340	4/24/2008		Project deploying new technology.	Billing errors, customer complaints.	Jim Meadows	Mitigation strategy identified. Rigor will be added to release testing plans. Looking into possibility to remotely deploy flash updates.
new			Benefits forecasted to shortfall against 2008 budget.	Impact to budget and delay in benefit realization	Bruce Agid	Mitigation strategies identified and being implemented.

Issues Summary

ID	Created On	Resolution Date	Date Resolved	Issues	Impact	Owner	Status Summary
new	5/2/2008*	5/17/2008		SmartRate implementation delayed due to interval data collection errors between WACS and CC&B.	Delay in SmartRate implementation and marketing collateral drop dates.	Ryan Goldman	Temporary fix to resolve data collection errors provided by Ecologic. Test plans to run the fix and to conduct results analysis created. Revised Go-Live targeted for 5/17.
37443	5/7/2008	5/23/2008		Delay in key deliverables from Aclara.	Schedule impact to Release B due to dependency on Aclara deliverables to begin regression testing and network communication activities.	Vanessa Rogers	Aclara deliverables have been prioritized and expected on 5/20. Actual impact to Go-Live being assessed.
33588	2/11/2008	5/31/2008		Processes delayed to enable meter replacements for meter modules incorrectly installed.	Ability to interval bill customers.	Tim Cottengim	Complete meter replacements by April and include customers for SmartRate marketing in May.
36135	3/4/2008	9/1/2008		Delay in securing DCU attachment rights in the city of Sacramento.	Delay in network deployment for Sacramento and delay in benefits realization.	Tony Pagan	Poles setting process underway, contractual headway being made in County. City now in processing effort.

Program Metrics

SmartMeter - Deployment		March '08 - Month Results				April '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 1.66	\$ 1.69	\$ (0.03)	-1.9%	\$ 1.70	\$ 1.74	\$ (0.04)	-2.1%	\$ 6.60	\$ 6.70	\$ (0.10)	-1.4%	\$ 23.56	\$ 23.56	\$ -	0.0%
CF2	Actual to Plan Capital Variance (\$M)	\$ 2.2	\$ -	\$ (2.2)	-17.5%	\$ 1.2	\$ -	\$ (1.2)	-8.3%	\$ 8.5	\$ -	\$ (8.5)	-17.2%	\$ -	\$ -	\$ -	0.0%
P1	OSHA Recordable Rate (SmartMeter)	-	-	-		-	-	-		-	-	-		-	-	-	
C1	Customers enrolled in SmartRate	-	-	-		-	-	-		-	-	-		10,000	10,000	-	0.0%
CF3	Meters Installed - Electric & Gas	68,779	60,611	8,168	13.5%	90,694	71,561	19,133	26.7%	252,178	237,488	14,690	6.2%	1,359,059	1,359,059	-	0.0%
D1	Total Weeks of Inventory on Hand	6	3	3	100.0%	3	3	-	0.0%	3	3	-	0.0%	3	3	-	0.0%
D2	Total wks of inventory in the pipeline	7	3	4	133.3%	3	3	-	0.0%	3	3	-	0.0%	3	3	-	0.0%
D3	DCUs Installed	71	120	(49)	-40.8%	125	120	5	4.2%	284	480	(196)	-40.8%	1,244	1,440	(196)	-13.6%
D4	Meter Reader HC reductions	2	2	-	0.0%	3	3	-	0.0%	10	11	(1)	-9.1%	64	104	(40)	-38.5%
D5	CPI - Endpoints (all-in)	\$118.52	\$121.40	\$2.88	2.4%	\$118.91	\$121.40	\$2.49	2.1%	\$125.13	\$121.40	(\$3.73)	-3.1%	\$121.40	\$121.40	\$ -	0.0%
D6	CPI Network (all-in)	\$ 4,326	\$ 4,493	\$ 167	3.7%	\$ 4,225	\$ 4,493	\$ 268	6.0%	\$ 4,415	\$ 4,493	\$ 78	1.7%	\$ 4,493	\$ 4,493	\$ -	0.0%
D7	Electric network failure rate *	0.0%	(track only)			0.6%	(track only)			0.6%	(track only)						
D9	Gas network failure rate	0.14%	(track only)			0.14%	(track only)			0.14%	(track only)						
D10	UTC Rate *	5.4%	4.0%	-1.4%	-33.9%	8.9%	4.0%	-4.9%	-122.2%	6.8%	4.0%	-2.8%	-69.2%	4.0%	4.0%	0.0%	0.0%
D11	Kern Meter Reading FTE Equivalent Remaining**	20	22	2	9.1%	17	19	2	10.5%	17	19	2	10.5%	2	2	-	0.0%
D12	Meters Under Network	67%	(track only)			60%	(track only)			60.0%	(track only)						
O2	Call Center Inbound Rate	2.51%	(track only)			4.00%	(track only)			2.6%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	93.50%	99.50%	-6.00%	-6.0%	99.96%	99.50%	0.46%	0.5%	99.93%	99.5%	0.4%	0.4%				
O4	% of Complete Gas Anchor Data Delivered	93.54%	99.50%	-5.96%	-6.0%	99.99%	99.50%	0.49%	0.5%	99.99%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	N/A				94.66%	99.50%	-4.84%	-4.9%	93.86%	99.5%	-5.6%	-5.7%				
O7	% SLA Compliance Rate	90.0%	95.0%	-5.0%	-5.3%	90.0%	95.0%	-5.0%	-5.3%	93.00%	95.0%	-2.0%	-2.1%				
O8	% of Bills not Estimated	99.4%	99.8%	-0.4%	-0.4%	99.7%	99.8%	-0.1%	-0.1%	99.6%	99.8%	0%	-0.2%				
CF5	Benefits \$ Realized (\$ M)	\$ 0.67	\$ 0.67	\$ (0.00)	-0.1%	\$ 0.69	\$ 0.73	\$ (0.04)	-5.4%	\$ 2.63	\$ 2.67	\$ (0.0)	-1.3%	\$ 9.28	\$ 11.40	\$ (2.1)	-18.6%
B1	Meters Activated - Electric & Gas	36,161	-	36,161		13,590	42,000	(28,410)	-67.6%	50,533	42,000	8,533	20.3%	708,000	1,079,000	(371,000)	-34.4%

Target are based on the 2008 Operating Baseline Plan

* Reported rate revised from previous reports to correct for metric calculation error or revised metric definition & calculation

** D11: Only Meter Readers

Approved 2008 Deployment Plan

- ➔ 2008 Meter deployment goal: 1.35 Million
- ➔ Offices selected allow for stretch plan of 1.6M

January - June

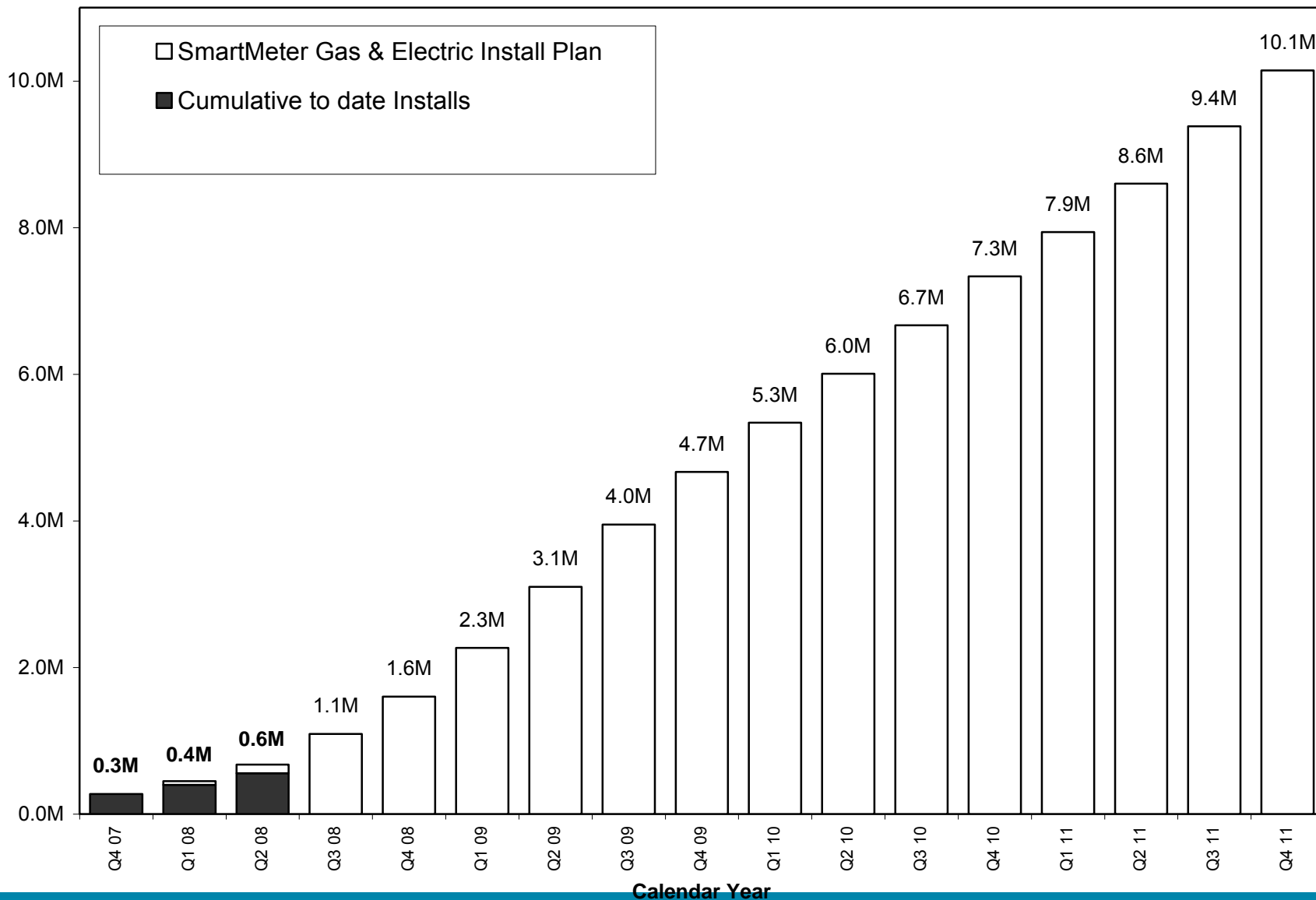
- ▶ Complete Kern Division for both RF gas and PLC electric
- ▶ Focus on deployment in gas-only service areas, primarily:
 - ▶ Sacramento
 - ▶ Modesto / Turlock
 - ▶ Lodi / Stockton
- ▶ Gas meter deployment for M&O and new business

July - December

- ▶ Deploy both gas and electric RF solutions.
- ▶ Key deployment offices include:
 - ▶ Fresno
 - ▶ Hayward
 - ▶ Bayhill
 - ▶ Davis
 - ▶ Manteca
 - ▶ Roseville/Lincoln
- ▶ Continued gas meter deployment for M&O and new business

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation	<i>\$000s</i>
1. Business Case Approved Contingency	\$128,773
Total PDRs Adopted by Steering Committee	\$2,856
Remaining Contingency Balance	\$125,918
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
CC&B date move 1	\$58,183
CC&B date move 2	\$22,300
Change management / business process	\$7,591
Technology Monitoring	\$7,501
SM Ops Hex Electric support and staffing budget true-up	\$5,900
Non-retrofitable gas meters	\$3,315
Hardware: Code Drop, SI & Sand Box environments	\$2,997
L&G termination fees	██████████
SM Ops staffing for manual workarounds	\$875
Performance recognition 2007	\$854
Use anchor reads to bill in CC&B	\$747
Labor Day OT for Meter Reading	\$630
Manual review of customer bills	\$596
Manual workarounds 1 due to IVR Outages	\$573
Manual workarounds 2 due to IVR Outages	\$484
TOU deployment deferrals	\$448
Memory upgrade 2	\$416
Memory upgrade 1	\$386
PG&E failed to order from Landis+Gyr	██████████
SmartTrack system	\$150
Measure, Bill & Collect Data Warehouse (MBCDW) architectural review	\$126
Wellington technical support for ongoing testing	██████████
Other (less than \$100,000 each)	\$616
Cut advertising from Communications	-\$7,000
Subtotal PDRs	\$110,359
Total PDRs	\$113,215

Public Version



**SmartMeter™/CC&B Initiatives
Steering Committee Update – June
June 19, 2008**

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**

Release Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment-Endpoints (CPI/2008 Total)							
Deployment-Network (CPI/2008 Total)							
IT releases:							
Release A – Deploy/Build							
Release B – Build							
Release D – Planning		TBD					
Release E1 – Analyze		TBD					
Release F – Planning							

Challenges

Deployment - Network

- 70% of planned Data Collector Units (DCUs) in 2008 are delayed

Release A

- Some A2 functionality and defects pushed to Release A4

Release B

- Go-Live date re-forecasted to 7/21/08 due to:
 - delay in availability of critical patch
 - product defects and script issues
- [REDACTED]

Release D

- Planning Phase exit delayed, approvals on deliverables (scope, schedule plans) pending

Release E1

- Additional scope to Release E1 being added from Release A through Process Change Requests (PCRs). Missed impact of the frozen route deployment report pushing delivery to 8/8/08

Actions/Status

Deployment – Network

- Attachment rights secured for 76 DCUs for Sacramento County. Agreements with cities of Sacramento and Folsom secured; awaiting council action
- 7 of 26 new poles are installed

Release A

- Customer Web Presentment (CWP-Release A2) final deployment on target for 6/30/08

Release B

- Identify areas to gain back time:
 - Production path activities may be overlapped
 - Confirm patch functionality, scope and duration
 - PMO to act on mitigations by 6/20/08

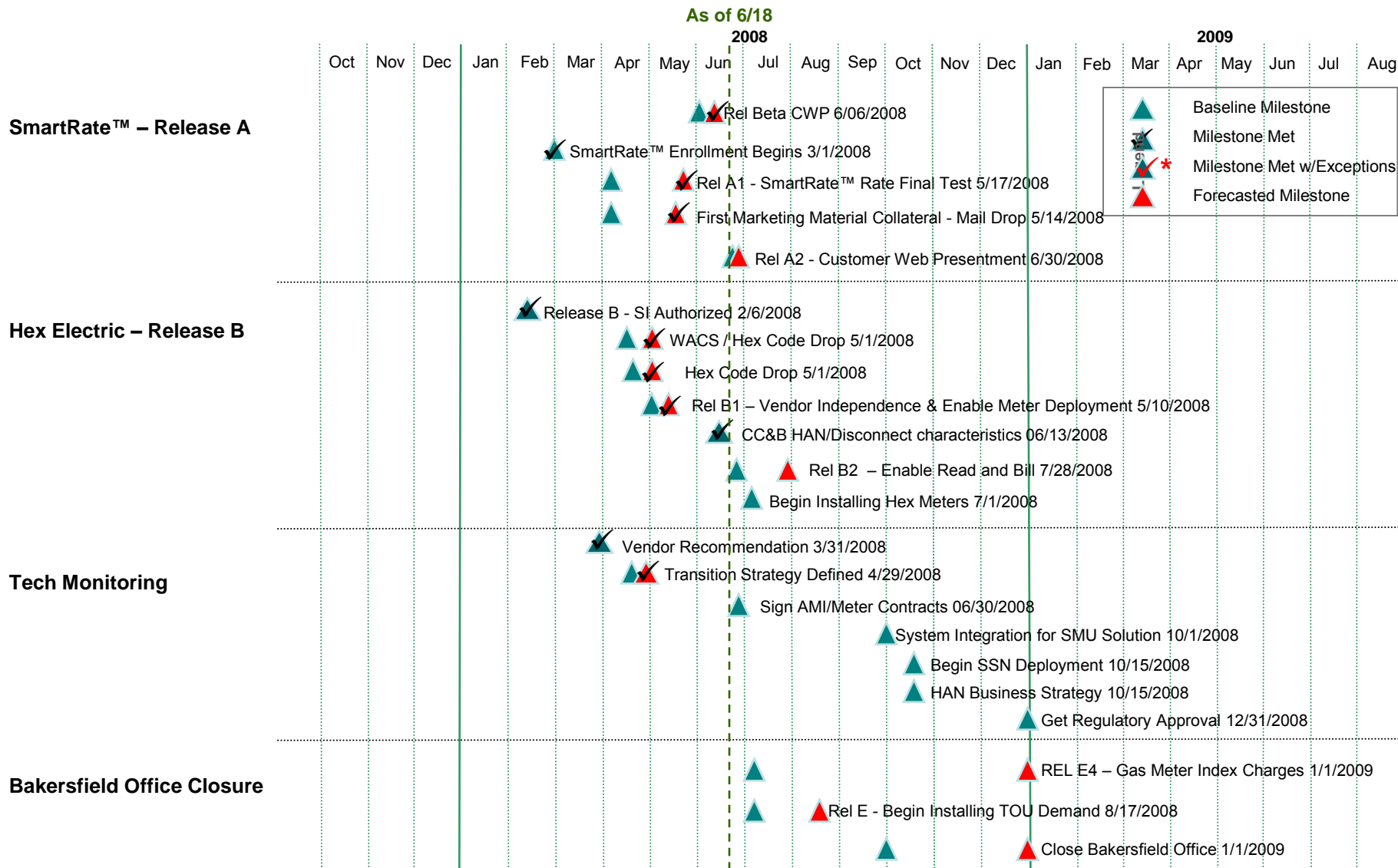
Release D

- Scope and schedule approval expected by 6/20/08

Release E1

- Investigating if report can be separated from deploy, read, bill and delivered a week later or if an additional resource can be added to pull in to the 8/1/08 delivery

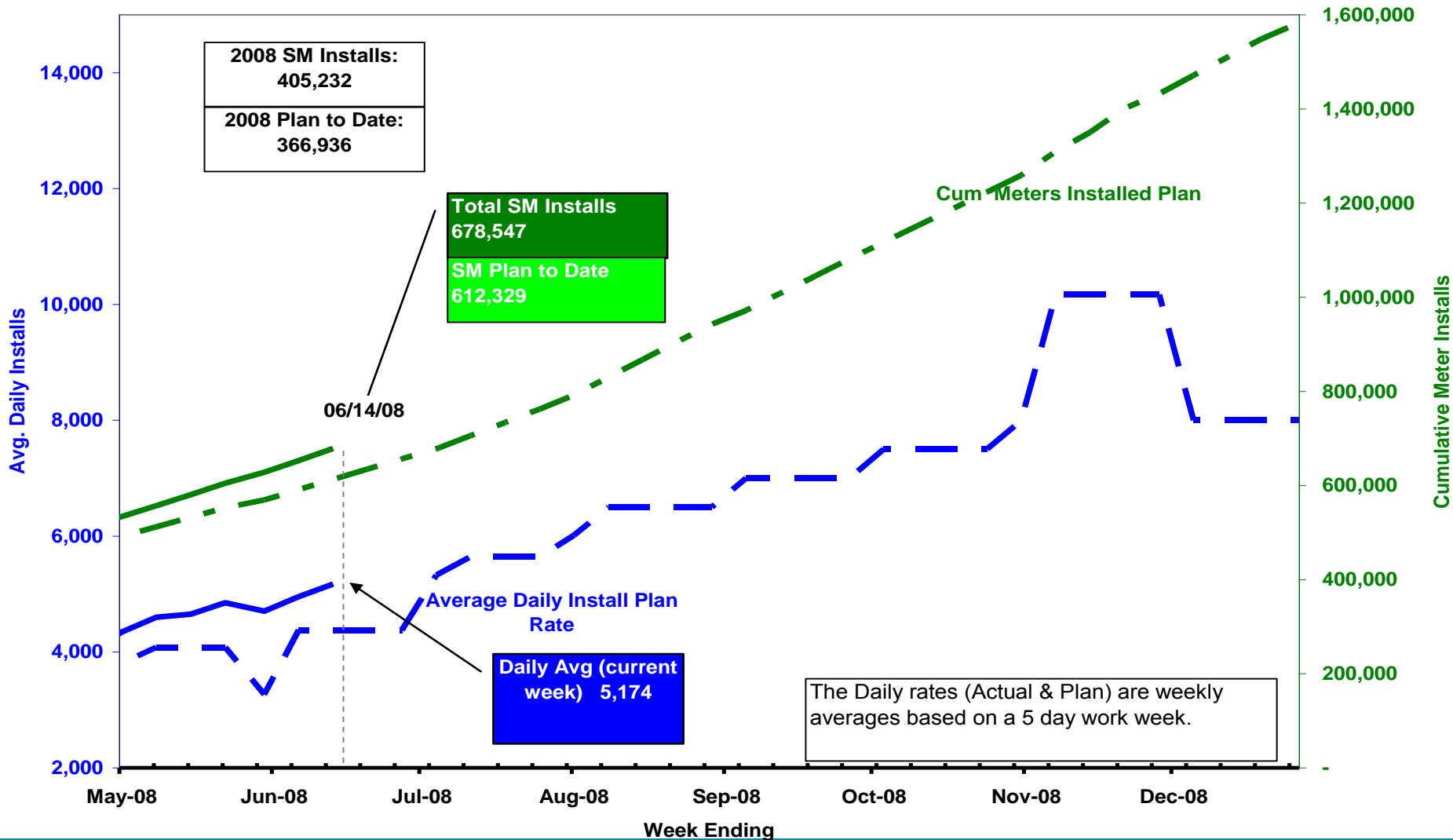
Schedule Update



Deployment Update

2008 Install Rate vs. Operating Plan - Meter Totals & Installation Averages

As of June 14th



Budget Status - Expenditures by Workstream

Capital (000s)		Current Month - May			Year To Date - May				2008 Approved Budget	Inception To Date Spending	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance			
1	PMO	\$ 946	\$ 1,051	(105)	\$ 4,732	\$ 5,453	(721)	-15%	\$ 8,800	\$ 35,826	1
2	SM Operations	\$ 271	\$ 179	92	\$ 1,376	\$ 861	515	37%	\$ 3,275	\$ 4,485	2
3	Contract Procurement	\$ 9,741	\$ 7,286	2,456	\$ 29,542	\$ 23,040	6,501	22%	\$ 143,097	\$ 99,779	3
4	Substation Installation	\$ 21	\$ 42	(21)	\$ 433	\$ 293	140	32%	\$ 579	\$ 8,255	4
5	Endpoint Installation	\$ 2,739	\$ 2,774	(35)	\$ 11,240	\$ 8,646	2,594	23%	\$ 40,654	\$ 25,378	5
6	Deployment Office	\$ 1,067	\$ 914	153	\$ 4,984	\$ 4,117	867	17%	\$ 13,076	\$ 18,775	6
7	DCU Placement	\$ 374	\$ 269	106	\$ 1,172	\$ 875	297	25%	\$ 3,512	\$ 2,402	7
8	IT	\$ 1,530	\$ 3,885	(2,355)	\$ 12,791	\$ 14,108	(1,317)	-10%	\$ 21,626	\$ 208,592	8
9	Technology Monitoring	\$ -	\$ 5	(5)	\$ 381	\$ 80	301	79%	\$ 381	\$ 857	9
10	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 25,000		10
11	Project Total	\$ 16,690	\$ 16,404	286	\$ 66,651	\$ 57,474	9,177	14%	\$ 260,000	\$ 404,349	11

Non Earning Impact Expense (000s)		Current Month - May			Year To Date - May				Cycle 3 Approved Budget	Inception To Date Spending	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance			
12	PMO	\$ 261	\$ 427	(167)	\$ 1,304	\$ 1,001	303	23%	\$ 3,130	\$ 16,267	12
13	SM Operations	\$ 670	\$ 573	97	\$ 3,921	\$ 2,864	1,057	27%	\$ 8,705	\$ 9,699	13
14	Customer	\$ 437	\$ 90	347	\$ 2,110	\$ 438	1,672	79%	\$ 8,058	\$ 1,384	14
15	Endpoint Installation	\$ 229	\$ 173	56	\$ 1,107	\$ 609	497	45%	\$ 2,481	\$ 1,188	15
16	Deployment Office	\$ 93	\$ 100	(8)	\$ 464	\$ 342	122	26%	\$ 1,112	\$ 3,714	16
17	IT	\$ 1,934	\$ 1,125	810	\$ 11,088	\$ 7,878	3,210	29%	\$ 22,742	\$ 49,597	17
18	Technology Monitoring	\$ 954	\$ 570	384	\$ 7,073	\$ 5,019	2,054	29%	\$ 9,719	\$ 15,338	18
19	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 4,463		19
20	Project Total	\$ 4,577	\$ 3,059	1,518	\$ 27,066	\$ 18,151	8,915	33%	\$ 60,410	\$ 97,188	20

Capital Year-To-Date Variance Explanations

Timing: +\$9,177

Year-end forecast is currently being re-examined

- Timing difference in gas meter and module purchases due to combination of: delivery delays; later start in year for including growth meters; and need to draw down existing inventories (+\$3,066)
- Timing difference in electric module purchases due to transition in technologies (+\$2,899)
- Current average electric and gas per endpoint installation costs are below projection in forecast model (+\$1,248)
- Gas Unable to Complete/Excludable work by PG&E employees below forecast due to resources working on higher priority items earlier in the year and scheduling delays (+\$1,414).
- System hardware purchases and software payments greater than plan (-\$1,036)
- Various items (+\$1,586)

Issues / Risks Summary

Target Resolution Date	Date Resolved	Issues	Impact	Owner	Status Summary
6/30/2008		Delay in key deliverables from Aclara.	Day for day slip in schedule with delay in delivery of DTS (data migration) package.	Vanessa Rogers	Required deliverables and DTS package provided by Aclara. Requirements Trace Matrix deliverable submitted by Aclara does not represent full list of requirements. Escalated to business to confirm requirements that need to be included.
7/24/2008		Delay in securing DCU attachment rights in the Sacramento office.	Delay in network deployment for Sacramento and delay in benefits realization.	Tony Pagan	County approved attachment rights for 79 DCUs for Sacramento County.
7/21/2008		Delivery of the Aclara electric meter modules has slipped.	Impacts 2008 SM deployment schedule and the ability for Wellington to open new cross docks.	Wilson Lau	Aclara to provide revised delivery schedule and recovery plan by 6/17. Team evaluating options and will implement an action plan following availability of Aclara's recovery plan proposal.
Closed		Integration of Aclara electric modules into L&G meters has been delayed due to RF interference problems with the onboard meter memory.	Impacts 2008 SM deployment schedule.	Debra Ervin	Aclara to work with L&G to resolve compatibility issue through redesign. SM Engineering to review and approve solutions.

Created On	Date Resolved	Risks	Impact	Owner	Status Summary
4/24/2008		Increase in delayed, estimated and/or inaccurate SmartRate billing.	Negative customer service and perception, credibility of SmartMeter programs, negative company image and reputation, ability to meet commitments to CPUC, increased project costs.	Laurence Bellenguez	End-to-end billing functionality testing completed prior to Go-Live. Estimated reads to be monitored for exception volume assessments.
10/8/2007		Ability to install gas network in areas without PG&E overhead facilities.	Delay in network deployment, increase in estimated billing and delay in benefits realization.	Tony Pagan	Negotiations planned to commence as early as practical in deployment. Alternatives to PG&E overhead facilities identified for network implementation. Testing capability/performance of DCUs installed in nearby locations for ability to provide network coverage where no overhead facilities exist.
5/24/2007		Vendor SmartMeter products cannot be delivered to meet the 2008 deployment schedule.	Impact to schedule, benefits realization, idle installation crew/stand down costs, capital budget may not be met.	Debra Ervin	Supply chain and vendor performance being monitored for early warning signs to create action plan based on results.
10/29/2007		Endpoint deployment schedule may not be met for 2008.	Cost, schedule and company image.	Tim Cottengim	Conducting weekly reviews of deployment plan. Examining metrics during deployment. Monitoring leading indicators. Continued coordination with field services to develop staffing plans.
4/24/2008		Project deploying new technology.	Billing errors, customer complaints.	Jim Meadows	Mitigation strategy identified. Rigor will be added to release testing plans.

Budget Status - Benefits

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

	Actual					Budget								ITD Actual	
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 200	\$ 315	\$ 333	\$ 388	\$ 468	\$ 621	\$ 853	\$ 1,172	\$ 895	21%
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 3,333	79%
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581	\$ 595	\$ 617	\$ 732	\$ 749	\$ 804	\$ 884	\$ 1,037	\$ 1,269	\$ 1,589	\$ 4,229	
2008 Cumulative Actual + Forecast:	\$ 1,361	\$ 538	\$ 1,076	\$ 1,657	\$ 2,252	\$ 2,868	\$ 3,600	\$ 4,349	\$ 5,153	\$ 6,038	\$ 7,075	\$ 8,344	\$ 9,933		

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted LOB Benefits:													
Monthly	\$ 627	\$ 643	\$ 674	\$ 726	\$ 753	\$ 795	\$ 965	\$ 1,045	\$ 1,143	\$ 1,236	\$ 1,353	\$ 1,441	\$ 11,400
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,423	\$ 4,218	\$ 5,183	\$ 6,227	\$ 7,370	\$ 8,605	\$ 9,958	\$ 11,400	
Actual / Current Forecast:													
Monthly	\$ 626	\$ 647	\$ 675	\$ 687	\$ 722	\$ 757	\$ 777	\$ 789	\$ 822	\$ 869	\$ 939	\$ 1,113	\$ 9,422
Cumulative	\$ 626	\$ 1,272	\$ 1,947	\$ 2,634	\$ 3,356	\$ 4,113	\$ 4,890	\$ 5,679	\$ 6,501	\$ 7,370	\$ 8,309	\$ 9,422	
YTD Variance	\$ (2)	\$ 2	\$ 3	\$ (36)	\$ (67)								

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SmartMeter Balancing Account, but is included in the line of business budget reductions to fund SmartMeter work.

Program Metrics

SmartMeter - Deployment		April '08 - Month Results				May '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 1.70	\$ 1.74	\$ (0.04)	-2.1%	\$ 1.76	\$ 1.79	\$ (0.03)	-1.7%	\$ 8.35	\$ 8.48	\$ (0.13)	-1.5%	\$ 23.56	\$ 23.56	\$ -	0 0%
CF2	Actual to Plan Capital Variance (\$M)	\$ 1.4	\$ -	\$ (1.4)	-9.9%	\$ 0.3	\$ -	\$ (0.3)	-1.7%	\$ 9.2	\$ -	\$ (9.2)	-13.8%	\$ -	\$ -	\$ -	0 0%
P1	OSHA Recordable Rate (SmartMeter)	-	-	-		-	-	-		-	-	-		-	-	-	
C1	Customers enrolled in SmartRate	-	-	-		324	300	24	8.0%	324	300	24	8.0%	10,000	10,000	-	0 0%
CF3	Meters Installed - Electric & Gas	90,694	71,561	19,133	26.7%	102,418	85,665	16,753	19.6%	354,596	323,152	31,444	9.7%	1,359,059	1,359,059	-	0 0%
D1	Total Weeks of Inventory on Hand*	3	3	-	0 0%	10	3	7	233.3%	10	3	7	233.3%	3	3	-	0 0%
D2	Total wks of inventory in the pipeline*	3	3	-	0 0%	14	3	11	366.7%	14	3	11	366.7%	3	3	-	0 0%
D3	DCUs Installed	124	120	4	3.3%	139	120	19	15.8%	423	600	(177)	-29.5%	1,263	1,440	(177)	-12.3%
D4	Meter Reader HC reductions	3	3	-	0 0%	4	5	(1)	-20.0%	15	16	(1)	-6.3%	64	104	(40)	-38.5%
D5	CPI - Endpoints (all-in)	\$116.09	\$121.40	\$5.31	4.4%	\$113.77	\$121.40	\$7.63	6.3%	\$121.74	\$121.40	(\$0.34)	-0.3%	\$121.40	\$121.40	\$ -	0 0%
D6	CPI Network (all-in)	\$ 3,974	\$ 4,493	\$ 519	11.5%	\$ 3,944	\$ 4,493	\$ 549	12.2%	\$ 4,117	\$ 4,493	\$ 376	8.4%	\$ 4,493	\$ 4,493	\$ -	0 0%
D7	Electric network failure rate	0.6%	(track only)			0.5%	(track only)			0.5%	(track only)						
D9	Gas network failure rate	0.14%	(track only)							0.14%	(track only)						
D10	UTC Rate	8.9%	4.0%	-4.9%	-122.2%	5.9%	4.0%	-1.9%	-48.5%	6.6%	4.0%	-2.6%	-65.1%	6.6%	4.0%	-2.6%	-65.1%
D11	Kern Meter Reading FTE Equivalent Remaining**	17	19	(2)	-10.5%	15	16	(1)	-6.3%	15	16	(1)	-6.3%	2	2	-	0 0%
D12	Meters Under Network	60%	(track only)			57%	(track only)			57.0%	(track only)						
O2	Call Center Inbound Rate	4.00%	(track only)			4.86%	(track only)			3.3%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	99.96%	99.50%	0.46%	0.5%	99.95%	99.50%	0.45%	0.5%	99.93%	99.5%	0.4%	0.4%				
O4	% of Complete Gas Anchor Data Delivered	99.99%	99.50%	0.49%	0.5%	99.99%	99.50%	0.49%	0.5%	99.99%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	94.66%	99.50%	-4.84%	-4.9%	96.26%	99.50%	-3.24%	-3.3%	94.95%	99.5%	-4.6%	-4.6%				
O7	% SLA Compliance Rate	95.0%	95.0%	0.0%	0 0%	97.5%	95.0%	2.5%	2.6%	93.50%	95.0%	-1.5%	-1.6%				
O8	% of Bills not Estimated	99.7%	99.8%	-0.1%	-0.1%	99.3%	99.8%	-0.5%	-0.5%	99.5%	99.8%	0%	-0.3%				
CF5	Benefits \$ Realized (\$ M)	\$ 0.687	\$ 0.726	\$ (0.039)	-5.4%	\$ 0.723	\$ 0.754	\$ (0.030)	-4.0%	\$ 3.358	\$ 3.424	\$ (0.07)	-1.9%	\$ 9.42	\$ 11.40	\$ (2.0)	-17.3%
B1	Meters Activated - Electric & Gas	13,590	42,000	(28,410)	-67.6%	44,243	39,000	5,243	13.4%	94,776	81,000	13,776	17.0%	713,243	1,079,000	(365,757)	-33.9%

Target are based on the 2008 Operating Baseline Plan

* Gas only inventory in May (Hex Electric meters to start tracking in June)

** D11: Only Meter Readers

Variance explanations

1. **CF2 Actual to Plan Capital Variance (\$M)**

YTD

- Year to date underspent, forecasted to catch-up during the year.

2. **D3 DCUs Installed**

YTD

- Delays continue in securing DCU attachment rights

3. **D10 UTC Rate**

YTD & May

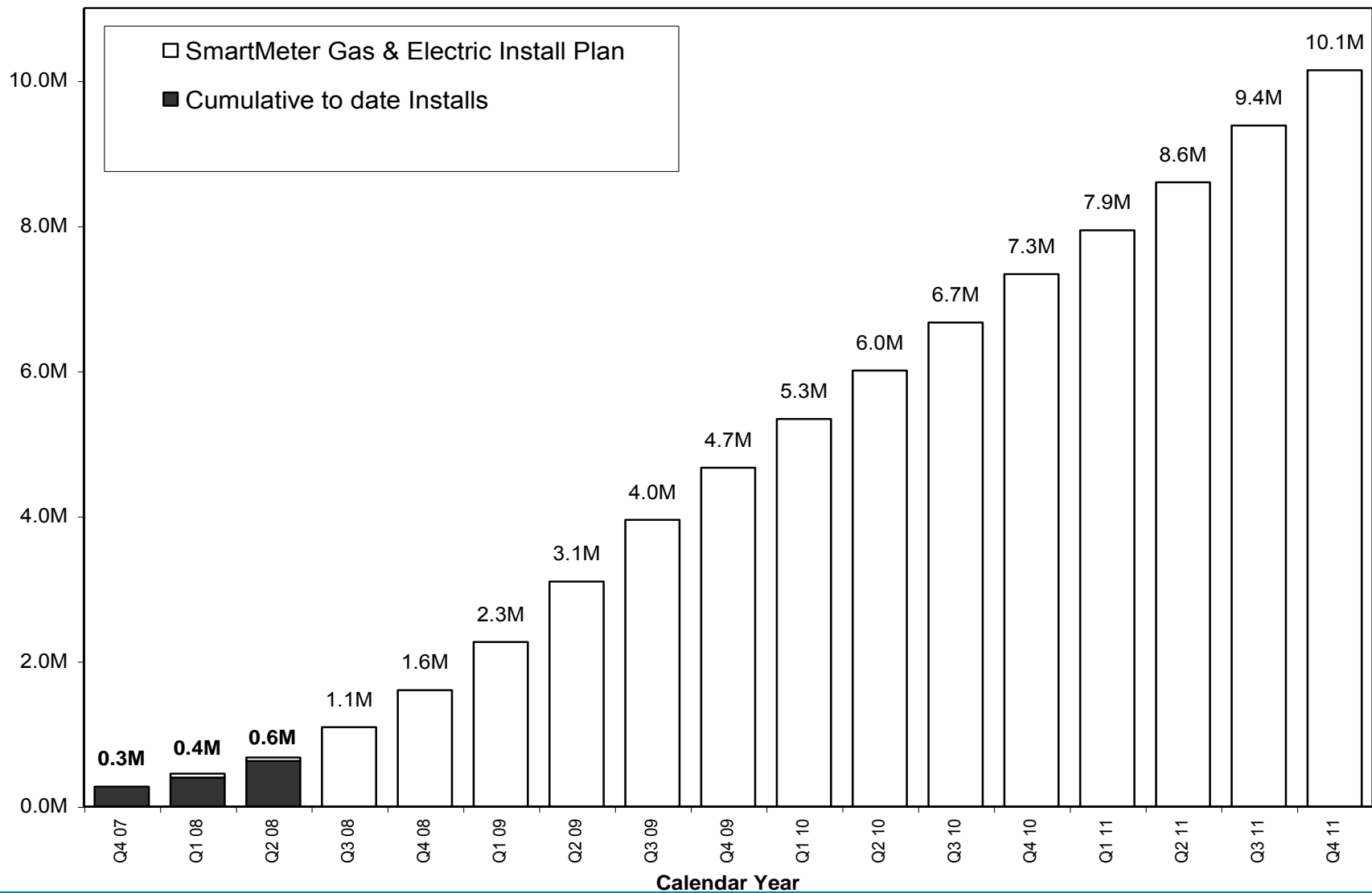
Primary causes are:

- Higher ratio than planned of Gas to Electric meter exchanges
- Older Gas (Sprague) meters
- Sprague slant/straight face meters

Mitigation includes having an adapter for the slant/straight compatibility & identifying areas for Excludable classification

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency		\$128,773
Total PDRs Adopted by Steering Committee		\$2,856
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown		
Approved Date	Pre-CC&B date move 1 ('Cycle 1 Additions')	\$58,183
Cycle 1 Additions	Architectural review of MBCDW	\$126
2/14/07	SM Ops staff funding to support changes in technology & manual workarounds	\$875
3/13/07	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$22,300
5/7/2007	Defer TOU/Demand meter deployment post SM 1.0	\$448
5/16/07	Hardware: Memory upgrade for 4 servers in SFand Fairfield (April 2007)	\$386
5/22/07	Hardware: CC&B Memory Upgrade (July 2007)	\$416
7/31/07	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$573
8/29/07	Metering Services: Overtime during CC&B (Labor Day 2007) implementation	\$630
8/31/07	Supplier 2006 failure to order penalty (electro-mechanical meters)	█
9/17/07	SmartMeter Anchor Billing costs for system & process changes	\$747
10/19/07	Records: Manually review customer bills converted during SmartMeter Billing (SM 1.1) implementation	\$596
10/23/07	SmartTrack system (tracks defective SmartMeter assets)	\$150
11/16/07	Deployment vendor technical support for ongoing testing	\$115
11/16/07	Hardware & deploy 3 environments (code Drop, SI & Sand Box) in SFGO	\$2,997
11/28/07	Capital cost transfer from CFS to SM for the 2007 replacement of non-retrofitable gas meters	\$3,315
12/27/07	Performance recognition 2007	\$854
1/10/08	Supplier contract termination fee (electro-mechanical meters)	█
1/18/08	Technical Monitoring funding	\$7,501
2/12/08	Business process (transfer support from IT-BSAR) and project management consultants	\$7,591
4/7/08	Communication budget net reduction (cut advertising)	-\$7,000
4/7/08	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$484
5/5/08	SM Ops staff funding to support changes in technology & manual workarounds	\$5,900
5/7/08	Metering Services: Project management support	\$2,174
5/23/08	Records: Manually review customer bills converted to SmartMeter Billing & future releases	\$578
5/29/08	Records: Increased workload due to SM implementation	\$1,812
6/9/08	Customer Contact Center: SmartMeter project management support	\$524
6/13/08	Other (less than \$100,000 each)	\$616
various	Subtotal PDRs	\$108,447
3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown		
Release B Supplemental Funding True-up		\$671
Rotary Meter Solution		\$3,644
3-Dial Sprague Meter replacement		\$2,645
Subtotal PDRs pending		\$6,960
Total PDRs approved and pending		\$118,263

Public Version



SmartMeter™
Steering Committee Update – July
July 9, 2008

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**

Release Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment-Endpoints (CPI/2008 Total)							
Deployment-Network (CPI/2008 Total)							
IT releases:							
Release A – Deploy/Build							
Release B – Build							
Release D – Planning							
Release E1 – Design/Build							
Release F – Planning							

Challenges

Deployment - Endpoint

- Delivery of Aclara electric module has slipped

Deployment - Network

- Endpoint deployment started ahead of network deployment.

Release A

- Customer Web Presentment (CWP-Release A2) delayed to 7/16 due to high defects on presentation of usage history; TOU display will not be ready with all TOU rates

Release D

- Plan phase deliverables delayed

Release E1

- The 7/21 start of TOU pilot may be impacted by the following:
 - The availability of Aclara electric meters for installation by 7/21
 - Release B cannot miss 7/21 Go live date

Actions/Status

Deployment – Endpoint

- First delivery of certified meters now expected by 7/21

Deployment – Network – Pending Actions

- Negotiating with City of Roseville; alternative strategy to begin 7/11
- Agreements with Turlock pending

Release A

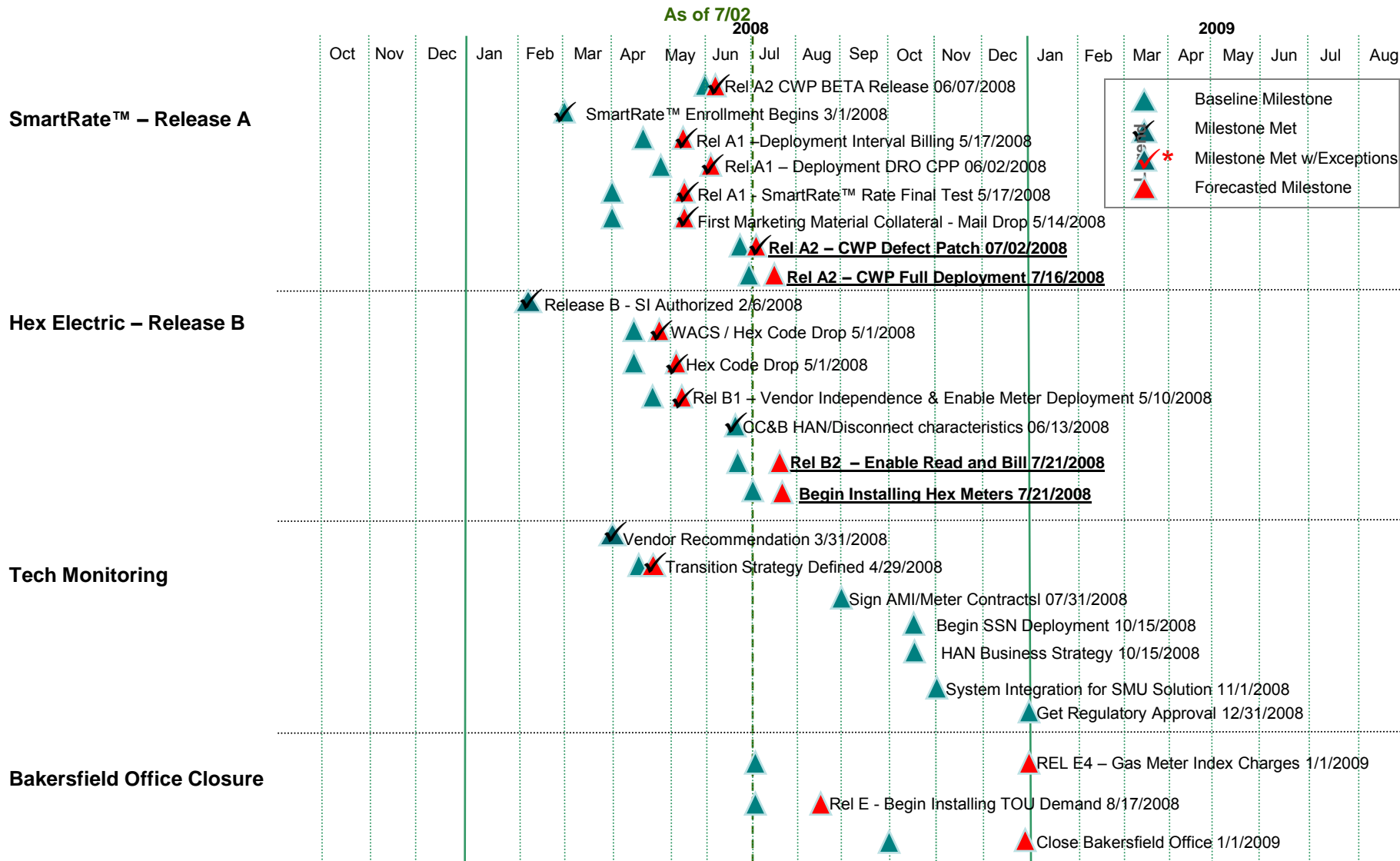
- Continue monitoring of workplan and defect fixes
- TOU rate display to be suppressed until CWP can display properly

Release D

- New delivery model under review by PMO; decision by 7/11

Release E1

- Actions in place to:
 - Look into options to accelerate delivery of meters required for pilot testing
 - Develop a contingency plan to enable the start of pilot even if Release B misses 7/21

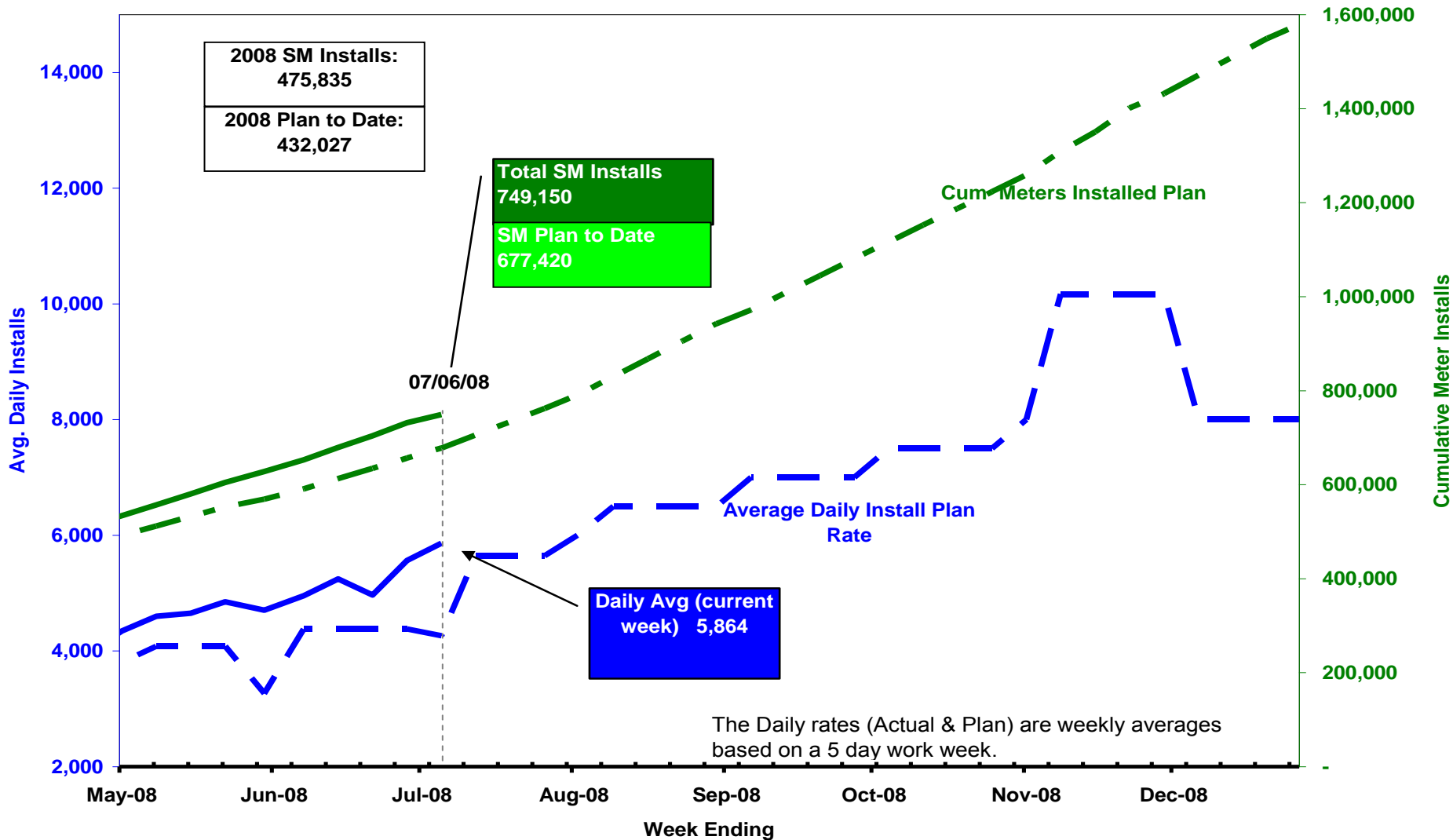


	Baseline Milestone
	Milestone Met
	Milestone Met w/Exceptions
	Forecasted Milestone

Deployment Update

2008 Install Rate vs. Operating Plan - Meter Totals & Installation Averages

As of July 6TH



Budget Status – Expenditures by Workstream

#	Capital	Current Month - June			Year To Date - June				2008 Approved Budget	Current Year End Forecast*	Inception To Date Spending	#
		Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance				
1	PMO	\$ 946	\$ 885	62	\$ 5,678	\$ 6,337	(659)	-12%	\$ 8,800	\$ 12,251	\$ 36,711	1
2	SM Operations	\$ 271	\$ 179	92	\$ 1,647	\$ 1,040	607	37%	\$ 3,275	\$ 3,126	\$ 4,664	2
3	Contract Procurement	\$ 13,503	\$ 9,884	3,619	\$ 43,045	\$ 32,924	10,121	24%	\$ 143,097	\$ 160,318	\$ 109,664	3
4	Substation Installation	\$ 21	\$ 14	7	\$ 454	\$ 307	147	32%	\$ 579	\$ 922	\$ 8,269	4
5	Endpoint Installation	\$ 2,900	\$ 1,907	993	\$ 14,140	\$ 10,553	3,587	25%	\$ 40,654	\$ 34,275	\$ 27,285	5
6	Deployment Office	\$ 1,098	\$ 821	278	\$ 6,082	\$ 4,937	1,145	19%	\$ 13,076	\$ 11,303	\$ 19,595	6
7	DCU Placement	\$ 349	\$ 278	71	\$ 1,521	\$ 1,153	368	24%	\$ 3,512	\$ 3,194	\$ 2,681	7
8	IT	\$ 1,530	\$ 2,103	\$(573)	\$ 14,321	\$ 16,212	\$(1,891)	-13%	\$ 21,626	\$ 35,176	\$ 210,695	8
9	Technology Monitoring	\$ -	\$ 54	\$(54)	\$ 381	\$ 134	247	65%	\$ 381	\$ 134	\$ 911	9
10	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 25,000	\$ -		10
11	Capital Total:	\$ 20,620	\$ 16,125	4,494	\$ 87,270	\$ 73,599	13,671	16%	\$ 260,000	\$ 260,700 *	\$ 420,474	11
	Expense											
12	PMO	\$ 136	\$ 230	\$(94)	\$ 817	\$ 855	\$(38)	-5%	\$ 1,634	\$ 2,044	\$ 15,239	12
13	SM Operations	\$ 673	\$ 1,082	\$(409)	\$ 4,593	\$ 3,946	648	14%	\$ 8,705	\$ 9,385	\$ 10,781	13
14	Communications	\$ 125	\$ 115	10	\$ 748	\$ 491	257	34%	\$ 1,496	\$ 1,218	\$ 1,374	14
15	Customer	\$ 512	\$ 1,173	\$(662)	\$ 2,622	\$ 1,611	1,010	39%	\$ 8,058	\$ 6,218	\$ 2,558	15
16	Endpoint Installation	\$ 232	\$ 266	\$(34)	\$ 1,339	\$ 876	463	35%	\$ 2,481	\$ 2,162	\$ 1,454	16
17	Deployment Office	\$ 93	\$ 13	80	\$ 556	\$ 354	202	36%	\$ 1,112	\$ 392	\$ 3,727	17
18	IT	\$ 1,934	\$ 1,600	334	\$ 13,022	\$ 9,478	3,544	27%	\$ 22,742	\$ 18,469	\$ 51,197	18
19	Technology Monitoring	\$ 785	\$ 674	111	\$ 7,858	\$ 5,694	2,165	28%	\$ 9,719	\$ 10,460	\$ 16,012	19
20	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 4,463	\$ 4,463		20
21	Non-Earnings Impact											
	Expense Total:	\$ 4,489	\$ 5,154	\$(665)	\$ 31,555	\$ 23,306	8,250	26%	\$ 60,410	\$ 54,811 *	\$ 102,342	21

* Year-end forecasts are currently being revised as part of QBR2 exercise.

Capital Year-To-Date Variance Explanations (\$'s in thousands):

Timing: +\$13,671

- Timing difference in gas meter and module purchases due to combination of: delivery delays; later start in year for including growth meters; and need to draw down existing inventories (+\$324)
- Timing difference in purchases of electric modules (+\$5,743), electric meters (+\$1,804), and disconnect switches (+\$1,772) due to transition in technologies
- Current average electric and gas per endpoint installation costs are below projection in forecast model (+\$2,048)
- Gas Unable to Complete/Excludable work by PG&E employees below forecast due to resources working on higher priority items earlier in the year and scheduling delays (+\$1,540).
- Various items (+\$440)

Budget Status - Benefits

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

	Actual						Budget						ITD Actual		
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov			Dec
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 200	\$ 267	\$ 333	\$ 388	\$ 468	\$ 621	\$ 853	\$ 1,172	\$ 1,162	24%
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 3,750	76%
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581	\$ 595	\$ 617	\$ 683	\$ 749	\$ 804	\$ 884	\$ 1,037	\$ 1,269	\$ 1,589	\$ 4,912	
2008 Cumulative Actual + Forecast:		\$ 538	\$ 1,076	\$ 1,657	\$ 2,252	\$ 2,868	\$ 3,551	\$ 4,301	\$ 5,105	\$ 5,989	\$ 7,027	\$ 8,296	\$ 9,885		

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted LOB Benefits:</u>													
Monthly	\$ 627	\$ 643	\$ 674	\$ 726	\$ 753	\$ 795	\$ 965	\$ 1,045	\$ 1,143	\$ 1,236	\$ 1,353	\$ 1,441	\$ 11,400
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,423	\$ 4,218	\$ 5,183	\$ 6,227	\$ 7,370	\$ 8,605	\$ 9,958	\$ 11,400	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 559	\$ 596	\$ 811	\$ 636	\$ 673	\$ 894	\$ 739	\$ 799	\$ 1,096	\$ 1,010	\$ 1,204	\$ 1,526	\$ 10,545
Cumulative	\$ 559	\$ 1,156	\$ 1,967	\$ 2,603	\$ 3,276	\$ 4,170	\$ 4,910	\$ 5,709	\$ 6,805	\$ 7,815	\$ 9,019	\$ 10,545	
YTD Variance	\$ (68)	\$ (115)	\$ 22	\$ (67)	\$ (147)	\$ (48)							

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

Program Metrics

SmartMeter - Deployment		May '08 - Month Results				June '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 1.76	\$ 1.79	\$ (0.03)	-1.7%	\$ 1.81	\$ 1.86	\$ (0.05)	-2.4%	\$ 10.17	\$ 10.34	\$ (0.17)	-1.7%	\$ 23.56	\$ 23.56	\$ -	0.0%
CF2	Actual to Plan Capital Variance (\$M)	\$ 0.3	\$ -	\$ (0.3)	-1.7%	\$ 4.5	\$ -	\$ (4.5)	-21.8%	\$ 13.7	\$ -	\$ (13.7)	-15.7%	\$ -	\$ -	\$ -	0.0%
P1	OSHA Recordable Rate (SmartMeter)	-	-	-		-	-	-		-	-	-		-	-	-	
C1	Customers enrolled in SmartRate	324	300	24	8.0%	7,829	1,000	6,829	682.9%	8,153	1,300	6,853	527.2%	10,000	10,000	-	0.0%
CF3	Meters Installed - Electric & Gas	102,418	85,665	16,753	19.6%	109,122	91,946	17,176	18.7%	463,718	415,098	48,620	11.7%	1,359,059	1,359,059	-	0.0%
D1	Total Weeks of Inventory on Hand*	10	3	7	233.3%	15	3	12	400.0%	15	3	12	400.0%	13	3	10	316.7%
D2	Total wks of inventory in the pipeline*	14	3	11	366.7%	18	3	15	500.0%	18	3	15	500.0%	3	3	-	0.0%
D3	DCUs Installed	139	120	19	15.8%	126	120	6	5.0%	549	720	(171)	-23.8%	1,269	1,440	(171)	-11.9%
D4	Meter Reader HC reductions	4	5	(1)	-20.0%	2	16	(14)	-87.5%	17	32	(15)	-46.9%	64	104	(40)	-38.5%
D5	CPI - Endpoints (all-in)	\$112.52	\$121.40	\$8.88	7.3%	\$112.42	\$121.40	\$8.98	7.4%	\$120.33	\$121.40	\$1.07	0.9%	\$121.40	\$121.40	\$ -	0.0%
D6	CPI Network (all-in)	\$ 3,925	\$ 4,493	\$ 568	12.6%	\$ 3,775	\$ 4,493	\$ 718	16.0%	\$ 3,905	\$ 4,493	\$ 587	13.1%	\$ 4,493	\$ 4,493	\$ -	0.0%
D7	Electric network failure rate	0.0%	(track only)			0.0%	(track only)			0.3%	(track only)						
D9	Gas network failure rate	0.1%	(track only)			0.2%	(track only)			0.2%	(track only)						
D10	UTC Rate	5.6%	4.0%	-1.6%	-40.2%	6.2%	4.0%	-2.2%	-55.9%	6.4%	4.0%	-2.4%	-58.8%	6.4%	4.0%	-2.4%	-58.8%
D11	Kern Meter Reading FTE Equivalent Remaining**	15	16	(1)	-6.3%	13	2	11	550.0%	13	2	11	550.0%	2	2	-	0.0%
D12	Meters Under Network	57%	(track only)			71%	(track only)			71%	(track only)						
O1	Customer Complaint Rate (escalated complaints)	0.01%	0.10%	0.09%	94.1%	0.01%	0.10%	0.09%	94.5%	0.01%	0.10%	0.09%	87.9%				
O2	Call Center Inbound Rate	4.86%	(track only)			5.17%	(track only)			3.7%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	99.95%	99.50%	0.45%	0.5%	99.89%	99.50%	0.39%	0.4%	99.92%	99.5%	0.4%	0.4%				
O4	% of Complete Gas Anchor Data Delivered	99.99%	99.50%	0.49%	0.5%	99.99%	99.50%	0.49%	0.5%	99.99%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	96.26%	99.50%	-3.24%	-3.3%	94.63%	99.50%	-4.87%	-4.9%	95.86%	99.5%	-3.6%	-3.7%				
O7	% SLA Compliance Rate	97.5%	95.0%	2.5%	2.6%	90.0%	95.0%	-5.0%	-5.3%	92.00%	95.0%	-3.0%	-3.2%				
O8	% of Bills not Estimated	99.3%	99.8%	-0.5%	-0.5%	99.4%	99.8%	-0.4%	-0.4%	99.5%	99.8%	0%	-0.3%				
CF5	Benefits \$ Realized (\$ M)	\$ 0.673	\$ 0.754	\$ (0.081)	-10.7%	\$ 0.894	\$ 0.795	\$ 0.099	12.5%	\$ 4.170	\$ 4.219	\$ (0.05)	-1.2%	\$ 10.55	\$ 11.44	\$ (0.9)	-7.8%
B1	Meters Activated - Electric & Gas	44,243	39,000	5,243	13.4%	28,105	48,000	(19,895)	-41.4%	122,881	129,000	(6,119)	-4.7%	741,348	1,079,000	(337,652)	-31.3%

Target are based on the 2008 Operating Baseline Plan

* Gas only inventory in June (Hex Electric meters to start tracking in July)

** D11: Only Meter Readers

Actual to Plan Capital Variance (\$M)

June & YTD

- Year to date underspent, forecasted to catch-up during the year.

UTC Rate

June & YTD

Primary causes are:

- Higher ratio than planned of Gas to Electric meter exchanges
- Older Gas (Sprague) meters, Sprague slant/straight face meters

Mitigation includes having an adapter for the slant/straight compatibility & identifying areas for Excludable classification

DCUs Installed

YTD

- Delays continue in securing DCU attachment rights

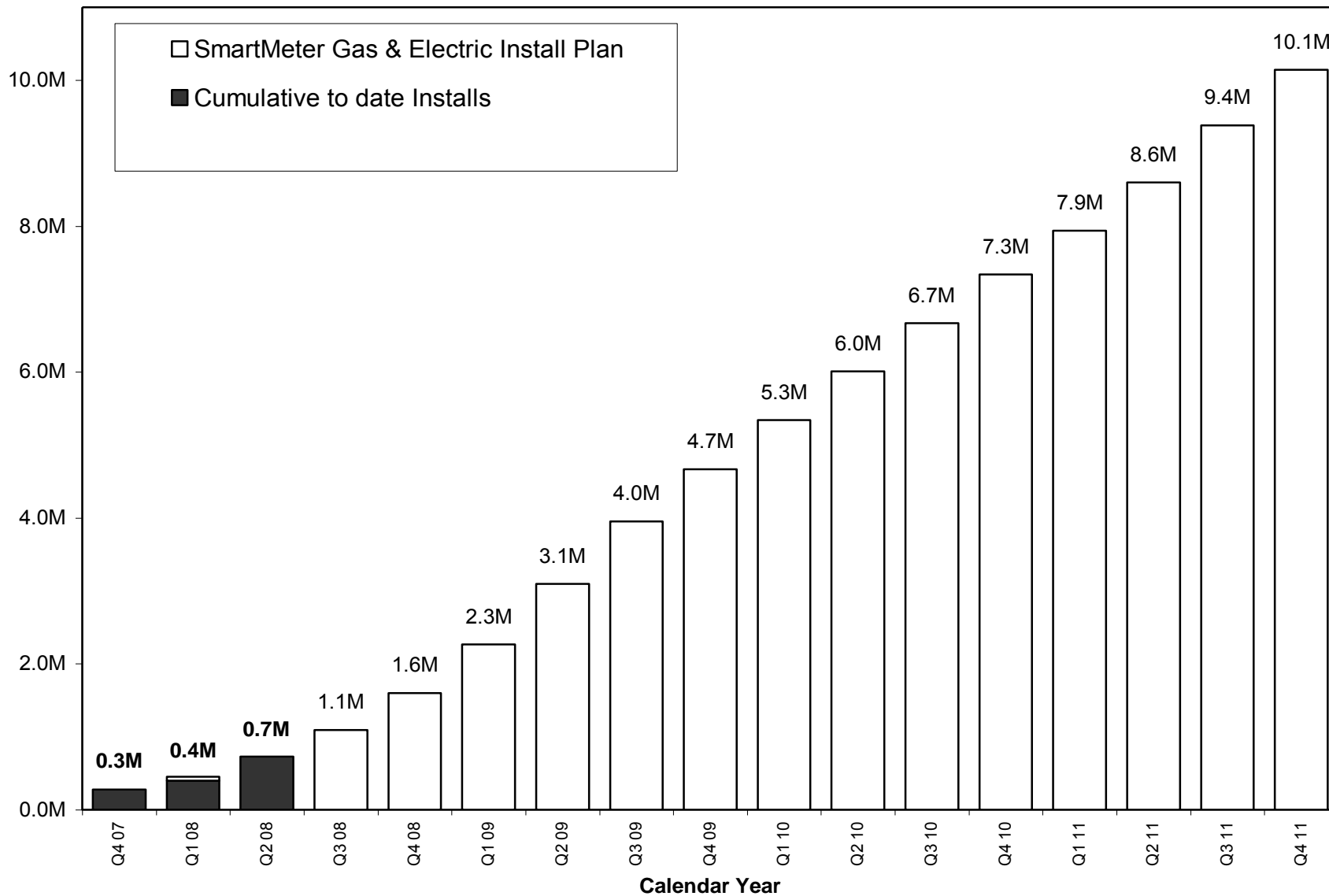
Issues / Risks Summary

Target Resolution Date	Date Resolved	Issues	Impact	Owner	Status Summary
7/21/2008		Delivery of the Aclara electric meter modules has slipped.	Impacts 2008 SM deployment schedule.	Wilson Lau	First delivery of 2000 Aclara electric meters expected by 7/21/08.
7/21/2008			Delay in start of TOU/Deploy/Bill pilot testing if meters not available for installation by 7/21/08.	Randy Dieterle	Team working out options to accelerate delivery of 100 Aclara meters needed for pilot testing.
TBD		PG&E's more complex TOU rates will require additional changes to the Aclara Customer Web Presentment (CWP) product.	Ability to support CWP for customers with more complex rate plans in the desired timeframe.	Laurence Bellenguez	Meeting scheduled with business partners to receive approval on delivering CWP post deployment of rates and meter installations. CWP schedule assessment underway to determine new dates.
7/14/2008		Aclara contract has not been signed.	Ability to use contract provisions with issues related to supply chain, equipment performance or security commitments.	Jim Meadows	Meeting with Aclara scheduled for 7/10/08. Based on the outcome of negotiation activities, contract expected to be finalized/signed off by 7/14/08.
TBD		Implementation of patch 16 introduced a defect causing FGU re-assignment (Group Address Re-assignment).	Declined read rate due to inability to read over 60,000 meters in group mode efficiently.	Randy Dieterle	FGU re-assignments prioritized and completed for 5000 impacted SmartRate meters on 7/7/08. Group addresses for the remaining 55,000 non-SmartRate meters to be re-assigned following the CCP events during the week of 7/7/08.
TBD		TNG 1.6.3 capability to effectively manage interval reads past established threshold.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Del Evans	Lower SmartRate marketing efforts for residential customers and continue focus on SmartRate marketing for commercial customers once 2008 SmartRate goal has been reached.

Created On	Date Resolved	Risks	Impact	Owner	Status Summary
5/24/2007		Vendor SmartMeter products cannot be delivered to meet the 2008 deployment schedule.	Impact to schedule, benefits realization, idle installation crew/stand down costs, capital budget may not be met.	Debra Ervin	Supply chain and vendor performance being monitored for early warning signs to create action plan based on results.
10/29/2007		Endpoint deployment schedule may not be met for 2008.	Cost, schedule and company image.	Tim Cottengim	Conducting weekly reviews of deployment plan. Examining metrics during deployment. Monitoring leading indicators. Continued coordination with field services to develop staffing plans.
10/8/2007		Ability to install gas network in areas without PG&E overhead facilities.	Delay in network deployment, increase in estimated billing and delay in benefits realization.	Tony Pagan	Negotiations planned to commence as early as practical in deployment. Alternatives to PG&E overhead facilities identified for network implementation. Testing capability/performance of DCUs installed in nearby locations for ability to provide network coverage where no overhead facilities exist.
4/24/2008		Project deploying new technology.	Billing errors, customer complaints.	Jim Meadows	Mitigation strategy identified. Rigor will be added to release testing plans.

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency		\$128,773
Total PDRs Adopted by Steering Committee		\$2,856
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown		
	Pre-CC&B date move 1 ('Cycle 1 Additions')	\$58,183
	Architectural review of MBCDW	\$126
	SM Ops staff funding to support changes in technology & manual workarounds	\$875
	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$22,300
	Defer TOU/Demand meter deployment post SM 1.0	\$448
	Hardware: Memory upgrade for 4 servers in SFand Fairfield (April 2007)	\$386
	Hardware: CC&B Memory Upgrade (July 2007)	\$416
	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$573
	Metering Services: Overtime during CC&B (Labor Day 2007) implementation	\$630
	Supplier 2006 failure to order penalty (electro-mechanical meters)	██████
	SmartMeter Anchor Billing costs for system & process changes	\$747
	Records: Manually review customer bills converted during SmartMeter Billing (SM 1.1) implementation	\$596
	SmartTrack system (tracks defective SmartMeter assets)	\$150
	Deployment vendor technical support for ongoing testing	\$115
	Hardware & deploy 3 environments (code Drop, SI & Sand Box) in SFGO	\$2,997
	Capital cost transfer from CFS to SM for the 2007 replacement of non-retrofittable gas meters	\$3,315
	Performance recognition 2007	\$854
	Supplier contract termination fee (electro-mechanical meters)	██████
	Technical Monitoring funding	\$7,501
	Business process (transfer support from IT-BSAR) and project management consultants	\$7,591
	Communication budget net reduction (cut advertising)	-\$7,000
	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$484
	SM Ops staff funding to support changes in technology & manual workarounds	\$5,900
	Metering Services: Project management support	\$2,174
	Records: Manually review customer bills converted to SmartMeter Billing & future releases	\$578
	Records: Increased workload due to SM implementation	\$1,812
	Customer Contact Center: SmartMeter project management support	\$524
08-0257	Release B Supplemental Funding True-up	\$671 *
	Other (less than \$100,000 each)	\$616
	Subtotal PDRs	\$116,118
3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown		
	Rotary Meter Solution	\$3,644
	3-Dial Sprague Meter replacement	\$2,645
	Subtotal PDRs pending	\$6,289
Total PDRs approved and pending		\$125,263

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update – August
August 14, 2008

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release A2.1 - Design							
Release B - Post Go-Live Activities							
Release D - Planning							
Release E1 - Test/Deploy							
Release E2//E3 - Analyze							
Release F - Planning							
Release G – Plan							

Challenges

Actions/Status

Release B

- Spend exceeds budget due to miscategorized charges, overtime and added testing effort
- [REDACTED]

Release D

- D1 go live tonight; 4 days late, may impact resources needed on D2

Release E1

- TOU/ Demand meter pilot concluded with 4 outstanding defects

Release E2/E3

- Go live in November will not have Aclara, only SSN

Release F

- Plan phase shows more work / budget than expected

Release B

- Financial analysis/impact to be finalized by 8/15
- [REDACTED]

Release D

- Monitoring resources, currently no impact to Go-Live

Release E1

- Three of four fixed to be confirmed with additional installs; mass install to start on 9/1

Release E2/E3

- New vendor management team to focus on Aclara deliverables

Release F

- Plan the Plan sessions working on scope / designs

Deployment Status Update (Aug 08)

Public Version

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints (CPI/2008 Total)							
Network (CPI/2008 Total)							

Challenges

Actions/Status

Deployment - Endpoint

- Daily installations in July below plan, year to date installs ahead of schedule though cushion is being eroded due to Aclara/L&G slippage

Deployment – Network

- Schedule slippage due to delays in securing attachment rights and/or pole setting permits in the Cities of Sacramento, Modesto, Ridgecrest and Roseville

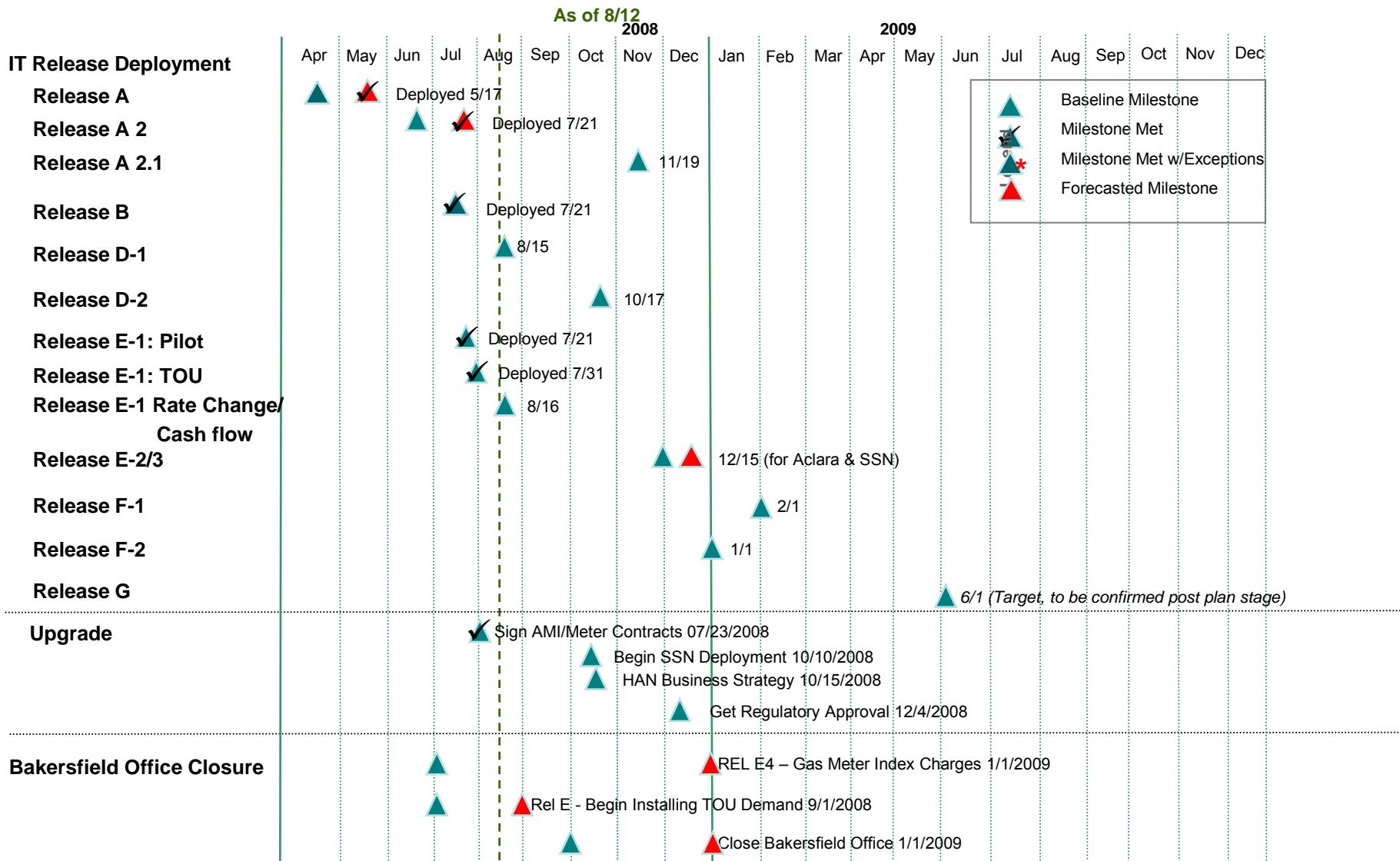
Deployment – Endpoint

- Aclara making daily deliveries to L&G of 1300-1400 meters
- Slippage recovery schedule provided by Aclara and working with Manufacturing and Engineering to accelerate schedule.

Deployment – Network – Pending Actions

- Land working with the City of Sacramento on constructability issues for 19 attachments
- Process to install poles in Roseville initiated, continuing negotiations with the City
- Council date for Turlock agreements targeted for 8/12/08

Schedule Update

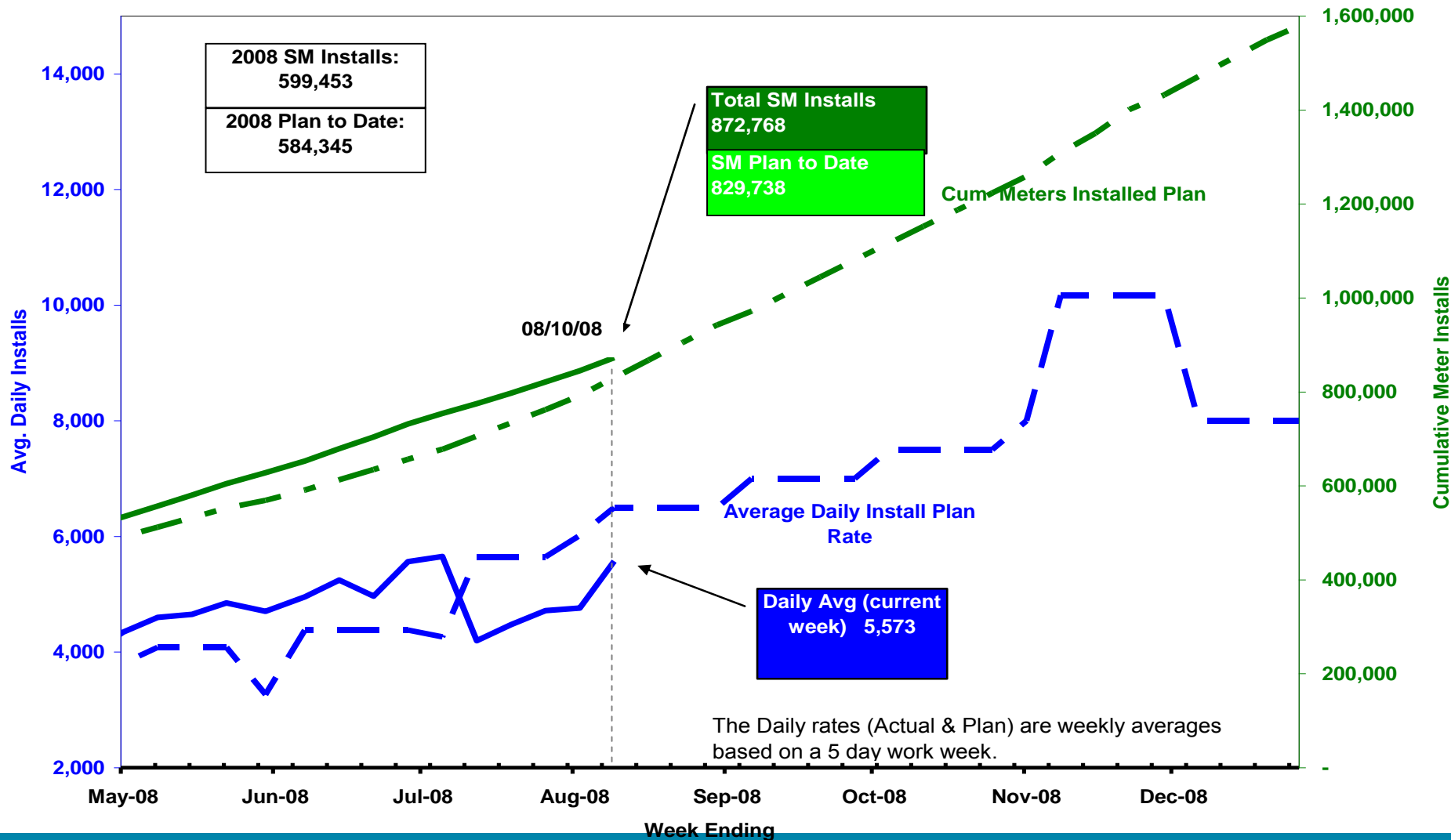


	Baseline Milestone
	Milestone Met
	Milestone Met w/Exceptions
	Forecasted Milestone

Deployment Update

2008 Install Rate vs. Operating Plan (Rev. 6) - Meter Totals & Installation Averages

As of August 10th



Budget Status – Expenditures by Workstream

#	Capital (000s)	Current Month - July			Year To Date - July				2008 Approved Budget	Current Year End Forecast	Inception To Date Spending	#
		Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance				
1	PMO	\$ 520	\$ 1,031	(511)	\$ 6,198	\$ 7,368	(1,170)	-19%	\$ 8,800	\$ 12,292	\$ 37,741	1
2	SM Operations	\$ 271	\$ 179	92	\$ 1,919	\$ 1,220	699	36%	\$ 3,275	\$ 3,075	\$ 4,844	2
3	Contract Procurement	\$ 14,366	\$ 11,277	3,089	\$ 57,411	\$ 44,202	13,209	23%	\$ 143,097	\$ 138,163	\$ 120,941	3
4	Electric Network Install	\$ 21	\$ (591)	612	\$ 475	\$ (284)	759	160%	\$ 579	\$ 2,710	\$ 7,677	4
5	Endpoint Installation	\$ 4,180	\$ 3,545	635	\$ 18,321	\$ 14,098	4,222	23%	\$ 40,654	\$ 39,258	\$ 30,831	5
6	Deployment Office	\$ 1,146	\$ 876	270	\$ 7,229	\$ 5,814	1,415	20%	\$ 13,076	\$ 11,340	\$ 20,472	6
7	Gas Network Install	\$ 515	\$ 951	(436)	\$ 2,036	\$ 2,104	(68)	-3%	\$ 3,512	\$ 3,423	\$ 3,632	7
8	IT	\$ 3,921	\$ 3,159	\$ 762	\$ 18,242	\$ 19,371	\$ (1,129)	-6%	\$ 21,626	\$ 35,435	\$ 213,854	8
9	SM Upgrade (At Risk)	\$ -	\$ -		\$ -	\$ -				\$ 11,158	\$ -	
10	Technology Monitoring	\$ -	\$ 1	(1)	\$ 381	\$ 136	245	64%	\$ 381	\$ 1,136	\$ 912	10
11	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 25,000	\$ 2,711		11
12	Capital Total	\$ 24,941	\$ 20,429	\$ 4,512	\$ 112,211	\$ 94,028	\$ 18,183	16%	\$ 260,000	\$ 260,700	\$ 440,903	12
Expense (000s)												
13	PMO	\$ 136	\$ 391	(255)	\$ 953	\$ 1,246	(293)	-31%	\$ 1,634	\$ 2,201	\$ 15,629	13
14	SM Operations	\$ 676	\$ 877	(201)	\$ 5,269	\$ 4,823	446	8%	\$ 8,705	\$ 9,525	\$ 11,658	14
15	Communications	\$ 125	\$ 56	69	\$ 873	\$ 547	325	37%	\$ 1,496	\$ 1,167	\$ 1,430	15
16	Customer	\$ 837	\$ 333	504	\$ 3,459	\$ 1,945	1,514	44%	\$ 8,058	\$ 6,468	\$ 2,891	16
17	Endpoint Installation	\$ 245	\$ 184	60	\$ 1,584	\$ 1,060	523	33%	\$ 2,481	\$ 1,969	\$ 1,639	17
18	Deployment Office	\$ 93	\$ 56	37	\$ 649	\$ 410	238	37%	\$ 1,112	\$ 442	\$ 3,783	18
19	IT	\$ 1,620	\$ 3,218	\$ (1,598)	\$ 14,642	\$ 12,696	\$ 1,946	13%	\$ 22,742	\$ 20,142	\$ 54,415	
20	Technology Monitoring	\$ 335	\$ 542	(206)	\$ 8,193	\$ 6,235	1,958	24%	\$ 9,719	\$ 7,761	\$ 16,554	20
21	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 4,463	\$ -		21
22	Expense Total	\$ 4,067	\$ 5,657	\$ (1,591)	\$ 35,622	\$ 28,963	\$ 6,659	19%	\$ 60,410	\$ 49,675	\$ 107,999	22

Capital Year-To-Date Variance Explanations:

Timing: +\$18,183

- Gas purchases ahead of schedule year-to-date (-\$3,123)
- Electric purchases behind schedule year-to-date: electric modules (+\$3,091), electric meters (+\$8,945), and disconnect switches (+\$3,561)
- Current average electric and gas per endpoint installation costs are below projection in forecast model (+\$2,422)
- Gas Unable to Complete/Excludable work by PG&E employees below forecast due to resources working on higher priority items earlier in the year and scheduling delays (+\$1,800).
- Various items (+\$1,487)

Budget Status - Benefits

(\$ in thousands)	Actual							Budget					ITD Actual		
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov			Dec
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 200	\$ 267	\$ 318	\$ 388	\$ 468	\$ 621	\$ 853	\$ 1,172	\$ 1,480	26%
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	74%
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581	\$ 595	\$ 617	\$ 683	\$ 735	\$ 804	\$ 884	\$ 1,037	\$ 1,269	\$ 1,589	\$ 5,647	
2008 Cumulative Actual + Forecast:		\$ 538	\$ 1,076	\$ 1,657	\$ 2,252	\$ 2,868	\$ 3,551	\$ 4,286	\$ 5,090	\$ 5,975	\$ 7,012	\$ 8,281	\$ 9,870		

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted LOB Benefits:													
Monthly	\$ 627	\$ 643	\$ 674	\$ 726	\$ 753	\$ 795	\$ 965	\$ 1,045	\$ 1,143	\$ 1,236	\$ 1,353	\$ 1,441	\$ 11,400
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,423	\$ 4,218	\$ 5,183	\$ 6,227	\$ 7,370	\$ 8,605	\$ 9,958	\$ 11,400	
Actual / Current Forecast:													
Monthly	\$ 636	\$ 657	\$ 685	\$ 697	\$ 734	\$ 768	\$ 829	\$ 1,002	\$ 1,113	\$ 1,232	\$ 1,335	\$ 1,470	\$ 11,158
Cumulative	\$ 636	\$ 1,294	\$ 1,979	\$ 2,676	\$ 3,410	\$ 4,178	\$ 5,007	\$ 6,009	\$ 7,122	\$ 8,353	\$ 9,688	\$ 11,158	
YTD Variance	\$ 9	\$ 23	\$ 34	\$ 6	\$ (13)	\$ (40)	\$ (176)						

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

SmartMeter - Deployment		June '08 - Month Results				July '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 1.81	\$ 1.86	\$ (0.05)	-2.4%	\$ 1.85	\$ 1.95	\$ (0.10)	-4.9%	\$ 12.02	\$ 12.29	\$ (0.27)	-2.2%	\$ 23.29	\$ 23.56	\$ (0.3)	-1.2%
CF2	Actual to Plan Capital Variance (\$M)	\$ 4.5	\$ -	\$ (4.5)	-21.8%	\$ 4.4	\$ -	\$ (4.4)	-17.8%	\$ 18.2	\$ -	\$ (18.2)	-16.2%	\$ -	\$ -	\$ -	0.0%
P1	OSHA Recordable Rate (SmartMeter)	-	-	-		-	-	-		-	-	-		-	-	-	
C1	Customers enrolled in SmartRate	7,829	1,000	6,829	682.9%	1,962	1,000	962	96.2%	10,115	2,300	7,815	339.8%	10,000	10,000	-	0.0%
CF3	Meters Installed - Electric & Gas	109,122	91,946	17,176	18.7%	106,971	124,142	(17,171)	-13.8%	570,689	539,240	31,449	5.8%	1,359,059	1,359,059	-	0.0%
D1	Total Weeks of Inventory on Hand*	15	3	12	400.0%	3	3	-	0.0%	3	3	-	0.0%	13	3	10	316.7%
D2	Total wks of inventory in the pipeline*	18	3	15	500.0%	4	3	1	33.3%	4	3	1	33.3%	3	3	-	0.0%
D3	DCUs Installed	126	120	6	5.0%	113	120	(7)	-5.8%	662	840	(178)	-21.2%	1,262	1,440	(178)	-12.4%
D4	Meter Reader HC reductions	2	16	(14)	-87.5%	12	9	3	33.3%	29	41	(12)	-29.3%	86	104	(18)	-17.3%
D5	CPI - Endpoints (all-in)	\$112.42	\$121.40	\$8.98	7.4%	\$120.98	\$121.40	\$0.42	0.3%	\$120.04	\$121.40	\$1.36	1.1%	\$119.91	\$121.40	\$1.49	1.2%
D6	CPI Network (all-in)	\$ 3,775	\$ 4,493	\$ 718	16.0%	\$ 4,498	\$ 4,493	\$ (6)	-0.1%	\$ 4,335	\$ 4,493	\$ 158	3.5%	\$ 4,493	\$ 4,493	\$ -	0.0%
D7	Electric network failure rate	0.9%	(track only)			0.0%	(track only)			0.5%	(track only)						
D9	Gas network failure rate	0.2%	(track only)			0.0%	(track only)			0.2%	(track only)						
D10	UTC Rate	6.2%	4.0%	-2.2%	-55.9%	9.2%	4.0%	-5.2%	-130.3%	6.8%	4.0%	-2.8%	-68.8%	6.8%	4.0%	-2.8%	-68.8%
D12	Meters Under Network	71%	(track only)														
O1	Customer Complaint Rate (escalated complaints)	0.01%	(track only)			0.01%	(track only)			0.01%	(track only)						
O2	Call Center Inbound Rate	5.33%	(track only)			4.45%	(track only)			3.9%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	99.89%	99.50%	0.39%	0.4%	99.72%	99.50%	0.22%	0.2%	99.72%	99.5%	0.2%	0.2%				
O4	% of Complete Gas Anchor Data Delivered	99.99%	99.50%	0.49%	0.5%	99.98%	99.50%	0.48%	0.5%	99.98%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	94.63%	99.50%	-4.87%	-4.9%	98.35%	99.50%	-1.15%	-1.2%	98.35%	99.5%	-1.2%	-1.2%				
O7	% SLA Compliance Rate	90.0%	95.0%	-5.0%	-5.3%	65.8%	95.0%	-29.2%	-30.7%	83.28%	95.0%	-11.7%	-12.3%				
O8	% of Bills not Estimated	99.4%	99.8%	-0.4%	-0.4%	99.5%	99.8%	-0.3%	-0.3%	99.5%	99.8%	0%	-0.3%				
CF5	Benefits \$ Realized (\$ M)	\$ 0.768	\$ 0.795	\$ (0.027)	-3.4%	\$ 0.829	\$ 0.964	\$ (0.135)	-14.0%	\$ 5.007	\$ 5.179	\$ (0.17)	-3.3%	\$ 11.157	\$ 11.441	\$ (0.3)	-2.5%
B1	Meters Activated - Electric & Gas	28,105	48,000	(19,895)	-41.4%	25,495	84,000	(58,505)	-69.6%	148,376	213,000	(64,624)	-30.3%	631,354	1,079,000	(447,646)	-41.5%

Targets are based on the 2008 Operating Baseline Plan

Actual to Plan Capital Variance (\$M) - July & YTD

- Year to date underspent, forecasted to catch-up during the year.

Meters Installed - July

Catch up on YTD ahead of target, year end forecast is still on target

SLA Compliance Rate - July & YTD

Gas and electric performance has dropped due to the volume of UTC and other non-SmartMeter maintenance work currently being performed by Field Services.

DCUs Installed - YTD

- Delays continue in securing DCU attachment rights

UTC Rate - July & YTD

Reports UTCs increased by 9.8K in July, offset by 6.0K completed UTCs. Primary causes are:

- Higher ratio than planned of Gas to Electric meter exchanges
 - Older Gas (Sprague) meters, Sprague slant/straight face meters
- Mitigation includes having an adapter for the slant/straight compatibility & identifying areas for Excludable classification

Decisions made at the SmartMeter IT-Business Steering Committee meeting on 08/07/08:

▶ *Release D - Silver Spring System Integration*

- ▶ Agreement to defer Disaster Recovery site until January 09 with mitigation plan of manual meter reads

▶ *Deployment*

- ▶ Agreement to deploy SSN network in Davis, Oakdale, Roseville / Lincoln in 2008

Issues/Risks Summary

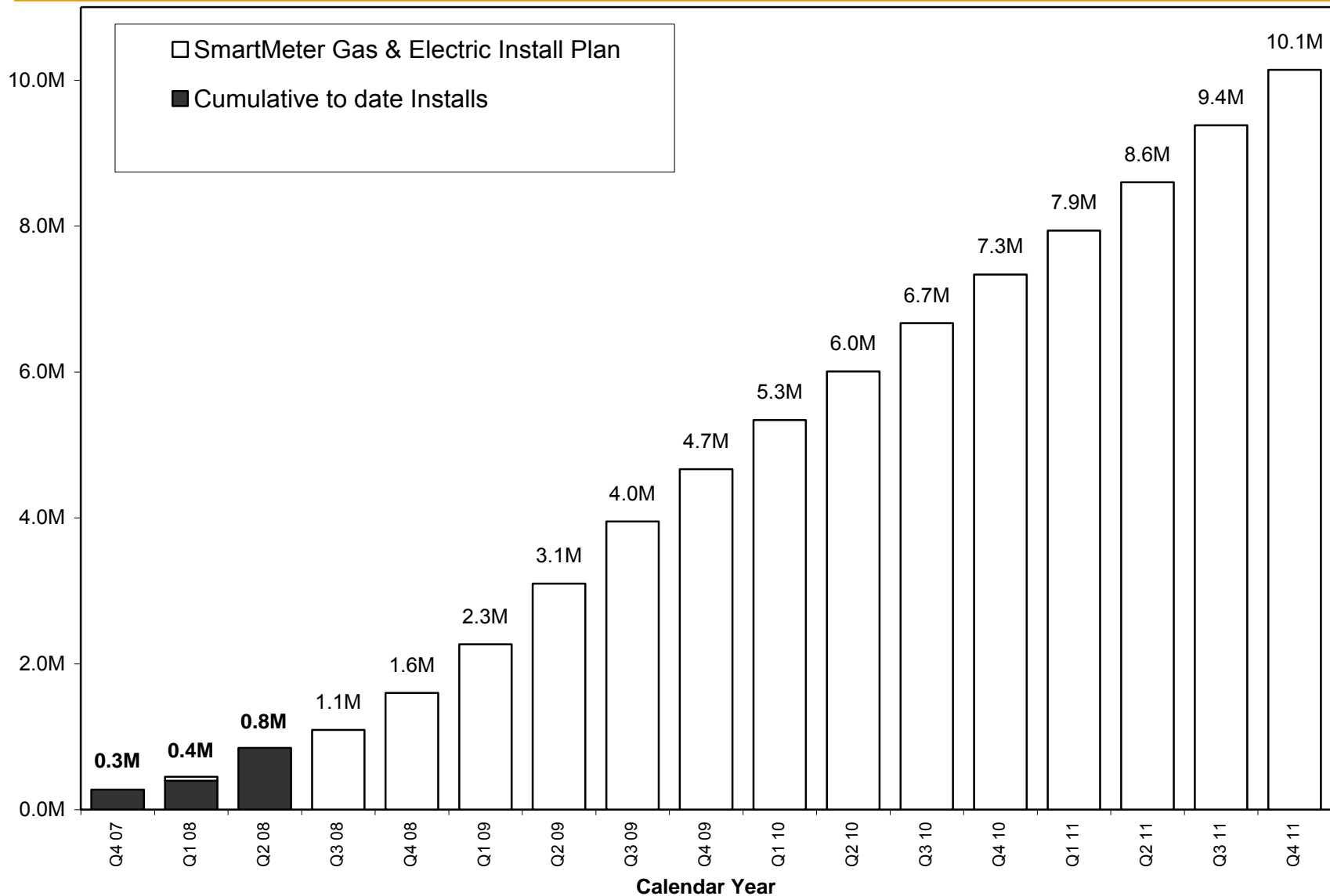
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Target Resolution Date	Date Resolved	Issues	Impact	Owner	Status Summary
8/6/2008		Aclara contract has not been signed.	Ability to use contract provisions with issues related to supply chain, equipment performance or security commitments.	Jim Meadows	Meeting with Aclara scheduled for 8/19/08. Contract expected to be finalized/signed off based on the outcome of negotiation activities.
8/14/2008		Delays in Aclara electric module delivery schedule	Ability to begin deploying Hex electric meters per Deployment plan.	Wilson Lau	Preliminary delivery recovery schedule provided by Aclara on 8/11/08 and working with Manufacturing and Engineering to lock-in and accelerate production schedule. Next update expected by 8/15/08. Currently shipping up to 1300 meters to L&G daily.
8/15/2008		License agreement with Southern California Edison (SCE) needed for attachment rights to SCE distribution poles and streetlights	Delay in network deployment and benefits realization.	Wilson Lau	Agreement for distribution pole attachments has been executed. Agreement for 14 street lights needs to be executed and has been escalated to Senior Regulatory Officer (PG&E). Status update expected the week of 8/18/08.
8/12/2008		DCU attachment rights for Roseville	Delay in network deployment and benefits realization.	Wilson Lau	Initiated process to install poles, continuing negotiations with the City.
9/1/2008		Two way functionality required for TOU/Demand read recovery is not in place	Ability to collect interval reads for TOU meters from the time of meter exchange to the time the meter becomes operational.	Kate Reiss	Manual process for read recovery currently in place. Automated functionality from Hex expected by 8/20/08.
10/1/2008		Meter Ping functionality delivery date needed from Hex and Ecologic	Delay in ability to test power status of deployed meters.	Kate Reiss	Aclara to provide the Meter Ping functionality by 11/12/08.
8/29/2008		Disaster Recovery Site Identification is still underway	Negative customer impact due to delayed bill. Revenue collection/delayed revenue.	Kevin Jennings	Agreement to defer Disaster Recovery Site until January 2009 received. Disaster Recovery activities will be incorporated into the work plan under Post Go-Live activities.

Created On	Date Resolved	Risks	Impact	Owner	Status Summary
8/13/2008		TNG 1.6.3 capability to effectively manage interval reads past established threshold.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Del Evans	2008 SmartRate enrollment goals have been met for residential customers. Residential marketing efforts have, thus, been curtailed; PG&E continues marketing efforts for commercial customers.
5/24/2007		Vendor SmartMeter products cannot be delivered to meet the 2008 deployment schedule.	Impact to schedule, benefits realization, idle installation crew/stand down costs, capital budget may not be met.	Debra Ervin	Supply chain and vendor performance being monitored for early warning signs to create action plan based on results.
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- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation

1. Business Case Approved Contingency

Total PDRs Adopted by Steering Committee

\$000s
\$128,773
\$2,856

Approved Date

Cycle 1 Additions

2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown

Pre-CC&B date move 1 ('Cycle 1 Additions')

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07-0210	5/7/2007	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$875
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	various	Other (less than \$100,000 each)	\$671
		Subtotal PDRs	\$616
			\$116,118

3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown

08-0259		Rotary Meter Solution	\$4,144
08-0260		3-Dial Sprague Meter replacement	\$2,645

Subtotal PDRs pending

\$6,789

Total PDRs approved and pending

\$125,763

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update – September
September 10, 2008

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**

SmartMeter™ Release Status Update

Public Version

	Funded Budget	EAC	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release A2.1 - Build							
Release D - Build							
Release E - Build							
Release F – Plan/Analyze							
Release G – Plan/Analyze							

Challenges

Release A2.1

- Project resource contention as they also support production defect work

Release D

- Large pending change order for SSN hosting of the production environment
- Potential schedule slip of 7 days due to hardware and patch installs
- Path to vendor software version 4.0 (scales to 5.5M meters) not clear

Release E

- Potential cost overrun due to higher vendor costs, underestimated environment support costs
- E2 vendor deliverables (disconnect / status ping) are later than plan
- Detailed scope for automating MDM generated field orders to be defined

Release F

- Plan phase extended with deliverables outstanding (SmartRate and CWP cost estimates) , expected completion is week of 9/15

Release G

- Exit of plan/analyze scheduled for end of September

Actions/Status

Release A2.1

- Reduced rate testing to target delivery on 11/20

Release D

- Performance test to 250k meters will bring in this Release schedule
- Project needs to add a Scalability testing Release for larger volumes
- Requires immediate focused effort by the Project Team to resolve

Release E

- Variance analysis and documentation for cost overrun underway
- Vendor management team to secure detail vendor workplans
- SM operations & vendors to agree to design session next week

Release F

- Extending plan/analyze phase has simplified design approach

Release G

- Evaluate delivery options to delivery of Release G

Deployment Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints (CPI/2008 Total)							
Network (CPI/2008 Total)							

Challenges

Actions/Status

Deployment – Endpoint

- Endpoint behind planned due to delays in procurement of the new solid state electric meters

Deployment – Network

- Delay in securing attachment rights for Roseville

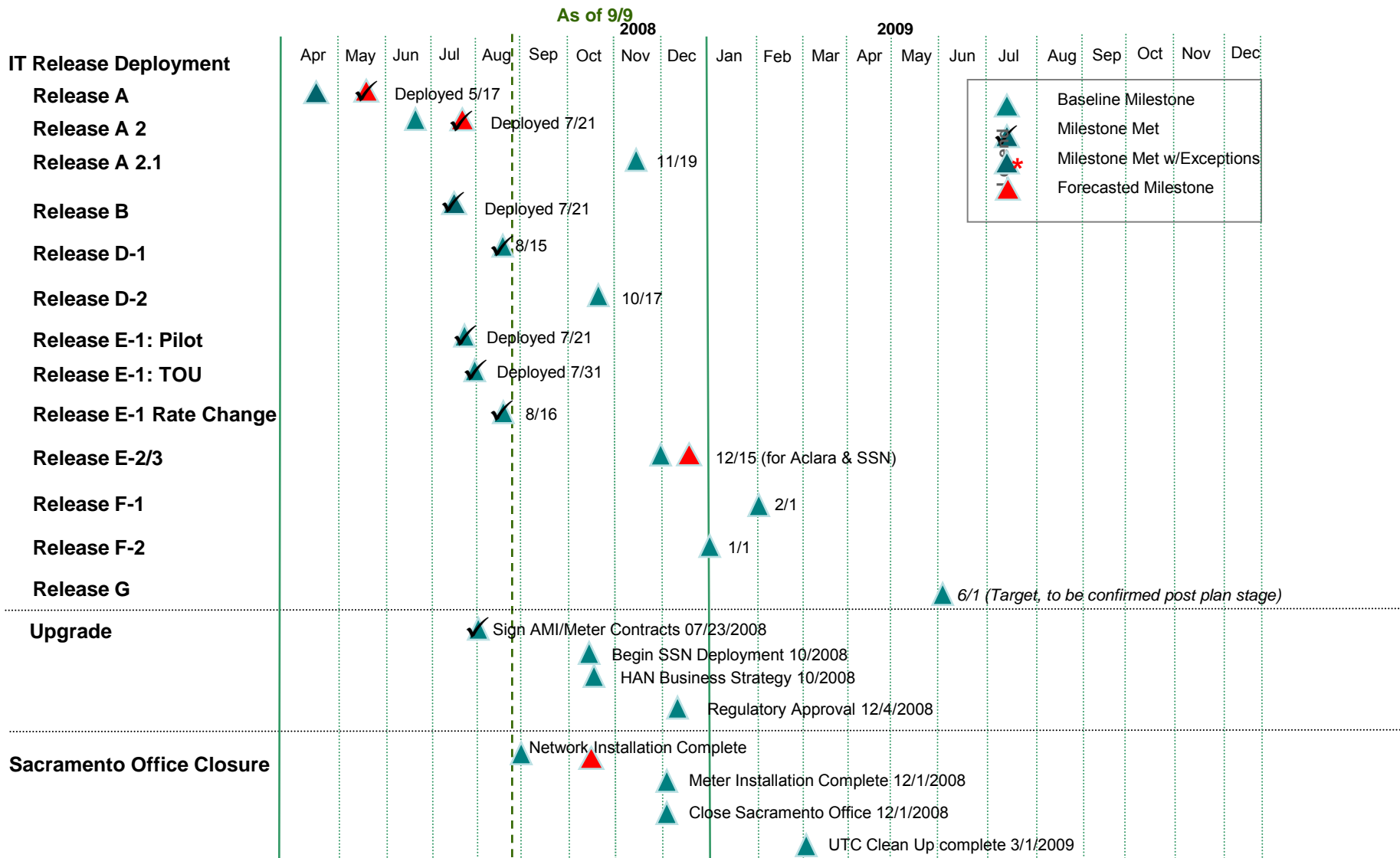
Deployment – Endpoint

- Expecting to make up for the delay, currently on target for year end.

Deployment – Network

- Process to install poles in Roseville initiated with decision date set for 10/1/08, continuing negotiations with the City for attachment rights

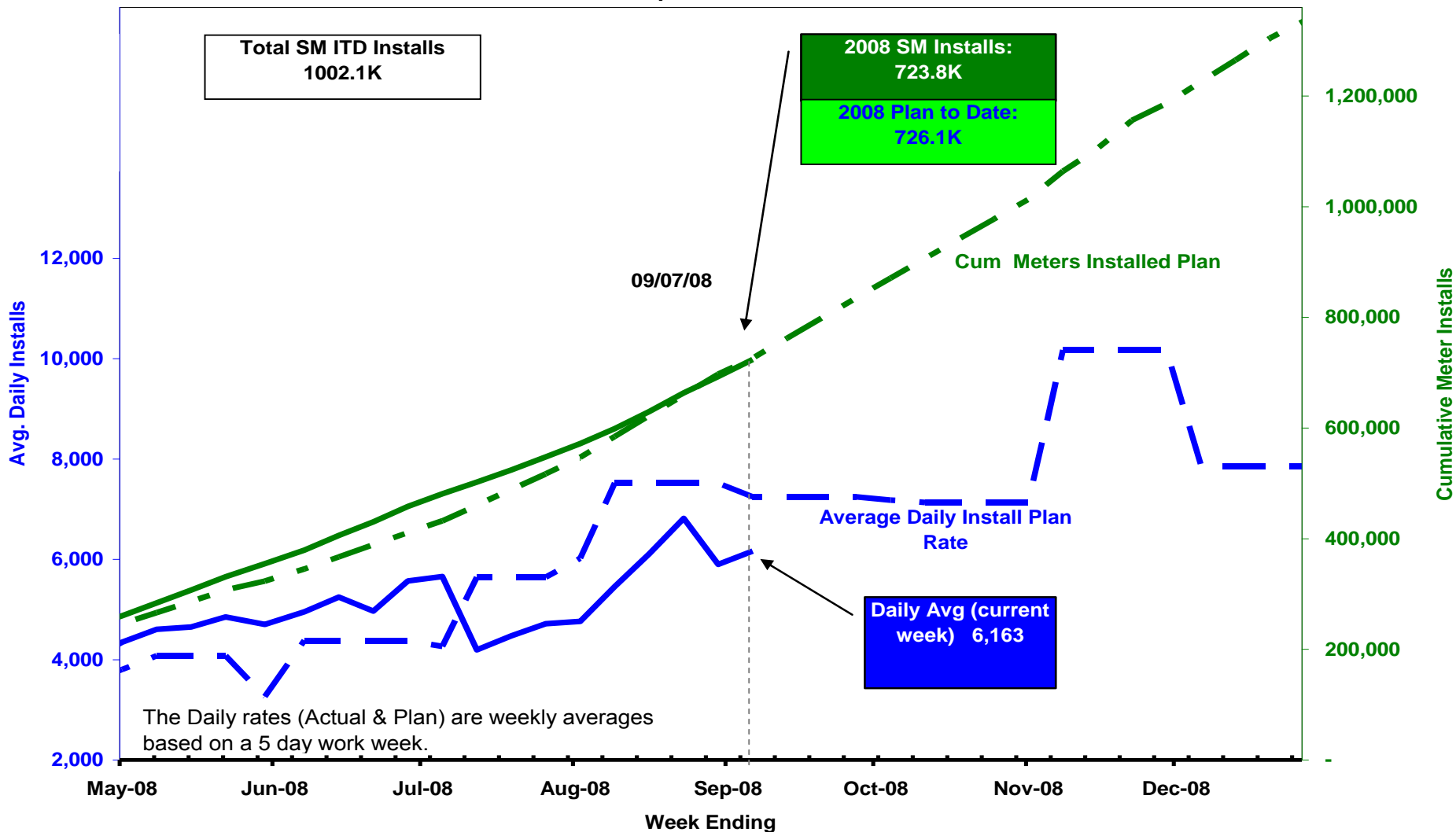
Schedule Update



Deployment Update

2008 Install Rate vs. Operating Plan (Rev. 8 adj.) - Meter Totals & Installation Averages

As of September 7th



Budget Status – Expenditures by Workstream

#	Capital (000s)	Current Month - August			Year To Date - August				2008 Approved Budget	Current Year End Forecast	Inception To Date Spending	#
		Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance				
1	PMO	\$ 520	\$ 885	(364)	\$ 6,719	\$ 8,253	(1,534)	-23%	\$ 8,800	\$ 12,292	\$ 38,626	1
2	SM Operations	\$ 271	\$ 365	(93)	\$ 2,190	\$ 1,584	606	28%	\$ 3,275	\$ 3,075	\$ 5,208	2
3	Contract Procurement	\$ 15,969	\$ 11,883	4,086	\$ 73,380	\$ 56,085	17,295	24%	\$ 143,097	\$ 138,163	\$ 132,824	3
4	Electric Network Install	\$ 21	\$ 6	15	\$ 496	\$ (278)	773	156%	\$ 579	\$ 2,710	\$ 7,684	4
5	Endpoint Installation	\$ 4,308	\$ 2,886	1,423	\$ 22,629	\$ 16,984	5,645	25%	\$ 40,654	\$ 39,258	\$ 33,716	5
6	Deployment Office	\$ 1,151	\$ 959	192	\$ 8,380	\$ 6,773	1,607	19%	\$ 13,076	\$ 11,340	\$ 21,431	6
7	Gas Network Install	\$ 477	\$ 429	48	\$ 2,513	\$ 2,533	(20)	-1%	\$ 3,512	\$ 3,423	\$ 4,061	7
8	IT	\$ 677	\$ 8,508	(7831)	\$ 18,919	\$ 27,879	(8,960)		\$ 21,626	\$ 35,435	\$ 222,363	8
9	SM Upgrade (At Risk)	\$ -	\$ 348		\$ -	\$ 348	(348)			\$ 11,158	\$ 348	
10	Technology Monitoring	\$ -	\$ 3	(3)	\$ 381	\$ 139	242	64%	\$ 381	\$ 1,136	\$ 915	10
11	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 25,000	\$ 2,711		11
12	Capital Total	\$ 23,395	\$ 26,273	\$ (2,530)	\$ 135,606	\$ 120,301	\$ 15,306	11%	\$ 260,000	\$ 260,700	\$ 467,176	12
	Expense (000s)											
13	PMO	\$ 136	\$ 472	(336)	\$ 1,089	\$ 1,718	(629)	-58%	\$ 1,634	\$ 2,201	\$ 16,101	13
14	SM Operations	\$ 679	\$ 798	(119)	\$ 5,948	\$ 5,621	328	6%	\$ 8,705	\$ 9,525	\$ 12,456	14
15	Communications	\$ 125	\$ 30	94	\$ 997	\$ 578	420	42%	\$ 1,496	\$ 1,167	\$ 1,461	15
16	Customer	\$ 842	\$ 309	532	\$ 4,301	\$ 2,254	2,046	48%	\$ 8,058	\$ 6,468	\$ 3,201	16
17	Endpoint Installation	\$ 247	\$ 185	62	\$ 1,830	\$ 1,245	585	32%	\$ 2,481	\$ 1,969	\$ 1,824	17
18	Deployment Office	\$ 93	\$ 595	(503)	\$ 742	\$ 1,006	(264)	-36%	\$ 1,112	\$ 442	\$ 4,378	18
19	IT	\$ 1,620	\$ 2,988	(1,368)	\$ 16,262	\$ 15,684	\$ 578	4%	\$ 22,742	\$ 20,142	\$ 57,403	20
20	Technology Monitoring	\$ 330	\$ 895	(565)	\$ 8,524	\$ 7,131	1,393	16%	\$ 9,719	\$ 7,761	\$ 17,449	20
21	Unassigned Spend (Dec)	\$ -	\$ -	0	\$ -	\$ -	0		\$ 4,463	\$ -		21
22	Expense Total	\$ 4,071	\$ 6,274	\$ (2,203)	\$ 39,693	\$ 35,237	\$ 4,457	11%	\$ 60,410	\$ 49,675	\$ 114,273	22

Capital Year-To-Date Variance Explanations:

Timing: +\$15,306

- Gas purchases ahead of schedule year-to-date (-\$4,914)
- Electric purchases behind schedule year-to-date: electric modules (+\$10,787), electric meters (+\$4,761), and disconnect switches (+\$5,692)
- Current average electric and gas per endpoint installation costs are below projection in forecast model (+\$3,610)
- Gas Unable to Complete/Excludable work by PG&E employees below forecast, no available resource - (+\$2,035)
- IT hardware not purchased as planned (+\$2,570), but IT Integration costs higher than planned (-\$9,063)
- Various items (-\$172)

Budget Status - Benefits

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual								Budget				ITD Actual	
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		Dec
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 200	\$ 267	\$ 318	\$ 378	\$ 468	\$ 621	\$ 853	\$ 1,172	\$ 1,480
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 4,167
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581	\$ 595	\$ 617	\$ 683	\$ 735	\$ 794	\$ 884	\$ 1,037	\$ 1,269	\$ 1,589	\$ 5,647
2008 Cumulative Actual + Forecast:		\$ 538	\$ 1,076	\$ 1,657	\$ 2,252	\$ 2,868	\$ 3,551	\$ 4,286	\$ 5,081	\$ 5,965	\$ 7,002	\$ 8,271	\$ 9,860	

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted LOB Benefits:													
Monthly	\$ 627	\$ 643	\$ 674	\$ 725	\$ 752	\$ 794	\$ 964	\$ 1,054	\$ 1,151	\$ 1,244	\$ 1,362	\$ 1,450	\$ 11,441
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,422	\$ 4,216	\$ 5,180	\$ 6,233	\$ 7,385	\$ 8,629	\$ 9,991	\$ 11,441	
Actual / Current Forecast *:													
Monthly	\$ 635	\$ 656	\$ 684	\$ 713	\$ 751	\$ 787	\$ 852	\$ 1,033	\$ 1,188	\$ 1,284	\$ 1,363	\$ 1,483	\$ 11,431
Cumulative	\$ 635	\$ 1,292	\$ 1,976	\$ 2,689	\$ 3,441	\$ 4,228	\$ 5,079	\$ 6,113	\$ 7,301	\$ 8,585	\$ 9,949	\$ 11,431	
YTD Variance	\$ 8	\$ 21	\$ 31	\$ 20	\$ 19	\$ 12	\$ (101)	\$ (121)					

* Note: Remaining months forecast based on Rev 8 deployment schedule.

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

SmartMeter - Deployment		July '08 - Month Results				Aug '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 1.85	\$ 1.95	\$ (0.10)	-4.9%	\$ 1.98	\$ 2.05	\$ (0.07)	-3.6%	\$ 13.99	\$ 14.34	\$ (0.35)	-2.4%	\$ 23.22	\$ 23.56	\$ (0.35)	-1.5%
CF2	Actual to Plan Capital Variance (\$M)	\$ 4.4	\$ -	\$ (4.4)	-17.8%	\$ (2.9)	\$ -	\$ 2.9	12.3%	\$ 15.3	\$ -	\$ (15.3)	-11.3%	\$ -	\$ -	\$ -	0.0%
P1	OSHA Recordable Rate (SmartMeter)	-	-	-		-	-	-		-	-	-		-	-	-	
C1	Customers enrolled in SmartRate	1,962	1,000	962	96.2%	236	-	236		10,351	6,000	4,351	72.5%	10,351	6,000	4,351	72.5%
CF3	Meters Installed - Electric & Gas	106,971	124,142	(17,171)	-13.8%	122,506	157,867	(35,361)	-22.4%	693,195	697,107	(3,912)	-0.6%	1,359,059	1,359,059	-	0.0%
D1	Total Weeks of Inventory on Hand*	3	3	-	0.0%									13	3	10	316.7%
D2	Total wks of inventory in the pipeline*	4	3	1	33.3%									3	3	-	0.0%
D3	DCUs Installed	113	120	(7)	-5.8%	149	120	29	24.2%	811	960	(149)	-15.5%	1,291	1,440	(149)	-10.3%
D4	Meter Reader HC reductions	12	9	3	33.3%	28	10	18	180.0%	58	51	7	13.7%	95	104	(9)	-8.7%
D5	CPI - Endpoints (all-in)	\$120.98	\$121.51	\$0.53	0.4%	\$113.13	\$121.51	\$8.38	6.9%	\$114.18	\$121.51	\$7.33	6.0%	\$116.39	\$121.40	\$5.01	4.1%
D6	CPI Network (all-in)	\$ 4,530	\$ 4,493	\$ (37)	-0.8%	\$ 4,645	\$ 4,493	\$ (152)	-3.4%	\$ 4,691	\$ 4,493	\$ (199)	-4.4%	\$ 4,691	\$ 4,493	\$ (199)	-4.4%
D7	Electric network failure rate	0.0%	(track only)			0.0%	(track only)			0.4%	(track only)						
D9	Gas network failure rate	0.2%	(track only)							0.2%	(track only)						
D10	UTC Rate	9.2%	4.0%	-5.2%	-130.3%	6.4%	4.0%	-2.4%	-59.8%	6.6%	4.0%	-2.6%	-65.5%	6.6%	4.0%	-2.6%	-65.5%
O1	Customer Complaint Rate (escalated complaints)	0.01%	(track only)			0.01%	(track only)			0.00%	(track only)						
O2	Call Center Inbound Rate	4.60%	(track only)			0.00%	(track only)			4.0%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	99.72%	99.50%	0.22%	0.2%	99.78%	99.50%	0.28%	0.3%	99.87%	99.5%	0.4%	0.4%				
O4	% of Complete Gas Anchor Data Delivered	99.98%	99.50%	0.48%	0.5%	99.99%	99.50%	0.49%	0.5%	99.99%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	98.35%	99.50%	-1.15%	-1.2%	98.97%	99.50%	-0.53%	-0.5%	97.00%	99.5%	-2.5%	-2.5%				
O7	% SLA Compliance Rate	65.8%	95.0%	-29.2%	-30.7%												
O8	% of Bills not Estimated	99.5%	99.8%	-0.3%	-0.3%	99.5%	99.8%	-0.3%	-0.3%	99.5%	99.8%	0%	-0.3%				
CF5	Benefits \$ Realized (\$ M)	\$ 0.829	\$ 0.964	\$ (0.135)	-14.0%	\$ 1.033	\$ 1.045	\$ (0.012)	-1.1%	\$ 6.040	\$ 6.224	\$ (0.18)	-3.0%	\$11.431	\$11.441	\$ (0.0)	-0.1%
B1	Meters Activated - Electric & Gas	25,495	84,000	(58,505)	-69.6%	83,845	171,000	(87,155)	-51.0%	232,221	384,000	(151,779)	-39.5%	715,199	1,079,000	(363,801)	-33.7%

Targets are based on the 2008 Operating Baseline Plan

Actual to Plan Capital Variance (\$M) - Aug. & YTD

- Year to date under spent, Catch-up in Aug. and remaining months

Meters Installed - Aug.

- On target YTD, year end forecast is still on target

SLA Compliance Rate - Aug. & YTD

- Current SLA compliance criteria being re-defined due to Field Services workload priorities

DCUs Installed - YTD

- Delays continue in securing DCU attachment rights

UTC Rate - Aug. & YTD

Reports UTCs increased by 7.2K in Aug., offset by 6.4K completed UTCs. Primary causes are:

- Higher ratio than planned of Gas to Electric meter exchanges
 - Older Gas (Sprague) meters, Sprague slant/straight face meters
- Mitigation includes having an adapter for the slant/straight compatibility & identifying areas for Excludable classification

Issues/Risks Summary

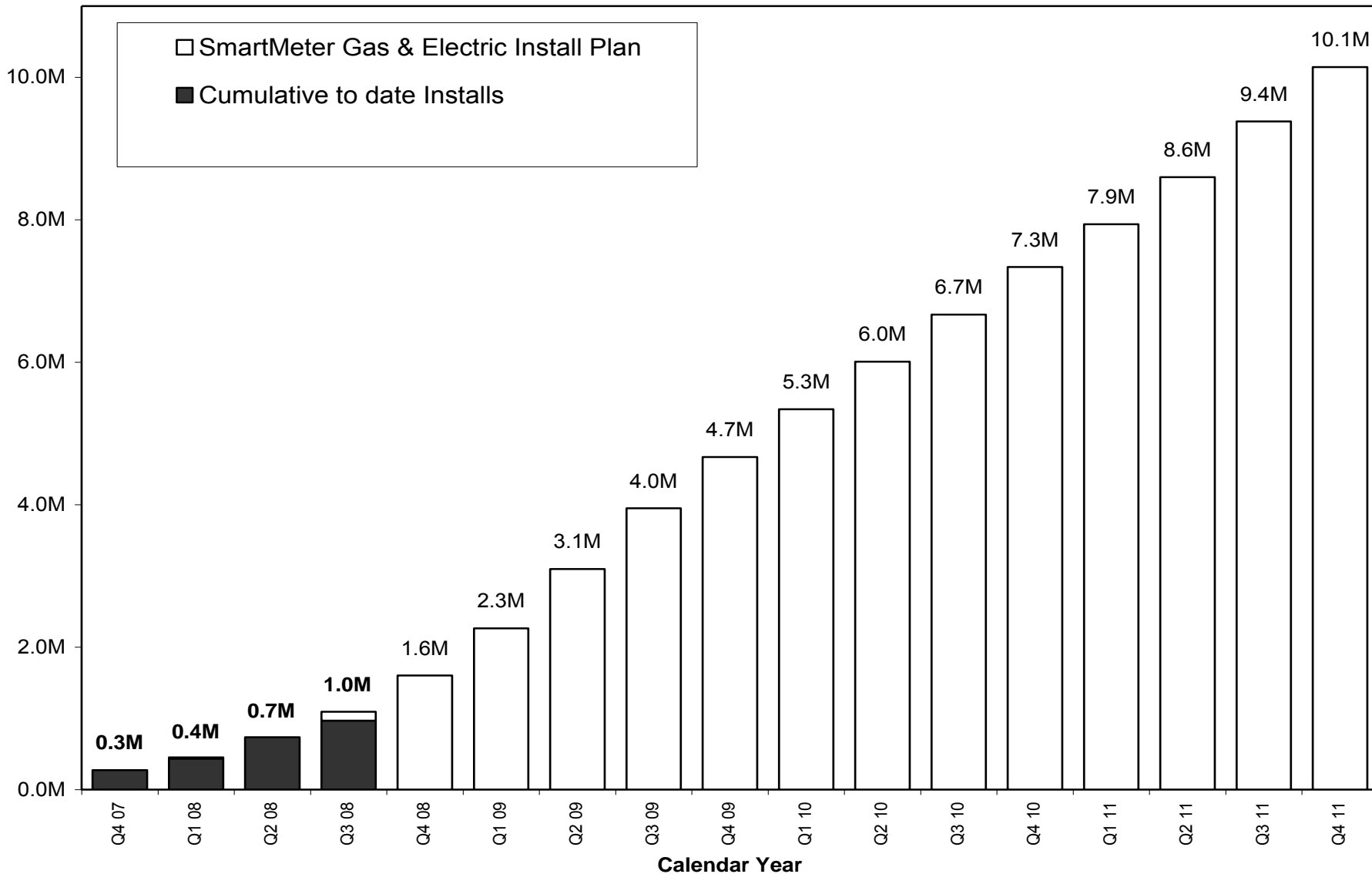
Public Version

Target Resolution Date	Date Resolved	Issues	Impact	Owner	Status Summary
9/5/2008		Aclara contract has not been signed.	Ability to use contract provisions with issues related to supply chain, equipment performance or security commitments.	Jim Meadows	Meeting with Aclara scheduled for 8/19/08. Contract expected to be finalized/signed based on the outcome of negotiation activities.
9/11/2008		Endpoint installations started prior to customers receiving notification letters.	About 200 routes may be impacted. 124k endpoints have been impacted since March.	Tim Cottengim	Evaluating issue to determine whether the root cause lies with Wellington or in the processing of two week look ahead file by CC&B. Next steps and resolution plans to be determined based on results.
9/15/2008		Delays in delivery of the Aclara electric meter modules.	Ability to begin deploying Hex Electric meters per Deployment plan.	Wilson Lau	Issue priority changed to medium. Aclara has provided a recovery schedule. Issue will be tracked until meter production schedule ramps up to 25k per day.
10/1/2008		DCU attachment rights for Roseville.	Delay in network deployment and benefits realization.	Wilson Lau	Negotiations with the City have stalled. Moving ahead with identifying pole locations in parallel path. Decision date to move ahead with pole installations set for 10/1.
10/1/2008		Meter ping functionality delivery date from Aclara and Ecologic does not meet project timeline requirements.	Schedule delays and cost impact	Kate Reiss	Escalated to Vendor Management team to schedule vendor sessions and confirm delivery dates.

Created On	Date Resolved	Risks	Impact	Owner	Status Summary
8/25/2008		TNG 1.6.3 capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Randy Dieterle	Prioritizing interval reads for SmartRate, TOU customers.
5/24/2007		Vendor SmartMeter products cannot be delivered to meet the 2008 deployment schedule.	Impact to schedule, benefits realization, idle installation crew/stand down costs, capital budget may not be met.	Debra Ervin	Supply chain and vendor performance being monitored for early warning signs to create action plan based on results.
10/8/2007		Ability to install gas network in areas without PG&E overhead facilities.	Delay in network deployment, increase in estimated billing and delay in benefits realization.	Tony Pagan	Negotiations planned to commence as early as practical in deployment. Alternatives to PG&E overhead facilities identified for network implementation. Testing capability/performance of DCUs installed in nearby locations for ability to provide network coverage where no overhead facilities exist.
4/24/2008		Project deploying new technology.	Billing errors, customer complaints.	Jim Meadows	Mitigation strategy identified. Rigor will be added to release testing plans.

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation

1. Business Case Approved Contingency

Total PDRs Adopted by Steering Committee

\$00s
\$128,773
\$2,856

2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown

Approved Date			
Cycle 1 Addi	Cycle 1 Additions	Pre-CC&B date move 1 ('Cycle 1 Additions')	\$58,183
07-0149	2/14/07	Architectural review of MBCDW	\$126
07-0176	3/13/07	SM Ops staff funding to support changes in technology & manual workarounds	\$875
07-0210	5/7/2007	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$22,300
07-0189	5/16/07	Defer TOU/Demand meter deployment post SM 1.0	\$448
07-0197	5/22/07	Hardware: Memory upgrade for 4 servers in SFand Fairfield (April 2007)	\$386
07-0211	7/31/07	Hardware: CC&B Memory Upgrade (July 2007)	\$416
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08-0257	6/20/08	Release B Supplemental Funding True-up	\$671
08-0260	9/8/08	Pre-1920 3-Dial Sprague A-1 gas meter replacement	\$2,645
	various	Other (less than \$100,000 each)	\$616
		Subtotal PDRs	\$118,763
		3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown	
08-0259		Rotary Meter Solution	\$4,591
08-0264		Meter route filter tool in MDM to assist in deployment	\$111
		Subtotal PDRs pending	\$4,702
		Total PDRs approved and pending	\$126,321

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update – October
October 14, 2008

- ▶ **Monthly Updates**
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 - ▶ **Budget Status – Expenditures by Workstream**
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- ▶ **Appendix**

	Funded Budget	EAC	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release A2.1 - Test							
Release D - Deploy							
Release E - Design							
Release F – Analyze							
Release G – Plan/Analyze							

Challenges

Release A2.1

- Revised Go-Live date of 11/25/08 expected to slip 5-7 days due to environment contention with high priority PG&E web server move.

Release D

- Pending change order for SSN hosting of the production environment.
- Revised Go-Live date of 10/26/08 at risk due to performance issues with SmartMeter production environment.

Release E

- ~\$3 million overrun due to higher vendor costs, underestimated environment support costs.
- Hex TOU rates Phase 2 pilot completion and Remote Connect/Disconnect deployment at risk due to issues related to Hex meter performance.

Release F

- Requires approval to exit analyze phase.

Release G

- Plan/Analyze phase exit estimated to slip to 10/24/08 from 9/30/08 due to late finalization of business requirements and delayed vendor deliverables.

Actions/Status

Release A2.1

- Adjust Go-Live target to 12/8/08; team to continue testing efforts with vendor team, catch up on documentation tasks and adjust schedule where possible to minimize idle time.

Release D

- Change order to be approved after completion of hosting agreement.
- SWAT team is in place to address production performance issues and to determine Go-Live readiness.

Release E

- PDR for overage is pending.
- Continuing testing and monitoring results for Phase 2 pilot and Remote Connect/Disconnect, currently on target.

Release G

- Confirming and monitoring vendor delivery dates; continuing work plan evaluation to reduce slippage.

Deployment Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints (CPI/2008 Total)							
Network (CPI/2008 Total)							

Challenges

Actions/Status

Deployment – Endpoint

- Endpoint schedule behind planned due to various issues with Hex Electric meters. YTD -9.6K behind target of 906.3K (through 10/12).

Deployment – Network

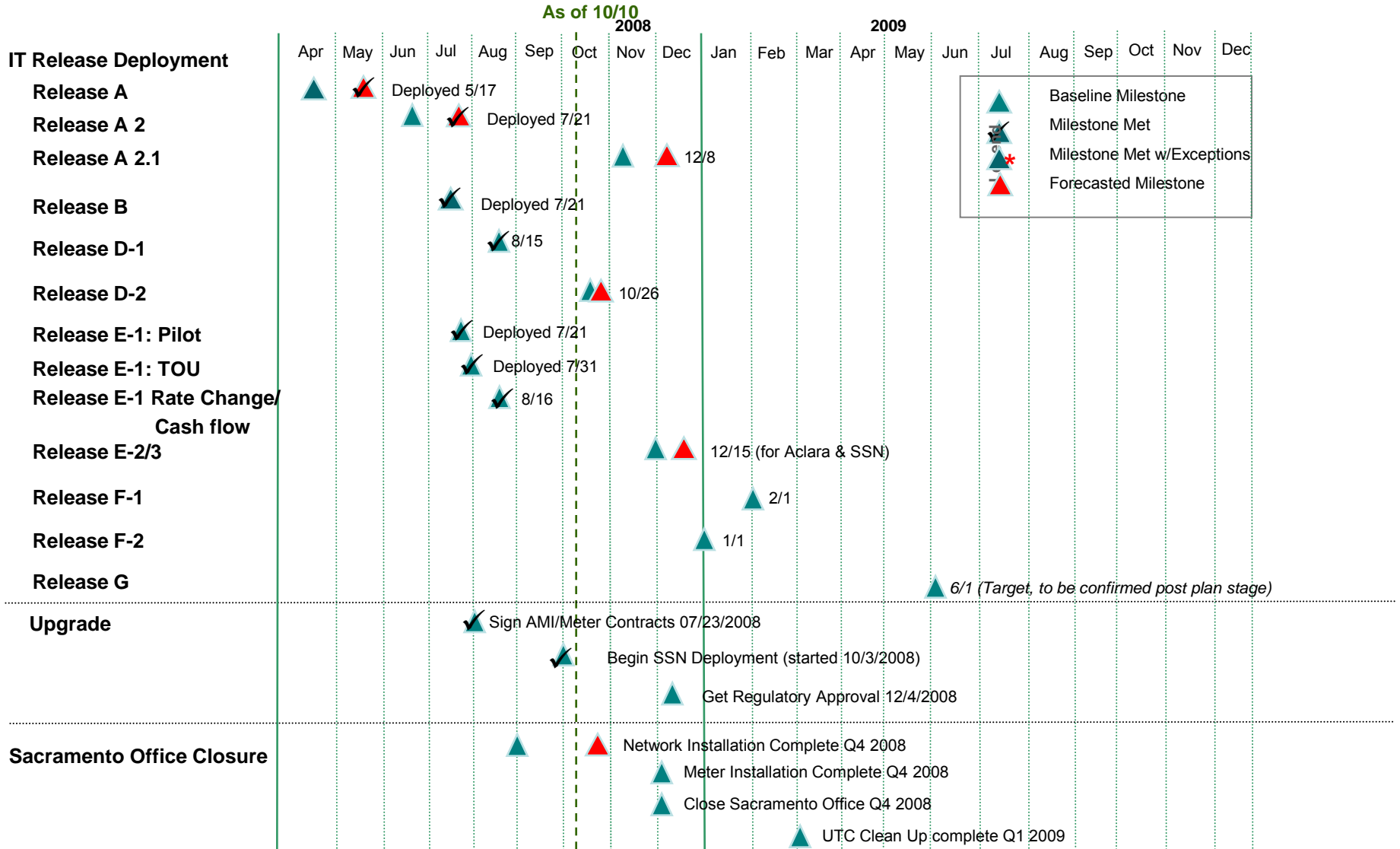
- CPI is higher than planned due to higher mix of high priced pole types (transmission towers)
- Network schedule behind planned due to delays in securing attachment rights during earlier part of the year. YTD -125 units behind target of 1,080 (through month Sept. '08)

Deployment – Endpoint

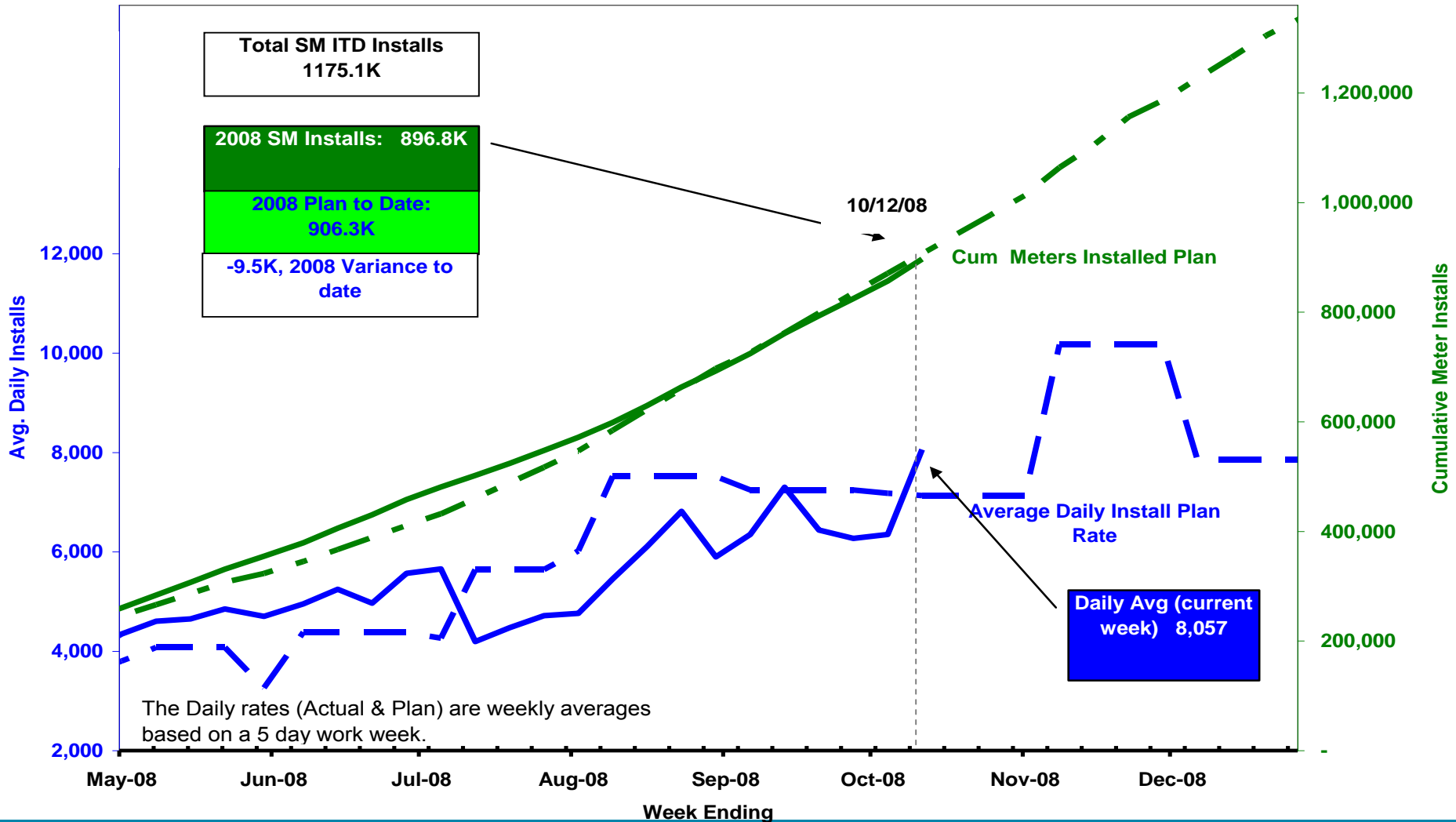
- Hex Electric meter deployment resumed as of Fri, 10/10/08. 50,000 units of overtime approved for Wellington to stay on target for 2008 deployment goal.

Deployment – Network

- Network deployment is progressing at a higher rate to make up for the gap created earlier in the year.



2008 Install Rate vs. Operating Plan (Rev. 8 adj.) - Meter Totals & Installation Averages



Budget Status – Expenditures by Workstream

<i>Capital (000s)</i>		Current Month - September			Year To Date - September				Cycle 3 Approved Budget	Year-End Budget Forecast	Inception To Date	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance				
1	PMO	\$ 520	\$ 850	\$ (330)	\$ 7,239	\$ 9,103	\$ (1,864)	-26%	\$ 8,800	\$ 12,046	\$ 39,476	1
2	SM Operations	\$ 271	\$ 363	\$ (92)	\$ 2,461	\$ 1,948	\$ 514	21%	\$ 3,275	\$ 2,871	\$ 5,572	2
3	Contract Procurement	\$ 16,525	\$ 18,427	\$ (1,902)	\$ 89,905	\$ 74,512	\$ 15,393	17%	\$ 143,097	\$ 144,800	\$ 151,251	3
4	Electric Network Install	\$ 21	\$ 1,141	\$ (1,120)	\$ 516	\$ 863	\$ (347)	-67%	\$ 579	\$ 1,206	\$ 8,824	4
5	Endpoint Installation	\$ 4,711	\$ 4,586	\$ 126	\$ 27,340	\$ 21,570	\$ 5,770	21%	\$ 40,654	\$ 38,637	\$ 38,302	5
6	Deployment Office	\$ 1,169	\$ 913	\$ 256	\$ 9,549	\$ 7,686	\$ 1,863	20%	\$ 13,076	\$ 11,273	\$ 22,344	6
7	Gas Network Install	\$ 177	\$ 471	\$ (293)	\$ 2,691	\$ 3,004	\$ (313)	-12%	\$ 3,512	\$ 4,048	\$ 4,531	7
8	SM Upgrade (At Risk)	\$ -	\$ 2,740	\$ (2,740)	\$ -	\$ 3,088	\$ (3,088)			\$ 17,201	\$ 3,088	14
9	IT	\$ 677	\$ 7,365	\$ (6,689)	\$ 19,595	\$ 35,244	\$ (15,649)	-80%	\$ 21,626	\$ 43,248	\$ 229,728	9
10	Technology Monitoring	\$ -	\$ 47	\$ (47)	\$ 381	\$ 186	\$ 195	51%	\$ 381	\$ 1,431	\$ 962	10
11	Unassigned Spend (Dec)			\$ -			\$ -		\$ 25,000			11
12	Capital Total:	\$ 24,072	\$ 36,902	\$ (12,831)	\$ 159,678	\$ 157,203	\$ 2,475	2%	\$ 260,000	\$ 276,761	\$ 504,078	12
Expense (000s)												
13	PMO	\$ 136	\$ 257	\$ (121)	\$ 1,225	\$ 1,975	\$ (750)	-61%	\$ 1,634	\$ 2,599	\$ 16,359	13
14	SM Operations	\$ 682	\$ 914	\$ (232)	\$ 6,630	\$ 6,535	\$ 96	1%	\$ 8,705	\$ 9,508	\$ 13,370	14
15	Communications	\$ 125	\$ 123	\$ 2	\$ 1,122	\$ 700	\$ 422	38%	\$ 1,496	\$ 1,090	\$ 1,583	15
16	Customer	\$ 861	\$ 233	\$ 628	\$ 5,162	\$ 2,487	\$ 2,675	52%	\$ 8,058	\$ 5,157	\$ 3,444	16
17	Endpoint Installation	\$ 253	\$ 150	\$ 103	\$ 2,083	\$ 1,396	\$ 688	33%	\$ 2,481	\$ 1,914	\$ 1,974	17
18	Deployment Office	\$ 93	\$ 114	\$ (21)	\$ 834	\$ 1,120	\$ (285)	-34%	\$ 1,112	\$ 1,139	\$ 4,492	18
19	IT	\$ 1,620	\$ 1,883	\$ (263)	\$ 17,882	\$ 17,567	\$ 315		\$ 22,742	\$ 22,633	\$ 59,286	19
20	Technology Monitoring	\$ 330	\$ 57	\$ 274	\$ 8,854	\$ 7,187	\$ 1,667	19%	\$ 9,719	\$ 9,158	\$ 17,506	20
21	Unassigned Spend (Dec)			\$ -			\$ -		\$ 4,463			21
22	Expense Total:	\$ 4,100	\$ 3,731	\$ 370	\$ 43,793	\$ 38,967	\$ 4,826	11%	\$ 60,410	\$ 53,198	\$ 118,014	22

Capital Year-To-Date Variance Explanations:

Timing: +\$2,475

- Gas module purchases higher than plan due to ramp up in gas installations (-\$7,695).
- Timing difference in purchases of electric modules (+\$11,892), electric meters (+\$2,398), and disconnect switches (+\$8,061) due to transition in technologies.
- Electric meter costs higher than in original case to support Upgrade technology (-\$3,088).
- Current average electric and gas per endpoint installation costs are below projection in forecast model (+\$4,010).
- Gas Unable to Complete/Excludable work by PG&E employees below forecast due to resources working on higher priority items earlier in the year and scheduling delays (+\$1,760).
- IT Integration costs higher than forecasted due to higher work effort required (-\$13,043).
- Various items (-\$1,820).

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual										Budget			ITD Actual	
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 200	\$ 267	\$ 318	\$ 378	\$ 438	\$ 621	\$ 853	\$ 1,172	\$ 2,296	31%
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 5,000	69%
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581	\$ 595	\$ 617	\$ 683	\$ 735	\$ 794	\$ 855	\$ 1,037	\$ 1,269	\$ 1,589	\$ 7,296	
2008 Cumulative Actual + Forecast:		\$ 538	\$ 1,076	\$ 1,657	\$ 2,252	\$ 2,868	\$ 3,551	\$ 4,286	\$ 5,081	\$ 5,935	\$ 6,973	\$ 8,242	\$ 9,831		

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted LOB Benefits:</u>													
Monthly	\$ 627	\$ 643	\$ 674	\$ 725	\$ 752	\$ 794	\$ 964	\$ 1,054	\$ 1,151	\$ 1,244	\$ 1,362	\$ 1,450	\$ 11,441
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,422	\$ 4,216	\$ 5,180	\$ 6,233	\$ 7,385	\$ 8,629	\$ 9,991	\$ 11,441	
<u>Actual / Current Forecast *:</u>													
Monthly	\$ 635	\$ 656	\$ 684	\$ 713	\$ 751	\$ 787	\$ 852	\$ 1,076	\$ 1,214	\$ 1,263	\$ 1,326	\$ 1,425	\$ 11,385
Cumulative	\$ 635	\$ 1,292	\$ 1,976	\$ 2,689	\$ 3,441	\$ 4,228	\$ 5,079	\$ 6,156	\$ 7,370	\$ 8,633	\$ 9,959	\$ 11,385	
YTD Variance	\$ 8	\$ 21	\$ 31	\$ 20	\$ 19	\$ 12	\$ (101)	\$ (78)	\$ (15)				

* Note: Remaining forecast based on Rev 9 adjusted deployment schedule.

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

Program Metrics

SmartMeter - Deployment		Aug '08 - Month Results				Sep '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 1.98	\$ 2.05	\$ (0.07)	-3.6%	\$ 2.30	\$ 2.14	\$ 0.15	7.2%	\$ 16.94	\$ 16.49	\$ 0.45	2.8%	\$ 24.09	\$ 23.56	\$ 0.53	2.2%
CF2	Actual to Plan Capital Variance (\$M)	\$ (2.9)	\$ -	\$ 2.9	12.3%	\$ (12.6)	\$ -	\$ 12.6	51.8%	\$ 2.7	\$ -	\$ (2.7)	-1.7%	\$ -	\$ -	\$ -	0.0%
P1	OSHA Recordable Rate (SmartMeter)	-	-	-		-	-	-		-	-	-		-	-	-	
C1	Customers enrolled in SmartRate	236	(track only)			(122)	(track only)			10,229	6,000	4,229	70.5%	10,229	6,000	4,229	70.5%
CF3	Meters Installed - Electric & Gas	122,506	157,867	(35,361)	-22.4%	145,435	152,163	(6,728)	-4.4%	838,630	849,270	(10,640)	-1.3%	1,359,059	1,359,059	-	0.0%
D1	Total Weeks of Inventory on Hand	1	6	(5)	-83.3%	4	6	(3)	-41.7%	4	6	(3)	-41.7%	6	6	-	0.0%
D3	DCUs Installed	149	120	29	24.2%	144	120	24	20.0%	955	1,080	(125)	-11.6%	1,421	1,440	(19)	-1.3%
D4	Meter Reader HC reductions	28	10	18	180.0%	9	9	-	0.0%	67	60	7	11.7%	95	104	(9)	-8.7%
D5	CPI - Endpoints (all-in)	\$113.13	\$121.51	\$8.38	6.9%	\$127.84	\$121.51	(\$6.33)	-5.2%	\$117.49	\$121.51	\$4.02	3.3%	\$117.49	\$121.51	\$4.02	3.3%
D6	CPI Network (all-in)	\$ 4,645	\$ 4,493	\$ (152)	-3.4%	\$ 5,542	\$ 4,493	\$ (1,049)	-23.4%	\$ 4,741	\$ 4,493	\$ (248)	-5.5%	\$ 4,741	\$ 4,493	\$ (248)	-5.5%
D7	Electric network failure rate	0.0%	(track only)							0.4%	(track only)						
D9	Gas network failure rate	0.2%	(track only)			0.0%	(track only)			0.2%	(track only)						
D10	UTC Rate	6.4%	4.0%	-2.4%	-59.8%	7.9%	4.0%	-3.9%	-96.8%	6.7%	4.0%	-2.7%	-68.5%	6.7%	4.0%	-2.7%	-68.5%
O1	Customer Complaint Rate (escalated complaints)	0.01%	(track only)			0.01%	(track only)			0.01%	(track only)						
O2	Call Center Inbound Rate	4.56%	(track only)			5.17%	(track only)			4.2%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	99.78%	99.50%	0.28%	0.3%	98.81%	99.50%	-0.69%	-0.7%	98.86%	99.5%	-0.6%	-0.6%				
O4	% of Complete Gas Anchor Data Delivered	99.99%	99.50%	0.49%	0.5%	99.99%	99.50%	0.49%	0.5%	99.99%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	98.97%	99.50%	-0.53%	-0.5%	98.66%	99.50%	-0.84%	-0.8%	97.28%	99.5%	-2.2%	-2.2%				
O8	% of Bills not Estimated	99.5%	99.8%	-0.3%	-0.3%	99.5%	99.8%	-0.3%	-0.3%	99.5%	99.8%	0%	-0.3%				
CF5	Benefits \$ Realized (\$ M)	\$ 1.033	\$ 1.054	\$ (0.021)	-2.0%	\$ 1.214	\$ 1.151	\$ 0.063	5.5%	\$ 7.370	\$ 7.385	\$ (0.01)	-0.2%	\$ 11.385	\$ 11.441	\$ (0.1)	-0.5%
B1	Meters Activated - Electric & Gas	83,845	171,000	(87,155)	-51.0%	4,933	46,000	(41,067)	-89.3%	237,154	430,000	(192,846)	-44.8%	563,036	946,728	(383,692)	-40.5%

Targets are based on the 2008 Operating Baseline Plan

Actual to Plan Capital Variance (\$M) - Sep. & YTD

- Catch-up on under spend in Sep.

Meters Installed - Sep.

- Schedule delay in new Electric endpoints deployment;

YTD & Year end forecast are on target still

Total Weeks of Inventory on Hand - Sep

- 41.5K Electric units currently in quarantine

DCUs Installed - YTD

- Delays continue in securing DCU attachment rights

CPI Network - Sep., YTD & Year end

- Higher mix of higher priced pole types (transmission towers)

- Accelerated deployment in Sacramento/Modesto resulting in crew charges as opposed to per unit charges (negotiated with WEI)

CPI Endpoints - Sep.

UTC Rate - Sep. & YTD

Reported UTC increased by 11.5K in Sep., offset by 11.3K completed UTCs. Primary causes are:

- Higher ratio than planned of Gas to Electric meter exchanges
 - Older Gas (Sprague) meters, Sprague slant/straight face meters
- Mitigation includes having an adapter for the slant/straight compatibility & identifying areas for Excludable classification

Meters Activated - YTD & Year end

- Behind schedule due to changes to planned deployment to accommodate higher ratio of Gas installs.
- Routes are currently being manually rerouted in order to release employees mostly in gas areas

No.	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	9/5/2008	Aclara RF contract has not been signed.	Ability to use contract provisions with issues related to supply chain, equipment performance or security commitments.	Jim Meadows	Final review of contract draft expected to be completed by Friday, 10/17/08.
2	1/30/2009	SmartMeter system production performance	Delay in deployment of SSN meters and related 2008 endpoint deployment goals.	Christopher Vana	SWAT team to assess, prioritize and address production issues is in place as of 10/8/08. Solutions for performance issues will be implemented as they are developed with the next implementation on 10/15/08. Necessary performance improvements are targeted for completion by 1/30/09.
3	10/31/2008	Poor read performance on > 5% of the installed Aclara meters	Delay to deployment of Hex Electric meters and related 2008 endpoint deployment goals.	Tim Vahlstrom	Initial assessment indicated possible issues with DCU frequency settings and quality of modules manufactured prior to 8/27/08. Current assessment indicates issues with all Aclara electric meters. Overall impact analysis underway.
4	10/15/2008	DCU attachment rights for Roseville.	Delay in network deployment in Roseville and benefits realization.	Wilson Lau	Council date for negotiation of attachment rights set for 10/15/08. Pole installations for known poles is currently underway.
5	10/15/2008	Endpoint installations started prior to customers receiving notification letters.	About 200 routes may be impacted. 124k endpoints have been impacted since March.	Tim Cottengim	Root cause analysis completed. Short-term recovery plan: generate query to identify customers with pending meter installation who did not receive MIA letter, and generate/mail appropriate MIA letter. Long-term recovery plan: run weekly query to generate/mail any letters that may have been missed on Two-Week Look Ahead (2WLA) while identified defects are fixed.
6	12/1/2008	Network coverage gaps in Sacramento after full network build out.	Ability to close out Sacramento office by 12/31/08.	Tim Vahlstrom	DCUs for four additional identified sites were installed. Network optimization to identify and fill any coverage gaps for Sacramento will continue until endpoint deployment has been completed.
7	TBD	Environment contention for CWP due to PG&E web server move.	Delay in CWP deployment, idle project resources.	Ryan Goldman	Go-Live date forecasted to 12/8/08. CWP down time will be used to resolve testing issues with vendor and to catch up on documentation activities to minimize idle time.
8	10/17/2008	Delay in delivery of TOU binning colors/ configuration of all TOU rates from Aclara.	Negative customer impact due to inability to present TOU usage by time frames, schedule and cost impact due to rework and additional testing.	Ryan Goldman	Delivered fixes from Aclara have not worked. Additional test data will be provided to Aclara by 10/13/08 and they should have enough time for testing now due to CWP down time resulting from PG&E web server move.

No.	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Associated Issue
1	4/4/2008	5	5	25	16	Implementation of new technology does not perform as intended.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Risk realized due to vendor equipment (Hex Electric meters) failing at higher than anticipated rates. Issues related to Hex Meter performance resolved as of 10/10/08. Ongoing risk is being monitored with mitigation plans in place.	3
2	5/24/2007	5	5	25	15	Vendor Smart Meter products cannot be delivered to meet the 2008 deployment schedule.	Benefits realization, idle installation crew/stand down costs, inability to meet capital budget.	Debra Ervin	Supply chain and vendor performance being monitored for early warning signs to create action plans based on results.	
3	10/1/2007	4	4	16	16	Delivered SmartMeter products do not meet PG&E quality standards.	Deployment schedule, benefits realization, increase in operational work, negative customer impact.	Debra Ervin	Risk continues to be high due to ongoing quality issues with Hex Electric Meters and introduction of new vendors to Supply Chain. Weekly conference calls being held with manufacturers to discuss quality issues.	3
4	8/25/2008	5	3	15	8	Inability of IT Systems to handle projected volumes.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of Smart Meter Program.	Christopher Vana	Risk realized and SWAT team is in place as of 10/8/08 to identify and address current performance and scalability issues. An independent SmartMeter IT release to address longer term performance and scalability risk has been identified and is under planning. Initial findings and scope recommendations expected over the next 3-4 weeks.	2
5	8/25/2008	4	2	8	8	TNG 1.6.3 capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Tim Vahlstrom	Issues with TNG 1.6.3 contribute to Smart Meter system performance. Discussions to determine timing of DCSI meter replacements with SSN meters are underway.	

P = Probability, I = Impact, Score = P * I

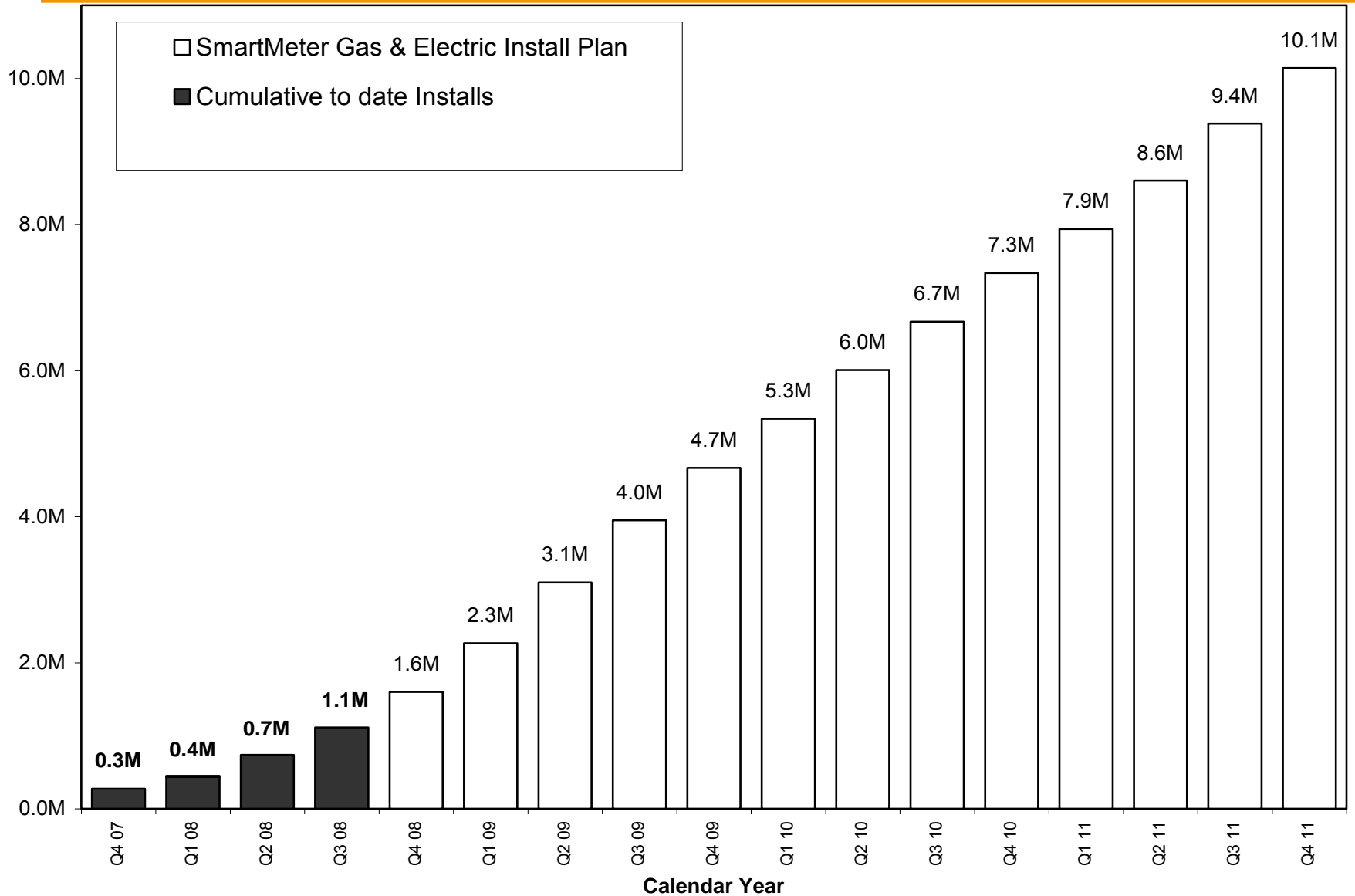
See Risk Evaluation sheet under addendum for risk evaluation guidelines

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Probability (Likelihood of Risk Materializing)
<p>[5] >80% - Very High</p> <ul style="list-style-type: none"> ▶ Very likely to occur
<p>[4] >60% - High</p> <ul style="list-style-type: none"> ▶ Possibility of occurring
<p>[3] ~50% - Medium</p> <ul style="list-style-type: none"> ▶ Unlikely the risk will turn into an issue
<p>[2] >30% - Low</p> <ul style="list-style-type: none"> ▶ Unlikely the risk will turn into an issue
<p>[1] <10% - Very Low</p> <ul style="list-style-type: none"> ▶ Unlikely the risk will turn into an issue

Impact (Effect on Program/Project if Risk Materializes)
<p>[5] – Very High</p> <ul style="list-style-type: none"> ▶ >\$10M impact to Business Case ▶ Major slip of milestones ▶ Schedule slip of 2 months or more
<p>[4] – High</p> <ul style="list-style-type: none"> ▶ ~ \$7M impact to Business Case (Benefits or Costs) ▶ Schedule slip of more than a month
<p>[3] – Medium</p> <ul style="list-style-type: none"> ▶ ~\$5M impact to Business Case (Benefits or Costs) ▶ Schedule slip of less than a month
<p>[2] – Low</p> <ul style="list-style-type: none"> ▶ <\$3M impact to Business Case (Benefits or Costs) ▶ Minor schedule slip
<p>[1] – Very Low</p> <ul style="list-style-type: none"> ▶ Very low to no cost/benefits impact ▶ Insignificant impact to interim or Primary deliverables schedule

Project Deployment Plan Progress



1. Business Case Approved Contingency		\$128,773
Total PDRs Adopted by Steering Committee		\$2,856
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown		
Approved Date	Pre-CC&B date move 1 ('Cycle 1 Additions')	\$58,183
Cycle 1 Addi	Architectural review of MBCDW	\$126
Cycle 1 Additions	SM Ops staff funding to support changes in technology & manual workarounds	\$875
07-0149 2/14/07	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$22,300
07-0176 3/13/07	Defer TOU/Demand meter deployment post SM 1.0	\$448
07-0210 5/7/2007	Hardware: Memory upgrade for 4 servers in SF and Fairfield (April 2007)	\$386
07-0189 5/16/07	Hardware: CC&B Memory Upgrade (July 2007)	\$416
07-0197 5/22/07	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$573
07-0211 7/31/07	Metering Services: Overtime during CC&B (Labor Day 2007) implementation	\$630
07-0212 8/29/07	Supplier 2006 failure to order penalty (electro-mechanical meters)	█
07-0213 8/31/07	SmartMeter Anchor Billing costs for system & process changes	\$747
07-0217 9/17/07	Records: Manually review customer bills converted during SmartMeter Billing (SM 1.1) implementation	\$596
07-0223 10/19/07	SmartTrack system (tracks defective SmartMeter assets)	\$150
07-0225 10/23/07	Deployment vendor technical support for ongoing testing	\$115
07-0228 11/16/07	Hardware & deploy 3 environments (code Drop, SI & Sand Box) in SFGO	\$2,997
07-0229 11/16/07	Capital cost transfer from CFS to SM for the 2007 replacement of non-retrofitable gas meters	\$3,315
07-0231 11/28/07	Performance recognition 2007	\$854
07-0233 12/27/07	Supplier contract termination fee (electro-mechanical meters)	█
07-0236 1/10/08	Technical Monitoring funding	\$7,501
08-0237 1/18/08	Business process (transfer support from IT-BSAR) and project management consultants	\$7,591
08-0240 2/12/08	Communication budget net reduction (cut advertising)	-\$7,000
08-0243 4/7/08	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$484
08-0244 4/7/08	SM Ops staff funding to support changes in technology & manual workarounds	\$5,900
08-0252 5/5/08	Metering Services: Project management support	\$2,174
08-0249 5/7/08	Records: Manually review customer bills converted to SmartMeter Billing & future releases	\$578
08-0255 5/23/08	Records: Increased workload due to SM implementation	\$1,812
08-0253 5/29/08	Customer Contact Center: SmartMeter project management support	\$524
08-0256 6/9/08	Release B Supplemental Funding True-up	\$671
08-0258 6/13/08	Pre-1920 3-Dial Sprague A-1 gas meter replacement	\$2,645
08-0257 6/20/08	Meter route filter tool in MDM to assist in deployment	\$111
08-0260 9/8/08	Updated field test sets for use with SmartMeter™ industry standard solid state meters	\$600
08-0264 9/29/08	Other (less than \$100,000 each)	\$616
08-0265 10/3/08	Subtotal PDRs	\$119,474
various	3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown	
	Rotary Meter Solution	\$4,591
	Subtotal PDRs pending	\$4,591
	Total PDRs approved and pending	\$126,921

Public Version



SmartMeter™
Steering Committee Update – November
November 18, 2008

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**

	Funded Budget	EAC	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release A2.1 - Test	Green	Green	Yellow	Red	Green	Green	Green
Release D - Deploy	Green	Yellow	Green	Green	Green	Green	Green
Release E - Build	Green	Red	Yellow	Yellow	Green	Green	Yellow
Release X - Plan	Green	White	Green	Green	Green	Green	Green
Release F - On hold	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Release G - On hold	Grey	Grey	Grey	Grey	Grey	Grey	Grey

Challenges

Actions/Status

Release A2.1

- Go-Live date of 11/25/08 slipped by 19 business days due to system environment contention with high priority web server move for www.pge.com

Release D

- Functionality enabling ability to deploy, discover, read and bill SSN electric meters implemented as of 10/24/08; final documentation and stabilization is in progress

Release E

- Cost overrun due to higher vendor costs, underestimated environment support costs
- Scope and schedule being revised to integrate release F scope
- Remote Connect/Disconnect and Power Status deployment at risk due to dependency on vendor deliverables

Releases F and G

- Placed on temporary hold to focus efforts on improving system operational and performance efficiency

Release A2.1

- Scope being revised to enable deployment of prioritized functionality by end of Dec 08

Release D

- Following items will be managed at Program Level going forward:
 - Complete hosting agreement and approve change order
 - [REDACTED]

Release E

- PDR for overage is pending
- Continuing build efforts and monitoring vendor deliverables

Releases F and G

- Task force is in place to revise scope and plan prior to resuming effort
- SWAT team is incrementally implementing identified solutions to resolve MDMS performance issues through Jan 09

Deployment Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints (CPI/2008 Total)	Green	Green	Green	Yellow	Green	Yellow	Yellow
Network (CPI/2008 Total)	Green	Yellow	Green	Red	Green	Green	Green

Challenges

Actions/Status

Deployment – Endpoint

- 2008 endpoint deployment goal at risk due to quality and inventory availability issues of electric meters

Deployment – Network

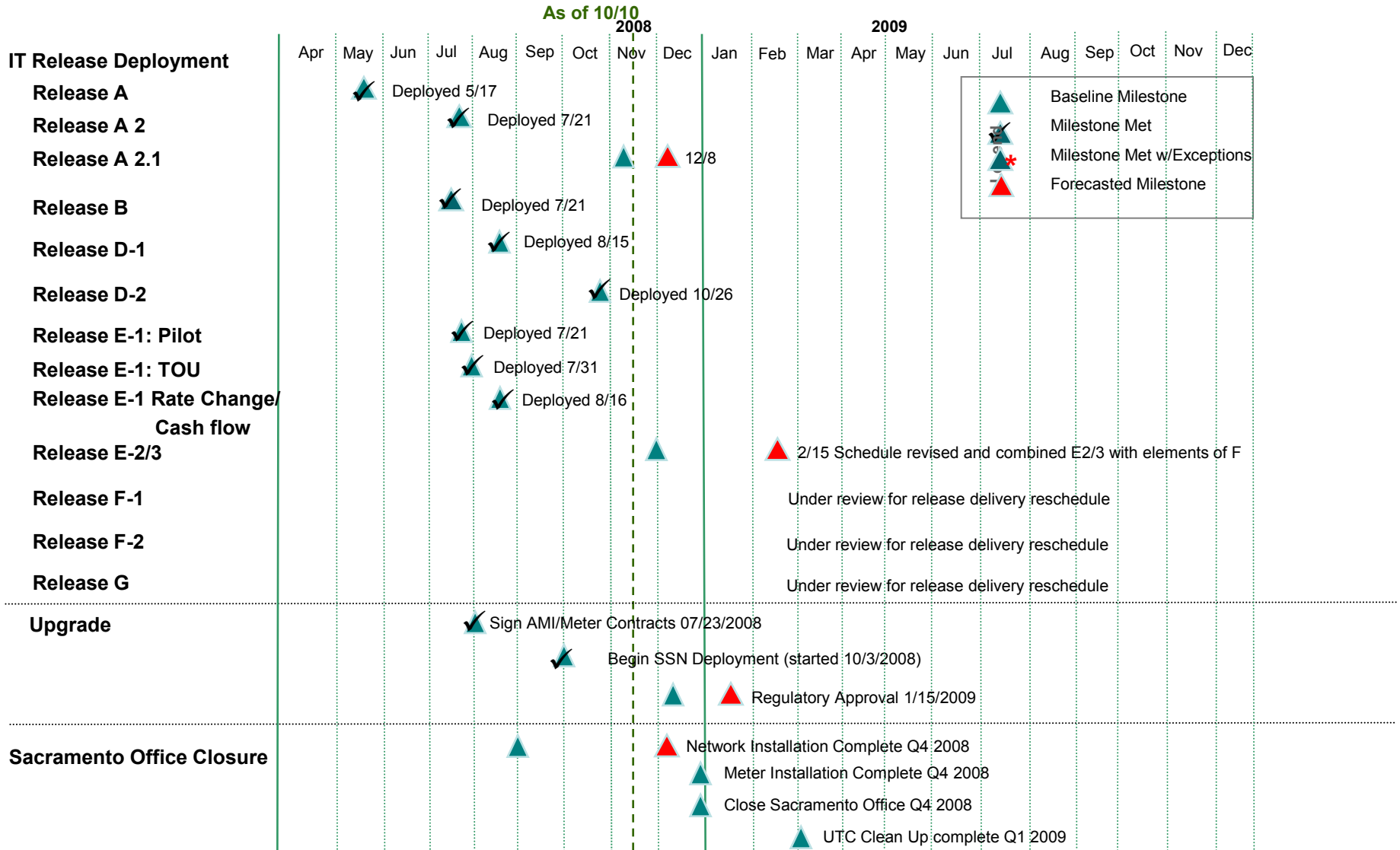
- CPI is higher than planned due to higher mix of high priced pole types (transmission towers) and stand alone pole installations
- Network schedule behind plan due to delays in securing attachment rights during earlier part of the year; 131 units behind target of 1,200 units YTD (through Oct 08)

Deployment – Endpoint

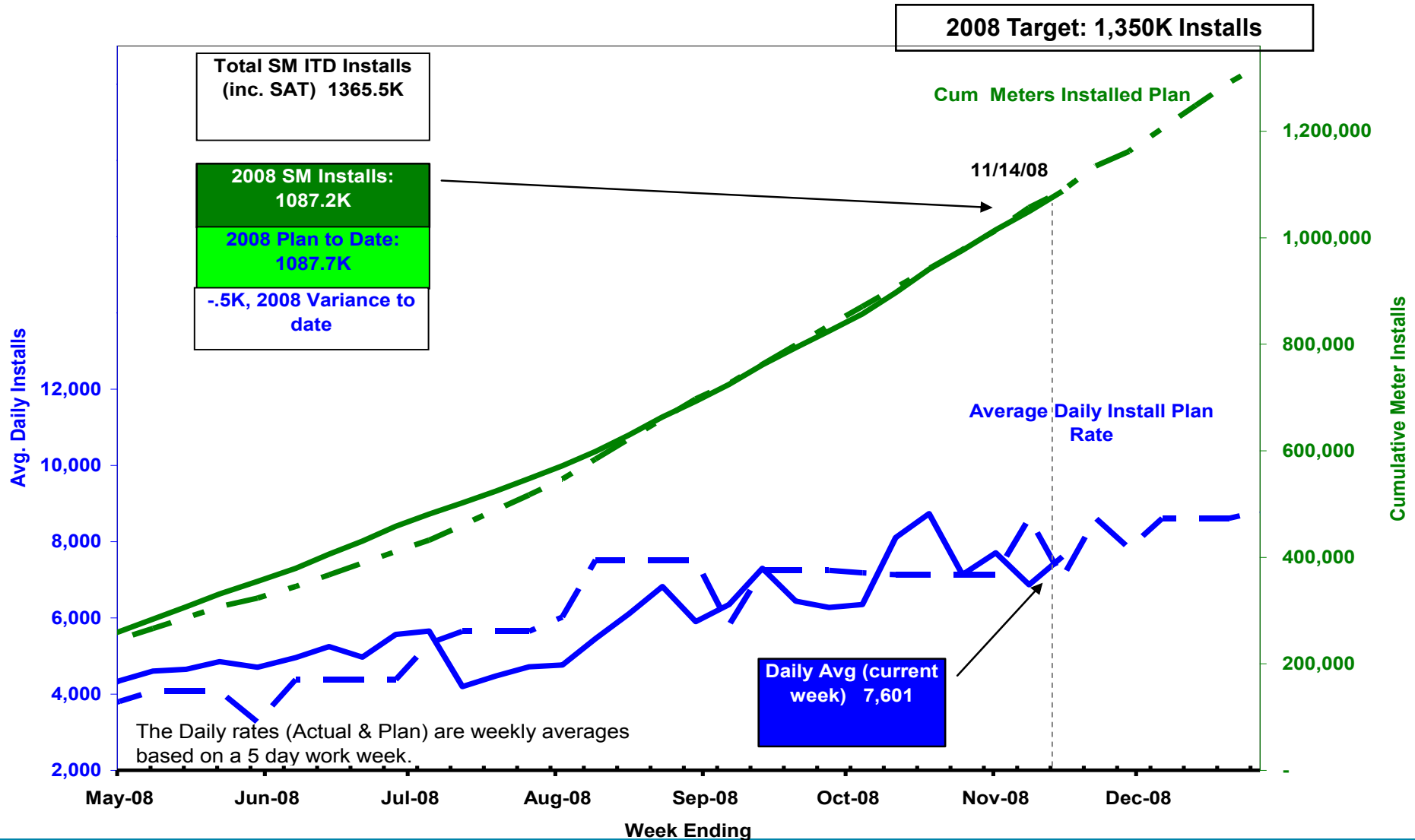
- Continuing deployment of gas meters in gas only areas
- Coordinating identification and shipment of inventory with quality issues to Aclara for repairs/replacement

Deployment – Network

- Network deployment is progressing at a higher rate to make up for the gap created earlier in the year



2008 Install Rate vs. Operating Plan (Rev. 8 adj.) - Meter Totals & Installation Averages



Budget Status – Expenditures by Workstream

<i>Capital (000s)</i>		Current Month - October			Year To Date - October				Cycle 3 Approved Budget	Year-End Budget Forecast	Inception To Date	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance				
1	PMO	\$ 520	\$ 1,152	\$ (631)	\$ 7,759	\$ 10,255	\$ (2,495)	-32%	\$ 8,800	\$ 12,355	\$ 40,628	1
2	SM Operations	\$ 271	\$ 322	\$ (51)	\$ 2,732	\$ 2,270	\$ 463	17%	\$ 3,275	\$ 2,885	\$ 5,894	2
3	Contract Procurement	\$ 17,079	\$ 10,222	\$ 6,858	\$ 106,984	\$ 84,733	\$ 22,251	21%	\$ 143,097	\$ 123,616	\$ 161,472	3
4	Electric Network Install	\$ 21	\$ (66)	\$ 86	\$ 537	\$ 797	\$ (260)	-48%	\$ 579	\$ 1,245	\$ 8,759	4
5	Endpoint Installation	\$ 4,317	\$ 3,417	\$ 900	\$ 31,657	\$ 24,987	\$ 6,670	21%	\$ 40,654	\$ 32,075	\$ 41,719	5
6	Deployment Office	\$ 1,162	\$ 1,052	\$ 110	\$ 10,711	\$ 8,737	\$ 1,973	18%	\$ 13,076	\$ 11,366	\$ 23,395	6
7	Gas Network Install	\$ 329	\$ 466	\$ (137)	\$ 3,019	\$ 3,470	\$ (451)	-15%	\$ 3,512	\$ 4,122	\$ 4,997	7
8	SM Upgrade (At Risk)	\$ -	\$ 2,966	\$ (2,966)	\$ -	\$ 6,054	\$ (6,054)			\$ 14,999	\$ 6,054	14
9	IT	\$ 677	\$ 4,436	\$ (3,759)	\$ 20,272	\$ 39,681	\$ (19,408)	-96%	\$ 21,626	\$ 46,927	\$ 234,164	9
10	Technology Monitoring	\$ -	\$ 645	\$ (645)	\$ 381	\$ 831	\$ (450)	-118%	\$ 381	\$ 1,661	\$ 1,607	10
11	Unassigned Spend (Dec)		\$ -	\$ -		\$ -	\$ -		\$ 25,000			11
12	Capital Total:	\$ 24,376	\$ 24,611	\$ (235)	\$ 184,054	\$ 181,814	\$ 2,240	1%	\$ 260,000	\$ 251,251	\$ 528,689	12
Expense (000s)												
13	PMO	\$ 354	\$ 277	\$ 76	\$ 1,362	\$ 2,253	\$ (891)	-65%	\$ 1,634	\$ 2,747	\$ 16,636	13
14	SM Operations	\$ 687	\$ 1,335	\$ (648)	\$ 7,317	\$ 7,870	\$ (552)	-8%	\$ 8,705	\$ 9,784	\$ 14,705	14
15	Communications	\$ -	\$ 98	\$ (98)	\$ 1,247	\$ 799	\$ 448	36%	\$ 1,496	\$ 1,062	\$ 1,682	15
16	Customer	\$ 926	\$ 863	\$ 63	\$ 6,088	\$ 3,350	\$ 2,737	45%	\$ 8,058	\$ 5,130	\$ 4,307	16
17	Endpoint Installation	\$ 130	\$ 225	\$ (95)	\$ 2,214	\$ 1,621	\$ 593	27%	\$ 2,481	\$ 2,045	\$ 2,199	17
18	Deployment Office	\$ -	\$ 8,159	\$ (8,159)	\$ 927	\$ 9,278	\$ (8,351)	-901%	\$ 1,112	\$ 9,291	\$ 12,651	18
19	IT	\$ 1,620	\$ 2,785	\$ (1,165)	\$ 19,502	\$ 20,352	\$ (850)		\$ 22,742	\$ 24,581	\$ 62,071	19
20	Technology Monitoring	\$ 288	\$ 312	\$ (24)	\$ 9,142	\$ 7,499	\$ 1,643	18%	\$ 9,719	\$ 8,813	\$ 17,818	20
21	Unassigned Spend (Dec)		\$ -	\$ -		\$ -	\$ -		\$ 4,463			21
22	Expense Total:	\$ 4,005	\$ 14,055	\$ (10,050)	\$ 47,798	\$ 53,022	\$ (5,224)	-11%	\$ 60,410	\$ 63,453	\$ 132,069	22

Capital Year-To-Date Variance Explanations:

Timing: +\$2,240

- Gas module purchases higher than plan due to ramp up in gas installations (-\$9,336)
- Timing difference in purchases of electric modules (+\$18,554), electric meters (+\$2,461), and disconnect switches (+\$10,660) due to transition in technologies
- Electric meter costs higher than in original case to support Upgrade technology (-\$6,054)
- Current average electric and gas per endpoint installation costs are below projection in forecast model (+\$5,803)
- Business Process and Vendor Management costs higher than planned (-\$2,495)
- IT Integration costs higher than forecasted due to higher work effort required (-\$19,259)
- Various items (+1,906)

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

	Actual											Budget		ITD Actual	
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 200	\$ 267	\$ 318	\$ 378	\$ 438	\$ 740	\$ 853	\$ 1,172	\$ 3,036	36%
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 5,417	64%
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581											

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Monthly	\$ 627	\$ 643	\$ 674	\$ 725	\$ 752	\$ 794	\$ 964	\$ 1,054	\$ 1,151	\$ 1,244	\$ 1,362	\$ 1,450	\$ 11,441
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,422	\$ 4,216	\$ 5,180	\$ 6,233	\$ 7,385	\$ 8,629	\$ 9,991	\$ 11,441	
Actual / Current Forecast *:													
Monthly	\$ 635	\$ 656	\$ 684	\$ 713	\$ 751	\$ 787	\$ 852	\$ 1,082	\$ 1,222	\$ 1,282	\$ 1,343	\$ 1,419	\$ 11,428
Cumulative	\$ 635	\$ 1,292	\$ 1,976	\$ 2,689	\$ 3,441	\$ 4,228	\$ 5,079	\$ 6,162	\$ 7,384	\$ 8,666	\$ 10,009	\$ 11,428	
YTD Variance	\$ 8	\$ 21	\$ 31	\$ 20	\$ 19	\$ 12	\$ (101)	\$ (72)	\$ (1)	\$ 37			

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work

No.	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	11/28/2008	SSN hosting contract not signed.	Currently no billing impact as the system interface to MDM has been turned off.	Randy Dieterle	Vendor management team is coordinating with PG&E team to finalize contract.
2	12/5/2008	Need MDMS to upgrade to JBoss SP8 to integrate with UIQ 3.6.2.	Ability to deploy or delay in deployment of SSN Remote Connect/Disconnect functionality.	Winnie So	Vendor management team coordinating prioritization and authorization of this work from Ecologic (EA).
3	12/5/2008	Poor read performance on > 5% of the installed Aclara meters.	Delay in deployment of Hex Electric meters and related 2008 endpoint deployment goals.	Ron Tanaka	Tasks to evaluate root cause for meter and read performance issues have been identified and are being implemented. Aclara personnel expected to be on-site to conduct field performance tests beginning 11/9/08.
4	12/8/2008	New L&G single board meters are still in approval process.	Availability of meters to be able to meet 2008 deployment schedule.	Wilson Lau	Issue resolution is currently being evaluated.
5					
6	12/15/2008	70,000 Hex Electric meters need repair/replacement.	Availability of meters to be able to meet 2008 deployment schedule.	Wilson Lau	Coordinating identification and shipment of inventory with quality issues for repair/replacement. Working with vendor to determine replacement schedule.
7	12/15/2008	Network deployment on hold for Roseville.	Delay in placement of 19 attachments impact 2009 benefits realization.	Wilson Lau	City engineer reviewing previously selected sites and suggesting some alternate locations. New installation schedule forthcoming.
8	12/31/2008	Network coverage gaps in Sacramento after full network build out.	Ability to close out Sacramento office by 12/31/08. 8 of 13 identified sites are needed to close the Sacramento office.	Ron Tanaka	13 additional attachments were identified. Six attachments have been completed. DCU attachment on tower pole targeted to be installed by 11/14. Final six poles targeted for completion by the first week of Dec '08.
9	1/30/2009	SmartMeter system production performance issues.	Ability to read SSN meters, delay in deployment of SSN meters and related 2008 endpoint deployment goals.	Christopher Vana	SWAT has identified issues with MDMS. Current focus is on: 1) fixing current bottlenecks and issues with system performance, and 2) determining short-term hardware needs. Identified solutions have been prioritized and will be implemented in increments through Jan 2009.

Risks Summary

No.	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Associated Issue
1	4/4/2008	5	5	25	25	Implementation of new technology does not perform as intended.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Risk realized due to vendor equipment (Hex Electric meters) failing at higher than anticipated rates. Resolutions for issues related to Hex electric meter performance are being implemented.	3
2	5/24/2007	5	5	25	25	Vendor SmartMeter products cannot be delivered to meet the 2008 deployment schedule.	Benefits realization, idle installation crew/stand down costs, inability to meet capital budget.	Wilson Lau	Supply chain and vendor performance being monitored for early warning signs to create action plans based on results.	4, 6
3	10/1/2007	4	5	20	20	Delivered SmartMeter products do not meet PG&E quality standards.	Deployment schedule, benefits realization, increase in operational work, negative customer impact.	Wilson Lau	Risk continues to be high due to ongoing quality issues with Hex Electric Meters. SSN equipment delivery is yet to be tested at high volumes. Weekly conference calls being held with manufacturers to discuss quality issues. Working with Aclara to replace current batch of inventory with quality issues.	3
4	8/25/2008	3	5	15	15	Inability of IT Systems to handle projected volumes.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	Risk realized and SWAT team is in place as of 10/8/08 to address current performance and scalability issues related with MDMS. An independent Smart Meter IT Release X to address longer term performance and scalability risk has been approved and is currently under planning.	9
5	10/29/2007	3	5	15	10	Endpoint deployment schedule for 2008 may not be met	Delay in benefits realization and budget.	Wilson Lau	Increased uncertainty around supply chain's ability to provide endpoint products to meet 2008 deployment goal. WEL to work over time. PG&E resources being identified to supplement deployment work force.	4, 6
6	8/25/2008	4	2	8	8	TNG 1.6.3 capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Ron Tanaka	Issues with TNG 1.6.3 contribute to SmartMeter system performance. Discussions to determine timing of DCSI meter replacements with SSN meters are underway.	

P = Probability, I = Impact, Score = P * I

See Risk Evaluation sheet under addendum for risk evaluation guidelines

Program Metrics

SmartMeter - Deployment		Sep '08 - Month Results				Oct '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 2.30	\$ 2.14	\$ 0.15	7.2%	\$ 2.27	\$ 2.24	\$ 0.03	1.3%	\$ 19.24	\$ 18.73	\$ 0.52	2.8%	\$ 24.02	\$ 23.56	\$ 0.46	1.9%
CF2	Actual to Plan Capital Variance (\$M)	\$ (12.8)	\$ -	\$ 12.8	53.3%	\$ (0.2)	\$ -	\$ 0.2	1.0%	\$ 2.2	\$ -	\$ (2.2)	-1.2%	\$ 8.7	\$ -	\$ (8.7)	
P1	OSHA Recordable Rate (SmartMeter)	-	-	-		-	-	-		-	-	-		-	-	-	
C1	Customers enrolled in SmartRate	(122)	(track only)			(331)	(track only)			9,898	6,000	3,898	65.0%	9,898	6,000	3,898	65.0%
CF3	Meters Installed - Electric & Gas	145,435	152,163	(6,728)	-4.4%	174,935	164,047	10,888	6.6%	1,013,565	1,013,317	248	0.0%	1,350,000	1,350,000	-	0.0%
D1	Total Weeks of Inventory on Hand	4	6	(3)	-41.7%	2	6	(4)	-69.5%	2	6	(4)	-69.5%	6	6	-	0.0%
D3	DCUs Installed	144	120	24	20.0%	114	120	(6)	-5.0%	1,069	1,200	(131)	-10.9%	1,387	1,440	(53)	-3.7%
D4	Meter Reader HC reductions	9	9	-	0.0%	8	12	(4)	-33.3%	75	72	3	4.2%	82	104	(22)	-21.2%
D5	CPI - Endpoints (all-in)	\$127.84	\$121.51	(\$6.33)	-5.2%	\$115.73	\$121.51	\$5.78	4.8%	\$115.95	\$121.51	\$5.56	4.6%	\$115.95	\$121.51	\$5.56	4.6%
D6	CPI Network (all-in)	\$ 5,542	\$ 4,493	\$ (1,049)	-23.4%	\$5,990	\$4,493	\$ (1,498)	-33.3%	\$ 4,874	\$ 4,493	\$ (381)	-8.5%	\$ 4,874	\$ 4,493	\$ (381)	-8.5%
D7	Electric network failure rate	0.3%	(track only)			0.0%	(track only)			0.4%	(track only)						
D9	Gas network failure rate	0.2%	(track only)			0.2%	(track only)			0.2%	(track only)						
D10	UTC Rate	7.9%	4.0%	-3.9%	-96.8%	7.9%	4.0%	-3.9%	-98.0%	6.8%	4.0%	-2.8%	-71.1%	6.8%	4.0%	-2.8%	-71.1%
O1	Customer Complaint Rate (escalated complaints)	0.01%	(track only)			0.01%	(track only)			0.01%	(track only)						
O2	Call Center Inbound Rate	5.17%	(track only)			4.25%	(track only)			4.2%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	98.81%	99.50%	-0.69%	-0.7%	99.23%	99.50%	-0.27%	-0.3%	99.78%	99.5%	0.3%	0.3%				
O4	% of Complete Gas Anchor Data Delivered	99.99%	99.50%	0.49%	0.5%	99.95%	99.50%	0.45%	0.5%	99.98%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	98.66%	99.50%	-0.84%	-0.8%	98.53%	99.50%	-0.97%	-1.0%	97.48%	99.5%	-2.0%	-2.0%				
O8	% of Bills not Estimated	99.51%	99.80%	-0.29%	-0.3%	99.61%	99.80%	-0.19%	-0.2%	99.58%	99.8%	0%	-0.2%				
CF5	Benefits \$ Realized (\$ M)	\$ 1.222	\$ 1.151	\$ 0.071	6.1%	\$ 1.282	\$ 1.244	\$ 0.038	3.1%	\$ 8.673	\$ 8.629	\$ 0.04	0.5%	\$ 11.428	\$ 11.441	\$ (0.01)	-0.1%
B1	Meters Activated - Electric & Gas	4,933	46,000	(41,067)	-89.3%	304,744	117,000	187,744	160.5%	541,898	547,000	(5,102)	-0.9%	767,372	946,728	(179,356)	-18.9%

Targets are based on the 2008 Operating Baseline Plan

Note: SM Earning Contribution (CF1) includes return on rate base and benefits related contribution

Meters Installed - Oct.

- Schedule delay in new Electric endpoints deployment;

YTD & Year end forecast are on target still

Total Weeks of Inventory on Hand - Oct

- 61.2K Electric units currently under review

DCUs Installed - YTD

- Delays continue in securing DCU attachment rights

CPI Network - Oct., YTD & Year end

- Higher mix of higher priced pole types (transmission towers)

- Accelerated deployment in Sacramento/Modesto resulting in crew charges as opposed to per unit charges (negotiated with WEI)

UTC Rate - Oct. & YTD

- 13.9K reported UTCs in Oct., offset by 11.4K completed UTCs

Primary causes are:

- Higher ratio than planned of Gas to Electric meter exchanges

- Older Gas (Sprague) meters, Sprague slant/straight face meters

Mitigation includes having an adapter for the slant/straight compatibility & identifying areas for Excludable classification

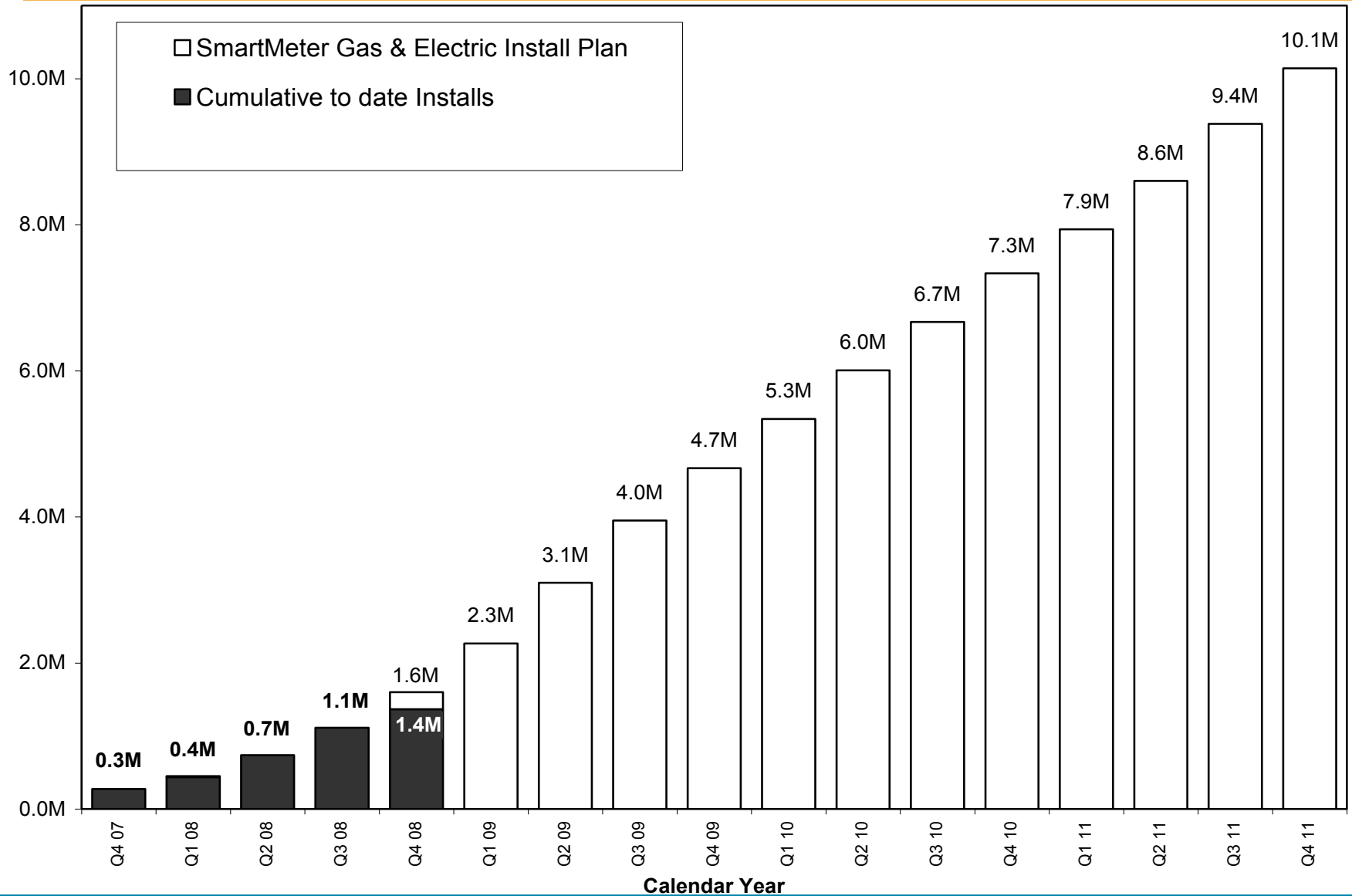
Meters Activated - Year end

- Behind schedule due to changes to planned deployment to accommodate higher ratio of Gas installs.

- Routes are currently being manually rerouted in order to release employees mostly in gas areas

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



1. Business Case Approved Contingency

\$128,773

Total PDRs Adopted by Steering Committee

\$2,856

2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown

Approved Date
 Cycle 1 Additions

2/14/07	Architectural review of MBCDW	\$58,183
3/13/07	SM Ops staff funding to support changes in technology & manual workarounds	\$126
5/7/2007	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$875
5/16/07	Defer TOU/Demand meter deployment post SM 1.0	\$22,300
5/22/07	Hardware: Memory upgrade for 4 servers in SFand Fairfield (April 2007)	\$448
7/31/07	Hardware: CC&B Memory Upgrade (July 2007)	\$386
8/29/07	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$416
8/31/07	Metering Services: Overtime during CC&B (Labor Day 2007) implementation	\$573
9/17/07	Supplier 2006 contract penalty (electro-mechanical meters)	\$630
10/19/07	SmartMeter Anchor Billing costs for system & process changes	██████████
10/23/07	Records: Manually review customer bills converted during SmartMeter Billing (SM 1.1) implementation	\$747
11/16/07	SmartTrack system (tracks defective SmartMeter assets)	\$596
11/16/07	Deployment vendor technical support for ongoing testing	\$150
11/28/07	Hardware & deploy 3 environments (code Drop, SI & Sand Box) in SFGO	\$115
12/27/07	Capital cost transfer from CFS to SM for the 2007 replacement of non-retrofitable gas meters	\$2,997
1/10/08	Headcount related expenses 2007	\$3,315
1/18/08	Supplier contract termination fee (electro-mechanical meters)	\$854
2/12/08	Technical Monitoring funding	██████████
4/7/08	Business process (transfer support from IT-BSAR) and project management consultants	\$7,501
4/7/08	Communication budget net reduction (cut advertising)	\$7,591
5/5/08	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	-\$7,000
5/7/08	SM Ops staff funding to support changes in technology & manual workarounds	\$484
5/23/08	Metering Services: Project management support	\$5,900
5/29/08	Records: Manually review customer bills converted to SmartMeter Billing & future releases	\$2,174
6/9/08	Records: Increased workload due to SM implementation	\$578
6/13/08	Customer Contact Center: SmartMeter project management support	\$1,812
6/20/08	Release B Supplemental Funding True-up	\$524
9/8/08	Pre-1920 3-Dial Sprague A-1 gas meter replacement	\$671
9/29/08	Meter route filter tool in MDM to assist in deployment	\$2,645
10/3/08	Updated field test sets for use with SmartMeter™ industry standard solid state meters	\$111
10/20/08	Rotary Meter Solution	\$600
10/31/08	Software change to shipper file	\$4,591
various	Other (less than \$100,000 each)	██████████
	Subtotal PDRs	\$616
		\$124,194

3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown

Subtotal PDRs pending \$0

Total PDRs approved and pending **\$127,050**

Public Version



SmartMeter™
Steering Committee Update – December
December 10, 2008

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**

	Funded Budget	EAC	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release A2.1 - Test	Green	Red	Green	Green	Green	Green	Green
Release E - Build	Green	Green	Green	Yellow	Green	Yellow	Green
Release X - Plan	Green	White	Green	Green	Green	Green	Green

Challenges

Actions/Status

Release A2.1

- EAC is higher than budget due to the cost impact from environment and resource downtime during critical PG&E web server move

Release E

- Scope and schedule being revised to integrate release F scope
- Delays and issues identified with vendor deliverables will delay:
 - ability to turn on remote/connect disconnect functionality
 - deployment of meter power status check functionality
 - deployment of TOU/Demand meters

Release A2.1

- PDR to cover coverage will be created and submitted for approval

Release E

- Release team is continuing internal build efforts for approved scope
- Vendor management team is prioritizing vendor deliverables and working with vendors to confirm delivery dates

Deployment Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints (CPI/2008 Total)							
Network (CPI/2008 Total)							

Challenges

Deployment – Endpoint

- Any further supply chain disruption will impact the 2008 endpoint deployment schedule

Deployment – Network

- CPI is higher than planned due to higher mix of high priced pole types (transmission towers) and stand alone pole installations
- Network schedule behind plan due to delays in securing attachment rights during earlier part of the year; 144 units behind target of 1,320 units YTD (through Nov 08)
- Customer disputed one pole site in Sacramento

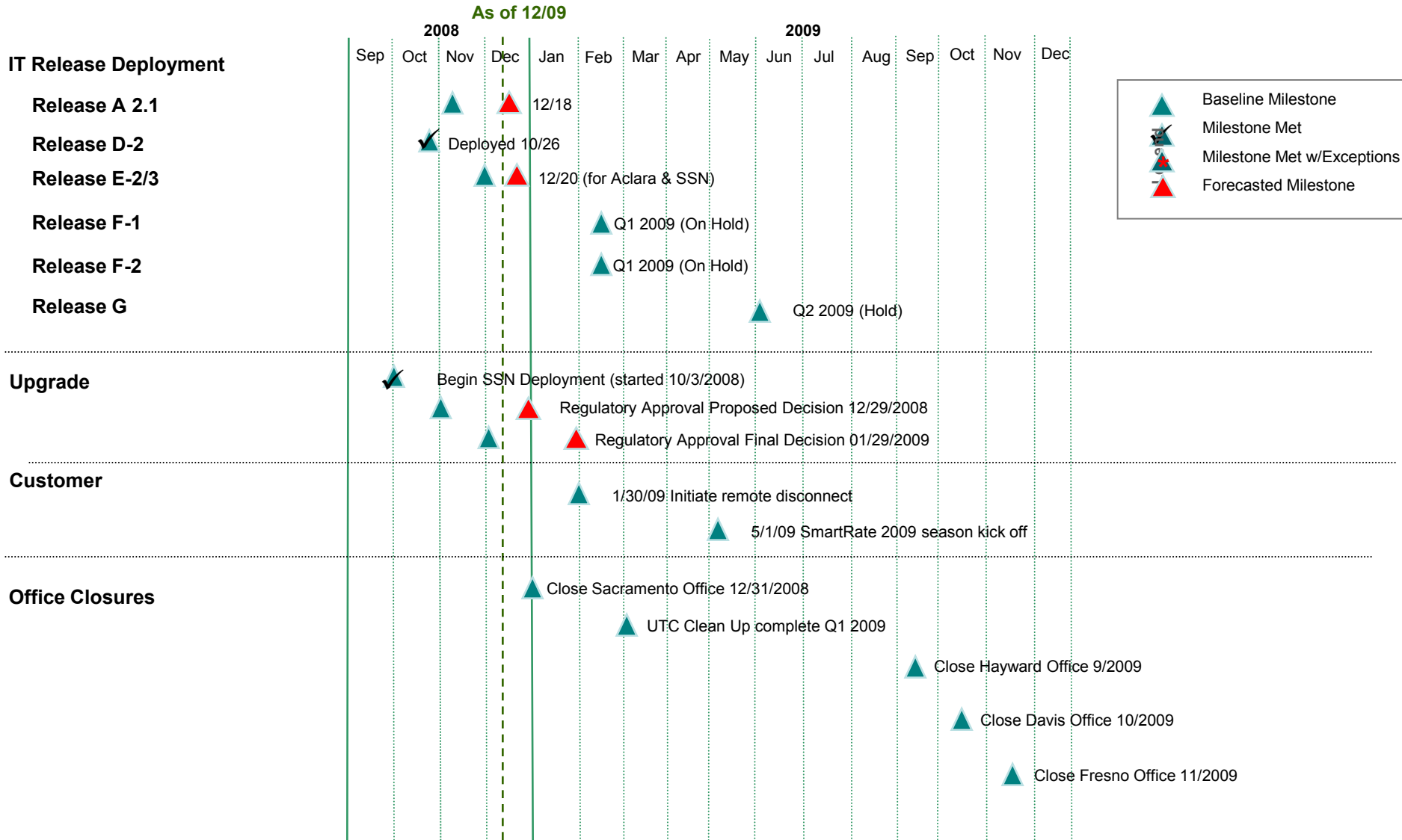
Actions/Status

Deployment – Endpoint

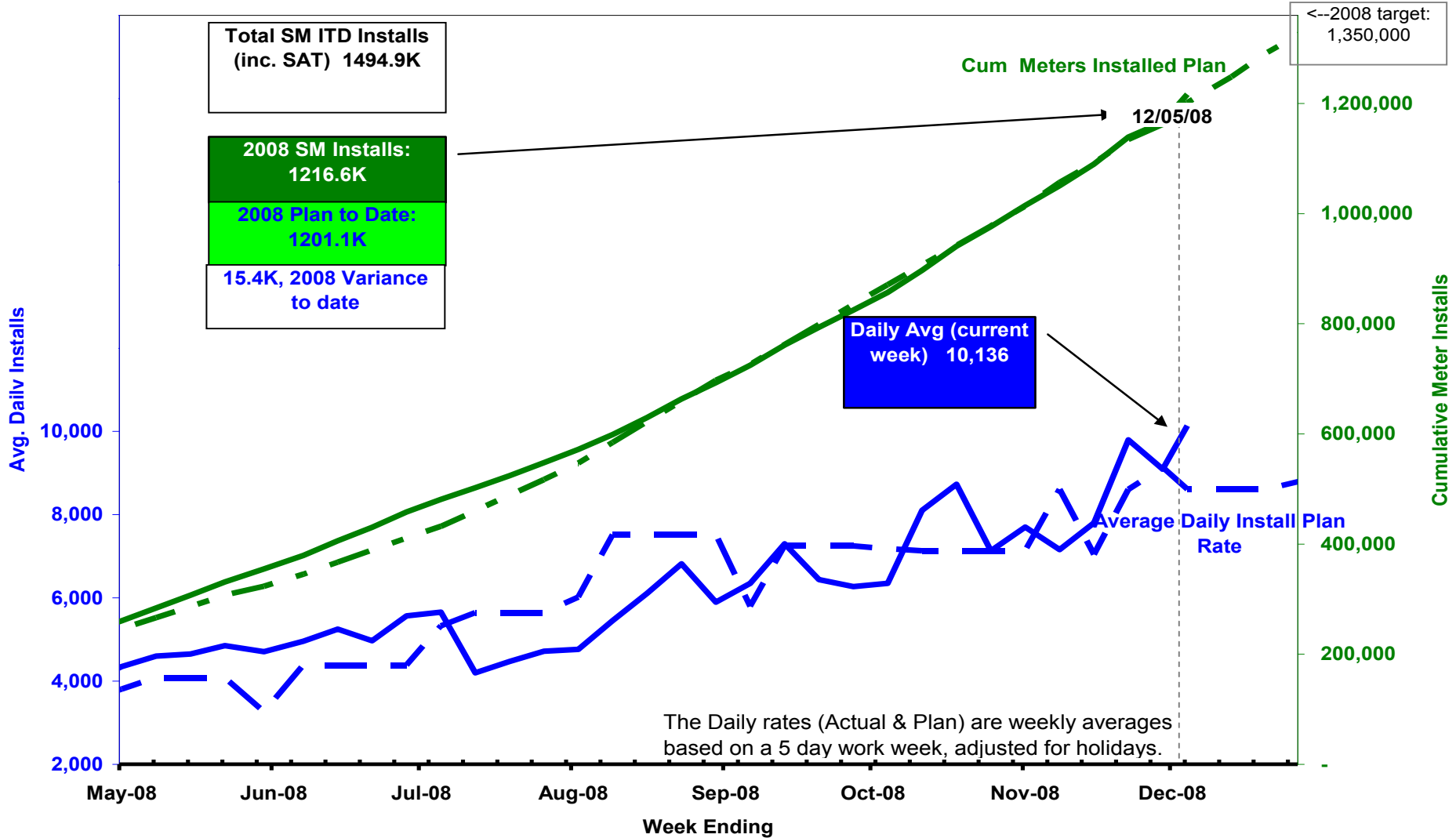
- First shipment of new Aclara electric RF meters were sent 12/5/08. A total of 50,000 meters will be shipped by 12/19/08. Plans are in place to leverage all available Wellington and PG&E resources to maximize meter installations by year-end

Deployment – Network

- Network deployment is progressing at a higher rate to make up for the gap created earlier in the year
- Alternative pole site is being investigated



2008 Install Rate vs. Operating Plan (Rev. 8 adj.) - Meter Totals & Installation Averages



Budget Status – Expenditures by Workstream

<i>Capital (000s)</i>		Current Month - November			Year To Date - November				Cycle 3 Approved Budget	Year-End Budget Forecast	Inception To Date	#
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3	Contract Procurement	\$ 16,763	\$ 13,898	\$ 2,865	\$ 123,747	\$ 98,631	\$ 25,116	20%	\$ 143,097	\$ 120,309	\$ 175,371	3
4	Electric Network Install	\$ 21	\$ 260	\$ (240)	\$ 558	\$ 1,058	\$ (500)	-90%	\$ 579	\$ 1,281	\$ 9,019	4
5	Endpoint Installation	\$ 4,474	\$ 3,118	\$ 1,356	\$ 36,131	\$ 28,104	\$ 8,026	22%	\$ 40,654	\$ 31,845	\$ 44,837	5
6	Deployment Office	\$ 1,170	\$ 903	\$ 267	\$ 11,881	\$ 9,641	\$ 2,240	19%	\$ 13,076	\$ 10,843	\$ 24,299	6
7	Gas Network Install	\$ 246	\$ 454	\$ (207)	\$ 3,266	\$ 3,923	\$ (658)	-20%	\$ 3,512	\$ 4,226	\$ 5,450	7
8	SM Upgrade (At Risk)	\$ -	\$ 3,095	\$ (3,095)	\$ -	\$ 9,149	\$ (9,149)		\$ -	\$ 12,351	\$ 9,149	14
9	IT	\$ 677	\$ 3,145	\$ (2,468)	\$ 20,950	\$ 42,826	\$ (21,876)	-96%	\$ 21,626	\$ 45,196	\$ 237,310	9
10	Technology Monitoring	\$ -	\$ 16	\$ (16)	\$ 381	\$ 847	\$ (466)	-118%	\$ 381	\$ 1,262	\$ 1,624	10
11	Unassigned Spend (Dec)			\$ -			\$ -		\$ 25,000			11
12	Capital Total:	\$ 24,142	\$ 25,648	\$ (1,505)	\$ 208,197	\$ 207,462	\$ 735	0%	\$ 260,000	\$ 241,819	\$ 554,339	12
Expense (000s)												
13	PMO (Incl Comms)	\$ 261	\$ 768	\$ (507)	\$ 2,869	\$ 3,819	\$ (950)	-65%	\$ 3,130	\$ 4,171	\$ 19,085	13
14	SM Operations	\$ 691	\$ 581	\$ 110	\$ 8,009	\$ 8,451	\$ (442)	-8%	\$ 8,705	\$ 9,411	\$ 15,286	14
15	Customer	\$ 989	\$ 97	\$ 892	\$ 7,077	\$ 3,447	\$ 3,630	45%	\$ 8,058	\$ 4,337	\$ 4,403	15
16	Endpoint Installation	\$ 133	\$ 143	\$ (10)	\$ 2,347	\$ 1,765	\$ 582	27%	\$ 2,481	\$ 1,973	\$ 2,343	16
17	Deployment Office	\$ 93	\$ 122	\$ (29)	\$ 1,020	\$ 9,400	\$ (8,380)	-901%	\$ 1,112	\$ 9,407	\$ 12,773	17
18	IT	\$ 1,620	\$ 1,993	\$ (373)	\$ 21,122	\$ 22,345	\$ (1,223)		\$ 22,742	\$ 24,533	\$ 64,064	18
19	Technology Monitoring	\$ 288	\$ 338	\$ (50)	\$ 9,431	\$ 7,837	\$ 1,594	18%	\$ 9,719	\$ 8,494	\$ 18,156	19
20	Unassigned Spend (Dec)			\$ -			\$ -		\$ 4,463			20
21	Expense Total:	\$ 4,075	\$ 4,042	\$ 33	\$ 51,875	\$ 57,064	\$ (5,189)	-10%	\$ 60,411	\$ 62,326	\$ 136,110	21

Capital Year-To-Date Variance Explanations:

Non-Timing: +\$735k

- Year-to-date capital variance versus original CY3 budget is less than 1 percent (0.35%) favorable.
- Year-end forecast estimates approximately \$20 million favorable (under-budget), primarily due to:
 - Meter cost of removal recognition and reclassification out of SmartMeter capital (\$2,252k).
 - Obsolete uninstalled network equipment reclassified from capital to expense (\$8,126k).
 - Delays in receiving some of the expected new solid-state electric meters and modules due to delays in their certification process (\$10,000k).

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

	Actual												Budget	ITD Actual	
	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 200	\$ 267	\$ 318	\$ 378	\$ 438	\$ 740	\$ 855	\$ 1,172	\$ 3,892	40%
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 5,833	60%
Total:	\$ 1,361	\$ 538	\$ 539	\$ 581											

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Monthly	\$ 627	\$ 643	\$ 674	\$ 725	\$ 752	\$ 794	\$ 964	\$ 1,054	\$ 1,151	\$ 1,244	\$ 1,362	\$ 1,450	\$ 11,441
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,422	\$ 4,216	\$ 5,180	\$ 6,233	\$ 7,385	\$ 8,629	\$ 9,991	\$ 11,441	
Actual / Current Forecast *:													
Monthly	\$ 635	\$ 656	\$ 684	\$ 713	\$ 751	\$ 787	\$ 852	\$ 1,082	\$ 1,222	\$ 1,281	\$ 1,378	\$ 1,436	\$ 11,479
Cumulative	\$ 635	\$ 1,292	\$ 1,976	\$ 2,689	\$ 3,441	\$ 4,228	\$ 5,079	\$ 6,162	\$ 7,384	\$ 8,665	\$ 10,043	\$ 11,479	
YTD Variance	\$ 8	\$ 21	\$ 31	\$ 20	\$ 19	\$ 12	\$ (101)	\$ (72)	\$ (1)	\$ 36	\$ 52		

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

No.	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	1/30/2009	SmartMeter system production performance issues.	Ability to read SSN meters, delay in deployment of SSN meters and related 2008 endpoint deployment goals.	Christopher Vana	SWAT has identified issues with the MDM system. Current focus is on: 1) fixing current bottlenecks and issues with system performance, 2) determining short-term hardware needs, and 3) enabling billing for SSN meters. Identified solutions are being implemented through Jan 2009.
2	12/31/2008	Network coverage gaps in Sacramento after full network build out.	Ability to close out Sacramento office by 12/31/08. 8 of 13 identified sites are needed to close the Sacramento office.	Ron Tanaka	Installation of 6 attachments and 6 poles has been completed. One pole site is under customer dispute. Alternative site has been identified and is pending deployment review. Team is also working on a standard pole installation process to minimize customer impact/reaction for future pole installations.
3	1/14/2009	Historical go-back functionality not included with vendor deliverable.	Delay in deployment of TOU meters.	Randy Dieterle	Vendor management team has confirmed a delivery date of 1/14/09 with the vendor.
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5	12/19/2008	Poor read performance on > 5% of the installed Aclara meters.	Ability to turn and read Hex electric meters.	Ron Tanaka	Vendor team along with SM Ops is addressing performance issues in deployed electric areas with efforts focused on MTU replacements and DCU repairs/installs. There has been improvement in the read performance in the Stockton/Lodi area.
6	TBD	Vendor delivery for power status check has been pushed from 12/15/08 to March 2009.	Delay in planned 1/30/09 deployment of power status check functionality.	Laurence Bellenguez	Team is evaluating the option to internally build an interface between EI and Head end systems. Cost and schedule estimates for this are being reviewed and are expected to be approved by PMO and Plan-the-Plan committee.
7	12/15/2008	Network deployment for Roseville delayed.	Delay in placement of 19 attachments impact 2009 benefits realization.	Wilson Lau	Approval on alternative locations suggested by the City Engineer were approved by Aclara. Roseville DCU installations are now on target for completion by 12/15/08.
8	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9	12/12/2008	SSN hosting contract not signed.	Currently no billing impact as the system interface to MDM has been turned off.	Randy Dieterle	Contract is in final review stage. Sign off is expected by 12/12/08.

No.	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Associated Issue
1	4/4/2008	5	5	25	25	Implementation of new technology does not perform as intended. Key drivers: IT systems do not scale to meet volumes, Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Mitigation plans for ongoing risk are in place. Resolutions for issues related to Hex electric meter performance are being implemented. Performance and Stability SWAT team efforts are currently focused on resolving MDM issues to enable SSN billing by Jan 2009.	5, 1
2	10/1/2007	3	5	15	20	Delivered SmartMeter products do not meet PG&E quality standards. Key driver: Performance issues/untested requirements.	Deployment schedule, benefits realization, increase in operational work, negative customer impact.	Wilson Lau	Risk remains high due to quality issues with Hex Electric Meters and SSN equipment delivery is yet to be tested at high volumes. Weekly conference calls being held with manufacturers to discuss quality issues. Working with Aclara to replace current batch of inventory with quality issues.	
3	8/25/2008	3	5	15	15	Inability of IT Systems to handle projected volumes. Key driver: MDMS system scalability.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	SWAT team is implementing resolution plans to fix issues with MDMS system and enable SSN billing by Jan 2009. An independent SmartMeter IT Release X has evaluated the long term performance and scalability risk. Preliminary plan identified for SmartMeter systems to be able to support deployment, operation, reading and billing of 11M meters is under review.	1
4	8/25/2008	5	3	15	8	TNG 1.6.3 capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Ron Tanaka	Issues with TNG 1.6.3 contribute to SmartMeter system performance. Discussions to determine timing of DCSI meter replacements with SSN meters are underway.	
5	10/29/2007	2	5	10	15	Endpoint deployment schedule for 2008 may not be met. Key driver: Availability of meters.	Delay in benefits realization and budget.	Wilson Lau	Endpoint deployment is currently on target. First shipment of new Aclara electric RF meters were sent 12/5/08. A total of 50,000 meters will be shipped by 12/19/08. Plans are in place to use all available Wellington and PG&E resources to consume as many of the meters as possible by year-end	
6	5/24/2007	1	5	5	25	Insufficient meter supply to meet 2008 deployment target. Key driver: Meter vendor cannot meet capacity requirements for deployment plan.	Benefits realization, idle installation crew/stand down costs, inability to meet capital budget.	Wilson Lau	Risk has been mitigated and probability of risk materializing has decreased. Vendor commitments for delivery of 50,000 meters by 12/19/08 has been received.	

Program Metrics

SmartMeter - Deployment		Oct '08 - Month Results				Nov '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 2.27	\$ 2.24	\$ 0.03	1.3%	\$ 2.35	\$ 2.34	\$ 0.01	0.5%	\$ 21.59	\$ 21.07	\$ 0.53	2.5%	\$ 24.00	\$ 23.56	\$ 0.44	1.9%
CF2	Actual to Plan Capital Variance (\$M)	\$ (0.2)	\$ -	\$ 0.2	1.0%	\$ (1.5)	\$ -	\$ 1.5	6.2%	\$ 0.7	\$ -	\$ (0.7)	-0.4%	\$ 18.2	\$ -	\$ (18.2)	
P1	OSHA Recordable Rate (SmartMeter)	-	-	-		4.9	-	(4.9)	-100.0%	4.9	-	(4.9)	-100.0%	4.9	-	(4.9)	-100.0%
C1	Customers enrolled in SmartRate	(331)	(track only)			-	(track only)			9,898	6,000	3,898	65.0%	9,898	6,000	3,898	65.0%
CF3	Meters Installed - Electric & Gas	174,935	164,047	10,888	6.6%	152,719	148,673	4,046	2.7%	1,166,284	1,161,990	4,294	0.4%	1,350,000	1,350,000	-	0.0%
D1	Total Weeks of Inventory on Hand	2	6	(4)	-69.5%	1	6	(5)	-88.3%	1	6	(5)	-88.3%	6	6	-	0.0%
D3	DCUs Installed	114	120	(6)	-5.0%	107	120	(13)	-10.8%	1,176	1,320	(144)	-10.9%	1,235	1,440	(205)	-14.2%
D3.5	Electric Network Nodes Installed					185	(track only)			185	(track only)			621	(track only)		
D4	Meter Reader HC reductions	7	12	(5)	-41.7%	7	7	-	0.0%	82	79	3	3.8%	85	104	(19)	-18.3%
D5	CPI - Endpoints (all-in)	\$115.73	\$121.51	\$ 5.78	4.8%	\$121.01	\$121.51	\$0.50	0.4%	\$116.61	\$121.51	\$4.90	4.0%	\$116.61	\$121.51	\$4.90	4.0%
D6	CPI Network (all-in)	\$5,990	\$4,493	\$ (1,498)	-33.3%	\$5,066	\$4,493	\$ (573)	-12.8%	\$ 4,891	\$ 4,493	\$ (399)	-8.9%	\$ 4,891	\$ 4,493	\$ (399)	-8.9%
D7	Electric network failure rate	0.0%	(track only)			0.0%	(track only)			0.3%	(track only)						
D9	Gas network failure rate	0.2%	(track only)			0.2%	(track only)			0.2%	(track only)						
D10	UTC Rate	7.9%	4.0%	-3.9%	-98.0%	6.5%	4.0%	-2.5%	-61.8%	6.7%	4.0%	-2.7%	-68.6%	6.7%	4.0%	-2.7%	-68.6%
O1	Customer Complaint Rate (escalated complaints)	0.01%	(track only)			0.01%	(track only)			0.01%	(track only)						
O2	Call Center Inbound Rate	4.25%	(track only)			3.94%	(track only)			4.2%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	99.23%	99.50%	-0.27%	-0.3%	97.30%	99.50%	-2.20%	-2.2%	99.46%	99.5%	0.0%	0.0%				
O4	% of Complete Gas Anchor Data Delivered	99.95%	99.50%	0.45%	0.5%	99.95%	99.50%	0.45%	0.5%	99.95%	99.5%	0.5%	0.5%				
O5	% of Complete Electric Interval Data Delivered	98.53%	99.50%	-0.97%	-1.0%	98.61%	99.50%	-0.89%	-0.9%	97.65%	99.5%	-1.9%	-1.9%				
O8	% of Bills not Estimated	99.61%	99.80%	-0.19%	-0.2%	99.61%	99.80%	-0.19%	-0.2%	99.58%	99.8%	0%	-0.2%				
CF5	Benefits \$ Realized (\$ M)	\$ 1.282	\$ 1.244	\$ 0.038	3.1%	\$ 1.377	\$ 1.353	\$ 0.024	1.8%	\$ 10.043	\$ 9.991	\$ 0.05	0.5%	\$ 11.479	\$ 11.441	\$ 0.04	0.3%
B1	Meters Activated - Electric & Gas	304,744	117,000	187,744	160.5%	80,099	103,000	(22,901)	-22.2%	621,997	650,000	(28,003)	-4.3%	834,643	946,728	(112,085)	-11.8%

Targets are based on the 2008 Operating Baseline Plan

Note: SM Earning Contribution (CF1) includes return on rate base and benefits related contribution

OSHA Recordable Rate

- 2 OSHA recordables in Deployment in November

Total Weeks of Inventory on Hand - Nov

- 65 3K Electric units currently under review

DCUs Installed - YTD

- Delays continue in securing DCU attachment rights

CPI November - Nov.

CPI Network - Nov., YTD & Year end

- Higher mix of higher priced pole types (transmission towers)

- Accelerated deployment in Sacramento/Modesto resulting in crew charges as opposed to per unit charges (negotiated with WEI)

UTC Rate - Nov. & YTD

- 9.9K reported UTCs in Nov., offset by 8.7K completed UTCs

Primary causes are:

- Higher ratio than planned of Gas to Electric meter exchanges

- Older Gas (Sprague) meters, Sprague slant/straight face meters

Mitigation includes having an adapter for the slant/straight compatibility & identifying areas for Excludable classification

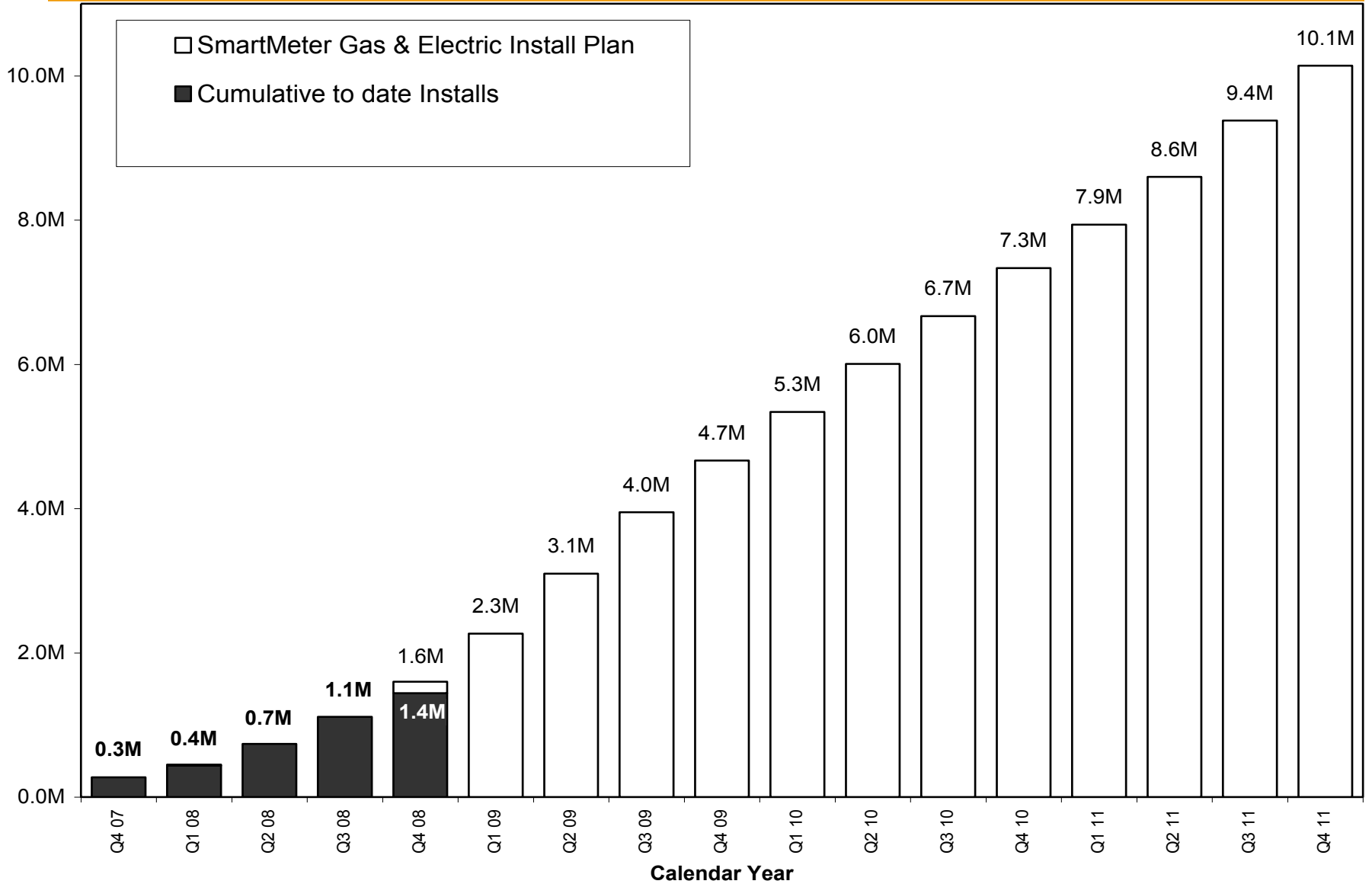
Meters Activated - Year end

- Behind schedule due to changes to planned deployment to accommodate higher ratio of Gas installs.

- Routes are currently being manually rerouted in order to release employees mostly in gas areas

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



SmartMeter Contingency Reconciliation

\$000s

1. Business Case Approved Contingency

\$128,773

Total PDRs Adopted by Steering Committee

\$2,856

2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown

Approved Date			
Cycle 1 Addi	Cycle 1 Additions	Pre-CC&B date move 1 ('Cycle 1 Additions')	\$58,183
07-0176	3/13/07	SM Ops staff funding to support changes in technology & manual workarounds	\$875
07-0210	5/7/2007	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$22,300
07-0212	8/29/07	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$573
07-0213	8/31/07	Metering Services: Overtime during CC&B (Labor Day 2007) implementation	\$630
07-0223	10/19/07	SmartMeter Anchor Billing costs for system & process changes	\$747
07-0225	10/23/07	Records: Manually review customer bills converted during SmartMeter Billing (SM 1.1) implementation	\$596
07-0231	11/28/07	Hardware & deploy 3 environments (code Drop, SI & Sand Box) in SFGO	\$2,997
07-0233	12/27/07	Capital cost transfer from CFS to SM for the 2007 replacement of non-retrofitable gas meters	\$3,315
07-0236	1/10/08	Headcount related expenses 2007	\$854
08-0237	1/18/08	Supplier contract termination fee (electro-mechanical meters)	
08-0240	2/12/08	Technical Monitoring funding	\$7,501
08-0243	4/7/08	Business process (transfer support from IT-BSAR) and project management consultants	\$7,591
08-0244	4/7/08	Communication budget net reduction (cut advertising)	-\$7,000
08-0252	5/5/08	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$484
08-0249	5/7/08	SM Ops staff funding to support changes in technology & manual workarounds	\$5,900
08-0255	5/23/08	Metering Services: Project management support	\$2,174
08-0253	5/29/08	Records: Manually review customer bills converted to SmartMeter Billing & future releases	\$578
08-0256	6/9/08	Records: Increased workload due to SM implementation	\$1,812
08-0258	6/13/08	Customer Contact Center: SmartMeter project management support	\$524
08-0257	6/20/08	Release B Supplemental Funding True-up	\$671
08-0260	9/8/08	Pre-1920 3-Dial Sprague A-1 gas meter replacement	\$2,645
08-0265	10/3/08	Updated field test sets for use with SmartMeter™ industry standard solid state meters	\$600
08-0259R	10/20/08	Rotary Meter Solution	\$4,591

various Other (less than \$500,000 each) \$2,797

Subtotal PDRs \$124,193

3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown

08-0253A		Records: Manually review customer bills (extension through March 2009)	\$819
08-0271		Transition to RF Network and SSN Technology - Final number pending	-\$40,000
		DCSI termination fees	
		Subtotal PDRs pending	

Total PDRs approved and pending \$91,131

Public Version

PG&E
SmartMeter 

SmartMeter™
Steering Committee Update – January
January 27, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

	Funded Budget	EAC	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release E/F – Build							
Release X - Plan							
Release G-1							
Release G- 2							

* Does not include tasks originally included in release F, to be reviewed 1/29

Challenges / Updates

Actions/Status

Release E/F

- Pending change orders to increase “estimate at complete”
- Aclara 7.3 code delivered; currently in test
- SSN / Aclara remote disconnect targeted for 3/9 & 3/23.

Release X

- SWAT team successfully delivered on immediate requirement
- Longer term test strategy in development

Release G- 1 (Outage mgmt screen update)

- Targeting June 09 launch for this functionality

Release G – 2 (restoration verification)

- Vendor Integrator services needed

Release E/F

- Change orders under review by business development group
- SSN billing pilot has started; go / no go on 2/3

Release X

- Additional funding approved for work through 2/20/09

Release G - 1

- Business requirements workshop conducted on 1/22

Release G - 2

- RFP for integration services distributed

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints (CPI/2008 Total)							
Gas Network (CPI/2008 Total)							

Challenges / Updates

Actions/Status

Deployment – Endpoint

- Electric meter supply chain secured
- 138 curb meters set with incorrect programming
- Early indication that 900 MHz may trip customer GFI
- Bakersfield substation bank work is requiring meter redeployment of about 29,000 endpoints

Deployment – Network

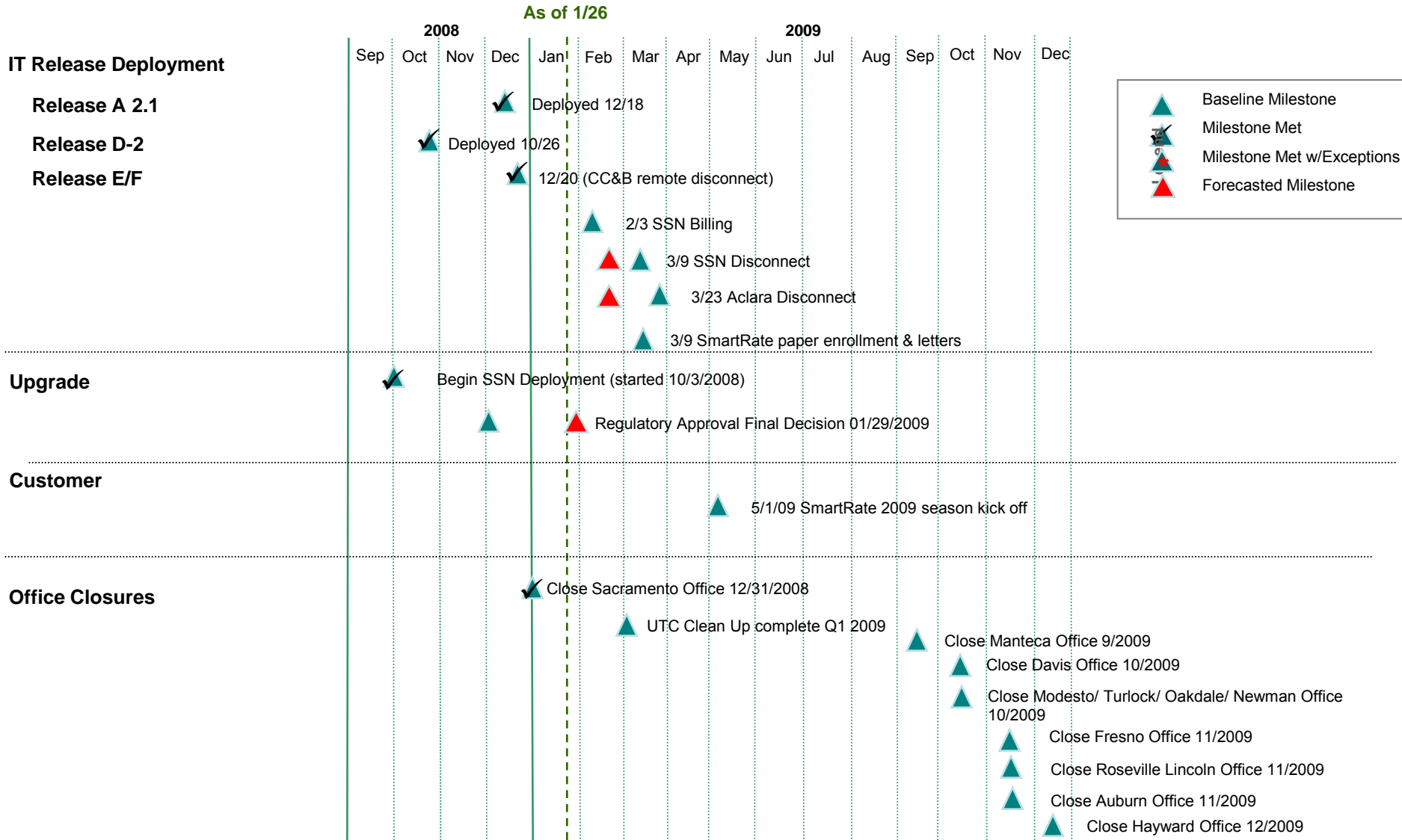
- CPI is higher than planned due to higher mix of high priced placements (transmission towers) and stand alone pole installations
- SSN mesh network engineering design is based on significant number of relays to be placed after endpoints are installed; may delay transition to billing and an inefficient deployment plan

Deployment – Endpoint

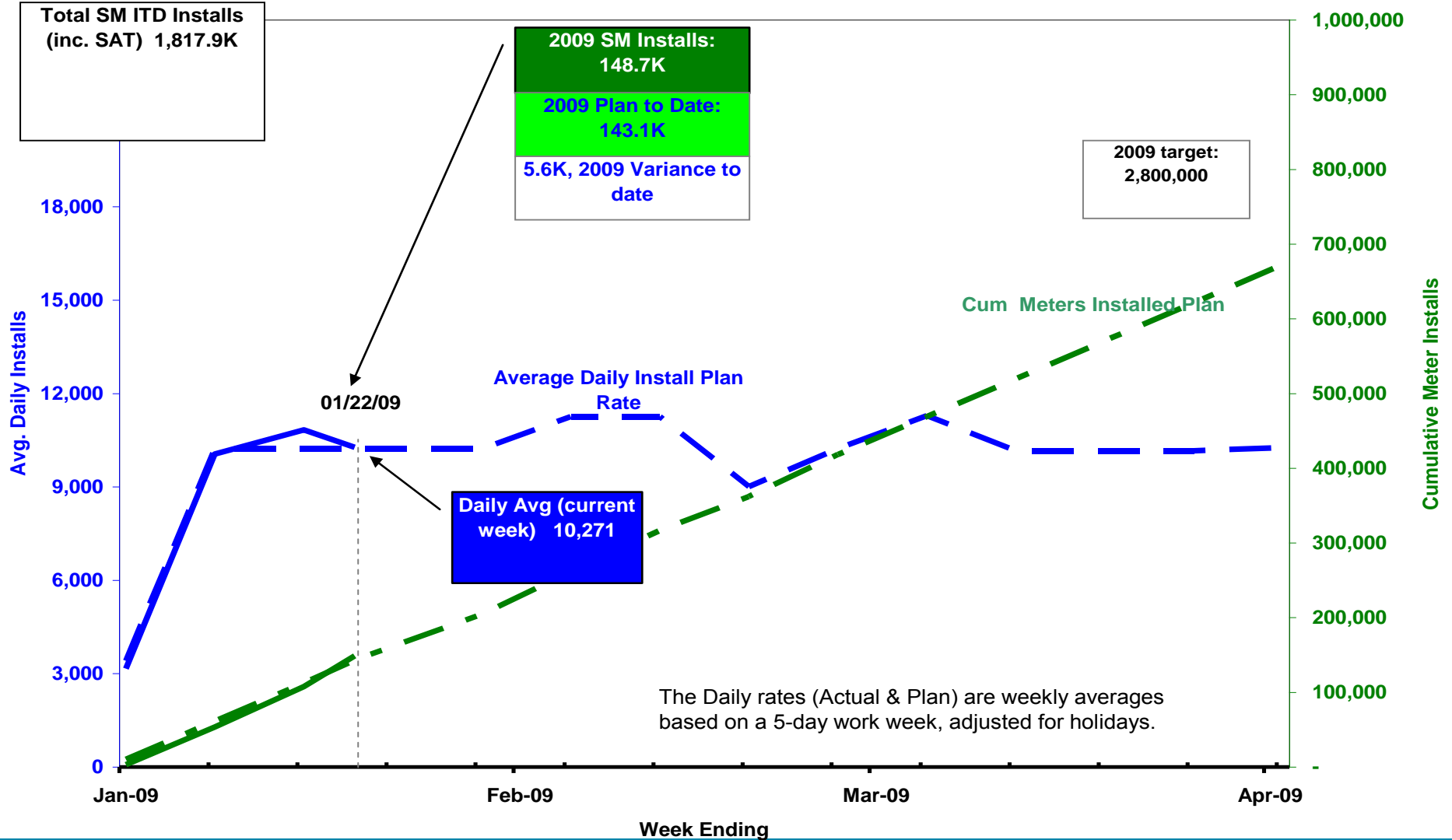
- Two meter vendors now in delivery of SSN meters
- New programming file ordered; test, then in service 2/1
- Discussions with SSN and other utilities underway
- Code delivery expected 3/7; meters segmented into priorities to minimize billing impacts

Deployment – Network

- Gas only areas are generally complete for network
- SSN engineering is under review by Project team; contract revisions may be recommended



2009 Install Rate vs. Operating Plan - Meter Totals & Installation Averages



Budget Status – Expenditures by Workstream

<i>Capital (000s)</i>		Current Month - December			Year To Date - December				2008 Approved Budget	Inception To Date Spending	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance			
1	PMO	\$ 520	\$ 627	\$ (107)	\$ 8,800	\$ 11,431	\$ (2,631)	-30%	\$ 8,800	\$ 41,804	1
2	SM Operations	\$ 271	\$ 428	\$ (157)	\$ 3,275	\$ 2,907	\$ 368	11%	\$ 3,275	\$ 6,531	2
3	Contract Procurement	\$ 19,350	\$ 28,787	\$ (9,437)	\$ 143,097	\$ 127,419	\$ 15,678	11%	\$ 143,097	\$ 204,158	3
4	Electric Network Install	\$ 21	\$ 407	\$ (386)	\$ 579	\$ 1,464	\$ (885)	-153%	\$ 579	\$ 9,426	4
5	Endpoint Installation	\$ 4,523	\$ 9,372	\$ (4,849)	\$ 40,654	\$ 37,477	\$ 3,178	8%	\$ 40,654	\$ 54,209	5
6	Deployment Office	\$ 1,195	\$ 2,352	\$ (1,156)	\$ 13,076	\$ 11,992	\$ 1,084	8%	\$ 13,076	\$ 26,650	6
7	Gas Network Install	\$ 246	\$ (33)	\$ 279	\$ 3,512	\$ 3,891	\$ (379)	-11%	\$ 3,512	\$ 5,418	7
8	SM Upgrade (AT Risk)	\$ -	\$ 1,988	\$ (1,988)	\$ -	\$ 11,137	\$ (11,137)			\$ 11,137	8
9	IT	\$ 677	\$ 1,190	\$ (513)	\$ 21,626	\$ 44,016	\$ (22,390)	-104%	\$ 21,626	\$ 238,500	9
10	Technology Monitoring	\$ -	\$ 40	\$ (40)	\$ 381	\$ 887	\$ (506)	-133%	\$ 381	\$ 1,664	10
11	Unassigned Spend (Dec)	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	100%	\$ 25,000	\$ -	11
12	Capital Total:	\$ 51,804	\$ 45,159	\$ 6,646	\$ 260,000	\$ 252,621	\$ 7,379	3%	\$ 260,000	\$ 599,496	12
<i>Expense (000s)</i>											
13	PMO (incl Comms)	\$ 261	\$ 1,002	\$ (741)	\$ 3,130	\$ 4,821	\$ (1,691)	-54%	\$ 3,130	\$ 20,087	13
14	SM Operations	\$ 696	\$ 1,057	\$ (361)	\$ 8,705	\$ 9,508	\$ (804)	-9%	\$ 8,705	\$ 16,344	14
15	Customer	\$ 981	\$ 412	\$ 569	\$ 8,058	\$ 3,859	\$ 4,199	52%	\$ 8,058	\$ 4,816	15
16	Endpoint Installation	\$ 133	\$ 181	\$ (48)	\$ 2,481	\$ 1,946	\$ 535	22%	\$ 2,481	\$ 2,524	16
17	Deployment Office	\$ 93	\$ 94	\$ (1)	\$ 1,112	\$ 9,494	\$ (8,381)	-753%	\$ 1,112	\$ 12,866	17
18	IT	\$ 1,620	\$ 2,255	\$ (635)	\$ 22,742	\$ 24,600	\$ (1,858)		\$ 22,742	\$ 66,319	18
19	Technology Monitoring	\$ 288	\$ 161	\$ 127	\$ 9,719	\$ 7,998	\$ 1,721	18%	\$ 9,719	\$ 18,317	19
20	Unassigned Spend (Dec)	\$ 4,463	\$ -	\$ 4,463	\$ 4,463	\$ -	\$ 4,463	100%	\$ 4,463	\$ -	20
21	Expense Total:	\$ 8,536	\$ 5,162	\$ 3,374	\$ 60,410	\$ 62,226	\$ (1,816)	-3%	\$ 60,410	\$ 141,273	21

Year-End Variance Explanations:

The DCSI equipment reclassification in October 2008, produced an \$8.1 million reduction in capital and a corresponding increase in expense. Without this unplanned adjustment, 2008 capital spending was \$260.7 million (0.03% overrun), and non-earnings impact expense was \$54.1 million (10% underrun).

SmartMeter Balancing Account (SBA) Credits

Actual															
2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ITD Actual		
<i>(\$ in thousands)</i>															
Activated Meter Benefits:	\$ 111	\$ 121	\$ 122	\$ 164	\$ 178	\$ 200	\$ 267	\$ 318	\$ 378	\$ 438	\$ 740	\$ 855	\$ 925	\$ 4,816	44%
Mainframe License Benefits:	\$ 1,250	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 6,250	56%
Total:	\$ 1,361	\$ 538	\$ 539	\$ 580	\$ 594	\$ 617	\$ 683	\$ 735	\$ 794	\$ 855	\$ 1,157	\$ 1,272	\$ 1,342	\$ 11,066	
2008 Cumulative Actual + Forecast:		\$ 538	\$ 1,076	\$ 1,657	\$ 2,251	\$ 2,867	\$ 3,551	\$ 4,285	\$ 5,080	\$ 5,935	\$ 7,092	\$ 8,364	\$ 9,705		

2008 Line of Business (LOB) Expense Reductions, Budget vs. Actual

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<i>(\$ in thousands)</i>													
<u>Budgeted LOB Benefits:</u>													
Monthly	\$ 627	\$ 643	\$ 674	\$ 725	\$ 752	\$ 794	\$ 964	\$ 1,054	\$ 1,151	\$ 1,244	\$ 1,362	\$ 1,450	\$ 11,441
Cumulative	\$ 627	\$ 1,270	\$ 1,945	\$ 2,670	\$ 3,422	\$ 4,216	\$ 5,180	\$ 6,233	\$ 7,385	\$ 8,629	\$ 9,991	\$ 11,441	
<u>Actual / Current Forecast *:</u>													
Monthly	\$ 635	\$ 656	\$ 684	\$ 713	\$ 751	\$ 787	\$ 852	\$ 1,082	\$ 1,222	\$ 1,281	\$ 1,371	\$ 1,466	\$ 11,503
Cumulative	\$ 635	\$ 1,292	\$ 1,976	\$ 2,689	\$ 3,441	\$ 4,228	\$ 5,079	\$ 6,162	\$ 7,384	\$ 8,665	\$ 10,037	\$ 11,503	
YTD Variance	\$ 8	\$ 21	\$ 31	\$ 20	\$ 19	\$ 12	\$ (101)	\$ (72)	\$ (1)	\$ 36	\$ 46	\$ 62	

Note: The \$1.6 million in reduced meter maintenance expense for 2008 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to fund SmartMeter work.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	2/2/2009	Historical go-back functionality was not included with vendor deliverable	Delay in deployment of TOU meters	Randy Dieterle	Fix was included in 7.3 re-release on 1/20/09, testing is in progress
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	2/2/2009	Poor read performance on > 5% of the installed Aclara meters	Ability to turn on and read Hex electric meters	Ron Tanaka	Vendor team and SM Ops are addressing performance issues in deployed electric areas with efforts focused on MTU replacements and DCU repairs/installs. There has been improvement in the read performance in the Stockton/Lodi area.
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5	1/30/2009	SSN hosting contract not signed	Delay in moving to production billing with SSN	Randy Dieterle	Production Hosting and FSTE/DR Hosting Agreements are scheduled to be finalized on 1/30/09
6	4/30/2009	Solution needed to get SSN network access in areas where cell coverage does not exist	Inability to communicate with the Silver Springs (SSN) equipment	Valda Sanders	Team met with telecom group and SSN to understand the AT&T data coverage maps in the GIS system and initiated the process to get our ATT coverage map information to SSN to complete in-depth analyses with their in-house tools. Additionally, we are working with the IT telecom group to determine if contracts or agreements can be made with other cellular providers (Sprint, Verizon, etc.) or if we can utilize any existing PG&E telecom infrastructure in the impacted areas .
7	11/21/08	SSN units are limited to a maximum of 277V	Incremental costs from implementing an interim solution	Deb Ervin	SSN to update design and release. Updated equipment forecasted for Q1 2009.
8	TBD	Ground field interrupter (GFI) problems due to SSN Meters	For customers with this issue - once a SSN Meter is installed, the GFI is tripping in the house after about a 15 minute period	Valda Sanders	Unshielded GFIs adjacent to the meter panel, due to their location next to the panel, are susceptible to this problem.
9	TBD	Variation in SSN Network design and SSN contract numbers	If the number of access points and relays is closer to 5000 for the entire project, it will have implications for resources (PG&E and Diversified), as well as the 2009 deployment goals	Wilson Lau	Discussed updated info on this 1/22; e.g. potential change to contract language in order to allow PG&E and SSN to approach the issue from the same perspective
10	1/29/2009	Need to provide a list which identifies the Kern meters which will need to be replaced by 4/1/09	Meters will disconnect is not replaced with SSN by 4/1 and 5/1	Lisa Kwietniak	# of meters requiring change by 4/1 and 5/1 updated 1/25

No.	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Associated Issue
1	4/4/2008	5	5	25	25	Implementation of new technology does not perform as intended. Key drivers: IT systems do not scale to meet volumes, Equipment fails at a higher rate than anticipated	Billing errors, customer complaints, inability to meet endpoint deployment goals	Jim Meadows	Mitigation plans for ongoing risk are in place. Resolutions for issues related to Hex electric meter performance are being implemented. Performance and Stability SWAT team efforts are currently focused on resolving MDM issues to enable SSN billing by Feb 2009.	3
2	10/1/2007	3	5	15	15	Delivered SmartMeter products do not meet PG&E quality standards. Key driver: Performance issues/untested requirements	Deployment schedule, benefits realization, increase in operational work, negative customer impact	Wilson Lau	Risk remains high due to quality issues with Hex Electric Meters and SSN equipment delivery is yet to be tested at high volumes. Weekly conference calls being held with manufacturers to discuss quality issues. Working with Aclara to replace current batch of inventory with quality issues.	
3	8/25/2008	3	5	15	15	Inability of IT Systems to handle projected volumes. Key driver: MDMS system scalability	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program	Christopher Vana	SWAT team is implementing resolution plans to fix issues with MDMS system and enable SSN billing by Feb 2009. An independent SmartMeter IT Release X has evaluated the long term performance and scalability risk. Preliminary plan identified for SmartMeter systems to be able to support deployment, operation, reading and billing of 11M meters is under review.	
4	8/25/2008	5	3	15	8	TNG 1.6.3 capability to effectively manage reads past established thresholds	Ability to maintain acceptable interval collection rate and ability to bill with quality data	Vic Gordon	Issues with TNG 1.6.3 contribute to SmartMeter system performance. Discussions to determine timing of DCSI meter replacements with SSN meters are underway.	

Program Metrics

SmartMeter - Deployment		Nov '08 - Month Results				Dec '08 - Month Results				YTD				2008 Year End Forecast			
Metric	Key Performance Indicator	Actual	Target	Var	Status	Actual	Target	Var	Status	Actual	Target	Var	Status	Forecast	Target	Var	Status
CF1	SM Earning Contribution (\$M - estimated)	\$ 2.35	\$ 2.34	\$ 0.01	0.5%	\$ 2.46	\$ 2.50	\$ (0.04)	-1.7%	\$ 24.05	\$ 23.56	\$ 0.48	2.1%	\$ 24.05	\$ 23.56	\$ 0.48	2.1%
CF2	Actual to Plan Capital Variance (\$M)	\$ (1.5)	\$ -	\$ 1.5	6.2%	\$ 6.6	\$ -	\$ (6.6)	-12.8%	\$ 7.4	\$ -	\$ (7.4)	-2.8%	\$ 7.4	\$ -	\$ (7.4)	-2.8%
P1	OSHA Recordable Rate (SmartMeter)	4.9	-	(4.9)	-100.0%	4.3	-	(4.3)	-100.0%	4.3	-	(4.3)	-100.0%	4.3	-	(4.3)	-100.0%
C1	Customers enrolled in SmartRate	-	(track only)			-	(track only)			9,898	6,000	3,898	65.0%	9,898	6,000	3,898	65.0%
CF3	Meters Installed - Electric & Gas	152,719	148,673	4,046	2.7%	224,687	188,010	36,677	19.5%	1,390,971	1,350,000	40,971	3.0%	1,390,971	1,350,000	40,971	3.0%
D1	Total Weeks of Inventory on Hand - Electric M.	1	6	(5)	-88.3%	2	6	(4)	-61.7%	2	6	(4)	-61.7%	2	6	(4)	-61.7%
D2	Total Weeks of Inventory on Hand - Gas Mtr.	18	4	14	340.8%	19	4	15	362.5%	19	4	15	362.5%	19	4	15	362.5%
D3	DCUs Installed	107	120	(13)	-10.8%	137	120	17	14.2%	1,313	1,440	(127)	-8.8%	1,313	1,440	(127)	-8.8%
D3 5	Electric Network - Nodes Installed	346	(track only)			450	(track only)			796	(track only)			796	(track only)		
D4	Meter Reader HC reductions	7	7	-	0.0%	6	25	(19)	-76.0%	88	104	(16)	-15.4%	88	104	(16)	-15.4%
D5	CPI - Endpoints (all-in)	\$121.01	\$121.51	\$0.50	0.4%	\$137.50	\$121.51	(\$15.99)	-13.2%	\$119.98	\$121.51	\$1.53	1.3%	\$119.98	\$121.51	\$1.53	1.3%
D6	CPI Gas Network (all-in)	\$5,066	\$4,493	\$ (573)	-12.8%	\$2,197	\$4,493	\$ 2,296	51.1%	\$ 4,610	\$ 4,493	\$ (118)	-2.6%	\$ 4,610	\$ 4,493	\$ (118)	-2.6%
D7	Electric network failure rate	0.0%	(track only)			0.0%	(track only)			0.3%	(track only)						
D9	Gas network failure rate	0.2%	(track only)			0.2%	(track only)			0.2%	(track only)						
D10	UTC Rate	6.5%	4.0%	-2.5%	-61.8%	5.7%	4.0%	-1.7%	-42.4%	6.5%	4.0%	-2.5%	-63.2%	6.5%	4.0%	-2.5%	-63.2%
O1	Customer Complaint Rate (escalated complaints)	0.01%	(track only)			0.01%	(track only)			0.01%	(track only)						
O2	Call Center Inbound Rate	3.94%	(track only)			2.84%	(track only)			4.0%	(track only)						
O3	% of Complete Electric Anchor Data Delivered	97.30%	99.50%	-2.20%	-2.2%	98.63%	99.50%	-0.87%	-0.9%	99.34%	99.5%	-0.2%	-0.2%	99.34%	99.5%	-0.2%	-0.2%
O4	% of Complete Gas Anchor Data Delivered	99.85%	99.50%	0.35%	0.4%	99.78%	99.50%	0.28%	0.3%	99.92%	99.5%	0.4%	0.4%	99.92%	99.5%	0.4%	0.4%
O5	% of Complete Electric Interval Data Delivered	98.61%	99.50%	-0.89%	-0.9%	98.35%	99.50%	-1.15%	-1.2%	97.76%	99.5%	-1.7%	-1.7%	97.76%	99.5%	-1.7%	-1.7%
O8	% of Bills not Estimated	99.65%	99.80%	-0.15%	-0.2%	99.69%	99.80%	-0.11%	-0.1%	99.65%	99.8%	0%	-0.2%	99.65%	99.8%	0%	-0.2%
CF5	Benefits \$ Realized (\$ M)	\$ 1.377	\$ 1.353	\$ 0.024	1.8%	\$ 1.466	\$ 1.450	\$ 0.016	1.1%	\$ 11.503	\$ 11.441	\$ 0.06	0.5%	\$ 11.503	\$ 11.441	\$ 0.06	0.5%
B1	Meters Activated - Electric & Gas	80,099	103,000	(22,901)	-22.2%	84,058	296,728	(212,670)	-71.7%	706,055	946,728	(240,673)	-25.4%	706,055	946,728	(240,673)	-25.4%

Targets are based on the 2008 Operating Baseline Plan

Note: SM Earning Contribution (CF1) includes return on rate base and benefits related contribution

OSHA Recordable Rate

- 2 OSHA recordables in Deployment in November

Total Weeks of Inventory on Hand - Dec

- 65 3K Electric units currently under review

CPI Endpoint - Current month

Current month higher due primarily to cost adjustment for Gas installs to reflect Amendment 5 of WEI contract. Under target for YTD.

CPI Network - YTD & Year end

Year end CPI slightly higher than target due to:

- Higher mix of higher priced pole types (transmission towers)
- Accelerated deployment in Sacramento/Modesto resulting in crew charges as opposed to per unit charges (negotiated with WEI)

Current month costs adjusted for transfer out of RF network related costs

Meters Activated - Year end

Behind schedule due to change in deployment schedule focused on single commodity gas installations to accommodate the transition to RF Electric and Mesh Network Technologies. In addition, behind schedule due to Aclara network propagation and endpoint issues and MDM stability.

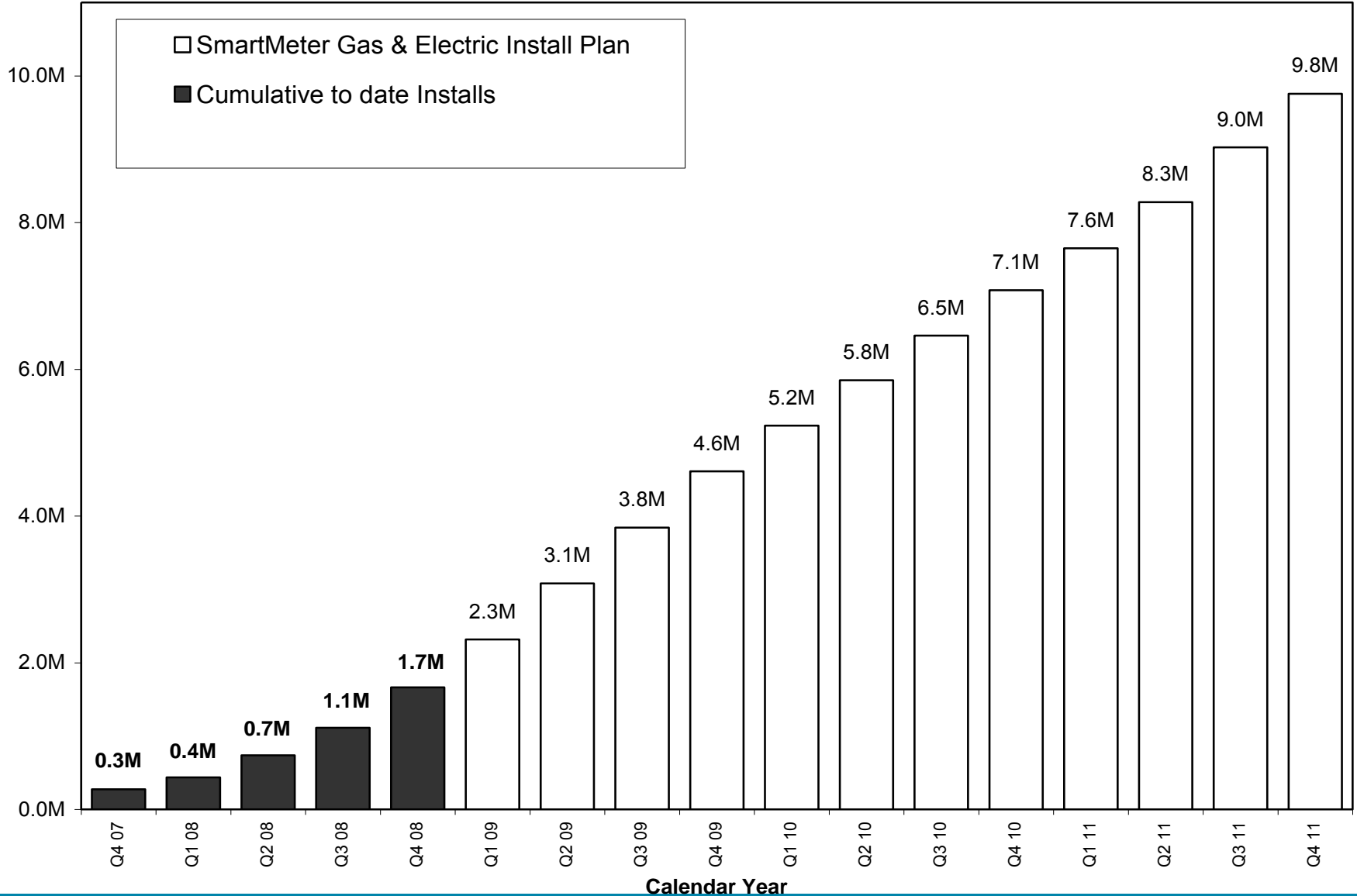
UTC Rate - Dec. & YTD

12 8K reported UTCs in Dec., offset by 6.0K completed UTCs
Primary causes are:

- Higher ratio than planned of gas to electric meter exchanges
 - Older Gas (Sprague) meters, Sprague slant/straight face meters
- Mitigation includes having an adapter for the slant/straight compatibility & identifying areas for Excludable classification

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency		\$128,773
Total PDRs Adopted by Steering Committee		\$2,856
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown		
Approved Date	Pre-CC&B date move 1 ('Cycle 1 Additions')	\$58,183
Cycle 1 Additions	SM Ops staff funding to support changes in technology & manual workarounds	\$875
3/13/07	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$22,300
5/7/2007	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$573
8/29/07	Metering Services: Overtime during CC&B (Labor Day 2007) implementation	\$630
8/31/07	SmartMeter Anchor Billing costs for system & process changes	\$747
10/19/07	Records: Manually review customer bills converted during SmartMeter Billing (SM 1.1) implementation	\$596
10/23/07	Hardware & deploy 3 environments (code Drop, SI & Sand Box) in SFGO	\$2,997
11/28/07	Capital cost transfer from CFS to SM for the 2007 replacement of non-retrofittable gas meters	\$3,315
12/27/07	Headcount related expenses 2007	\$854
1/10/08	Supplier contract termination fee (electro-mechanical meters)	██████████
1/18/08	Technical Monitoring funding	\$7,501
2/12/08	Communication budget net reduction (cut advertising)	(\$7,000)
4/7/08	Business process (transfer support from IT-BSAR) and project management consultants	\$7,591
4/7/08	SM Ops staff funding to support changes in technology & manual workarounds	\$5,900
5/7/08	Metering Services: Project management support	\$2,174
5/23/08	Records: Manually review customer bills converted to SmartMeter Billing & future releases	\$578
5/29/08	Records: Increased workload due to SM implementation	\$1,812
6/9/08	Customer Contact Center: SmartMeter project management support	\$524
6/13/08	Release B Supplemental Funding True-up	\$671
6/20/08	Pre-1920 3-Dial Sprague A-1 gas meter replacement	\$2,645
9/8/08	Updated field test sets for use with SmartMeter™ industry standard solid state meters	\$600
10/7/08	Rotary Meter Solution	\$4,591
10/20/08	Records: Manually review customer bills (extension through March 2009)	\$819
12/15/08	Other (less than \$500,000 each)	\$3,281
various	Subtotal PDRs	\$125,013
	Total PDRs	\$127,869
3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown		
	Transition to RF Network and SSN Technology	(\$40,191)
	Adjustments related to DCSI	██████████
	Subtotal PDRs pending	██████████
	Total PDRs approved and pending	\$86,095

DRAFT – For discussion purposes only

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update – February
February 20, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

	Funded Budget	EAC	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release E/F – Build							
Release X - Plan							
Release G-1							
Release G- 2							

Challenges

Actions/Status

Release E/F

- Pending change orders to increase “estimate at complete”
- Remote disconnect delivery targets revised to 3/23
- Meter power status check targeted for 6/1/09
 - V2V integration component not yet complete; vendor integration test will need to be conducted

Release X

- CSC Phase 2 contract not signed

Release G- 1 (Outage management screen update)

- Architectural decisions needed as MDMS solution may not be ready until June ,09

Release G – 2 (Restoration verification)

- Implementation prior to 2009 storm season (10/1) is at risk

Release E/F

- Change orders under review by Business Development Group
- Hex Electric delivery is in final testing
- SSN requires version 3.7, due 3/22
- PG&E to develop and test a workaround

Release X

- Integrate CSC for long term contract; reforecast budget

Release G - 1

- Complete project plan and revise cost estimates by the week of 2/23

Release G - 2

- Vendor bid proposals received week of 2/16
- Final recommendations will be made to the advisory committee

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints							
Gas Network							
Electric Network							

Challenges

Actions/Status

Deployment – Endpoint

- GFI tripping issue identified with SSN meters
- SSN safety stocks remain below target as SSN is unable to provide a consistent supply
- Bakersfield substation bank work will require meter redeployment of approximately 29,000 endpoints by 5/18

Deployment – Network

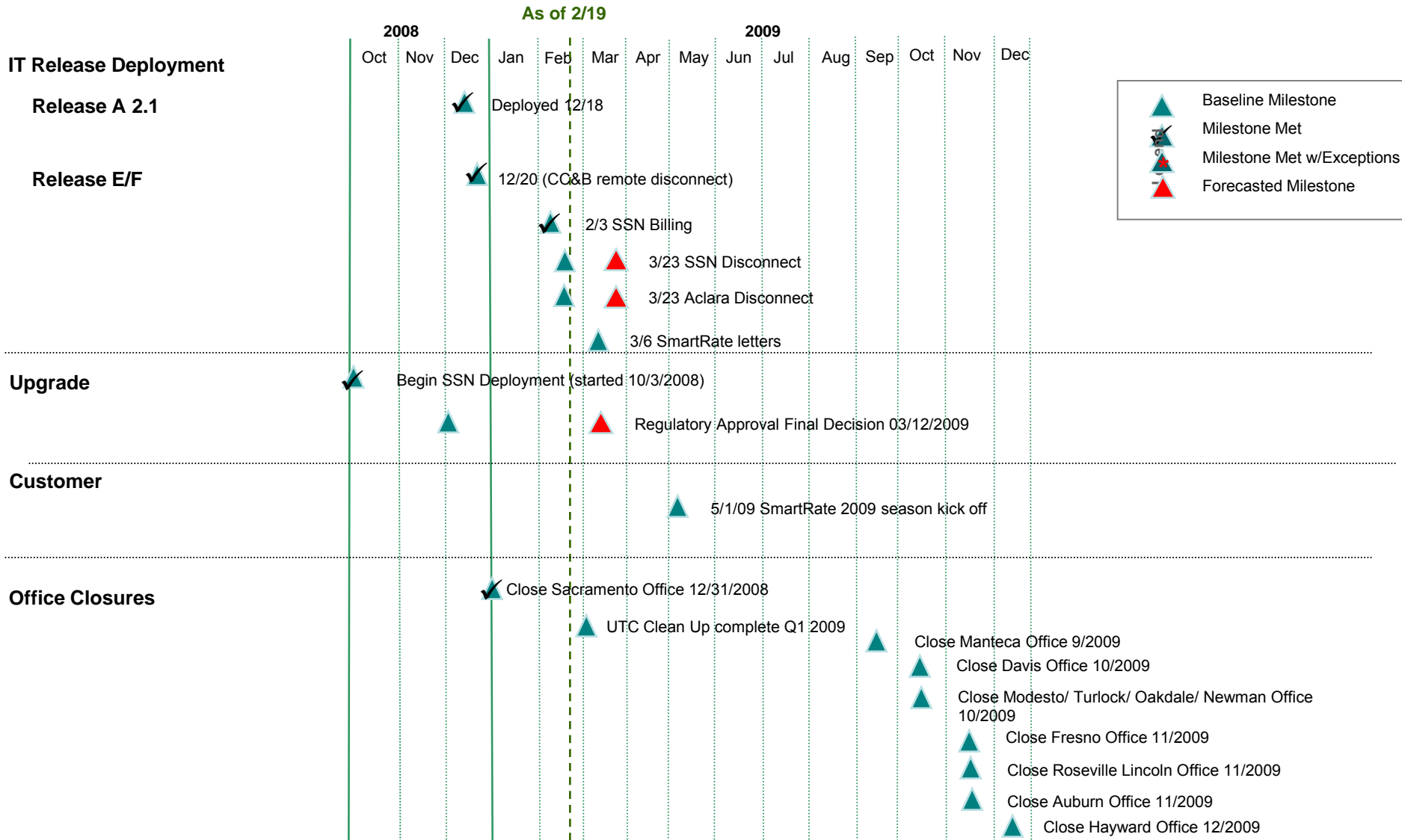
- Substantially less count of relays than originally anticipated
- Delays may occur for TOU/demand meters due to mesh network constraints
- Supply chain lead time for additional DCUs to support optimization efforts is too short, thus straining existing DCU inventory

Deployment – Endpoint

- Test lab established in San Ramon, no safety issues identified
- Discussions with SSN and other utilities underway
- No financial impact to customer
- Discussions to resolve production issues are ongoing with SSN
- 3/7 code delivery is on target; meter exchanges to occur during one-day black out window with 12k meter exchanges by 4/1 and remaining 17k meter exchanges by 5/18

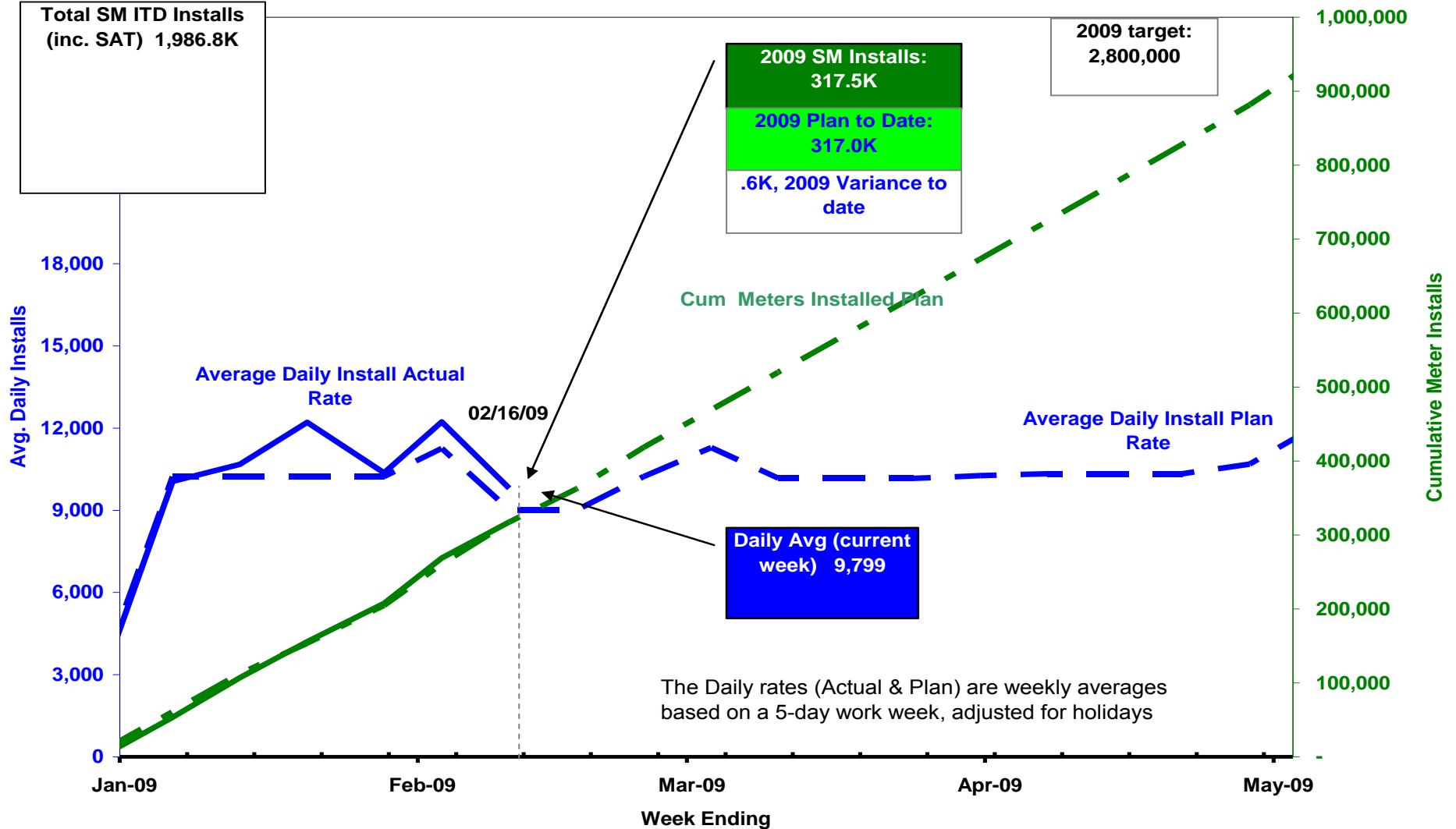
Deployment – Network

- SSN engineering is under review; contract revisions may be recommended
- Testing in Davis/Oakdale to transition TOU/demand meters



	Baseline Milestone
	Milestone Met
	Milestone Met w/Exceptions
	Forecasted Milestone

2009 Install Rate vs. Operating Plan - Meter Totals & Installation Averages



Budget Status – Expenditures by Workstream

<i>Capital (000s)</i>		Current Month - January			Year To Date - January				QBR3	Year-End	Inception To	
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Variance	Approved Budget w/PDRs	Budget Forecast	Date Spending	#
1	PMO	2 \$ 578	\$ 785	\$ (208)	\$ 578	\$ 785	\$ (208)	-36%	\$ 9,435	\$ 9,643	\$ 42,641	1
2	SM Operations	3 \$ 201	\$ 340	\$ (139)	\$ 201	\$ 340	\$ (139)	-69%	\$ 3,861	\$ 4,000	\$ 6,819	2
3	Contract Procurement	# \$ 14,059	\$ 13,387	\$ 672	\$ 14,059	\$ 13,387	\$ 672	5%	\$ 269,799	\$ 269,127	\$ 217,545	3
4	Electric Network Install	# \$ 196	\$ 224	\$ (29)	\$ 196	\$ 224	\$ (29)	-15%	\$ 3,753	\$ 3,782	\$ 9,650	4
5	Endpoint Installation	# \$ 3,964	\$ 336	\$ 3,628	\$ 3,964	\$ 336	\$ 3,628	92%	\$ 76,065	\$ 72,438	\$ 54,545	5
6	Deployment Office	# \$ 841	\$ 1,048	\$ (207)	\$ 841	\$ 1,048	\$ (207)	-25%	\$ 16,135	\$ 16,342	\$ 27,697	6
7	Gas Network Install	# \$ 216	\$ 258	\$ (43)	\$ 216	\$ 258	\$ (43)	-20%	\$ 4,139	\$ 4,181	\$ 5,676	7
8	SM Upgrade (AT Risk)	\$ -	\$ 3,592	\$ (3,592)	\$ -	\$ 3,592	\$ (3,592)		\$ -	\$ 3,592	\$ 14,729	8
9	IT	\$ 2,275	\$ 1,546	\$ 729	\$ 2,275	\$ 1,546	\$ 729	32%	\$ 21,412	\$ 20,683	\$ 240,044	9
10	Technology Monitoring	# \$ -	\$ 16	\$ (16)	\$ -	\$ 16	\$ (16)		\$ -	\$ 16	\$ 1,680	10
11	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 34,340	\$ 34,340	\$ -	11
12	Capital Total:	\$ 22,329	\$ 21,532	\$ 796	\$ 22,329	\$ 21,532	\$ 796	4%	\$ 438,939	\$ 438,143	\$ 621,026	12
Expense (000s)												
13	PMO (incl Comms)	2 \$ 387	\$ 462	\$ (76)	\$ 387	\$ 462	\$ (76)	-20%	\$ 4,020	\$ 4,095	\$ 20,549	13
14	SM Operations	3 \$ 943	\$ 1,013	\$ (70)	\$ 943	\$ 1,013	\$ (70)	-7%	\$ 11,320	\$ 11,389	\$ 17,357	14
15	Customer	# \$ 1,070	\$ 32	\$ 1,038	\$ 1,070	\$ 32	\$ 1,038	97%	\$ 19,010	\$ 17,972	\$ 4,848	15
16	Endpoint Installation	# \$ 210	\$ 235	\$ (25)	\$ 210	\$ 235	\$ (25)	-12%	\$ 2,353	\$ 2,378	\$ 2,759	16
17	Deployment Office	# \$ 4	\$ 145	\$ (141)	\$ 4	\$ 145	\$ (141)		\$ 46	\$ 187	\$ 13,012	17
18	IT	\$ 1,777	\$ 2,361	\$ (584)	\$ 1,777	\$ 2,361	\$ (584)	-33%	\$ 22,063	\$ 22,647	\$ 68,682	18
19	Technology Monitoring	# \$ -	\$ 312	\$ (312)	\$ -	\$ 312	\$ (312)		\$ -	\$ 312	\$ 18,629	19
20	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 227	\$ 227	\$ -	20
21	Expense Total:	\$ 4,390	\$ 4,561	\$ (170)	\$ 4,390	\$ 4,561	\$ (170)	-4%	\$ 59,038	\$ 59,209	\$ 145,836	21

Year-To- Date Variance Explanations:

Capital spending for the month of January was 4% under budget overall, with an underrun in endpoint installation costs largely offsetting the spending for the SmartMeter Upgrade which is not currently budgeted. Non-earnings impact expense spending was 4% over budget for the month, with an underrun in the Customer workstream largely offsetting overruns in the remaining workstream categories.

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual		Remaining 2009 Forecast												ITD Actual	
	2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,091	\$ 1,209	\$ 1,472	\$ 1,740	\$ 1,892	\$ 2,052	\$ 2,225	\$ 2,445	\$ 2,738	\$ 3,026	\$ 3,318	\$ 5,764	46%
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 6,667	54%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,508	\$ 1,626	\$ 1,888	\$ 2,157	\$ 2,309	\$ 2,469	\$ 2,642	\$ 2,861	\$ 3,155	\$ 3,442	\$ 3,735	\$ 12,431	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,873	\$ 4,499	\$ 6,387	\$ 8,544	\$ 10,853	\$ 13,322	\$ 15,964	\$ 18,825	\$ 21,980	\$ 25,422	\$ 29,157		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted FA Benefits:</u>													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 1,661	\$ 1,588	\$ 1,676	\$ 1,917	\$ 2,085	\$ 2,194	\$ 2,316	\$ 2,438	\$ 2,622	\$ 2,969	\$ 3,179	\$ 3,426	\$ 28,071
Cumulative	\$ 1,661	\$ 3,249	\$ 4,925	\$ 6,842	\$ 8,927	\$ 11,122	\$ 13,438	\$ 15,876	\$ 18,497	\$ 21,466	\$ 24,645	\$ 28,071	
YTD Variance	\$ 94	\$ (2)	\$ (253)	\$ (540)	\$ (898)	\$ (1,498)	\$ (2,216)	\$ (3,041)	\$ (3,931)	\$ (4,709)	\$ (5,456)	\$ (6,241)	

Note: The \$2.5 million in reduced meter maintenance expense for 2009 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to help offset other benefit shortfall amounts.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	2/27/2009	Non trippable GFI list needs to be provided	For customers with this issue - once a SSN Meter is installed, the GFI is tripping in the breaker panel after about 15 minutes. Possible safety issue for meter installers.	Dan Partridge	Engineering testing verified that the RF signal from SSN interferes with the controllers on some GFIs. This is not a customer safety issue. Tailboard to communicate field process for reporting incidents to SM Engineering has been developed. Incident report write up and non trippable GFI list targeted for completion by 2/27/09.
2	3/23/2009	Historical go-back functionality was not included in vendor deliverable	Delay in deployment of TOU meters.	Randy Dieterle	Fix was included in 7.3 re-release on 1/20/09. Minor problems identified with test connect and firmware. As a result, the due date for promotion to production is now 3/23/09.
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	2/27/2009	Integration Testing required for Meter Power Status Check functionality	Impacts to scope, schedule and cost as PG&E will need to design, build and test mutual integration of functionality.	Christopher Vana	PG&E SmartMeter Team will analyze the incremental effort required to design, build, and test the integration of the meter power status functionality. Once completed, the team will implement.
5	5/31/2009	Poor read performance on > 5% of the installed Aclara meters	Ability to turn on and read Hex electric meters.	Vic Gorden	DCU fill in completion is now estimated by Deployment to be completed by the end of May 2009. With network coverage improvements in Stockton, endpoint exceptions and older deployed stock that have failed batteries are being identified and fielded for replacement.
6	2/27/2009	SSN hosting contract not signed	Delay in moving to production billing with SSN.	Randy Dieterle	Retention period for security CC (closed circuit) tapes is currently under discussion. All other issues have been resolved. Production and FSTE/DR hosting agreements expected to be signed off by 2/27/09.
7	4/30/2009	Solution needed to get SSN network access in areas where cell coverage does not exist	Inability to communicate with the Silver Springs (SSN) equipment.	Valda Sanders	Team met with telecom group and SSN to understand the AT&T data coverage maps in the GIS system. Also initiated the process to get our AT&T coverage map information to SSN to complete the in-depth analyses with their in-house tools. Additionally, we are working with the IT telecom group to determine if contacts or agreements can be made with other cellular providers (Sprint, Verizon, etc.) or if we can utilize any existing PG&E telecom infrastructure in the impacted areas.
8	03/30/09	SSN network units are limited to a maximum of 277V	Incremental costs of implementing an interim solution.	Wilson Lau	Ripley multi-tap transformer has been identified as a short time solution to this 277 Volt problem until SSN can implement a design change to work with this voltage. SSN design update and release forecasted for Q1 2009.

#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	4/4/2008	5	5	25	25	Implementation of new technology does not perform as intended. Key drivers: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Mitigation plans for ongoing risks are in place. Resolutions for issues related to Hex electric meter performance are being implemented.	1, 5
2	10/1/2007	5	5	25	n/a	Vendor SmartMeter products cannot be delivered to meet the 2009 deployment schedule. Key driver: SSN is unable to consistently stay to their production schedule resulting in SSN safety stock below targeted three weeks of inventory on hand.	Deployment schedule, costs, capital budget not met, benefits realization.	Wilson Lau	Continuing to lock meter production schedules and pre-order meters/modules as much as possible. Ongoing status meetings being held with vendor to create action plans based on results.	
3	6/19/2008	5	4	20	20	2007-2010 benefits shortfall against CPUC commitments Key driver: Delay in delivery of IT functionalities and functionalities not delivering benefits assumed in the business case.	Impact to PG&E shareholders for benefits shortfall against committed amounts booked to the SmartMeter Balancing Account.	Bruce Agid	Benefits risk impact assessment is in progress against Rev 10 deployment plan. Accelerating delivery of TOU/demand rates and meter functionality by Q1. Accelerating delivery of IT functionalities to maximize operational benefits.	
4	8/25/2008	3	5	15	15	Inability of IT Systems to handle projected volumes. Key driver: Systems ability to scale to 11M meters.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	SWAT team resolved issues with the MDMS system and enabled SSN billing in Feb 2009. An independent SmartMeter IT Release X has evaluated the long term performance and scalability risk. Preliminary plan for SmartMeter systems that supports deployment, operation, reading and billing of 11M meters is under review.	
5	8/25/2008	5	3	15	15	TNG 1.6.3 capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Issues with TNG 1.6.3 contribute to SmartMeter system performance. DCSI meter replacements targeted for completion in two batches by 4/1 and 5/1.	

Program Metrics

Metric	Key Performance Indicator	Jan '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 2.52	\$ 2.50	0.8%	\$ 2.52	\$ 2.50	0.8%	\$ 38.34	\$ 38.34	0.0%	Electric meter supply chain shortage due to SSN deliveries
P2	OSHA Recordable Rate (SmartMeter)	-	-		-	-		-	-		
C1	Customers enrolled in SmartRate	-	-		-	-		50,000	50,000	0.0%	
D1	Meters Installed - Electric & Gas	207,426	204,428	1.5%	207,426	204,428	1.5%	2,800,000	2,800,000	0.0%	
D2	Total Weeks of Inventory on Hand - Electric M.	5	6	-16.7%	5	6	-16.7%	6	6	0.0%	
D3	Total Weeks of Inventory on Hand - Gas Mtr.	17	4	330.0%	17	4	330.0%	17	4	325.0%	
D4	DCUs Installed	99	155	-36.1%	99	155	-36.1%	1,850	1,850	0.0%	
D5	Electric Network - Nodes Installed	621	500	24.2%	621	500	24.2%	6,000	6,000	0.0%	
D6	Meter Reader HC reductions	11	11	0.0%	11	11	0.0%	248	248	0.0%	
D7	CPI - Endpoints (all-in)*	\$115.11	\$121.51	5.3%	\$115.11	\$121.51	5.3%	\$121.51	\$121.51	0.0%	
D8	CPI Gas Network (all-in)*	\$4,389	\$4,493	2.3%	\$4,389	\$4,493	2.3%	\$ 4,493	\$ 4,493	0.0%	
D9	UTC Rate	3.9%	4.5%	12.4%	3.9%	4.5%	12.4%	4.5%	4.5%	0.0%	
D10	UTC's Open Beyond 90 days	11,860	(track only)		11,860	(track only)					
O1	Customer Complaint Rate (escalated complaints)	0.24%	(track only)		0.2%	(track only)					
O2	Transition Ageing - Average Days	13.95	(track only)		13.95	(track only)					
O3	% of Bills not Estimated	99.74%	99.80%	-0.1%	99.74%	99.80%	-0.1%	99.80%	99.80%	0.0%	
B1	Meters Activated - Electric & Gas	83,454	128,262	-34.9%	83,454	128,262	-34.9%	2,579,172	2,579,172	0.0%	Aclara network performance and mesh network optimization driving transition delays
B2	Count of Remote Disconnects							40,000			
B3	Count of Meter Status Checks Which Avoided Truck Rolls										

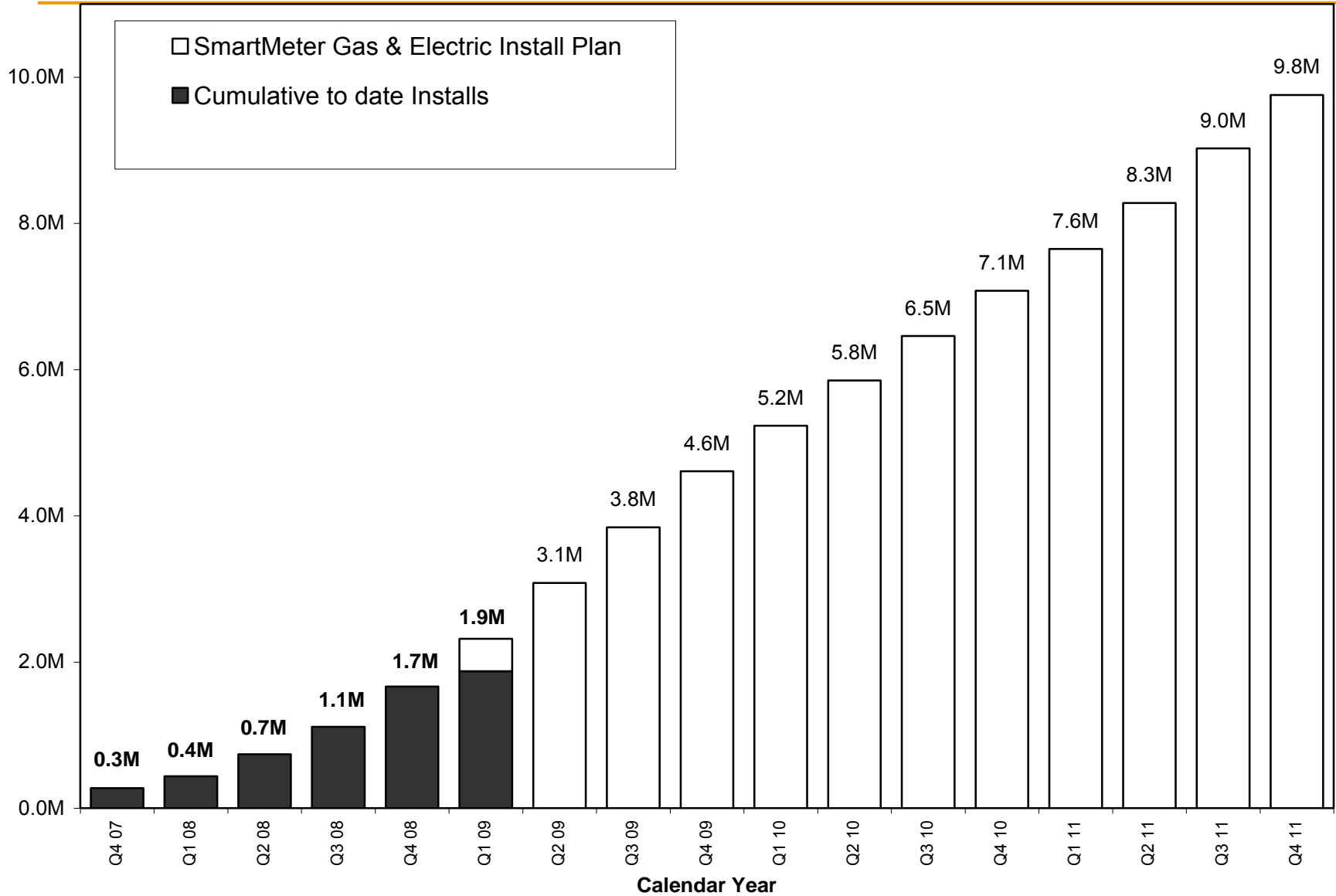
Targets are based on the 2009 Operating Baseline Plan

Note: SM Earning Contribution (P1) includes return on rate base and benefits related contribution

* CPI targets are preliminary targets based on 2008. 2009 targets are currently being evaluated.

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



1. Business Case Approved Contingency		\$128,773
Total PDRs Adopted by Steering Committee		\$2,856
Approved Date	2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
Cycle 1 Additions	Pre-CC&B date move 1 ('Cycle 1 Additions')	\$58,183
3/13/07	SM Ops staff funding to support changes in technology & manual workarounds	\$875
5/7/2007	CC&B replatforming date moved from Memorial Day to Labor Day ('Go Live')	\$22,300
8/29/07	Customer Contact Center: Manual work during SM implementation (and IVR system is down)	\$573
8/31/07	Metering Services: Overtime during CC&B (Labor Day 2007) implementation	\$630
10/19/07	SmartMeter Anchor Billing costs for system & process changes	\$747
10/23/07	Records: Manually review customer bills converted during SmartMeter Billing (SM 1.1) implementation	\$596
11/28/07	Hardware & deploy 3 environments (code Drop, SI & Sand Box) in SFGO	\$2,997
12/27/07	Capital cost transfer from CFS to SM for the 2007 replacement of non-retrofitable gas meters	\$3,315
1/10/08	Headcount related expenses 2007	\$854
1/18/08	Supplier contract termination fee (electro-mechanical meters)	██████████
2/12/08	Technical Monitoring funding	\$7,501
4/7/08	Communication budget net reduction (cut advertising)	(\$7,000)
4/7/08	Business process (transfer support from IT-BSAR) and project management consultants	\$7,591
5/7/08	SM Ops staff funding to support changes in technology & manual workarounds	\$5,900
5/23/08	Metering Services: Project management support	\$2,174
5/29/08	Records: Manually review customer bills converted to SmartMeter Billing & future releases	\$578
6/9/08	Records: Increased workload due to SM implementation	\$1,812
6/13/08	Customer Contact Center: SmartMeter project management support	\$524
6/20/08	Release B Supplemental Funding True-up	\$671
9/8/08	Pre-1920 3-Dial Sprague A-1 gas meter replacement	\$2,645
10/7/08	Updated field test sets for use with SmartMeter™ industry standard solid state meters	\$600
10/20/08	Rotary Meter Solution	\$4,591
12/15/08	Records: Manually review customer bills (extension through March 2009)	\$819
2/4/09	Network equipment poles placed on EBMUD land (Concord)	\$211
various	Other (less than \$500,000 each)	\$3,281
	Subtotal PDRs	\$125,224
	Total PDRs	\$128,080
3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown		
	Change to RF network and SSN technology	(\$40,191)
	Change to RF technology: additional vendor specific costs adjustments	██████████
	Change to RF technology: new endpoint supplier agreement	██████████
	Subtotal PDRs pending	(\$40,650)
	Total PDRs approved and pending	\$87,430

Public Version



SmartMeter™
Steering Committee Update – March
March 18, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release E/F – Build							
Release X - Plan							
Release G							
Other capital projects							
Operating expenses							

Challenges

Actions/Status

Release E/F

- Aclara remote connect disconnect target milestone date unknown due to inconsistent test results
- Meter power status check targeted for 7/1/09
 - V2V integration component not yet complete; vendor integration test will need to be conducted

Release X

- Plan/analyze phase deliverables need to be completed prior to accelerating project execution

Release G (Outage mgmt enhancement / restoration verification)

- Vendor delivery dates put implementation prior to the 2009 storm season (10/1) at risk

Release E/F

- Vendor management team has escalated the issue with Aclara and is holding daily status calls; PMO is reviewing alternatives
- Design architecture being finalized, next step is to determine build procedures

Release X

- High level work plan completed; scope finalization, issues/risks/schedule assessments underway

Release G

- Approval needed from advisory committee prior to moving to design phase
- Revise schedule and identify approach to implement deliverables prior to the 2009 storm season based on vendor schedules

Deployment Status Update

	Budget (Budget / CPI)	EAC (EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints							
Gas Network							
Electric Network							

Challenges

Actions/Status

Deployment – Endpoint

- Endpoint installations behind schedule due to SSN meter availability
- Bakersfield substation bank work is requiring approximately 29,000 meter redeployments by 5/8
- Delays in TOU/demand endpoint deployments due to mesh technology requirements

Deployment – Network

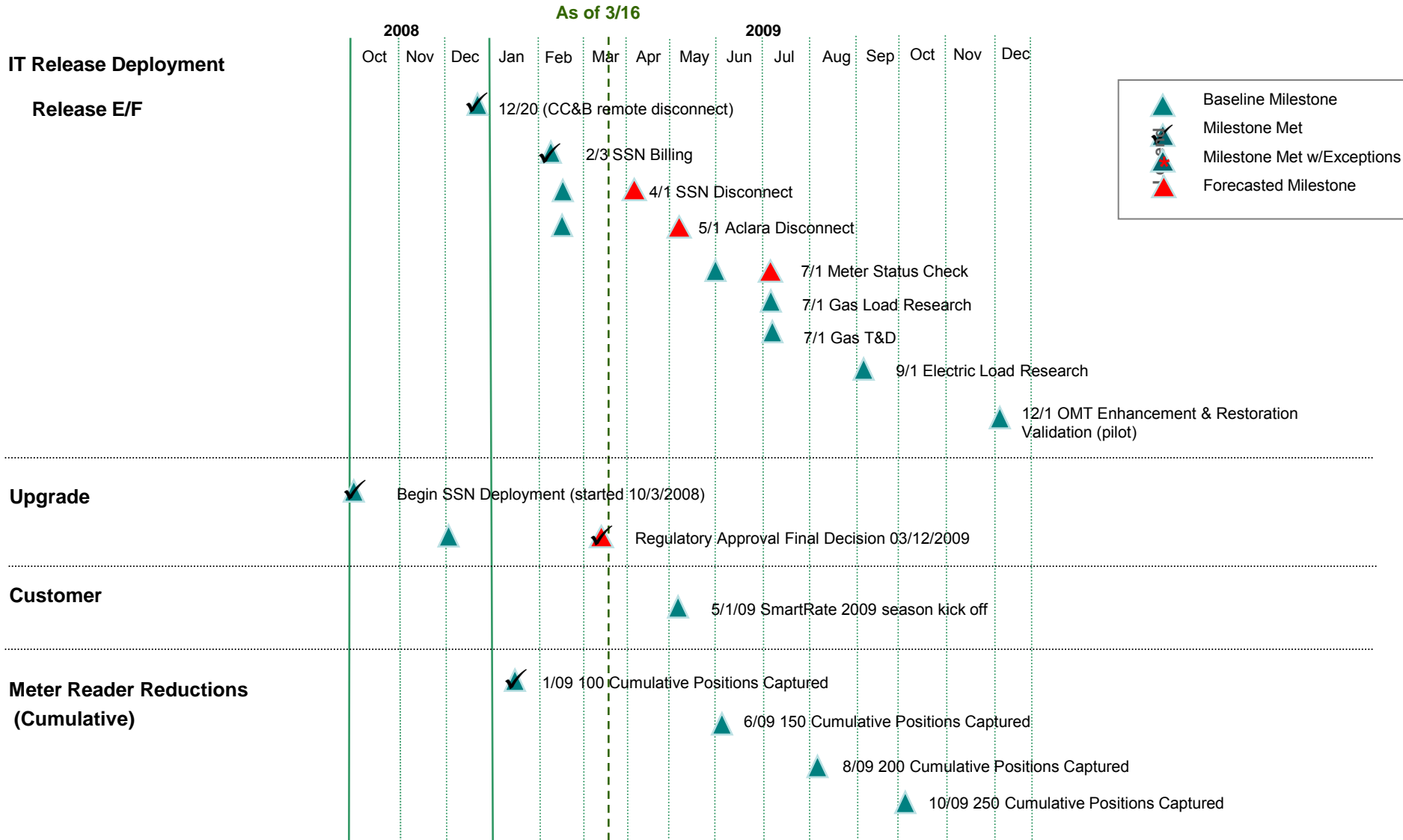
- DCU installations behind plan due to inclement weather conditions and unanticipated crew reductions
- Substantially less count of relays than originally anticipated

Deployment – Endpoint

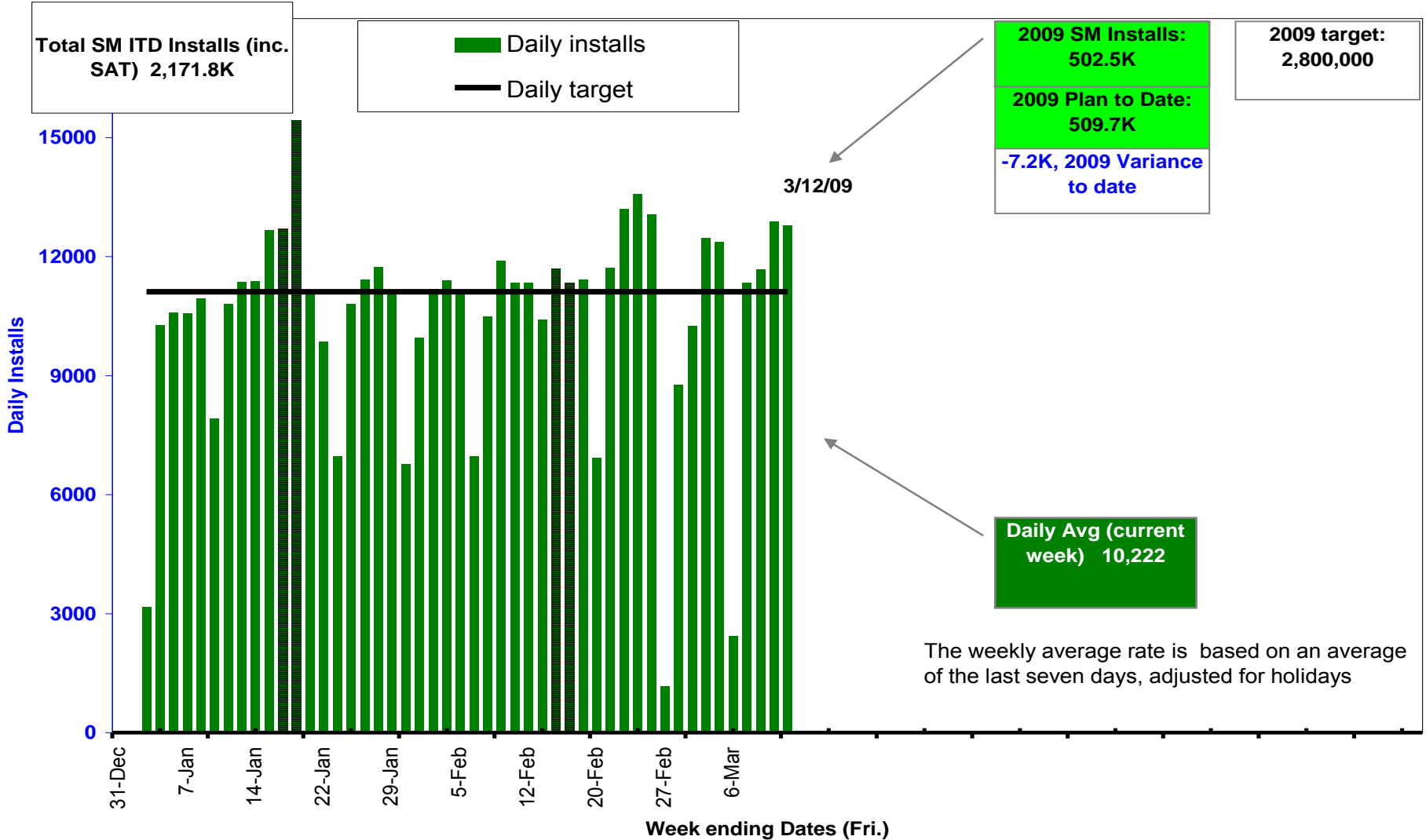
- Discussions to resolve production issues and to lock in production schedules are ongoing
- Meter exchanges to occur during one day black out windows with 12k meters exchanges by 4/1 and 17k by 5/8
- Functionality to allow “exclusion rule lift” at the meter route level currently being developed

Deployment – Network

- DCU installation is being added to Diversify Utility Services contract scope; Diversify has greater local staffing flexibility to enable us to catch up on DCU installations
- SSN network design & optimization is under review; contract revisions may be recommended



2009 Install Rate vs. Operating Plan - Daily Meter Totals



Budget Status – Expenditures by Workstream

<i>Capital (000s)</i>		Current Month - February			Year To Date - February				2009 Approved Budget	Year-End Budget Forecast	Inception to Date Spending	#
#	Workstream	Budget	Actuals	Variance	Budget	Actuals	Variance	% Var.				
1	PMO	\$ 610	\$ 790	\$ (180)	\$ 1,168	\$ 1,575	\$ (407)	-35%	\$ 9,395	\$ 9,395	\$ 43,431	1
2	SM Operations	\$ 169	\$ 311	\$ (141)	\$ 390	\$ 650	\$ (261)	-67%	\$ 3,901	\$ 3,901	\$ 7,129	2
3	Contract Procurement	\$ 14,059	\$ 25,208	\$ (11,149)	\$ 28,118	\$ 38,595	\$ (10,477)	-37%	\$ 269,799	\$ 269,799	\$ 242,753	3
4	Electric Network Install	\$ 196	\$ 491	\$ (295)	\$ 391	\$ 715	\$ (324)	-83%	\$ 3,753	\$ 3,753	\$ 10,140	4
5	Endpoint Installation	\$ 3,964	\$ 1,472	\$ 2,491	\$ 7,927	\$ 1,808	\$ 6,119	77%	\$ 76,065	\$ 76,065	\$ 56,017	5
6	Deployment Office	\$ 841	\$ 1,132	\$ (291)	\$ 1,682	\$ 2,179	\$ (498)	-30%	\$ 16,135	\$ 17,259	\$ 28,829	6
7	Gas Network Install	\$ 216	\$ 524	\$ (309)	\$ 431	\$ 783	\$ (351)	-81%	\$ 4,139	\$ 4,350	\$ 6,200	7
8	SM Upgrade (AT Risk)	\$ -	\$ 2,514	\$ (2,514)	\$ -	\$ 6,107	\$ (6,107)		\$ -	\$ -	\$ 17,244	8
9	Deployment Subtotal:	\$ 19,275	\$ 31,341	\$ (12,066)	\$ 38,550	\$ 50,187	\$ (11,638)	-30%	\$ 369,891	\$ 371,226	\$ 361,184	9
10	CC&B	\$ -	\$ 0	\$ (0)	\$ -	\$ 0	\$ (0)		\$ -	\$ -	\$ 107,180	10
11	IT Integration "Old"	\$ 245	\$ 739	\$ (494)	\$ 489	\$ 912	\$ (423)	-86%	\$ 3,585	\$ 4,279	\$ 93,061	11
12	IT Integration - New	\$ 1,808	\$ 1,366	\$ 442	\$ 3,838	\$ 2,738	\$ 1,100	29%	\$ 17,827	\$ 17,827	\$ 41,907	12
13	IT Subtotal:	\$ 2,052	\$ 2,104	\$ (52)	\$ 4,327	\$ 3,650	\$ 677	16%	\$ 21,412	\$ 22,107	\$ 242,148	13
14	Technology Monitoring	\$ -	\$ 54	\$ (54)	\$ -	\$ 69	\$ (69)		\$ -	\$ -	\$ 1,733	14
15	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 34,340	\$ 34,340		15
16	Capital Total:	\$ 22,106	\$ 34,599	\$ (12,494)	\$ 44,434	\$ 56,132	\$ (11,698)	-26%	\$ 438,939	\$ 440,968	\$ 655,625	16
Expense (000s)												
17	PMO (incl Comms)	\$ 537	\$ 473	\$ 64	\$ 924	\$ 936	\$ (12)	-1%	\$ 5,511	\$ 5,511	\$ 21,022	17
18	SM Operations	\$ 821	\$ 1,088	\$ (267)	\$ 1,764	\$ 2,101	\$ (336)	-19%	\$ 9,828	\$ 11,908	\$ 18,444	18
19	Customer	\$ 1,096	\$ 388	\$ 708	\$ 2,166	\$ 420	\$ 1,745	81%	\$ 19,010	\$ 19,131	\$ 5,236	19
20	Endpoint Installation	\$ 210	\$ 223	\$ (13)	\$ 420	\$ 457	\$ (38)	-9%	\$ 2,353	\$ 2,353	\$ 2,981	20
21	Deployment Office	\$ 4	\$ 13	\$ (9)	\$ 8	\$ 158	\$ (150)	-1964%	\$ 46	\$ 46	\$ 13,025	21
22	Deployment Subtotal:	\$ 214	\$ 235	\$ (22)	\$ 427	\$ 615	\$ (188)	-44%	\$ 2,399	\$ 2,399	\$ 16,007	
23	CC&B	\$ 672	\$ 742	\$ (69)	\$ 1,345	\$ 1,475	\$ (130)	-10%	\$ 8,075	\$ 8,075	\$ 43,100	23
24	IT Integration "Old"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 2,240	24
25	IT Operations	\$ 911	\$ 522	\$ 388	\$ 1,821	\$ 2,090	\$ (268)	-15%	\$ 13,115	\$ 13,115	\$ 19,835	25
26	IT Integration - New	\$ 138	\$ 5	\$ 134	\$ 332	\$ 66	\$ 266	80%	\$ 873	\$ 873	\$ 4,775	26
27	IT Subtotal:	\$ 1,721	\$ 1,269	\$ 452	\$ 3,498	\$ 3,630	\$ (132)		\$ 22,063	\$ 22,063	\$ 69,951	27
28	Technology Monitoring	\$ -	\$ 255	\$ (255)	\$ -	\$ 567	\$ (567)		\$ -	\$ -	\$ 18,884	28
29	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 227	\$ 227		29
30	Expense Total:	\$ 4,389	\$ 3,708	\$ 680	\$ 8,779	\$ 8,269	\$ 510	6%	\$ 59,038	\$ 61,239	\$ 149,544	30

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date was 26% over budget overall, with the yet to be budgeted SmartMeter Upgrade accounting for approximately half of this amount. The remaining capital variance is primarily associated with the timing of material purchases.

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

Actual		Remaining 2009 Forecast												ITD Actual	
2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111 \$ 4,705	\$ 949	\$ 1,048	\$ 1,077	\$ 1,368	\$ 1,785	\$ 2,038	\$ 2,189	\$ 2,467	\$ 2,804	\$ 3,055	\$ 3,332	\$ 3,629	\$ 6,812	49%
Mainframe License Benefits:	\$ 1,250 \$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 7,083	51%
Total:	\$ 1,361 \$ 9,705	\$ 1,366	\$ 1,465	\$ 1,494	\$ 1,785	\$ 2,202	\$ 2,455	\$ 2,605	\$ 2,884	\$ 3,221	\$ 3,472	\$ 3,749	\$ 4,046	\$ 13,896	
2009 Cumulative Actual + Forecast:		\$ 1,366	\$ 2,830	\$ 4,324	\$ 6,109	\$ 8,311	\$ 10,766	\$ 13,371	\$ 16,255	\$ 19,476	\$ 22,948	\$ 26,697	\$ 30,743		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted FA Benefits:</u>													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 1,661	\$ 1,775	\$ 1,863	\$ 1,982	\$ 2,262	\$ 2,460	\$ 2,700	\$ 2,875	\$ 3,113	\$ 3,373	\$ 3,653	\$ 3,944	\$ 31,660
Cumulative	\$ 1,661	\$ 3,436	\$ 5,298	\$ 7,280	\$ 9,542	\$ 12,002	\$ 14,702	\$ 17,577	\$ 20,690	\$ 24,063	\$ 27,716	\$ 31,660	
YTD Variance	\$ 94	\$ 185	\$ 120	\$ (103)	\$ (284)	\$ (617)	\$ (952)	\$ (1,339)	\$ (1,739)	\$ (2,112)	\$ (2,385)	\$ (2,653)	

Note: The \$2.5 million in reduced meter maintenance expense for 2009 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to help offset other benefit shortfall amounts.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	4/10/2009	Historical go-back functionality was not included in vendor deliverable.	Delay in deployment of TOU meters.	Christopher Vana	Minor problems identified with test connect and firmware are being fixed and retested. As a result, the due date for promotion to production is now 3/23/09.
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	3/23/2009	Integration module for Meter Power Status functionality needs to be designed and developed for testing.	Impacts to scope, schedule and cost as PG&E will need to design, build and test mutual integration of functionality.	Christopher Vana	PG&E SmartMeter Team to determine the incremental effort required to design, build, and test the integration of the meter power status functionality. Initial design architecture has been laid out.
4	3/31/2009	DCUs cease to make cell phone calls from backhaul (go into no-call mode).	Inability to transmit data. 40 impacted DCUs identified so far (2% of overall population).	Vic Gorden	Read performance not impacted due to network redundancy. Aclara is researching the issue and an action plan will be developed following the identification of root cause. No root cause identified yet.
5	5/12/2009	Configuration mismatch between 52K SSN delivered meters and CC&B records.	No billing impacts expected, but there may be delays in transitioning some affected meters to billing until clean up plan is in place.	Vic Gorden	SM Operations determined placement/location of meters to be able to deploy fixes prior to meter deployment. SSN provided a script to correct the meter configurations to match with CC&B/PG&E files. Configuration corrections will be ongoing via the automated process until all impacted meters have been deployed and are in communication with the network.
6	3/20/2009	Non trippable GFI list needs to be provided.	For customers with this issue - once a SSN SmartMeter is installed, the GFI is tripping in the customer's breaker panel after about a 15 minute period.	Dan Partridge	Engineering testing verified that the RF signal from SSN interferes with the controllers on some GFIs. This is not a safety issue. Tailboard to communicate field process for reporting incidents to SM Engineering has been developed. Incident report write up and non-trippable GFI list incident report write up and non-trippable GFI list targeted for completion by 3/20/09.
7	5/31/2009	Poor read performance on ~6,000 of the installed Aclara meters.	Ability to turn on and read Hex electric meters.	Vic Gorden	Additional DCUs are expected to be installed by May 2009. Evaluation of performance improvements resulting from additional DCU installations and replacement of endpoint exceptions (eg. failed batteries) is underway.

#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	4/4/2008	5	5	25	25	Implementation of new technology does not perform as intended. Key drivers: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals	Jim Meadows	Mitigation plans for ongoing risk are in place. Resolutions for issues related to Hex electric meter performance are being implemented.	4, 6, 7
2	10/1/2007	5	5	25	n/a	Vendor SmartMeter products cannot be delivered to meet the 2009 deployment schedule. Key driver: Vendors consistently missing deliveries.	Deployment schedule, costs, capital budget not met, benefits realization	Wilson Lau	Continuing to lock meter production schedules and pre-order meters/modules as much as possible. Ongoing status meetings being held with vendor to create action plans based on results.	
3	6/19/2008	5	3	15	20	2007-2010 benefits shortfall against CPUC commitments Key drivers: Mesh meter transition lag, delay in delivery of IT functionalities.	Impact to PG&E shareholders for benefits shortfall against committed amounts booked to the SmartMeter Balancing Account	Bruce Agid	Benefits risk impact assessment is in progress against Rev 10 deployment plan. Accelerating delivery of TOU/demand rates and meter functionality by Q1. Accelerating delivery of IT functionalities to maximize operational benefits.	
4	8/25/2008	3	5	15	15	Inability of IT Systems to handle projected volumes.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. Preliminary plan for SmartMeter systems that supports deployment, operation, reading and billing of 11M meters is being developed and reviewed.	
5	8/25/2008	5	3	15	15	TNG 1.6.3 capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data	Vic Gorden	Issues with TNG 1.6.3 contribute to SmartMeter system performance. DCSI meter replacements are targeted for completion in two batches by 4/1 and 5/1.	

Program Metrics

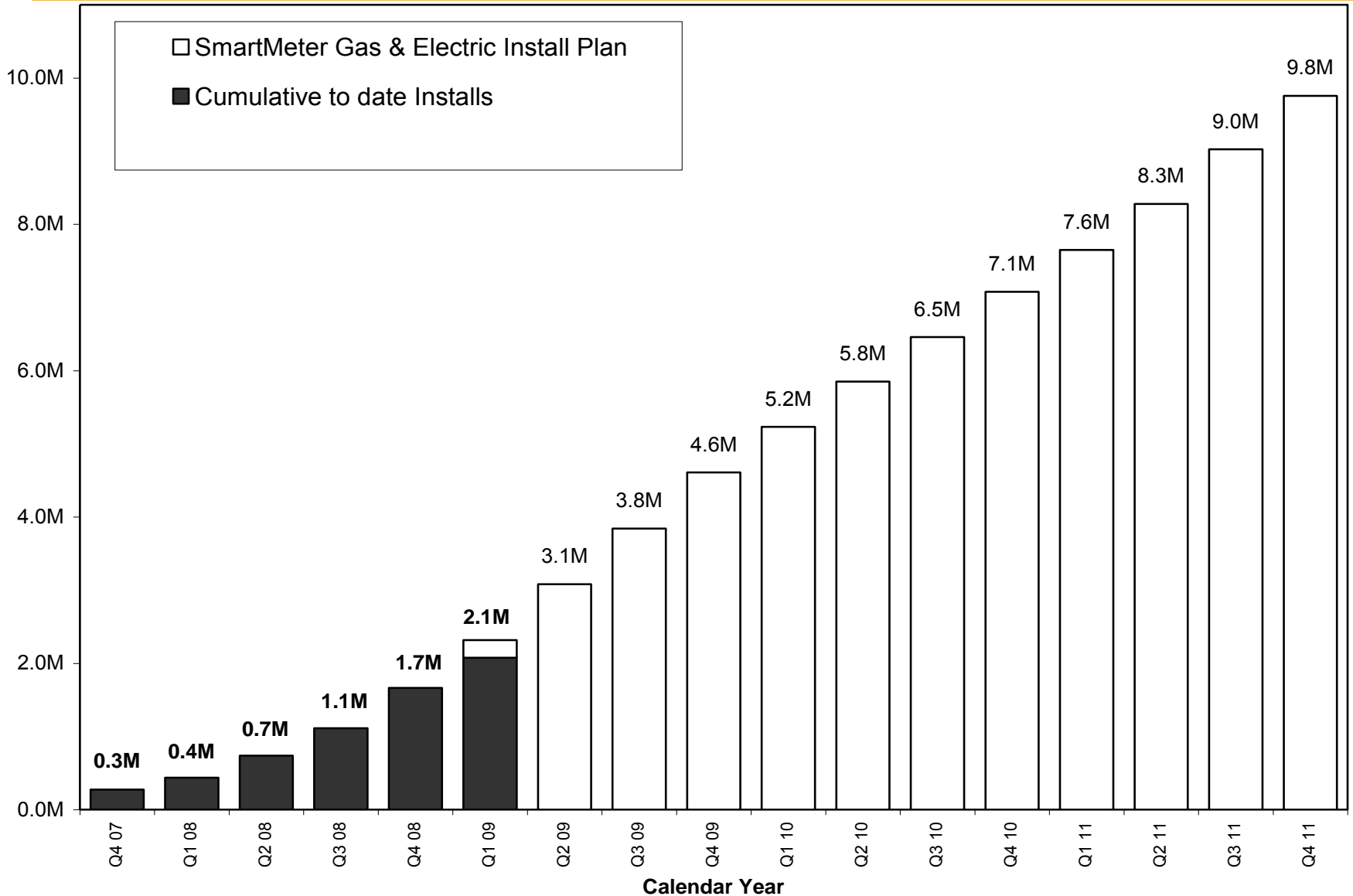
Metric	Key Performance Indicator	Jan '09 - Month Results			Feb '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 2.50	\$ 2.50	0.1%	\$ 2.60	\$ 2.59	0.6%	\$ 5.11	\$ 5.09	0.4%	\$ 38.34	\$ 38.34	0.0%	
P2	OSHA Recordable Rate (SmartMeter)	0	0		0	0		0	0		0	0		
C1	Customers enrolled in SmartRate	10,677	(track only)		10,677	(track only)		10,677	(track only)		50,000	50,000	0.0%	
C10	Customer Complaint Rate (escalated to CPUC)	0.002%	(track only)		0.005%	(track only)		0.003%	(track only)					
D1	Meters Installed - Electric & Gas	207,426	204,428	1.5%	200,154	213,863	-6.4%	407,580	418,291	-2.6%	2,800,000	2,800,000	0.0%	Due to decision to slow down WEI staffing ramp and unavailability of SSN meters Behind plan due to reduction of one WEI crew and inclement weather conditions (rain)
D2	DCUs Installed	99	155	-36.1%	84	155	-45.8%	183	310	-41.0%	1,850	1,850	0.0%	
D3	Electric Network - Nodes Installed	615	500	23.0%	604	500	20.8%	1,219	1,000	21.9%	6,000	6,000	0.0%	
D6	UTC Rate	3.9%	4.5%	12.4%	3.2%	4.5%	29.7%	3.6%	4.5%	20.8%	4.5%	4.5%	0.0%	
D8	UTC's open beyond 90 days	11,860	(track only)		15,122	(track only)		15,122	(track only)					
D9	CPI - Endpoints (all-in)	\$113.87	\$119.71	4.9%	\$110.08	\$119.71	8.0%	\$112.01	\$119.71	6.4%	\$119.71	\$119.71	0.0%	
D10	CPI Gas Network (all-in)	\$4,389	\$4,419	0.7%	\$4,359	\$4,419	1.3%	\$4,375	\$4,419	1.0%	\$4,419	\$4,419	0.0%	
D11	CPI Electric Network (all-in)	\$2,488	\$2,586	3.8%	\$2,635	\$2,586	-1.9%	\$2,556	\$2,586	1.2%	\$2,586	\$2,586	0.0%	
D17	Total Weeks of Inventory on Hand - Electric M.	5	6	-16.7%	2	6	-66.7%	2	6	-66.7%	6	6	0.0%	Electric meter supply chain shortage due to SSN deliveries
D18	Total Weeks of Inventory on Hand - Gas Mtr.	17	4	330.0%	22	4	450.0%	22	4	450.0%	17	4	325.0%	
O4	Transition Ageing - Average Days	13.95	(track only)		34.05	(track only)		28.18	(track only)					
O9	% Bills estimated	99.74%	99.80%	-0.1%	99.73%	99.80%	-0.1%	99.74%	99.80%	0.0%				
B2	Meters Activated - Electric & Gas	83,454	128,262	-34.9%	81,601	48,891	66.9%	165,055	177,153	-6.8%	2,579,172	2,579,172	0.0%	
B3	Count of Remote Disconnects											40,000		
B4	Count of Meter Status Checks Which Avoided Truck Rolls													
B5	Meter Reader HC reductions	11	11	0.0%	13	9	44.4%	24	20	20.0%	248	248	0.0%	

Targets are based on the 2009 Operating Baseline Plan

Note: SM Earning Contribution (P1) includes return on rate base and benefits related contribution

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



1. Business Case Approved Contingency **\$128,773**
 Total PDRs Adopted by Steering Committee \$2,856

Approved Date

2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown

Cycle 1 Additions	Cycle 1 additions	\$58,183
3/13/07	SM Operations Staff Funding	\$875
5/7/2007	CC&B replatformaing	\$22,300
8/29/07	Customer Contact Center - SM implementation	\$573
8/31/07	Metering Services overtime during implementation	\$630
10/19/07	SmartMeter anchor billing changes	\$747
10/23/07	SM 1.1 manual bill review	\$596
11/28/07	SM 1.0 Hardware: parallel environments	\$2,997
12/27/07	Replace non-retrofitable gas meters	\$3,315
1/10/08	Headcount related expenses 2007	\$854
1/18/08	Electro-mechanical meter contract termination fee	██████████
2/12/08	Technical Monitoring funding	\$7,501
4/7/08	Communication budget reduction	(\$7,000)
4/7/08	Transfer support from IT-BSAR to SM Project	\$7,591
5/7/08	SM Ops staff funding	\$5,900
5/23/08	Metering Services: SM Project implementation	\$2,174
5/29/08	Continue SM manual bill review	\$578
6/9/08	Records: SM implementation costs	\$1,812
6/13/08	Customer Contact Center: SM support	\$524
6/20/08	Release B Funding true-up	\$671
9/8/08	3-Dial Sprague meter replacement	\$2,645
10/7/08	Electric meter test sets	\$600
10/20/08	Rotary meter solution	\$4,591
12/15/08	Extend manual bill review	\$819
various	Other (less than \$500,000 each)	\$3,897
	Subtotal PDRs	\$125,629
	Total PDRs	\$128,485

3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown

Change to RF network and SSN technology	(\$40,191)
Change to RF technology: additional vendor specific costs	██████████
Change to RF technology: new endpoint supplier agreement	██████████
Subtotal PDRs pending	(\$40,650)

Total PDRs approved and pending **\$87,835**

DRAFT – For discussion purposes only

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update – April

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases:							
Release E/F – Build							
Release X - Plan							
Release G							
2009 Other Cap. Projs. (IT PMO, 08 carry over, SM Apps, DC)							
2009 Operating expenses (CC&B, Stabilization)							

Challenges

Actions/Status

Release E/F

- Aclara remote connect disconnect target unknown due to inconsistent test results.
- Meter power status check targeted for 7/1/09
 - V2V integration component not complete; vendor integration test will need to be conducted.

Release X

- Scope and schedule finalization behind targeted completion

Release E/F

- Partial remote connect/disconnect functionality went live on 4/7.
- Vendor management team has escalated testing issues to Aclara and is holding daily status calls; PMO is reviewing alternatives.

- Proof of concept developed. Testing identified connection issues with systems. Vendor engaged for resolution by 4/23. Currently, no impact to 7/1 expected.

Release X

- Scope and schedule finalization in process, expected completion by April '09

Release G

- Integrator selected; in process of finalizing budget and schedule.

Future Releases

Creating integrated SM Upgrade and future release plan by 6/30/09. Plan to include:

- Scalability and operational efficiency
- Remaining 1.0 scope
- Upgrade scope
- [REDACTED]

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment:							
Endpoints							
Gas Network							
Electric Network							

Challenges

Deployment – Endpoint

- Endpoint behind schedule due to:
 - I. unavailability of SSN meters
 - II. lost productivity to identify and skip meters with potential GFCL and AFCI breaker interferences
 - III. resources diverted to Kern redeployment due to substation upgrade

Deployment – Network

- Accuracy of new estimates on number of network nodes provided by SSN cannot be confirmed until additional experience is gained on project

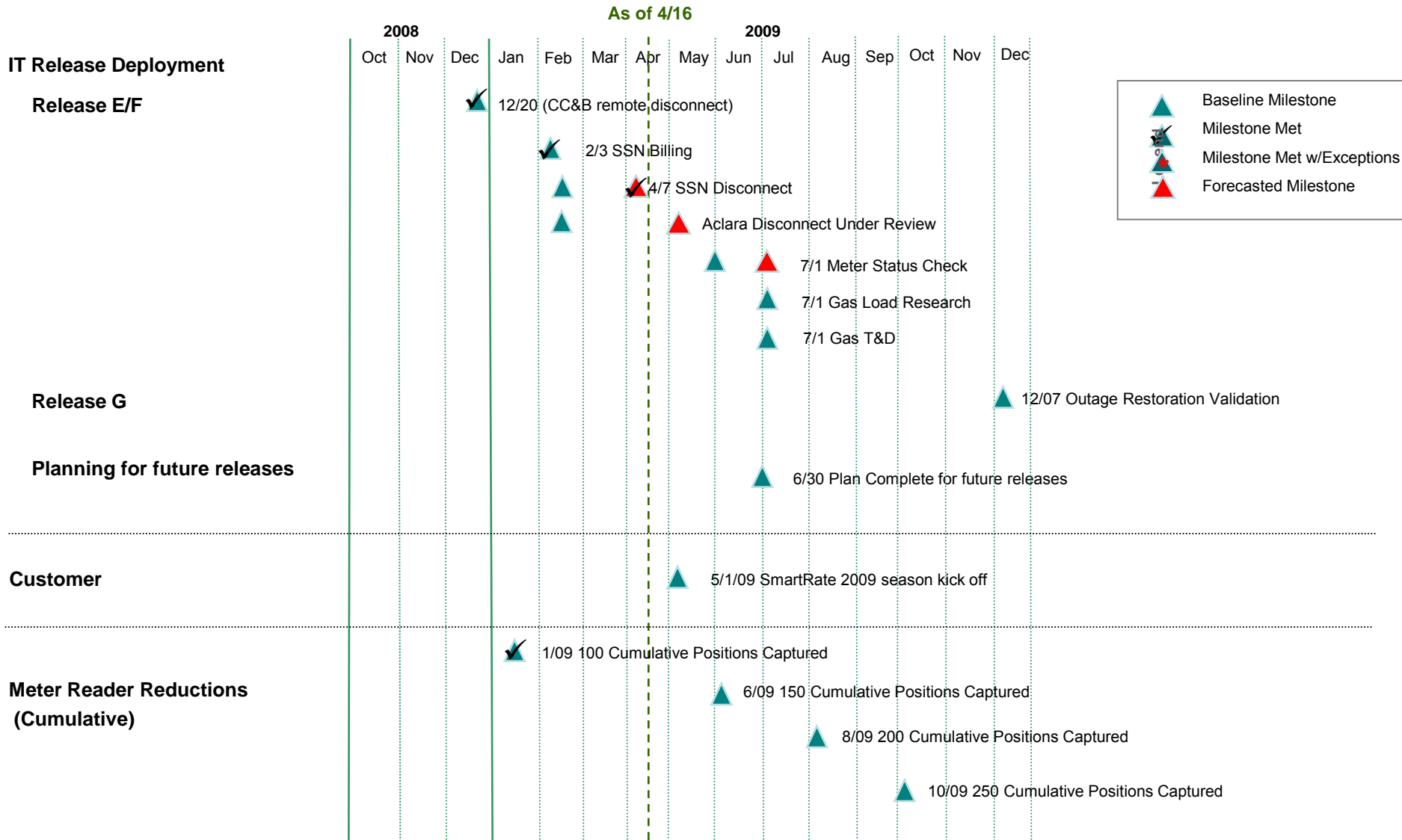
Actions/Status

Deployment – Endpoint

- I. SSN committed to increase production capacity in the second half of the year
 - II. Field pilot to find common interference causes and to test possible solution with lower power modules underway
 - III. Kern redeployment due to substation upgrade on target to be completed by 5/8/09
- Agreement on plan and deployment approach for TOU accounts reached; TOU deployment targeted to begin 4/20/09

Deployment – Network

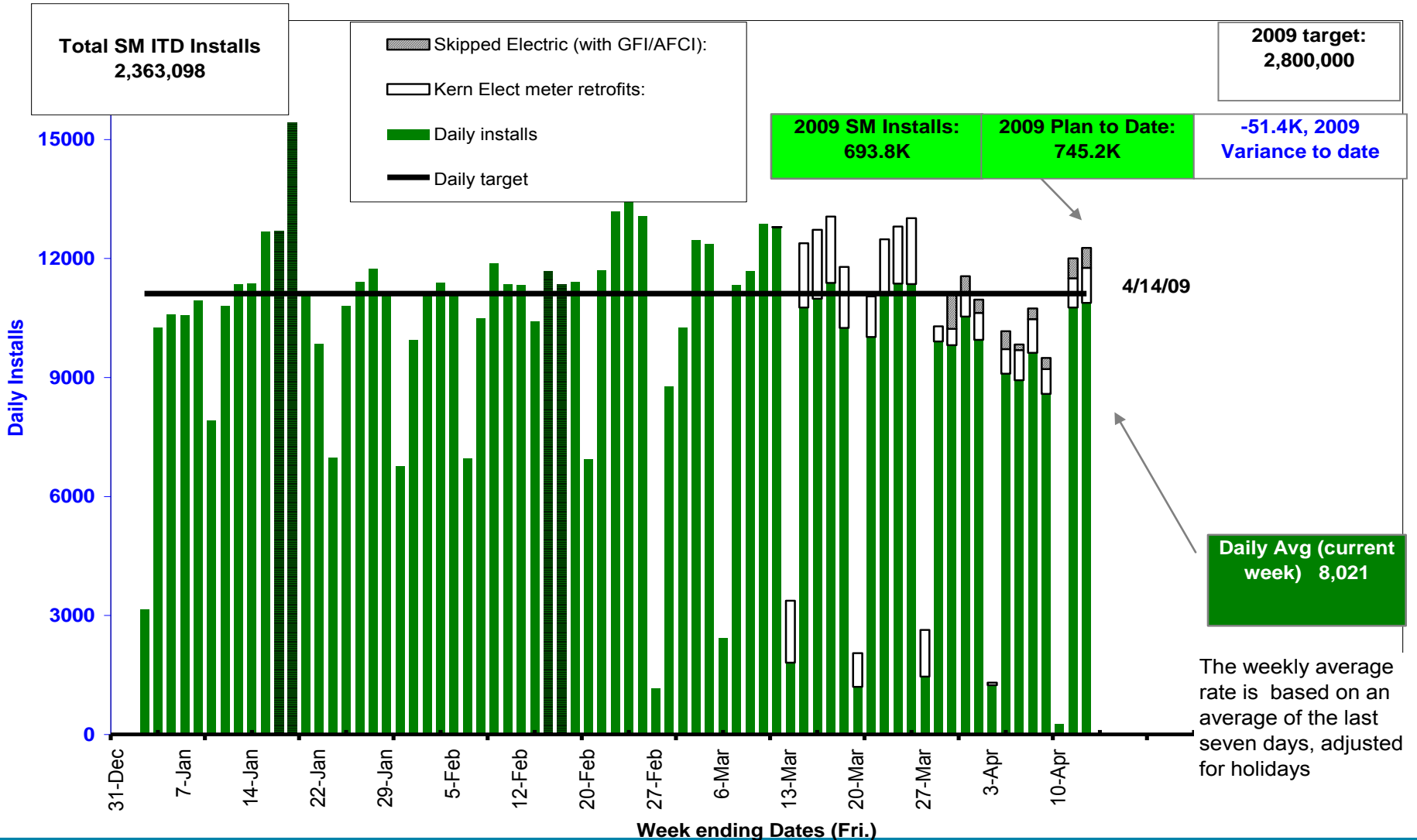
- Electric network deployment schedule metric under review; given that electric network deployment is significantly ahead of new estimates, resources were diverted to gas network deployment



As of April 14

Deployment Update

2009 Install Rate vs. Operating Plan - Daily Meter Totals



Budget Status – Expenditures by Workstream

#	Workstream	Current Month - March			Year To Date - March				2009 Approved Budget	Inception to Date Spending
		Budget in SAP	Actuals	Variance	Budget in SAP	Actuals	Variance	% Var.		
Capital (000s)										
1	PMO	\$ 587	\$ 801	\$ (214)	\$ 1,755	\$ 2,419	\$ (664)	-38%	\$ 9,395	\$ 44,223
2	SM Operations	\$ 192	\$ 142	\$ 49	\$ 581	\$ 793	\$ (211)	-36%	\$ 3,901	\$ 7,272
3	Contract Procurement	\$ 14,059	\$ 33,714	\$ (19,655)	\$ 42,177	\$ 78,416	\$ (36,239)	-86%	\$ 269,799	\$ 293,711
4	Electric Network Install	\$ 196	\$ 289	\$ (94)	\$ 587	\$ 1,004	\$ (417)	-71%	\$ 3,753	\$ 10,430
5	Endpoint Installation	\$ 3,964	\$ (2,735)	\$ 6,699	\$ 11,891	\$ (927)	\$ 12,818	108%	\$ 76,065	\$ 53,282
6	Deployment Office	\$ 841	\$ (4,337)	\$ 5,178	\$ 2,522	\$ (2,158)	\$ 4,680	186%	\$ 16,135	\$ 24,492
7	Gas Network Install	\$ 216	\$ 762	\$ (546)	\$ 647	\$ 1,545	\$ (898)	-139%	\$ 4,139	\$ 6,962
8	IT and CC&B	\$ 1,702	\$ 2,314	\$ (612)	\$ 6,030	\$ 5,921	\$ 108	2%	\$ 21,412	\$ 244,420
9	Technology Monitoring	\$ -	\$ 5	\$ (5)	\$ -	\$ 75	\$ (75)		\$ -	\$ 1,739
10	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 34,340	
11	Capital Total:	\$ 21,756	\$ 30,956	\$ (9,200)	\$ 66,190	\$ 87,088	\$ (20,898)	-32%	\$ 438,939	\$ 686,530
Expense (000s)										
12	PMO (incl Comms)	\$ 527	\$ 654	\$ (127)	\$ 1,451	\$ 1,622	\$ (171)	-12%	\$ 5,511	\$ 21,708
13	SM Operations	\$ 802	\$ 1,240	\$ (439)	\$ 2,566	\$ 3,309	\$ (743)	-29%	\$ 9,828	\$ 19,705
14	Customer	\$ 2,162	\$ 458	\$ 1,703	\$ 4,327	\$ 878	\$ 3,449	80%	\$ 19,010	\$ 5,694
15	Endpoint Installation	\$ 210	\$ 267	\$ (57)	\$ 629	\$ 724	\$ (95)	-15%	\$ 2,353	\$ 3,248
16	Deployment Office	\$ 4	\$ 131	\$ (127)	\$ 11	\$ 289	\$ (278)	-2417%	\$ 46	\$ 13,156
17	IT and CC&B	\$ 3,014	\$ 1,678	\$ 1,336	\$ 6,512	\$ 5,308	\$ 1,205		\$ 22,063	\$ 71,629
18	Technology Monitoring	\$ -	\$ 242	\$ (242)	\$ -	\$ 809	\$ (809)		\$ -	\$ 19,126
19	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 227	
20	Expense Total:	\$ 6,718	\$ 4,670	\$ 2,048	\$ 15,497	\$ 12,939	\$ 2,558	17%	\$ 59,038	\$ 154,266

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date through March was 32% over budget overall. A journal entry to account for Cost of Removal from 2006 through 2008 of \$15 million was made in March against Endpoint Installation and Deployment Office (#5, #6). The SmartMeter Upgrade budget for 2009 has not yet been reflected in SAP and is a contributor to the overrun along with the timing of contract procurement purchases relative to what was entered into SAP for Q1 (#3).

SmartMeter Benefits

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

	Actual		Remaining 2009 Forecast												ITD Actual	
	2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,368	\$ 1,785	\$ 2,038	\$ 2,189	\$ 2,467	\$ 2,804	\$ 3,055	\$ 3,332	\$ 3,629	\$ 6,812	49%
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 7,083	51%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,785	\$ 2,202	\$ 2,455	\$ 2,605	\$ 2,884	\$ 3,221	\$ 3,472	\$ 3,749	\$ 4,046	\$ 13,896	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,173	\$ 8,375	\$ 10,830	\$ 13,435	\$ 16,319	\$ 19,540	\$ 23,012	\$ 26,761	\$ 30,807		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted FA Benefits:													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
Actual / Current Forecast:													
Monthly	\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,283	\$ 2,685	\$ 2,680	\$ 3,026	\$ 3,304	\$ 3,600	\$ 3,920	\$ 4,221	\$ 4,478	\$ 35,601
Cumulative	\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,688	\$ 10,373	\$ 13,053	\$ 16,078	\$ 19,382	\$ 22,982	\$ 26,902	\$ 31,123	\$ 35,601	
YTD Variance	\$ 103	\$ 195	\$ 227	\$ 305	\$ 547	\$ 433	\$ 424	\$ 466	\$ 554	\$ 727	\$ 1,022	\$ 1,288	

Notes:

1. The \$2.5 million in reduced meter maintenance expense for 2009 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to help offset other benefit shortfall amounts.
2. The benefits associated with the SmartMeter Upgrade are not yet reflected in the forecasts shown above, but will be next month.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	5/15/2009	GFI problems identified with SSN meters.	Cost and schedule impact due to skipped meter installs (~3700 skipped between 3/31 - 4/14). Customer impact - once an SSN meter is installed, the GFI is tripping in the customer's breaker panel.	Dan Partridge	Engineering testing verified that the RF signal from SSN interferes with the controllers on some GFIs. Pilot test to identify common causes for interference conducted; multiple causes identified. Contingency field process to replace meter with old meter is in place while long term solution is being identified.
2	4/23/2009	Vendor to vendor system integration module for Meter Power Status functionality needs to be designed and developed for testing.	Impacts to scope and cost as PG&E will need to design, build and test mutual integration of functionality.	Christopher Vana	Proof of concept was developed and connection issue between systems was identified. Technical case has been logged with vendor (Oracle). Team staying engaged with vendor to expedite issue resolution. Currently, no impact expected to targeted 7/1 meter power status deployment if issue resolves by 4/23.
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	5/15/2009	Aclara historical go-back functionality was not included with vendor deliverable.	Delay in deployment of Aclara TOU meters.	Christopher Vana	Aclara Historical go-back functionality was delivered. Test was completed, however, functionality cannot be deployed due to the firmware issues. Functionality expected to be deployed as part of HEX 7.3.1 once scheduled.
5	4/30/2009	Aclara DCUs cease to make cell phone calls from backhaul (go into no-call mode).	Inability to transmit data. 40 impacted DCUs identified so far (2% of overall population).	Vic Gorden	Read performance not impacted due to network redundancy. Aclara has determined that the Verizon cell phone setup may contribute to or be the root cause of this error, however, multiple causes such as firmware version and age of DCU may also contribute. SM Ops team continuing to work with Aclara and ISTS teams to ensure that this issue is resolved and does not result in meter read degradation.
6	5/31/2009	Poor read performance (< expected 96%) on ~13,674 of the installed Aclara electric meters.	Ability to turn on and read Aclara electric meters.	Vic Gorden	Additional Aclara DCUs are expected to be installed by May 2009. Evaluation of performance improvements resulting from additional DCU installations and replacement of endpoint exceptions (eg. failed batteries) are underway. A targeted firmware pilot with 25 meters is currently in progress in Stockton.
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	4/4/2008	5	5	25	25	Implementation of new technology does not perform as intended. Key driver: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Resolutions for issues related to Aclara electric meter performance are being implemented. Aclara failover mitigated by containing Aclara electric meter deployment to 145K. SSN is performing as intended. Mitigation plans for ongoing risk are in place.	1, 5, 6
2	10/1/2007	5	5	25	n/a	Vendor SmartMeter products cannot be delivered to meet the 2009 deployment schedule. Key driver: Unavailability of SSN meters to meet deployment plan.	Deployment schedule, costs, capital budget not met, benefits realization.	Wilson Lau	SSN commitment to increase capacity beginning the second half of 2009. Continuing to monitor supply chain to ensure SSN delivers on commitments.	
3	8/25/2008	3	5	15	15	System may not be able to handle projected volumes. Key driver: IT Systems need to be scaled and tested to achieve end state volumes	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. Preliminary plan for SmartMeter systems that supports deployment, operation, reading and billing of 11M meters is being developed and reviewed.	
4	8/25/2008	5	3	15	15	DCSI system capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Issues with DCSI system contribute to SmartMeter system performance. Mitigation to contain and limit use of DCSI meters implemented.	

Program Metrics

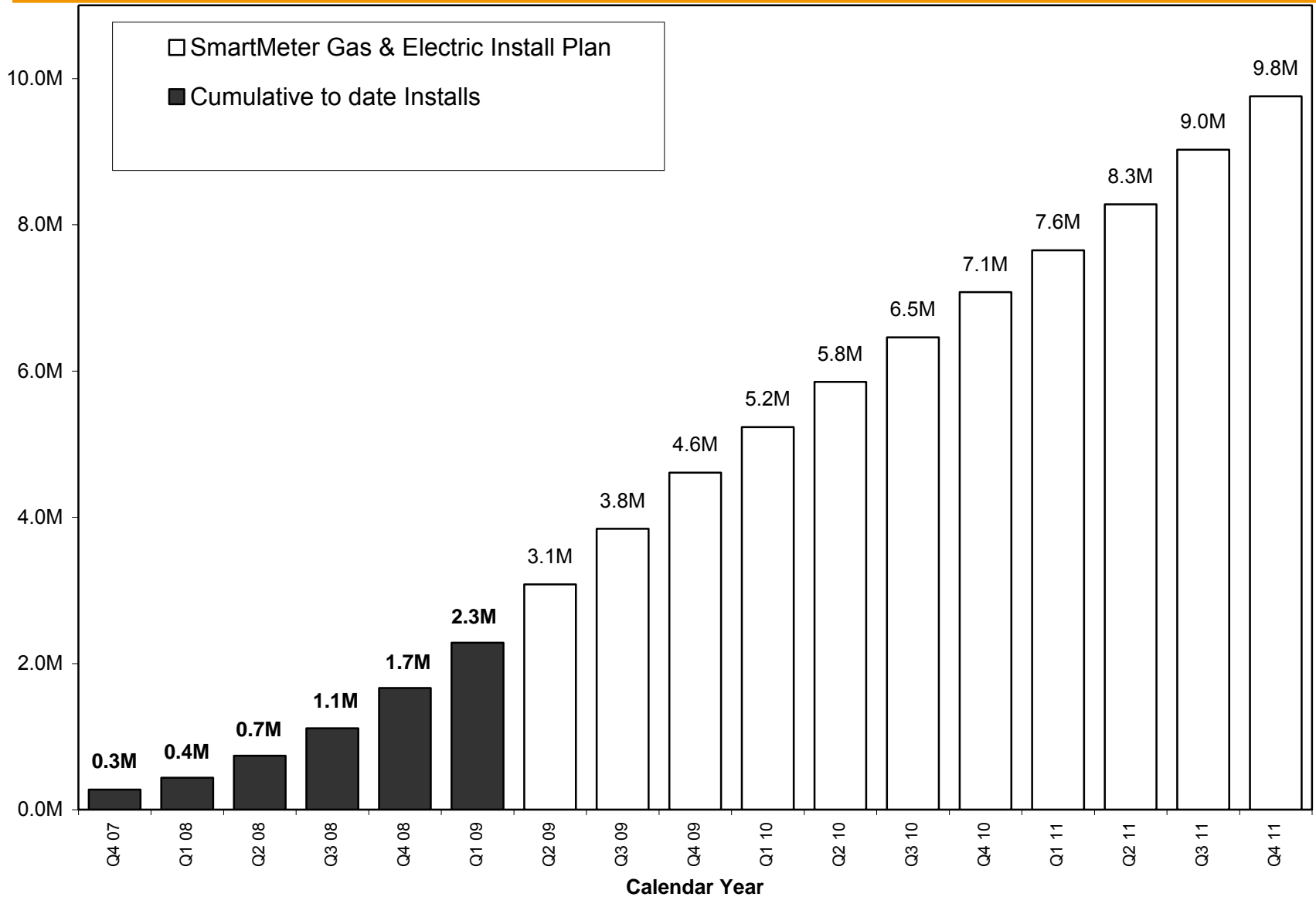
Metric	Key Performance Indicator	Feb '09 - Month Results			Mar '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 2.60	\$ 2.59	0.6%	\$ 2.73	\$ 2.67	2.4%	\$ 7.84	\$ 7.76	1.0%	\$ 38.34	\$ 38.34	0.0%	
P2	OSHA Recordable Rate (SmartMeter)	0.00	-		5.27	-		5.27	-		5.27	-		One OSHA in March; Target is zero.
C1	Customers enrolled in SmartRate	10,677	(track only)		10,677	(track only)		10,677	(track only)		50,000	50,000	0.0%	
C10	Customer Complaint Rate (escalated to CPUC)	0.005%	(track only)		0.005%	(track only)		0.004%	(track only)					
D1	Meters Installed - Electric & Gas	200,154	213,863	-6.4%	206,372	223,551	-7.7%	613,952	641,842	-4.3%	2,800,000	2,800,000	0.0%	1) Unavailability of SSN meters, 2)Resources diverted to Kern retrofit effort, 3) Skipped meters due to breaker interference issue
D2	DCUs Installed	84	155	-45.8%	326	155	110.3%	509	465	9.5%	1,850	1,850	0.0%	
D3	Electric Network - Nodes Installed	604	500	20.8%	14	500	-97.2%	1,233	1,500	-17.8%	6,000	6,000	0.0%	Target to date prior to March was met, plan going forward to be re-baselined based on updated engineering analysis for optimization
D6	UTC Rate	3.2%	4.5%	-29.7%	3.8%	4.5%	-16.5%	3.6%	4.5%	-19.4%	4.5%	4.5%	0.0%	
D8	UTC's open beyond 90 days	15,122	(track only)		17,831	(track only)		17,831	(track only)					
D9	CPI - Endpoints (all-in)	\$110.08	\$119.71	-8.0%	\$117.13	\$119.71	-2.2%	\$114.12	\$119.71	-4.7%	\$119.71	\$119.71	0.0%	
D10	CPI Gas Network (all-in)	\$4,359	\$4,419	-1.3%	\$3,400	\$4,419	-23.1%	\$3,750	\$4,419	-15.1%	\$4,419	\$4,419	0.0%	
D11	CPI Electric Network (all-in)	\$2,635	\$2,586	-1.9%	\$7,039	\$2,608	-169.9%	\$2,607	\$2,608	-0.0%	\$2,608	\$2,608	0.0%	Month Var.: Costs spread across very few installs (14)
D17	Total Weeks of Inventory on Hand - Electric M.	2	6	-66.7%	2	6	-66.7%	2	6	-66.7%	6	6	0.0%	Electric meter supply chain shortage due to SSN deliveries
D18	Total Weeks of Inventory on Hand - Gas Mtr.	22	4	450.0%	22	4	450.0%	22	4	450.0%	17	4	325.0%	
O4	Transition Ageing - Average Days	34.05	(track only)		37.47	(track only)		37.47	(track only)					
O9	% Bills estimated	99.73%	99.80%	-0.1%	99.76%	99.80%	0.0%	99.74%	99.80%	-0.1%				
B2	Meters Activated - Electric & Gas	81,601	48,891	66.9%	23,788	48,891	-51.3%	188,843	226,044	-16.5%	1,981,976	2,579,172	-23.2%	Target based on Rev.8 - to be revised to reflect current schedule
B3	Count of Remote Disconnects											40,000		
B4	Count of Meter Status Checks Which Avoided Truck Rolls													
B5	Meter Reader HC reductions	13	9	44.4%	15	37	-59.5%	39	55	-29.1%	226	226	0.0%	Target based on Rev.8 - to be revised to reflect current schedule

Targets are based on the 2009 Operating Baseline Plan

Note: SM Earning Contribution (P1) includes return on rate base and benefits related contribution

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



1. Business Case Approved Contingency		\$128,773
Total PDRs Adopted by Steering Committee		\$2,856
Approved Date	2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
Cycle 1 Additions	Cycle 1 additions	\$58,183
3/13/07	SM Operations Staff Funding	\$875
5/7/2007	CC&B replatforming	\$22,300
8/29/07	Customer Contact Center - SM implementation	\$573
8/31/07	Metering Services overtime during implementation	\$630
10/19/07	SmartMeter anchor billing changes	\$747
10/23/07	SM 1.1 manual bill review	\$596
11/28/07	SM 1.0 Hardware: parallel environments	\$2,997
12/27/07	Replace non-retrofittable gas meters	\$3,315
1/10/08	Headcount related expenses 2007	\$854
1/18/08	Electro-mechanical meter contract termination fee	██████████
2/12/08	Technical Monitoring funding	\$7,501
4/7/08	Communication budget reduction	(\$7,000)
4/7/08	Transfer support from IT-BSAR to SM Project	\$7,591
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6/20/08	Release B Funding true-up	\$671
9/8/08	3-Dial Sprague meter replacement	\$2,645
10/7/08	Electric meter test sets	\$600
10/20/08	Rotary meter solution	\$4,591
12/15/08	Extend manual bill review	\$819
various	Other (less than \$500,000 each)	\$3,897
	Subtotal PDRs	<u>\$125,629</u>
	Total PDRs	<u>\$128,485</u>
3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown		
	Change to RF network and SSN technology	(\$40,191)
	Change to RF technology: additional vendor specific costs adjustments	██████████
	Change to RF technology: new endpoint supplier agreement	██████████
	Release E Funding Revision	<u>\$3,507</u>
	Subtotal PDRs pending	<u>(\$37,143)</u>
	Total PDRs approved and pending	<u>\$91,342</u>

Public Version



SmartMeter™
Steering Committee Update – May
May 29, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

2009 Release Status Update

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release E/F BBE - Build/Test							
Release G - Design							
Release X - Plan/Analysis							
Release H							
2009 Other Cap. Projs. (IT PMO, 08 carry over, SM Apps, DC)							
2009 Operating expenses (CC&B, Stabilization)							

Challenges

- EA vendor delivery dependencies exist for all IT releases
- HAN operating model and finalization of initial HAN pilot scope

Actions/Status

- Release E/F
- Aclara Remote Connect/Disconnect functionality will not be deployed per the decision to stand down further deployment of Aclara electric functionality.
- Release X
- Work plan baselined and final budget review completed. ¹Budget pending PMO sign off.
- Release G
- Work plan baselined and final budget review completed. ²Budget pending PMO sign off.
- Release H
- Ramping up plan for Dec. '09; will tentatively include Integrated Remote Connect/Disconnect phase II, and transition to 6M meters scalability.
- Future Releases
- Creating integrated SM Upgrade and future release plan by 6/30/09. Plan to include:
- Scalability and operational efficiency - Stakeholder kick off targeted for 6/10/09
 - Remaining 1.0 scope
 - Upgrade scope
 - [REDACTED]

2009 Deployment Status Update

	Budget (Budget / CPI)	EAC (EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Endpoints (2009)							
Gas Network (2009)							
Electric Network (2009)							

Challenges

Actions/Status

Deployment - Endpoint

- Endpoint behind schedule due to:
 - unavailability of SSN meters during Q1 of '09
 - lost productivity to identify and skip meters with potential GFCI and AFCI breaker interferences
 - resources required for Kern redeployment (30K meters) due to substation upgrade
- Non-standard installations may impact deployment schedule
- Solution for ~46K gas meters/modules need to be determined

Deployment - Network

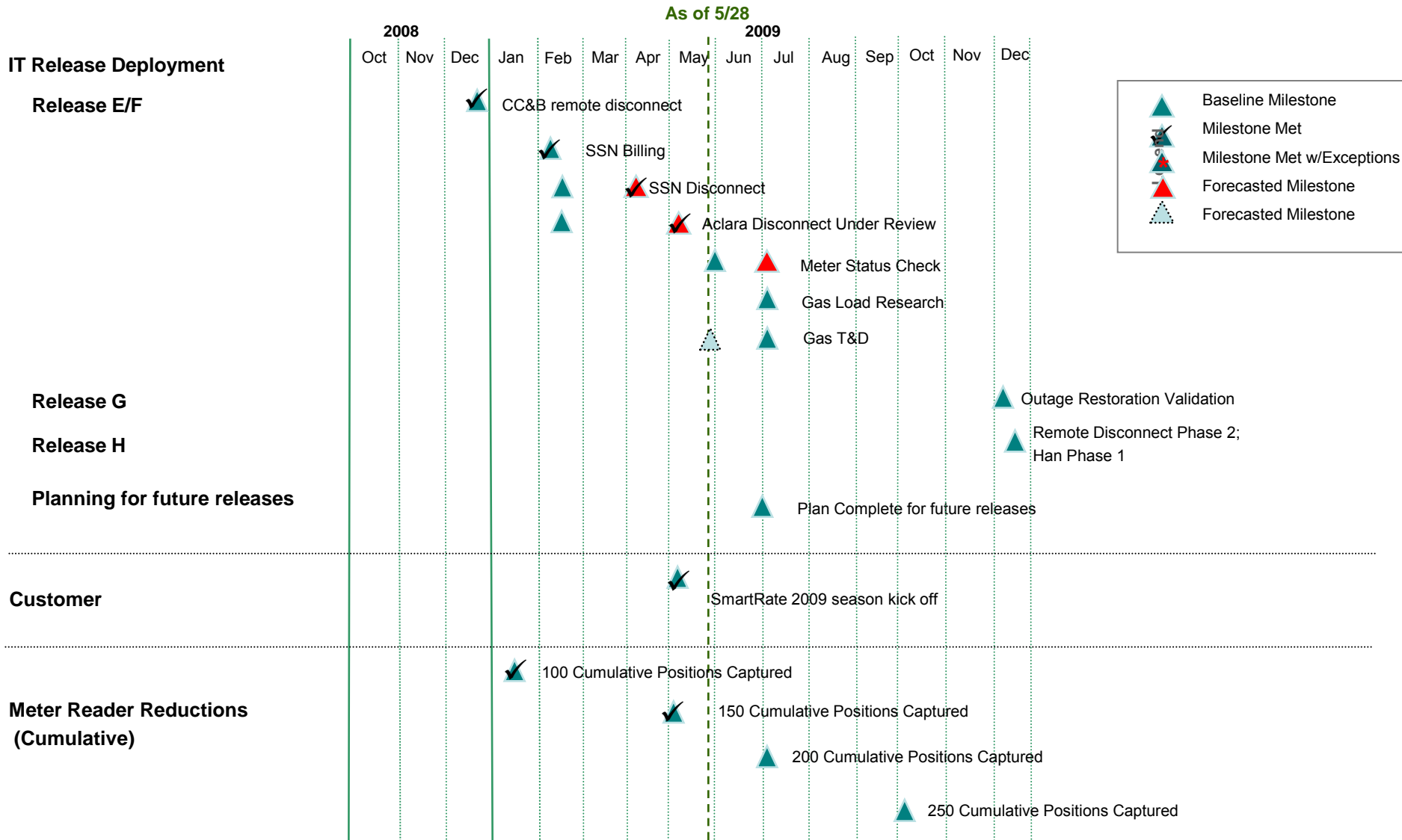
- Accuracy of new estimates on number of network nodes provided by SSN cannot be confirmed until additional experience is gained on project

Deployment - Endpoint

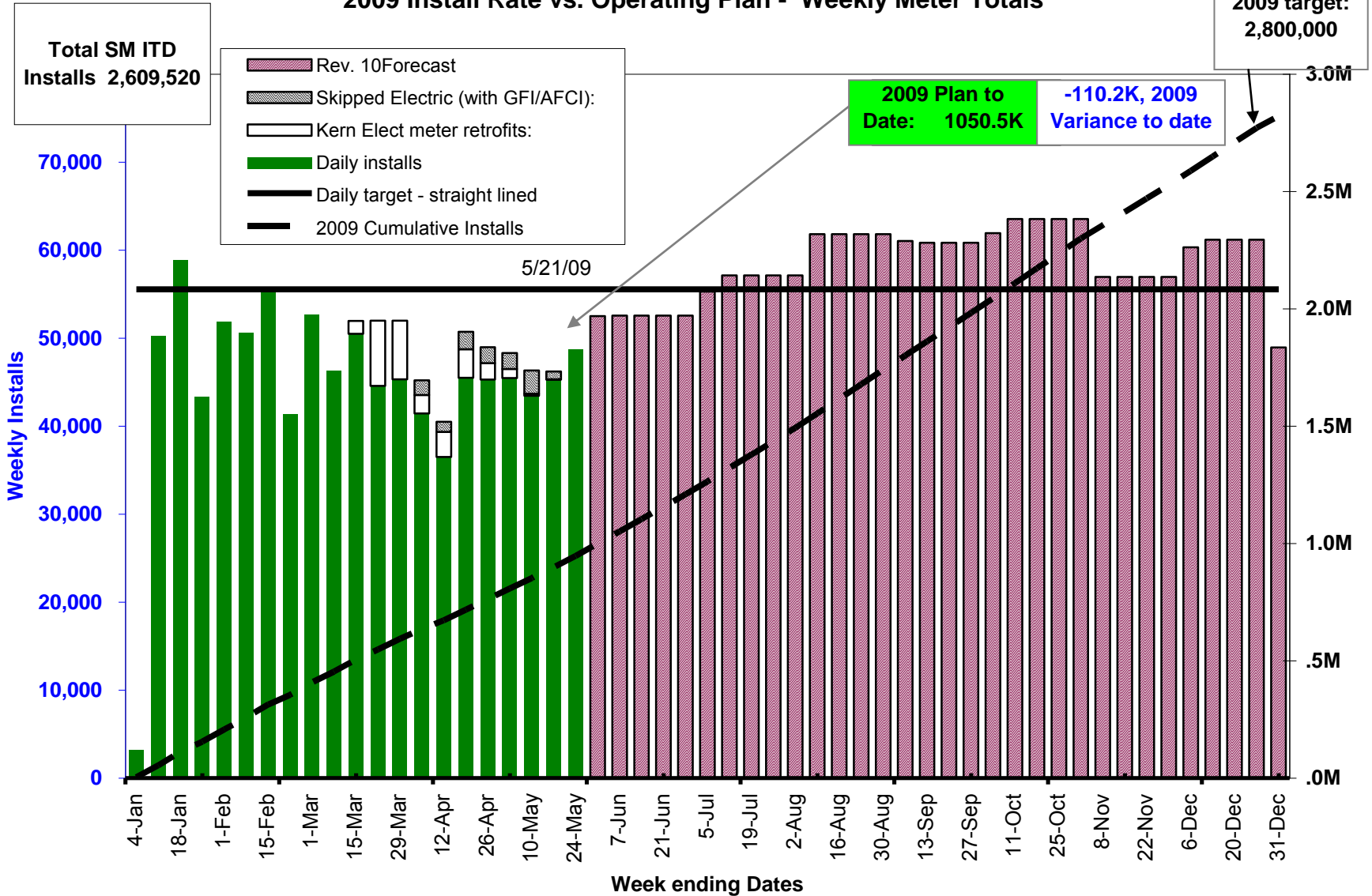
- Newly finalized Rev. 10 deployment schedule catches up to 2009 plan by year end
- Field process to identify and skip GFCI/AFCI breaker interferences issued to minimize productivity impact
 - A field pilot to test a low power meter solution for GFCI/AFCI breaker interferences is underway
- Kern redeployment due to substation upgrade completed, work order to complete ~1K UTCs issued
- Effort to identify meter location problems established; pilot currently underway in the Richmond meter reading offices
- Engineering effort to identify gas meter/module solutions, and a financial analysis to verify solution feasibility underway

Deployment - Network

- Electric network deployment schedule metric under review; given that electric network deployment is significantly ahead of new estimates, resources were diverted to gas network deployment



2009 Install Rate vs. Operating Plan - Weekly Meter Totals



Budget Status – Expenditures by Workstream

#	Workstream	Current Month - April			Year To Date - April				2009 Approved Budget	2009 Budget Incl Upgrade	Inception to Date Spending	#
		Budget in SAP	Actuals	Variance	Budget in SAP	Actuals	Variance	% Var.				
Capital (000s)												
1	PMO	\$ 752	\$ 1,183	\$ (432)	\$ 2,506	\$ 3,602	\$ (1,096)	-44%	\$ 9,395	\$ 13,469	\$ 45,406	1
2	SM Operations	\$ 302	\$ 282	\$ 20	\$ 883	\$ 1,074	\$ (191)	-22%	\$ 3,901	\$ 3,901	\$ 7,553	2
3	Contract Procurement	\$ 21,091	\$ 39,388	\$ (18,297)	\$ 63,274	\$ 117,804	\$ (54,530)	-86%	\$ 269,835	\$ 398,695	\$ 333,099	3
4	Electric Network Install	\$ 293	\$ 280	\$ 13	\$ 880	\$ 1,284	\$ (404)	-46%	\$ 3,753	\$ 3,753	\$ 10,710	4
5	Endpoint Installation	\$ 5,943	\$ 2,896	\$ 3,047	\$ 17,828	\$ 1,969	\$ 15,859	89%	\$ 76,029	\$ 63,858	\$ 56,178	5
6	Deployment Office	\$ 1,261	\$ 208	\$ 1,053	\$ 3,784	\$ (1,949)	\$ 5,733	152%	\$ 16,135	\$ 9,552	\$ 24,700	6
7	Gas Network Install	\$ 324	\$ 90	\$ 233	\$ 971	\$ 1,635	\$ (664)	-68%	\$ 4,139	\$ 4,350	\$ 7,053	7
8	IT & CC&B	\$ 1,902	\$ 2,401	\$ (499)	\$ 7,931	\$ 8,322	\$ (391)	-5%	\$ 21,412	\$ 42,507	\$ 246,821	8
9	Technology Monitoring	\$ -	\$ 99	\$ (99)	\$ -	\$ 173	\$ (173)		\$ -	\$ 2,055	\$ 1,837	9
10	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 34,340	\$ 5,000		10
11	Capital Total:	\$ 31,867	\$ 46,827	\$ (14,959)	\$ 98,058	\$ 133,915	\$ (35,857)	-37%	\$ 438,939	\$ 547,139	\$ 733,356	11
Expense (000s)												
12	PMO (incl Comms)	\$ 539	\$ 618	\$ (79)	\$ 1,990	\$ 2,240	\$ (250)	-13%	\$ 5,511	\$ 6,201	\$ 22,327	12
13	SM Operations	\$ 802	\$ 1,151	\$ (349)	\$ 3,368	\$ 4,460	\$ (1,092)	-32%	\$ 9,828	\$ 12,666	\$ 20,856	13
14	Customer	\$ 2,104	\$ 669	\$ 1,436	\$ 6,431	\$ 1,547	\$ 4,884	76%	\$ 19,010	\$ 19,131	\$ 6,363	14
15	Endpoint Installation	\$ 210	\$ 325	\$ (115)	\$ 839	\$ 1,049	\$ (210)	-25%	\$ 2,353	\$ 2,353	\$ 3,573	15
16	Deployment Office	\$ 4	\$ 21	\$ (17)	\$ 15	\$ 310	\$ (295)	-1926%	\$ 46	\$ 46	\$ 13,178	16
17	IT & CC&B	\$ 1,679	\$ 1,574	\$ 105	\$ 8,191	\$ 6,882	\$ 1,310		\$ 22,063	\$ 23,563	\$ 73,202	17
18	Technology Monitoring	\$ -	\$ 130	\$ (130)	\$ -	\$ 939	\$ (939)		\$ -	\$ 4,120	\$ 19,256	18
19	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 227	\$ 227		19
20	Expense Total:	\$ 5,338	\$ 4,489	\$ 850	\$ 20,836	\$ 17,427	\$ 3,408	16%	\$ 59,038	\$ 68,307	\$ 158,755	20
ITD Spending Total:											\$ 892,111	

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date through April was 37% over the 2009 approved budget in SAP. The SmartMeter Upgrade budget for 2009 was approved by the OPSC (\$108 million in capital and \$7 million in expense) on April 28 and will be reflected beginning in May. The remaining capital variance is primarily associated with the timing of contract procurement purchases.

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual		Remaining 2009 Forecast												ITD Actual	
	2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 2,137	\$ 2,298	\$ 2,596	\$ 2,955	\$ 3,223	\$ 3,519	\$ 3,837	\$ 4,176	\$ 9,272	54%
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 7,917	46%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 2,553	\$ 2,714	\$ 3,012	\$ 3,372	\$ 3,640	\$ 3,936	\$ 4,253	\$ 4,592	\$ 17,189	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,677	\$ 11,391	\$ 14,403	\$ 17,775	\$ 21,416	\$ 25,352	\$ 29,605	\$ 34,197		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted FA Benefits:</u>													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,204	\$ 2,685	\$ 2,680	\$ 3,026	\$ 3,304	\$ 3,600	\$ 3,920	\$ 4,221	\$ 4,478	\$ 35,523
Cumulative	\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,610	\$ 10,294	\$ 12,974	\$ 16,000	\$ 19,304	\$ 22,904	\$ 26,824	\$ 31,045	\$ 35,523	
YTD Variance	\$ 103	\$ 195	\$ 227	\$ 227	\$ 469	\$ 355	\$ 346	\$ 388	\$ 475	\$ 649	\$ 944	\$ 1,210	

Notes:

1. The \$2.5 million in reduced meter maintenance expense for 2009 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to help offset other benefit categories with shortfall amounts.
2. The benefits associated with the SmartMeter Upgrade are reflected in the forecasts shown above.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	6/30/2009	GFI problems identified with SSN meters.	Cost and schedule impact due to skipped meter installs (~ 12000 skipped between 3/31 - 5/20). Customer impact - once an SSN meter is installed, the GFI is tripping in the customer's breaker panel.	Dan Partridge	Pilot test to identify common causes for interference revealed multiple causes. A possible solution to use a lower watt meter when certain panel configurations exist identified. A field pilot test underway to verify if 1) a lower power radio eliminates false equipment operation, and 2) network performance is acceptable when some low power meters are interspersed with normal power meters. Field process providing guidance on identification and skipping of meters with GFI problem issued to minimize schedule and productivity impact.
2	TBD	MDM usage estimation due to inability to recognize outage.	Negative customer impact due to estimated usage being posted to CWP. No impact to billing.	Christopher Vana	Service Request on non-estimation of data gaps during power outages is under review. Discussions on a long term solution are in progress with vendors.
3	5/31/2009	Poor read performance (< expected 96%) on ~13,674 of the installed Aclara electric meters.	Ability to turn on and read Aclara electric meters.	Vic Gorden	Per SmartMeter Senior Management decision to stand down further deployment of Aclara electric technology, enhancements or modifications to the Aclara electric technology to resolve performance issues are not being actively pursued. Aclara electric meters are expected to be replaced by April '10 per Rev. 10 deployment schedule. During the period when PG&E continues to operate the system, Aclara enhancements or modifications may be considered on a case by case basis, and may be implemented per PG&E's discretion. Project is considering firmware update to improve performance on installed Aclara electric meters. Pilot to test firmware on a small number of meters is underway.

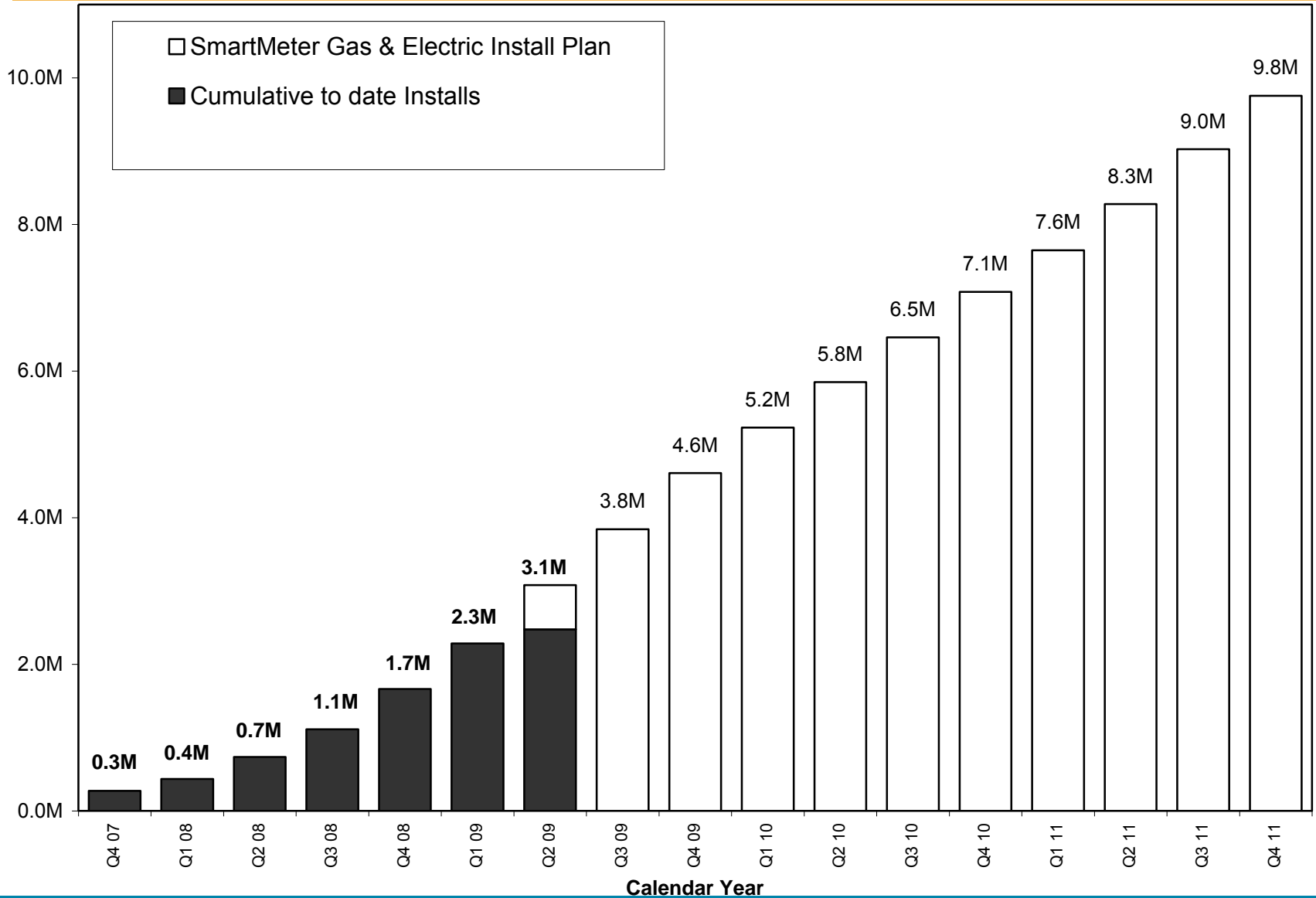
#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	5/15/2009	5	5	25	n/a	Non-standard installations may impact deployment strategy and schedule. Key drivers: Initial survey data was inadequate, Collection and analysis of new data has not been incorporated into project plan	Schedule, additional costs, benefits realization.	Jim Meadows	An effort to identify meter location problems has been established and a pilot is currently underway in the Richmond meter reading offices. Deployment plan has been adjusted by pushing deployment in expected problem areas (urban) toward the later part of the schedule.	
2	4/4/2008	4	5	20	25	Implementation of new technology does not perform as intended. Key driver: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	SSN is performing as intended with >500K SSN meter installations. Plans to mitigate ongoing risk are in place. Aclara failover mitigated by containing Aclara electric meter deployment to 145K.	
3	8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program. Plan to test	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. Plan to test system performance and scalability with 6M meter volume by 11/2/09 developed and being implemented. Plans for SmartMeter systems that support deployment, operation, reading and billing all the way up to 11M meters are being developed for 2010.	
4	8/25/2008	5	2	10	15	DCSI system capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Fewer DCSI meters remain in the field after the replacement of about 30K DCSI meters in Kern. Commission decision on SM upgrade project was received and DCSI TOU meters will not be deployed. DCSI meters will be replaced by April '10 per the Rev. 10 deployment schedule.	

Metric	Key Performance Indicator	Mar '09 - Month Results			Apr '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 2.73	\$ 2.67	2.4%	\$ 3.24	\$ 2.78	-16.5%	\$ 11.30	\$ 10.54	7.2%	\$ 42.10	\$ 38.34	9.8%	
P2	OSHA Recordable Rate (SmartMeter)	5.27	-		3.93	-		3.93	-		3.93	-		One OSHA in March; Target is zero.
C1	Customers enrolled in SmartRate (net)	8,938	(track only)		8,938	(track only)		8,938	(track only)		50,000	50,000	0.0%	
C10	Customer Complaint Rate (escalated to CPUC)	0.005%	(track only)		0.006%	(track only)		0.003%	(track only)					
D1	Meters Installed - Electric & Gas	206,372	223,551	-7.7%	193,709	227,348	-14.8%	807,661	869,190	-7.1%	2,800,000	2,800,000	0.0%	1) Unavailability of SSN meters, 2) Resources required for Kern effort, 3) Skipped meters due to breaker interference issue
D2	DCUs Installed	326	155	110.3%	294	155	89.7%	802	620	29.4%	1,850	1,850	0.0%	
D3	Electric Network - Nodes Installed	14	(track only new target tbd)		1	(track only new target tbd)		1,234	1,000	23.4%	6,000	6,000	0.0%	Target to date prior to March was met, plan going forward to be re-baselined based on updated engineering analysis for optimization
D6	UTC Rate	3.8%	4.5%	16.5%	4.7%	4.5%	-4.8%	3.9%	4.5%	13.5%	4.5%	4.5%	0.0%	High rate in San Carlos Gas UTCs (1/3 of total count of UTCs) due to broken screws & access issues
D8	UTC's open beyond 90 days	17,831	(track only)		18,897	(track only)		18,897	(track only)					
D9	CPI - Endpoints (all-in)	\$117.13	\$119.71	2.2%	\$124.39	\$119.71	-3.9%	\$116.58	\$119.71	2.6%	\$119.71	\$119.71	0.0%	All-in costs (indirect) spread across less than planned installs counts
D10	CPI Gas Network (all-in)	\$3,400	\$4,336	21.6%	\$2,627	\$4,336	39.4%	\$3,338	\$4,336	23.0%	\$4,336	\$4,336	0.0%	
D11	CPI Electric Network (all-in)	\$7,039	\$2,608	-169.9%	N/A - one install			\$2,597	\$2,608	0.4%	\$2,608	\$2,608	0.0%	Installs restarted in May
D17	Total Weeks of Inventory on Hand - Electric M.	2	6	-66.7%	9	4	125.0%	9	4	125.0%	6	6	0.0%	
D18	Total Weeks of Inventory on Hand - Gas Mtr.	24	4	490.0%	14	3	366.7%	14	3	366.7%	17	4	325.0%	
O4	Transition Aging YTD - Average Days	37.47	15	-149.8%	26.92	15	-79.5%	26.92	15	-79.5%				Residual backlog as a result of 2009 Deployment changes; SSN supply chain issues reducing available routes for transition; & stranded gas populations on dual commodity routes
O9	% Bills estimated	99.76%	99.20%	0.6%	99.71%	99.20%	0.5%	99.71%	99.20%	0.5%				
B2	Meters Activated - Electric & Gas	23,788	(track only)		138,011	(track only)		326,854	(track only)		4,700,000	(track only)		
B3	Count of Remote Disconnects				1,471	1,951	-24.6%	1,471	1,951	-24.6%	51,000	51,000		One week delay against target in start of capability
B5	Meter Reader HC reductions	15	37	-59.5%	24	20	20.0%	63	77	-18.2%	226	226	0.0%	YTD - Reduction in activated meters caused by shift in AMI electric system technology impacting the ability to transition meters

Targets are based on the 2009 Operating Baseline Plan

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



1. CPUC Approved Contingency (including Upgrade)		\$177,753
Total Approved Contingency Drawdown		\$2,856
Approved Date	2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
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various	Other (less than \$500,000 each)	\$3,897
	Subtotal PDRs	\$88,486
	Total PDRs	\$91,342

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update – June
June 19, 2009

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Release E/F BBE - Build/Test							
Release G - Design							
Release X - Plan/Analysis							
Release H - Plan							
2009 Other Cap. Projs. (IT PMO, 08 carry over, SM Apps, DC)							
2009 Operating expenses (CC&B, Stabilization)							

Challenges

Overall

- EA vendor delivery dependencies exist for all IT releases
- HAN operating model and finalization of initial HAN pilot scope

Release G

- Additional scope requests received
- Ecologic (EA) delivery delayed from 6/16/09 to 8/10/09

Actions/Status

Release BBE

- April-July Project Management and Environment support costs pending PMO funding approval.

Release G

- Budget for Restoration Validation approved; OMT enhancements budget is pending updates and final review. Final PMO review and sign-off on overall budget pending.
- Scope requests under review; discussion with leadership team scheduled for 6/10/09.
- Schedule impact assessment underway. Conference call with EA scheduled for 6/10/09. EA is confident of ability to meet new date and to provide design documentation on 6/16/09.

Release H

- Plan completion targeted for 6/30/09. Cost estimation and work planning in progress.

Release X

- Currently on track to meet 6M meter scalability milestone by 11/2/09.

Release O

- Stakeholder kick off conducted 6/10/09. SME kick off meeting scheduled for 6/24/09.

Future Releases

Creating integrated SM Upgrade and future release plan by 6/30/09. Plan to include:

- Remaining 1.0 scope
- Upgrade scope

[Redacted]

2009 Deployment Status Update

	Budget	EAC	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Endpoints (2009)							
Gas Network (2009)							
Electric Network (2009)							

Challenges

- Deployment - Endpoint
- Endpoint behind schedule due to various issues in Q1
 - Availability of SSN electric meters
 - Resources required for Kern redeployment (30K meters) due to substation upgrade
 - Lost productivity due to GFCI/AFCI breaker interference

 - Non-standard installations may impact deployment schedule

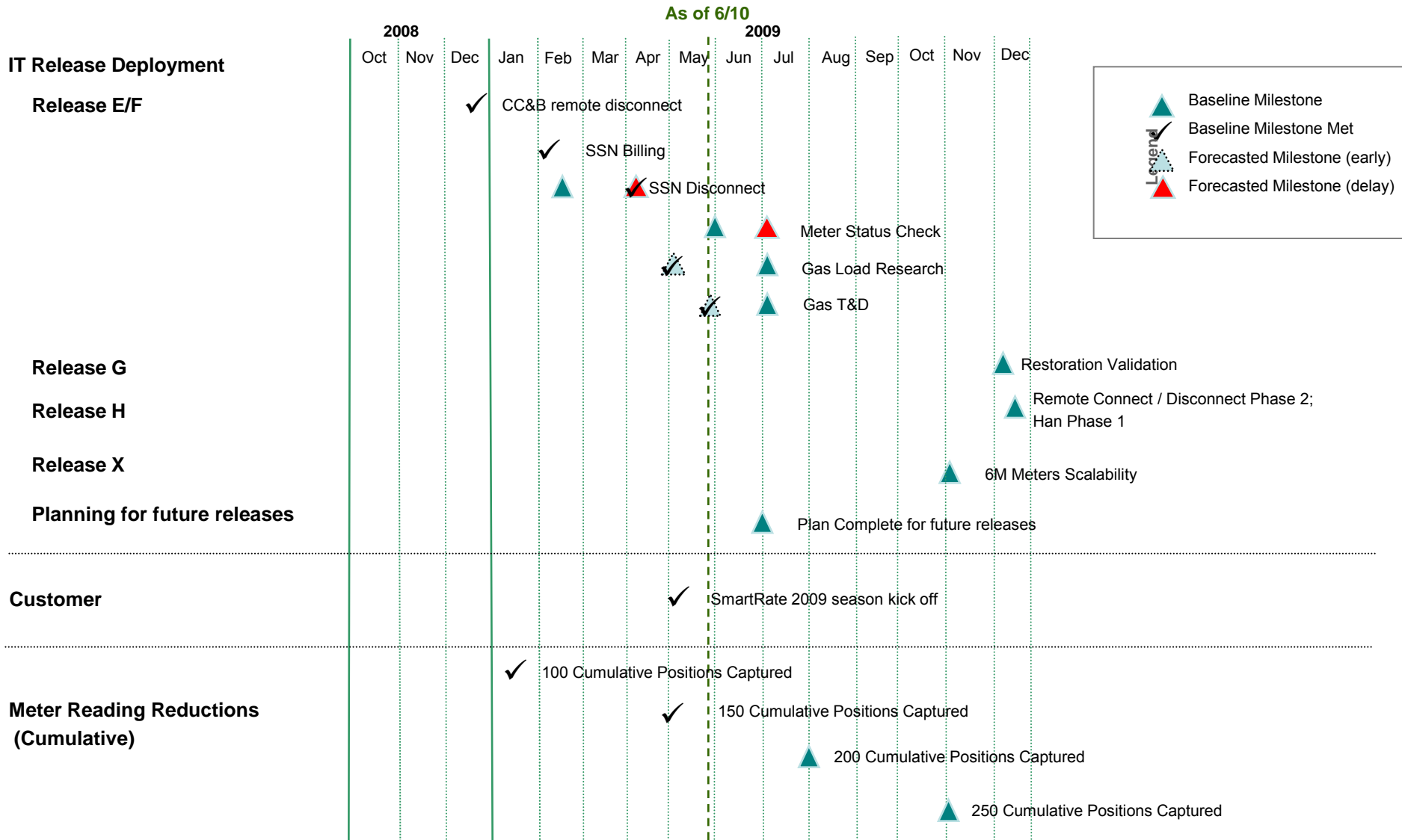
 - Solution for 40,400 gas meters/modules need to be determined

Actions/Status

- Deployment - Endpoint
- Deployment Plan version10 published and makes up for the lost ground in the first five months; metric has been added to indicate progress on the recovery plan.
 - Additional actions taken to recover endpoint deployment schedule:
 - WEI has increased staff; will be above 400 installers by end of June.
 - Offices have been accelerated with higher expected productivity rates.
 - T300 staff will be increased after ServeAnywhere is available for PG&E.

 - Effort to identify meter location problems underway.
 - Meter reader survey in progress in Oakland.
 - Engineering solution project plan to be finalized by 6/22/09.
 - Additional gas solutions are in evaluation.

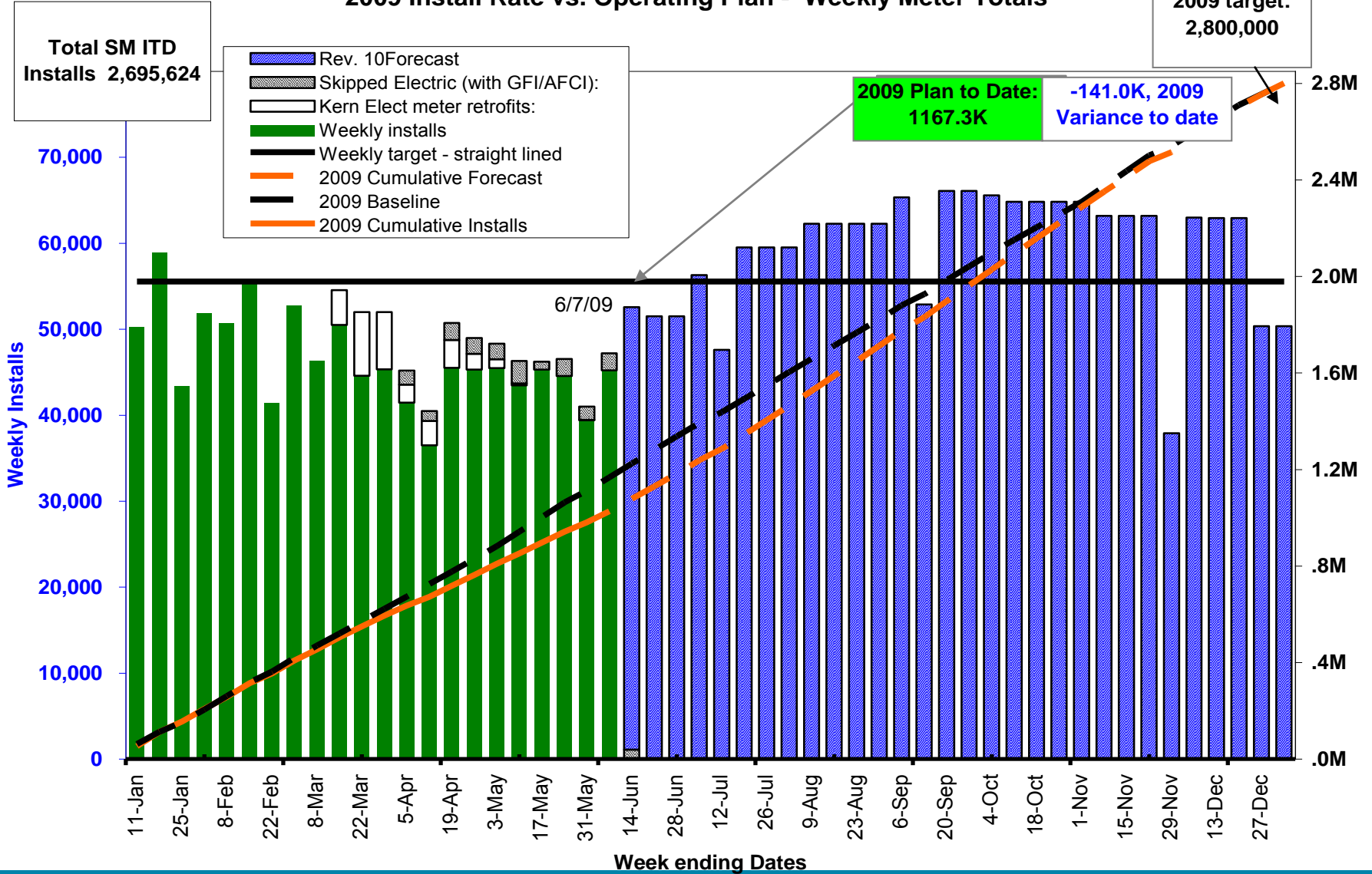
 - Vendor module dates set for 20,000 meters with delivery in July '09.
 - Vendor modules are under development for an additional 17,000 meters with dates not yet finalized; date estimates to be provided by 6/30/09.
 - 3200 of the remainder are being recommended for gas meter exchange rather than development of a unique module. Cost of the meter exchange is being evaluated, to be completed by 6/30/09.



As of June 7

Deployment Update

2009 Install Rate vs. Operating Plan - Weekly Meter Totals



Budget Status – Expenditures by Workstream

#	Workstream	Current Month - May			Year To Date - May				2009 Approved Budget	2009 Adjusted Budget	Inception to Date Spending	#
		Adjusted Budget	Actuals	Variance	Adjusted SAP	Actuals	Variance	% Var.				
Capital (000s)												
1	PMO	\$ 1,131	\$ 1,113	\$ 18	\$ 3,637	\$ 4,715	\$ (1,078)	-30%	\$ 9,395	\$ 15,532	\$ 46,519	1
2	SM Operations	\$ 305	\$ 264	\$ 41	\$ 1,188	\$ 1,338	\$ (150)	-13%	\$ 3,901	\$ 3,901	\$ 7,817	2
3	Contract Procurement	\$ 76,371	\$ 34,053	\$ 42,318	\$ 139,646	\$ 151,857	\$ (12,212)	-9%	\$ 269,835	\$ 398,695	\$ 367,152	3
4	Electric Network Install	\$ 293	\$ 248	\$ 44	\$ 1,174	\$ 1,533	\$ (359)	-31%	\$ 3,753	\$ 3,753	\$ 10,958	4
5	Endpoint Installation	\$ 3,421	\$ 5,133	\$ (1,711)	\$ 21,250	\$ 7,102	\$ 14,148	67%	\$ 76,029	\$ 56,858	\$ 61,310	5
6	Deployment Office	\$ 1,261	\$ 866	\$ 395	\$ 5,045	\$ (1,083)	\$ 6,128	121%	\$ 16,135	\$ 16,135	\$ 25,566	6
7	Gas Network Install	\$ 324	\$ 240	\$ 83	\$ 1,294	\$ 1,875	\$ (581)	-45%	\$ 4,139	\$ 4,139	\$ 7,293	7
8	IT & CC&B	\$ 1,844	\$ 3,667	\$ (1,823)	\$ 9,775	\$ 11,990	\$ (2,214)	-23%	\$ 21,412	\$ 41,071	\$ 250,488	8
9	Technology Monitoring	\$ 257	\$ 16	\$ 240	\$ 257	\$ 190	\$ 67	26%	\$ -	\$ 2,055	\$ 1,854	9
10	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 34,340	\$ 5,000	\$ -	10
11	Capital Total:	\$ 85,206	\$ 45,601	\$ 39,606	\$ 183,265	\$ 179,516	\$ 3,749	2%	\$ 438,939	\$ 547,139	\$ 778,957	11
Expense (000s)												
12	PMO (incl Comms)	\$ 655	\$ 315	\$ 340	\$ 2,677	\$ 2,555	\$ 122	5%	\$ 5,512	\$ 6,380	\$ 22,642	12
13	SM Operations	\$ 815	\$ 1,040	\$ (225)	\$ 4,183	\$ 5,500	\$ (1,317)	-31%	\$ 9,828	\$ 12,666	\$ 21,895	13
14	Customer	\$ 2,126	\$ 721	\$ 1,405	\$ 8,558	\$ 2,268	\$ 6,289	73%	\$ 19,010	\$ 19,131	\$ 7,084	14
15	Endpoint Installation	\$ 210	\$ 333	\$ (123)	\$ 1,049	\$ 1,382	\$ (333)	-32%	\$ 2,353	\$ 2,353	\$ 3,906	15
16	Deployment Office	\$ 4	\$ 25	\$ (21)	\$ 19	\$ 336	\$ (317)	-1653%	\$ 46	\$ 46	\$ 13,203	16
17	IT & CC&B	\$ 1,673	\$ 1,601	\$ 72	\$ 9,864	\$ 8,483	\$ 1,382		\$ 22,063	\$ 23,563	\$ 74,803	17
18	Technology Monitoring	\$ 515	\$ 309	\$ 206	\$ 515	\$ 1,248	\$ (733)	-142%	\$ -	\$ 4,120	\$ 19,565	18
19	Unassigned Spend (Dec)	\$ 245	\$ -	\$ 245	\$ 245	\$ -	\$ 245	100%	\$ 227	\$ 227	\$ -	19
20	Expense Total:	\$ 6,242	\$ 4,344	\$ 1,898	\$ 27,110	\$ 21,772	\$ 5,338	20%	\$ 59,039	\$ 68,487	\$ 163,099	20
ITD Spending Total:											\$ 942,056	

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date through May was 2% under the 2009 adjusted budget in SAP. The SmartMeter Upgrade budget for 2009 was approved by the OPSC (\$108 million in capital and \$7 million in expense) on April 28 and is now reflected in the budget amounts shown. Contract procurement purchases ahead of plan were largely offset by under spending in endpoint installations.

Budget Status - Benefits

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual						Remaining 2009 Forecast								ITD Actual	
	2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
	Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 1,523	\$ 2,298	\$ 2,596	\$ 2,955	\$ 3,223	\$ 3,519	\$ 3,837		
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 8,333	44%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 1,939	\$ 2,714	\$ 3,012	\$ 3,372	\$ 3,640	\$ 3,936	\$ 4,253	\$ 4,592	\$ 19,128	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,063	\$ 10,777	\$ 13,789	\$ 17,161	\$ 20,801	\$ 24,737	\$ 28,991	\$ 33,583		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted FA Benefits:													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
Actual / Current Forecast:													
Monthly	\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,204	\$ 2,653	\$ 2,721	\$ 3,067	\$ 3,346	\$ 3,641	\$ 3,961	\$ 4,262	\$ 4,519	\$ 35,781
Cumulative	\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,610	\$ 10,263	\$ 12,984	\$ 16,051	\$ 19,397	\$ 23,038	\$ 26,999	\$ 31,262	\$ 35,781	
YTD Variance	\$ 103	\$ 195	\$ 227	\$ 227	\$ 438	\$ 365	\$ 398	\$ 481	\$ 610	\$ 825	\$ 1,161	\$ 1,469	

Notes:

1. The \$2.5 million in reduced meter maintenance expense for 2009 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to help offset other benefit categories with shortfall amounts.
2. The benefits associated with the SmartMeter Upgrade are reflected in the forecasts shown above.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	6/30/2009	GFI problems identified with SSN meters.	Cost and schedule impact due to skipped meter installs (~ 18,550 skipped between 3/31 - 6/9). Customer impact - If GFI trips, customer has a partial power outage.	Jim Meadows	A possible solution to use a lower watt meter identified. A field pilot test underway to verify if : 1) a lower power radio fixes the GFI tripping, and 2) network performance is acceptable with a mix of high/low meters. As of 6/15/09: 55 low power meters have successfully solved related GFI trip; testing continues. Network performance testing continues; implementation process steps under evaluation.
2	6/26/2009	MDM usage estimation due to inability to recognize outage.	Negative customer impact due to estimated usage being posted to CWP. No impact to billing.	Christopher Vana	A long and a short term solution have been identified. In the short-term, change or removal of CWP access for customer groups whose data is at high-risk for the interval estimation error (i.e. CWP customers with DCSI and Hex meters) has been proposed. The decision is pending an effort estimate. A disclaimer identifying that the data that is seen is not the data a customer is billed with, and may contain deficiencies has been placed in CWP.
3					
4	5/31/2009	Poor read performance (< expected 96%) on ~13,674 of the installed Aclara electric meters.	Ability to turn on and read Aclara electric meters.	Vic Gorden	<u>Issue closed 6/11/09.</u> Per SmartMeter Senior Management decision to stand down further deployment of Aclara electric technology, enhancements or modifications to the Aclara electric technology to resolve performance issues are not being actively pursued. Aclara electric meters are expected to be replaced by April '10 per Rev. 10 deployment schedule. During the period when PG&E continues to operate the system, Aclara enhancements or modifications may be considered on a case by case basis, and may be implemented per PG&E's discretion. Project is considering firmware update to improve performance on installed Aclara electric meters. Pilot to test firmware on a small number of meters is underway.

#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	5/15/2009	5	5	25	n/a	Non-standard installations may impact deployment cost and schedule. Key drivers: Basements, cabinets, meters with limited access may require non-standard solutions.	Schedule, additional costs, benefits realization.	Jim Meadows	Effort to identify meter location problems underway. Meter reader survey in progress in Oakland. Engineering solution project plan to be finalized by 6/22/09. Additional gas solutions are in evaluation.	
2	4/4/2008	4	5	20	25	Implementation of new technology does not perform as intended. Key driver: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Mesh technology is performing as intended with >600K SSN meter installations. Other electric technologies are now in the deployment schedule for replacement.	
3	8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program. Plan to test	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. Plan to test system performance and scalability with 6M meter volume by 11/2/09 developed and being implemented. Plans for SmartMeter systems that support deployment, operation, reading and billing all the way up to 11M meters are being developed for 2010.	
4	8/25/2008	5	2	10	15	DCSI system capability to effectively manage reads past established thresholds.	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Fewer DCSI meters remain in the field after the replacement of about 30K DCSI meters in Kern. Commission decision on SM upgrade project was received and DCSI TOU meters will not be deployed. DCSI meters will be replaced by April '10 per the Rev. '10 deployment schedule.	

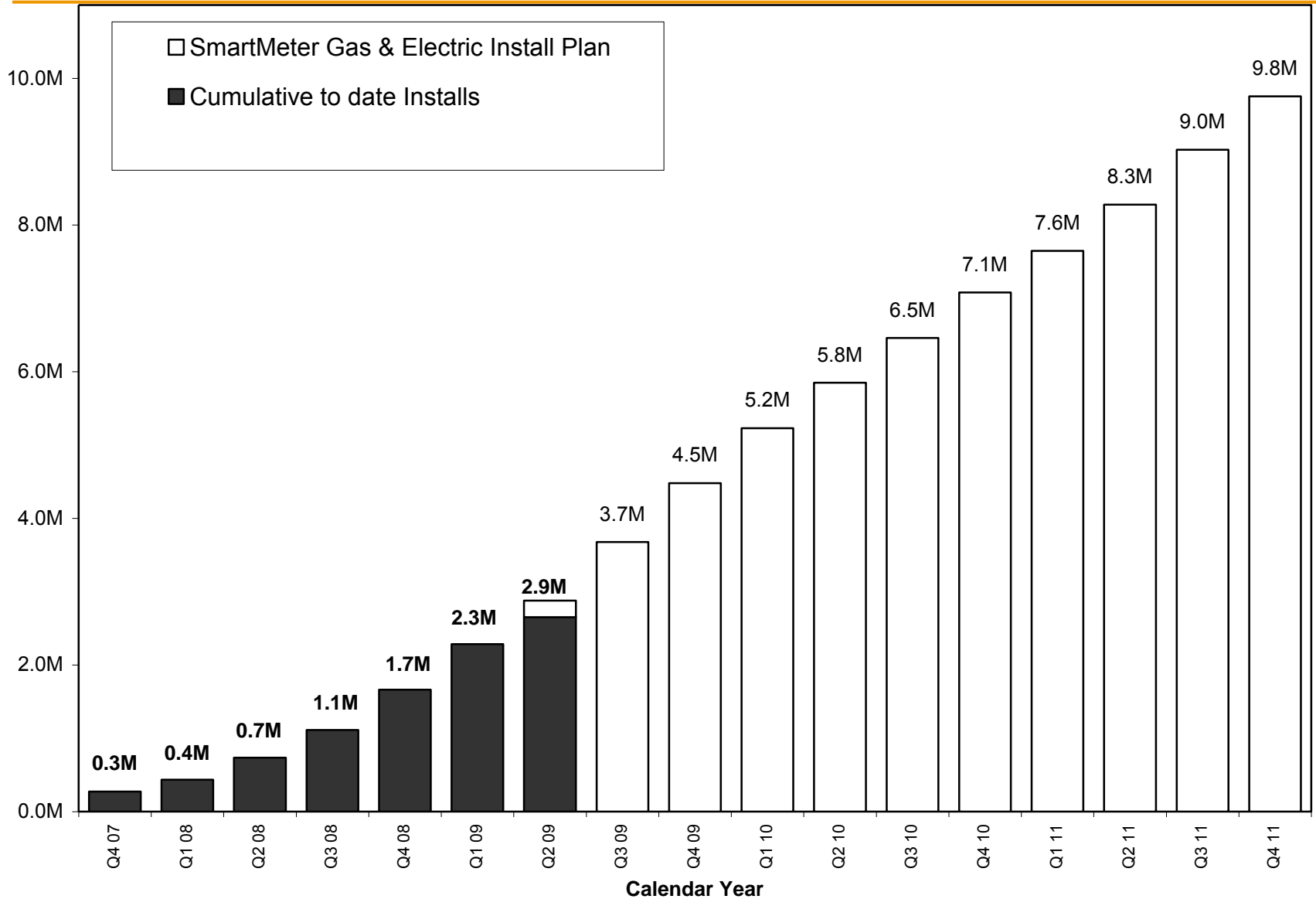
Program Metrics

Metric	Key Performance Indicator	Apr '09 - Month Results			May '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 3.24	\$ 2.78	16.5%	\$ 3.23	\$ 3.20	0.8%	\$ 14.52	\$ 13.75	5.7%	\$ 42.40	\$ 38.34	10.6%	
P2	OSHA Recordable Rate (SmartMeter)	3.93	-		3.02	-		3.02	-		3.02	-		One OSHA in March; Target is zero.
C1	Customers enrolled in SmartRate (net)	8,938	(track only)		12,305	(track only)		12,305	(track only)		50,000	50,000	0.0%	
C10	Customer Complaint Rate (escalated to CPUC)	0.006%	(track only)			(track only)		0.003%	(track only)					
D1	Meters Installed - Electric & Gas	193,709	227,348	-14.8%	173,466	241,700	-28.2%	981,127	1,110,878	-11.7%	2,800,000	2,800,000	0.0%	1) Unavailability of SSN meters, 2)Resources required for Kern redeployment due to substation upgrade, 3) Skipped meters due to breaker interference issue
D2	DCUs Installed	294	155	89.7%	176	155	13.5%	978	775	26.2%	1,850	1,850	0.0%	
D3	Electric Network - Nodes Installed	1	(track only new target tbd)		416	416	0.0%	1,650	1,650	0.0%	6,000	6,000	0.0%	
D6	UTC Rate	4.7%	4.5%	-4.8%	4.6%	4.5%	-2.0%	4.0%	4.5%	10.9%	4.5%	4.5%	0.0%	Primarily due a jump in the Electric UTC rate from 2.7% to 3.7% (Colma 6.7%, Stockton 6.5%, Hayward 5.9%)
D8	UTC's open beyond 90 days	18,897	(track only)		18,897	(track only)		18,897	(track only)					
D9	CPI - Endpoints (all-in)	\$124.39	\$119.71	-3.9%	\$124.88	\$119.71	-4.3%	\$118.05	\$119.71	1.4%	\$119.71	\$119.71	0.0%	All-in costs (indirect) spread across less than planned install counts
D10	CPI Gas Network (all-in)	\$2,627	\$4,336	39.4%	\$3,030	\$4,336	30.1%	\$3,283	\$4,336	24.3%	\$4,336	\$4,336	0.0%	
D11	CPI Electric Network (all-in)	N/A - one install			\$2,122	\$2,608	0.0%	\$2,477	\$2,608	5.0%	\$2,608	\$2,608	0.0%	
D17	Total Weeks of Inventory on Hand - Electric M.	9	4	125.0%	5	4	25.0%	5	4	25.0%	6	6	0.0%	
D18	Total Weeks of Inventory on Hand - Gas Mtr.	14	3	366.7%	15	3	400.0%	15	3	400.0%	17	4	325.0%	
O4	Transition Ageing - Average Days	26.92	15	-79.5%	21.24	15	-41.6%	21.24	15	-41.6%				Residual backlog as a result of 2009 Deployment changes; Electric endpoints behind schedule reducing available routes for transition; & stranded gas populations on dual commodity routes
O9	% Bills estimated	99.71%	99.20%	0.5%	99.72%	99.20%	0.5%	99.72%	99.20%	0.5%				
B2	Meters Activated - Electric & Gas	138,011	(track only)		275,975	(track only)		602,829	(track only)		4,700,000	(track only)		
B3	Count of Remote Disconnects	1,471	1,951	-24.6%	6,378	2,893	120.5%	7,849	4,844	62.0%	51,000	51,000		
B5	Meter Reading HC reductions	24	20	20.0%	17	27	-37.0%	82	104	-21.2%	248	248	0.0%	YTD - Reduction in activated meters caused by shift in AMI electric system technology impacting the ability to transition meters

Targets are based on the 2009 Operating Baseline Plan

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency		\$128,773
Upgrade Approved Contingency		\$48,980
Total Contingency granted		\$177,753
Total PDRs Adopted by Steering Committee		\$2,856
Subtotal Adopted PDR's		\$2,856
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown		
Approved Date	2007 PDR Total	\$92,773
2007		
2008	2008 PDR Total	\$32,240
5/21/09	Change to RF network and SSN technology	(\$40,191)
5/22/09	Change to RF technology: additional vendor specific costs adjustments	██████████
5/23/09	Change to RF technology: new endpoint supplier agreement	██████████
5/24/09	Release E Funding Revision	\$3,507
6/5/09	Release X - Scalability (Phase 1) (aka RFA 09-005)	\$22,693
various - 2009	2009 - Other (less than \$500,000 each)	\$795
Subtotal PDRs		\$111,358
Total Adopted and Approved		\$114,214

6/5/09 Release X - Scalability (Phase 1) (aka RFA 09-005) \$22,693

Public Version

PG&E
SmartMeter 

SmartMeter™
Steering Committee Update – July
July 24, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release E/F BBE - Testing							
Release G - Design							
Release H - Plan/Analyze							
Release O - Plan/Analyze							
Release X - Plan/Analyze							
2009 Other Cap. Projs. (IT PMO, 08 carry over, SM Apps, DC)							
2009 Operating expenses (CC&B, Stabilization)							

Challenges

- Release BBE
- Meter power status check delayed from 7/7/09 to 7/31/09 due to communication issues with vendor application and inconsistent results with CC Outage
 - IVR functionality moved to Release H

- Release G
- ABB is developing on a version that will require upgrade prior to deployment

- Release H
- Scope changes and vendor discovery impact plan/analyze phase deliverable completion; HAN functionality removed from H and to be managed as a separate Release

- Overall
- EA vendor delivery dependencies exist for all IT releases
 - HAN operating model and finalization of initial HAN pilot scope

Actions/Status

- Release BBE
- Defect fixes underway, 7/31 deployment currently on target.
 - April-July Project Management and Environment support costs pending PMO funding approval
 - Cost/benefits impact from meter power and IVR move to Release H to be assessed; any cost adjustments will be made via RFA.

- Release G
- Reviewing ABB documents to assess project and testing impact, and to determine next steps.
 - Delay in vendor deliverable uses up all schedule contingency; schedule and vendor dependencies being closely monitored.

- Release H
- New target set for early August.

- Release O
- Release kicked-off 6/24/09. Current state process maps completed and going through sign-offs.

- Release X
- Currently on track to meet 6M meter scalability by 11/2/09.

- Future Releases
- Creating integrated SM Upgrade and future release plan by 8/31/09
 - Upgrade scope
 - Remaining 1.0 scope - Preliminary Release packages for Releases I and J determined, final confirmation targeted by 8/31/09 completion of Re-plan

[Redacted text]

2009 Deployment Status Update

	Budget (Budget / CPI)	EAC (EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Endpoints (2009 YTD)							
Gas Network (2009 YTD)							
Electric Network (2009 YTD)							

Challenges

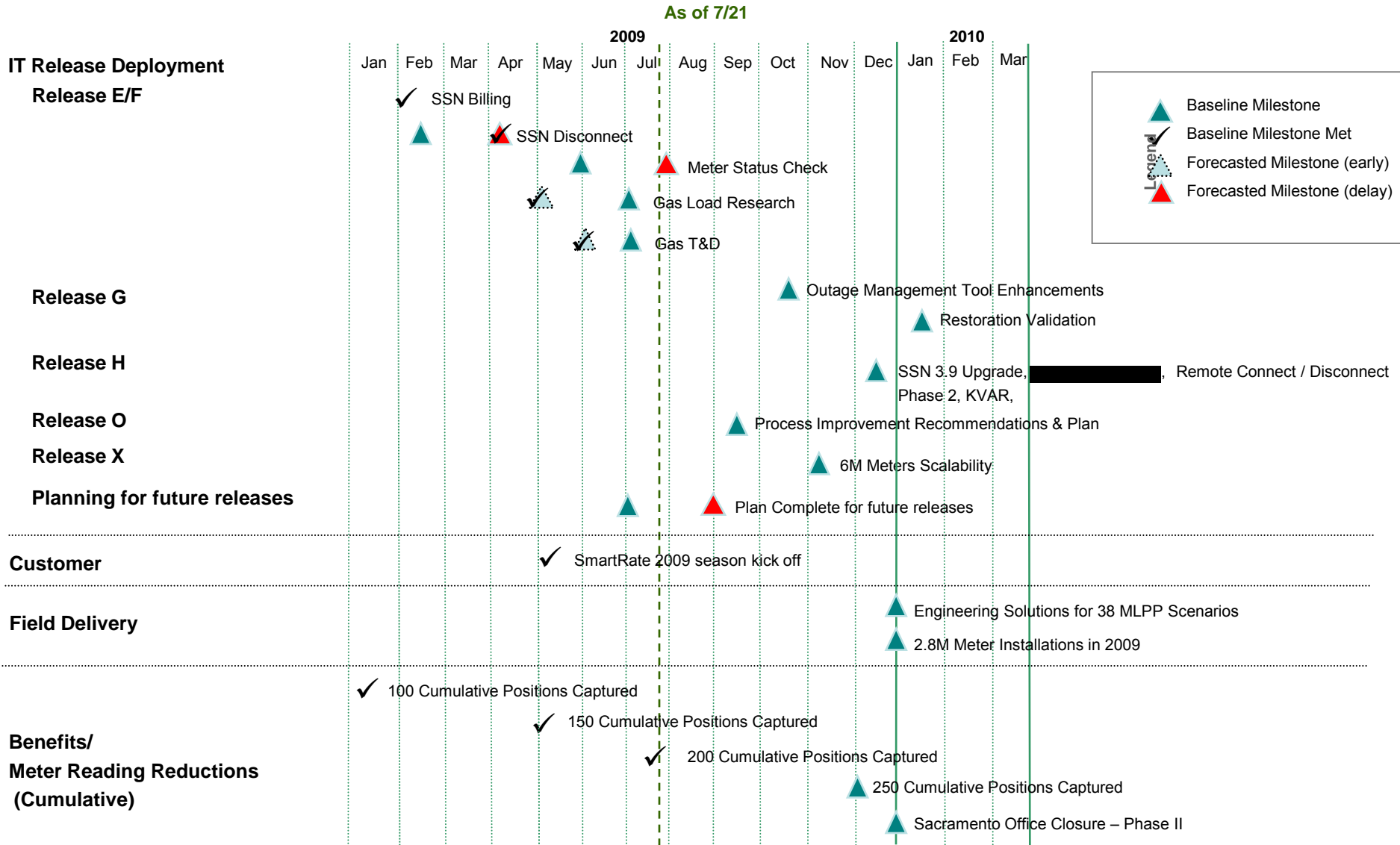
Actions/Status

Deployment - Endpoint

- Electric meter deployment behind plan due to delays earlier in the year resulting from supply chain issues, resources required for Kern redeployment and lost productivity due to GFCI/AFCI breaker interference (trip). All issues have been resolved.
- Non-standard installations may impact deployment schedule
- Sacramento office final closure has 3974 meters remaining
- Gas meter inventory surplus created due to deployment focus on installing in gas only areas to mitigate electric meter supply chain issues from Q4 '08 - Q1'09 (currently 19 weeks of inventory against targeted 6 weeks on hand)

Deployment - Endpoint

- Deploying now in high productivity areas (Kern, Antioch, Concord) for rate pick up
 - WEI staff increased to 400 installers as of June
 - T300 staff expected to be increased by 18 installers by 8/15
 - Meter skip process terminated with process identified to minimize customer impact; installation will be performed in October with low power meters
 - Project is currently 16k meters behind the make-up plan (about 1.5 days)
- Meter reader surveys to identify meter location problems completed in Richmond, Berkley and Oakland; San Francisco (SF) survey begins in Aug 2009
 - Engineering solution under development to be ready by year end
 - Additional gas solutions are under evaluation
- Of these: 718 will be meter exchanged
 - 1,689 are rotary meters required higher grade workforce
 - 994 need a vendor solution or engineering approval
 - 541 UTCs, 64 are being investigated for further information
- Gas modules supply chain is being adjusted to target 6 weeks of inventory at year end



As of July 19

Deployment Update

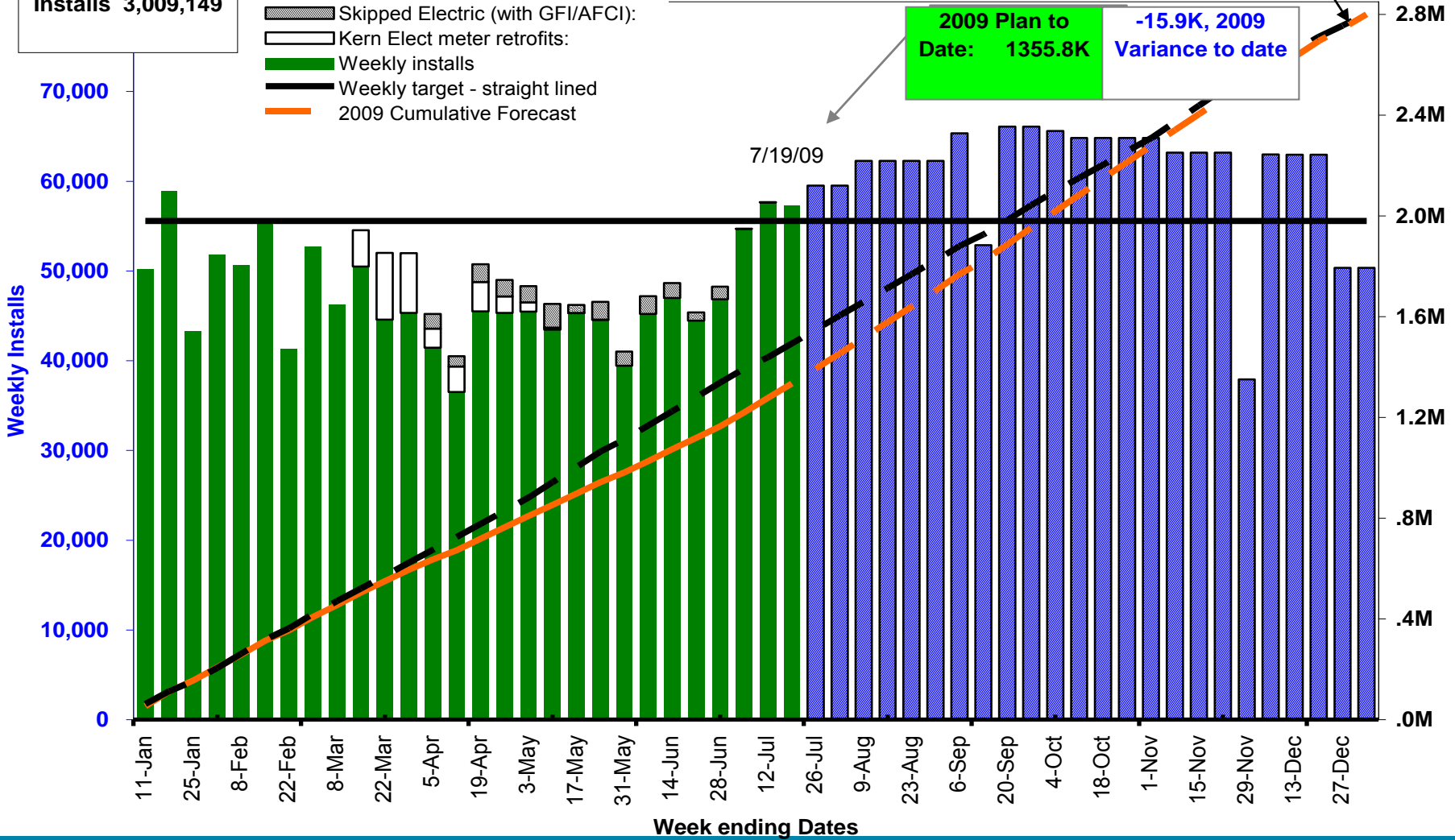
2009 Install Rate vs. Operating Plan - Weekly Meter Totals

2009 target:
2,800,000

Total SM ITD
Installs 3,009,149

- Rev. 10Forecast
- Skipped Electric (with GFI/AFCI):
- Kern Elect meter retrofits:
- Weekly installs
- Weekly target - straight lined
- 2009 Cumulative Forecast

2009 Plan to
Date: 1355.8K
-15.9K, 2009
Variance to date



Budget Status – Expenditures by Workstream

#	Workstream	Current Month - June			Year To Date - June				2009 Approved Budget	Year-End Budget Forecast	Inception to Date Spending	#
		Adjusted Budget	Actuals	Variance	Adjusted Budget	Actuals	Variance	% Var.				
Capital (000s)												
1	PMO	\$ 1,135	\$ 1,358	\$ (224)	\$ 6,189	\$ 6,073	\$ 116	2%	\$ 13,469	\$ 13,469	\$ 47,877	1
2	SM Operations	\$ 325	\$ 275	\$ 50	\$ 1,951	\$ 1,612	\$ 338	17%	\$ 3,901	\$ 3,901	\$ 8,091	2
3	Contract Procurement	\$ 32,513	\$ 64,131	\$ (31,617)	\$ 191,417	\$ 215,988	\$ (24,571)	-13%	\$ 398,695	\$ 398,695	\$ 431,283	3
4	Electric Network Install	\$ 293	\$ 383	\$ (91)	\$ 1,766	\$ 1,916	\$ (150)	-9%	\$ 3,753	\$ 3,753	\$ 11,342	4
5	Endpoint Installation	\$ 7,143	\$ 4,647	\$ 2,496	\$ 25,540	\$ 11,749	\$ 13,792	54%	\$ 63,858	\$ 63,858	\$ 65,958	5
6	Deployment Office	\$ 1,343	\$ 1,257	\$ 86	\$ 916	\$ 174	\$ 743	81%	\$ 9,552	\$ 9,552	\$ 26,823	6
7	Gas Network Install	\$ 345	\$ 387	\$ (42)	\$ 2,070	\$ 2,262	\$ (192)	-9%	\$ 4,350	\$ 4,350	\$ 7,680	7
8	<i>Deployment Subtotal:</i>	\$ 41,637	\$ 70,805	\$ (29,168)	\$ 221,709	\$ 232,089	\$ (10,379)	-5%	\$ 480,208	\$ 480,208	\$ 543,085	8
9	IT and CC&B	\$ 1,582	\$ 2,562	\$ (980)	\$ 10,357	\$ 14,551	\$ (4,194)	-40%	\$ 43,242	\$ 43,242	\$ 253,049	9
10	Technology Monitoring	\$ 171	\$ 24	\$ 148	\$ 1,027	\$ 213	\$ 814	79%	\$ 2,055	\$ 2,055	\$ 1,877	10
11	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 4,265	\$ 4,265	\$ -	11
12	Capital Total:	\$ 44,850	\$ 75,023	\$ (30,173)	\$ 241,233	\$ 254,539	\$ (13,306)	-6%	\$ 547,139	\$ 547,139	\$ 853,980	12
Expense (000s)												
13	PMO (incl Comms)	\$ 517	\$ 439	\$ 78	\$ 3,201	\$ 2,994	\$ 207	6%	\$ 6,201	\$ 6,201	\$ 23,081	13
14	SM Operations	\$ 876	\$ 1,074	\$ (198)	\$ 5,028	\$ 6,574	\$ (1,545)	-31%	\$ 10,286	\$ 10,286	\$ 22,969	14
15	Customer	\$ 1,585	\$ 1,824	\$ (239)	\$ 9,435	\$ 4,092	\$ 5,343	57%	\$ 19,010	\$ 19,010	\$ 8,908	15
16	Endpoint Installation	\$ 210	\$ 371	\$ (161)	\$ 1,259	\$ 1,753	\$ (495)	-39%	\$ 2,353	\$ 2,353	\$ 4,278	16
17	Deployment Office	\$ 4	\$ 86	\$ (82)	\$ 23	\$ 422	\$ (399)	-1736%	\$ 46	\$ 46	\$ 13,289	17
18	<i>Deployment Subtotal:</i>	\$ 214	\$ 457	\$ (244)	\$ 1,282	\$ 2,175	\$ (894)	-70%	\$ 2,399	\$ 2,399	\$ 17,567	
19	IT and CC&B	\$ 1,839	\$ 1,673	\$ 166	\$ 11,666	\$ 10,156	\$ 1,510		\$ 23,563	\$ 23,563	\$ 76,476	19
20	Technology Monitoring	\$ 343	\$ 258	\$ 86	\$ 2,060	\$ 1,506	\$ 554	27%	\$ 4,120	\$ 4,120	\$ 19,823	20
21	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 227	\$ 227	\$ -	21
22	Expense Total:	\$ 5,375	\$ 5,726	\$ (351)	\$ 32,672	\$ 27,497	\$ 5,175	16%	\$ 65,807	\$ 65,807	\$ 168,824	22
ITD Spending Total:											\$ 1,022,804	

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date through June was 6% over the 2009 approved adjusted (for Upgrade) budget in SAP. The year-to-date variance overrun of \$13.3 million is due to a combination of line: #3) timing differences in the receipt of meter and network equipment, #9) more capitalized IT work in the first half of the year than planned, and offset somewhat by #5) lower endpoint labor costs than planned due to focus on lower cost residential meter installations. Year-end forecast currently remains at budget and will be updated based upon planned August reforecast activities.

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual							Remaining 2009 Forecast						ITD Actual		
	2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov			Dec
Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 1,523	\$ 1,973	\$ 2,119	\$ 2,456	\$ 2,856	\$ 3,281	\$ 3,718	\$ 4,154	\$ 12,768	59%
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 8,750	41%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 1,939	\$ 2,389	\$ 2,536	\$ 2,872	\$ 3,273	\$ 3,697	\$ 4,135	\$ 4,571	\$ 21,518	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,063	\$ 10,452	\$ 12,988	\$ 15,860	\$ 19,133	\$ 22,831	\$ 26,966	\$ 31,537		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted FA Benefits:</u>													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,204	\$ 2,653	\$ 2,876	\$ 2,923	\$ 3,123	\$ 3,399	\$ 3,697	\$ 3,981	\$ 4,323	\$ 34,586
Cumulative	\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,610	\$ 10,263	\$ 13,139	\$ 16,063	\$ 19,186	\$ 22,584	\$ 26,282	\$ 30,263	\$ 34,586	
YTD Variance	\$ 103	\$ 195	\$ 227	\$ 227	\$ 438	\$ 520	\$ 409	\$ 269	\$ 156	\$ 107	\$ 162	\$ 273	

Notes:

1. The \$2.5 million in reduced meter maintenance expense for 2009 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to help offset other benefit categories with shortfall amounts.
2. The benefits associated with the SmartMeter Upgrade are reflected in the forecasts shown above.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	7/31/2009	GFI problems identified with SSN meters.	Cost and schedule impact due to skipped meter installs (~ 21,560 skipped between 3/31 - 7/14). Customer impact - If GFI trips, customer has a partial power outage.	Jim Meadows	A possible solution to use a lower watt meter identified and tested. Trip data analysis from modified skip process and evaluation of low power meter settings expected to complete by 7/24/09. Next steps: 1) Sign off on low power meter solution by 7/31/09. 2) Collect addresses for return installation after new generation SSN meters are available.
2	10/1/2009	Customer Web Presentation (CWP) does not accurately display a customer's usage information for the exchange period of a SmartMeter/SmartMeter electric meter exchange.	Potential impact to the entire DCSI and Aclara RF population that will be exchanged, if defect not fixed prior to the exchanges. Upcoming Aclara RF exchanges in Hayward (in progress), Bayhill, Fresno (August) and Stockton (November) total about 140K meters.	Christopher Vana	Talking points and information provided to customer-facing employees. Online error message added to include: 'New usage data will be available after you receive your next bill'. Next steps: 1) Evaluate IT solution and resource needs to resolve. 2) Analyze customer impact and mitigations.
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5	7/31/2009	MDM usage estimation due to inability to recognize outage.	Negative customer impact due to estimated usage being posted to CWP. No impact to billing.	Christopher Vana	Issue priority reduced to low due to the short term solution being adequate for now. For the long term solution, ISTS vendor management to log a defect with EA to address this issue. The delivery date for this defect resolution is unknown at this time.

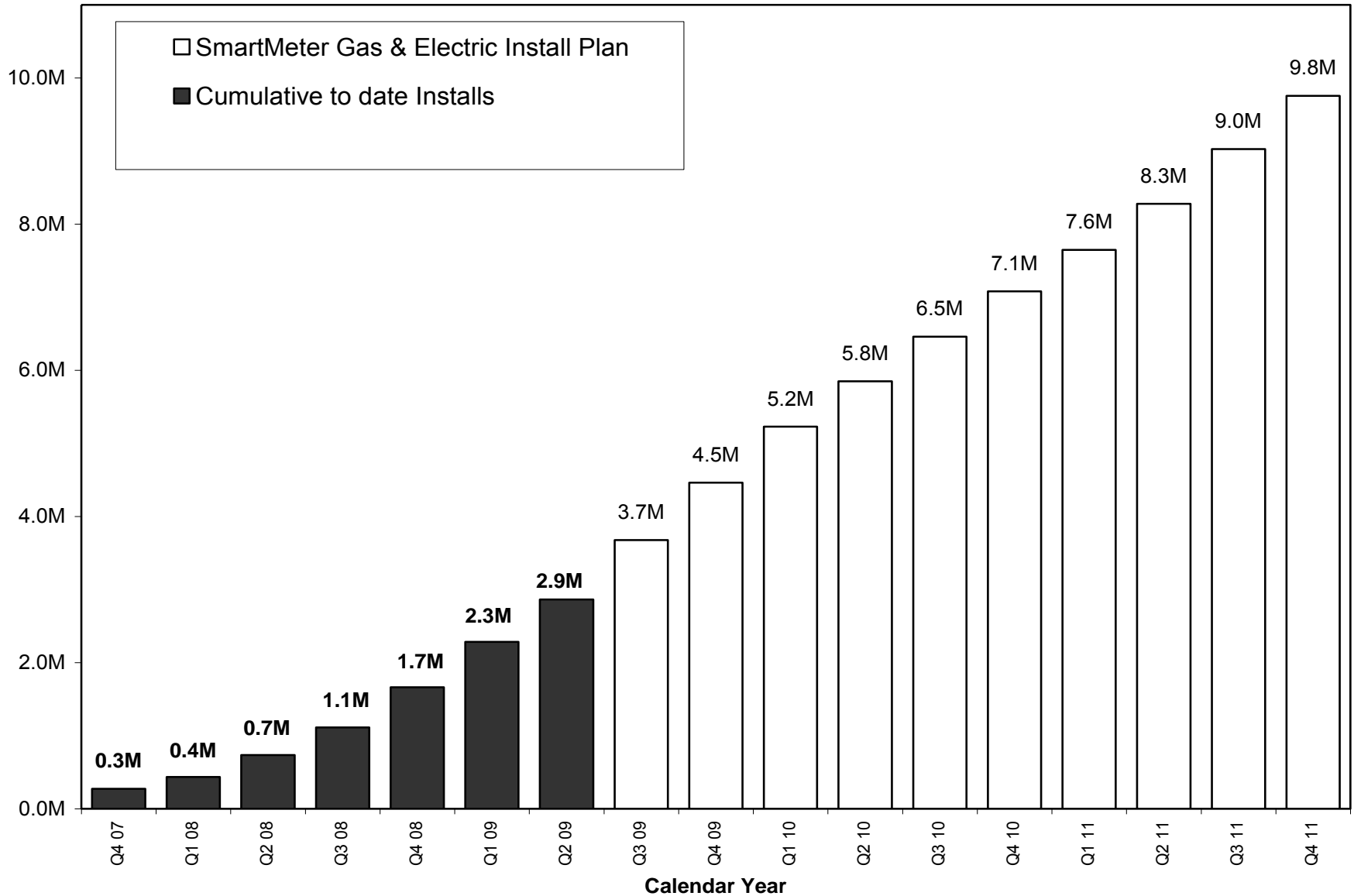
#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters with limited access may require non-standard solutions.	Schedule, additional costs, benefits realization.	Jim Meadows	Meter reader surveys to identify meter location problems completed in Richmond, Berkley and Oakland; San Francisco (SF) survey begins in Aug 2009. Engineering solution to support SF deployment schedule to be developed by Dec. 2009.	
2	4/4/2008	4	5	20	25	Implementation of new technology does not perform as intended. Key driver: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Mesh technology is performing as intended with >770K SSN meter installations and will continue to be monitored closely through 1M SSN installations. Other electric technologies are now in the deployment schedule for replacement by Q2 in 2010.	
3	8/25/2008	5	3	15	10	DCSI system capability to effectively manage reads past established thresholds. Key driver: Inability of DCSI (TNG 1.6.3) to consistently deliver 99.6% SmartRate interval reads for DCSI enabled meters (limited bandwidth)	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Impact increased from 2 to 3 due to DCSI customer enrollments in the SmartRate program. Overall, fewer DCSI meters remain in the field after the replacement of about 30K DCSI meters in Kern. Remaining DCSI meters will be replaced by Q2 in 2010.	
4	8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Application scalability is unknown, insufficient meter read volume.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program. Plan to test	Christopher Vana	An independent SmartMeter IT Release (Release X) has been established to evaluate the long term performance and scalability risk. This release has developed and is currently implementing a plan to test system performance and scalability at a meter volume of 6M by 11/2/09. Plans for SmartMeter systems that support deployment, operation, reading and billing up to 11M meters are being developed for 2010.	

Program Metrics

Metric	Key Performance Indicator	May '09 - Month Results			June '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 3.23	\$ 3.20	0.8%	\$ 3.50	\$ 3.38	3.6%	\$ 18.02	\$ 17.12	5.3%	\$ 42.40	\$ 38.34	10.6%	
P2	OSHA Recordable Rate (SmartMeter)	3.02	-		2.14	-		2.14	-		2.14	-		One OSHA in March; Target is zero.
C1	Customers enrolled in SmartRate (net)	12,305	(track only)		12,909	(track only)		12,909	(track only)		60,000	60,000	0.0%	
C10	Customer Complaint Rate (escalated to CPUC)	0.007%	(track only)		0.005%	(track only)		0.005%	(track only)					
D1	Meters Installed - Electric & Gas	173,466	241,700	-28.2%	212,928	248,204	-14.2%	1,194,055	1,359,082	-12.1%	2,800,000	2,800,000	0.0%	1) Unavailability of SSN meters, 2) Resources required for Kern redeployment due to substation upgrade, 3) Skipped meters due to breaker interference issue
D1.1	Meters Installed - Electric & Gas Rev. 10 plan	173,466	173,466	0.0%	212,928	231,308	-7.9%	1,194,055	1,212,435	-1.5%	2,800,000	2,800,000	0.0%	Rev. 10 mitigation plan in place
D2	DCUs Installed	176	155	13.5%	123	123	0.0%	1,101	898	22.6%	1,850	1,850	0.0%	
D3	Electric Network - Nodes Installed	416	416	0.0%	410	410	0.0%	2,060	2,060	0.0%	3,576	3,576	0.0%	
D6	UTC Rate	4.6%	4.5%	-2.0%	3.6%	4.5%	20.5%	3.9%	4.5%	12.6%	4.5%	4.5%	0.0%	
D8	UTC's open beyond 90 days	18,746	(track only)		18,690	(track only)		18,690	(track only)					
D9	CPI - Endpoints (all-in)	\$124.88	\$119.71	-4.3%	\$152.48	\$135.55	-12.5%	\$131.45	\$135.55	3.0%	\$135.55	\$135.55	0.0%	Monthly CPI higher due to higher ratio of higher cost Elec to Gas endpoints than yearly target. YTD underrun.
D10	CPI Gas Network (all-in)	\$4,683	\$4,336	-8.0%	\$4,565	\$3,734	-22.3%	\$3,690	\$3,734	1.2%	\$3,734	\$3,734	0.0%	Month - Labor costs incurred for units not yet placed in service
D11	CPI Electric Network (all-in)	\$2,325	\$2,608	10.8%	\$1,441	\$2,994	51.9%	\$2,312	\$2,994	22.8%	\$2,994	\$2,994	0.0%	
D17	Total Weeks of Inventory on Hand - Electric M.	5	4	25.0%	7	4	75.0%	7	4	75.0%	6	4	50.0%	
D18	Total Weeks of Inventory on Hand - Gas Mtr.	21	3	600.0%	19	3	533.3%	19	3	533.3%	4	3	33.3%	Project forecast to reduce Gas inventory to 3-5 weeks by year end.
O4	Transition Ageing - Average Days	21.24	15	-41.6%	19.03	15	-26.9%	26.25	15	-75.0%				Residual backlog as a result of 2009 Deployment changes; Electric endpoints behind schedule reducing available routes for transition; & stranded gas populations on dual commodity routes
O9	% Bills not estimated	99.72%	99.20%	0.5%	99.76%	99.20%	0.6%	99.73%	99.20%	0.5%				
B2	Meters Activated - Electric & Gas (end of month)	275,975	(track only)		319,198	(track only)		922,027	(track only)		2,107,808	(track only)		
B3	Count of Remote Disconnects	6,378	2,893	120.5%	7,157	3,842	86.3%	15,006	8,686	72.8%	56,117	56,117		
B5	Meter Reading HC reductions	19	27	-29.6%	9	19	-52.6%	91	124	-26.6%	205	248	-17.3%	YTD - Reduction in activated meters caused by shift in AMI electric system technology impacting the ability to transition meters
B6	Estimated Line of Business (LOB) Benefits	2,653	2,443	8.6%	2,876	2,691	6.9%	13,139	12,516	5.0%	34,586	34,312	0.8%	

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency (AMI and SMU)		\$177,753
Total PDRs Adopted by Steering Committee		\$2,856
 <i>Subtotal Adopted PDR's</i>		 \$2,856
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown		
Approved Date		
2007	2007 PDR Total	\$92,773
2008	2008 PDR Total	\$32,240
08-0271	5/21/09 Change to RF network and SSN technology	(\$40,191)
08-0272	5/21/09 Change to RF technology: additional vendor specific costs adjustments	██████████
09-0276	5/21/09 Change to RF technology: new endpoint supplier agreement	██████████
09-0281	5/21/09 Release E Funding Revision	\$3,507
09-005	6/5/09 Release X - Scalability (Phase 1) (aka RFA 09-005)	\$22,693
	various Other (less than \$500,000 each)	\$1,495
 <i>Subtotal PDRs</i>		 <u>\$112,058</u>
 <i>Total PDRs</i>		 <u><u>\$114,914</u></u>

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update- August
August 19, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release E/F BBE - Deploy							
Release G – Design/Build							
Release H - Plan/Analyze							
Release O - Plan/Analyze							
Release X - Plan/Analyze							
2009 Other Cap. Projs. (IT PMO, 08 carry over, SM Apps, DC)							
2009 Operating expenses (CC&B, Stabilization)							

Challenges

Release BBE

- 7/31 deployment of Meter power status check delayed due to: 1) performance issues identified during deployment, and 2) functional issue with SSN production meters not providing a confirmed power-off response for Meter Power Status Check ping using the current solution.

Release G

- ABB is developing on a version that will require upgrade prior to deployment.
- Vendor (EA) design change is requiring downstream changes to code.
- UIQ inability to provide a confirmed power-off response to Meter Power Status Check ping may impact ability to create nested outages and benefits from Restoration Validation.

Release H

- Current vendor (EA and Oracle) delivery dates may delay targeted deployment date by a month (12/15/09 to 1/12/10).
- Procurement approach for KVAR needs to be determined.

Release X

- Delay forecasted against planned project completion due to testing scope and plan revisions (from 11/2/09 to Dec '09).

Overall

- SSN 3.9 Upgrade: SSN backed out midway through due to migration taking longer than expected.
- EA vendor delivery dependencies exist for all IT releases.
- HAN operating model and finalization of initial HAN pilot scope.

Actions/Status

Release BBE

- 1) Performance issues resolved as of 8/11/09. 2) Design changes are required to fix functional issue. Overall change effort expected to be reviewed and estimated by 8/24/09. Expected changes currently being targeted for deployment with IVR Meter Power Status Check prior to the beginning of Storm Season (October 2009).

Release G

- Reviewing ABB documents to assess project and testing impact, and to determine next steps.
- Decision to make change in the integration layer reached to mitigate schedule risk.
- Working with the Release BBE team to evaluate and resolve issue impact.

Release H

- Vendor reviewing current dates; response expected week of 8/17/09.
- KVAR approach analysis completion expected by 8/21/09.

Release O

- Currently on track to deliver Process Improvement recommendation and action plan by 9/7/09.

Release X

- Revised schedule to be presented to the Project Management team during the week of 8/17/09. Team currently working weekends to recover time.

Future Releases

- SSN 3.9: Lessons learned meetings held. Next Go-No Go scheduled for 8/19 for deployment over the weekend.
- Creating integrated SM Upgrade and future release plan by 8/31/09.
 - Upgrade scope.
 - Remaining 1.0 scope -Draft presentation for Release Packaging recommendations created; Executive slide deck to be presented before 8/31/09.

2009 Deployment Status Update

	Budget (Budget / CPI)	EAC (EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Endpoints (2009 YTD)							
Gas Network (2009 YTD)							
Electric Network (2009 YTD)							

Challenges

Deployment - Endpoint

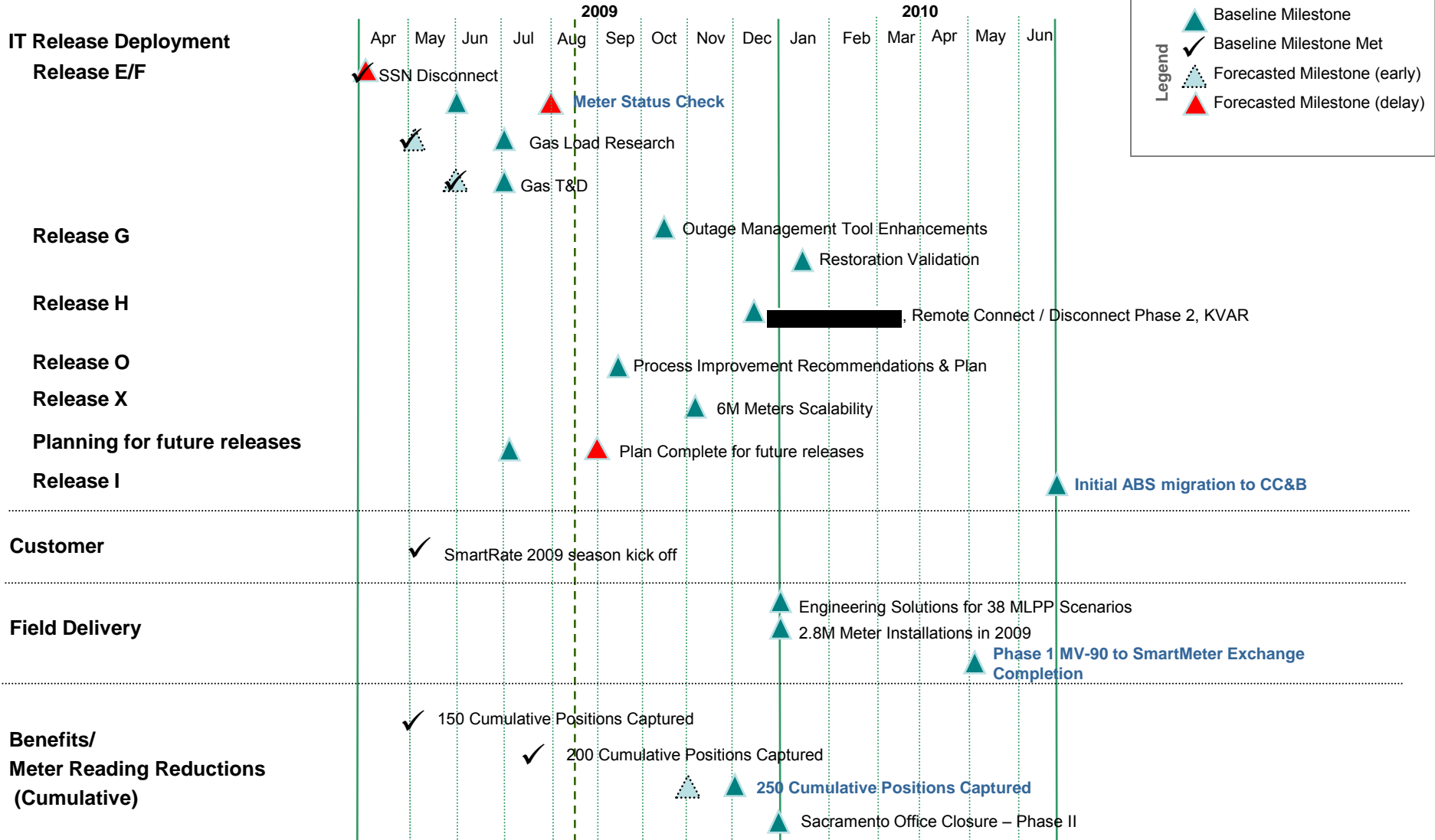
- Meter deployment plan is behind schedule.
- Non-standard installations may impact deployment schedule.
- Sacramento office final closure has 3,769 meters remaining to be installed.
- Exchange MV-90 meters for 4,621 >200kw (EMR Read CC&B Billed) Customers by May 2010.

Actions/Status

Deployment - Endpoint

- Planned vs. Actual variance beginning to narrow against revised 2009 plan (165K in June to 137K in August).
 - Currently 15.6K meters behind the make-up plan (about 8%).
 - WEI staff to add 40 installers beyond current 400
 - T300 staff expected to be increased by 12 installers by 8/24
 - Project had highest inception to date deployment of 16.8K meters on 8/6
- Effort underway to identify, test, and develop solutions for each non-standard location type:
 - Thirty eight scenarios have been identified.
 - Meter reader surveys used to evaluate extent of challenging locations.
 - Five hundred meters are being deployed in Oakland to test solutions for most of the identified 38 scenarios.
- Of these:
 - 658 rotary meters requiring Gas T&R workforce;
 - 952 were identified for meter exchange by GSRs;
 - 549 are access issues; moving to estimated w/pickup read schedule;
 - Rest of work to be performed by T300
- 4 meter pilot to be completed by 8/21; results analyzed through bill print
- SSN delivered 'early' network placement plan.
 - Dependencies applied reduce 2009 potential installations to ~3,000.
 - Individual site surveys to finalize design start week of 8/24.
 - Network and endpoint deployment approach finalized by August 21.

As of 8/17



As of Aug. 9

Deployment Update

2009 Install Rate vs. Operating Plan - Weekly Meter Totals

Total SM ITD Installs
3,220,299
 Including 54, 573 retrofits

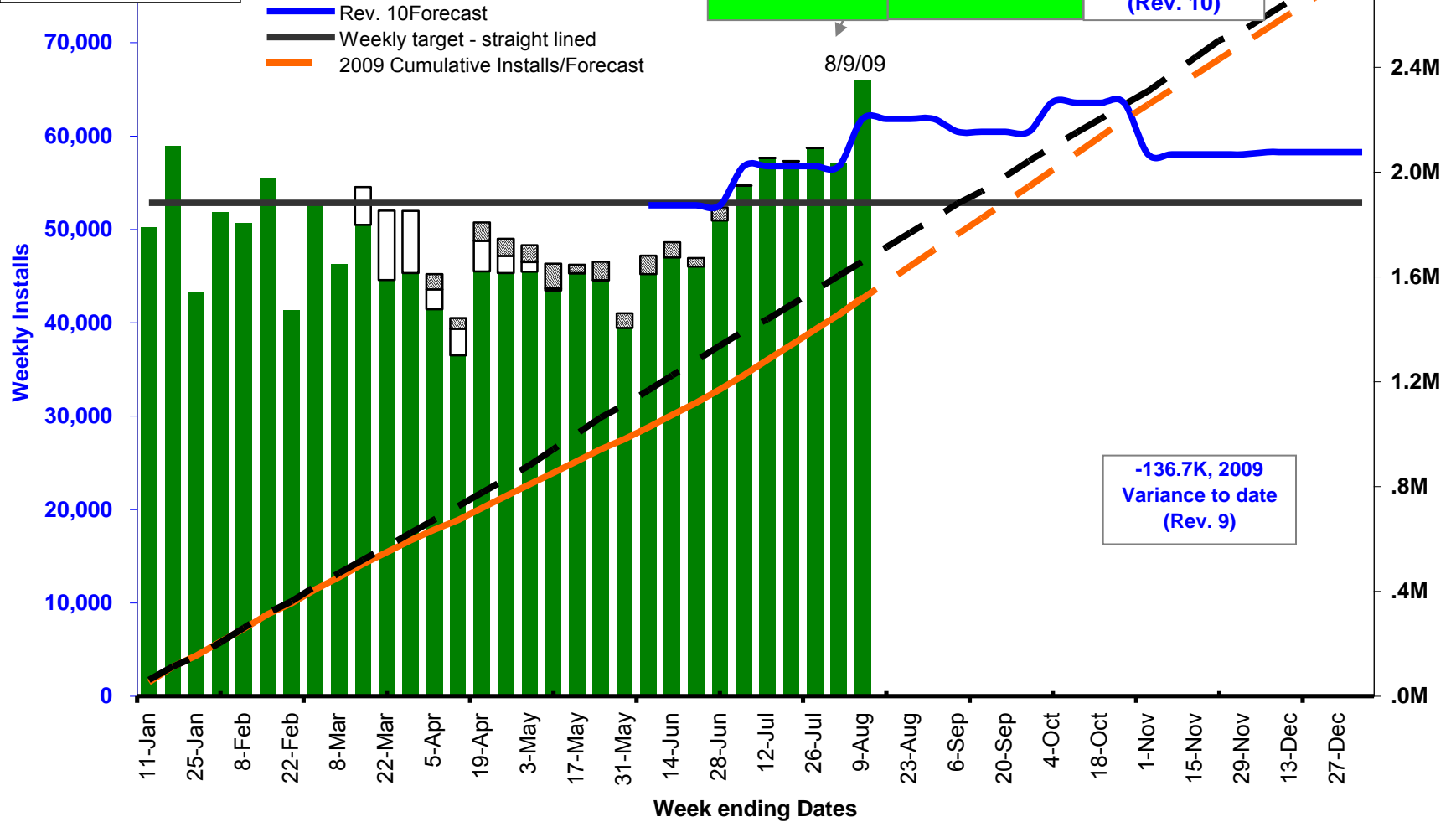
- Skipped Electric (with GFI/AFCl):
- Kern Elect meter retrofits:
- Weekly installs
- Rev. 10 Forecast
- Weekly target - straight lined
- 2009 Cumulative Installs/Forecast

2009 Plan to Date: 1537.0K

2009 SM Installs: 1521.5K

-15.6K, 2009 Variance to date (Rev. 10)

2009 target:
 2,800,000



-136.7K, 2009 Variance to date (Rev. 9)

Budget Status – Expenditures by Workstream

#	Workstream	Current Month - July			Year to Date - July				2009 Budget	* Year-End Budget Forecast	Inception to Date Spending	#
		Budget	Actuals	Variance	Budget	Actuals	Variance	% Var.				
Capital (000s)												
1	PMO	\$ 726	\$ 254	\$ 472	\$ 3,880	\$ 3,249	\$ 631	16%	\$ 7,461	\$ 4,965	\$ 37,563	1
2	SM Operations	\$ 274	\$ 219	\$ 56	\$ 1,919	\$ 1,504	\$ 415	22%	\$ 3,289	\$ 3,008	\$ 6,570	2
3	FD - Strategic Relationships	\$ 38,422	\$ 36,393	\$ 2,029	\$ 261,863	\$ 273,467	\$ (11,604)	-4%	\$ 462,682	\$ 477,571	\$ 537,152	3
4	FD - Endpoint Installation	\$ 1,967	\$ 1,500	\$ 467	\$ (333)	\$ (3,249)	\$ 2,916	-876%	\$ 8,654	\$ 6,902	\$ 20,586	4
5	FD - Field Delivery Office	\$ 1,089	\$ 1,082	\$ 7	\$ (1,399)	\$ (2,438)	\$ 1,039	-74%	\$ 4,411	\$ 4,357	\$ 7,608	5
6	FD - Network Install	\$ 673	\$ 388	\$ 286	\$ 4,509	\$ 4,566	\$ (57)	-1%	\$ 8,103	\$ 6,947	\$ 19,409	6
7	Deployment Subtotal:	\$ 42,152	\$ 39,363	\$ 2,789	\$ 264,640	\$ 272,345	\$ (7,705)	-3%	\$ 483,851	\$ 495,776	\$ 584,754	7
8	IT & CC&B	\$ 3,555	\$ 6,803	\$ (3,247)	\$ 13,913	\$ 21,354	\$ (7,441)	-53%	\$ 43,242	\$ 54,226	\$ 259,852	8
9	Business Process	\$ 235	\$ 544	\$ (309)	\$ 2,361	\$ 3,055	\$ (693)	-29%	\$ 3,057	\$ 6,278	\$ 10,545	9
10	Technology Monitoring	\$ 171	\$ 12	\$ 159	\$ 1,199	\$ 225	\$ 973	81%	\$ 2,055	\$ 1,509	\$ 1,889	10
11	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 4,265	\$ (3,624)		11
12	Capital Total:	\$ 47,113	\$ 47,194	\$ (80)	\$ 287,911	\$ 301,732	\$ (13,821)	-5%	\$ 547,219	\$ 562,139	\$ 901,173	12
Expense (000s)												
13	PMO	\$ 63	\$ 287	\$ (224)	\$ 1,477	\$ 1,674	\$ (197)	-13%	\$ 2,330	\$ 2,570	\$ 19,741	13
14	SM Operations	\$ 876	\$ 1,106	\$ (230)	\$ 5,905	\$ 7,680	\$ (1,775)	-30%	\$ 12,666	\$ 11,778	\$ 24,075	14
15	Customer	\$ 1,603	\$ 1,153	\$ 450	\$ 11,038	\$ 5,245	\$ 5,793	52%	\$ 19,131	\$ 13,226	\$ 10,061	15
16	Change Mgt Customer Impact	\$ 250	\$ 346	\$ (96)	\$ 1,548	\$ 1,440	\$ 108	7%	\$ 2,898	\$ 5,627	\$ 4,396	16
17	FD Endpoint Installation	\$ 210	\$ 484	\$ (274)	\$ 1,469	\$ 2,237	\$ (768)	-52%	\$ 2,353	\$ 4,391	\$ 4,761	17
18	Field Delivery Office	\$ 122	\$ 65	\$ 58	\$ 1,070	\$ 1,001	\$ 70	7%	\$ 1,659	\$ 1,325	\$ 12,932	18
19	Deployment Subtotal:	\$ 332	\$ 548	\$ (216)	\$ 2,539	\$ 3,238	\$ (699)	-28%	\$ 4,012	\$ 5,716	\$ 17,693	19
20	IT & CC&B	\$ 1,839	\$ 1,608	\$ 231	\$ 13,505	\$ 11,764	\$ 1,741		\$ 23,563	\$ 23,886	\$ 78,085	20
21	Technology Monitoring	\$ 252	\$ 244	\$ 8	\$ 2,312	\$ 1,750	\$ 562	24%	\$ 3,570	\$ 3,867	\$ 20,067	21
22	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (2,363)	\$ (3,864)		22
23	Expense Total:	\$ 5,215	\$ 5,293	\$ (78)	\$ 38,323	\$ 32,791	\$ 5,533	14%	\$ 65,806	\$ 62,806	\$ 174,118	23
											Inception to Date Total =	\$ 1,075,292

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date through July was 5% over the 2009 approved adjusted (for Upgrade) budget. The year-to-date variance overrun of \$13.8 million was due to a combination of line: #3) timing differences in the receipt of meter and network equipment, #8) more capitalized IT work in the first half of the year than planned, and offset somewhat by #4) lower endpoint labor costs than planned due to lower multiple visit exchanges.

* Year-end capital forecast of \$15 million above authorized budget is still in the process of being finalized across workstreams.

SmartMeter Balancing Account (SBA) Credits

		Actual							Remaining 2009 Forecast							
(\$ in thousands)		2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ITD Actual
Activated Meter Benefits:	\$ 111 \$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 1,523	\$ 1,973	\$ 2,350	\$ 2,497	\$ 2,946	\$ 3,358	\$ 3,716	\$ 4,023	\$ 15,117	\$ 15,117	
Mainframe License Benefits:	\$ 1,250 \$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 9,167	
Total:	\$ 1,361 \$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 1,939	\$ 2,389	\$ 2,766	\$ 2,914	\$ 3,363	\$ 3,774	\$ 4,133	\$ 4,439	\$ 24,284		
2009 Cumulative Actual + Forecast:		\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,063	\$ 10,452	\$ 13,219	\$ 16,132	\$ 19,495	\$ 23,269	\$ 27,402	\$ 31,841			

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Budgeted FA Benefits:														
Monthly		\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative		\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
Actual / Current Forecast:														
Monthly		\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,204	\$ 2,653	\$ 2,876	\$ 3,122	\$ 3,273	\$ 3,544	\$ 3,825	\$ 4,083	\$ 4,388	\$ 35,375
Cumulative		\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,610	\$ 10,263	\$ 13,139	\$ 16,261	\$ 19,534	\$ 23,078	\$ 26,903	\$ 30,987	\$ 35,375	
YTD Variance		\$ 103	\$ 195	\$ 227	\$ 227	\$ 438	\$ 520	\$ 607	\$ 618	\$ 649	\$ 729	\$ 886	\$ 1,062	

Notes:

1. The \$2.5 million in reduced meter maintenance expense for 2009 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to help offset other benefit categories with shortfall amounts.
2. The benefits associated with the SmartMeter Upgrade are reflected in the forecasts shown above.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	8/24/2009	SSN production meters do not provide a confirmed power-off response to Meter Power Status Check ping	Ability to fully deploy Meter Power Status Check (MPSC) functionality, ability to create nested outages, benefits realization from MPSC and Restoration Validation.	Christopher Vana	Design modifications to accommodate functionality under review. Change effort is currently being estimated and expected to be completed by 8/24/09. Final deployment to be scheduled with IVR Meter Power Status Check prior to the storm season.
2	9/11/2009	Firmware issue with SSN meters impacting meter connectivity.	Meters remain in "Installed" or "Initialization Failed" state with no connectivity.	Vic Gorden	90% of the known 5,000 impacted meters were restored by SSN during the week of 7/27 - 7/31. SSN is looking for similar non-clustered impacted meters outside the two known areas. Once determined, the remaining effected meters will be remotely rebooted to clear the condition. SM Engineering and Operations are currently testing a permanent fix to place all installed meters on firmware version 1.10.6d.
3	10/1/2009	Customer Web Presentment (CWP) does not accurately display a customer's usage information for the exchange period of a SmartMeter/SmartMeter electric meter exchange.	Potential impact to the entire DCSI and Aclara RF population that will be exchanged, if defect not fixed prior to the exchanges. Upcoming Aclara RF exchanges in Hayward (in progress), Bayhill, Fresno (August) and Stockton (November) total about 140K meters.	Christopher Vana	Defect logged. Talking points and information to customer-facing employees provided. Online error message added to include: 'New usage data will be available after you receive your next bill'. Next steps: 1) Complete drafts for SM Maintenance release schedule and process. 2) Determine required effort for implementing solution.
4					
5	10/31/2009	GFI problems identified with SSN meters.	Cost and schedule impact due to skipped meter installs (~ 21,605 skipped between 3/31 - 8/6). Customer impact - If GFI trips, customer has a partial power outage.	Jim Meadows	Meter installations are proceeding normally and actual trip rate is lower than expected per the revised skip process. Vendor has demonstrated turning the power down on the meter transmit avoids tripping. Next steps: 1) UL is implementing a long term plan to update standards for AMI compatibility. 2) Engineering will continue to work on certification of the SSN low power meter, 3) SSN SoC chipset expected to be delivered in Oct 09 will include power adjustability; deployment will install at affected households. Issue downgraded to low priority for future reporting.

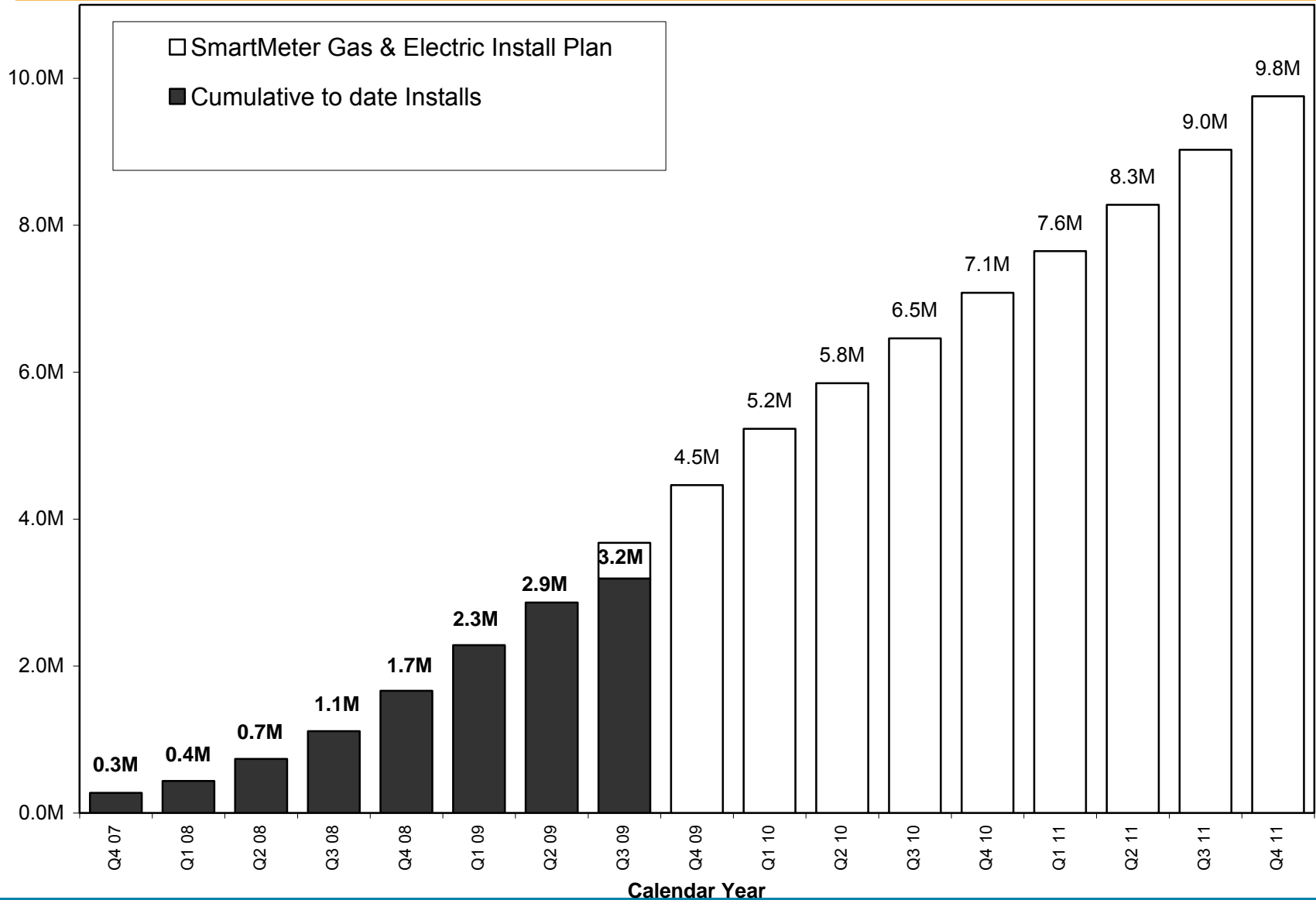
#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters with limited access may require non-standard solutions.	Schedule, additional costs, benefits realization.	Jim Meadows	Meter reader surveys to identify meter location problems completed in Richmond, Berkley and Oakland; San Francisco (SF) survey begins in Aug 2009. Engineering solution to support SF deployment schedule to be developed by Dec. 2009.	
2	4/4/2008	3	5	15	20	Implementation of new technology does not perform as intended. Key driver: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Mesh technology performance monitored through initial installations of 1M SSN meters. Risk probability downgraded to 3 with technology performing as intended. Risk will continue to be monitored.	
3	8/12/2009	4	4	16	-	>200kW meter exchange (unable to complete by 5/20/10) Key Driver: Required equipment unavailable to meet project schedule, IT functionality unavailable on time, challenging to serve meter locations	Customer Impact	Jim Meadows	Dependencies have been identified for installation. SSN engineering under review for advance of network nodes. Pilot complete on 6 customers including bill calculation and presentment. Site surveys for network node placement to begin week of 8/24.	
4	8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Application scalability is unknown, insufficient meter read volume.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program. Plan to test	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. Plan to test system performance and scalability with 6M meter volume by 11/2/09 developed and being implemented. Plans for SmartMeter systems that support deployment, operation, reading and billing all the way up to 11M meters are being developed for 2010.	
6	8/25/2008	5	3	15	15	DCSI system capability to effectively manage reads past established thresholds. Key driver: Inability of DCSI (TNG 1.6.3) to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth).	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Impact increased from 2 to 3 due to DCSI customer enrollments in the SmartRate program. Overall, fewer DCSI meters remain in the field after the replacement of about 30K DCSI meters in Kern. Remaining DCSI meters will be replaced by Q2 in 2010.	

Program Metrics

Metric	Key Performance Indicator	June '09 - Month Results			July '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 3.50	\$ 3.38	3.6%	\$ 3.76	\$ 3.61	4.3%	\$ 21.79	\$ 20.73	5.1%	\$ 42.40	\$ 38.34	10.6%	One OSHA in March; Target is zero.
P2	OSHA Recordable Rate (SmartMeter)	2.14	-		1.79	-		1.79	-		1.79	-		
C1	Customers enrolled in SmartRate (net)	12,909	(track only)		22,189	(track only)		22,189	(track only)		60,000	60,000	0.0%	
C10	Customer Complaint Rate (escalated to CPUC)	0.005%	(track only)			(track only)		0.004%	(track only)					
D1	Meters Installed - Electric & Gas	212,928	248,204	-14.2%	260,844	244,552	6.7%	1,454,899	1,603,634	-9.3%	2,800,000	2,800,000	0.0%	1) Unavailability of SSN meters, 2)Resources required for Kern redeployment due to substation upgrade, 3) Skipped meters due to breaker interference issue Rev. 10 mitigation plan in place, one day behind schedule as of Aug. 8th.
D1.1	Meters Installed - Electric & Gas Rev. 10 plan	212,928	231,308	-7.9%	260,844	262,787	-0.7%	1,454,899	1,475,222	-1.4%	2,800,000	2,800,000	0.0%	
D2	DCUs Installed	123	123	0.0%	160	158	1.3%	1,261	1,056	19.4%	1,850	1,850	0.0%	
D3	Electric Network - Nodes Installed	410	410	0.0%	90	90	0.0%	2,150	2,150	0.0%	3,576	3,576	0.0%	
D6	UTC Rate	3.6%	4.5%	20.5%	3.0%	4.5%	32.4%	3.8%	4.5%	15.2%	4.5%	4.5%	0.0%	
D8	UTC's open beyond 90 days	18,690	(track only)		20,640	(track only)		20,640	(track only)					
D9	CPI - Endpoints (all-in)	\$152.48	\$135.55	-12.5%	\$124.51	\$135.55	8.1%	\$130.22	\$135.55	3.9%	\$135.55	\$135.55	0.0%	
D10	CPI Gas Network (all-in)	\$4,565	\$3,734	-22.3%	\$2,631	\$3,734	29.5%	\$3,556	\$3,734	4.8%	\$3,734	\$3,734	0.0%	
D11	CPI Electric Network (all-in)	\$1,441	\$2,864	49.7%	\$2,446	\$2,864	14.6%	\$2,318	\$2,864	19.1%	\$2,864	\$2,864	0.0%	
D17	Total Weeks of Inventory on Hand - Electric M.	7	4	75.0%	7	4	71.8%	7	4	71.8%	6	4	50.0%	
D18	Total Weeks of Inventory on Hand - Gas Mtr.	19	3	533.3%	17	3	480.0%	17	3	480.0%	4	3	33.3%	Project forecast to reduce Gas inventory to 3-5 weeks by year end.
O4	Transition Aging - Average Days	19.03	15	-26.9%	16.31	15	-8.7%	24.21	15	-61.4%				Significant improvement this month, 19.0 to 16.3. New areas deployed under Ops guidelines show substantial improvement (Antioch = 5.4 days)
O9	% Bills not estimated	99.76%	99.20%	0.6%	99.77%	99.20%	0.6%	99.74%	99.20%	0.5%				
B2	Meters Activated - Electric & Gas (end of month)	319,198	(track only)		169,629	(track only)		1,091,656	(track only)		2,107,808	(track only)		
B3	Count of Remote Disconnects	7,157	3,842	86.3%	9,716	4,136	134.9%	24,722	12,822	92.8%	73,873	49,797	48.3%	
B5	Meter Reading HC reductions	9	19	-52.6%	27	21	28.6%	118	145	-18.6%	205	248	-17.3%	YTD - Reduction in activated meters caused by shift in AMI electric system technology impacting the ability to transition meters
B6	Estimated Line of Business (LOB) Benefits	\$2,876	\$2,691	6.9%	\$3,122	\$2,918	7.0%	\$16,261	\$15,434	5.4%	\$35,374.9	\$34,312.3	3.1%	

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



SmartMeter Contingency Reconciliation

\$000s

1. Business Case Approved Contingency (AMI and SMU)

\$177,753

Total PDRs Adopted by Steering Committee

\$2,856

Subtotal Adopted PDR's

\$2,856

Approved Date

2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown

2007

2007 PDR Total

\$92,773

2008

2008 PDR Total

\$32,240

5/21/09

Change to RF network and SSN technology

(\$40,191)

5/21/09

Change to RF technology: additional vendor specific costs adjustments

██████████

5/21/09

Change to RF technology: new endpoint supplier agreement

██████████

5/21/09

Release E Funding Revision

\$3,507

6/5/09

Release X - Scalability (Phase 1) (aka RFA 09-005)

\$22,693

7/8/09

SM-driven Commercial Gas Meter In-testing

\$700

7/16/09

Release G (all phases)

\$10,608

various

Other (less than \$500,000 each)

\$1,004

Subtotal PDRs

\$122,875

Total PDRs

\$125,731

Note: In D.09-03-026 The Commission concluded PG&E should use the AMI risk based allowance to fund the additional project management costs of \$15.1 Million related to the SmartMeter Upgrade Program, and approximately \$6.1 Million related to HAN retrofit costs. PG&E is still evaluating the potential for costs savings in other categories to offset this amount, however this amount remains a likely risk based allowance draw

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update- September
September 23, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release E/F BBE - Deploy	Green	Yellow	Green	Red	Green	Red	Green
Release G – Design/Build	Green	Green	Green	Yellow	Green	Yellow	Yellow
Release H - Plan/Analyze	Green	White	Green	Yellow	Green	Yellow	Yellow

Challenges

Release BBE

- 7/31 deployment of Meter Power Status Check (MPSC) now targeted for mid-Oct. due to a functional issue with SSN production meters not providing a confirmed power-off response for Meter Power Status Check ping using the current solution.
- Response time for SSN meter status pings needs to be confirmed. Network performance is unknown.

Release G

- ABB is developing on a version that will require upgrade prior to deployment.
- UIQ inability to provide a confirmed power-off response to Meter Power Status Check ping may impact ability to create nested outages and benefits from Restoration Validation.
- Timing of EA 2.7 delivery and shared test environments with other releases may impact schedule

Release H

- Delay in start of KVAR [redacted] may impact latter deliverables. 12/15/09 completion date being revised to 1/18/10 due to vendor delivery date later than expected.
- [redacted]

Actions/Status

Release BBE

- Determining roll out of partial functionality (meter-on status) in the interim to derive business benefits. Design modifications to support Power OFF requirements completed; test prep is in progress. Deployment is pending Environment Management and IVR unit testing. Incremental funding request submitted for PMO review.
- Vendor meeting to resolve network performance and meter ping response times is being scheduled.

Release G

- Identifying and testing functionalities that business will use
- Meeting with SSN week of 9/21 to discuss and create recommendation
- Working closely with teams to monitor schedule and mitigation plans

Release H

- Team escalating resource requests and evaluating schedule to minimize impact. PCR for schedule change underway.
- Meeting to identify data elements and confirm compatibility scheduled.

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release O - Plan/Analyze							
Release X - Plan/Analyze							
2009 Other Cap. Projs. (IT PMO, 08 carry over, SM Apps, DC)							
2009 Operating expenses (CC&B, Stabilization)							

Challenges

Release O

- Target date to approve Recommendations and Roadmap moved from 09/11 to 09/25.

Release X

- Project completion date of 11/2/09 forecasted to 11/20/09 (best case) or 12/31/09 (worst case) due to:
 - Re-planning of test scope and approach to mitigate schedule risk with current approach
 - Delay in completion of MDM data preparation volume testing due to issues (MRM_USAGE) identified during performance tuning in FSTE; issue resolution needed to exit testing
- Project requesting contingency draw to support the project effort per revised timelines

Overall

- EA vendor delivery dependencies exist for all IT releases.
- HAN operating model and finalization of initial HAN pilot scope being finalized.

Actions/Status

Release O

- Plan/Analyze activities can proceed with the most recent version of the documents.

Release X

- PCR identifying new approach, remedial actions, schedule and cost impact (contingency draw) currently undergoing review and approvals

Future Releases

- Creating integrated SM Upgrade and future release plan by 8/31/09.
 - Upgrade scope.
 - Remaining 1.0 scope –Presented recommendations for future Release plan. Releases I and J preliminary scope and schedule identified.

2009 Deployment Status Update

	Budget (Budget / CPI)	EAC (EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Endpoints (2009 YTD)	Green	Yellow	Green	Yellow	Green	Green	Yellow
Gas Network (2009 YTD)	Green	Green	Green	Green	Green	Green	Green
Electric Network (2009 YTD)	Green	Red	Green	Green	Green	Green	Green
MV-90 (ITD)	Grey	Grey	Green	Yellow	Green	Yellow	Green

Challenges

Deployment - Endpoint

- Meter deployment plan is behind schedule.

- Non-standard installations may impact deployment schedule.

- Sacramento office final closure 2,738 meters remaining to be installed
 - 248 installed meters pending transition due to missing interval data

- Exchange MV-90 meters for 4,621 >200kW (EMR read CC&B billed) customers by May 2010.

Actions/Status

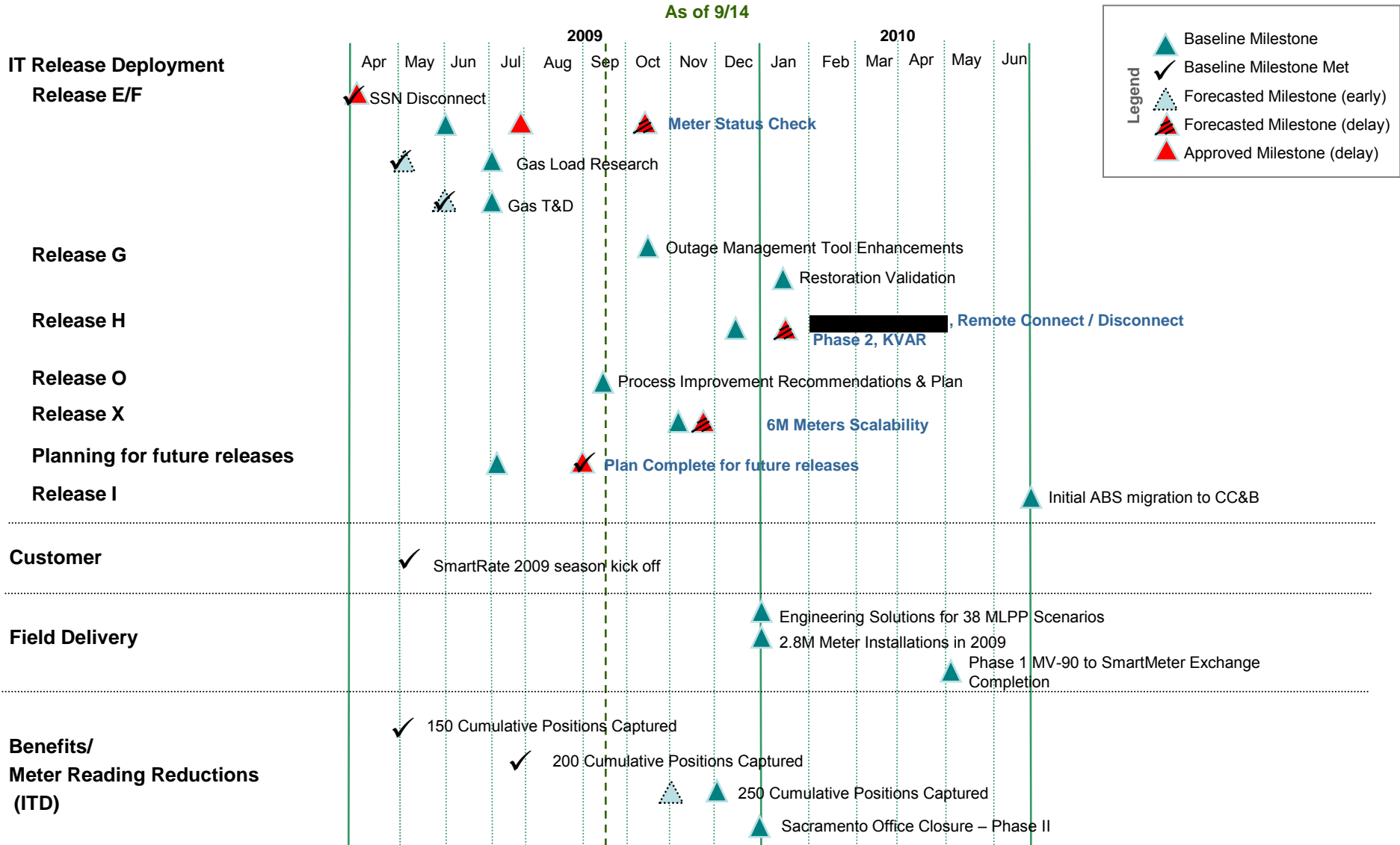
Deployment - Endpoint

- Planned vs. Actual variance beginning to narrow against revised 2009 plan
 - 165K behind in June, 137K in August, 108K in September
 - 4.5K meters behind the make-up plan as of 9/15
 - WEI installer headcount at 8/31: 400
 - T300 installer headcount at 8/31: 54

- Solution development and test plan for identified non-standard locations by 12/31:
 - Addresses have been identified for 35 of 38 scenarios
 - Engineer test plan / solution hypothesis due by Sept 30
 - Meters and solutions to be installed / tested in October & November
 - San Francisco survey to begin in October

- Of these:
 - 1712 rotary meters requiring Gas T&R workforce;
 - 269 were identified for meter exchange by GSRs;
 - 749 meters are to be completed by T-300. 541 of these are access issues; moving to estimated w/ pickup read schedule
 - 8 meters will have no solution available in 2009.

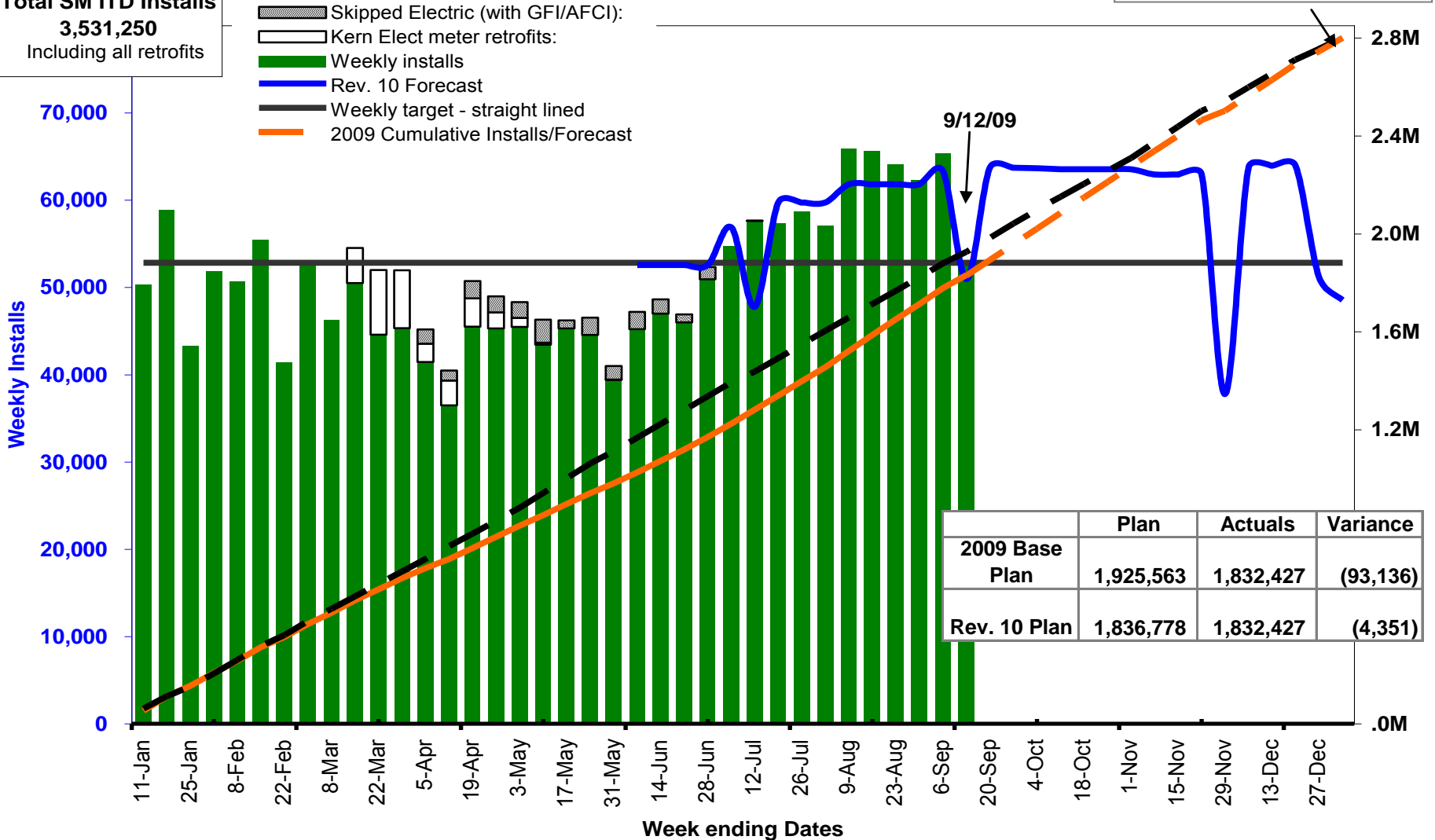
- Meter connectivity issues identified with 22 of 24 meter replacements post pilot, workaround is in place now; long term solution is moving through change control
- Network and endpoint deployment schedule pending finalization of SSN schedule; expected date 9/22/09



2009 Install Rate vs. Operating Plan - Weekly Meter Totals

Total SM ITD Installs
3,531,250
 Including all retrofits

2009 target: 2,800,000



Budget Status – Expenditures by Workstream

#	Workstream	Current Month - August			Year to Date - August				2009 Approved Budget *	2009 Year-End Forecast	Inception to Date Spending	#
		Budget	Actuals	Variance	Budget	Actuals	Variance	% Var.				
Capital (000s)												
1	PMO (w/CC Bus Delivery)	\$ 699	\$ 209	\$ 490	\$ 4,579	\$ 3,458	\$ 1,121	24%	\$ 7,461	\$ 4,810	\$ 37,772	1
2	SM Operations	\$ 274	\$ 220	\$ 54	\$ 2,193	\$ 1,724	\$ 468	21%	\$ 3,289	\$ 2,928	\$ 6,790	2
3	FD- Strategic Relationships	\$ 37,959	\$ 47,678	\$ (9,719)	\$ 299,822	\$ 321,144	\$ (21,323)	-7%	\$ 462,682	\$ 484,586	\$ 584,829	3
4	FD Endpoint Installation	\$ 1,960	\$ 2,232	\$ (271)	\$ 1,627	\$ (1,018)	\$ 2,645	163%	\$ 8,654	\$ 7,350	\$ 22,817	4
5	Field Delivery Office	\$ 1,130	\$ 1,094	\$ 35	\$ (269)	\$ (1,344)	\$ 1,075	-399%	\$ 4,511	\$ 4,166	\$ 8,702	5
6	FD - Network Install	\$ 685	\$ 198	\$ 487	\$ 5,194	\$ 4,764	\$ 430	8%	\$ 8,103	\$ 7,607	\$ 19,607	6
7	Deployment Subtotal:	\$ 41,734	\$ 51,202	\$ (9,468)	\$ 306,373	\$ 323,547	\$ (17,173)	-6%	\$ 483,951	\$ 503,708	\$ 635,956	7
8	IT and CC&B	\$ 3,355	\$ 5,320	\$ (1,966)	\$ 17,267	\$ 26,675	\$ (9,407)	-54%	\$ 43,242	\$ 53,996	\$ 265,173	8
9	Business Process	\$ 147	\$ 743	\$ (596)	\$ 2,508	\$ 3,798	\$ (1,290)	-51%	\$ 3,057	\$ 6,237	\$ 11,288	9
10	Technology Monitoring	\$ 171	\$ 15	\$ 156	\$ 1,370	\$ 240	\$ 1,129	82%	\$ 2,055	\$ 1,268	\$ 1,904	10
11	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 4,265	\$ -	\$ -	11
12	Capital Total:	\$ 46,380	\$ 57,710	\$ (11,330)	\$ 334,291	\$ 359,442	\$ (25,151)	-8%	\$ 547,319	\$ 572,947	\$ 958,884	12
Expense (000s)												
13	PMO (w/CC Bus Delivery)	\$ 67	\$ 258	\$ (191)	\$ 1,636	\$ 1,568	\$ 69	4%	\$ 2,423	\$ 2,284	\$ 19,058	13
14	SM Operations	\$ 876	\$ 1,029	\$ (153)	\$ 6,781	\$ 8,709	\$ (1,928)	-28%	\$ 13,336	\$ 11,906	\$ 25,104	14
15	Customer	\$ 1,715	\$ 340	\$ 1,375	\$ 12,754	\$ 5,586	\$ 7,168	56%	\$ 17,041	\$ 12,277	\$ 10,401	15
16	Change Mgt Customer Impact	\$ 240	\$ 387	\$ (147)	\$ 1,788	\$ 1,827	\$ (39)	-2%	\$ 2,898	\$ 5,190	\$ 4,784	16
17	FD Endpoint Installation	\$ 210	\$ 762	\$ (552)	\$ 1,678	\$ 2,999	\$ (1,320)	-79%	\$ 3,773	\$ 4,712	\$ 5,523	17
18	Field Delivery Office	\$ 118	\$ (32)	\$ 150	\$ 1,096	\$ 1,334	\$ (238)	-22%	\$ 1,566	\$ 1,596	\$ 13,841	18
19	Deployment Subtotal:	\$ 328	\$ 730	\$ (402)	\$ 2,774	\$ 4,332	\$ (1,558)	-56%	\$ 5,340	\$ 6,308	\$ 19,364	19
20	IT and CC&B	\$ 1,841	\$ 1,472	\$ 370	\$ 15,347	\$ 13,236	\$ 2,111	-	\$ 23,563	\$ 23,856	\$ 79,557	20
21	Technology Monitoring	\$ 232	\$ 404	\$ (172)	\$ 2,544	\$ 2,154	\$ 389	15%	\$ 3,470	\$ 3,848	\$ 20,471	21
22	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ (2,363)	\$ -	\$ -	22
23	Expense Total:	\$ 5,300	\$ 4,621	\$ 679	\$ 43,623	\$ 37,412	\$ 6,211	14%	\$ 65,706	\$ 65,668	\$ 178,739	23
24									Inception to Date Total:		\$ 1,137,623	24

* Does not include \$15 million in additional 2009 capital spending that was requested and approved at the September Boards meeting.

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date through August was 8% over the 2009 approved adjusted (for Upgrade) budget. The year-to-date variance overrun of \$25.2 million was due to a combination of line: #3) timing differences in the receipt of meter and network equipment, #8) more capitalized IT work in the first half of the year than planned, and offset somewhat by #4 & #5) larger cost of removal adjustments than planned.

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual										Remaining 2009 Forecast				ITD Actual	
	2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 1,523	\$ 1,973	\$ 2,350	\$ 2,599	\$ 2,946	\$ 3,358	\$ 3,716	\$ 4,023	\$ 17,716	65%
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 9,583	35%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 1,939	\$ 2,389	\$ 2,766	\$ 3,016	\$ 3,363	\$ 3,774	\$ 4,133	\$ 4,439	\$ 27,300	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,063	\$ 10,452	\$ 13,219	\$ 16,234	\$ 19,597	\$ 23,371	\$ 27,504	\$ 31,943		

2009 Line of Business (LOB) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted LOB Benefits:</u>													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,204	\$ 2,653	\$ 2,876	\$ 3,122	\$ 3,471	\$ 3,569	\$ 3,821	\$ 4,079	\$ 4,388	\$ 35,589
Cumulative	\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,610	\$ 10,263	\$ 13,139	\$ 16,261	\$ 19,732	\$ 23,301	\$ 27,122	\$ 31,201	\$ 35,589	
YTD Variance	\$ 103	\$ 195	\$ 227	\$ 227	\$ 438	\$ 520	\$ 607	\$ 816	\$ 872	\$ 947	\$ 1,100	\$ 1,277	

Notes:

1. The \$2.5 million in reduced meter maintenance expense for 2009 is not recorded as a credit in the SBA, but is included in the line of business budget reductions to help offset other benefit categories with shortfall amounts.
2. The benefits associated with the SmartMeter Upgrade are reflected in the forecasts shown above.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	10/31/2009	MV-90 domain name server (DNS) connectivity issue	EMT's unable to complete MV-90 meter deployment process.	Jim Meadows	SSN has created a DNS Tool web page as a short-term workaround for the DNS to UIQ communication problem. SSN is in the process of creating a long-term fix for this issue that will be submitted through change control.
2	10/5/2009	Firmware issue with SSN meters impacting meter connectivity.	Meters remain in "Installed" or "Initialization Failed" state with no connectivity.	Vic Gorden	SSN and SmartMeter Operations (SMO) have approved the 1.10.6e firmware upgrade for production, however the newly discovered DNS defect is preventing effective dissemination of firmware through the network. SMO and SM IT Operations are making a minor requested parameter change to DNS that SSN feels will mitigate the problem. Firmware upload should then take ~ two weeks (until ~ 10/5) for the majority of installs, then continuously for new installs and stragglers.
3	10/1/2009	Customer Web Presentment (CWP) does not accurately display a customer's usage information for the exchange period of a SmartMeter/SmartMeter electric meter exchange.	Potential impact to the entire DCSI and Aclara RF population that will be exchanged, if defect not fixed prior to the exchanges. Upcoming Aclara RF exchanges in Hayward (in progress), Bayhill, Fresno (August) and Stockton (November) total about 140K meters.	Christopher Vana	Defect logged. Talking points and information to customer-facing employees provided. Online error message added to include: 'New usage data will be available after you receive your next bill'. Next steps: 1) Complete drafts for SM Maintenance release schedule and process. 2) Determine required effort for implementing solution. Project schedule to be finalized 10/1.
4	10/30/2009	Meter status ping response time and network performance with meter power status checks are unknown.	Impact assessment to be completed by the end of October.	Christopher Vana	Vendor Management reviewing specifications to determine SSN contract commitments for meter power status ping response times. Meeting with SSN being scheduled to discuss and resolve network performance issues and requirements.
5	11/2/2009	SSN production meters do not provide a confirmed power-off response to Meter Power Status Check ping	Ability to fully deploy Meter Power Status Check (MPSC) functionality, ability to create nested outages, benefits realization from MPSC and Restoration Validation.	Christopher Vana	Design modifications to accommodate full functionality approved and build completed. Testing to begin 9/14 and uses live meters. Final deployment targeted in conjunction with IVR Meter Power Status Check for mid-Oct.
6					
7	10/31/2009	Negative SmartMeter press increased in recent weeks	Customer perception of the SmartMeter Program becomes negative, increasing potential customer complaints	Kate Wagner	The project is supporting Gov. Rel. (if needed) at proposed public meetings. - All accounts investigated so far show that Tier 5 usage coupled with excessive July heat and the 3/1/09 rate increase is the cause of negative customer perception.

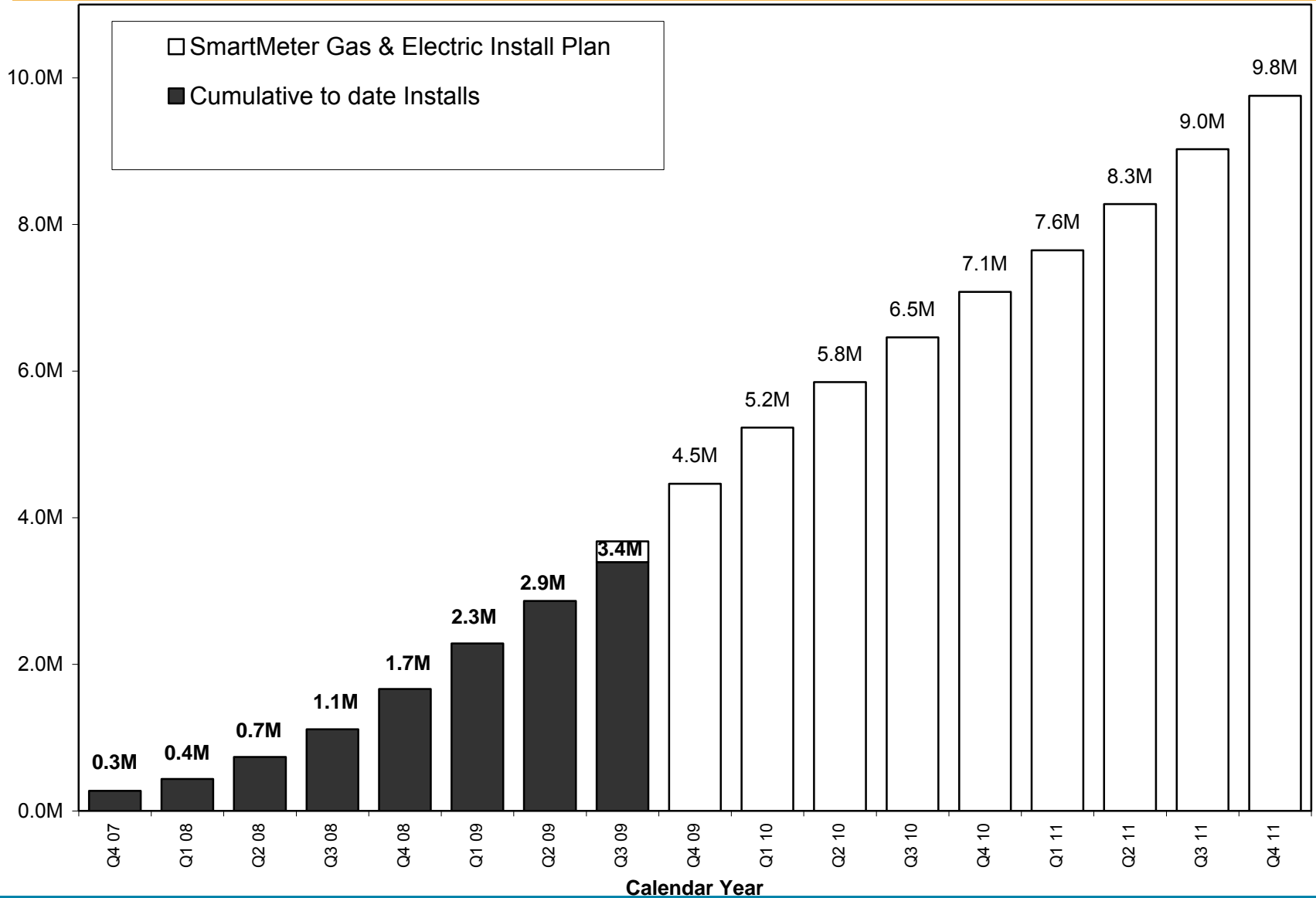
#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters with limited access may require non-standard solutions.	Schedule, additional costs, benefits realization.	Jim Meadows	Meter reader surveys to identify meter location problems completed in Richmond, Berkley and Oakland; San Francisco (SF) survey begins in Oct 2009. Engineering solution to support SF deployment schedule to be developed by Dec. 2009.	
2	4/4/2008	3	5	15	20	Implementation of new technology does not perform as intended. Key driver: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Mesh technology performance monitored through initial installations of 1M SSN meters. Risk probability downgraded to 3 with technology performing as intended. Risk continuing to be monitored.	
3	8/12/2009	4	4	16	-	>200kW meter exchange (unable to complete by 5/20/10) Key Driver: Required equipment unavailable to meet project schedule, IT functionality unavailable on time, challenging to serve meter locations	Customer Impact	Jim Meadows	Dependencies have been identified for installation. SSN engineering under review for advancement of network nodes. Pilot complete on 6 customers including bill calculation and presentment. SSN SOW completion by 9/22/09.	
4	8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Application scalability is unknown, insufficient meter read volume.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program. Plan to test	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. Plan to test system performance and scalability with 6M meter volume by 11/20/09 developed and being implemented. Plans for SmartMeter systems that support deployment, operation, reading and billing all the way up to 11M meters are being developed for 2010.	
5	8/25/2008	5	3	15	15	DCSI system capability to effectively manage reads past established thresholds. Key driver: Inability of DCSI (TNG 1.6.3) to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth).	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Impact increased from 2 to 3 due to DCSI customer enrollments in the SmartRate program. Overall, fewer DCSI meters remain in the field after the replacement of about 30K DCSI meters in Kern. Remaining DCSI meters will be replaced by Q2 in 2010. Approximately 77K DCSI meters have been replaced YTD (30%). Risk can be closed upon change out of ~80% of meters.	

Program Metrics

Metric	Key Performance Indicator	July '09 - Month Results			Aug '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 3.76	\$ 3.61	4.3%	\$ 3.98	\$ 3.84	3.6%	\$ 25.76	\$ 24.57	4.9%	\$ 42.40	\$ 38.34	10.6%	One OSHA in March; Target is zero. 4 incidents YTD, two incidents in August. One August incident under review with MVI review committee. Not all mileage has been accounted for in metric, project is addressing.
P2	OSHA Recordable Rate (SmartMeter)	1.79	(track only)		1.55	(track only)		1.55	0		1.55	0		
P3	MVI Recordable Rate (SmartMeter)	4.29	(track only)		7.12	(track only)		7.12	0		7.12	0		
C1	Customers enrolled in SmartRate (net)	22,189	(track only)		22,723	(track only)		22,723	(track only)		60,000	60,000	0.0%	Increase in complaints primarily related to higher bills. Primary root causes are high energy usage and temperature changes
C10	Customer Complaint Rate (escalated to CPUC)	0.007%	(track only)		0.026%	(track only)		0.009%	(track only)					
D1	Meters Installed - Electric & Gas	260,844	244,552	6.7%	269,936	229,089	17.8%	1,724,835	1,832,723	-5.9%	2,800,000	2,800,000	0.0%	Hired additional resources and weekly installs have increased to over 60K. The variance is closing and is on track to reach the 2009 goal. Rev. 10 mitigation plan in place, less than half a day behind schedule as of Sep. 12th.
D1.1	Meters Installed - Electric & Gas Rev. 10 plan	260,844	262,787	-0.7%	269,936	263,082	2.6%	1,724,835	1,738,304	-0.8%	2,800,000	2,800,000	0.0%	
D2	DCUs Installed	160	158	1.3%	220	158	39.2%	1,481	1,214	22.0%	1,850	1,850	0.0%	
D3	Electric Network - Nodes Installed	90	(track only)		105	(track only)		2,255	(track only)		3,159	3,159	0.0%	
D6	UTC Rate	3.3%	4.5%	27.4%	3.3%	4.5%	27.0%	3.7%	4.5%	17.1%	4.5%	4.5%	0.0%	
D8	UTC's open beyond 90 days	20,640	(track only)		21,517	(track only)		21,517	(track only)					
D9	CPI - Endpoints (all-in)	\$124.51	\$135.52	8.1%	\$124.72	\$135.52	8.0%	\$129.52	\$135.52	4.4%	\$135.52	\$135.52	0.0%	
D10	CPI Gas Network (all-in)	\$2,631	\$4,481	41.3%	\$1,124	\$4,481	74.9%	\$3,967	\$4,481	11.5%	\$4,481	\$4,481	0.0%	
D11	CPI Electric Network (all-in)	\$2,446	\$3,100	21.1%	\$90	\$3,100	97.1%	\$2,731	\$3,100	11.9%	\$3,100	\$3,100	0.0%	
D17	Total Weeks of Inventory on Hand - Electric M.	7	4	71.8%	4	4	10.8%	4	4	10.8%	6	4	50.0%	Project forecast to reduce Gas inventory to 3-5 weeks by year end.
D18	Total Weeks of Inventory on Hand - Gas Mtr.	17	3	480.0%	19	3	517.0%	19	3	517.0%	4	3	33.3%	
O4	Transition Aging - Average Days	16.31	15	-8.7%	12.29	15	18.1%	24.21	15	-61.4%				Residual backlog as a result of 2009 Deployment changes; Electric endpoints behind schedule reducing available routes for transition; & stranded gas populations on dual commodity routes
O9	% Bills not estimated	99.77%	99.20%	0.6%	99.79%	99.20%	0.6%	99.75%	99.20%	0.6%				
B2	Meters Activated - Electric & Gas (end of month)	169,629	(track only)		199,690	(track only)		1,291,346	(track only)		2,107,808	(track only)		
B3	Count of Remote Disconnects	9,716	6,886	41.1%	11,188	7,967	40.4%	35,910	25,503	40.8%	78,584	68,177	15.3%	
B5	ITD Meter Reading HC reductions	214	204	4.9%	234	218	7.3%	234	218	7.3%	300	310	-3.2%	
B6	Estimated Line of Business (LOB) Benefits	\$3,122	\$2,918	7.0%	\$3,471	\$3,131	10.9%	\$19,732	\$18,565	6.3%	\$35,589.4	\$34,312.3	3.7%	

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



SmartMeter Contingency Reconciliation

\$000s

1. Business Case Approved Contingency (AMI and SMU)

\$177,753

Total PDRs Adopted by Steering Committee

\$2,856

Subtotal Adopted PDR's

\$2,856

2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown

Approved Date			
	2007	2007 PDR Total	\$92,773
	2008	2008 PDR Total	\$32,240
08-0271	5/21/09	Change to RF network and SSN technology	(\$40,191)
08-0272	5/21/09	Change to RF technology: additional vendor specific costs adjustments	[REDACTED]
09-0276	5/21/09	Change to RF technology: new endpoint supplier agreement	[REDACTED]
09-0281	5/21/09	Release E Funding Revision	\$3,507
09-005	6/5/09	Release X - Scalability (Phase 1) (aka RFA 09-005)	\$22,693
09-0282	7/8/09	SM-driven Commercial Gas Meter Intesting	\$700
09-009	7/16/09	Release G (all phases)	\$10,608
	various	Other (less than \$500,000 each)	\$1,440
		<i>Subtotal PDRs</i>	\$123,310
		<i>Total PDRs</i>	\$126,166

Note: In D.09-03-026 The Commission concluded PG&E should use the AMI risk based allowance to fund the additional project management costs of \$15.1 Million related to the SmartMeter Upgrade Program, and approximately \$6.1 Million related to HAN retrofit costs. PG&E is still evaluating the potential for costs savings in other categories to offset this amount, however this amount remains a likely risk based allowance draw.

Public Version

PG&E
SmartMeter™

SmartMeter™
Steering Committee Update- October
October 14 , 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release E/F BBE - Deploy	Green	Yellow	Green	Red	Green	Yellow	Green
Release G – Design/Build	Green	Green	Yellow	Yellow	Green	Yellow	Yellow
Release H - Plan/Analyze	Green	Green	Green	Yellow	Yellow	Yellow	Yellow

Challenges

Release BBE

- 7/31 deployment of Meter Power Status Check (MPSC) delayed to Oct. due to a functional issue with SSN production meters not providing a confirmed power-off response for Meter Power Status Check ping using the current solution.
- Response time for SSN meter status pings needs to be confirmed. Network performance is unknown.

Release G

- Business has requested to change OMT deployment approach to a phased implementation by control center may cause schedule delays
- One week delay forecasted for deployment of RV due to EA 2.7 delivery
- UIQ inability to provide a confirmed power-off response to Meter Power Status Check ping may impact ability to create nested outages and benefits from Restoration Validation.

Release H

- ██████ integration solution between handheld and FSU in vendor development, may impact testing and business process design

Actions/Status

Release BBE

- Build and testing of modified design completed. Deployment of MPSC for Call Center Channel targeted for 10/14/09; MPSC for IVR Channel targeted for 10/31/09.
- Retesting of SSN meter power status pings through product and performance testing met Service Level Agreements for response time. Network performance testing completed, pending sign-off.

Release G

- Staggered OMT deployment impact being assessed. First OMT deployment to occur per schedule on 10/21/09
- Team working to recover time within the current schedule to deliver per target
- Issue with Power-Off response to MPSC ping expected to be resolved by deployment of the MPSC functionality in October 2009

Release H

- Team working under assumption that SSN solution will integrate with FAS. Exploring potential work-around for a manual solution

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release I - Plan/Analyze							
Release J - Plan/Analyze							
Release O - Plan/Analyze							
Release X - Plan/Analyze							
2009 Other Cap. Projs. (IT PMO, 08 carry over, SM Apps, DC)							
2009 Operating expenses (CC&B, Stabilization)							

Challenges

Release I

- Initial target for Plan/Analyze completion by 12/15/09 to meet June 2010 at risk due to pending scope finalization and resource allocation

Release X

- Delay in project completion due to revisions in test plans and approach; requires contingency draw
- UIQ 3.9 test confirmed scalability to 2M SM meter population, test for 3M meter population failed (3.9 certified for 2M meter scalability). UIQ 4.1 will need to be deployed by Q1-2010 to allow system scalability to 3M meters.

Overall

- EA vendor delivery dependencies exist for all IT releases.
- HAN operating model and finalization of initial HAN pilot scope being finalized.

Actions/Status

Release I

- Scope walk-through sessions and resource allocations are progressing

Release J

- Scope defined; budget submitted for approval

Release O

- Verbal approval from SMEs received for Recommendations and Roadmap. RFA for Plan/Analyze to be updated by 10/9/09 for PMO review.

Release X

- PCR identifying revised approach, remedial actions, schedule and cost impact (contingency draw) completed. Completion forecasted to 11/20/09 (best case) or 12/31/09 (worst case) against initial target of 11/2/09
- Project projecting to reach 3M meter deployment threshold in Q1-2010. UIQ 4.1 release meeting project scalability targets available in Nov-09. Plans to test and deploy UIQ 4.1 by Q1-2010 to be developed.

Future Releases

- Creating integrated SM Upgrade and future release plan by 8/31/09.
 - Add Upgrade scope.

2009 Deployment Status Update

	Budget	2009 Forecast	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Endpoints (2009 YTD)	Green	Yellow	Green	Green	Green	Green	Yellow
Gas Network (2009 YTD)	Green	Green	Green	Green	Green	Green	Green
Electric Network (2009 YTD)	Green	Red	Green	Green	Green	Green	Green
MV-90 (ITD)	Grey	Grey	Green	Yellow	Green	Green	Yellow

Challenges

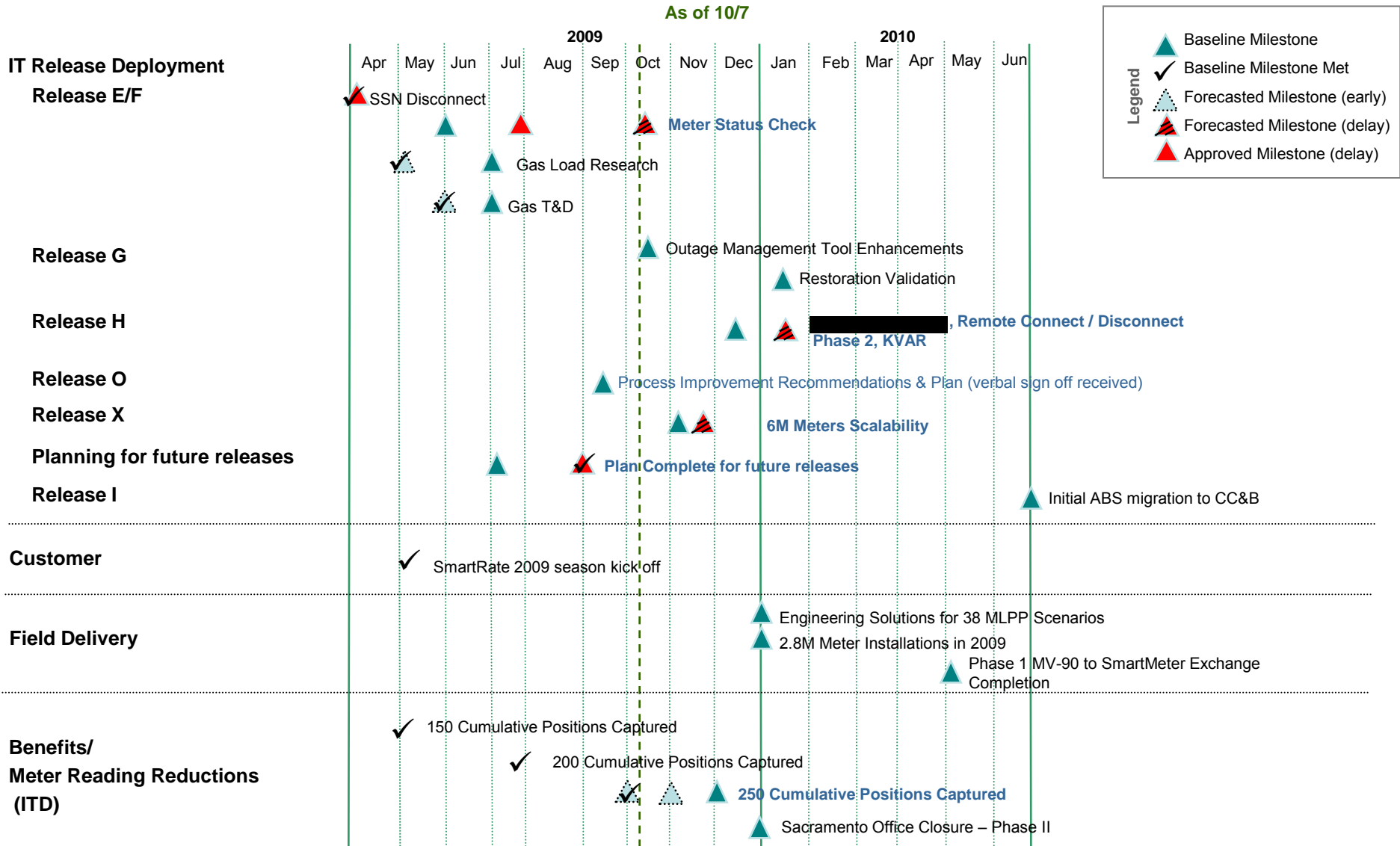
Deployment - Endpoint

- Meter deployment plan is behind schedule against the initial plan
- Non-standard installations may impact deployment schedule
 - Completion of solution testing/development for scenarios associated with Oakland test sites by 12/4/09 dependent on approval of Customer Communication strategy by 10/16
- Sacramento office final closure 2641 meters remaining to be installed
 - 303 installed meters pending transition (including those missing interval data)
- Exchange MV-90 meters for ~3,750 >200kW (EMR read CC&B billed) customers by May 2010.

Actions/Status

Deployment - Endpoint

- Planned vs. Actual variance beginning to narrow against revised 2009 plan
 - 165K behind in 6/30, 137K in 7/30, 108K in 8/30, 63K in 9/30 against the initial plan
 - 5.9K meters ahead of the make-up plan as of 10/4/09
- Solution for identified non-standard locations by 12/31:
 - On track to deploy 100% of Tier 1 and Tier 2 Meter Reader Surveys scheduled for 2009
 - Engineering test plan to be completed by 10/12/09
 - Customer communication strategy currently under review
- Of these:
 - 1698 rotary meters requiring Gas T&R workforce;
 - 284 were identified for meter exchange by GSRs;
 - 581 meters are to be completed by T-300. 167 transitioned to estimated with pick up read schedule.
 - 78 meters currently have no solution available in 2009.
- Refinement of business rules for PDP eligibility reduces meter installation scope from 4,621 to ~3,750 (removed estimated demand and customers with rates that did not require a demand)
- Schedule being revised to reflect updated Scope; completion targeted for 10/16/09
- Continuing to monitor cross-functional dependencies to deliver within required timeline
- 74 MV-90 network nodes installed; 34 MV-90 meters replaced as of 10/12.









As of Oct. 4

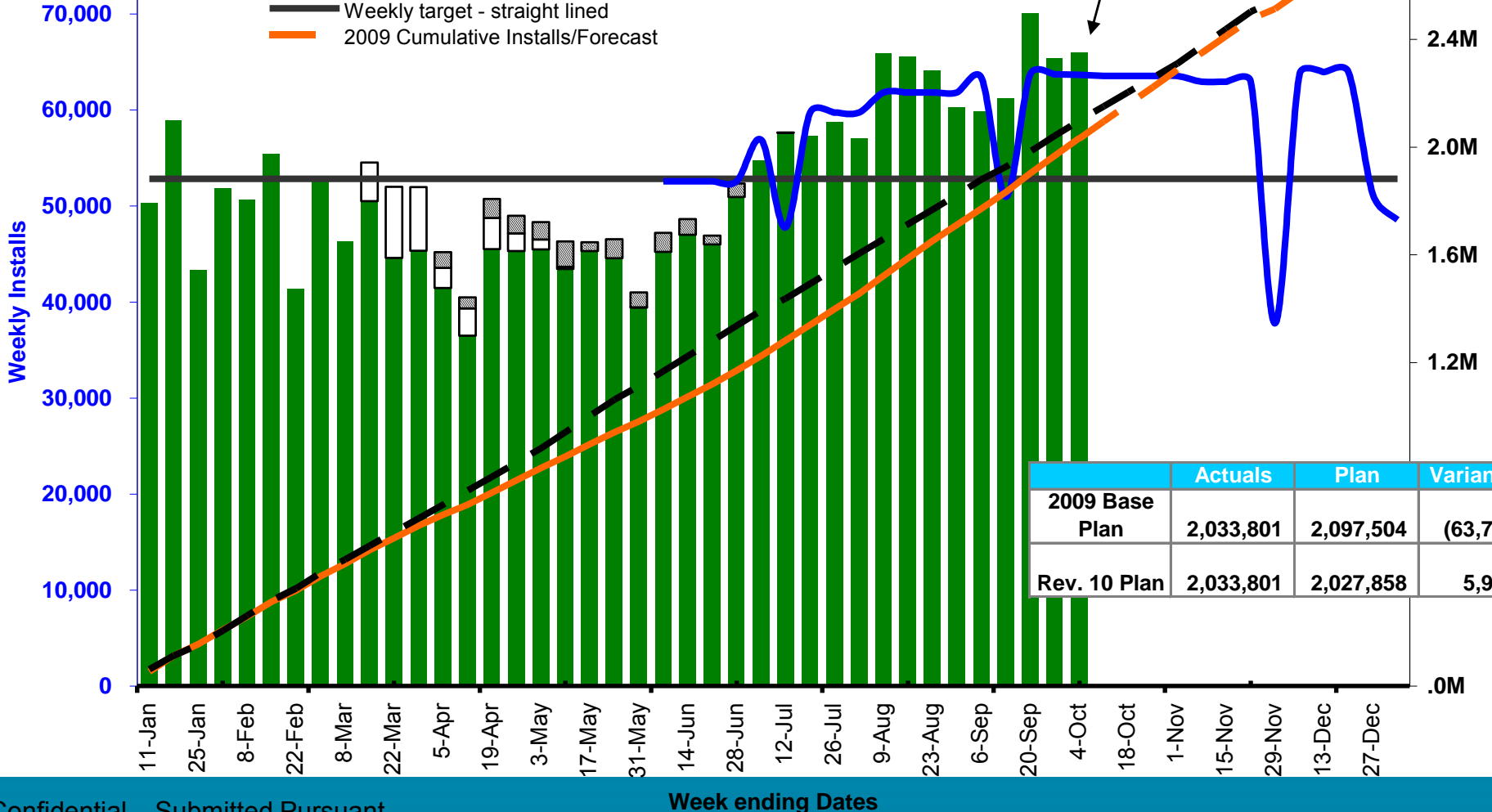
Deployment Update

2009 Install Rate vs. Operating Plan - Weekly Meter Totals

Total SM ITD Installs
3,732,624
 Including all retrofits

2009 target: 2,800,000

-  Skipped Electric (with GFI/AFCl):
-  Kern Elect meter retrofits:
-  Weekly installs
-  Rev. 10 Forecast
-  Weekly target - straight lined
-  2009 Cumulative Installs/Forecast



Budget Status – Expenditures by Workstream

Capital (000s)		Current Month - September			Year to Date - September				2009 Approved Budget	2009 Budget (w \$15M)	Year-End Budget Forecast	Inception to Date Spending	#
#	Workstream	Submitted + Upgrade	Actuals	Variance	Submitted + Upgrade	Actuals	Variance	% Var.					
1	PMO (w/CC Bus Delivery)	\$ 674	\$ 268	\$ 406	\$ 5,281	\$ 3,726	\$ 1,555	29%	\$ 7,388	\$ 7,388	\$ 4,741	\$ 38,040	1
2	SM Operations	\$ 274	\$ 646	\$ (371)	\$ 2,467	\$ 2,392	\$ 75	3%	\$ 3,289	\$ 3,289	\$ 3,294	\$ 7,532	2
3	FD- Strategic Relationships	\$ 40,154	\$ 44,969	\$ (4,815)	\$ 332,592	\$ 358,954	\$ (26,362)	-8%	\$ 454,914	\$ 454,914	\$ 454,042	\$ 622,565	3
4	FD Endpoint Installation	\$ 1,879	\$ 2,004	\$ (125)	\$ 3,891	\$ 986	\$ 2,904	75%	\$ 9,422	\$ 9,422	\$ 6,316	\$ 24,821	4
5	FD- Field Delivery Office	\$ 1,195	\$ 1,219	\$ (24)	\$ 7,898	\$ 7,013	\$ 885	11%	\$ 11,504	\$ 11,584	\$ 10,705	\$ 17,059	5
6	FD - Network Install	\$ 675	\$ 576	\$ 99	\$ 5,868	\$ 5,339	\$ 529	9%	\$ 8,103	\$ 8,103	\$ 6,552	\$ 20,183	6
7	Deployment Subtotal:	\$ 43,903	\$ 48,768	\$ (4,865)	\$ 350,248	\$ 372,292	\$ (22,044)	-6%	\$ 483,944	\$ 484,024	\$ 477,616	\$ 684,628	7
8	IT and CC&B	\$ 2,313	\$ 4,099	\$ (1,786)	\$ 19,581	\$ 30,774	\$ (11,193)	-57%	\$ 42,507	\$ 54,507	\$ 54,077	\$ 269,272	8
9	Business Process	\$ 136	\$ 922	\$ (786)	\$ 2,644	\$ 4,720	\$ (2,076)	-79%	\$ 3,057	\$ 6,057	\$ 6,375	\$ 12,210	9
10	Technology Monitoring	\$ -	\$ 3	\$ (3)	\$ 2,055	\$ 243	\$ 1,812	88%	\$ 2,055	\$ 2,055	\$ 243	\$ 1,907	10
11	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 5,000	\$ 4,920	\$ -	\$ -	11
12	Capital Total:	\$ 47,300	\$ 54,705	\$ (7,405)	\$ 382,277	\$ 414,147	\$ (31,870)	-8%	\$ 547,239	\$ 562,239	\$ 546,346	\$ 1,013,588	12

Expense (000s)		Current Month - September			Year to Date - September				2009 Approved Budget	2009 Budget (w \$15M)	Year-End Budget Forecast	Inception to Date Spending	#
#	Workstream	Submitted + Upgrade	Actuals	Variance	Submitted + Upgrade	Actuals	Variance	% Var.					
13	PMO (w/CC Bus Delivery)	\$ 67	\$ 16	\$ 51	\$ 1,723	\$ 1,584	\$ 139	8%	\$ 2,442	\$ 2,442	\$ 2,121	\$ 19,074	13
14	SM Operations	\$ 876	\$ 283	\$ 593	\$ 7,657	\$ 8,992	\$ (1,335)	-17%	\$ 10,286	\$ 12,666	\$ 11,871	\$ 25,388	14
15	Customer	\$ 1,588	\$ 490	\$ 1,098	\$ 14,342	\$ 6,076	\$ 8,266	58%	\$ 19,010	\$ 19,131	\$ 11,695	\$ 10,892	15
16	Change Mgt Customer Impact	\$ 253	\$ 465	\$ (212)	\$ 2,041	\$ 2,292	\$ (251)	-12%	\$ 2,808	\$ 2,898	\$ 4,778	\$ 5,248	16
17	FD Endpoint Installation	\$ 169	\$ 512	\$ (343)	\$ 1,847	\$ 3,511	\$ (1,664)	-90%	\$ 2,353	\$ 2,353	\$ 4,790	\$ 6,035	17
18	FD- Field Delivery Office	\$ 118	\$ 233	\$ (115)	\$ 1,195	\$ 1,569	\$ (374)	-31%	\$ 1,547	\$ 1,547	\$ 12,702	\$ 14,076	18
19	Deployment Subtotal:	\$ 287	\$ 745	\$ (458)	\$ 3,042	\$ 5,079	\$ (2,037)	-67%	\$ 3,901	\$ 3,901	\$ 17,492	\$ 20,111	19
20	IT and CC&B	\$ 2,126	\$ 1,655	\$ 472	\$ 17,473	\$ 14,891	\$ 2,582	15%	\$ 23,563	\$ 23,563	\$ 23,250	\$ 81,211	20
21	Technology Monitoring	\$ 285	\$ 212	\$ 72	\$ 3,961	\$ 2,367	\$ 1,595	40%	\$ 4,580	\$ 4,580	\$ 2,985	\$ 20,684	21
22	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 227	\$ (2,363)	\$ -	\$ -	22
23	Expense Total:	\$ 5,483	\$ 3,866	\$ 1,617	\$ 50,239	\$ 41,280	\$ 8,959	18%	\$ 66,816	\$ 66,816	\$ 74,192	\$ 182,607	23

Inception to Date Total = **\$ 1,196,196**

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date through September was 8% over the 2009 approved adjusted budget. The year-to-date variance overrun of \$31.9 million was due to a combination of line: #3) timing differences in the receipt of meter and network equipment, #8) more capitalized IT work through Q3 than planned, and offset somewhat by #4 & #5) larger cost of removal adjustments than planned.

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual											Remaining 2009 Forecast			ITD Actual	
	2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 1,523	\$ 1,973	\$ 2,350	\$ 2,599	\$ 2,926	\$ 3,358	\$ 3,716	\$ 4,023	\$ 20,642	67%
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 10,000	33%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 1,939	\$ 2,389	\$ 2,766	\$ 3,016	\$ 3,342	\$ 3,774	\$ 4,133	\$ 4,439	\$ 30,642	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,063	\$ 10,452	\$ 13,219	\$ 16,234	\$ 19,576	\$ 23,351	\$ 27,483	\$ 31,923		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted FA Benefits:</u>													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,204	\$ 2,653	\$ 2,876	\$ 3,122	\$ 3,471	\$ 3,758	\$ 3,821	\$ 4,079	\$ 4,388	\$ 35,778
Cumulative	\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,610	\$ 10,263	\$ 13,139	\$ 16,261	\$ 19,732	\$ 23,490	\$ 27,311	\$ 31,390	\$ 35,778	
YTD Variance	\$ 103	\$ 195	\$ 227	\$ 227	\$ 438	\$ 520	\$ 607	\$ 816	\$ 1,061	\$ 1,136	\$ 1,289	\$ 1,466	

Notes:

1. The benefits associated with the SmartMeter Upgrade are reflected in the forecasts shown above.

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	10/31/2009	Negative SmartMeter press increased in recent weeks	Customer perception of the SmartMeter Program becomes negative, increasing potential customer complaints	Kate Wagner	<p>A cross-departmental oversight committee made up of Officers and Senior Directors has been created to coordinate the response to the Kern County customer issue as well as any similar ongoing issues.</p> <p>A town hall meeting was held to discuss PG&E Customer complaints and SmartMeter impacts on Kern County customer bills. PG&E distributed material providing information and background around: 1) SmartMeters accuracy, 2) SmartMeter Program benefits regarding customer service, customer options and innovation, 3) Tiered rate structures, legislation protection of Tier 1 and Tier 2 customers and impact of the Tier 3-5 rate increases on high energy usage.</p> <p>PG&E employees supported a PG&E Answer Center to answer customer concerns in Bakersfield, and assist customers with inquiries related to their billing and SmartMeter technology. Answer Centers will continue to be provided in all territories where PG&E serves gas and electric service.</p>
2	10/31/2009	Firmware issue with SSN meters impacting meter connectivity.	Meters remain in "Installed" or "Initialization Failed" state with no connectivity.	Vic Gorden	SSN and SM Ops have upgraded over 1 million endpoints with a firmware upgrade to address, however it did not improve meter registration times as intended. SM Ops estimates around 5,000 NIC issues remain in Antioch and Rocklin. Issue resolution extended to 10/31/09.
3	11/15/2009	Customer Web Presentment (CWP) does not accurately display a customer's usage information for the exchange period of a SmartMeter/SmartMeter electric meter exchange.	Potential impact to the entire DCSI and Aclara RF population that will be exchanged, if defect not fixed prior to the exchanges. Upcoming Aclara RF exchanges in Hayward (in progress), Bayhill, Fresno (August) and Stockton (November) total about 140K meters.	Christopher Vana	SmartMeter IT is continuing to work with AMS Ops and EA to establish what release will include the fix for this issue. Resolution and testing activities across impacted groups to be planned and coordinated, once the release has been determined.
4					
5	10/14/2009	Meter status ping response time and network performance with meter power status checks are unknown.	Impact assessment to be completed by the end of October.	Christopher Vana	<p>(redacted). Baseline performance test also proved that meter ping transaction meets performance SLAs. Network Scalability test in progress, and results will finalize resolution of this issue.</p>
6	11/30/2009	Domain name server (DNS) connectivity issue	EMT's unable to complete MV-90 meter deployment process.	Vic Gorden	SSN has created a DNS Tool web page as a short-term workaround for the DNS to UIQ communication problem. SSN is in the process of creating a long-term fix for this issue that will be submitted through change control. Project has not received a projected date for this delivery. Issue extended to 11/30/09
7	11/2/2009	SSN production meters do not provide a confirmed power-off response to Meter Power Status Check ping	Ability to fully deploy Meter Power Status Check (MPSC) functionality, ability to create nested outages, benefits realization from MPSC and Restoration Validation.	Christopher Vana	All testing is complete and the code is ready for deployment to production. A pilot and then training refresher will be conducted. Successful exit from pilot will drive enablement for the call center.
8	10/30/2009	Rotary meter deployment and training temporarily suspended due to manufacturer recall of module for LCD issues	-200 modules have been deployed and require replacement; these have been recalled by manufacturer. -Deployment delay for approximately 1,500 rotary meters remaining in Sacramento Meter Reading Office.	Jim Meadows	<p>The LCD failure is with the index display; gas usage information can be collected manually via a laptop computer even if the LCD display is not working.</p> <p>Project has put deployment of these modules on system wide hold for a 3 week period. Project has placed bill after dates on the 200 meters in which indexes have been installed and Records will review bills for these accounts each month. The project has contacted manufacturer to escalate earlier delivery of replacement modules.</p>

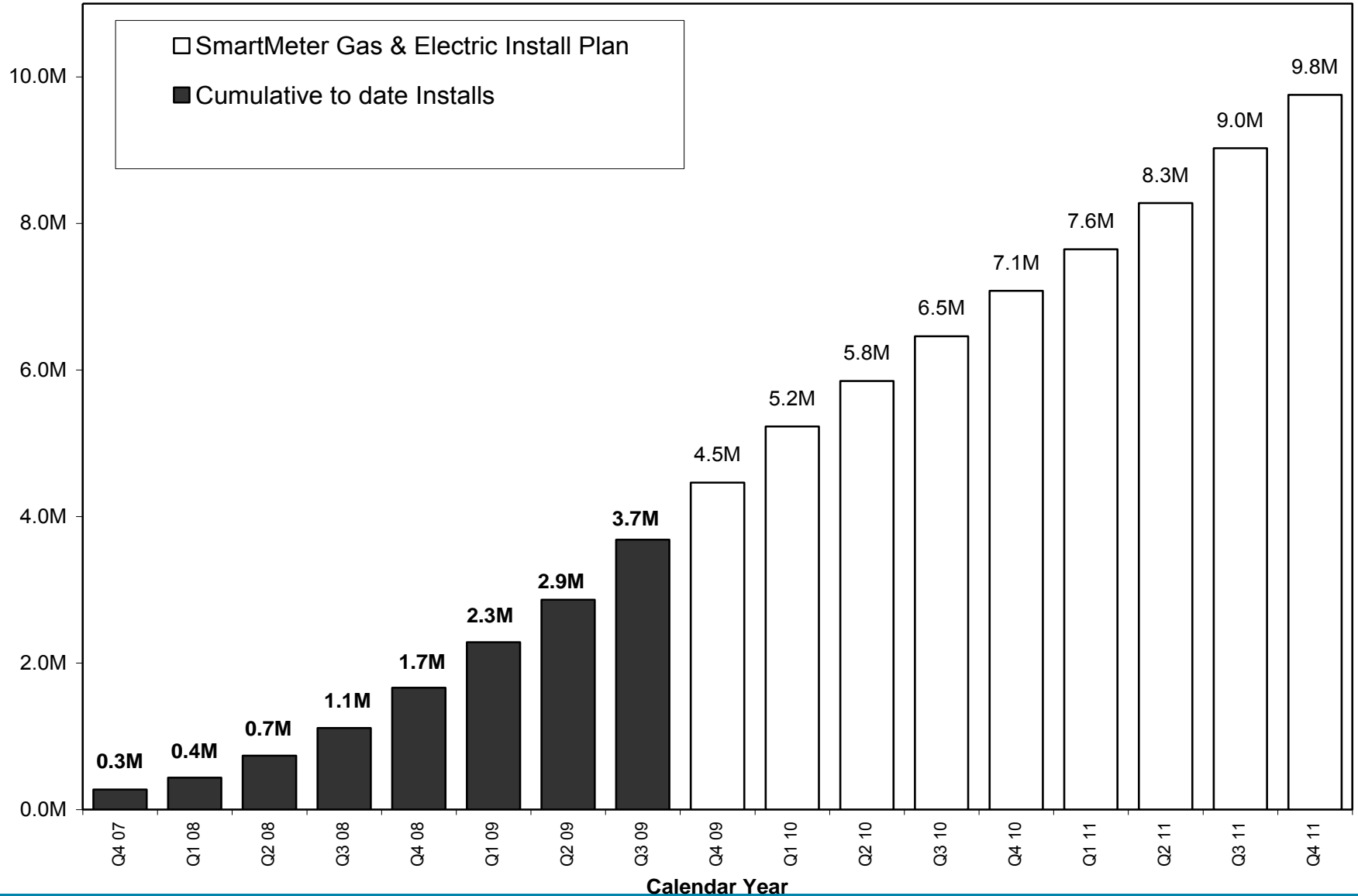
#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
1	5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters and space limitations may require non-standard solutions.	Schedule, additional costs, benefits realization.	Jim Meadows	Meter reader surveys currently on target to complete 100% of surveys planned for 2009. Engineering testing plan to be developed by 10/12/09. Completion of solution testing/development for scenarios associated with Oakland test sites by 12/4/09 dependent on approval of Customer Communication strategy by 10/16.	
2	8/12/2009	4	4	16	16	>200kW meter exchange (unable to complete by 5/1/10) Key Driver: Required equipment unavailable to meet project schedule, IT functionality unavailable on time, challenging to serve meter locations	Customer Impact	Jim Meadows	Deployment schedule being revised to reflect refined scope; completion targeted by 10/16/09. 34 of 2993 meters deployed; 74 network nodes installed as of 10/12/09. Monitoring Kvar/KYZ meter availability from vendors and IT Release H production date. Preparing available network-based solutions for some difficult-to-serve metering points.	
3	10/8/2009	3	5	15	-	Legislation changes and CPUC mandates due to Customer Complaints may impact project plan	Meter deployment, IT development and business process to meet potential legislation or CPUC requests, Increased costs	Bill Devereaux	A cross-departmental oversight committee made up of Officers and Senior Directors has been created to coordinate the response to the Kern County customer issue as well as any similar ongoing issues.	1
4	8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Application scalability is unknown, insufficient meter read volume.	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program. Plan to test	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. Plan to test system performance and scalability with 6M meter volume by 11/20/09 developed and being implemented. Plans for SmartMeter systems that support deployment, operation, reading and billing all the way up to 11M meters are being developed for 2010.	
5	4/4/2008	3	5	15	15	Implementation of new technology does not perform as intended. Key driver: Equipment fails at a higher rate than anticipated.	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Mesh technology performance monitored through initial installations of 1M SSN meters. Risk probability downgraded to 3 with technology performing as intended. Risk continuing to be monitored.	
6	8/25/2008	5	3	15	15	DCSI system capability to effectively manage reads past established thresholds. Key driver: Inability of DCSI to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth).	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Impact increased from 2 to 3 due to DCSI customer enrollments in the SmartRate program. Current plan is to replace all DCSI meters in Kern by 12/31/09. To date, 40% or ~90,000 meters have been replaced with SSN. Risk can be closed when <20% of DCSI population remains.	

Program Metrics

Metric	Key Performance Indicator	Aug '09 - Month Results			Sep '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 3.98	\$ 3.84	3.6%	\$ 4.21	\$ 4.07	3.5%	\$ 29.97	\$ 28.64	4.6%	\$ 42.40	\$ 38.34	10.6%	
P2	OSHA Recordable Rate (SmartMeter)	1.55	(track only)		1.35	(track only)		1.35	-		1.35	-		One OSHA in March; Target is zero.
P3	MVI Recordable Rate (SmartMeter)	7.12	(track only)		4.33	(track only)		4.33	0		4.33	0		4 incidents YTD; 0 incidents in September; Target is zero. Not all mileage has been accounted for in metric, project is addressing.
C1	Customers enrolled in SmartRate (net)	22,904	(track only)		25,941	(track only)		25,941	(track only)		60,000	60,000	0.0%	
C10	Customer Complaint Rate (escalated to CPUC)	0.026%	(track only)		0.042%	(track only)		0.014%	(track only)					
D1	Meters Installed - Electric & Gas	269,936	229,089	17.8%	288,376	243,705	18.3%	2,013,211	2,076,428	-3.0%	2,800,000	2,800,000	0.0%	Hired additional resources and weekly installs have increased to over 60K. The variance is closing and is on track to reach the 2009 goal.
D1.1	Meters Installed - Electric & Gas Rev. 10 plan	269,936	263,082	2.6%	288,376	268,338	7.5%	2,013,211	2,006,642	0.3%	2,800,000	2,800,000	0.0%	Rev. 10 mitigation plan in place, on target as of Sep. 25th.
D2	DCUs Installed	220	158	39.2%	139	158	-12.0%	1,620	1,372	18.1%	1,850	1,850	0.0%	Timing difference in September; YTD ahead of target
D3	Electric Network - Nodes Installed	105	(track only)		266	215	23.7%	2,521	2,470	2.1%	3,159	3,159	0.0%	
D6	UTC Rate	3.3%	4.5%	27.0%	3.7%	4.5%	17.8%	3.2%	4.5%	28.6%	4.5%	4.5%	0.0%	
D8	UTC's open beyond 90 days	21,517	(track only)		23,587	(track only)		23,587	(track only)					
D9	CPI - Endpoints (all-in)	\$107.67	\$135.52	20.6%	\$130.73	\$135.52	3.5%	\$126.85	\$135.52	6.4%	\$135.52	\$135.52	0.0%	
D10	CPI Gas Network (all-in)	\$1,124	\$4,481	74.9%	\$3,801	\$4,481	15.2%	\$3,953	\$4,481	11.8%	\$4,481	\$4,481	0.0%	
D11	CPI Electric Network (all-in)	\$90	\$3,100	97.1%	\$1,089	\$3,100	64.9%	\$2,751	\$3,100	11.3%	\$3,100	\$3,100	0.0%	
D17	Total Weeks of Inventory on Hand - Electric M.	4	4	10.8%	9	4	125.0%	9	4	125.0%	6	4	50.0%	
D18	Total Weeks of Inventory on Hand - Gas Mtr.	29	3	866.7%	31	3	933.3%	31	3	933.3%	4	3	33.3%	Project forecast to reduce Gas inventory to 3-5 weeks by year end.
O4	Transition Aging - Average Days	12.29	15	18.1%	14.70	15	2.0%	21.35	15	-42.3%				Residual backlog as a result of 2009 Deployment changes; Electric endpoints behind schedule reducing available routes for transition; & stranded gas populations on dual commodity routes
O9	% Bills not estimated	99.79%	99.20%	0.6%	99.79%	99.20%	0.6%	99.76%	99.20%	0.56%				
B2	Meters Activated - Electric & Gas (end of month)	199,690	(track only)		151,592	(track only)		1,442,938	(track only)		2,107,808	(track only)		
B3	Count of Remote Disconnects	11,188	7,967	40.4%	13,920	9,047	53.9%	49,830	34,550	44.2%	83,457	68,177	22.4%	
B5	ITD Meter Reading HC reductions	234	218	7.3%	250	239	4.6%	250	239	4.6%	294	294	0.0%	
B6	Estimated Line of Business (LOB) Benefits	\$3,471	\$3,131	10.9%	\$3,758	\$3,363	11.7%	\$23,490	\$21,928	7.1%	\$35,778.3	\$34,312.3	4.3%	

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency (AMI and SMU)		\$177,753
Total PDRs Adopted by Steering Committee		\$2,856
Subtotal Adopted PDR's		\$2,856
2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown		
Approved Date		
2007	2007 PDR Total	\$92,773
2008	2008 PDR Total	\$32,240
08-0271	5/21/09 Change to RF network and SSN technology	(\$40,191)
08-0272	5/21/09 Change to RF technology: additional vendor specific costs adjustments	██████████
09-0276	5/21/09 Change to RF technology: new endpoint supplier agreement	██████████
09-0281	5/21/09 Release E Funding Revision	\$3,507
09-005	6/5/09 Release X - Scalability (Phase 1) (aka RFA 09-005)	\$22,693
09-0282	7/8/09 SM-driven Commercial Gas Meter Intesting	\$700
09-009	7/16/09 Release G (all phases)	\$10,608
09-0287	9/22/09 Credit Ops Remote Disconnect-Reconnect	\$1,004
09-017	10/6/2009 RFA - Release J (Plan & Design)	\$619
	various Other (less than \$500,000 each)	\$1,600
	Subtotal PDRs	\$125,093
	Total PDRs	\$127,949

Note: In D.09-03-026 The Commission concluded PG&E should use the AMI risk based allowance to fund the additional project management costs of \$15.1 Million related to the SmartMeter Upgrade Program, and approximately \$6.1 Million related to HAN retrofit costs. PG&E is still evaluating the potential for costs savings in other categories to offset this amount, however this amount remains a likely risk based allowance draw.

Public Version

PG&E
SmartMeter 

SmartMeter™
Steering Committee Update - October
November 17, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**
- ▶ **Appendix**

2009 Release Status Update

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)	Program Budget: \$431,593,458		IT Actual: \$369,405,368		IT Remaining Budget: \$62,188,089		
Release E/F	\$15.23M	\$15.23M / \$3.13M					
BBE – Deploy	\$2.47M	\$2.47M / \$2.24M					
Release G – Design/Build	\$10.61M	\$10.61M / \$6.10M					
Release H - Plan/Analyze	\$8.46M	\$8.46M / \$3.71M					
Release I - Plan/Analyze	\$2.02M	\$10.00M / \$0.90M					

Total YTD: \$57.14M

Challenges

Release BBE

- IT code for Meter Power Status Check (MPSC) deployed; business process implementation pending pilot and business decision

Release G

- 10/20 Outage Management Tool (OMT) deployment was delayed due to production OMT performance issues during the 10/13 storm
- Design changes to resolve SSN meter performance (timeliness and quality) and network reliability issues may be needed; impacts 1/18/10 Restoration Validation (RV) deployment target
- Implementing RV and OIS Upgrade during storm season

Release H

- 11/4 deployment of MPSC IVR delayed due to pending MDMS fixes
- Initial target for 1/18 KVAR deployment may be delayed due to later than expected EA delivery of KVAR solution
- 'Stop script' build time for Remote Connect Disconnect (RCDC) will take longer than expected impacting targeted deployment date
- Additional development effort will be required to allow integration between WEI hand-held device and ██████████ installation software
- Pending SSN performance issues may impact RCDC deployment decision

Actions/Status

Release BBE

- Desktop ping pilot scheduled to begin on 11/30

Release G

- Business sign-off receive and OMT deployed as of 11/15
- Assessment for overall effort and schedule impact for SSN designs underway; completion targeted for 12/4
- Incorporate new OIS functionality training into the RV training schedule; changing the pilot strategy to deployment to 1 division instead of 3; and having a Go/No-Go decision before moving onto subsequent divisions

Release H

- Defects fixed; 11/13 revised deployment target undergoing sign-offs
- PCR assessing options and risks for decoupling KVAR, or pushing out Rel. H functionalities to a later date under review; decision expected by 11/19
- Deployment targeted in conjunction with SSN 4.1 and scheduled CC&B maintenance prior to 2/20/10; PCR requesting milestone date change under review
- PCR to evaluate scope impact and solution analysis under review, decision expected by 11/19
- Determining performance requirements to be able to continue with RCDC deployment

Release I

- Plan/Analyze phase underway with completion targeted by end of Dec-2009. Funding through Analyze phase approved

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)	Program Budget: \$431,593,458		IT Actual: \$369,405,368		IT Remaining Budget: \$62,188,089		
Release J - Plan/Analyze	\$0.62M	\$6.00M / \$0.13M					
Release O - Plan/Analyze	\$1.45M	\$4.60M / \$0.76M					
Release X - Plan/Analyze	\$22.69M	\$22.69M / \$13.49M					
HAN Alpha I & II	\$4.65M	\$4.65M / \$0.63M					
2009 Other Capital Projects (IT PMO, 08 carry over, SM Apps, DC)	\$15.91M	NA / \$10.23M					
2009 Operating Expenses (CC&B, Stabilization)	\$21.24M	NA / \$16.46M					

Total YTD: \$57.14M

Challenges

Actions/Status

Release J

- Data analysis for Restoration Validation (Release G) is taking longer than anticipated, delaying the start of Release J data analysis activities
- Business ownership for the Transformer Loading report has not yet been identified

Release J

- Data analysis for Release is wrapping up which will allow activities to begin on Release J; other activities are not impacted and are moving forward
- Working with the SM Strategic Planning to help identify the business owner

Release X

- Revised completion date of 12/31 for 6M meters integration testing completion will not be met due to issues with P6 testing and test results, and environment contention with SSN UIQ 4.1 testing; requires contingency draw
- Test for 3M electric meter population failed (SSN UIQ 3.9 certified for 2M meter scalability). UIQ 3.9 test confirmed scalability to 2.25M meter population, Currently testing at 2.5M. UIQ 4.1 will need to be deployed by Q1-2010 to allow system scalability to 3M meters

Release O

- Analyze phase milestone delayed by a month due to delayed start and additional effort identified for Analysis. Costs to be adjusted within current budget with no impact forecasted for project completion date

Release X

- Test team is currently laying out plan to deliver statistics by 12/18/09 and provide stabilization through 12/31/09
- Project projecting to reach 3M meter deployment threshold in Q1-2010. UIQ 4.1 release meeting project scalability targets available in Nov-09. Plans to test and deploy UIQ 4.1 by Q1-2010 being developed

HAN Alpha I & II

- Access Points (APs) needed for Alpha 2 require a 16 week lead time; Project will have to borrow from other PG&E teams. This may impact scheduled premise configuration

HAN Alpha I & II

- Working with internal PG&E teams to obtain two APs to complete configurations for 2 premises, to be able to work through bugs and defects until the remaining APs have been received

Overall

- EA vendor delivery dependencies exist for all IT releases
- HAN operating model and initial HAN pilot scope being finalized
- Constrained environments due to multiple releases being worked on in parallel

Future Releases

- PTR on hold, pending Regulatory Approval

2009 Deployment Status Update

	Budget (Budget / CPI)	2009 Forecast (2009 EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)	Deployment Program Budget: \$1,451,001,000		Deployment Actual: \$745,291,000		Remaining Budget: \$705,710,000		
Deployment: YTD – October, 2009							
Endpoints (2009 YTD)	\$467M / \$136	\$468M / \$129		8.3K behind (10/30)			
Gas Network (2009 YTD)	\$9.1M / \$4,481	\$8.8M / \$4,116					
Electric Network (2009 YTD)	\$10.2M / \$3,100	\$18.7* / \$2,702					
MV-90 (ITD)							

*Electric Network total 2009 dollar forecast includes approved capital budget

Challenges

Deployment - Endpoint

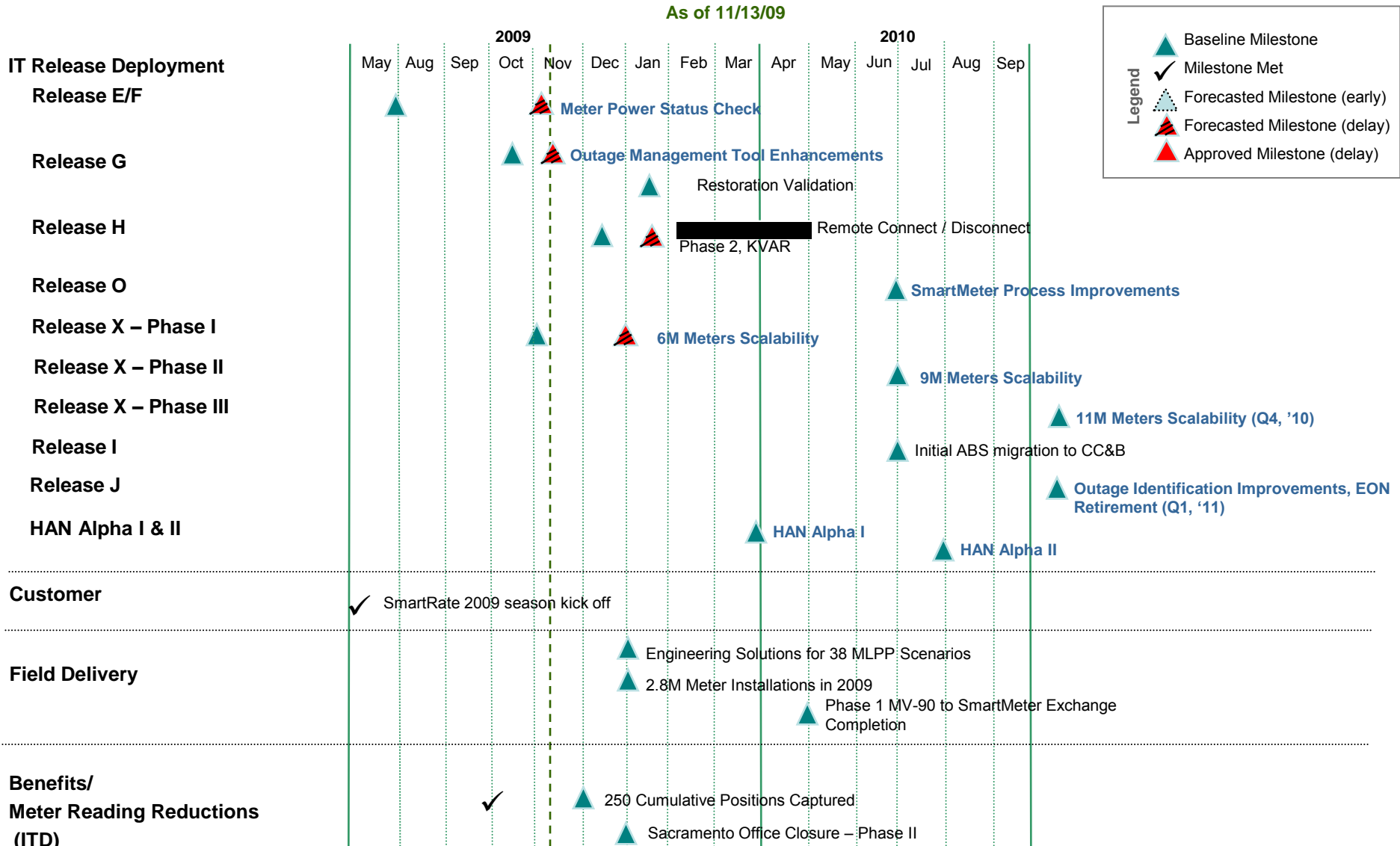
- 2010 deployment schedule under review and will be finalized week of 11/16/09
- Non-standard installations may impact deployment schedule
 - 35 scenarios require solutions by 12/31
- Sacramento office final closure 1928 meters remaining to be installed (2641 in Sep)
 - 621 installed meters pending transition (303 in Sep)
- Exchange MV-90 meters for 3,657 >200kW (EMR-read, CC&B-billed) customers by May 2010.
 - Slow start, resource and vendor performance issues impacting planned vs. actual deployment effort to date, and increase monthly targets for remaining project effort

Actions/Status

Deployment - Endpoint

- Meter deployment planned vs. actual variance closed against the initial and revised 2009 plans
 - 1.3K ahead of initial plan, 23.2K meters ahead of the make-up plan as of 11/5
 - Progress against initial plan: 165K behind on 6/30, 137K on 7/30, 108K on 8/30, 63K on 9/30, 8.3K on 10/30, **1.3K ahead on 11/5**
- Solution for identified non-standard locations available by 12/31:
 - On track to deploy 100% of Tier 1 and Tier 2 Meter Reader Surveys scheduled for '09
 - Meter installations and customer communication for solution test sites completed
 - Solution testing began 11/12; final resource needs to meet plan being validated
 - Phase I cost estimate drafted; in-depth review scheduled for 11/18
 - 11 solutions validated as of 11/13, testing for 24 scenarios targeted for 12/4 completion
- Of these:

	09/30/09	10/30/09
Rotary meters require Gas T&R workforce	1698	1501
Meter exchange by GSR	284	96
To be completed by T-300	581	213
Meters with no solution currently	78	119
- Scope has been locked down; schedule being rebaselined to incorporate remaining effort and update deployment targets; expected completion week of 11/16
- Continuing to monitor cross-functional, vendor and resource dependencies to deliver within required timeline
- 197 MV-90 network nodes installed; 76 MV-90 meters replaced as of 11/13









Legend

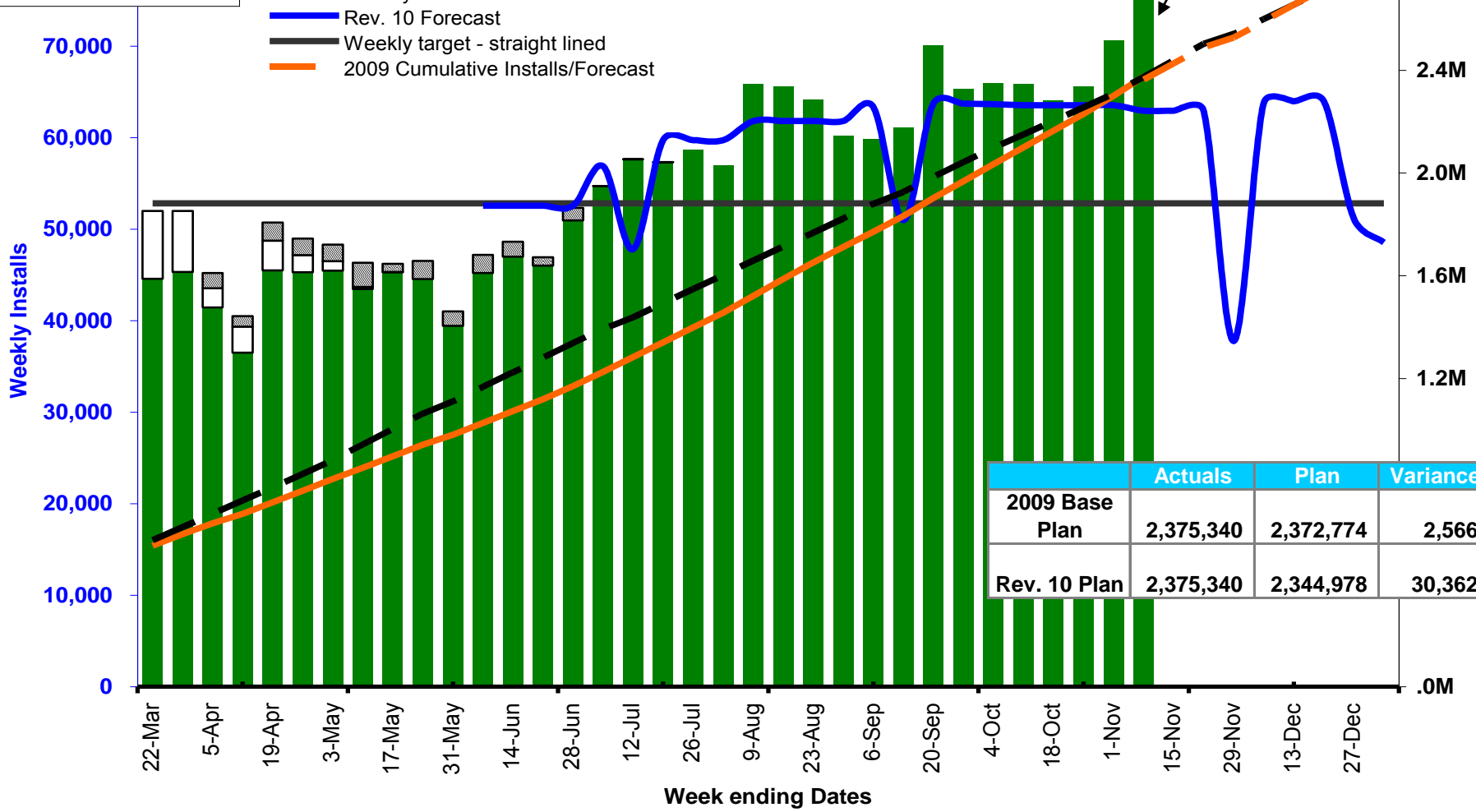
- Baseline Milestone
- Milestone Met
- Forecasted Milestone (early)
- Forecasted Milestone (delay)
- Approved Milestone (delay)

2009 Install Rate vs. Operating Plan - Weekly Meter Totals

Total SM ITD Installs
4,075,266
 Including all retrofits

2009 target: 2,800,000

-  Skipped Electric (with GFI/AFCI):
-  Kern Electric meter retrofits:
-  Weekly installs
-  Rev. 10 Forecast
-  Weekly target - straight lined
-  2009 Cumulative Installs/Forecast



	Actuals	Plan	Variance
2009 Base Plan	2,375,340	2,372,774	2,566
Rev. 10 Plan	2,375,340	2,344,978	30,362

Budget Status – Expenditures by Workstream

#	Workstream	Current Month - October			Year to Date - October				2009 Approved Budget	Year-End Budget Forecast	Spending Inception to Date	#
		Budget as Submitted	Actuals	Variance	Budget as Submitted	Actuals	Variance	% Var.				
Capital (000s)												
1	PMO (w/CC Bus Delivery)	\$ 687	\$ 247	\$ 440	\$ 5,968	\$ 3,973	\$ 1,995	33%	\$ 7,388	\$ 4,650	\$ 38,287	1
2	SM Operations	\$ 274	\$ 184	\$ 91	\$ 2,741	\$ 2,575	\$ 166	6%	\$ 3,289	\$ 3,075	\$ 7,715	2
3	FD- Strategic Relationships	\$ 39,118	\$ 31,784	\$ 7,333	\$ 378,709	\$ 397,875	\$ (19,166)	-5%	\$ 461,914	\$ 465,672	\$ 661,487	3
4	FD - Endpoint Installation	\$ 1,880	\$ 1,222	\$ 657	\$ 5,770	\$ 2,209	\$ 3,562	62%	\$ 9,422	\$ 5,740	\$ 26,044	4
5	Field Delivery Office	\$ 1,203	\$ 1,274	\$ (71)	\$ 2,100	\$ 1,149	\$ 951	45%	\$ 4,584	\$ 4,920	\$ 11,195	5
6	FD - Network Install	\$ 675	\$ 575	\$ 99	\$ 6,543	\$ 5,914	\$ 628	10%	\$ 8,103	\$ 6,654	\$ 20,758	6
7	Deployment Subtotal:	\$ 42,874	\$ 34,856	\$ 8,019	\$ 393,123	\$ 407,148	\$ (14,025)	-4%	\$ 484,024	\$ 482,987	\$ 719,483	7
8	Business Process	\$ 137	\$ 733	\$ (596)	\$ 2,781	\$ 5,453	\$ (2,672)	-96%	\$ 3,057	\$ 6,556	\$ 12,943	8
9	IT/CC&B	\$ 2,163	\$ 4,256	\$ (2,092)	\$ 21,744	\$ 35,030	\$ (13,285)	-61%	\$ 42,507	\$ 48,351	\$ 273,528	9
10	Technology Monitoring	\$ -	\$ 10	\$ (10)	\$ 2,055	\$ 253	\$ 1,802	88%	\$ 2,055	\$ 253	\$ 1,917	10
11	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 4,920	\$ -		11
12	Capital Total:	\$ 46,136	\$ 40,285	\$ 5,851	\$ 428,413	\$ 454,432	\$ (26,020)	-6%	\$ 547,239	\$ 545,872	\$ 1,053,873	12
Expense (000s)												
13	PMO (w/CC Bus Delivery)	\$ 65	\$ 167	\$ (102)	\$ 1,788	\$ 1,751	\$ 37	2%	\$ 2,442	\$ 2,109	\$ 19,241	13
14	SM Operations	\$ 930	\$ 1,833	\$ (904)	\$ 9,067	\$ 11,337	\$ (2,270)	-25%	\$ 13,306	\$ 13,069	\$ 27,374	14
15	Customer	\$ 1,656	\$ 937	\$ 719	\$ 17,037	\$ 9,916	\$ 7,121	42%	\$ 20,516	\$ 15,398	\$ 16,975	15
16	Change Mgt Customer Impact	\$ 249	\$ 1,800	\$ (1,552)	\$ 2,289	\$ 4,157	\$ (1,867)	-82%	\$ 2,898	\$ 6,012	\$ 7,113	16
17	FD - Endpoint Installation	\$ -	\$ -	\$ -	\$ 328	\$ 32	\$ 297	90%	\$ 328	\$ 28	\$ 671	17
18	Field Delivery Office	\$ 120	\$ 11,061	\$ (10,941)	\$ 1,315	\$ 12,629	\$ (11,314)	-860%	\$ 1,547	\$ 12,763	\$ 25,136	18
19	Deployment Subtotal:	\$ 120	\$ 11,061	\$ (10,941)	\$ 1,643	\$ 12,661	\$ (11,017)	-670%	\$ 1,876	\$ 12,791	\$ 25,808	19
20	IT/CC&B	\$ 2,408	\$ 1,723	\$ 685	\$ 19,881	\$ 16,614	\$ 3,267		\$ 23,563	\$ 23,185	\$ 82,934	20
21	Technology Monitoring	\$ 195	\$ 64	\$ 131	\$ 4,156	\$ 2,430	\$ 1,726	42%	\$ 4,580	\$ 2,854	\$ 20,747	21
22	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (2,363)	\$ -		22
23	Expense Total:	\$ 5,623	\$ 17,585	\$ (11,962)	\$ 55,862	\$ 58,865	\$ (3,003)	-5%	\$ 66,816	\$ 75,418	\$ 200,193	23
24	Total Inception to Date Spending:										\$ 1,254,066	24

Year-To-Date Capital Variance Explanation:

Capital spending year-to-date through October was 1% over the SAP approved adjusted budget, and 6% over the budget as submitted by workstream leads. The year-to-date variance overrun of \$26 million is primarily due to a combination of line: #3) earlier receipt of meter and network equipment than planned, and #8) more capitalized IT.

Note: In the month of October, adjustments were made to recognize the early retirement of DCSI equipment which are reflected in lines #3 and #18.

2009 SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)	Actual												Remaining Forecast		ITD Actual	
	2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 1,523	\$ 1,973	\$ 2,350	\$ 2,599	\$ 2,926	\$ 3,156	\$ 3,505	\$ 3,818	\$ 23,798	70%
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 10,417	30%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 1,939	\$ 2,389	\$ 2,766	\$ 3,016	\$ 3,342	\$ 3,573	\$ 3,922	\$ 4,234	\$ 34,214	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,063	\$ 10,452	\$ 13,219	\$ 16,234	\$ 19,576	\$ 23,149	\$ 27,071	\$ 31,305		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted FA Benefits:</u>													
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
<u>Actual / Current Forecast:</u>													
Monthly	\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,204	\$ 2,653	\$ 2,876	\$ 3,122	\$ 3,471	\$ 3,758	\$ 4,212	\$ 4,079	\$ 4,388	\$ 36,169
Cumulative	\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,610	\$ 10,263	\$ 13,139	\$ 16,261	\$ 19,732	\$ 23,490	\$ 27,702	\$ 31,781	\$ 36,169	
YTD Cumulative Variance	\$ 103	\$ 195	\$ 227	\$ 227	\$ 438	\$ 520	\$ 607	\$ 816	\$ 1,061	\$ 1,527	\$ 1,680	\$ 1,856	

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	12/31/2009	Negative SmartMeter press increased in recent weeks	Customer perception of the SmartMeter Program becomes negative, increasing potential customer complaints	Kate Wagner	Bakersfield Answer Center opened October 2, 2009, Fresno Answer Center opened October 16, 2009. Targeted customer education and outreach in Kern and Fresno counties. Community Advisory Board established in Bakersfield, met on November 9, 2009. Customer Advisory Group established in Bakersfield, meeting on November 19, 2009. A new Customer Satisfaction Survey of SmartMeter™ customers is expected to begin in mid-November. Full scope of issues and actions related to customers' complaints in Kern county and surrounding areas is being controlled via a specific customer oversight committee to ensure consistency and coordination of response and follow up.
2	12/31/2009	Need to improve timeliness on resolution of operational data collection performance issues	Deployment and benefits realization delays, increased operational costs and potential negative customer impact	Bill Devereaux	Issue resolution meetings with vendors and stakeholders are ongoing to address specific populations of meters that cannot be read consistently. Transitioned meters are being prioritized to minimize customer impact.
3	12/15/2009	Solutions needed for identified Customer Web Presentment issues	Potential negative customer experience	Christopher Vana	Issue resolution meetings with vendors and stakeholders are ongoing to address identified issues and improvements.
4	12/31/2009	IT-enabled business capability implementations need to be aligned with vendor software and equipment delivery targets	Possible delays in scheduled functionality, deployment timelines and benefits realization, potential negative customer acceptance, and increased operational costs	Christopher Vana	The Project is including vendors and stakeholders in recurring issue resolution meetings and longer-term planning to resolve complexities around deployment scale, functional design and system integration capabilities across multiple vendors.

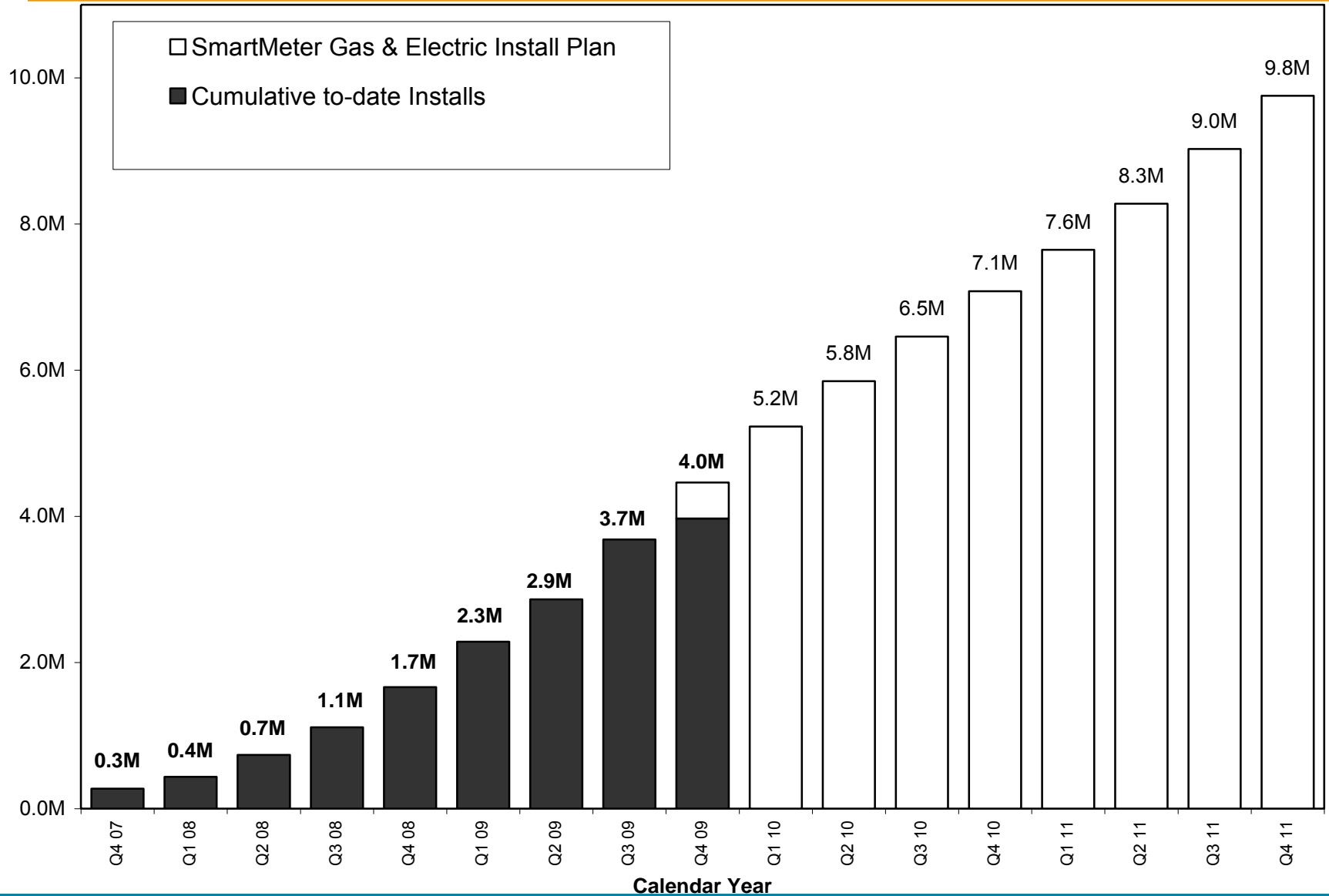
#	Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary
1	5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters and space limitations may require non-standard solutions.	Schedule, additional costs, benefits realization.	Jim Meadows	On track to deploy 100% of Tier 1 and Tier 2 Meter Reader Surveys scheduled for 2009. Meter installations and customer communication for solution test sites completed. Solution testing begins 11/12; final resource needs to meet plan being validated. Phase I cost estimate completed and under review.
2	8/12/2009	4	4	16	16	>200kW meter exchange (unable to complete by 5/1/10) Key Driver: Required equipment unavailable to meet project schedule, IT functionality unavailable on time, challenging to serve meter locations	Customer Impact	Jim Meadows	Schedule being rebaselined to incorporate remaining effort and to update deployment targets; expected completion week of 11/16/09. Continuing to monitor cross-functional, vendor and resource dependencies to deliver within required timeline.
3	8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Integrated application scalability is unknown, insufficient meter read volume	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. Plan to test system performance and scalability with 6M meter volume by 12/30/09 developed and being implemented. Plans for SmartMeter systems that support deployment, operation, reading and billing all the way up to 11M meters are being developed for 2010.
4	4/4/2008	3	5	15	15	Implementation of new technology does not perform as intended. Key driver: Equipment reliability	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Jim Meadows	Mesh technology performance monitored through initial installations of 1M SSN meters. Risk probability downgraded to 3 with technology performing as intended. Risk continuing to be monitored.
5	8/25/2008	5	3	15	15	DCSI system capability to effectively manage reads past established thresholds. Key driver: Inability of DCSI to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth).	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Vic Gorden	Risk remains high due to DCSI customer enrollments in the SmartRate program. Plan to replace all DCSI meters in Kern by 12/31/09 is currently on hold pending wider assessment of impact given customer complaints issue in Kern county and surrounding areas. As of 11/1/09, 41% or ~91,600 meters have been replaced with SSN. Risk can be closed when <20% of DCSI population remains.

Program Metrics

Metric	Key Performance Indicator	Sep '09 - Month Results			Oct '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 4.21	\$ 4.07	3.5%	\$ 4.39	\$ 4.33	1.5%	\$ 34.36	\$ 32.96	4.2%	\$ 42.40	\$ 38.34	10.6%	
P2	OSHA Recordable Rate (SmartMeter)	1.35	(track only)		1.17	(track only)		1.17	-		1.17	-		One OSHA in March; Target is zero.
P3	MVI Recordable Rate (SmartMeter)	4.33	(track only)		3.71	(track only)		3.71	0		3.71	0		5 incidents YTD, one in October
C1	Customers enrolled in SmartRate (net)	25,941	(track only)		26,927	(track only)		26,927	(track only)		27,100	30,000	9.7%	
C10	Customer Complaint Rate (escalated to CPUC)	0.046%	(track only)		0.048%	(track only)		0.019%	(track only)					Prior year (Oct. 08) rate for .009% for the month & .012% YTD. Increase in complaints primarily related to higher bills caused by higher energy usage and tiers 3 through 5 rate increase.
D1	Meters Installed - Electric & Gas	288,376	243,705	18.3%	286,789	231,836	23.7%	2,300,000	2,308,264	-0.4%	2,800,000	2,800,000	0.0%	The variance is closing and is on track to reach the 2009 goal.
D1.1	Meters Installed - Electric & Gas Rev. 10 plan	288,376	268,338	7.5%	286,789	275,392	4.1%	2,300,000	2,282,034	0.8%	2,800,000	2,800,000	0.0%	
D2	DCUs Installed	139	158	-12.0%	78	158	-50.6%	1,698	1,530	11.0%	1,850	1,850	0.0%	Timing difference in Sept. & Oct.; YTD ahead of target
D3	Electric Network - Nodes Installed	266	215	23.7%	286	215	33.0%	2,807	2,470	13.6%	3,159	3,159	0.0%	
D6	UTC Rate	3.7%	4.5%	17.8%	4.3%	4.5%	4.4%	3.8%	4.5%	15.6%	4.5%	4.5%	0.0%	
D8	UTC's open beyond 90 days	23,587	(track only)		25,822	(track only)		25,822	(track only)					
D9	CPI - Endpoints (all-in)	\$129.74	\$135.52	4.3%	\$143.35	\$135.52	-5.8%	\$128.70	\$135.52	5.0%	\$135.52	\$135.52	0.0%	Current month: higher percent of indirect costs due primarily to DCSI expense write off. YTD & year-end forecast are within budget.
D10	CPI Gas Network (all-in)	\$2,754	\$4,481	38.5%	\$9,356	\$4,481	-108.8%	\$4,116	\$4,481	8.1%	\$4,481	\$4,481	0.0%	Current month variance is due to timing of contractor & material costs against units installed. YTD & year-end forecast are within budget.
D11	CPI Electric Network (all-in)	\$1,089	\$3,100	64.9%	\$1,809	\$3,100	41.6%	\$2,702	\$3,100	12.8%	\$3,100	\$3,100	0.0%	
D17	Total Weeks of Inventory on Hand - Electric Meters	9	4	125.0%	10	4	161.4%	10	4	161.4%	8	4	100.0%	
D18	Total Weeks of Inventory on Hand - Gas Meters	31	3	933.3%	24	3	695.3%	24	3	695.3%	24	3	700.0%	
O4	Transition Aging - Average Days	14.7	15.0	2.0%	12.8	15.0	14.7%	20.3	15.0	-35.5%				Residual backlog as a result of 2009 Deployment changes; Electric endpoints behind schedule reducing available routes for transition; & stranded gas populations on dual commodity routes
O9	% Bills not estimated	99.79%	99.20%	0.6%	99.80%	99.20%	0.6%	99.77%	99.20%	0.6%				
B2	Meters Activated - Electric & Gas (end of month)	151,592	(track only)		161,597	(track only)		1,604,535	(track only)		2,107,808	(track only)		
B3	Count of Remote Disconnects	13,920	9,047	53.9%	21,658	10,129	113.8%	71,488	44,679	60.0%	94,986	68,177	39.3%	
B5	ITD Meter Reading HC reductions	250	239	4.6%	268	258	3.9%	268	258	3.9%	294	294	0.0%	
B6	Estimated Line of Business (LOB) Benefits	\$3,758	\$3,363	11.7%	\$4,212	\$3,578	17.7%	\$27,702	\$25,506	8.6%	\$36,168.9	\$34,312.3	5.4%	

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency (AMI and SMU)		\$177,753
Total PDRs Adopted by Steering Committee		\$2,856
Subtotal Adopted PDR's		\$2,856
Approved Date	2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
2007	2007 PDR Total	\$92,773
2008	2008 PDR Total	\$32,240
08-0271	5/21/09 Change to RF network and SSN technology	(\$40,191)
08-0272	5/21/09 Change to RF technology: additional vendor specific costs adjustments	██████████
09-0276	5/21/09 Change to RF technology: new endpoint supplier agreement	██████████
09-0281	5/21/09 Release E Funding Revision	\$3,507
09-005	6/5/09 Release X - Scalability (Phase 1) (aka RFA 09-005)	\$22,693
09-0282	7/8/09 SM-driven Commercial Gas Meter Intesting	\$700
09-009	7/16/09 Release G (all phases)	\$10,608
09-0287	9/22/09 Credit Ops Remote Disconnect-Reconnect	\$1,004
09-017	10/6/2009 RFA - Release J (Plan & Design)	\$619
	various Other (less than \$500,000 each)	\$1,600
	Subtotal PDRs	\$125,093
	Total PDRs	\$127,949

Note: In D.09-03-026, the CPUC concluded PG&E should use the AMI risk-based allowance to fund the additional project management costs of \$15.1 Million related to the SmartMeter Upgrade Program, and approximately \$6.1 Million related to HAN retrofit costs. PG&E is still evaluating the potential for cost savings in other categories to offset this amount, however this amount remains a likely risk-based allowance draw.

Public Version



SmartMeter™
Steering Committee Update – November 2009
December 18, 2009

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**
 - ▶ **Project Deployment Plan Progress**
 - ▶ **Contingency Reconciliation**
 - ▶ **New CPUC Reporting Requirements**
 - ▶ **Budget Narrative**
 - ▶ **Inception to Date Spending**
 - ▶ **EndPoint Deployment and Outreach Schedule**

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release E/F BBE – Deploy							
Release G – Design/Build							
Release H - Plan/Analyze							
Release I - Plan/Analyze							

Challenges

Release BBE

- IT code for Meter Power Status Check (MPSC) deployed; full deployment pending evaluation of approach

Release G

- Outage Management Tool Enhancements (OMT): Stabilization extended due to outstanding SSN defects
- Restoration Validation (RV): Design evaluation/changes to resolve SSN meter performance (timeliness and quality) and network reliability issues needed; impact scope and 1/18/10 deployment target

Release H

- Restructuring work plan and schedule to align with Program Priorities:
 - Accelerate Interval Bill Cycle window
 - Prioritize KVAR delivery - baseline deployment delayed due to delay in vendor delivery
 - Combine MPSC desktop with IVR
- Decouple Remote Connect Disconnect 2 (RCDC2) and Peak Day Pricing (PDP) - additional functionality to enable roll-out by geographical location requested;

Release I

- High-level schedule milestones will need to be re-forecast due to scope addition/assessment

Actions/Status

Release BBE

- MPSC for desktop will be integrated with MPSC for IVR; combined deployment of the two MPSC components by 2/13/10 will be managed under Release H

Release G

- Stabilization extended through 12/18/09; Vendor Management engaged to escalate production issues with vendor
- SSN network design evaluation completed; estimation for re-design effort to determine new deployment underway; SM Leadership decision to move forward with Plan/Analyze of design changes expected on 12/18/09

Release H

- Testing and user acceptance completed; deployment targeted for 12/19/09
- Deployment target revised to 2/13/10; PCR verbally approved and pending sign-off
- Deployment target revised to 2/13/10 per the business decision to combine MPSC components
- Analysis to roll-out RCD2 functionality by geographical location being performed; Vendor and project resources to provide resolution of SSN performance issues have been engaged

Release I

- Moving forward with presented options per decision provided by SM PMO Leadership; SM PMO Leadership to obtain further approvals from PG&E Leadership
- High-level project milestones and detailed milestones for Plan/Analyze phases to be reforecast by 12/18/09; funding request for Plan/Analyze phases being created

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release J - Plan/Analyze							
Release O - Plan/Analyze							
Release X - Plan/Analyze							
HAN Alpha I & II							
2009 Other Capital Projects (IT PMO, 08 carryover, SM Apps, DC)							
2009 Operating Expenses (CC&B, Stabilization)							

Challenges

- Release J
- Resource availability impacting completion of business requirements; technical resource needed for Centralized Electric Distribution Assets (CEDSA)
- Release O
- Five new fast-track Service Requests added to scope
 - Competing priorities for SPL and EA resources with PDP and other SmartMeter Releases impacting planned milestones
- Release X
- Revised completion date of 12/31/09 for 6M integrated testing completion will not be met
 - Statistics early deployment date of 12/11/09 was not met; to be deployed per the originally planned date of 12/18/09
- HAN Alpha I & II
- SSN availability and priorities are impacting schedule
 - 16 week lead time on access points will likely delay start of Alpha; Access Points (APs) needed for Alpha 2 to arrive four days prior to testing
- Overall
- EA vendor delivery dependencies exist for all IT releases
 - HAN operating model and initial HAN pilot scope being finalized
 - Environment and resource constraints due to multiple releases being worked on in parallel

Actions/Status

- Release J
- Resource needs escalated to SmartMeter IT leadership
- Release O
- Implemented daily check-point meetings to review new SRs and assigned a dedicated resource; Analysis and funding request for the implementation of new SRs underway
 - Managing resource constraint by focusing effort on prioritized project activities
- Release X
- 6M integrated test will take place in Q1 2010; PCR being created
 - Deployment of statistics and the P6 servers has been decoupled
 - Statistics deployment early date of 12/11/09 was a No-Go due to risk to production; original deploy date of 12/18/09 still on target
- HAN Alpha I & II
- SSN SOW complete; continuing completion of network design. Escalating effort prioritization to Vendor Management and SmartMeter Senior Management
 - Tracking toward early availability of two access points by 12/31/09 to complete premise configuration for two homes
- Future Releases
- PTR on hold, pending Regulatory Approval

2009 Deployment Status Update

	Budget (Budget / CPI)	2009 Forecast (2009 EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Deployment: YTD – October, 2009							
Endpoints (2009 YTD)							
Gas Network (2009 YTD)							
Electric Network (2009 YTD)							
MV-90 (ITD)							

*Electric Network total 2009 dollar forecast includes approved capital budget

Challenges

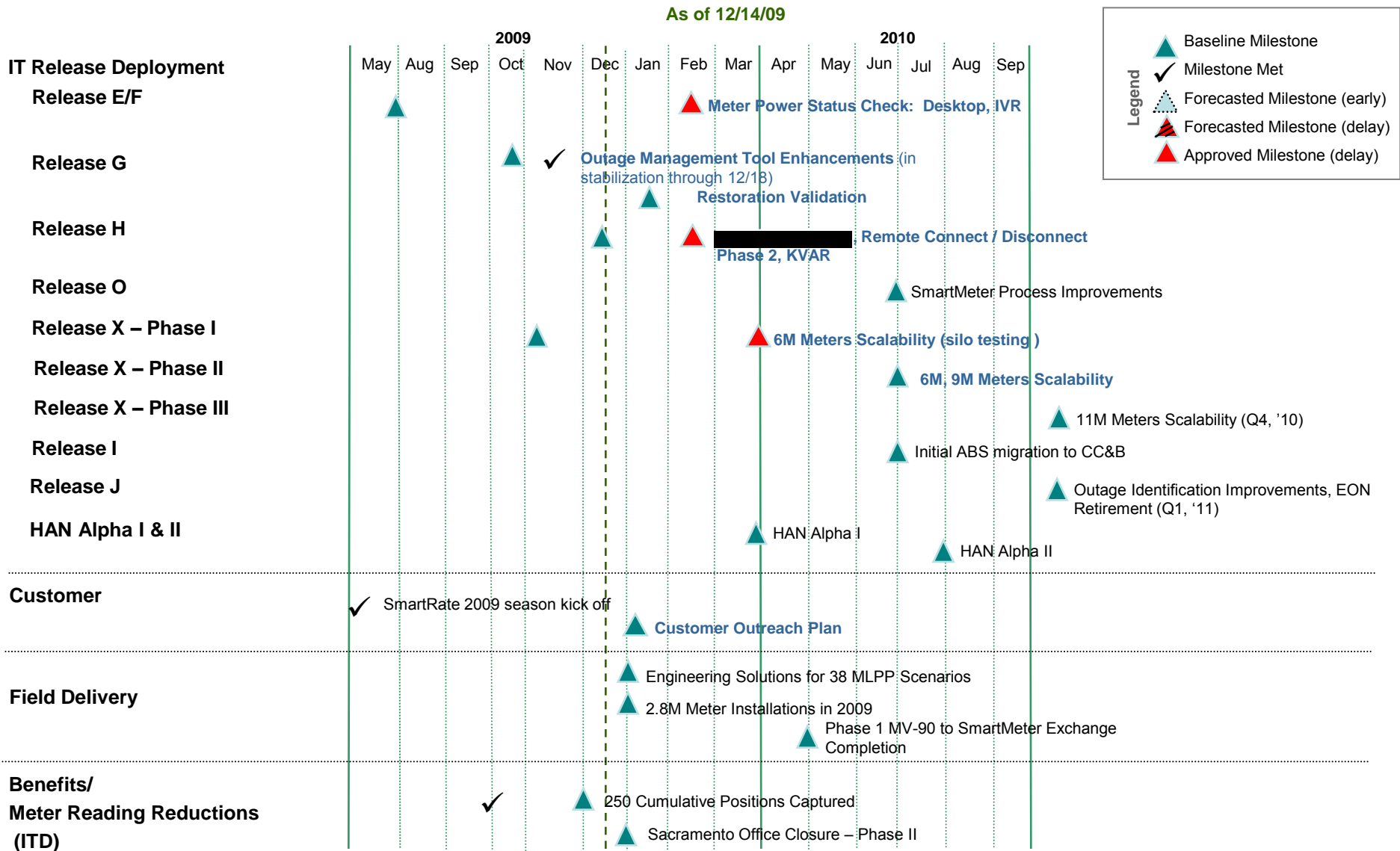
Actions/Status

Deployment - Endpoint

- 2009 Meter deployment plan planned vs. actual gap closed against the initial plan; currently ahead of schedule
- 2010 deployment schedule has been finalized with a goal of 3.7M meters
 - Non-standard installations may impact deployment schedule
 - 35 scenarios require solutions by 12/31
- Sacramento office final closure 884 EMR meters remaining as of 12/16/09
- Exchange MV-90 meters for 3687 >200kW (EMR-read, CC&B-billed) customers by May 2010
 - Meter deployment stood down to revise processes needed to resolve meter connectivity and read recovery related issues
 - Delays in network installations due to vendor resource availability and performance issues

Deployment - Endpoint

- Meter installations ahead of the plan and on target to meet the 2009 installation goals: 74K ahead as of 12/10/09
- Solution for identified non-standard locations available by 12/31:
 - Tier 1 and Tier 2 Meter Reader Survey goals for '09 have been met; over 4.7M meters surveyed to date. Deployment strategies have begun to address heavy urban areas
 - Tier 1 deployment strategies for Richmond/Berkeley and Cupertino/Los Gatos have been presented and next steps in progress. San Jose scheduled for Jan. '10
 - Solutions cost/benefit analysis and installation construction manuals to be completed by Q1, '10
- 490 meters remaining to be installed.
 - 105 installation field orders issued; completion dependent on meter accessibility
 - 385 meters installations dependent on availability of skilled resources, engineering solutions or IT functionality
- 394 installed meters pending transition (621 in Oct)
- Go/No-Go meeting scheduled for 12/28; deployment expected to resume during the week of 12/28
- Vendor Management engaged to address vendor resource and performance needs
- Continuing to monitor cross-functional, vendor and resource dependencies to deliver within required timeline
- 355 MV-90 network nodes installed; 76 MV-90 meters replaced as of 12/4/09



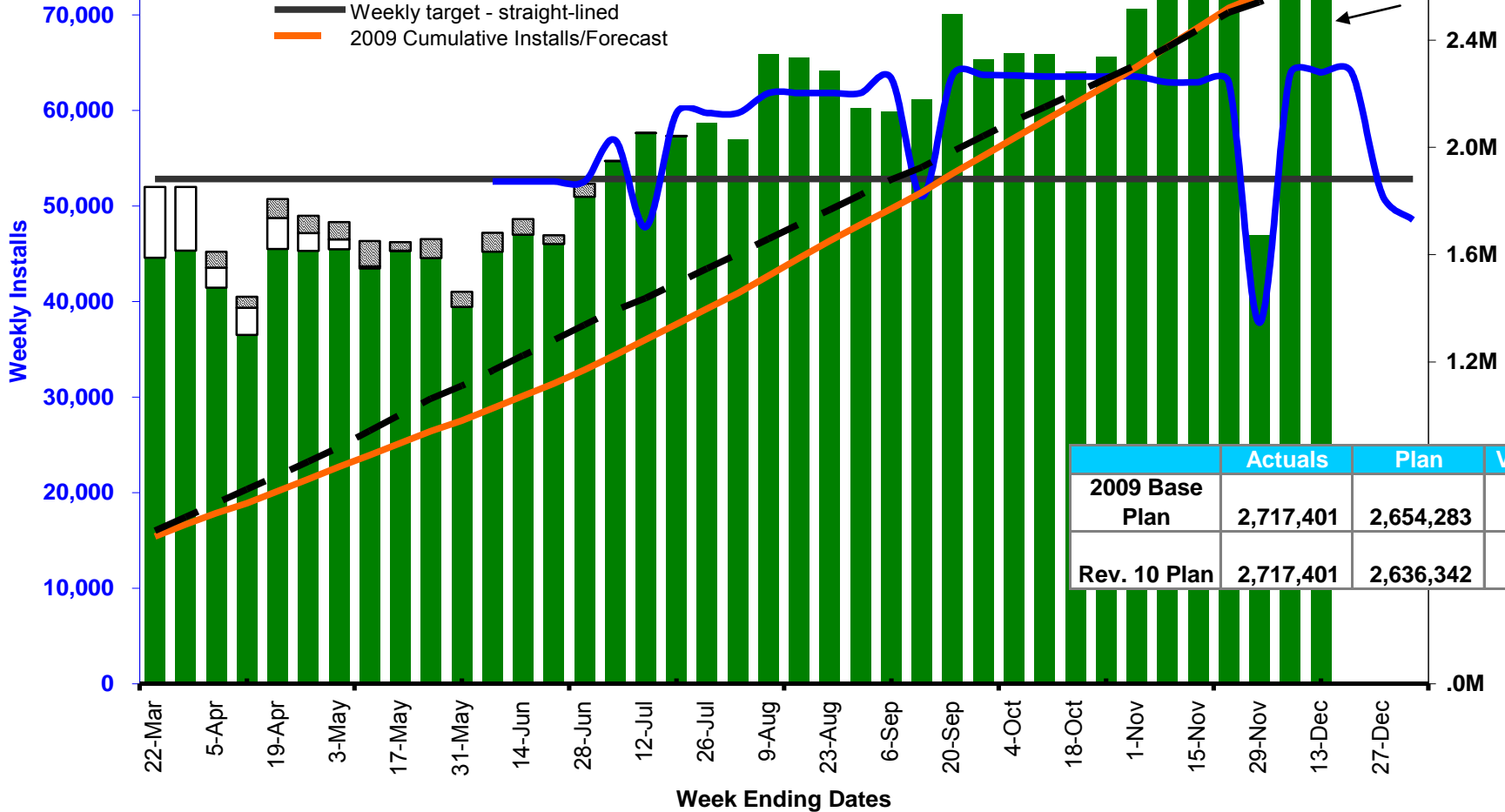
2009 Install Rate vs. Operating Plan - Weekly Meter Totals

(As of December 13)

2009 target: 2,800,000

Total SM ITD Installs
4,417,327
 Including all retrofits

- Skipped Electric (with GFI/AFCI)
- Kern Electric meter retrofits
- Weekly installs
- Rev. 10 Forecast
- Weekly target - straight-lined
- 2009 Cumulative Installs/Forecast



	Actuals	Plan	Variance
2009 Base Plan	2,717,401	2,654,283	63,118
Rev. 10 Plan	2,717,401	2,636,342	81,059

2009 Budget Status – Expenditures by Workstream

#	Workstream	Current Month - November			Year to Date - November				Current 2009 Year-End Forecast			Inception to Date Spending	#	
		Budget	Actuals	Variance	Budget	Actuals	Variance	% Var.	2009 Budget	Forecast	Budget Variance			
Capital (000s)														
1	PMO (w/CC Bus Delivery)	\$ 634	\$ 332	\$ 302	\$ 6,602	\$ 4,305	\$ 2,297	35%	\$ 7,388	\$ 4,644	\$ 2,745	\$ 38,619	1	
2	SM Operations	\$ 274	\$ 74	\$ 200	\$ 3,015	\$ 2,650	\$ 365	12%	\$ 3,289	\$ 3,026	\$ 263	\$ 7,790	2	
3	FD - Strategic Relationships	\$ 39,296	\$ 12,751	\$ 26,545	\$ 418,005	\$ 395,681	\$ 22,325	5%	\$ 461,914	\$ 437,149	\$ 24,766	\$ 659,292	3	
4	FD - Endpoint Installation	\$ 1,905	\$ 3,222	\$ (1,316)	\$ 7,676	\$ 5,430	\$ 2,245	29%	\$ 9,422	\$ 7,383	\$ 2,040	\$ 29,265	4	
5	FD - Field Delivery Office	\$ 1,203	\$ 1,301	\$ (98)	\$ 3,304	\$ 2,450	\$ 853	26%	\$ 4,584	\$ 4,329	\$ 255	\$ 12,496	5	
6	FD - Network Install	\$ 675	\$ 426	\$ 249	\$ 7,218	\$ 6,340	\$ 877	12%	\$ 8,103	\$ 6,717	\$ 1,386	\$ 21,184	6	
7	Deployment Subtotal:	\$ 43,079	\$ 17,700	\$ 25,379	\$ 436,202	\$ 409,902	\$ 26,300	6%	\$ 484,024	\$ 455,578	\$ 28,446	\$ 722,237	7	
8	Business Process	\$ 138	\$ 785	\$ (647)	\$ 2,918	\$ 6,238	\$ (3,319)	-114%	\$ 3,057	\$ 6,789	\$ (3,732)	\$ 13,728	8	
9	IT/CC&B	\$ 2,163	\$ 3,950	\$ (1,787)	\$ 40,343	\$ 38,980	\$ (1,363)	-3%	\$ 42,507	\$ 45,053	\$ (2,546)	\$ 277,478	9	
10	Technology Monitoring	\$ -	\$ (184)	\$ 184	\$ 2,055	\$ 69	\$ 1,986	97%	\$ 2,055	\$ 69	\$ 1,986	\$ 1,733	10	
11	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 4,920	\$ -	\$ 4,920		11	
12	Capital Total:	\$ 46,288	\$ 22,657	\$ 23,631	\$ 491,136	\$ 462,143	\$ 26,266	5%	\$ 547,239	\$ 515,158	\$ 32,081	\$ 1,061,585	12	
Expense (000s)														
13	PMO (w/CC Bus Delivery)	\$ 73	\$ 242	\$ (169)	\$ 1,861	\$ 1,993	\$ (132)	-7%	\$ 2,442	\$ 2,172	\$ 270	\$ 16,675	13	
14	SM Operations	\$ 930	\$ 1,168	\$ (238)	\$ 9,996	\$ 12,505	\$ (2,509)	-25%	\$ 13,306	\$ 14,035	\$ (729)	\$ 28,542	14	
15	Customer	\$ 1,971	\$ 1,450	\$ 521	\$ 21,260	\$ 14,547	\$ 6,712	32%	\$ 23,157	\$ 16,195	\$ 6,962	\$ 25,515	15	
16	Change Mgt Customer Impact	\$ 4	\$ 340	\$ (336)	\$ 42	\$ 1,315	\$ (1,273)		\$ 46	\$ 1,809	\$ (1,763)	\$ 3,171	16	
17	FD - Strategic Relationships	\$ -	\$ 19,744	\$ (19,744)	\$ -	\$ 30,680	\$ (30,680)		\$ -	\$ 40,171	\$ (40,171)	\$ 39,369	17	
18	FD - Endpoint Installation	\$ -	\$ 7	\$ (7)	\$ 328	\$ 38	\$ 290	88%	\$ 328	\$ 81	\$ 247	\$ 678	18	
19	FD - Field Delivery Office	\$ 112	\$ 17	\$ 95	\$ 1,427	\$ 1,710	\$ (283)		\$ 1,547	\$ 1,586	\$ (39)	\$ 5,528	19	
20	Deployment Subtotal:	\$ 112	\$ 19,768	\$ (19,655)	\$ 1,756	\$ 32,428	\$ (30,673)		\$ 1,876	\$ 41,838	\$ (39,963)	\$ 45,575	20	
21	IT/CC&B	\$ 1,841	\$ 1,473	\$ 369	\$ 21,723	\$ 18,087	\$ 3,636	17%	\$ 23,563	\$ 21,792	\$ 1,771	\$ 84,407	21	
22	Technology Monitoring	\$ 202	\$ (984)	\$ 1,186	\$ 4,358	\$ 1,446	\$ 2,912	67%	\$ 4,580	\$ 1,668	\$ 2,912	\$ 19,763	22	
23	Unassigned Spend (Dec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (2,363)	\$ -	\$ (2,363)		23	
24	Expense Total:	\$ 5,133	\$ 23,456	\$ (18,323)	\$ 60,995	\$ 82,321	\$ (21,326)	-35%	\$ 66,605	\$ 99,509	\$ (32,904)	\$ 223,648	24	
25	Total Inception to Date Spending:											\$ 1,285,233	25	

Year-To- Date Capital Variance Explanation:

Capital spending year-to-date through November was 5% favorable versus budget. The \$26.3 million year-to-date underrun in capital and corresponding \$21.3 million overrun in expense is primarily driven by the accounting adjustments necessary to retire obsolete metering equipment removed from the field.

Budget Status – Benefits

SmartMeter Balancing Account (SBA) Credits

Actual														Remaining Forecast		
(\$ in thousands)																
2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ITD Actual		
Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 1,523	\$ 1,973	\$ 2,350	\$ 2,599	\$ 2,926	\$ 3,156	\$ 3,408	\$ 3,818	\$ 27,206	72%
Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 10,833	28%
Total:	\$ 1,361	\$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 1,939	\$ 2,389	\$ 2,766	\$ 3,016	\$ 3,342	\$ 3,573	\$ 3,825	\$ 4,234	\$ 38,039	
2009 Cumulative Actual + Forecast:			\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,063	\$ 10,452	\$ 13,219	\$ 16,234	\$ 19,576	\$ 23,149	\$ 26,974	\$ 31,208		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
<u>Budgeted FA Benefits:</u>														
Monthly	\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312	
Cumulative	\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312		
<u>Actual / Current Forecast:</u>														
Monthly	\$ 1,671	\$ 1,775	\$ 1,960	\$ 2,204	\$ 2,653	\$ 2,876	\$ 3,122	\$ 3,471	\$ 3,758	\$ 4,212	\$ 4,203	\$ 4,317	\$ 36,221	
Cumulative	\$ 1,671	\$ 3,445	\$ 5,405	\$ 7,610	\$ 10,263	\$ 13,139	\$ 16,261	\$ 19,732	\$ 23,490	\$ 27,702	\$ 31,905	\$ 36,221		
YTD Variance	\$ 103	\$ 195	\$ 227	\$ 227	\$ 438	\$ 520	\$ 607	\$ 816	\$ 1,061	\$ 1,527	\$ 1,804	\$ 1,909		

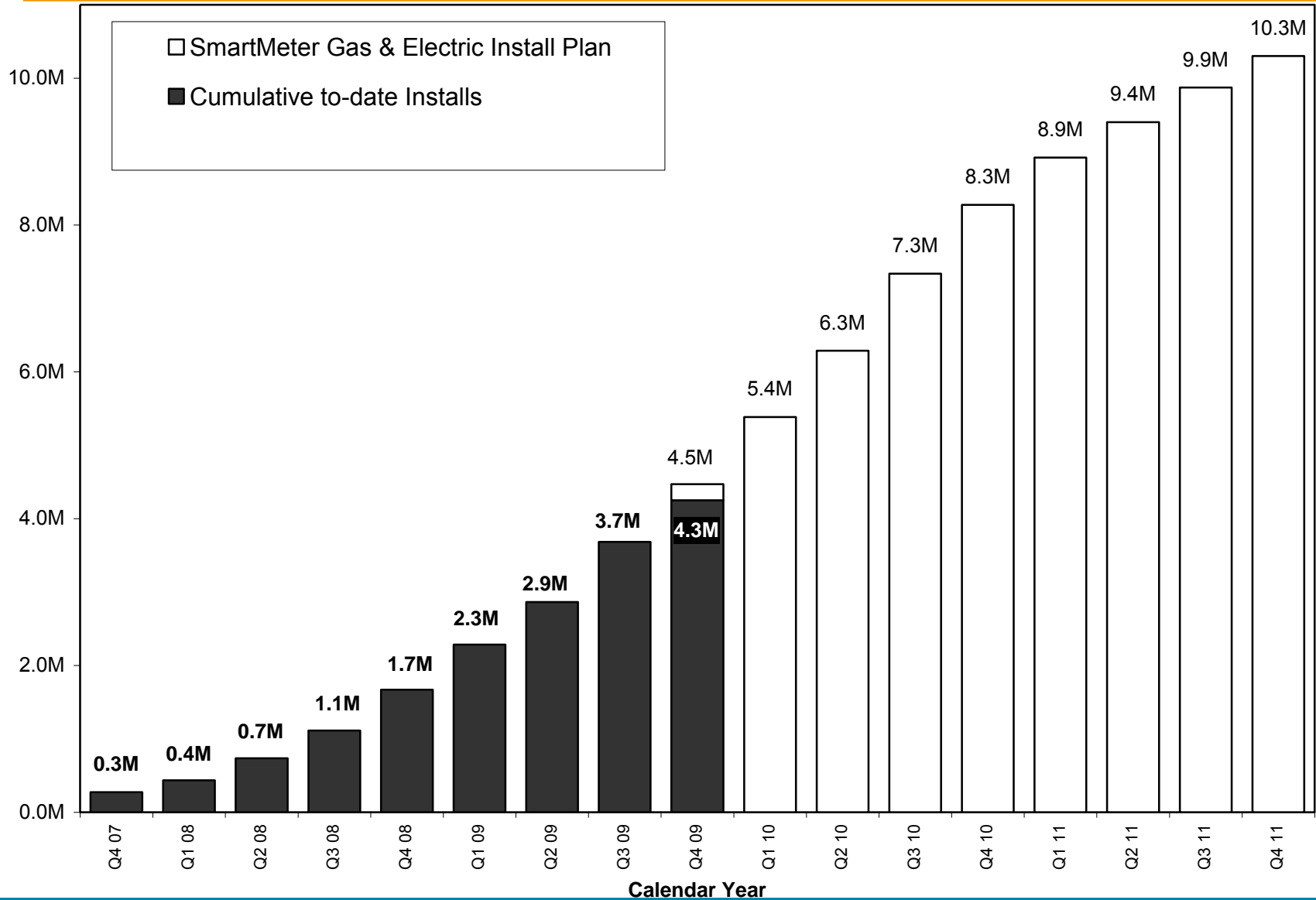
#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	12/28/2009	MV-90 meter deployment stood down to resolve meter recovery process in the event of connectivity loss	Customer impact due to potential for estimated or delayed bills	James Meadows	Working on meter read recovery using a mobile access point. Designing business processes to constantly monitor meters after installation through to first completed bill cycle. Project is establishing a monitoring center working with SSN to closely monitor MV90 installations.
2	12/31/2009	IT-enabled business capability implementations need to be aligned with vendor software and equipment delivery targets	Possible delays in scheduled functionality deployment timelines, delayed benefits realization, customer acceptance, increased	Christopher Vana	The Project is including vendors and stakeholders in recurring issue resolution meetings and longer-term planning to resolve complexities around deployment scale, functional design and system integration capabilities across multiple vendors.
3	1/1/2010	Negative SmartMeter press increased in recent weeks	Customer perception of the SmartMeter Program becomes negative, increasing potential customer complaints	Kate Wagner	Bakersfield Answer Center opened October 2, 2009, Fresno Answer Center opened October 16, 2009. Both remain open. Targeted customer education and outreach in Kern and Fresno counties. Community Advisory Board established in Bakersfield, met on November 9, 2009, next meeting on January 21, 2010 to discuss revised customer outreach materials. Enhanced content on www.pge.com/smartmeter to make information about the SmartMeter™ program more customer-focused, more easily understood and more accessible. Proactive media outreach has been completed through several editorial board visits. New Customer Satisfaction Survey of SmartMeter™ customers began in mid November and early December 2009, and will be followed by monthly interviewing in 2010. Created two new social media channels, on Twitter and Facebook, to share information with customers about the SmartMeter™ program and some of PG&E's other programs and services.
4	1/7/2010	Solutions needed for identified Customer Web Presentment issues	Potential negative customer experience	Christopher Vana	Service Requests (SR) have been prioritized, and the critical items are underway. Dedicated team is in place to continue to manage and deliver the critical SRs.
5	2/28/2010	Need to improve timeliness on resolution of operational data collection performance issues	Deployment and benefits realization delays, increased operational costs and potential negative customer impact.	William Devereaux	Issue resolution meetings with vendors and stakeholders are ongoing to address specific populations of meters that cannot be read consistently. Transitioned meters are being prioritized to minimize customer impact.
6	4/1/2010	TOU deployment stood down to resolve meter connectivity and read recovery process issues	Customer impact due to potential for estimated or delayed bills	James Meadows	Project teams established to determine short-term and long-term business processes, mass deployment strategies and equipment needs.

Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters and space limitations may require non-standard solutions.	Schedule, additional costs, benefits realization.	James Meadows	Tier 1 an Tier 2 Meter Reader Surveys goals met for 2009; over 4.7M meters surveyed. On target to complete solutions documentation for 35 scenarios by 12/15/09. Cots/benefits analysis and installation construction manuals to be completed by Q1-10.	
8/12/2009	4	4	16	16	>200kW meter exchange (unable to complete by 5/1/10) Key Driver: Required equipment unavailable to meet project schedule, IT functionality unavailable on time, challenging to serve meter locations	Customer Impact	James Meadows	Meter deployment currently stood-down to redesign business processes to ensure first time meter connectivity and resolve read recovery issues; resolution to resume meter deployment expected by 12/28/09. Vendor Management engaged to escalate vendor resource and performance requirements. Re-baselining project schedule.	2
8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Integrated application scalability is unknown, insufficient meter read volume	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	An independent SmartMeter IT Release X has been established to evaluate the long term performance and scalability risk. The environment has been silo tested to support 5.5 million meters. Upgrades are underway to exceed the 6 million meter mark. Ongoing end-to-end testing will take place in 2010.	
4/4/2008	3	5	15	15	Implementation of new technology does not perform as intended. Key driver: Equipment reliability	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Suzy Miller	Mesh technology performance monitored and performed as intended through initial installations of 1M SSN meters. Continuing to monitor technology performance and identifying mitigations to resolve identified meter performance issues.	5
8/25/2008	5	3	15	15	DCSI system capability to effectively manage reads past established thresholds. Key driver: Inability of DCSI to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth)	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Suzy Miller	Plan to replace all DCSI meters in Kern by the end of 2010. As of 12/8/09, ~ 111,000 or 49% of DCSI meters have been replaced with SSN. Risk can be closed when <20% of DCSI population remains.	5

Metric	Key Performance Indicator	Oct '09 - Month Results			Nov '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earnings Contribution (\$M - estimated)	\$ 4.39	\$ 4.33	1.5%	\$ 4.08	\$ 3.90	4.6%	\$ 36.11	\$ 34.20	5.6%	\$ 40.19	\$ 38.33	4.9%	
P2	OSHA Recordable Rate (SmartMeter)	1.17	(track only)		1.02	(track only)		1.02	-		1.02	-		One OSHA in March; Target is zero.
P3	MVI Recordable Rate (SmartMeter)	3.30	(track only)		3.30	(track only)		3.30	-		3.30	0		4 incidents YTD
C1	Customers enrolled in SmartRate (net)	26,927	(track only)		26,825	(track only)		26,825	(track only)		27,100	30,000	9.7%	
C10	Customer Complaint Rate (escalated to CPUC)	0.050%	(track only)		0.022%	(track only)		0.019%	(track only)					Prior year (Oct. 08) rate for .009% for the month & .012% YTD. Increase in complaints primarily related to higher bills caused by higher energy usage and tiers 3 through 5 rate increase.
D1	Meters Installed - Electric & Gas	286,789	231,836	23.7%	280,723	245,138	14.5%	2,580,723	2,553,402	1.1%	2,800,000	2,800,000	0.0%	
D1.1	Meters Installed - Electric & Gas Rev. 10 plan	286,789	275,392	4.1%	280,723	240,767	16.6%	2,580,723	2,282,034	13.1%	2,800,000	2,800,000	0.0%	
D2	DCUs Installed	78	158	-50.6%	139	158	-12.0%	1,837	1,688	8.8%	1,850	1,850	0.0%	Timing difference in Oct. & Nov.; YTD ahead of target
D3	Electric Network - Nodes Installed	286	215	33.0%	264	215	22.8%	3,071	2,470	24.3%	3,159	3,159	0.0%	
D6	UTC Rate	4.3%	4.5%	4.4%	4.4%	4.5%	1.8%	3.9%	4.5%	14.1%	4.5%	4.5%	0.0%	
D8	UTCs open beyond 90 days	25,822	(track only)		29,109	(track only)		29,109	(track only)					
D9	CPI - Endpoints (all-in)	\$143.35	\$135.52	-5.8%	\$125.44	\$135.52	7.4%	\$128.35	\$135.52	5.3%	\$135.52	\$135.52	0.0%	
D10	CPI Gas Network (all-in)	\$9,356	\$4,481	-108.8%	\$3,650	\$4,481	18.5%	\$4,081	\$4,481	8.9%	\$4,481	\$4,481	0.0%	
D11	CPI Electric Network (all-in)	\$1,809	\$3,100	41.6%	\$3,219	\$3,100	-3.8%	\$2,794	\$3,100	9.9%	\$3,100	\$3,100	0.0%	Current month variance is due to timing costs against units installed. YTD & year-end forecast are within budget.
D17	Total Weeks of Inventory on Hand - Electric Meters	10	4	161.4%	11	4	172.5%	11	4	172.5%	8	4	100.0%	Inventory levels targeted to address 2010 deployment
D18	Total Weeks of Inventory on Hand - Gas Meters	24	3	695.3%	28	3	834.7%	28	3	834.7%	24	3	700.0%	Decision made earlier in program for up front procurement of Gas endpoints
O4	Transition Aging - Average Days	12.8	15.0	14.7%	16.7	15.0	-11.0%	20.0	15.0	-33.2%	19.6	15.0	-30.4%	Nov. variance due to switching to new transition criteria. YTD variance due to residual backlog as a result of 2009 Deployment change
O9	% Bills not estimated	99.80%	99.20%	0.6%	99.81%	99.20%	0.6%	99.77%	99.20%	0.6%	99.78%	99.20%	0.6%	
B2	Meters Activated - Electric & Gas (end of month)	161,597	(track only)		174,673	(track only)		1,779,208	(track only)		2,107,808	(track only)		
B3	Count of Remote Disconnects	21,658	10,129	113.8%	15,193	11,208	35.6%	86,681	55,887	55.1%	94,966	68,177	39.3%	
B5	ITD Meter Reading HC reductions	268	258	3.9%	283	276	2.5%	283	276	2.5%	294	294	0.0%	
B6	Estimated Line of Business (LOB) Benefits	\$4,212	\$3,746	12.4%	\$4,203	\$3,926	7.1%	\$31,905	\$30,101	6.0%	\$36,221	\$34,312	5.6%	

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**
- ▶ **New CPUC Reporting Requirements**
- ▶ **Budget Narrative**
- ▶ **Inception to Date Spending**
- ▶ **EndPoint Deployment and Outreach Schedule**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency		\$128,773
Upgrade Approved Contingency		\$48,980
Total Contingency granted		\$177,753
Total PDRs Adopted by Steering Committee		\$2,856
Subtotal Adopted PDR's		\$2,856

Approved Date	2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown		
2007	2007 PDR Total*		\$103,473
2008	2008 PDR Total		\$32,240
08-0271	5/21/09	Change to RF network and SSN technology	(\$40,191)
08-0272	5/21/09	Change to RF technology: additional vendor specific costs adjustments	██████████
09-0276	5/21/09	Change to RF technology: new endpoint supplier agreement	██████████
09-0281	5/21/09	Release E Funding Revision	\$3,507
09-005	6/5/09	Release X - Scalability (Phase 1) (aka RFA 09-005)	\$22,693
09-0282	7/8/09	SM-driven Commercial Gas Meter Intesting	\$700
09-009	7/16/09	Release G (all phases)	\$10,608
09-0287	9/22/09	Credit Ops Remote Disconnect-Reconnect	\$1,004
09-017	10/6/2009	RFA - Release J (Plan & Design)	\$619
	various	Other (less than \$500,000 each)	\$1,600
		Subtotal PDRs	\$135,793
		Total PDRs	\$138,649

3. Pending Project Decision Request (PDRs) - Pending Approval and Contingency Drawdown			
09-0286	pending	SM Program re-org and SMU funding distribution (unassigned residual)	\$ (31,146)
09-0291	pending	IT Estimate-at-Complete funding true-up	\$64,332
09-0292	pending	Workstream budget adjustments (including true-up due to the change to RF technology)	(\$12,953)
		Subtotal Pending PDRs	\$20,233
		Total PDRs	\$158,882

* Includes the restoration of \$10.7M in meter maintenance costs removed via Stipulation during the 2006 hearings.

Note: In D.09-03-026, the CPUC concluded PG&E should use the AMI risk-based allowance to fund the additional project management costs of \$15.1 Million related to the SmartMeter Upgrade Program, and approximately \$6.1 Million related to HAN retrofit costs. PG&E is still evaluating the potential for cost savings in other categories to offset this amount, however this amount remains a likely risk-based allowance draw.

- ▶ The CPUC Staff has initiated four new SmartMeter™ reporting requirements, stemming from the Bakersfield inquiry. Two of the new requirements will now appear as appendices to the monthly Executive Steering Committee Summary Report, beginning with this Report.
- ▶ **Monthly SmartMeter Summary Reports.** PG&E will provide an additional narrative explanation for each budget item. The narrative should also explain any unanticipated costs, cost savings that have been possible, cost shifting between budget categories that has occurred or is anticipated, and anticipated future spending for categories where the spending is below the average level for the whole AMI project. In addition, PG&E shall map the budget items in its monthly report to the budget categories contained in D.06-07-027.
- ▶ **Smart Meter Deployment and Customer Outreach/Education Plans.** PG&E shall provide a status report to Energy Division and DRA about its smart meter installation plans. This report should list each city that is scheduled to have smart meters installed over the next 6 months. The monthly reports should also include a comprehensive and detailed description of PG&E's customer education efforts and outreach for the areas listed in the report. This would include dates that PG&E would be hosting answer centers or informational meetings for the public to attend. If changes are made to PG&E's customer outreach approach, such changes should be highlighted in subsequent reports, and the new materials, if any, should be provided at that time.

Budget Narrative and Mapping by Workstream

#	Workstream	D.06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	\$ Thousands								
					a b c = a + b			d e f = d + e			g = e - c		
					Inception to Date Spending			Original Budget	Net Approved Adjustments to Date	Current Approved Budget	Remaining Approved Budget		
Capital	Expense	Total											
1	PMO (including Business Delivery)	1	Provides resources, processes and tools that support effective and efficient project management, including scope, costs, schedule, issues and risks. Manages reporting processes to ensure compliance with internal and external (regulatory) communication requirements. Manages third-party vendor planning, deliverables and contract administration.	N/A	\$ 38,619	\$ 16,675	\$ 55,294	\$ 69,342	\$ 1,114	\$ 70,457	\$ 15,162		
2	SM Operations	5, 8, 9, 10, 11, 12, 14	Manages interval data collection, validation and related business processes to ensure timely and accurate usage information.	Resources and associated costs to manage electric data collection systems and related validation processes have proven to be greater than originally estimated due to migration of technologies.	\$ 7,790	\$ 28,542	\$ 36,331	\$ 51,768	\$ 6,614	\$ 58,381	\$ 22,050		
3	Customer Communications & Outreach	13, 15, 16	Proactively engages customers, educating as to the benefits of the SmartMeter™ technology and supporting efficient deployment activities, including the timely resolution of customer inquiries.	The anticipated leverage of coordinated customer outreach and response activities supporting existing and planned SmartMeter-enabled programs, such as SmartRate, is expected to reduce originally estimated project costs.	\$ -	\$ 25,515	\$ 25,515	\$ 100,049	\$ (6,405)	\$ 93,644	\$ 68,129		
4	Change Management	1, 15	Proactively engages with all internal stakeholders, to ensure that employees are equipped with the information, training and processes to effectively leverage new tools and business processes that deliver SmartMeter™ benefits.	Wider change management activities, essential to the deployment of new IT functionalities and business processes supporting completion of system-wide deployment including urban areas, are in process of further assessment and estimation.	\$ -	\$ 3,171	\$ 3,171	\$ 920	\$ 2,844	\$ 3,764	\$ 593		
5	Field Delivery - Strategic Relationships	3, 4, 8, 9	Manages external labor resources that drive primary meter and module exchanges, maintains quality assurance and secure supply chain for all endpoint and network equipment.	Costs associated with the transition of electric meter technologies were not included in the original budget.	\$ 659,292	\$ 39,369	\$ 698,661	\$ 1,252,672	\$ 46,859	\$ 1,299,532	\$ 600,870		
6	Field Delivery - Endpoint Installation	8, 12	Manages internal meter and module installation resources.	Cost to install metering and communications equipment in difficult to access locations, primarily in urban areas such as San Francisco and Oakland, will likely produce significant cost increases per endpoint going forward.	\$ 29,265	\$ 678	\$ 29,943	\$ 71,465	\$ (10,063)	\$ 61,402	\$ 31,459		
7	Field Delivery - Field Delivery Office	1, 5, 8, 9, 11	Develops and maintains coordinated deployment planning covering all remaining SmartMeter™ installations, including timeline, resources and engineering solutions.	Resource costs to plan and manage an integrated deployment plan and deliver metering and communications equipment solutions have proven to be greater than originally estimated primarily due to migration of electric meter technologies.	\$ 12,496	\$ 5,528	\$ 18,025	\$ 43,789	\$ 4,458	\$ 48,247	\$ 30,222		
8	Field Delivery - Network Installation	9, 10	Manages both internal and external resources that drive site preparation and installation of all SM network equipment.	Decision to switch to an RF mesh-based communications network for electric meters is anticipated to produce a significant overall cost savings at project completion.	\$ 21,184	\$ -	\$ 21,184	\$ 103,988	\$ (75,128)	\$ 28,860	\$ 7,676		
9				Deployment Subtotal:	\$ 722,237	\$ 45,575	\$ 767,813	\$ 1,471,915	\$ (33,874)	\$ 1,438,040	\$ 670,228		
10	Business Process	6	Supports the planning, development and delivery of information technology systems and enabled business processes that support SmartMeter™ functionalities, with specific emphasis on business requirements.	Resources, time, and associated costs necessary to plan and carry out business capability assessment, delivery and process design have proven to be significantly greater than originally estimated.	\$ 13,728	\$ 0	\$ 13,728	\$ 4,065	\$ 12,092	\$ 16,157	\$ 2,429		
11	IT/CC&B	4, 5, 6, 7	Manages planning, development, delivery and maintenance of information technology systems and enabled business processes that support SmartMeter™ functionalities, related benefits and operating systems for all PG&E customers.	Resources, time, and associated costs necessary to carry out IT systems integration work have proven to be significantly greater than initially estimated.	\$ 277,478	\$ 84,407	\$ 361,885	\$ 266,558	\$ 200,142	\$ 466,700	\$ 104,815		
12	Technology Monitoring	1, 18	Perform ongoing technology monitoring, including technology and product development that leverage the SmartMeter™ platform.	Required technology monitoring activities were conducted, and costs incurred, prior to the Upgrade decision and were not funded in the original AMI decision.	\$ 1,733	\$ 19,763	\$ 21,496	\$ 32,611	\$ 7,501	\$ 40,111	\$ 18,616		
13	Unassigned Spending	2	Approved additional or unanticipated workstream costs. The assignment of these and other future costs against contingency is based upon the assessment of the SmartMeter™ Steering Committee.	Given the two plus years remaining to project completion and associated cost uncertainties which could arise during this time, both in terms of savings opportunities and overrun risks, a formal draw of only \$2.9 million of the \$177.8 million contingency has been made.	\$ -	\$ -	\$ -	\$ 208,900	\$ (190,027)	\$ 18,872	\$ 18,872		
14				Totals:	\$ 1,061,585	\$ 223,648	\$ 1,285,233	\$ 2,206,127	\$ -	\$ 2,206,127	\$ 920,894		

Inception to Date Spending by D.06-07-027 Cost Categories

		CPUC Decisions			Inception to Date (Nov 2009)	
		D. 06-07-027	D. 09-03-026		SmartMeter Total	% of Total
Item #	Cost Category	AMI Total	Upgrade Total	SmartMeter Total		
1	Project Management Costs	\$ 87.9	\$ 1.7	\$ 89.6	\$ 98.2	110%
2	Risk-Based Allowance	\$ 128.8	\$ 49.0	\$ 177.8	\$ -	0%
3	Meters & Modules	\$ 637.4	\$ 336.3	\$ 973.7	\$ 598.8	61%
4	Network Materials	\$ 83.6	\$ -	\$ 83.6	\$ 47.6	57%
5	AMI Operations	\$ 40.9	\$ -	\$ 40.9	\$ 26.0	63%
6	Interface and Systems Integration	\$ 94.0	\$ 33.3	\$ 127.3	\$ 196.4	154%
7	Interval Billing System	\$ 84.8	\$ 4.0	\$ 88.8	\$ 156.7	176%
8	Meters/Modules Installation	\$ 326.1	\$ 19.8	\$ 345.9	\$ 103.2	30%
9	Electric Network & WAN Installation	\$ 87.2	\$ -	\$ 87.2	\$ 18.1	21%
10	Gas Network and Other Installation	\$ 5.8	\$ -	\$ 5.8	\$ 9.4	161%
11	Meters/Module QA Sample Testing	\$ 2.8	\$ -	\$ 2.8	\$ 0.5	18%
12	Meter Operations Costs	\$ 22.6	\$ 1.2	\$ 23.8	\$ 2.2	9%
13	Customer Contact-Related Costs	\$ 32.3	\$ -	\$ 32.3	\$ 9.0	28%
14	Customer Exceptions Processing	\$ 6.6	\$ -	\$ 6.6	\$ 1.8	27%
15	Marketing and Communications	\$ 23.1	\$ -	\$ 23.1	\$ 6.0	26%
16	Customer Acquisition	\$ 54.8	\$ -	\$ 54.8	\$ 10.6	19%
17	Other Employee Related Costs	\$ 20.7	\$ -	\$ 20.7	\$ -	0%
18	Technology Assessment	\$ -	\$ 21.4	\$ 21.4	\$ 0.9	4%
19	Totals:	\$ 1,739.4	\$ 466.8	\$ 2,206.2	\$ 1,285.2	58%

Notes:

1. Cost categories shown above correspond with Table 1, "Stipulated AMI Project Costs", found in CPUC Decision 06-07-027. Item #18 was not included in the original AMI decision, but was added in the SmartMeter Upgrade Program, Decision 09-03-026.

Meter Deployment and Customer Outreach Schedule

Deployment Office	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Bayhill	█					
Jackson	█					
Selma	█	█	█			
Half Moon Bay	█	█	█			
Fremont	█	█	█			
Dinuba	█	█	█	█		
San Carlos	█	█	█	█		
Merced	█	█	█	█		
Oakhurst	█	█	█	█		
Lemoore	█	█	█	█	█	
Vacaville	█	█	█	█	█	
Concord	█	█	█	█	█	
Corcoran	█	█	█	█	█	
Coalinga	█	█	█	█	█	█
Livermore	█	█	█	█	█	█
Stockton	█	█	█	█	█	█
Madera	█	█	█	█	█	█
Los Banos	█	█	█	█	█	█
Vallejo/Napa	█	█	█	█	█	█
Cupertino	█	█	█	█	█	█
San Jose	█	█	█	█	█	█
Richmond/Berkeley	█	█	█	█	█	█
Mariposa		█	█	█	█	█
Placerville		█	█	█	█	█
Santa Rosa		█	█	█	█	█
Tracy		█	█	█	█	█
Marysville			█	█	█	█
Los Gatos				█	█	█
Oakland/EastOakland					█	█
Chico					█	█
Grass Valley						█
Paradise						█
Oroville						█

2010 Customer Outreach Event planning is in progress.

Public Version



SmartMeter™
Steering Committee Update – December 2009
January 22, 2010

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	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release E/F BBE – Deploy							
Release G – Design/Build							
Release H – Build/Test							
Release I - Plan/Analyze							

Challenges

Actions/Status

Release BBE

Release G

- Outage Management Tool Enhancements (OMT): The outage event time provided by SSN does not show the correct time when the meter goes out of power
- Restoration Validation (RV) scope needs to be integrated to gain technological synergies and reduce impact of long vendor lead times

Release H

- Remote Connect Phase 2 (RCDC2):
 - Deployment may be delayed to remove possible conflict with PDP in Spring-'10
 - Additional scope providing deployment by geographical area being evaluated

Release I

- Scope and schedule needed to be re-assessed per Net Energy Metering implementation solutions
- Utility standards/requirements for True-up, Migration, Assembly Bill 920 and Bill Presentment need to be approved by the SmartMeter and Utility Leadership

Release BBE

- Revised Meter Power Status Check (MPSC) deployment of 2/13/10 currently on target; being managed under Release H

Release G

- SSN has fixed the defect and will deliver the patch on 1/22/10. The fix is targeted to be deployed by 2/20/10 after the UIQ 4.1 upgrade
- Initial OMT deployment completed and stabilized as of 12/18/09; deployment by control center continues through Mar-'10 and ongoing through the end of meter deployment
- Integrating functionality under Release J; road mapping exercise to identify '10-'11 functionality releases that will provide business benefits given the current technology capabilities for both RV and Identify and Scope currently underway; expected completion mid-late Feb-'10

Release H

- 2/13/10 [REDACTED] and KVAR deployment currently on target
- Strategy and timing to deploy code while keeping it inactive until PDP deployment being evaluated
- Evaluating data impacts with vendor; SM Leadership decision/approval expected by 1/21/10

Release I

- Scope, schedule and RFA (Plan-Analyze) re-assessment completed and presented; approval from SmartMeter leadership expected by 1/22/10; plan/analyze activities underway; stage exit targeted by 3/5/10
- Team currently moving ahead with Analyze phase per Scope assumptions for True-up, Migration, Assembly Bill 920 and Bill Presentment; and escalating approval request to SM Leadership to move forward with current assumptions

	Funded Budget	EAC / YTD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)							
Release J - Plan/Analyze							
Release O - Plan/Analyze							
Release X - Plan/Analyze							
HAN Alpha I & II							
2009 Other Capital Projects (IT PMO, 08 carryover, SM Apps, DC)							
2009 Operating Expenses (CC&B, Stabilization)							

Challenges

Actions/Status

<p><u>Release J</u></p> <ul style="list-style-type: none"> Restoration Validation scope needs to be integrated to gain technological synergies and to reduce long vendor lead times Resource availability impacting completion of requirements for Emergency Outage Notification (EON) replacement and Transformer Loading <p><u>Release O</u></p> <ul style="list-style-type: none"> Ongoing additions of Fast Track SRs impact ability to continue efforts on standard priority SRs; overall scoping and budget management approach needs to be determined <p><u>Release X</u></p> <ul style="list-style-type: none"> 6M integrated testing completion delayed to 2010 due to dependency on UIQ 4.1 <p><u>HAN Alpha I & II</u></p> <ul style="list-style-type: none"> Alpha is underway, completion dependent on UIQ 4.1 upgrade 16 week lead time on access points poses potential risk for completion of Alpha due to access Points (APs) needed for Alpha 2 scheduled arrive four days prior to testing <p><u>Overall</u></p> <ul style="list-style-type: none"> EA vendor delivery dependencies exist for all IT releases Requirements from other regulatory decisions (including PDP) in addition to the Smart Meter decision contributes to equipment and resource constraints SSN network performance issues 	<p><u>Release J</u></p> <ul style="list-style-type: none"> Road mapping exercise to identify '10-'11 functionality releases that will provide business benefits given the current technology capabilities for both RV and Identify Outage Scope currently underway; expected completion mid-late Feb-'10 Communication strategy to inform project stakeholders on change in approach being developed with the Change Management team Resource constraints being monitored and will be escalated as needed; moving ahead with scheduled activities <p><u>Release O</u></p> <ul style="list-style-type: none"> Continuing to manage SRs to address Fast Track SRs as required; resolution of scope approach may further resolve this issue <p><u>Release X</u></p> <ul style="list-style-type: none"> Statistics deployment and 5.5M silo testing completed in 2009 UIQ 4.1 upgrade underway and on track for 2/6/10 completion Integrated testing and performance re-engineering plans for 2010 being developed; high level deliverables schedule available in Q1-2010 <p><u>HAN Alpha I & II</u></p> <ul style="list-style-type: none"> Production upgrades taking priority over implementation of UIQ 4.1 in the lab; 4.1 upgrade expected 2/6/10 Silver Springs Network (SSN) provided eBridges to support 2 customer premise set-up prior to delivery of 20 Access Points on 3/25/10. <p><u>Future Releases</u></p> <ul style="list-style-type: none"> PTR on hold, pending Regulatory Approval
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2009 Deployment Status Update

	Budget (Budget / CPI)	2009 Forecast (2009 EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Deployment: YTD – December, 2009							
Endpoints (2009 YTD)							
Gas Network (2009 YTD)							
Electric Network (2009 YTD)							
MV-90 (ITD)							

Challenges

Deployment - Endpoint

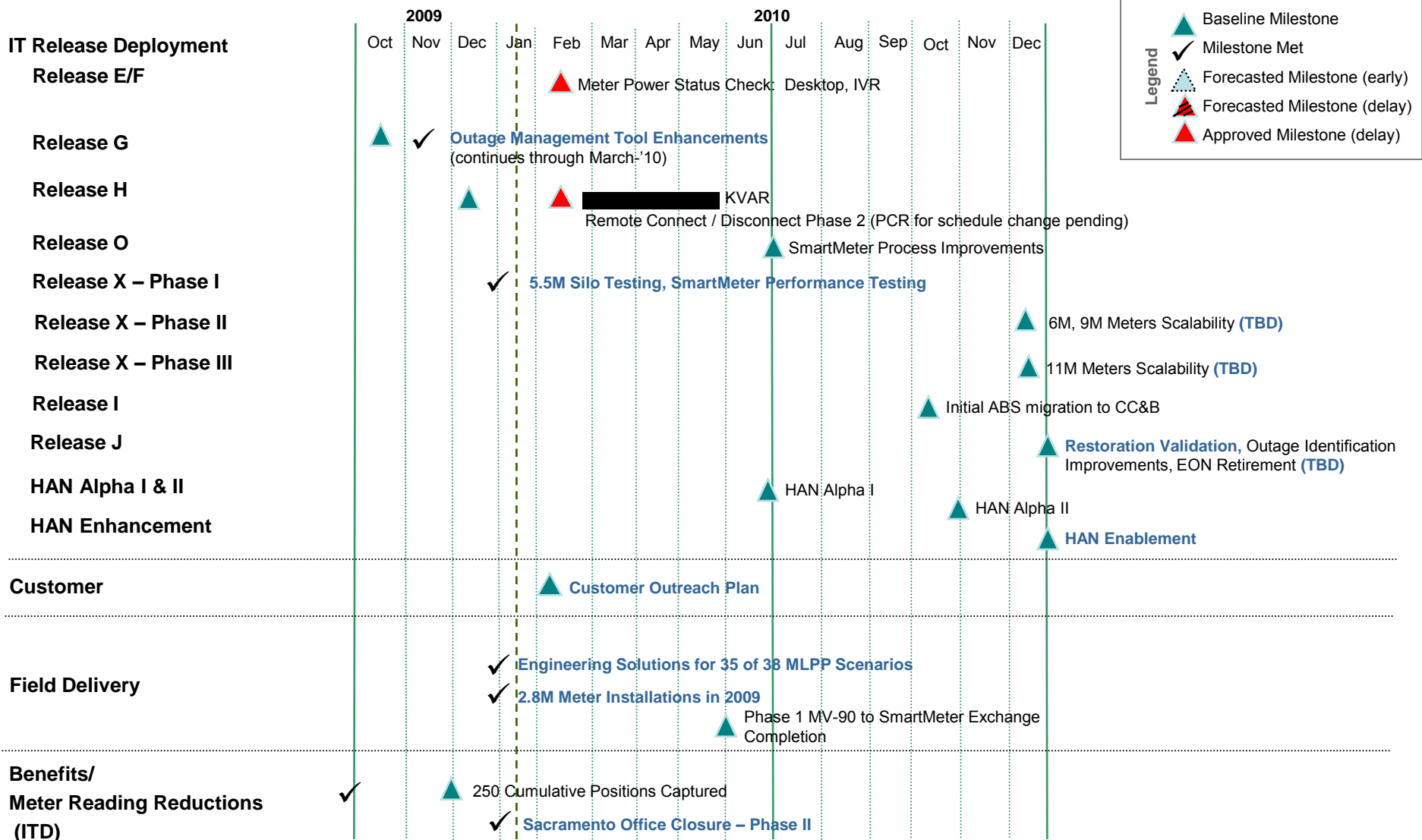
- Non-standard installations may impact deployment schedule
- Exchange MV-90 meters for 3687 >200kW (EMR-read, CC&B-billed) customers by May 2010
 - Meter deployment stood down to revise processes needed to resolve meter connectivity and read recovery related issues
 - Resource (EMT) availability/prioritization during storm season may impact installation activities
 - Delays due to vendor resource availability and performance issues impacting planned vs. actual deployment effort to date, and increasing monthly targets for remaining project effort

Actions/Status

Deployment - Endpoint

- Exceeded 2009 meter installation and office closure goals
- 2010 meter installation goal set to 3.7M
- Solution for 35 of 38 identified non-standard locations documented as of 12/31/09; construction manuals to be completed by Q1-10
- Testing for 3 non-standard locations to be completed by Q2-10
- Non-standard deployment strategies are in progress for Richmond/Berkeley and Cupertino/Los Gatos. Meter Reading Office deployment strategies to be completed one month prior to start of endpoint deployment.
- Solutions cost/benefit analysis to be completed by Q1-10
- Continuing to monitor cross-functional, vendor and resource dependencies to facilitate accelerated meter deployment to meet PDP requirements
- Established an Ops team dedicated to monitoring MV-90 meter exchanges and connectivity
- Implemented enhanced business processes and read recovery mitigation plans
- Conducted two successful pilots; second pilot results being evaluated
- Go/No-Go decision expected by 1/25/10 after the completion of a third pilot
- Deployment targets being re-baselined against performance to date and project completion goals
- 1179 MV-90 network nodes installed; 96 MV-90 meters replaced as of 1/15/10

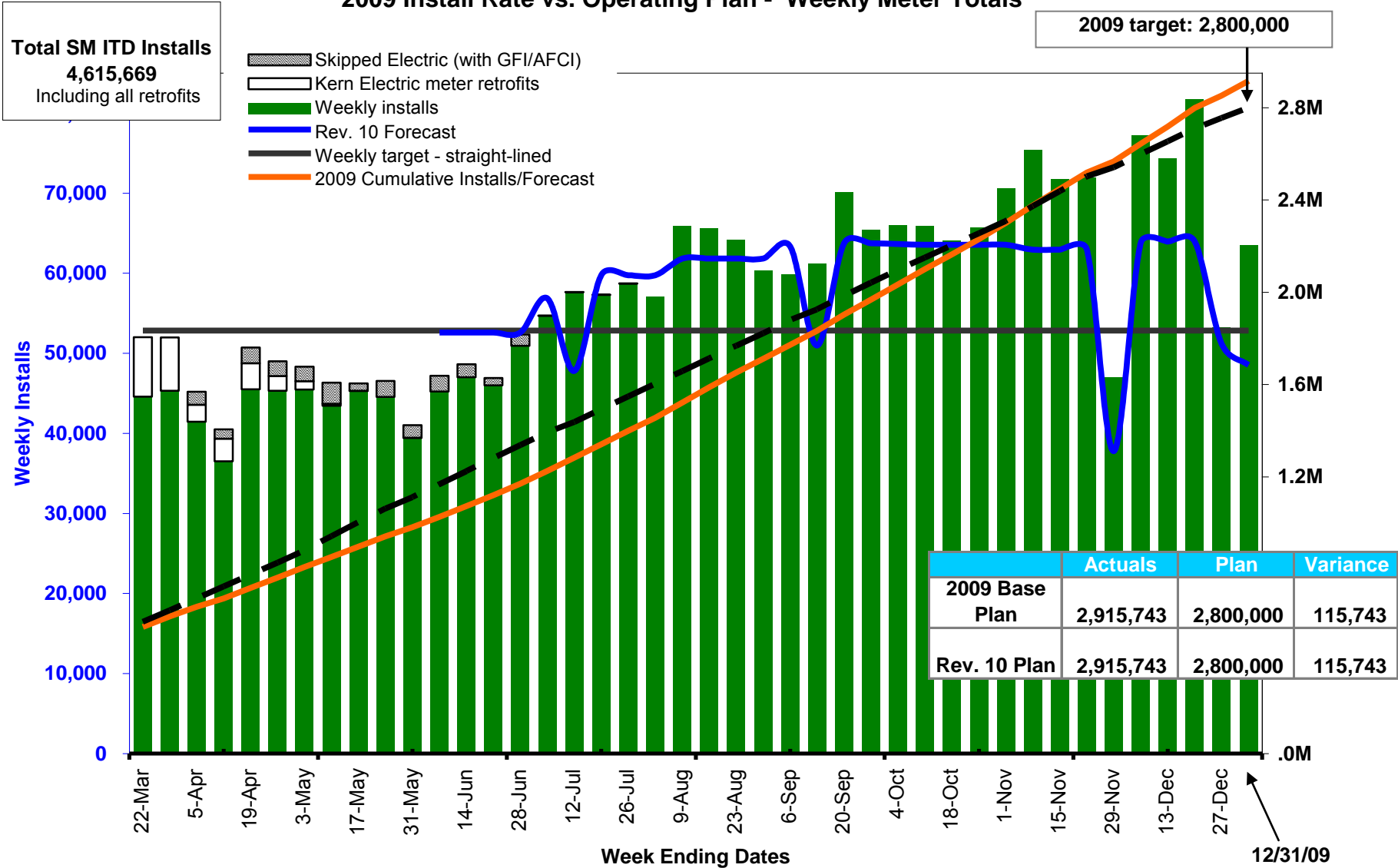
As of 01/07/10



Legend

- Baseline Milestone
- Milestone Met
- Forecasted Milestone (early)
- Forecasted Milestone (delay)
- Approved Milestone (delay)

2009 Install Rate vs. Operating Plan - Weekly Meter Totals



2009 Budget Status – Expenditures by Workstream

#	Workstream	Current Month - December			Year to Date - December				Inception to Date Spending	#
		Budget	Actuals	Variance	Budget	Actuals	Variance	% Var.		
Capital (000s)										
1	PMO	\$ 786	\$ 128	\$ 658	\$ 7,388	\$ 4,434	\$ 2,955	40%	\$ 38,748	1
2	SM Operations	\$ 274	\$ 358	\$ (84)	\$ 3,289	\$ 3,008	\$ 282	9%	\$ 8,147	2
3	FD - Strategic Relationships	\$ 36,135	\$ 18,220	\$ 17,915	\$ 412,518	\$ 413,901	\$ (1,383)	0%	\$ 677,513	3
4	FD - Endpoint Installation	\$ 1,747	\$ 3,283	\$ (1,537)	\$ 9,422	\$ 8,714	\$ 708	8%	\$ 32,549	4
5	FD - Field Delivery Office	\$ 1,200	\$ 2,671	\$ (1,470)	\$ 4,584	\$ 5,121	\$ (537)	-12%	\$ 15,167	5
6	FD - Network Install	\$ 675	\$ 418	\$ 257	\$ 8,103	\$ 6,758	\$ 1,345	17%	\$ 21,602	6
7	Deployment Subtotal:	\$ 39,757	\$ 24,593	\$ 15,165	\$ 434,627	\$ 434,495	\$ 133	0%	\$ 746,830	7
8	Business Process	\$ 139	\$ 1,008	\$ (869)	\$ 3,057	\$ 7,245	\$ (4,188)	-137%	\$ 14,735	8
9	IT/CC&B	\$ 2,163	\$ 4,281	\$ (2,118)	\$ 42,507	\$ 43,261	\$ (755)	-2%	\$ 281,759	9
10	Technology Monitoring	\$ -	\$ (1)	\$ 1	\$ 2,055	\$ 68	\$ 1,987	97%	\$ 1,732	10
11	Capital Total:	\$ 43,120	\$ 30,367	\$ 12,752	\$ 492,923	\$ 492,511	\$ 413	0%	\$ 1,091,952	11
Expense (000s)										
12	PMO	\$ 581	\$ 400	\$ 180	\$ 2,442	\$ 2,393	\$ 49	2%	\$ 17,075	12
13	SM Operations	\$ 930	\$ 1,722	\$ (792)	\$ 13,306	\$ 14,227	\$ (921)	-7%	\$ 30,264	13
14	Customer	\$ 2,125	\$ 2,479	\$ (354)	\$ 21,004	\$ 17,026	\$ 3,978	19%	\$ 27,993	14
15	Change Mgt Customer Impact	\$ 4	\$ 409	\$ (405)	\$ 46	\$ 1,724	\$ (1,678)	-3651%	\$ 3,580	15
16	FD - Strategic Relationships	\$ -	\$ 13,163	\$ (13,163)	\$ -	\$ 43,843	\$ (43,843)		\$ 43,843	16
17	FD - Endpoint Installation	\$ -	\$ (38)	\$ 38	\$ 328	\$ -	\$ 328	100%	\$ 640	17
18	FD - Field Delivery Office	\$ 120	\$ 101	\$ 20	\$ 1,547	\$ 1,811	\$ (264)	-17%	\$ 14,318	18
19	Deployment Subtotal:	\$ 120	\$ 13,225	\$ (13,105)	\$ 1,876	\$ 45,653	\$ (43,778)	-2334%	\$ 58,800	19
20	IT/CC&B	\$ 1,840	\$ 3,338	\$ (1,498)	\$ 23,563	\$ 21,425	\$ 2,138	9%	\$ 87,746	20
21	Technology Monitoring	\$ 222	\$ 94	\$ 127	\$ 4,580	\$ 1,540	\$ 3,039	66%	\$ 19,857	21
22	Expense Total:	\$ 5,821	\$ 21,667	\$ (15,846)	\$ 66,816	\$ 103,988	\$ (37,173)	-56%	\$ 245,316	22
23	Total Inception to Date Spending:								\$ 1,337,268	23

End of Year (EOY) Variance Explanations:

EOY capital spending was 0.08% favorable versus budget. The capital budget amount shown includes an approved Operating Plan Committee transfer of \$30 million from 2009 to 2010 due to the accounting adjustments necessary to retire obsolete meter/module equipment removed from the field (line #16 reflects the reclassification to non-earnings impact expense). In addition, the EOY amounts reflect a \$24.5 million transfer from capital to expense associated with Cost of Removal.

SmartMeter Balancing Account (SBA) Credits

		Actual														
(\$ in thousands)		2007	2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ITD Actual
Activated Meter Benefits:	\$ 111 \$ 4,705	\$ 949	\$ 1,048	\$ 1,141	\$ 1,318	\$ 1,523	\$ 1,973	\$ 2,350	\$ 2,599	\$ 2,926	\$ 3,156	\$ 3,408	\$ 3,664	\$ 3,664	\$ 30,870	73%
Mainframe License Benefits:	\$ 1,250 \$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 11,250	27%
Total:	\$ 1,361 \$ 9,705	\$ 1,366	\$ 1,465	\$ 1,558	\$ 1,735	\$ 1,939	\$ 2,389	\$ 2,766	\$ 3,016	\$ 3,342	\$ 3,573	\$ 3,825	\$ 4,081	\$ 4,081	\$ 42,120	
2009 Cumulative Actual + Forecast:		\$ 1,366	\$ 2,830	\$ 4,388	\$ 6,123	\$ 8,063	\$ 10,452	\$ 13,219	\$ 16,234	\$ 19,576	\$ 23,149	\$ 26,974	\$ 31,055	\$ 31,055		

2009 Functional Area (FA) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Budgeted FA Benefits:</u>														
Monthly		\$ 1,567	\$ 1,683	\$ 1,927	\$ 2,205	\$ 2,443	\$ 2,794	\$ 3,035	\$ 3,262	\$ 3,512	\$ 3,746	\$ 3,926	\$ 4,211	\$ 34,312
Cumulative		\$ 1,567	\$ 3,251	\$ 5,178	\$ 7,383	\$ 9,825	\$ 12,619	\$ 15,654	\$ 18,916	\$ 22,429	\$ 26,175	\$ 30,101	\$ 34,312	
<u>Actual / Current Forecast:</u>														
Monthly		\$ 1,674	\$ 1,778	\$ 1,963	\$ 2,208	\$ 2,656	\$ 2,880	\$ 3,125	\$ 3,474	\$ 3,761	\$ 4,215	\$ 4,206	\$ 4,042	\$ 35,981
Cumulative		\$ 1,674	\$ 3,452	\$ 5,415	\$ 7,622	\$ 10,279	\$ 13,159	\$ 16,283	\$ 19,757	\$ 23,518	\$ 27,733	\$ 31,939	\$ 35,981	
YTD Variance		\$ 107	\$ 201	\$ 237	\$ 240	\$ 453	\$ 539	\$ 629	\$ 841	\$ 1,090	\$ 1,558	\$ 1,839	\$ 1,669	

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	1/25/2010	MV-90 meter deployment deferred to resolve meter recovery process in the event of connectivity loss	Customer impact due to potential for estimated or delayed bills	James Meadows	Established an Ops team dedicated to monitoring MV-90 meter exchanges and connectivity. Conducted two successful pilots; second pilot results being evaluated. Go/No-Go decision expected by 1/25/10 after completion of a third pilot. Project schedule to be rebaselined to meet installation targets.
2	2/8/2010	Negative SmartMeter press increased in recent weeks	Customer perception of the SmartMeter Program becomes negative, increasing potential customer complaints	Kate Wagner	Enhancing direct and indirect customer outreach (direct mail, community events, mass media, social networking, improved web content) to customers receiving a new meter, and re-communicating with targeted customers with a meter already installed to raise awareness of Smart Meter and the benefits to customers. Fully approved Customer Outreach plan expected by 2/8/10.
3	2/15/2010	Late delivery of new meter from SSN with [REDACTED] NIC card may impact supply chain	Landys + Gyr supply chain of electric 2S may be disrupted. The project has inventory protection for about 10 weeks	James Meadows	Testing/verification of this new hardware/firmware is scheduled to be complete by 2/5/10. Any significant delay will likely disrupt the supply chain as Landys + Gyr has exhausted all prior SSN NIC stock. Initial meters were received this week and testing is underway.
4	2/28/2010	IT-enabled business capability implementations need to be aligned with vendor software and equipment delivery targets	Deployment and benefits realization delays, increased operational costs and potential negative customer impact.	Christopher Vana	The Project is including vendors and stakeholders in recurring issue resolution meetings and longer-term planning to resolve complexities around deployment scale, functional design and system integration capabilities across multiple vendors.
5	2/28/2010	Need to improve timeliness on resolution of operational data collection performance issues	Deployment and benefits realization delays, increased operational costs and potential negative customer impact.	William Devereaux	Issue resolution meetings with vendors and stakeholders are ongoing to address specific populations of meters that cannot be read consistently. Transitioned meters are being prioritized to minimize customer impact.
6	6/1/2010	TOU deployment deferred to resolve meter connectivity and read recovery process issues	Customer impact due to potential for estimated or delayed bills	James Meadows	Project teams established to determine short-term and long-term business processes, mass deployment strategies and equipment needs by March-2010. Strategy to be tested for three months with a target to resume TOU deployment in July 2010.

Created On	P*	I**	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters and space limitations may require non-standard solutions	Schedule, additional costs, benefits realization.	James Meadows	Solutions documentation for 35 of 38 scenarios completed as of 12/31/09. Cost/benefit analysis and installation construction manuals to be completed by Q1-10. Non-standard deployment strategies for Richmon/Berkeley and Cupertino/Los Gatos determined; deployment is in progress. Meter Reading Office deployment strategies to be complete one month prior to start of endpoint deployment.	
8/12/2009	4	4	16	16	>200kW meter exchange (unable to complete by 5/1/10) Key Driver: PDP decision indirectly requires meter deployment acceleration. Required equipment unavailable to meet project schedule, IT functionality unavailable on time, challenging to serve meter locations	Potential negative customer impact	James Meadows	Meter deployment currently deferred. A dedicated operations team established to monitor MV-90 meter exchanges and connectivity per the enhanced business processes. Implemented read recovery mitigation plans. Conducted two successful pilots; second pilot results being evaluated. Go/No-Go decision expected by 1/25/10 after the completion of a third pilot. Project schedule to be rebaselined to meet installation targets.	1
8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Integrated application scalability is unknown, insufficient meter read volume	Billing, inability to activate meters, benefits realization, potential negative customer impact and potential negative perception of SmartMeter Program.	Christopher Vana	Systems silo testing with 5.5M meter population completed in 2009. System upgrades to enable integrated testing underway. Plans for end-to-end testing being developed for 2010.	
4/4/2008	3	5	15	15	Implementation of new technology does not perform as intended. Key driver: Equipment reliability	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Suzy Miller	Continuing to monitor technology performance and identifying mitigations to resolve identified meter performance issues.	5
8/25/2008	5	3	15	15	DCSI system may not be able to effectively manage reads within established thresholds. Key driver: Inability of DCSI to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth)	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Suzy Miller	As of 1/19/10, 132,028 total DCSI meters remain to be replaced. Risk can be closed when <20% of DCSI population remains.	5

*Probability

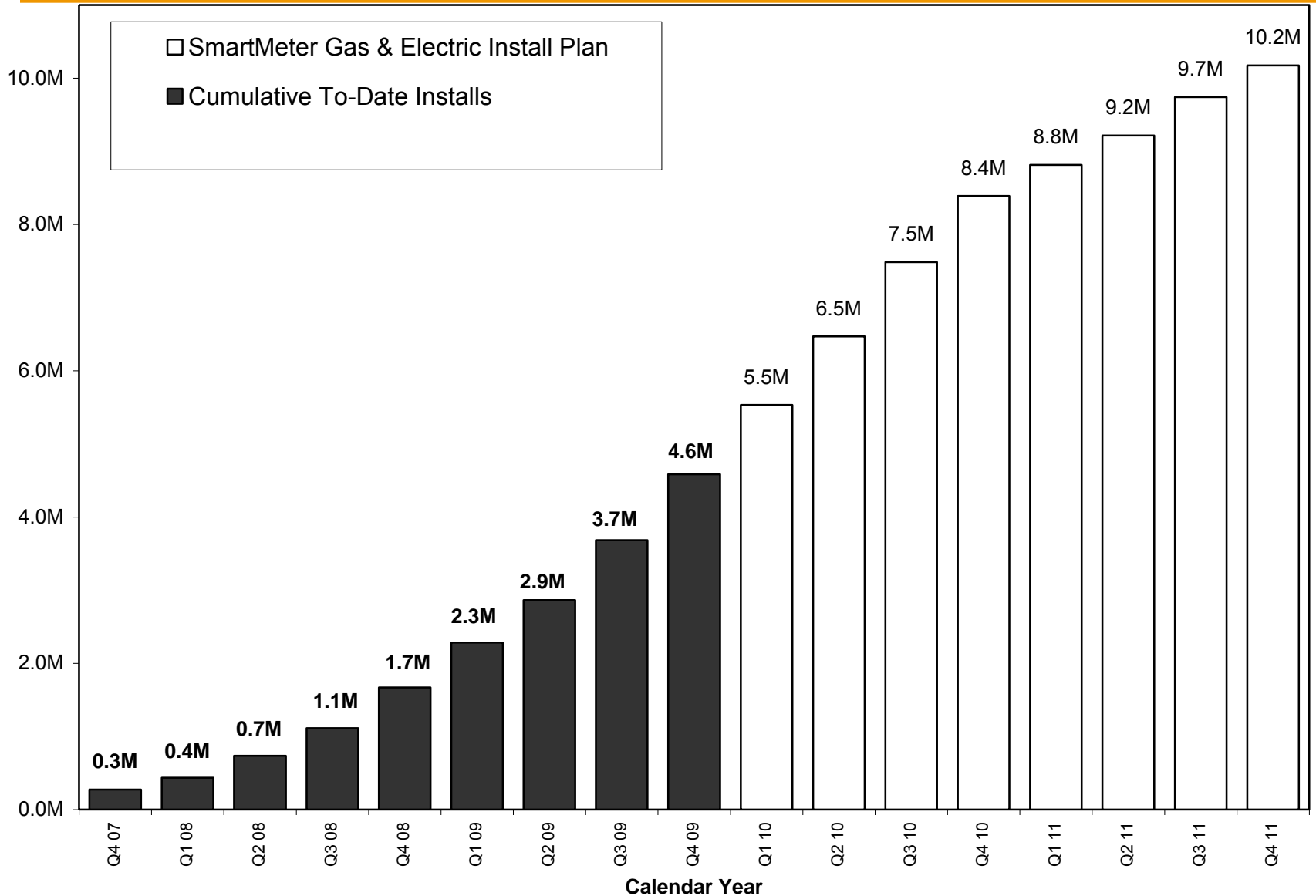
** Impact

Program Metrics

Metric	Key Performance Indicator	Nov '09 - Month Results			Dec '09 - Month Results			YTD			2009 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 4.08	\$ 3.90	4.6%	\$ 4.09	\$ 4.13	-1.1%	\$ 40.17	\$ 38.30	4.9%	\$ 40.17	\$ 38.30	4.9%	
P2	OSHA Recordable Rate (SmartMeter)	1.02	(track only)		0.89	(track only)		0.89	-		0.89	-		One OSHA in March; Target is zero
P3	MVI Recordable Rate (SmartMeter)	3.30	(track only)		2.80	(track only)		2.80	-		2.80	-		4 incidents YTD
C1	Customers enrolled in SmartRate (net)	26,825	(track only)		26,622	(track only)		26,622	(track only)		26,622	30,000	-11.3%	
C10	Customer Complaint Rate (escalated to CPUC)	0.022%	(track only)		0.019%	(track only)		0.019%	(track only)					Rate has decreased since the yearly high of 0.05% in October
D1	Meters Installed - Electric & Gas	280,723	245,138	14.5%	335,020	246,598	35.9%	2,915,743	2,800,000	4.1%	2,915,743	2,800,000	4.1%	
D1.1	Meters Installed - Electric & Gas Rev. 10 plan	280,723	240,767	16.6%	335,020	277,199	20.9%	2,915,743	2,800,000	4.1%	2,915,743	2,800,000	4.1%	
D2	DCUs Installed	139	158	-12.0%	6	162	-96.3%	1,832	1,850	-1.0%	1,832	1,850	-1.0%	Timing difference against target in December; YTD within 1% target
D3	Electric Network - Nodes Installed	264	215	22.8%	841	215	291.2%	3,912	3,159	23.8%	3,912	3,159	0.0%	
D6	UTC Rate	4.4%	4.5%	1.8%	4.2%	4.5%	7.7%	3.9%	4.5%	13.3%	3.9%	4.5%	13.3%	
D8	UTCs open beyond 90 days	29,109	(track only)		33,697	(track only)		33,697	(track only)					
D9	CPI - Endpoints (all-in)	\$125.44	\$135.52	7.4%	\$178.50	\$135.52	-31.7%	\$133.58	\$135.52	1.4%	\$133.58	\$135.52	1.4%	Current month due to year-end accruals & costs, primarily SSN field delivery support and dispatch & scheduling. YTD within target
D10	CPI Gas Network (all-in)	\$3,650	\$4,481	18.5%	\$40,034	\$4,481	-793.5%	\$4,223	\$4,481	5.7%	\$4,223	\$4,481	5.7%	Current month due to costs spread against few installs (6); YTD within target
D11	CPI Electric Network (all-in)	\$3,219	\$3,100	-3.8%	\$2,734	\$3,100	11.8%	\$2,744	\$3,100	11.5%	\$2,744	\$3,100	11.5%	
D17	Total Weeks of Inventory on Hand - Electric Meters	11	4	172.5%	10	4	143.8%	10	4	143.8%	10	4	143.8%	Inventory levels targeted to address 2010 deployment
D18	Total Weeks of Inventory on Hand - Gas Meters	28	3	834.7%	20	3	562.7%	20	3	562.7%	20	3	562.7%	Decision made earlier in program for up-front procurement of Gas endpoints
O4	Transition Aging - Average Days	16.7	15.0	-11.0%	17.1	15.0	-13.7%	19.9	15.0	-32.7%	19.6	15.0	-30.4%	Current month variance due to switching to new transition criteria. YTD variance due to residual backlog as a result of 2009 Deployment change
O9	% Bills not estimated	99.81%	99.20%	0.6%	99.82%	99.20%	0.6%	99.82%	99.20%	0.6%	99.82%	99.20%	0.6%	
B2	Meters Activated - Electric & Gas (end of month)	174,673	(track only)		124,484	(track only)		1,903,739	(track only)		1,903,739	(track only)		
B3	Count of Remote Disconnects	15,193	11,208	35.6%	6,668	12,290	-45.7%	93,349	68,177	36.9%	93,349	68,177	36.9%	Target did not reflect holiday moratorium on shut-offs
B5	ITD Meter Reading HC reductions	283	276	2.5%	294	300	-2.0%	294	300	-2.0%	294	300	-2.0%	
B6	Estimated Line of Business (LOB) Benefits	\$4,206	\$3,926	7.1%	\$4,042	\$4,211	-4.0%	\$35,981	\$34,312	4.9%	\$35,981	\$34,312	4.9%	

- ▶ **Project Deployment Plan Progress**
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Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation **\$000s**

1. Business Case Approved Contingency **\$177,753**

Total PDRs Adopted by Steering Committee **\$2,856**
Subtotal Adopted PDR's **\$2,856**

2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown

Approved Date			
	2007	2007 PDR Total*	\$103,473
	2008	2008 PDR Total	\$32,240
08-0271	5/21/09	Change to RF network and SSN technology	(\$40,191)
08-0272	5/21/09	Change to RF technology: additional vendor specific costs adjustments	██████████
09-0276	5/21/09	Change to RF technology: new endpoint supplier agreement	██████████
09-0281	5/21/09	Release E Funding Revision	\$3,507
09-005	6/5/09	Release X - Scalability (Phase 1) (aka RFA 09-005)	\$22,693
09-0282	7/8/09	SM-driven Commercial Gas Meter Intesting	\$700
09-009	7/16/09	Release G (all phases)	\$10,608
09-0287	9/22/09	Credit Ops Remote Disconnect-Reconnect	\$1,004
09-017	10/6/2009	RFA - Release J (Plan & Design)	\$619
09-0286	12/22/2009	SM Program re-org and SMU funding distribution (unassigned residual)	(\$31,146)
09-0291	12/22/2009	IT Estimate-at-Complete funding true-up	\$64,332
09-0292	12/22/2009	Workstream budget adjustments (including true-up due to the change to RF technology)	(\$12,953)
	various	Other (less than \$500,000 each)	\$1,600
		Subtotal PDRs	\$156,026
		Total PDRs	\$158,882

Budget Narrative and Mapping by Workstream

#	Workstream	D.06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	\$ Thousands												
					a			b			c = a + b			d	e	f = d + e	g = e - c
					Inception to Date Spending			Original Budget	Net Approved Adjustments to Date	Current Approved Budget	Remaining Approved Budget						
Capital	Expense	Total															
1	PMO	1	Provides resources, processes and tools that support effective and efficient project management, including scope, costs, schedule, issues and risks. Manages reporting processes to ensure compliance with internal and external (regulatory) communication requirements. Manages third-party vendor planning, deliverables and contract administration.	N/A	\$ 38,748	\$ 17,075	\$ 55,823	\$ 69,342	\$ 1,114	\$ 70,457	\$ 14,634						
2	SM Operations	5, 8, 9, 10, 11, 12, 14	Manages interval data collection, validation and related business processes to ensure timely and accurate usage information.	Resources and associated costs to manage electric data collection systems and related validation processes have proven to be greater than originally estimated due to migration of technologies.	\$ 8,147	\$ 30,264	\$ 38,411	\$ 51,768	\$ 6,614	\$ 58,381	\$ 19,970						
3	Customer Communications & Outreach	13, 15, 16	Proactively engages customers, educating as to the benefits of the SmartMeter™ technology and supporting efficient deployment activities, including the timely resolution of customer inquiries.	The anticipated leverage of coordinated customer outreach and response activities supporting existing and planned SmartMeter-enabled programs, such as SmartRate, is expected to reduce originally estimated project costs.	\$ -	\$ 27,993	\$ 27,993	\$ 100,049	\$ (6,405)	\$ 93,644	\$ 65,650						
4	Change Management	1, 15	Proactively engages with all internal stakeholders, to ensure that employees are equipped with the information, training and processes to effectively leverage new tools and business processes that deliver SmartMeter™ benefits.	Wider change management activities, essential to the deployment of new IT functionalities and business processes supporting completion of system-wide deployment including urban areas, are in process of further assessment and estimation.	\$ -	\$ 3,580	\$ 3,580	\$ 920	\$ 2,844	\$ 3,764	\$ 184						
5	Field Delivery - Strategic Relationships	3, 4, 8, 9	Manages external labor resources that drive primary meter and module exchanges, maintains quality assurance and secure supply chain for all endpoint and network equipment.	Costs associated with the transition of electric meter technologies were not included in the original budget.	\$ 677,513	\$ 43,843	\$ 721,355	\$ 1,252,672	\$ 44,303	\$ 1,296,976	\$ 575,620						
6	Field Delivery - Endpoint Installation	8, 12	Manages internal meter and module installation resources.	Cost to install metering and communications equipment in difficult to access locations, primarily in urban areas such as San Francisco and Oakland, will likely produce significant cost increases per endpoint going forward.	\$ 32,549	\$ 640	\$ 33,188	\$ 71,465	\$ (10,063)	\$ 61,402	\$ 28,214						
7	Field Delivery - Field Delivery Office	1, 5, 8, 9, 11	Develops and maintains coordinated deployment planning covering all remaining SmartMeter™ installations, including timeline, resources and engineering solutions.	Resource costs to plan and manage an integrated deployment plan and deliver metering and communications equipment solutions have proven to be greater than originally estimated primarily due to migration of electric meter technologies.	\$ 15,167	\$ 14,318	\$ 29,485	\$ 43,789	\$ 7,014	\$ 50,803	\$ 21,317						
8	Field Delivery - Network Installation	9, 10	Manages both internal and external resources that drive site preparation and installation of all SM network equipment.	Decision to switch to an RF mesh-based communications network for electric meters is anticipated to produce a significant overall cost savings at project completion.	\$ 21,602	\$ -	\$ 21,602	\$ 103,988	\$ (75,128)	\$ 28,860	\$ 7,258						
9				Deployment Subtotal:	\$ 746,830	\$ 58,800	\$ 805,631	\$ 1,471,915	\$ (33,874)	\$ 1,438,040	\$ 632,410						

Budget Narrative and Mapping by Workstream

#	Workstream	D.06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	\$ Thousands						
					Inception to Date Spending			Original Budget	Net Approved Adjustments to Date	Current Approved Budget	Remaining Approved Budget
					a	b	c = a + b				
Capital	Expense	Total									
10	Business Process	6	Supports the planning, development, and delivery of information technology systems and enabled business processes that support SmartMeter™ functionalities, with specific emphasis on business requirements	Resources, time, and associated costs necessary to plan and carry out business capability assessment, delivery and process design have proven to be significantly greater than originally estimated.	\$ 14,735	\$ -	\$ 14,735	\$ 4,065	\$ 13,283	\$ 17,348	\$ 2,613
11	IT/CC&B	4, 5, 6, 7, 16	Manages planning, development, delivery and maintenance of information technology systems and enabled business processes that support SmartMeter™ functionalities, related benefits and operating systems for all PG&E customers.	Resources, time, and associated costs necessary to carry out IT systems integration work have proven to be significantly greater than initially estimated.	\$ 281,759	\$ 87,746	\$ 369,505	\$ 266,559	\$ 198,952	\$ 465,511	\$ 96,006
12	Technology Monitoring	1, 18	Perform ongoing technology monitoring, including technology and product development that leverage the SmartMeter™ platform.	Required technology monitoring activities were conducted, and costs incurred, prior to the Upgrade decision and were not funded in the original AMI decision.	\$ 1,732	\$ 19,857	\$ 21,589	\$ 32,611	\$ 7,501	\$ 40,111	\$ 18,522
13	Unassigned Spending	2	Approved additional or unanticipated workstream costs. The assignment of these and other future costs against contingency is based upon the assessment of the SmartMeter™ Steering Committee.	Given the two plus years remaining to project completion and associated cost uncertainties which could arise during this time, both in terms of savings opportunities and overrun risks, a formal draw of only \$2.9 million of the \$177.8 million contingency has been made.	\$ -	\$ -	\$ -	\$ 208,899	\$ (190,028)	\$ 18,871	\$ 18,871
14				Totals:	\$ 1,091,952	\$ 245,316	\$ 1,337,268	\$ 2,206,127	\$ -	\$ 2,206,127	\$ 868,859

Inception to Date Spending by D.06-07-027 Cost Categories

\$ Millions		CPUC Decisions			Inception to Date (Dec 2009)		Variance Explanation
		D. 06-07-027	D. 09-03-026		SmartMeter Total	% of Total	
Item #	Cost Category	AMI Total	Upgrade Total	SmartMeter Total	SmartMeter Total	% of Total	
1	Project Management Costs	\$ 87.9	\$ 1.7	\$ 89.6	\$ 81.8	91%	Technology Monitoring costs were not provided for in the original AMI decision so were charged to the PMO.
2	Risk-Based Allowance	\$ 128.8	\$ 49.0	\$ 177.8	\$ -	0%	
3	Meters & Modules	\$ 637.4	\$ 336.3	\$ 973.7	\$ 623.3	64%	
4	Network Materials	\$ 83.6	\$ -	\$ 83.6	\$ 47.9	57%	
5	AMI Operations	\$ 40.9	\$ -	\$ 40.9	\$ 28.4	69%	
6	Interface and Systems Integration	\$ 94.0	\$ 33.3	\$ 127.3	\$ 197.0	155%	The IT system integration work, along with the replatforming of the Customer Care & Billing (CC&B) system, turned out to be far more challenging and costly than originally estimated.
7	Interval Billing System	\$ 84.8	\$ 4.0	\$ 88.8	\$ 157.3	177%	
8	Meters/Modules Installation	\$ 326.1	\$ 19.8	\$ 345.9	\$ 125.0	36%	
9	Electric Network & WAN Installation	\$ 87.2	\$ -	\$ 87.2	\$ 25.3	29%	The decision made to adopt an RF-based network for both gas and electric has resulted in an estimated overall savings to the project at completion.
10	Gas Network and Other Installation	\$ 5.8	\$ -	\$ 5.8	\$ 9.5	164%	
11	Meters/Module QA Sample Testing	\$ 2.8	\$ -	\$ 2.8	\$ 0.6	20%	
12	Meter Operations Costs	\$ 22.6	\$ 1.2	\$ 23.8	\$ 2.4	10%	
13	Customer Contact-Related Costs	\$ 32.3	\$ -	\$ 32.3	\$ 8.9	27%	
14	Customer Exceptions Processing	\$ 6.6	\$ -	\$ 6.6	\$ 1.9	28%	
15	Marketing and Communications	\$ 23.1	\$ -	\$ 23.1	\$ 9.7	42%	
16	Customer Acquisition	\$ 54.8	\$ -	\$ 54.8	\$ 14.8	27%	
17	Other Employee Related Costs	\$ 20.7	\$ -	\$ 20.7	\$ -	0%	A charge-back from Corporate for these costs has yet to be made.
18	Technology Assessment	\$ -	\$ 21.4	\$ 21.4	\$ 3.6	17%	
19	Totals	\$ 1,739.4	\$ 466.8	\$ 2,206.2	\$ 1,337.3	61%	

Notes

1. Cost categories shown above correspond with Table 1, "Stipulated AMI Project Costs", found in CPUC Decision 06-07-027. Item #18 was not included in the original AMI decision, but was added in the SmartMeter Upgrade Program, Decision 09-03-026.

PG&E does not record actual costs for the SmartMeter Program using these cost categories. These cost categories, which appear in D.06-07-027, were developed for forecasting purposes and do not reflect how PG&E actually tracks its costs for the SmartMeter Program. To show recorded expenditures in these historic forecast categories, PG&E had to employ subjective allocation assumptions. Thus, although the expenditure total is accurate, PG&E is concerned that the cost categorization may be misleading. For these reasons, PG&E will no longer include future iterations of this Table in its monthly reports. PG&E tracks its SmartMeter Program costs by the Workstreams set forth in the "Budget Narrative and Mapping by Workstream" Table (see pp. 16-17). For future monthly reports, one may refer to the second column of this table of workstream expenditures for a mapping of expenditures to the D.06-07-027 cost categories.

Meter Deployment and Customer Outreach Schedule

Deployment Office	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
Selma	Oct-09					
Half Moon Bay	Dec-09					
Fremont	Jan-09					
Dinuba	Oct-09					
San Carlos	Jan-09					
Merced	Jul-09	★				
Oakhurst	Dec-09					
Lemoore	Dec-09					
Vacaville	Jun-09					
Concord	Jul-09	★				
Corcoran	Dec-09					
Coalinga	Dec-09					
Livermore	Nov-09	★				
Stockton	Jan-09	★				
Madera	Jan-10					
Los Banos	Jan-10	★				
Vallejo/Napa	Nov-09	★				
Cupertino	Nov-09	★				
San Jose	Jan-10	★				
Richmond/Berkeley	Jan-10	★				
Mariposa	Feb-10					
Placerville	Feb-10					
Santa Rosa	Feb-10	★				
Tracy		★				
Marysville						
Los Gatos		★				
Oakland/EastOakland			★			
Chico			★			
Grass Valley						
Paradise						
Oroville						
San Francisco						
Santa Cruz						
San Rafael						

KEY
Planned Customer Education Event

Note: Dates shown in February 2010 column denote deployment start month.

Public Version



SmartMeter™

Steering Committee Update – January 2010

February 23, 2010

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Deployment Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**
 - ▶ **Project Deployment Plan Progress**
 - ▶ **Contingency Reconciliation**
 - ▶ **Budget Narrative and Mapping by Workstream**
 - ▶ **Meter Deployment and Customer Outreach Schedule**

	EAC	Funded Budget*	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)								
Release G – Design/Build								
Release H – Deploy (on hold)								
Release I - Plan/Analyze								
Release J - Plan/Analyze								
Release O - Analyze								

Challenges

Actions/Status

Release G

- Vendor fix bid contract needs to be reconciled with actual deliverable; budget integration with Release J is in progress

Release H

- Deployment deferred and being re-developed
 - Remote Connect/Disconnect (2) and Meter Power Status Check deferred to eliminate impact to the PDP project and pending resolution of SSN Network Performance issues

Release I

- Solution for NEMS (Net Energy Metering Services) functionality being revised; may impact costs, current deployment target of Oct '10, and possibly ability to complete work required by Assembly Bill 920 by the end of 2010

Release J

- Scope needs to be defined and is pending completion of Road Mapping activities for Restoration Validation and Identify and Scope Outage functionalities
- Plan/analyze milestone for Transformer Loading at risk due to key resource contention

Release O

- Ongoing additions of Fast Track SRs impact ability to continue efforts on standard priority SRs and consume large portion of approved budget; overall scoping and budget management approach needs to be revalidated

Release G

- Vendor contract reconciliation and budget integration with Release J expected to be completed by 3/15/10

Release H

- Release H Re-Plan Roadmap identifying delivery plan, cost, and timeline for the deferred Release H deployment to be developed by 2/22/10
- Team continuing to prioritize defects with vendors and working on resolution plans

Release I

- Revised NEMS solution was presented to the SmartMeter Management team on 2/19/10; schedule and cost impact will be determined based on the solution decision
- Plan/Analyze for the ABS functionality is targeted for completion by 2/22/10

Release J

- Prioritization, risks and benefits around Restoration Validation and Outage functionality and design roadmap evaluated and presented to SM Management on 2/19/10 to receive feedback on scope/functionality for 2010-2011
- Resources have been assigned; monitoring resource time to deliver milestones within established target

Release O

- Continuing to manage SRs to address Fast Track SRs as required; revised RFA developed as of 2/22/10
- Continuing Plan/Analyze work for existing items and high level estimation on new items to derive an overall estimate by 2/28/10. PCR will be submitted to update scope, budget and schedule

*Funded Budget represents the amount of funding that has been approved through the "gated" funding process. Projects that are noted as "Plan/Analyze" or "Analyze" are only partially funded through those initial phases. Upon completion of the Analyze phase, the release team will prepare a request to authorize the remaining amount required to complete the Release.

Release Status Update (continued)

	EAC	Funded Budget*	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)								
SmartMeter Scalability - Plan								
HAN Alpha I & II - Design								
HAN Enablement								
2010 Other Capital Projects (IT PMO, 09 carryover, SM Apps, DC)								
2010 Operating Expenses (CC&B, Stabilization)								

Challenges

SmartMeter Scalability

- 2010 scope, budget and schedule needs to be determined; results from UIQ 4.1 upgrade stabilization needed to complete scope definition

HAN Alpha I & II

- Delay in UIQ 4.1 lab upgrade (for Technology Innovation Center – TIC) due to UIQ 4.1 production upgrade impacting lab testing and delaying project completion target by seven weeks
- SSN support during lab UIQ and firmware upgrade is required; resource confirmation availability has not been received from SSN or Vendor Management due to contract negotiations currently underway
- 16 week lead time on access points continues to pose a potential risk for completion of Alpha 2

HAN Enablement

- N/A

Overall

- A significant amount of regulatory mandated work will compete with SmartMeter IT releases over the course of 2010 until the November CC&B freeze for the install of the CC&B upgrade to V.2.3
- EA vendor delivery dependencies exist for all IT releases
- Environment and resource constraints due to multiple releases being worked on in parallel
- Real-time network performance issues

Actions/Status

SmartMeter Scalability

- Several upgrades completed to support scalability tests in 2010
 - UIQ 4.1 upgrade completed as of 2/8/10 and in stabilization through early Mar '10
 - 2010 Scope and schedule to be determined by 3/15/10
 - P6 upgrade completed in Jan '10
 - Statistics upgrade completed in Dec '09

HAN Alpha I & II

- TIC UIQ 4.1 upgrade being determined
- Confirming that current SSN Vendor Contract Negotiations in progress ensure support for TIC lab UIQ and firmware upgrades
- eBridges to support 2 customer premises were received and set-up prior to delivery of 20 Access Points to continue testing, AP is needed on 3/25/10

HAN Enablement

- Project is on target with Plan/Analyze activities

Future Releases

- PTR work will begin in March prior to receiving regulatory approval to allow completion of build phase prior to the November CC&B freeze for upgrade to V.2.3
- Expanding monitoring of real-time network performance

*Funded Budget represents the amount of funding that has been approved through the "gated" funding process. Projects that are noted as "Plan/Analyze" or "Analyze" are only partially funded through those initial phases. Upon completion of the Analyze phase, the release team will prepare a request to authorize the remaining amount required to complete the Release.

Deployment Status Update

	Budget (Budget / CPI)	2010 Forecast (2010 EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Deployment: YTD – January, 2010							
Endpoints (2010 YTD)							
Gas Network (2010 YTD)							
Electric Network (2010 YTD)							
MV-90 (ITD)							

Costs & CPIs are direct workstream labor & related costs. Unit material costs not included.

Challenges

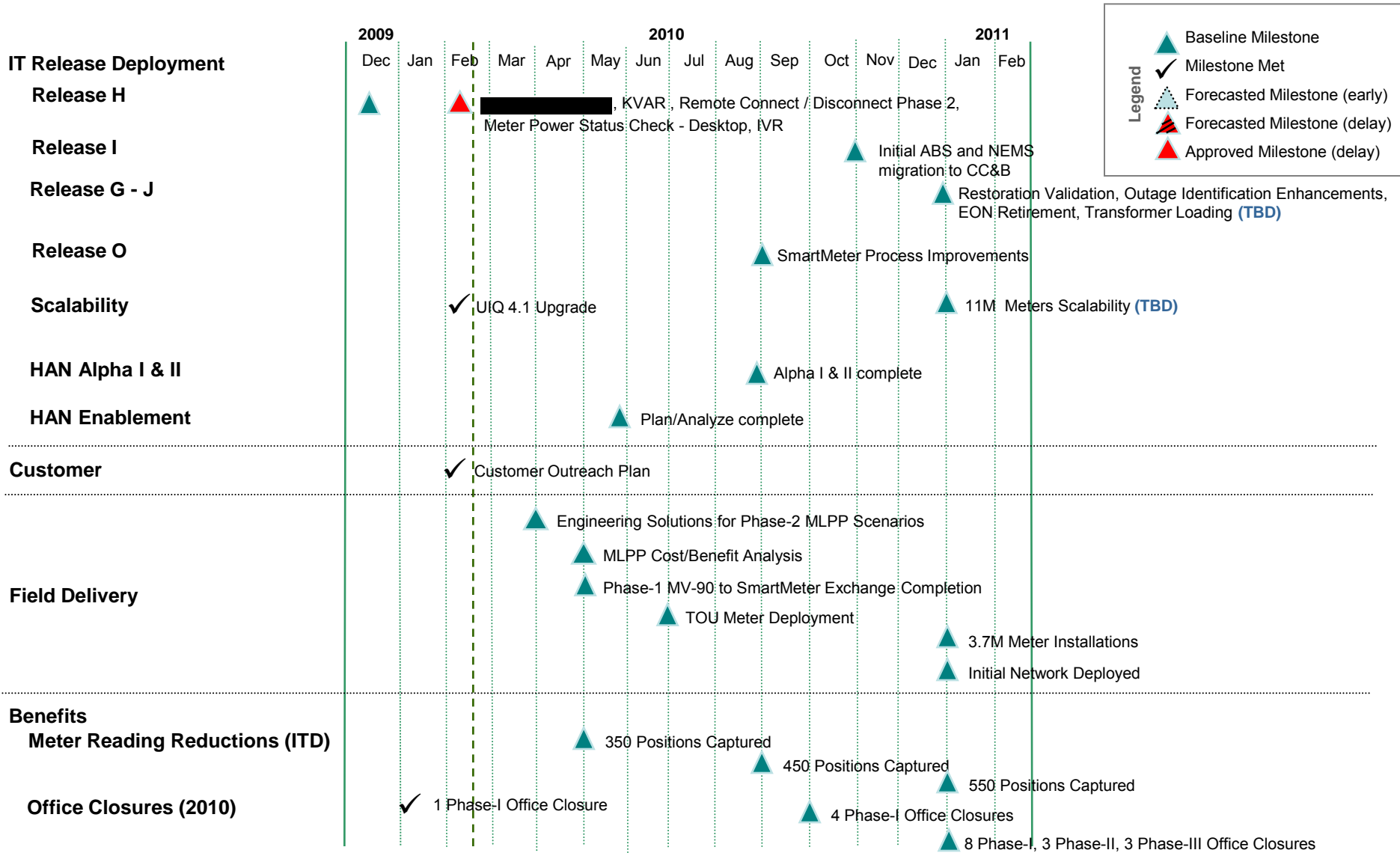
Actions/Status

Deployment - Endpoint

- Actual endpoint deployment behind Plan due to weather impact in Jan '10
 - [REDACTED]
 - TOU deployment temporarily deferred
- Non-standard installations may impact deployment processes
- Alternate backhaul solutions are required
- Accelerated exchange MV-90 meters for 3660 >200kW (EMR-read, CC&B-billed) customers by May '10 due to PDP.
 - Contingency plan triggered per the cost/benefit analysis on high volume of connectivity and solution design issues

Deployment - Endpoint

- Daily deployment targets have improved and significantly caught up. As of 2/17/10, only ~1.5K behind plan
 - [REDACTED] Strategy to deploy solution on the installed base of meters and meters in existing inventory being determined
 - Project team to determine a TOU deployment strategy is in place; strategy recommendation targeted for Mar '10, deployment planned to resume Jul '10
- Construction manuals for Phase-I scenarios to be completed by Q1 '10
- Phase-1 solutions cost/benefit analysis to be completed by Q1 '10, Phase-2 by Q2 '10
- Additional analysis on overbuild scope/approach to be completed 3/15/10. Policy/ guideline to be established by 4/1/10
- Testing for Phase-2 scenarios started; expected completion by Q2 '10
- Evaluating a satellite backhaul solution with PG&E ISTS Telecom; implementation expected by end of Q2 '10
- 3488 of the 3660 in-scope MV-90 meters will be moved to ABS billing by 3/15/10 to allow one full billing cycle prior to defaulting to PDP
- MV-90 meters moved to ABS billing will be exchanged to SmartMeter and billed through CC&B in conjunction with office closures
- 158 meters have been deployed as SmartMeter under the MV-90 project as of 2/5/10; an additional 43 are expected to be deployed by 3/15/10



Legend

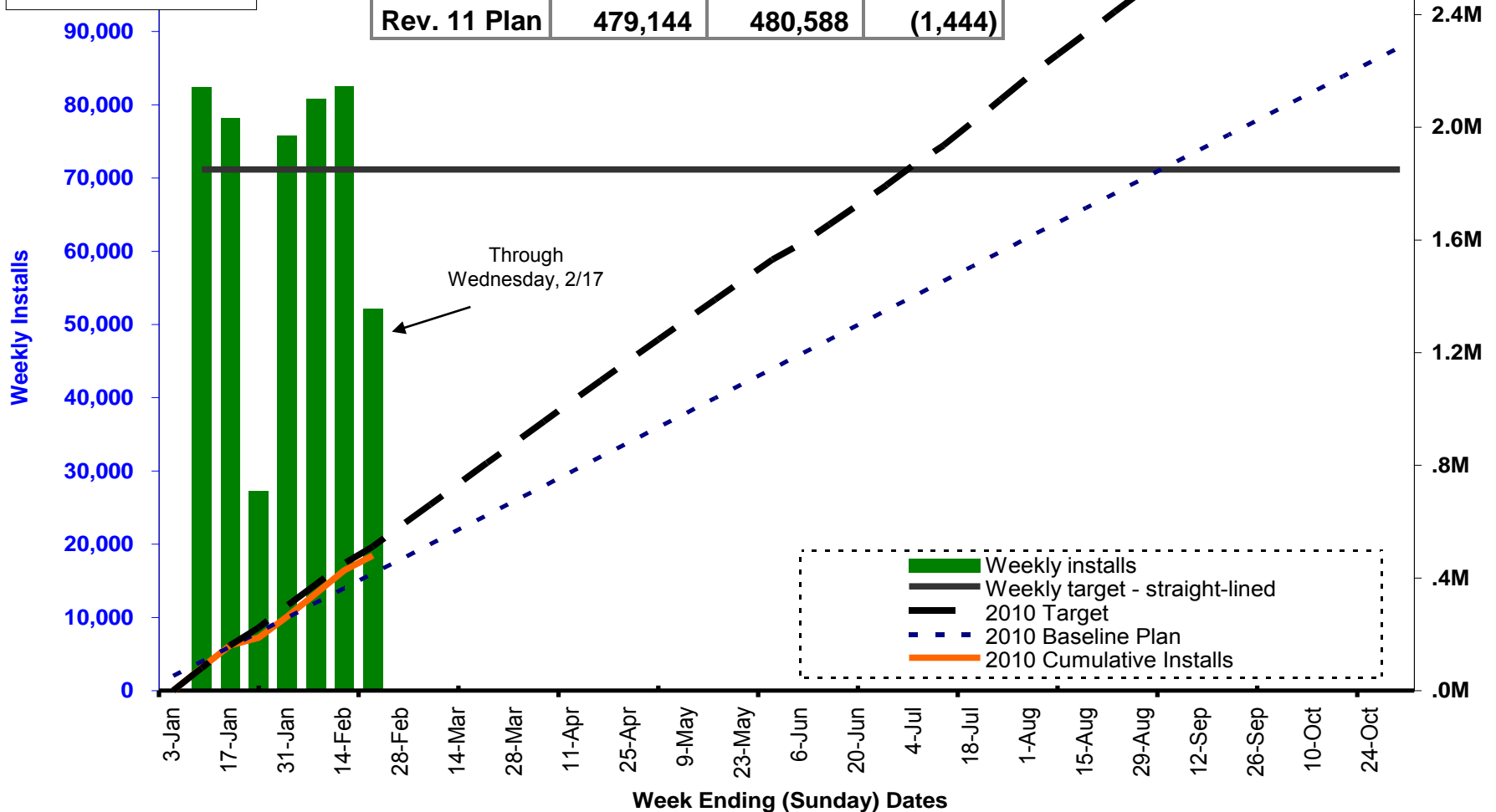
- Baseline Milestone
- Milestone Met
- Forecasted Milestone (early)
- Forecasted Milestone (delay)
- Approved Milestone (delay)

2010 Install Rate vs. Operating Plan - Weekly Meter Totals

Total SM ITD Installs
5,094,813
Including all retrofits

02/17/10	Actuals	Target	Variance
Rev. 11 Plan	479,144	480,588	(1,444)

2010 target: 3.7M
2010 Baseline Plan: 2.7M



2010 Budget Status – Expenditures by Workstream

#	Workstream	Current Month - January			Year to Date - January				2010 Approved Plan	Inception to Date Spending	#
		Plan	Actuals	Variance	Plan	Actuals	Variance	% Var.			
Capital (000s)											
1	PMO	\$ 356	\$ 304	\$ 52	\$ 356	\$ 304	\$ 52	15%	\$ 4,267	\$ 39,052	1
2	SM Operations	\$ 288	\$ 218	\$ 69	\$ 288	\$ 218	\$ 69	24%	\$ 3,455	\$ 8,366	2
3	FD- Strategic Relationships	\$ 23,953	\$ 12,659	\$ 11,294	\$ 23,953	\$ 12,659	\$ 11,294	47%	\$ 309,788	\$ 690,172	3
4	FD - Endpoint Installation	\$ 2,466	\$ 2,417	\$ 49	\$ 2,466	\$ 2,417	\$ 49	2%	\$ 59,060	\$ 35,036	4
5	FD - Field Delivery Office	\$ 2,592	\$ 2,039	\$ 553	\$ 2,592	\$ 2,039	\$ 553	21%	\$ 24,725	\$ 17,136	5
6	FD - Network Install	\$ 398	\$ 171	\$ 227	\$ 398	\$ 171	\$ 227	57%	\$ 4,108	\$ 21,773	6
7	Deployment Subtotal:	\$ 29,409	\$ 17,286	\$ 12,123	\$ 29,409	\$ 17,286	\$ 12,123	41%	\$ 397,681	\$ 764,116	7
8	Business Process	\$ 1,088	\$ 891	\$ 197	\$ 1,088	\$ 891	\$ 197	18%	\$ 10,924	\$ 15,627	8
9	IT/CC&B	\$ 4,810	\$ 2,683	\$ 2,126	\$ 4,810	\$ 2,683	\$ 2,126	44%	\$ 47,201	\$ 284,442	9
10	Technology Monitoring	\$ 63	\$ 3	\$ 60	\$ 63	\$ 3	\$ 60	95%	\$ 750	\$ 1,735	10
11	Capital Total:	\$ 36,013	\$ 21,386	\$ 14,628	\$ 36,013	\$ 21,386	\$ 14,628	41%	\$ 494,405	\$ 1,113,338	11
Expense (000s)											
12	PMO	\$ 143	\$ 99	\$ 44	\$ 143	\$ 99	\$ 44	31%	\$ 1,715	\$ 17,174	12
13	SM Operations	\$ 1,512	\$ 1,251	\$ 261	\$ 1,512	\$ 1,251	\$ 261	17%	\$ 20,158	\$ 31,515	13
14	Customer	\$ 3,222	\$ 224	\$ 2,998	\$ 3,222	\$ 224	\$ 2,998	93%	\$ 28,877	\$ 28,217	14
15	Change Mgt Customer Impact	\$ 691	\$ 372	\$ 319	\$ 691	\$ 372	\$ 319	46%	\$ 8,287	\$ 3,952	15
16	FD - Strategic Relationships	\$ 9,188	\$ 5,851	\$ 3,337	\$ 9,188	\$ 5,851	\$ 3,337	36%	\$ 49,000	\$ 49,693	16
17	FD - Endpoint Installation	\$ 43	\$ -	\$ 43	\$ 43	\$ -	\$ 43	100%	\$ 515	\$ 640	17
18	FD - Field Delivery Office	\$ 648	\$ 85	\$ 563	\$ 648	\$ 85	\$ 563	87%	\$ 9,886	\$ 14,403	18
19	Deployment Subtotal:	\$ 9,879	\$ 5,936	\$ 3,943	\$ 9,879	\$ 5,936	\$ 3,943	40%	\$ 59,401	\$ 64,736	19
20	IT/CC&B	\$ 2,383	\$ 1,390	\$ 993	\$ 2,383	\$ 1,390	\$ 993	42%	\$ 30,710	\$ 89,135	20
21	Technology Monitoring	\$ 381	\$ 108	\$ 273	\$ 381	\$ 108	\$ 273	72%	\$ 7,237	\$ 19,965	21
22	Unassigned Spend	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	22
23	Expense Total:	\$ 18,209	\$ 9,379	\$ 8,830	\$ 18,209	\$ 9,379	\$ 8,830	48%	\$ 156,385	\$ 254,695	23
24	Total Inception to Date Spending:									\$ 1,368,032	24

Year-to-Date Variance Explanations:

Favorable month and YTD capital variance of \$14.6 million primarily driven by: 1) shipping delays and contract renegotiations with electric meter vendor (\$11.3 million – Line #3), and 2) timing delay in receiving IT Hardware (\$1.4 million of the \$2.1 million – Line #9). Favorable month and YTD expense variance of \$8.8 million due to: 1) fewer than forecasted early retirements of obsolete metering equipment and reclassification from capital to expense (\$3.3 million – Line #16), and 2) lower Customer-related spending than forecasted (\$3.0 million – Line #14).

2010 Budget Status – Benefits

SmartMeter Balancing Account (SBA) Credits

#	(\$ in thousands)	Actual			Forecast												ITD Actual	#
		2007	2008	2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
1	Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 26,055	\$ 3,851	\$ 3,851	\$ 3,945	\$ 4,029	\$ 4,305	\$ 4,664	\$ 4,943	\$ 5,235	\$ 5,617	\$ 6,079	\$ 6,439	\$ 6,758	\$ 34,722	1
2	Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 11,667	2
3	Total:	\$ 1,361	\$ 9,705	\$ 31,055	\$ 4,268	\$ 4,268	\$ 4,361	\$ 4,446	\$ 4,722	\$ 5,081	\$ 5,359	\$ 5,652	\$ 6,034	\$ 6,496	\$ 6,856	\$ 7,174	\$ 46,388	3
4	2010 Cumulative Actual + Forecast:				\$ 4,268	\$ 8,536	\$ 12,898	\$ 17,344	\$ 22,065	\$ 27,146	\$ 32,505	\$ 38,157	\$ 44,191	\$ 50,687	\$ 57,543	\$ 64,718		4

2010 Line of Business (LOB) Expense Reductions, Budget vs. Actual and Current Forecast

#	(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	#
<u>Budgeted LOB Benefits:</u>															
5	Monthly	\$ 5,273	\$ 5,539	\$ 5,935	\$ 6,345	\$ 6,708	\$ 7,082	\$ 7,575	\$ 8,005	\$ 8,440	\$ 8,864	\$ 9,292	\$ 9,738	\$ 88,795	5
6	Cumulative	\$ 5,273	\$ 10,811	\$ 16,746	\$ 23,091	\$ 29,799	\$ 36,881	\$ 44,456	\$ 52,460	\$ 60,900	\$ 69,764	\$ 79,057	\$ 88,795		6
<u>Actual / Current Forecast:</u>															
7	Monthly	\$ 4,448	\$ 4,352	\$ 4,649	\$ 4,930	\$ 5,164	\$ 5,423	\$ 5,649	\$ 5,899	\$ 6,197	\$ 7,410	\$ 7,758	\$ 7,393	\$ 69,272	7
8	Cumulative	\$ 4,448	\$ 8,800	\$ 13,449	\$ 18,379	\$ 23,543	\$ 28,966	\$ 34,615	\$ 40,514	\$ 46,711	\$ 54,121	\$ 61,879	\$ 69,272		8
9	YTD Variance	\$ (825)													9

Year-to-Date Variance Explanations:

The unfavorable benefits variance of \$825K in January is primarily due to fewer meters transitioned to billing than planned for in the budget. A true-up recommendation is being developed for QBR#1 to align Line of Business budget expense reductions with the current forecast of activated meters for the remainder of 2010

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1					
2	3/30/2010	IT-enabled business capability implementations need to be aligned with vendor software and equipment delivery targets	Possible delays in scheduled functionality deployment timelines, delayed benefits realization, customer acceptance, increased operational costs	Christopher Vana	SmartMeter team is building roadmaps for SSN (scheduled for 3/3/10) and EA (scheduled for 3/11/10). Alignment of both roadmaps with Smart Meter stakeholders and 2010 objectives is targeted for 3/15/10.
3	6/1/2010	TOU deployment deferred to resolve meter connectivity and read recovery process issues	Customer impact due to potential for estimated or delayed bills	James Meadows	Project teams established to determine short-term and long-term business processes, mass deployment strategies and equipment needs by March-2010. Strategy to be tested for three months with a target to resume TOU deployment in July 2010.
4	6/30/2010	Need to improve timeliness on resolution of operational data collection performance issues	Deployment and benefits realization delays, increased operational costs and potential negative customer impact	William Devereaux	Issue resolution meetings with vendors and stakeholders are ongoing to address specific populations of meters. Transitioned meters are being prioritized to minimize customer impact.
5	3/31/2010	Increased resources and cost of activities related to litigation support, independent testing and CPUC responses	Increased costs, delayed schedule and resource contention	Colin McDonagh	SmartMeter team is reviewing cost estimates and impacts of new activities. New costs related to litigation support and independent testing activities will be reported against project Estimate at Complete (EAC) and contingency budgets.
6	2/26/2010	Late delivery of new meter from SSN with [redacted] NIC card may impact supply chain	Landys + Gyr supply chain of electric 2S meters may be disrupted	James Meadows	Testing/certification of this new hardware/firmware completed as of 2/10/10; network testing expected to be complete on 2/26/10. Landys + Gyr has begun production of the new electric 2S meters. First shipment of new 2S meters expected by 2/26/10.
7	2/8/2010	Negative SmartMeter press increased in recent weeks	Customer perception of the SmartMeter Program becomes negative, increasing potential customer complaints	Kate Wagner	Customer Outreach plan approved on 2/9/10. Outreach plan was shared with representatives from DRA and ED on 2/12/10. Issue closed.

Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters and space limitations may require non-standard solutions.	Schedule, additional costs, benefits realization.	James Meadows	Identified effort to determine solutions for non-standard installations are progressing per plan. Non-standard deployment strategies are being completed two months prior to the start of endpoint deployment.	
8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Integrated full scale application scalability, insufficient test meter read volume	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	Several hardware and software upgrades including UIQ 4.1 upgrade to support integrated scalability testing have been completed. Ongoing scalability efforts are continuing. A Performance Engineering Team established to plan out the initiatives and testing to support the scalability objectives. Progress will be reviewed 3/15/10.	
4/4/2008	3	5	15	15	Business processes enabled by new technology may not perform as intended. Key driver: Increased data volume and validation, underlying business processes	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Suzy Miller	Continuing to monitor technology performance and identifying mitigations to resolve any identified technology performance issues.	4
8/25/2008	5	3	15	15	DCSI system may not effectively manage reads past established thresholds. Key driver: Inability of DCSI to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth).	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Suzy Miller	As of 1/19/10, 132,028 total DCSI meters remain to be replaced. Risk can be closed when <20% of DCSI population remains.	4
8/12/2009	5	1	5	16	>200kW meter exchange (unable to complete by 5/1/10) Key Driver: Required equipment unavailable to meet project schedule, IT functionality unavailable on time, challenging to serve meter locations	Billing errors, customer complaints, inability to meet compliance deadline.	James Meadows	Contingency plan triggered per the cost/benefit analysis of connectivity issues and difficult to reach scenarios with MV-90 meters. 3488 of the 3660 in-scope MV-90 meters will be moved to ABS billing by 3/15/10 to allow one full billing cycle prior to defaulting to PDP. MV-90 accounts moved to ABS billing will receive SmartMeters with ongoing deployment in conjunction with office closures. 158 SmartMeters have been deployed under the MV-90 project as of 2/5/10; an additional 43 are expected to be deployed by 3/15/10.	

P = Probability

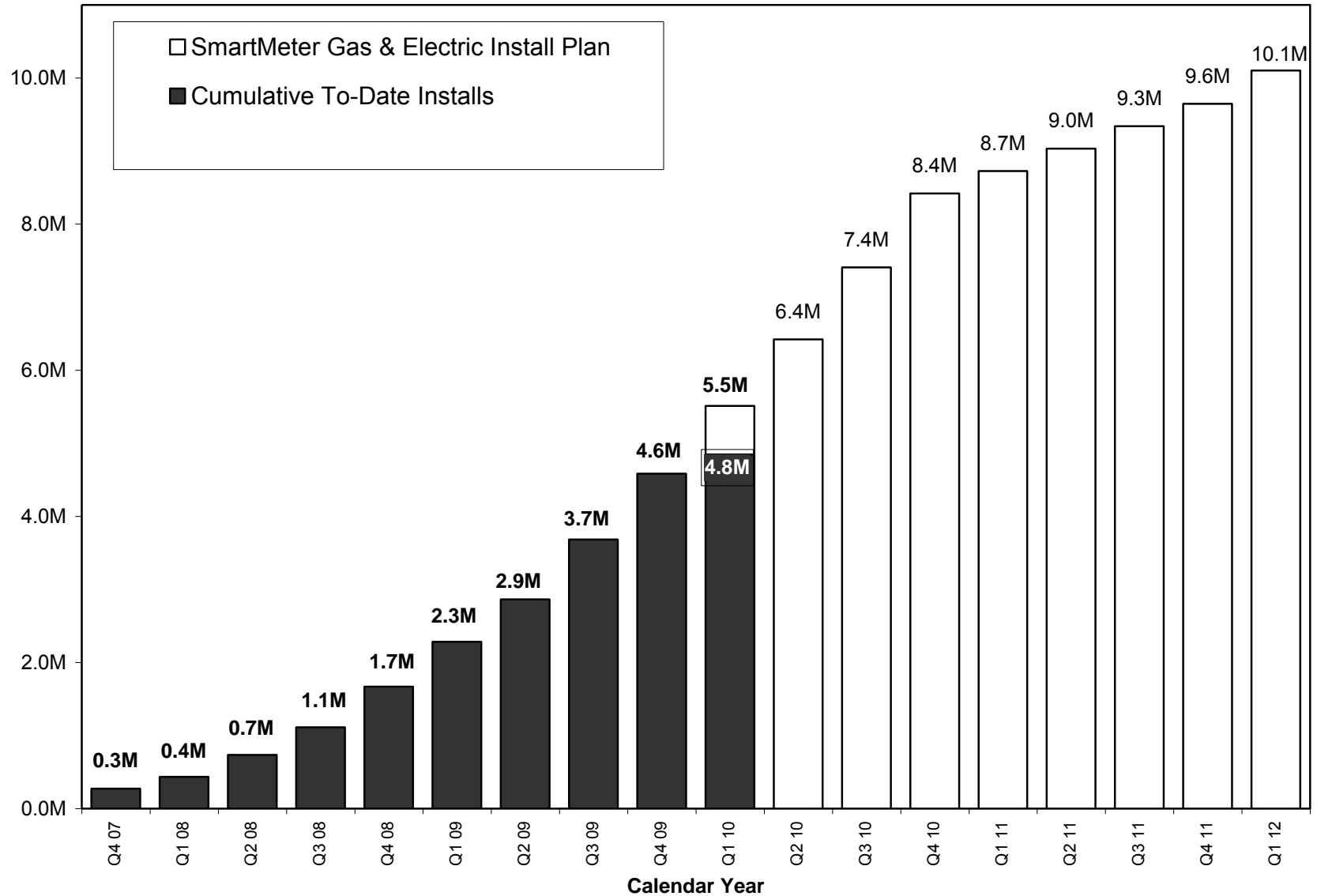
I = Impact

Metric	Key Performance Indicator	2009 Year End			Jan '10 - Month Results			2010 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earnings Contribution (\$M - estimated)	\$ 40.17	\$ 38.30	0.5%	\$ 4.12	\$ 4.18	-1.4%	\$ 61.48	\$ 61.48	0.0%	
P2	OSHA Recordable Rate (SmartMeter)	0.89	-		-	-		-	-		One OSHA in 2009, none in 2010
P3	MVI Recordable Rate (SmartMeter)	2.80	-		-	-		-	-		No MVIs to date in 2010
C1	Customers enrolled in SmartRate (net)	26,622	(track only)		26,622	(track only)		26,622	(track only)		
C10	Customer Complaint Rate (escalated to CPUC)	0.019%	(track only)		0.028%	(track only)					Rate has decreased since the high of 0.05% in October, 2009
D1	Meters Installed - Electric & Gas	2,915,743	2,800,000	4.1%	263,763	301,332	-12.5%	3,700,000	3,700,000	0.0%	Variance due to two and half day stand-down on installs due to severe rains
D2	DCUs Installed	1,832	1,850	-1.0%	4	78	-94.9%	921	921	0.0%	Construction and inspection diverted for storm response;
D3	Electric Network - Nodes Installed (including MV())	3,912	3,159	23.8%	473	925	-48.9%	9,302	9,302	0.0%	Variance due primarily to inclement weather and focus on MV90 installations
D6	UTC Rate	3.9%	4.5%	13.3%	4.3%	4.5%	4.9%	4.5%	4.5%	0.0%	
D8	UTCs open beyond 90 days	33,697	(track only)		38,393	(track only)					
D9	CPI - Endpoints (direct labor & other costs in 2010)*	\$133.58	\$135.52	1.4%	\$33	\$36	8.3%	\$36	\$36	0.0%	
D10	CPI Gas Network (direct labor & other costs in 2010)*	\$4,223	\$4,481	5.7%	\$11,726	\$1,839	-537.6%	\$1,839	\$1,839	0.0%	Variance due to costs spread against few installs (4)
D11	CPI Electric Network (direct labor & other costs in 2010)*	\$2,744	\$3,100	11.5%	\$1,361	\$1,284	-6.0%	\$1,284	\$1,284	0.0%	
D17	Total Weeks of Inventory on Hand - Electric Meters	10	4	143.8%	5	3	66.7%	3	3	0.0%	Inventory levels targeted to address 2010 deployment
D18	Total Weeks of Inventory on Hand - Gas Meters	20	3	562.7%	19	4	375.0%	4	4	0.0%	Decision made earlier in program for up-front procurement of Gas endpoints. 2010 target being reviewed
O4	Transition Aging - Average Days	19.9	15.0	-32.7%	49.8	(track only)		(track only)			Impact of assessing new transition criteria
O9	% Bills not estimated	99.82%	99.20%	0.6%	99.83%	99.20%	0.6%	99.83%	99.20%	0.6%	Target did not reflect holiday moratorium on shut-offs
B2	Meters Activated - Electric & Gas (end of month)	1,903,739	(track only)		65,892	(track only)		65,892	(track only)		
B3	Count of Remote Disconnects	93,349	68,177	36.5%	14,113	20,255	-30.3%	396,579	396,579	0.0%	Holiday moratorium on remote disconnects continued thru Jan.
B5	ITD Meter Reading HC reductions	294	300	-2.0%	299	308	-2.9%	580	580	46.9%	
B6	Estimated Line of Business (LOB) Benefits	\$35,981	\$34,312	-1.0%	4,448	5,273	-15.6%	\$69,272	\$88,795	-22.0%	See variance explanation on slide 9

2010 Metrics are being finalized

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**
- ▶ **Budget Narrative and Mapping by Workstream**
- ▶ **Meter Deployment and Customer Outreach Schedule**

Project Deployment Plan Progress



Contingency Reconciliation

SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency		\$177,753
Total PDRs Adopted by Steering Committee		\$2,856
<i>Subtotal Adopted PDR's</i>		\$2,856
Approved Date	2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
2007	2007 PDR Total	\$103,473
2008	2008 PDR Total	\$32,240
2009	2009 PDR Total	\$20,313
2010	<i>None currently approved</i>	
	<i>Subtotal PDRs</i>	\$156,026
	<i>Total Approved PDRs</i>	\$158,882

Note: In D.09-03-026, the CPUC concluded PG&E should use the AMI risk-based allowance to fund the additional project management costs of \$15.1 Million related to the SmartMeter Upgrade Program, and approximately \$6.1 Million related to HAN retrofit costs. PG&E is still evaluating the potential for cost savings in other categories to offset this amount, however this amount remains a likely risk-based allowance draw.

Budget Narrative and Mapping by Workstream (1/2)















#	Workstream	D.06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	Inception to Date Spending			Original Plan	Net Approved Adjustments to Date	Currently Approved Plan	Remaining Approved Plan Amount
					Capital	Expense	Total				
1	PMO	1	Provides resources, processes and tools that support effective and efficient project management, including scope, costs, schedule, issues and risks. Manages reporting processes to ensure compliance with internal and external (regulatory) communication requirements. Manages third-party vendor planning, deliverables and contract administration.	N/A	\$ 39,052	\$ 17,174	\$ 56,226	\$ 69,342	\$ 1,114	\$ 70,457	\$ 14,231
2	SM Operations	5, 8, 9, 10, 11, 12, 14	Manages interval data collection, validation and related business processes to ensure timely and accurate usage information.	Resources and associated costs to manage electric data collection systems and related validation processes have proven to be greater than originally estimated due to migration of technologies.	\$ 8,366	\$ 31,515	\$ 39,881	\$ 51,768	\$ 6,614	\$ 58,381	\$ 18,501
3	Customer Communications & Outreach	13, 15, 16	Proactively engages customers, educating as to the benefits of the SmartMeter™ technology and supporting efficient deployment activities, including the timely resolution of customer inquiries.	The anticipated leverage of coordinated customer outreach and response activities supporting existing and planned SmartMeter-enabled programs, such as SmartRate, is expected to reduce originally estimated project costs.	\$ -	\$ 28,217	\$ 28,217	\$ 100,049	\$ (6,405)	\$ 93,644	\$ 65,427
4	Change Management	1, 15	Proactively engages with all internal stakeholders, to ensure that employees are equipped with the information, training and processes to effectively leverage new tools and business processes that deliver SmartMeter™ benefits.	Wider change management activities, essential to the deployment of new IT functionalities and business processes supporting completion of system-wide deployment including urban areas, are in process of further assessment and estimation.	\$ -	\$ 3,952	\$ 3,952	\$ 920	\$ 2,844	\$ 3,764	\$ (188)
5	Field Delivery - Strategic Relationships	3, 4, 8, 9	Manages external labor resources that drive primary meter and module exchanges, maintains quality assurance and secure supply chain for all endpoint and network equipment.	Costs associated with the transition of electric meter technologies were not included in the original budget.	\$ 690,172	\$ 49,693	\$ 739,865	\$ 1,252,672	\$ 44,303	\$ 1,296,976	\$ 557,111
6	Field Delivery - Endpoint Installation	8, 12	Manages internal meter and module installation resources.	Cost to install metering and communications equipment in difficult to access locations, primarily in urban areas such as San Francisco and Oakland, will likely produce significant cost increases per endpoint going forward. Offset by accounting treatment of cost of removal credits	\$ 35,036	\$ 640	\$ 35,676	\$ 71,465	\$ (10,063)	\$ 61,402	\$ 25,727
7	Field Delivery - Field Delivery Office	1, 5, 8, 9, 11	Develops and maintains coordinated deployment planning covering all remaining SmartMeter™ installations, including timeline, resources and engineering solutions.	Resource costs to plan and manage an integrated deployment plan and deliver metering and communications equipment solutions have proven to be greater than originally estimated primarily due to migration of electric meter technologies.	\$ 17,136	\$ 14,403	\$ 31,539	\$ 43,789	\$ 7,014	\$ 50,803	\$ 19,263
8	Field Delivery - Network Installation	9, 10	Manages both internal and external resources that drive site preparation and installation of all SM network equipment.	Decision to switch to an RF mesh-based communications network for electric meters is anticipated to produce a significant overall cost savings at project completion.	\$ 21,773	\$ -	\$ 21,773	\$ 103,988	\$ (75,128)	\$ 28,860	\$ 7,087
9				<i>Deployment Subtotal:</i>	\$ 764,116	\$ 64,736	\$ 828,852	\$ 1,471,915	\$ (33,874)	\$ 1,438,040	\$ 609,188

Budget Narrative and Mapping by Workstream (2/2)

#	Workstream	D.06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	\$ Thousands									
					Inception to Date Spending			d		e		f = d + e		g = e - c
					a	b	c = a + b	Original Plan	Net Approved Adjustments to Date	Currently Approved Plan	Remaining Approved Plan Amount			
					Capital	Expense	Total							
10	Business Process	6	Supports the planning, development, and delivery of information technology systems and enabled business processes that support SmartMeter™ functionalities, with specific emphasis on business requirements.	Resources, time, and associated costs necessary to plan and carry out business capability assessment, delivery and process design have proven to be significantly greater than originally estimated.	\$ 15,627	\$ -	\$ 15,627	\$ 4,065	\$ 13,283	\$ 17,348	\$ 1,721			
11	IT/CC&B	4, 5, 6, 7, 16	Manages planning, development, delivery and maintenance of information technology systems and enabled business processes that support SmartMeter™ functionalities, related benefits and operating systems for all PG&E customers.	Resources, time, and associated costs necessary to carry out IT systems integration work have proven to be significantly greater than initially estimated.	\$ 284,442	\$ 89,135	\$ 373,578	\$ 266,559	\$ 198,952	\$ 465,511	\$ 91,933			
12	Technology Monitoring	1, 18	Perform ongoing technology monitoring, including technology and product development that leverage the SmartMeter™ platform.	Required technology monitoring activities were conducted, and costs incurred, prior to the Upgrade decision and were not funded in the original AMI decision.	\$ 1,735	\$ 19,965	\$ 21,700	\$ 32,611	\$ 7,501	\$ 40,111	\$ 18,411			
13	Unassigned Spending	2	Approved additional or unanticipated workstream costs. The assignment of these and other future costs against contingency is based upon the assessment of the SmartMeter™ Steering Committee.	Given the two plus years remaining to project completion and associated cost uncertainties which could arise during this time, both in terms of savings opportunities and overrun risks, a formal draw of only \$2.9 million of the \$177.8 million contingency has been made.	\$ -	\$ -	\$ -	\$ 208,899	\$ (190,028)	\$ 18,871	\$ 18,871			
14				Totals:	\$ 1,113,338	\$ 254,695	\$ 1,368,032	\$ 2,206,127	\$ -	\$ 2,206,127	\$ 838,094			

Meter Deployment and Customer Outreach Schedule

- KEY**
-  **Public Meeting Participation**
 -  **Community Outreach Event**
 -  **Answer Center**

Deployment Office	Start Date	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
Selma	Oct-09							
Half Moon Bay	Dec-09							
Fremont	Jan-09							
Dinuba	Oct-09							
San Carlos	Jan-09							
Merced	Jul-09							
Oakhurst	Dec-09							
Lemoore	Dec-09							
Vacaville	Jun-09							
Concord	Jul-09							
Corcoran	Dec-09							
Coalinga	Dec-09							
Livermore	Nov-09							
Stockton	Jan-09							
Madera	Jan-10							
Los Banos	Jan-10							
Vallejo/Napa	Nov-09							
Cupertino	Nov-09							
San Jose	Jan-10							
Richmond/Berkeley	Jan-10							
Mariposa	Feb-10							
Placerville	Feb-10							
Santa Rosa	Feb-10							
Tracy	Mar-10							
Marysville	Mar-10							
Los Gatos	Apr-10							
Oakland/EastOakland	May-10							
Chico	May-10							
Grass Valley	Jun-10							
Paradise	Jun-10							
Oroville	Jun-10							
San Francisco	Jul-10							
Santa Cruz	Jul-10							
San Rafael	Jul-10							

Public Version



SmartMeter™
Steering Committee Update – February 2010
March 31, 2010

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Deployment Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
 - ▶ **Issues / Risks Summary**
 - ▶ **Program Metrics**

- ▶ **Appendix**
 - ▶ **Project Deployment Plan Progress**
 - ▶ **Contingency Reconciliation**
 - ▶ **Budget Narrative and Mapping by Workstream**
 - ▶ **Meter Deployment and Customer Outreach Schedule**
 - ▶ **SmartMeter™ Acronyms**

	EAC	Funded Budget*	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)								
Release G - Stabilize/Close								
Release H - Deploy								
Release I - Plan/Analyze								
Release J - Plan/Analyze								
Release O - Analyze								

Challenges

Actions/Status

Release H

- Deployment re-planned due to various vendor and network performance related issues. De-prioritization and schedule delays are causing a higher than expected burn rate in March and April.
 - Schedule is red due to scheduling of Remote Connect Disconnect 2; pending solution decision (i.e. original solution vs. a geographically-enabled solution)
 - KVAR (kilo-volt-amps reactive) deployment revised to 4/9/10;
 - Meter Power Status Check (MPSC) deployment revised to 4/26/10; [REDACTED]
 - [REDACTED]
 - SSN Gas related effort de-scoped

Release I

- Advanced Billing System (ABS) conversion needs to occur prior to CC&B upgrade, Net Energy Metering Services (NEMS) deployment needs to occur after CC&B upgrade

Release J

- Completion of Roadmapping activities required prior to defining scope for Restoration Validation and Identify and Scope Outage functionalities
- Transformer Loading Management (TLM) and Enhanced Outage Notification (EON) placed on temporary hold

Release O

- Ongoing additions of Fast Track SRs impact ability to continue efforts on standard priority SRs and consume large portion of approved budget; overall scoping and budget management approach needs to be revalidated

Release G

- Release G is closed. Remaining budget to be moved to Release J by end of March 2010.

Release H

- Check-points to review transaction performance established to be able to determine the best solution option; next checkpoint on 4/2/10.
- Environment usage for KVAR testing prioritized; on track for 4/9/10 deployment target
- [REDACTED] MPSC on track for 4/26/10 deployment
- Business agreement received on 3/26/10, PCR to be completed by 4/1/10

Release I

- Plan/Analyze for the ABS functionality completed and is in final approvals; estimated deployment is Oct, 2010. Tracking to complete Plan/Analyze for NEMS by 4/30/10 with deployment estimate for ~2Q 2011. Assembly Bill 920 mandate with ABS updates deployment estimated by Dec 2010

Release J

- Roadmapping activities completed and meeting with Advisory Committee held to receive approval. Restoration Validation and Identify and Scope Outage functionalities currently on hold to allow network performance monitoring; expected restart in Q3 2010
- Plan deliverables for TLM completed and sign-off expected by mid April 2010; restart estimated in July 2010. EON Plan/Analyze complete; restart targeted for 2011

Release O

- Funding request to increase funded budget for agreed scope approved as of 3/10/10.
- Continuing Plan/Analyze and prioritization work for existing items and high level estimation on new items to derive an overall estimate by 3/31/10. PCR will be submitted to update scope, budget and schedule

*Funded Budget represents the amount of funding that has been approved through the "gated" funding process. Projects that are noted as "Plan/Analyze" or "Analyze" are only partially funded through those initial phases. Upon completion of the Analyze phase, the release team will prepare a request to authorize the remaining amount required to complete the Release.

Release Status Update (continued)

	EAC	Funded Budget*	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)								
Performance & Scalability - Test								
HAN Alpha I & II - Design								
HAN Enablement - Plan								
2010 Other Capital Projects (IT PMO, 09 carryover, SM Apps, DC)								
2010 Operating Expenses (CC&B, Stabilization)								

Challenges

Performance & Scalability

- Capacity exists to handle current deployment; needs to be validated through end of 2010

HAN Alpha I & II

- Project schedule delayed by 12 weeks due to: 1) delay in UIQ 4.1 and firmware 2.6.3 lab upgrade for Technology Innovation Center (TIC), 2) delivery of access points delayed

HAN Enablement

- IT budget currently does not include funding to support HAN Enablement effort
- Schedule risks exist due to: 1) current delay in HAN Alpha, and 2) changes to Back office, In-Home Display (IHD), Programmable Controllable Thermostat (PCT) functionalities not included in HAN Alpha need to be addressed under HAN Enablement

Overall

- A significant amount of regulatory mandated work will compete with SmartMeter IT releases over the course of 2010 until the November CC&B freeze for the install of the CC&B upgrade to V.2.3
- PTR work will begin in March prior to receiving regulatory approval to allow completion of build phase prior to the November CC&B freeze for upgrade to V.2.3
- Vendor delivery dependencies exist for all IT releases
- Environment and resource constraints due to multiple releases being worked on in parallel
- Real-time network performance issues

Actions/Status

Performance & Scalability

- Standalone testing environment to be completed on 4/1/10
- Automated Storage Management project is on target for 4/3/2010 deployment. Performance Engineering (PE) team is fully functional

HAN Alpha I & II

- TIC UIQ 4.1 and firmware upgrade completion targeted for 3/26/10. Delivery of access points expected 4/15/10. PCR to re-baseline schedule to be created by 3/26/10

HAN Enablement

- Project currently on target with Plan/Analyze activities. HAN Alpha and Enablement plans being reviewed to identify and track dependencies that will impact schedule

Future Releases

- Processes refined to integrate and prioritize resource requirements

- PTR work has begun. Communication to CPUC initiated

- Continuing monitoring of real-time network performance

*Funded Budget represents the amount of funding that has been approved through the "gated" funding process. Projects that are noted as "Plan/Analyze" or "Analyze" are only partially funded through those initial phases. Upon completion of the Analyze phase, the release team will prepare a request to authorize the remaining amount required to complete the Release.

Deployment Status Update

	Budget (Budget / CPI)	2010 Forecast (2010 EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Deployment: YTD – February, 2010							
Endpoints (2010 YTD)							
Gas Network (2010 YTD)							
Electric Network (2010 YTD)							

Challenges

Costs & CPIs are direct workstream labor & related costs. Unit material costs not included.

Actions/Status

Deployment - Endpoint

- Electric inventory (Single Phase)
- Electric inventory (Polyphase) require a patch to fix a false alarm
- TOU deployment temporarily deferred
- Non-standard installations may impact deployment schedule

Electric Network

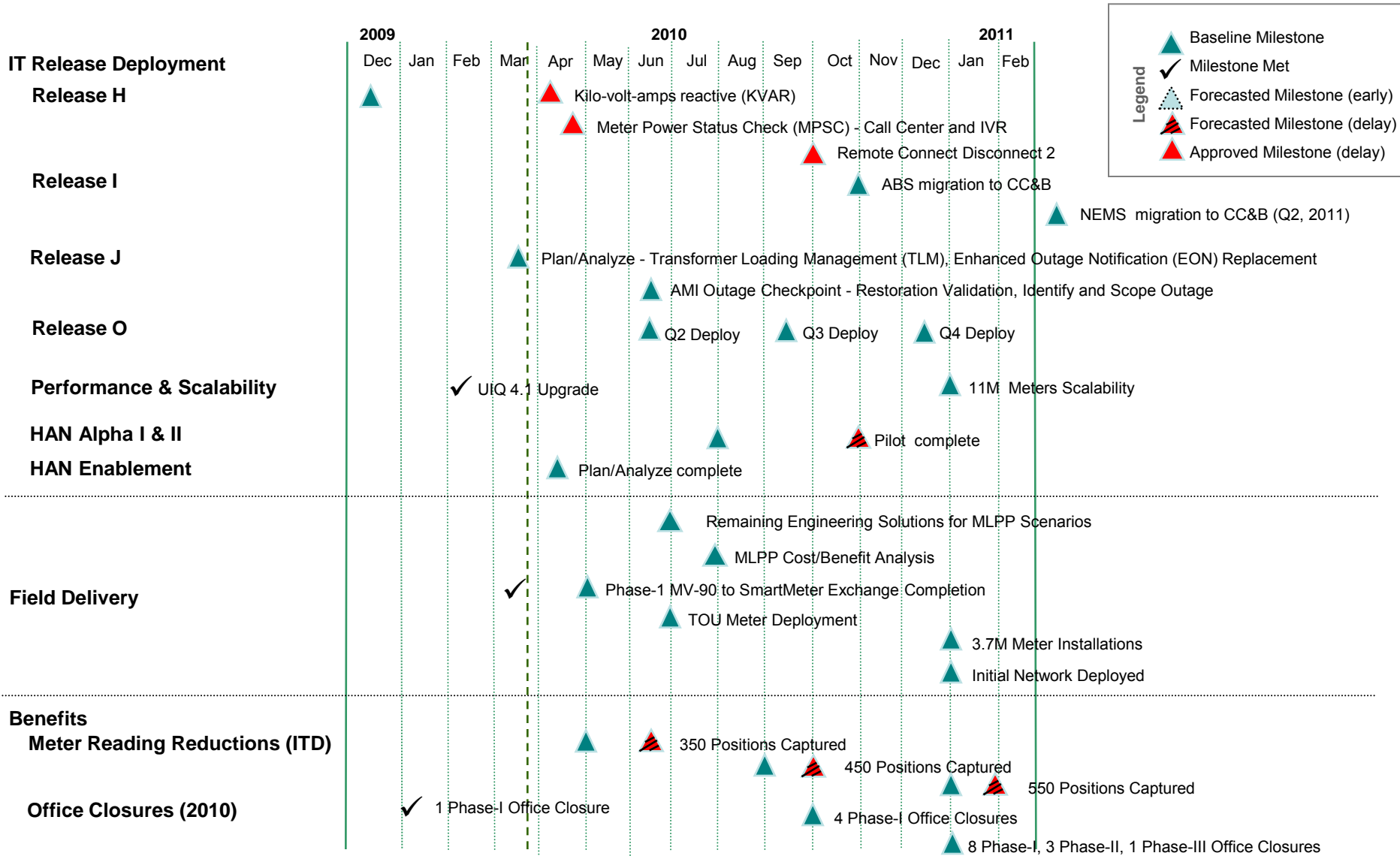
- Alternate backhaul solutions are required

Deployment - Endpoint

- SSN informed PG&E that [redacted] had experienced failures in one of its meter types. SSN determined that a component in the NIC was failing, causing the meters to cease operating. SSN isolated a non-functioning component -- a capacitor on the NIC circuit board -- as the cause of the failure [redacted]. SSN confirmed that there are no accuracy or safety issues associated with this NIC issue (i.e., the meter simply stops working). SSN verified that the capacitor issue is confined to a limited number of NIC production lots. PG&E has installed 7,800 meters that contain the type of NIC that is potentially impacted, but is confirming whether all 7,800 are in fact impacted.
- PG&E initially had an additional 340,000 such meters in its inventory. The 340,000 potentially impacted meters that PG&E had in inventory were on hold pending SSN's completion of its analysis of each production lot. SSN, through its ongoing production lot analysis, has cleared 50,000 GE meters from "on hold" status. PG&E now has 290,000 meters "on hold" in inventory until further notice from SSN on the production lot status. This supply chain issue has resulted in the following:
 - GE accelerated production of 50,000 new meters
 - PG&E has taken other measures, including adjusting deployment areas and accelerating production by Landis + Gyr to minimize project impact
 - Currently the project expects to miss target installations through April 2010 by up to 10%
- Factory patched meters have been released for deployment
- SM engineering is developing local patch process for approval
- SSN is developing a schedule for over-the-air patch application process
- TOU deployment strategies are pending estimate for IT effort; deployment is intended to resume July 2010
- Phase 2 solutions development for 35 of 38 scenarios completion targeted for May and the remaining 3 scenarios will be completed by July 2010.
- Deployment strategies completed for 60% of the Urban and 35% of the Suburban Offices.
- Targeted deployment strategies for Richmond/Berkeley resulted in an ~35% reduction in UTCs to date from system averages. Initiated San Jose enhanced network design to address module to network communication challenges in basement meter locations.
- Oakland and San Francisco strategy development on target for April and May respectively.
- Plans to conduct a pilot test for a satellite backhaul solution being developed with SSN; completion targeted by June 2010

Electric Network

- Plans to conduct a pilot test for a satellite backhaul solution being developed with SSN; completion targeted by June 2010



As of March 21, 2010

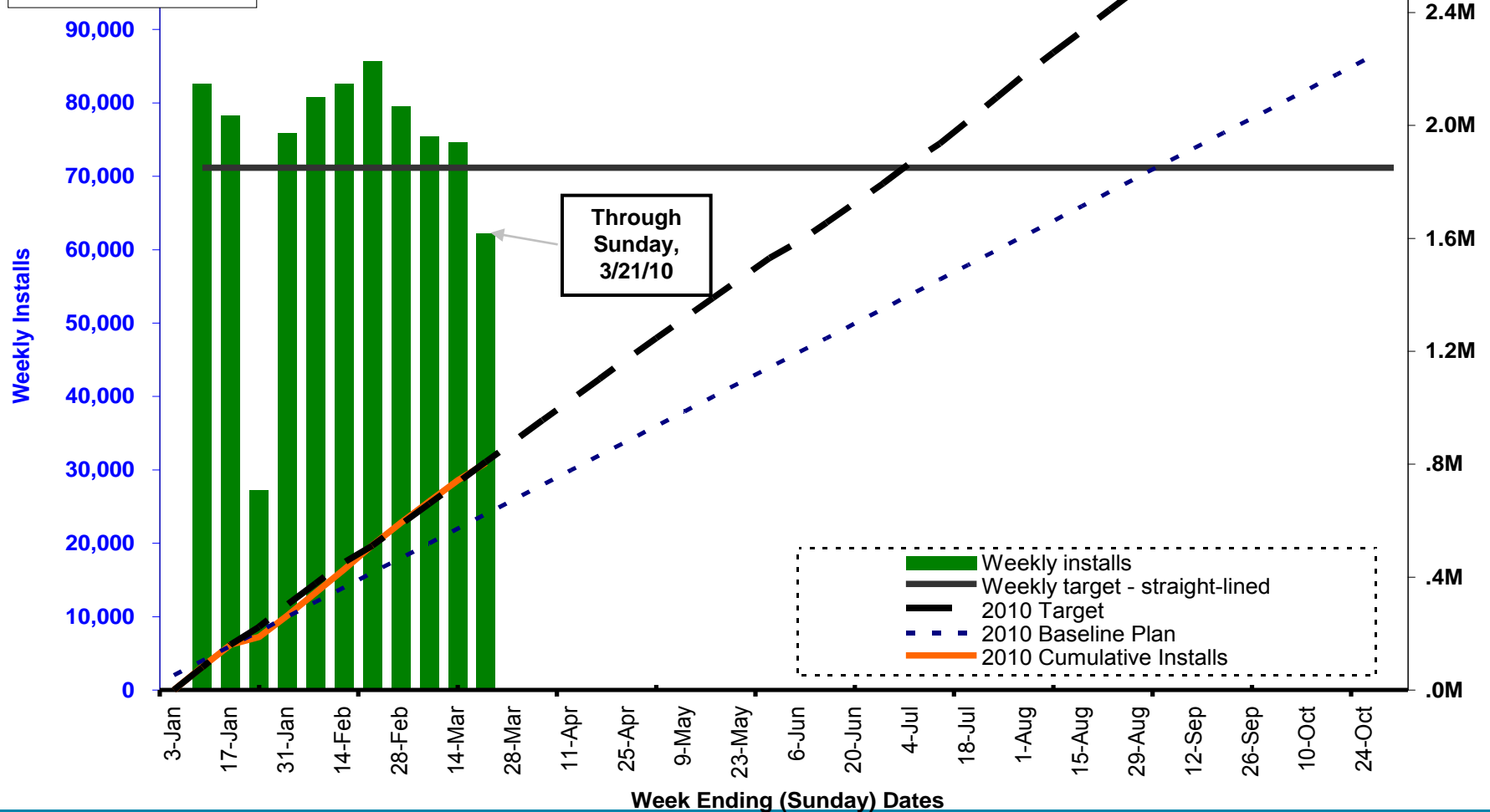
Deployment Update

2010 Install Rate vs. Operating Plan - Weekly Meter Totals

Total SM ITD Installs
5,420,100
 Including all retrofits

03/21/10	Actuals	Target	Variance
Rev. 11 Plan	804,431	807,664	(3,233)

2010 target: 3.7M
 2010 Baseline Plan: 2.7M



2010 Budget Status – Expenditures by Workstream

#	Workstream	Current Month - February			Year to Date - February				2010 Adjusted Plan	Inception to Date Spending	#
		Plan	Actuals	Variance	Plan	Actuals	Variance	% Var.			
Capital (000s)											
1	PMO	\$ 356	\$ 89	\$ 266	\$ 711	\$ 393	\$ 318	45%	\$ 4,267	\$ 39,141	1
2	SM Operations	\$ 288	\$ 238	\$ 50	\$ 576	\$ 456	\$ 120	21%	\$ 3,455	\$ 8,604	2
3	FD - Strategic Relationships	\$ 13,856	\$ 24,626	\$ (10,770)	\$ 37,810	\$ 37,285	\$ 524	1%	\$ 309,788	\$ 714,798	3
4	FD - Endpoint Installation	\$ 2,837	\$ 2,591	\$ 247	\$ 5,303	\$ 5,008	\$ 295	6%	\$ 59,060	\$ 37,626	4
5	FD - Field Delivery Office	\$ 2,367	\$ 2,052	\$ 315	\$ 4,959	\$ 4,091	\$ 868	18%	\$ 24,725	\$ 19,188	5
6	FD - Network Install	\$ 393	\$ 460	\$ (67)	\$ 791	\$ 631	\$ 160	20%	\$ 4,108	\$ 22,233	6
7	Deployment Subtotal:	\$ 19,454	\$ 29,729	\$ (10,275)	\$ 48,863	\$ 47,015	\$ 1,848	4%	\$ 397,681	\$ 793,845	7
8	Business Process	\$ 1,281	\$ 963	\$ 318	\$ 2,369	\$ 1,854	\$ 515	22%	\$ 10,924	\$ 16,590	8
9	IT/CC&B	\$ 5,442	\$ 3,666	\$ 1,777	\$ 10,252	\$ 6,349	\$ 3,903	38%	\$ 47,201	\$ 288,108	9
10	Technology Monitoring	\$ 63	\$ (3)	\$ 66	\$ 125	\$ (0)	\$ 125	100%	\$ 750	\$ 1,732	10
11	Unassigned Spend	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 30,126	\$ -	11
12	Capital Total:	\$ 26,883	\$ 34,682	\$ (7,799)	\$ 62,897	\$ 56,068	\$ 6,829	11%	\$ 494,405	\$ 1,148,019	12
Expense (000s)											
13	PMO	\$ 143	\$ 465	\$ (322)	\$ 286	\$ 564	\$ (278)	-97%	\$ 1,715	\$ 17,639	13
14	SM Operations	\$ 1,590	\$ 1,898	\$ (308)	\$ 3,102	\$ 3,149	\$ (47)	-2%	\$ 20,158	\$ 33,413	14
15	Customer	\$ 2,913	\$ 1,934	\$ 979	\$ 6,135	\$ 2,158	\$ 3,977	65%	\$ 28,877	\$ 30,151	15
16	Change Mgt Customer Impact	\$ 691	\$ 465	\$ 226	\$ 1,381	\$ 837	\$ 545	39%	\$ 8,287	\$ 4,417	16
17	FD - Strategic Relationships	\$ 9,188	\$ (5,380)	\$ 14,567	\$ 18,375	\$ 471	\$ 17,904	97%	\$ 49,000	\$ 44,314	17
18	FD - Endpoint Installation	\$ 43	\$ 4	\$ 39	\$ 86	\$ 4	\$ 82	96%	\$ 515	\$ 643	18
19	FD - Field Delivery Office	\$ 1,044	\$ 84	\$ 960	\$ 1,693	\$ 169	\$ 1,523	90%	\$ 9,886	\$ 14,488	19
20	Deployment Subtotal:	\$ 10,275	\$ (5,292)	\$ 15,567	\$ 20,153	\$ 644	\$ 19,509	97%	\$ 59,401	\$ 59,444	20
21	IT/CC&B	\$ 2,389	\$ 2,321	\$ 68	\$ 4,771	\$ 3,711	\$ 1,060	22%	\$ 30,710	\$ 91,457	21
22	Technology Monitoring	\$ 368	\$ 114	\$ 254	\$ 749	\$ 222	\$ 526	70%	\$ 7,237	\$ 20,080	22
23	Unassigned Spend	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	23
24	Expense Total:	\$ 18,368	\$ 1,906	\$ 16,462	\$ 36,577	\$ 11,285	\$ 25,292	69%	\$ 156,385	\$ 256,601	24
25	Total Inception to Date Spending:									\$ 1,404,620	25

Year-to-Date Variance Explanations:

Favorable year-to-date capital variance of \$6.8 million primarily driven by: 1) less Field Deployment spending than planned (\$1.8 million – Line #7, and 2) timing delay in receiving IT Hardware (\$3.9 million – Line #9). Favorable month (\$16.5 million) and YTD (\$25.3 million) expense variances due to: 1) [REDACTED] 2) fewer than forecasted early retirements of obsolete metering equipment and reclassification from capital to expense (Line #18), and 3) Lower customer-related spending than forecasted due primarily to the following: a) modification in direct mail campaign b) modifying the timeline of sending welcome kits to better align with the number of customers transitioning to SmartMeter-read, and c) considering seasonal relevance in message timing (Line #15).

2010 Budget Status – Benefits

SmartMeter Balancing Account (SBA) Credits

(\$ in thousands)

#		Actual			Forecast												ITD Actual	#
		2007	2008	2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
1	Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 26,055	\$ 3,851	\$ 3,999	\$ 3,945	\$ 4,029	\$ 4,305	\$ 4,664	\$ 4,943	\$ 5,235	\$ 5,617	\$ 6,079	\$ 6,439	\$ 6,758	\$ 38,721	1
2	Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 12,083	2
3	Total:	\$ 1,361	\$ 9,705	\$ 31,055	\$ 4,268	\$ 4,416	\$ 4,361	\$ 4,446	\$ 4,722	\$ 5,081	\$ 5,359	\$ 5,652	\$ 6,034	\$ 6,496	\$ 6,856	\$ 7,174	\$ 50,804	3
4	2010 Cumulative Actual + Forecast:				\$ 4,268	\$ 8,684	\$ 13,045	\$ 17,491	\$ 22,213	\$ 27,294	\$ 32,653	\$ 38,305	\$ 44,339	\$ 50,835	\$ 57,691	\$ 64,866		4

2010 Line of Business (LOB) Expense Reductions, Budget vs. Actual and Current Forecast

(\$ in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total		
<u>Budgeted LOB Benefits:</u>															
5	Monthly	\$ 5,403	\$ 5,800	\$ 6,275	\$ 6,681	\$ 7,057	\$ 7,428	\$ 7,909	\$ 8,335	\$ 8,797	\$ 9,266	\$ 9,760	\$ 10,294	\$ 93,004	5
6	Cumulative	\$ 5,403	\$ 11,203	\$ 17,477	\$ 24,158	\$ 31,215	\$ 38,644	\$ 46,553	\$ 54,888	\$ 63,684	\$ 72,950	\$ 82,710	\$ 93,004		6
<u>Actual / Current Forecast:</u>															
7	Monthly	\$ 4,448	\$ 4,756	\$ 4,649	\$ 4,930	\$ 5,164	\$ 5,423	\$ 5,649	\$ 5,899	\$ 6,197	\$ 7,410	\$ 7,758	\$ 7,393	\$ 69,676	7
8	Cumulative	\$ 4,448	\$ 9,204	\$ 13,853	\$ 18,783	\$ 23,947	\$ 29,370	\$ 35,019	\$ 40,918	\$ 47,115	\$ 54,525	\$ 62,283	\$ 69,676		8
9	YTD Variance	\$ (955)	\$ (1,999)												9

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	4/30/2010	SSN issued a temporary hold on electric supply chain due to a meter capacitor problem	Potential endpoint deployment slow down, hold on electric meter inventory. Meter accuracy, data, or safety not impacted	James Meadows	Deep analysis being performed on all PG&E inventory to determine if potential for excessive NIC card failure existed. 340k meters were placed on inventory hold. 50k held meters released after GE / SSN inventory analysis. GE is accelerating production of 50k new meters. Additionally, deployment areas being adjusted and production by Landis + Gyr is being accelerated to minimize project impact. Currently the project expects impact against target through Apr, 2010.
2	3/29/2010	Landis & Gyr Focus meters with firmware version 5.33 require a patch	Hold on meter inventory until patch application process has been approved and certified	James Meadows	Project to perform local patching at cross docks. Analysis and decision by vendor to determine best way to treat 118K meters in inventory underway. Daily check-points being held with vendor; next check-point on 3/29/10.
3	5/15/2010	Polyphase meter deployment on-hold due to meters generating a false alarm	Negative perception of the SmartMeter program due to impacted customers receiving an erroneous bill message stating data was estimated, installed meters and meters in the inventory will require a solution update	James Meadows	Vendor provided solution approved. Factory patched meters have been released for deployment. Smart Meter engineering is developing local patch process for approval. SSN is developing a schedule for over-the-air patch application process.
4	3/31/2010	Increased resources and cost of activities related to litigation support, independent testing and CPUC responses	Increased costs, delayed schedule and resource contention	Colin McDonagh	Smart Meter team is reviewing cost estimates and impacts of new activities. New costs related to litigation support and independent testing activities will be reported against project Estimate at Complete (EAC) and contingency budgets.
5	4/2/2010	IT-enabled business capability implementations need to be aligned with vendor software and equipment delivery targets	Possible delays in scheduled functionality deployment timelines, delayed benefits realization, customer acceptance, increased operational costs	Christopher Vana	Smart Meter (SM) team developed roadmaps and presented to SM Management team on 3/3/10. A deep dive session will be completed by 3/26/10. Alignment of both roadmaps with SmartMeter stakeholders and 2010 objectives is targeted for 4/2/10.
6	6/1/2010	TOU deployment deferred to resolve meter connectivity and read recovery process issues	Customer impact due to potential for estimated or delayed bills	James Meadows	Deployment strategy option has been determined. IT effort estimate being developed to understand if the strategy can be implemented expected by 4/2/10. Target to resume TOU deployment remains for July-2010.
7	6/30/2010	Need to improve timeliness on resolution of operational data collection performance issues	Deployment and benefits realization delays, increased operational costs and potential negative customer impact	William Devereaux	Issue resolution meetings with vendors and stakeholders are ongoing to address specific populations of meters that cannot be read consistently. Transitioned meters are being prioritized to minimize customer impact.

Created On	P*	I**	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters and space limitations may require non-standard solutions.	Schedule, additional costs, benefits realization.	James Meadows	Identified effort to determine solutions for non-standards installations is progressing per plan. Non-standard deployment strategies are being completed two months prior to the start of endpoint deployment.	
3/22/2010	4	4	16	10	Vendor SmartMeter products cannot be delivered to meet the deployment schedule Key driver: Unforeseen product issues, vendor ability to ramp up supply chain per project demand	Deployment slow/stand down, resource planning ability, additional costs	James Meadows	Exposure to risk is higher until safety stock is reestablished and reinforced. Ongoing mitigations continuing to be implemented.	1
8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Integrated full scale application scalability, insufficient test meter read volume	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	The Performance Engineering Team has been established under Rich Walker. It is being led by Scott Judd and Scott Gilliland. Planning for initiatives and testing to support the 2010 scalability objectives is underway. Progress will be reviewed 3/26/10.	
4/4/2008	3	5	15	15	Business processes enabled by new technology may not perform as intended. Key driver: Increased data volume and validation, underlying business processes	Billing errors, customer complaints, inability to meet endpoint deployment goals.	Suzy Miller	Continuing to monitor technology performance and identifying mitigations to resolve any identified technology performance issues.	7
8/25/2008	5	3	15	15	DCSI system capability to effectively manage reads past established thresholds. Key driver: Inability of DCSI to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth). (66)	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	Suzy Miller	As of 1/19/10, 132,028 total DCSI meters remain to be replaced. Risk can be closed when <20% of DCSI population remains.	7

*P = Probability

**I = Impact

Program Metrics

Metric	Key Performance Indicator	Jan '10 - Month Results			Feb '10 - Month Results			YTD			2010 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M - estimated)	\$ 4.12	\$ 4.18	-1.4%	\$ 4.19	\$ 4.35	-3.7%	\$ 8.31	\$ 8.53	-2.6%	\$ 61.48	\$ 61.48	0.0%	Timing of metering equipment delivery against plan
P2	OSHA Recordable Rate (SmartMeter)	-	-		-	-		-	-		-	-		One new OSHA in March '10
P3	MVI Recordable Rate (SmartMeter)	-	-		-	-		-	-		-	-		One new MVI in March '10 (under review)
C1	Customers enrolled in SmartRate (net)	26,622	(track only)		26,622	(track only)		26,622	(track only)		26,622	(track only)		
C10	Customer Complaint Rate (escalated to CPUC)	0.032%	(track only)		0.020%	(track only)		0.025%	(track only)					Rate has decreased since the high of 0.05% in October, 2009
D1	Meters Installed - Electric & Gas	263,763	301,332	-12.5%	328,473	283,822	15.7%	592,236	585,154	1.2%	3,700,000	3,700,000	0.0%	January variance due to two and half day stand-down on installs due to severe rains
D2	DCUs Installed	4	78	-94.9%	134	75	78.7%	138	153	-9.8%	1,108	1,108	0.0%	January & YTD variance - Construction and inspection diverted for storm response; does not affect 2010 completion targets
D3	Electric Network - Nodes Installed (including MV90)	473	473	0.0%	734	464	58.2%	1,207	937	28.8%	2,201	2,201	0.0%	
D5	UTC Rate	4.3%	4.5%	4.9%	4.1%	4.5%	9.6%	4.2%	4.5%	7.5%	4.5%	4.5%	0.0%	
D7	UTCs open beyond 90 days	38,393	(track only)		42,106	(track only)		42,106	(track only)					
D8	CPI - Endpoints (direct labor & other costs in 2010)*	\$33.27	\$39.88	16.6%	\$26.51	\$39.88	33.5%	\$29.66	\$39.88	25.6%	\$39.88	\$39.88	0.0%	
D12	CPI Gas Network (direct labor & other costs in 2010)*	\$11,726	\$1,816	-545.7%	\$1,026	\$1,604	36.0%	\$1,336	\$1,604	16.7%	\$1,604	\$1,604	0.0%	
D13	CPI Electric Network (direct labor & other costs in 2010)*	\$1,361	\$862	-57.9%	\$614	\$1,011	39.3%	\$725	\$1,011	28.3%	\$1,011	\$1,011	0.0%	
D14	Total Weeks of Inventory on Hand - Electric Meters	5	6	-16.7%	8	6	27.7%	8	6	27.7%	6	6	0.0%	
D15	Total Weeks of Inventory on Hand - Gas Meters	14	6	133.3%	7	6	23.2%	7	6	23.2%	6	6	0.0%	
O4	Transition Aging - Average Days	49.8	(track only)		89.6	(track only)		55.2	(track only)					Impact of assessing new transition criteria
O5	Billing accuracy %	99.74%	99.50%	0.2%	99.89%	99.50%	0.4%	99.82%	99.50%	0.3%	99.50%	99.50%	0.0%	
O6	Billing timeliness % (account)	99.54%	99.50%	0.0%	99.59%	99.50%	0.1%	99.56%	99.50%	0.1%	99.50%	99.50%	0.0%	
O7	% Bills not estimated	99.83%	99.20%	0.6%	99.84%	99.20%	0.6%	99.83%	99.20%	0.6%	99.83%	99.20%	0.6%	
B2	Meters Activated - Electric & Gas (end of month)	65,892	(track only)		57,444	(track only)		123,336	(track only)					
B3	Count of Remote Disconnects	14,113	20,255	-30.3%	18,599	22,488	-17.3%	32,712	42,743	-23.5%	396,579	396,579	0.0%	New transition criteria resulting in temporary slowdown in eligible meters; OIR requiring alternate payment plans to more customers reducing the number of accounts eligible for remote disconnects.
B5	ITD Meter Reading HC reductions	299	308	-2.9%	311	310	0.3%	311	310	0.3%	580	580	0.0%	
B6	Estimated Line of Business (LOB) Benefits	\$4,448	\$5,273	-15.6%	\$4,756	\$5,800	-18.0%	\$9,204	\$11,072	-16.9%	\$69,676	\$93,004	-25.1%	Primarily due to the impact of the new transition criteria

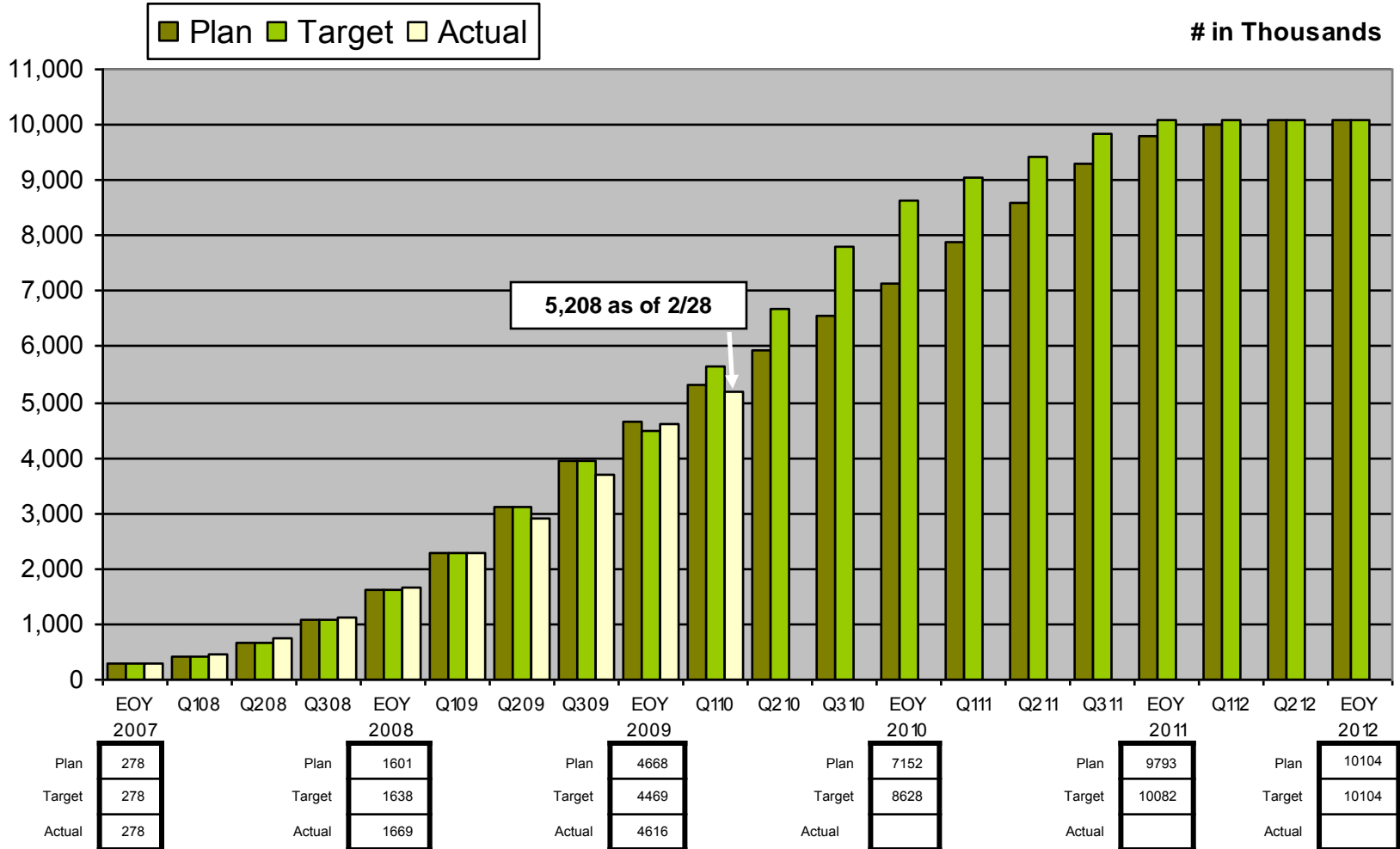
2010 Metric targets have been finalized

- ▶ **Project Deployment Plan Progress**
- ▶ **Contingency Reconciliation**
- ▶ **Budget Narrative and Mapping by Workstream**
- ▶ **Meter Deployment and Customer Outreach Schedule**
- ▶ **SmartMeter™ Acronyms**

Project Deployment Plan Progress

Combined Gas and Electric Plan, Target, and Actuals (Cumulative)

in Thousands



5,208 as of 2/28

Contingency Reconciliation

SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency		\$177,753
Total PDRs Adopted by Steering Committee		\$2,856
<i>Subtotal Adopted PDR's</i>		\$2,856
Approved Date	2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
2007	2007 PDR Total	\$103,473
2008	2008 PDR Total	\$32,240
2009	2009 PDR Total	\$20,313
2010	<i>None currently approved</i>	
	<i>Subtotal PDRs</i>	\$156,026
	<i>Total Approved PDRs</i>	\$158,882

Note: In D.09-03-026, the CPUC concluded PG&E should use the AMI risk-based allowance to fund the additional project management costs of \$15.1 Million related to the SmartMeter Upgrade Program, and approximately \$6.1 Million related to HAN retrofit costs. PG&E is still evaluating the potential for cost savings in other categories to offset this amount, however this amount remains a likely risk-based allowance draw.

Budget Narrative and Mapping by Workstream (1/2)

#	Workstream	D.06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	\$ Thousands						
					a b c = a + b			d e f = d + e			g = e - c
					Inception to Date Spending			Original Budget	Net Approved Adjustments to Date	Current Approved Budget	Remaining Approved Budget
Capital	Expense	Total									
1	PMO	1	Provides resources, processes and tools that support effective and efficient project management, including scope, costs, schedule, issues and risks. Manages reporting processes to ensure compliance with internal and external (regulatory) communication requirements. Manages third-party vendor planning, deliverables and contract administration.	N/A	\$ 39,141	\$ 17,639	\$ 56,780	\$ 69,342	\$ 1,114	\$ 70,457	\$ 13,676
2	SM Operations	5, 8, 9, 10, 11, 12, 14	Manages interval data collection, validation and related business processes to ensure timely and accurate usage information.	Resources and associated costs to manage electric data collection systems and related validation processes have proven to be greater than originally estimated due to migration of technologies.	\$ 8,604	\$ 33,413	\$ 42,017	\$ 51,768	\$ 6,614	\$ 58,381	\$ 16,364
3	Customer Communications & Outreach	13, 15, 16	Proactively engages customers, educating as to the benefits of the SmartMeter™ technology and supporting efficient deployment activities, including the timely resolution of customer inquiries.	The anticipated leverage of coordinated customer outreach and response activities supporting existing and planned SmartMeter-enabled programs, such as SmartRate, is expected to reduce originally estimated project costs.	\$ -	\$ 30,151	\$ 30,151	\$ 100,049	\$ (6,405)	\$ 93,644	\$ 63,493
4	Change Management	1, 15	Proactively engages with all internal stakeholders, to ensure that employees are equipped with the information, training and processes to effectively leverage new tools and business processes that deliver SmartMeter™ benefits.	Wider change management activities, essential to the deployment of new IT functionalities and business processes supporting completion of system-wide deployment including urban areas, are in process of further assessment and estimation.	\$ -	\$ 4,417	\$ 4,417	\$ 920	\$ 2,844	\$ 3,764	\$ (653)
5	Field Delivery - Strategic Relationships	3, 4, 8, 9	Manages external labor resources that drive primary meter and module exchanges, maintains quality assurance and secure supply chain for all endpoint and network equipment.	Costs associated with the transition of electric meter technologies were not included in the original budget.	\$ 714,798	\$ 44,314	\$ 759,111	\$ 1,252,672	\$ 44,303	\$ 1,296,976	\$ 537,864
6	Field Delivery - Endpoint Installation	8, 12	Manages internal meter and module installation resources.	Cost to install metering and communications equipment in difficult to access locations, primarily in urban areas such as San Francisco and Oakland, will likely produce significant cost increases per endpoint going forward. Offset by accounting treatment of cost of removal credits.	\$ 37,626	\$ 643	\$ 38,270	\$ 71,465	\$ (10,063)	\$ 61,402	\$ 23,133
7	Field Delivery - Field Delivery Office	1, 5, 8, 9, 11	Develops and maintains coordinated deployment planning covering all remaining SmartMeter™ installations, including timeline, resources and engineering solutions.	Resource costs to plan and manage an integrated deployment plan and deliver metering and communications equipment solutions have proven to be greater than originally estimated primarily due to migration of electric meter technologies.	\$ 19,188	\$ 14,488	\$ 33,676	\$ 43,789	\$ 7,014	\$ 50,803	\$ 17,127
8	Field Delivery - Network Installation	9, 10	Manages both internal and external resources that drive site preparation and installation of a I SM network equipment.	Decision to switch to an RF mesh-based communications network for electric meters is anticipated to produce a significant overall cost savings at project completion.	\$ 22,233	\$ -	\$ 22,233	\$ 103,988	\$ (75,128)	\$ 28,860	\$ 6,627
9				Deployment Subtotal:	\$ 793,845	\$ 59,444	\$ 853,289	\$ 1,471,915	\$ (33,874)	\$ 1,438,040	\$ 584,751

Budget Narrative and Mapping by Workstream (2/2)

#	Workstream	D.06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	\$ Thousands								
					Inception to Date Spending			d Original Budget	e Net Approved Adjustments to Date	f = d + e Current Approved Budget	g = e - c Remaining Approved Budget		
					a Capital	b Expense	c = a + b Total						
10	Business Process	6	Supports the planning, development, and delivery of information technology systems and enabled business processes that support SmartMeter™ functionalities, with specific emphasis on business requirements.	Resources, time, and associated costs necessary to plan and carry out business capability assessment, delivery and process design have proven to be significantly greater than originally estimated.	\$ 16,590	\$ -	\$ 16,590	\$ 4,065	\$ 13,283	\$ 17,348	\$ 758		
11	IT/CC&B	4, 5, 6, 7, 16	Manages planning, development, delivery and maintenance of information technology systems and enabled business processes that support SmartMeter™ functionalities, related benefits and operating systems for all PG&E customers.	Resources, time, and associated costs necessary to carry out IT systems integration work have proven to be significantly greater than initially estimated.	\$ 288,108	\$ 91,457	\$ 379,565	\$ 266,559	\$ 198,952	\$ 465,511	\$ 85,946		
12	Technology Monitoring	1, 18	Perform ongoing technology monitoring, including technology and product development that leverage the SmartMeter™ platform.	Required technology monitoring activities were conducted, and costs incurred, prior to the Upgrade decision and were not funded in the original AMI decision.	\$ 1,732	\$ 20,080	\$ 21,812	\$ 32,611	\$ 7,501	\$ 40,111	\$ 18,300		
13	Unassigned Spending	2	Approved additional or unanticipated workstream costs. The assignment of these and other future costs against contingency is based upon the assessment of the SmartMeter™ Steering Committee.	Given the two plus years remaining to project completion and associated cost uncertainties which could arise during this time, both in terms of savings opportunities and overrun risks, a formal draw of only \$2.9 million of the \$177.8 million contingency has been made.	\$ -	\$ -	\$ -	\$ 208,899	\$ (190,028)	\$ 18,871	\$ 18,871		
14				Totals:	\$ 1,148,019	\$ 256,601	\$ 1,404,620	\$ 2,206,127	\$ -	\$ 2,206,127	\$ 801,507		

Meter Deployment and Customer Outreach Schedule

- KEY**
-  **Public Meeting Participation**
 -  **Community Outreach Event**
 -  **Answer Center**

Deployment Office	Start Date	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Selma	Oct-09							
Half Moon Bay	Dec-09							
Fremont	Jan-09							
Dinuba	Oct-09							
San Carlos	Jan-09							
Merced	Jul-09							
Oakhurst	Dec-09							
Lemoore	Dec-09							
Vacaville	Jun-09							
Concord	Jul-09							
Corcoran	Dec-09							
Coalinga	Dec-09							
Livermore	Nov-09							
Stockton	Jan-09							
Madera	Jan-10							
Los Banos	Jan-10							
Vallejo/Napa	Nov-09							
Cupertino	Nov-09							
San Jose	Jan-10							
Richmond/Berkeley	Jan-10							
Mariposa	Feb-10							
Placerville	Feb-10							
Santa Rosa	Feb-10							
Tracy	Mar-10							
Marysville	Mar-10							
Los Gatos	Apr-10							
Redding	Apr-10							
Oakland/EastOakland	May-10							
Chico	May-10							
Grass Valley	Jun-10							
Paradise	Jun-10							
Oroville	Jun-10							
San Francisco	Jul-10							
Santa Cruz	Jul-10							
San Rafael	Jul-10							

SmartMeter Steering Committee Acronyms			
Acronym	Definition	Acronym	Definition
ABS	Advanced Billing System	MLPP	Meter Location Problem Project
AFCI	Arc Fault Circuit Interrupter	MPSC	Meter Power Status Check
AMI	Advanced Metering Infrastructure	MV-90	Multi Vendor - 90
AP	Access Point	MVI	Motor Vehicle Incidents
CC&B	Customer Care and Billing	NEMS	Net Energy Metering Services
CPI	Cost Per Install	NIC	Network Interface Card
CPUC	California Public Utilities Commission	OMT	Outage Management Tools
DC	Data Center	Ops	Operations
DCU	Data Collector Unit	OSHA	Occupational Safety and Health Administration
DRA	Division of Ratepayer Advocates	PCR	Project Change Request
DSCI	Distribution Control Systems, Inc.	PDP	Peak Day Pricing
EA	Ecologic Analytics	PDR	Project Decision Request
EAC	Estimate at Completion	PMO	Project Management Office
ED	Energy Division	PTR	Peak Time Rebate
EMR	Electric Meter Reader	QBR	Quarterly Business Review
EMT	Electric Meter Technician	RCDC2	Remote Disconnect Phase 2
EON	Emergency Outage Notification	Rev.	Revision
EOY	End Of Year	RF	Radio Frequency
FA	Functional Area	RFA	Request For Approval
FD	Field Delivery	RV	Restoration Validation
GE	General Electric	SBA	SmartMeter Balancing Accounts
GFI	Ground Fault Interrupter	SM	SmartMeter
HAN	Home Area Network	SM Apps	SmartMeter Applications
HC	Head Count	SMU	SmartMeter Upgrade
ISTS	Information Systems and Technology Services	SR	Service Request
IT	Information Technology	SSN	Silver Springs Network
IT PMO	Information Technology Project Management Office	TIC	Technology Innovation Center
ITD	Inception To Date	TLM	Transformer Load Management
IVR	Interactive Voice Response	TOU	Time Of Use
		UIQ	Utility IQ - SSN software
KVAR	Kilo-Volts-Amps Reactive	UTC	Unable To Complete (meter installation)
LOB	Line of Business		



PG&E
SmartMeter

SmartMeter™
Steering Committee Update – March 2010
April 28, 2010

- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Deployment Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
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	EAC	Funded Budget*	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)								
Release H – Test/Deploy								
Release I - Plan/Analyze								
Release J - Plan/Analyze								
Release O - Build/Deploy								

Challenges

Release H

- Meter Power Status Check (MPSC) deployment target of 4/26/10 revised to include training per business request. Testing delayed by four days due to issues found with UIQ 4.1.2 during testing
- Scheduling for Remote Connect Disconnect was pending solution decision (i.e. original solution vs. a geographically-enabled solution). Additional scope to incorporate changes to Shut-off-non-payment business rules for CARE customers are being considered

Release I

- Expected completion of RFA for Advanced Billing System (ABS) functionality pushed out by a week due to pending resolution of vendor scope and delivery timeline
- Need to validate feasibility of SPL delivery testing of the "Auto Migration" code for ABS/Non-NEMs timeline; working with knowledge center team, business and SPL to resolve

Release J

- Plan stage completion for Transformer Loading Management (TLM) is pending resolution due to open scope questions IT resources had around the requirements in reference to the 'Inquiry' functionality

Release O

- Ongoing additions of Fast Track SRs impact ability to continue efforts on standard priority SRs and consume large portion of approved budget; overall scoping and budget management approach needs to be revalidated
- Six scope items may not be completed in 2010 per plan due to complexity

Actions/Status

Release H

- KVAR (kilo-volt-amps reactive) deployment completed as of 4/9/10; stabilization period completed 4/23/10
- MPSC deployment revised to 5/25/10 to accommodate training schedule. Testing issues currently not impacting completion target due to contingency included in overall schedule
- Approval to move ahead with Remote Connect/Disconnect Phase 2 original solution received. Testing resumes 5/17/10 with "deployment ready" target by end of July. Approval of additional scope item is dependent on CPUC OIR on Shut-off non-payment business rule changes. Deployment for RCD2 is still tbd

Release I

- Working with SPL to finalize scope and delivery timeline; overall estimate completion targeted by 5/07/10. Mitigation plans if vendor unable to meet project timeline identified . Deployment target for end of Oct. '10 remains
- The mitigation if the timeline does not allow for delivery and testing of the SPL code would be to manually move the accounts from ABS to CC&B for ABS / Non-NEMs only

Release J

- Team met 4/20 and resolved all open scope questions for TLM. Team is writing results of the meeting, and vetting them with IT resources to make sure the solution proposed still stands
- Once scope is signed off, functionality deployment will be placed on hold until Centralized Electric Distribution System Assets (CEDSA) resources become available

Release O

- All items in Release O have been analyzed and estimated. Approval for updated budget targeted by the end of Apr. Scope additions going forward will be reviewed via the PCR process for prioritization
- Business Delivery Group (BDG) is working to simplify the requirements to enable delivery in 2010; expected completion date still to be determined

*Funded Budget represents the amount of funding that has been approved through the "gated" funding process. Projects that are noted as "Plan/Analyze" or "Analyze" are only partially funded through those initial phases. Upon completion of the Analyze phase, the release team will prepare a request to authorize the remaining amount required to complete the Release.

Release Status Update (continued)

	EAC	Funded Budget*	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases (ITD)								
Performance & Scalability - Test								
HAN Alpha I & II - Build								
HAN Enablement - Plan								
TopSight Security - Plan								
2010 Other Capital Projects (IT PMO, 09 carryover, SM Apps, DC)								
2010 Operating Expenses (CC&B, Stabilization)								

Challenges

Performance & Scalability

- Original Automated Storage Management (ASM) implementation date was not met. ASM is a pre-requisite for the storage migration, and the Real Application Clustering architecture for higher performance of the MDMS application

HAN Alpha I & II

- Project completion revised to 10/31/10 due to delay in UIQ 4.1 and firmware 2.6.3 lab upgrade (for Technology Innovation Center – TIC)

HAN Enablement

- Currently working on allocating the budget for HAN Enablement.
- Schedule risks exist due to: 1) current delay in HAN Alpha, and 2) changes to Back office, In-Home Display, Programmable Controllable Thermostat functionalities not included in HAN Alpha need to be addressed under HAN Enablement

Overall

- A significant amount of regulatory mandated work will compete with SmartMeter IT releases over the course of 2010 until the November CC&B freeze for the install of the CC&B upgrade to V.2.3
- Vendor delivery dependencies exist for all IT releases
- Environment and resource constraints due to multiple releases being worked on in parallel
- Real-time network performance issues

Actions/Status

Performance & Scalability

- ASM implementation date was missed; the root cause has been determined to be an AIX operating system bug, and a patch is being installed to fix this on 4/24/10. If fix proves stable, ASM is expected to go in the week of 4/26/10
- Team is targeting to upgrade the hardware for the MDMS in order to improve system performance

HAN Alpha I & II

- Project change request submitted and is routing for approvals

HAN Enablement

- Project currently on target with Plan/Analyze activities. HAN Alpha and Enablement plans being reviewed ongoing to identify and track dependencies that will impact schedule

Overall

- Continuing to use new processes implemented this year to integrate and prioritize resource requirements
- PTR work began in March prior to receiving regulatory approval to allow completion of build phase prior to the November CC&B freeze for upgrade to V.2.3
- Continuing monitoring of network messaging (non-usage data) performance

*Funded Budget represents the amount of funding that has been approved through the "gated" funding process. Projects that are noted as "Plan/Analyze" or "Analyze" are only partially funded through those initial phases. Upon completion of the Analyze phase, the release team will prepare a request to authorize the remaining amount required to complete the Release.

Deployment Status Update

	Budget (Budget / CPI)	2010 Forecast (2010 EAC / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: (ITD)							
Deployment: YTD – March, 2010							
Endpoints (2010 YTD)							
Gas Network (2010 YTD)							
Electric Network (2010 YTD)							

Costs & CPIs are direct workstream labor & related costs. Unit material costs not included.

Challenges

Deployment - Endpoint

- Vendor hold issued on Electric inventory (Single Phase)

[Redacted]

- TOU deployment temporarily deferred

- Non-standard installations may impact deployment schedule

Electric Network

- Alternate backhaul solutions are required

Actions/Status

Deployment - Endpoint

- Continuing to hold inventory at 290k meters due to SSN capacitor issue

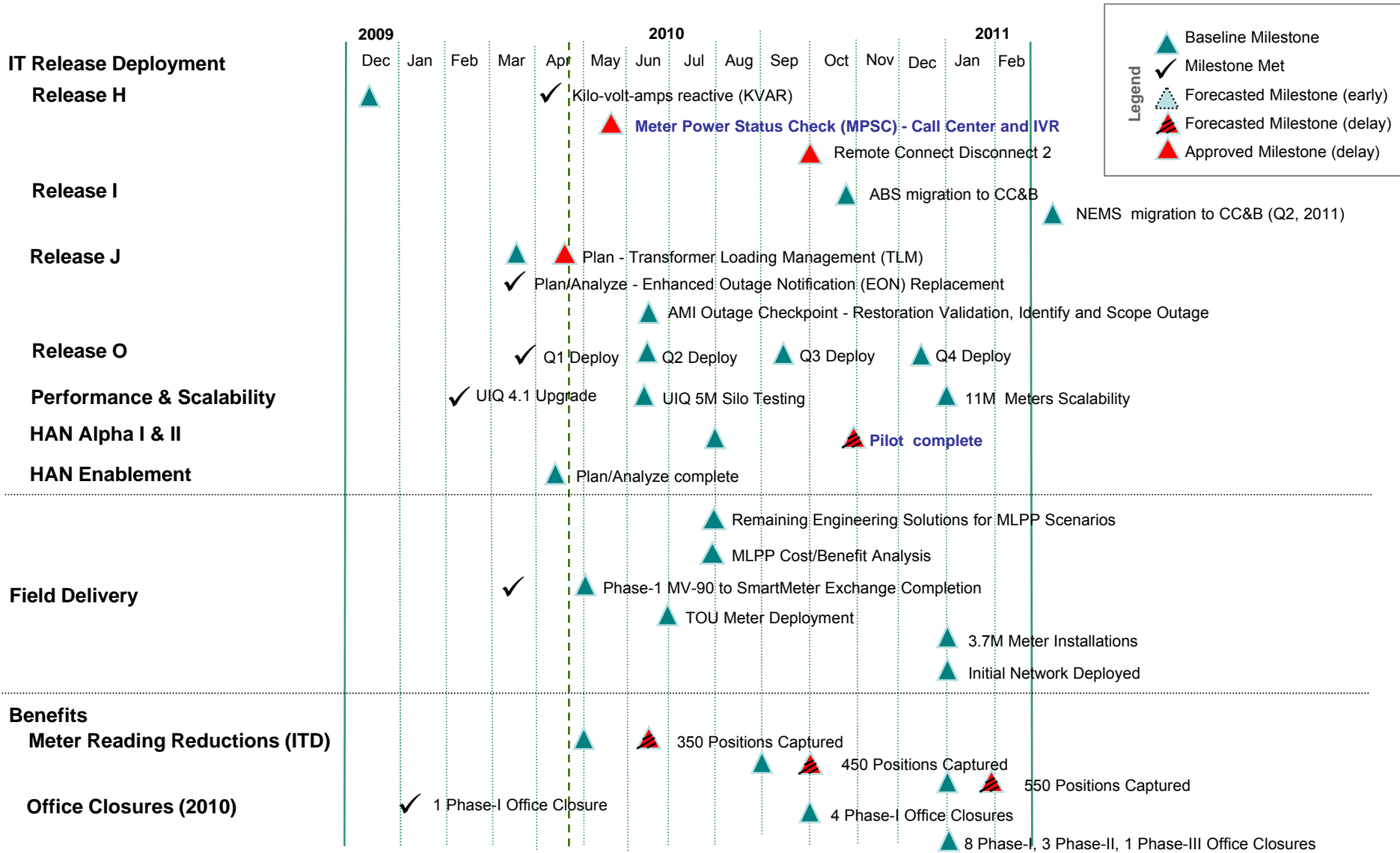
[Redacted]

- TOU deployment strategies to be finalized by 6/1/10

- Phase-II testing activities completed. Engineering Solutions development for remaining three of 38 scenarios on target for completion by July 2010
- Oakland strategy completed; San Francisco strategy on target for May
- Strategies being provided two months prior to the start of meter deployments

Electric Network

- Pilot test for a satellite backhaul solution is on track for completion by 6/30/10
- Solution availability to project expected early Q4, 2010

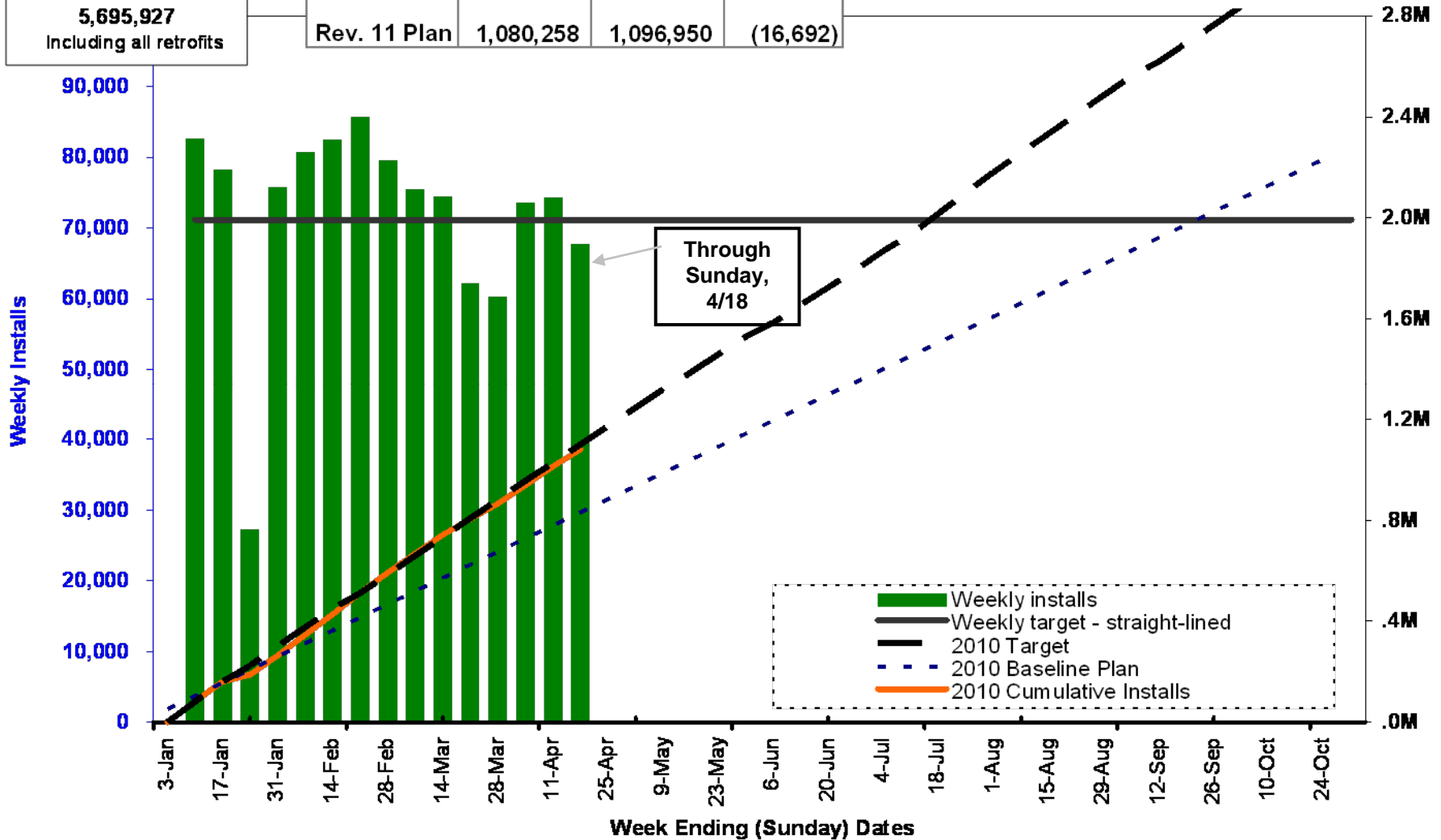


2010 Install Rate vs. Operating Plan - Weekly Meter Totals

Total SM ITD Installs
5,695,927
Including all retrofits

04/18/10	Actuals	Target	Variance
Rev. 11 Plan	1,080,258	1,096,950	(16,692)

2010 target: 3.7M
2010 Baseline Plan: 2.7M



2010 Budget Status – Expenditures by Workstream

#	Workstream	Current Month - March			Year to Date - March				2010 Adjusted Plan	Inception to date Spending	#
		Plan	Actuals	Variance	Plan	Actuals	Variance	% Var.			
Capital (000s)											
1	PMO	\$ 356	\$ 379	\$ (24)	\$ 1,067	\$ 773	\$ 294	28%	\$ 4,267	\$ 39,521	1
2	SM Operations	\$ 288	\$ 283	\$ 5	\$ 864	\$ 739	\$ 125	14%	\$ 3,455	\$ 8,887	2
3	FD- Strategic Relationships	\$ 30,522	\$ 40,657	\$ (10,135)	\$ 83,464	\$ 77,942	\$ 5,521	7%	\$ 340,057	\$ 755,455	3
4	FD Endpoint Installation	\$ 4,038	\$ 2,707	\$ 1,331	\$ 9,046	\$ 7,715	\$ 1,331	15%	\$ 66,888	\$ 40,264	4
5	Field Delivery Office	\$ 4,839	\$ 3,175	\$ 1,665	\$ 9,582	\$ 7,265	\$ 2,317	24%	\$ 25,295	\$ 22,433	5
6	FD - Network Install	\$ 685	\$ 388	\$ 297	\$ 1,316	\$ 1,019	\$ 297	23%	\$ 4,192	\$ 22,620	6
7	Deployment Subtotal:	\$ 40,085	\$ 46,927	\$ (6,842)	\$ 103,408	\$ 93,942	\$ 9,466	9%	\$ 436,433	\$ 840,772	7
8	Business Process	\$ 1,281	\$ 396	\$ 886	\$ 3,651	\$ 2,250	\$ 1,401	38%	\$ 10,924	\$ 16,985	8
9	IT/CC&B	\$ 5,560	\$ 9,808	\$ (4,248)	\$ 15,812	\$ 16,157	\$ (345)	-2%	\$ 47,201	\$ 297,916	9
10	Technology Monitoring	\$ 63	\$ -	\$ 63	\$ 188	\$ (0)	\$ 188	100%	\$ 750	\$ 1,732	10
11	Unassigned Spend	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 30,126	\$ -	11
12	Capital Total:	\$ 47,632	\$ 57,793	\$ (10,161)	\$ 124,989	\$ 113,860	\$ 11,128	9%	\$ 533,157	\$ 1,205,812	12
Expense (000s)											
13	PMO	\$ 143	\$ 275	\$ (132)	\$ 429	\$ 839	\$ (410)	-96%	\$ 1,715	\$ 17,914	13
14	SM Operations	\$ 1,609	\$ 1,704	\$ (96)	\$ 4,711	\$ 4,854	\$ (143)	-3%	\$ 20,158	\$ 35,117	14
15	Customer	\$ 1,920	\$ 2,017	\$ (97)	\$ 8,055	\$ 4,175	\$ 3,880	48%	\$ 28,877	\$ 32,168	15
16	Change Mgt Customer Impact	\$ 691	\$ 650	\$ 40	\$ 2,072	\$ 1,487	\$ 585	28%	\$ 8,287	\$ 5,067	16
17	FD- Strategic Relationships	\$ 1,416	\$ 3,223	\$ (1,806)	\$ 1,887	\$ 3,694	\$ (1,806)	-96%	\$ 14,635	\$ 47,536	17
18	FD Endpoint Installation	\$ -	\$ -	\$ -	\$ 4	\$ 4	\$ -	0%	\$ 4	\$ 643	18
19	Field Delivery Office	\$ 941	\$ 401	\$ 539	\$ 2,206	\$ 571	\$ 1,635	74%	\$ 7,984	\$ 14,889	19
20	Deployment Subtotal:	\$ 2,357	\$ 3,624	\$ (1,267)	\$ 4,097	\$ 4,268	\$ (171)	-4%	\$ 22,623	\$ 63,069	20
21	IT/CC&B	\$ 2,497	\$ 3,099	\$ (602)	\$ 7,269	\$ 6,810	\$ 459	6%	\$ 30,710	\$ 94,556	21
22	Technology Monitoring	\$ 980	\$ 54	\$ 926	\$ 1,729	\$ 277	\$ 1,452	84%	\$ 7,237	\$ 20,134	22
23	Unassigned Spend	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	23
24	Expense Total:	\$ 10,197	\$ 11,424	\$ (1,227)	\$ 28,360	\$ 22,709	\$ 5,652	20%	\$ 119,607	\$ 268,024	24

Total Inception to Date Spending:

\$ 1,473,837

Year-to-Date Variance Explanations:

Favorable year-to-date capital variance of \$11.1 million primarily driven by: 1) fewer early retirements of meters/modules than planned (\$9.4 million – Line #7), and 2) less Business Process spending than planned (\$1.4 million – Line #8). Unfavorable month (\$1.2 million) expense variance primarily due to additional early retirements of certain meters and modules (\$1.8 million – Line #17) and favorable YTD (\$5.7 million) expense variances due to: 1) Lower customer-related spending than forecasted due primarily to the following: a) modifying the timeline of sending welcome kits to better align with the number of customers transitioning to SmartMeter-read, and b) considering seasonal relevance in message timing (\$3.9 million – Line #15), and 2) less Technology Monitoring spending than planned due to less expensive monitoring techniques (\$1.5 million – Line #22).

2010 Budget Status – Benefits

SmartMeter Balancing Account (SBA) Credits

		Actual			Forecast													
		2007	2008	2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	ITD Actual	#
<i>(\$ in thousands)</i>																		
1	Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 26,055	\$ 3,851	\$ 3,999	\$ 4,034	\$ 4,647	\$ 4,752	\$ 5,083	\$ 5,678	\$ 6,406	\$ 7,025	\$ 7,512	\$ 8,007	\$ 8,464	\$ 42,755	1
2	Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 12,500	2
3	Total:	\$ 1,361	\$ 9,705	\$ 31,055	\$ 4,268	\$ 4,416	\$ 4,451	\$ 5,063	\$ 5,169	\$ 5,500	\$ 6,094	\$ 6,823	\$ 7,441	\$ 7,928	\$ 8,423	\$ 8,880	\$ 55,255	3
4	2010 Cumulative Actual + Forecast:				\$ 4,268	\$ 8,684	\$ 13,135	\$ 18,198	\$ 23,367	\$ 28,867	\$ 34,961	\$ 41,784	\$ 49,225	\$ 57,153	\$ 65,577	\$ 74,457		4

2010 Line of Business (LOB) Expense Reductions, Budget vs. Actual and Current Forecast

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
<i>(\$ in thousands)</i>															
Budgeted LOB Benefits:															
5	Monthly	\$ 5,403	\$ 5,800	\$ 6,275	\$ 6,681	\$ 7,057	\$ 7,428	\$ 7,909	\$ 8,335	\$ 8,797	\$ 9,266	\$ 9,760	\$ 10,294	\$ 93,004	5
6	Cumulative	\$ 5,403	\$ 11,203	\$ 17,477	\$ 24,158	\$ 31,215	\$ 38,644	\$ 46,553	\$ 54,888	\$ 63,684	\$ 72,950	\$ 82,710	\$ 93,004		6
Actual / Current Forecast:															
7	Monthly	\$ 4,448	\$ 4,756	\$ 5,040	\$ 5,101	\$ 5,577	\$ 6,151	\$ 6,545	\$ 6,962	\$ 7,483	\$ 8,612	\$ 9,111	\$ 8,810	\$ 78,596	7
8	Cumulative	\$ 4,448	\$ 9,204	\$ 14,244	\$ 19,345	\$ 24,921	\$ 31,072	\$ 37,618	\$ 44,580	\$ 52,062	\$ 60,674	\$ 69,786	\$ 78,596		8
9	YTD Variance	\$ (955)	\$ (1,999)	\$ (3,233)											9

#	Target Resolution Date	Issues	Impact	Owner	Status Summary
1	5/30/2010	SSN issued a temporary hold on electric supply chain due to a meter capacitor problem	Endpoint deployment slow down, hold on electric meter inventory. Meter accuracy, data, or safety not impacted	James Meadows	Approximately 290K meters remaining on hold in inventory, potential for excessive NIC card (capacitor) failure.
2	4/28/2010	Landis & Gyr Focus meters with firmware version 5.33 require a patch	Hold on meter inventory until patch application process has been approved and certified	James Meadows	These meters have been marked for return to vendor for firmware patch.
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	6/1/2010	TOU deployment deferred to resolve meter connectivity and read recovery process issues	Customer impact due to potential for estimated or delayed bills	James Meadows	TOU deployment strategies to be finalized by 6/1/10.
5	5/31/2010	Increased resources and cost of activities related to litigation support, independent testing and CPUC responses	Increased costs, delayed schedule and resource contention	Colin McDonagh	SmartMeter team is reviewing cost estimates and impacts of new activities. New costs related to litigation support and independent testing activities will be reported against project Estimate at Complete (EAC) and contingency budgets.
6	6/30/2010	Need to improve timeliness on resolution of operational data collection performance issues	Deployment and benefits realization delays, increased operational costs and potential negative customer impact	William Devereaux	Issue resolution meetings with vendors and stakeholders are ongoing to address specific populations of meters that cannot be read consistently. Transitioned meters are being prioritized to minimize customer impact.

Created On	P	I	Score	Prev. Score	Risks	Impact	Owner	Status Summary	Assoc. Issue
5/15/2009	5	5	25	25	Non-standard installations may impact deployment cost and schedule. Key driver: Basements, cabinets, meters and space limitations may require non-standard solutions	Schedule, additional costs, benefits realization.	James Meadows	Identified effort to determine solutions for non-standards installations is progressing per plan. Non-standard deployment strategies are being completed two months prior to the start of endpoint deployment.	
3/22/2010	4	4	16	16	Vendor SmartMeter™ products cannot be delivered to meet the deployment schedule Key driver: Unforeseen product issues, Vendor ability to ramp up supply chain per project demand	Deployment slow/stand down, resource planning ability, additional costs	James Meadows	SSN issued hold on electric meter inventory impacting meter availability to meet planned targets. Exposure to risk remains high until safety stock is reestablished and reinforced. Ongoing mitigations continuing to be implemented.	1
8/25/2008	3	5	15	15	IT Systems may not be able to handle projected volumes. Key drivers: Integrated full scale application scalability, insufficient test meter read volume	Billing, inability to activate meters, benefits realization, negative customer impact and negative perception of SmartMeter Program.	Christopher Vana	The Performance Engineering Team has been established under Rich Walker. It is being led by Scott Judd and Scott Gilliland. Planning for initiatives and testing to support the 2010 scalability objectives continues.	
4/4/2008	3	5	15	15	Business processes enabled by new technology may not perform as intended. Key driver: Increased data volume and validation, underlying business processes	Billing errors, customer complaints, inability to meet endpoint deployment goals.	William Devereaux	Continuing to monitor technology performance and identifying mitigations to resolve any identified technology performance issues.	6
8/25/2008	5	3	15	15	DCSI system capability to effectively manage reads past established thresholds. Key driver: Inability of DCSI to consistently deliver 99.6% of interval reads for DCSI enabled meters (limited bandwidth)	Ability to maintain acceptable interval collection rate and ability to bill with quality data.	William Devereaux	As of 1/19/10, 132,028 total DCSI meters remain to be replaced. Risk can be closed when <20% of DCSI population remains.	6

*P = Probability (Scale of 1-5)

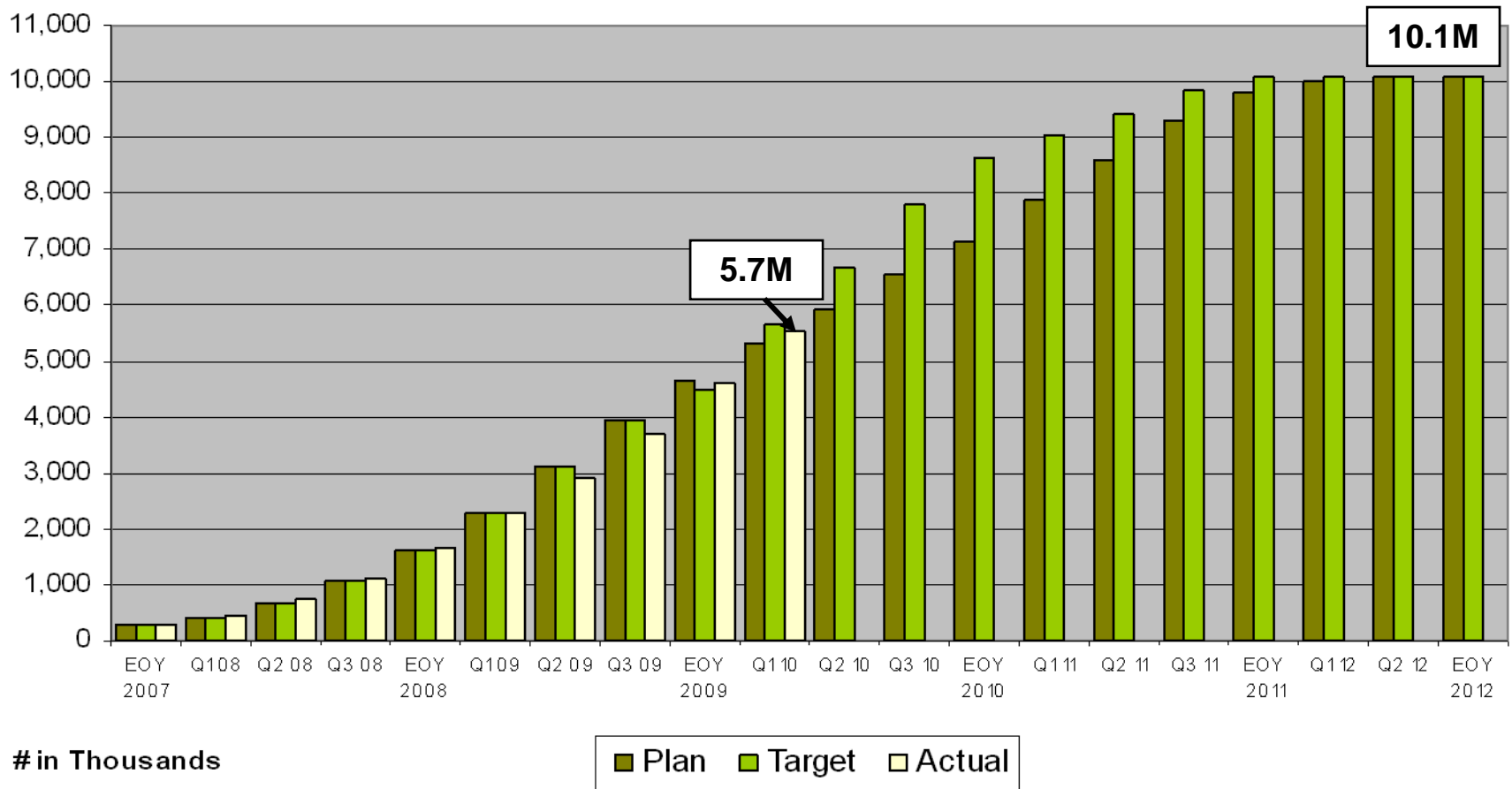
**I = Impact (Scale of 1-5)

Program Metrics

Metric	Key Performance Indicator	Feb '10 - Month Results			Mar '10 - Month Results			YTD			2010 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Forecast	Target	Var	
P1	SM Earning Contribution (\$M-estimated)	\$ 4.19	\$ 4.35	-3.7%	\$ 4.43	\$ 4.47	-0.9%	\$ 12.74	\$ 13.00	-2.0%	\$ 61.48	\$ 61.48	0.0%	Timing of metering equipment delivery against plan
P2	OSHA Recordables (SmartMeter)	-	-		1.0	-		1.0	-		1.0	-		One new OSHA in March '10, rate = 2.69
P3	MVI Recordable Rate (SmartMeter)	-	-		-	-		-	-		-	-		
C1	Customers enrolled in SmartRate (net)	26,622	(track only)		24,836	(track only)		24,836	(track only)		24,836	(track only)		
C10	Customer Complaint Rate (escalated to CPUC)	0.023%	(track only)		0.029%	(track only)		0.028%	(track only)					Rate has decreased since the high of 0.05% in October, 2009
D1	Meters Installed - Electric & Gas	328,473	283,822	15.7%	326,172	341,182	-4.4%	918,408	926,336	-0.9%	3,700,000	3,700,000	0.0%	Due to inventory issues reported
D2	DCUs Installed	134	75	78.7%	109	75	45.3%	247	228	8.3%	1,108	1,108	0.0%	
D3	Electric Network - Nodes Installed (including MV90)	734	464	58.2%	443	464	-4.5%	1,650	1,401	17.8%	2,201	2,201	0.0%	Deferred crews to weather and storm response
D5	UTC Rate	4.1%	4.5%	9.6%	5.1%	4.5%	-14.2%	4.5%	4.5%	-0.3%	4.5%	4.5%	0.0%	Higher ratio of Gas meters, which have a higher UTC incident rate, installed than originally planned.
D7	UTCs open beyond 90 days	42,106	(track only)		46,813	(track only)		46,813	(track only)					
D8	CPI - Endpoints (direct labor & other costs in 2010)*	\$26.51	\$39.39	32.7%	\$24.15	\$39.39	38.7%	\$27.58	\$39.39	30.0%	\$38.50	\$39.39	2.3%	
D12	CPI Gas Network (direct labor & other costs in 2010)*	\$1,026	\$1,604	36.0%	\$1,177	\$1,604	26.6%	\$1,266	\$1,604	21.1%	\$1,639	\$1,604	-2.2%	
D13	CPI Electric Network (direct labor & other costs in 2010)*	\$614	\$1,011	39.3%	\$676	\$1,011	33.1%	\$706	\$1,011	30.2%	\$1,021	\$1,011	-1.0%	
D14	Total Weeks of Inventory on Hand - Electric Meters	8	6	27.7%	2	6	-60.5%	2	6	-60.5%	6	6	0.0%	Due to inventory issues reported
D15	Total Weeks of Inventory on Hand - Gas Meters	7	6	23.2%	8	6	35.0%	8	6	35.0%	6	6	0.0%	
O4	Transition Aging - Average Days	89.6	(track only)		119.7	(track only)		80.1	(track only)					Impact of assessing new transition criteria
O5	Billing accuracy % (SA)	99.89%	99.70%	0.2%	99.88%	99.70%	0.2%	99.84%	99.70%	0.1%	99.70%	99.70%	0.0%	
O6	Billing timeliness % (SA)	99.59%	96.60%	3.1%	99.61%	96.60%	3.1%	99.58%	96.60%	3.1%	96.60%	96.60%	0.0%	
O7	% Bills not estimated (BSEGs)	99.84%	99.20%	0.6%	99.85%	99.20%	0.7%	99.85%	99.20%	0.7%	99.20%	99.20%	0.0%	
B2	Meters Activated - Electric & Gas (end of month)	57,444	(track only)		70,270	(track only)		193,606	(track only)					
B3	Count of Remote Disconnects	18,599	22,488	-17.3%	23,448	24,634	-4.8%	56,160	67,377	-16.6%	384,703	395,920	-2.8%	New transition criteria resulting in temporary slowdown in eligible meters; DIR requiring alternate payment plans to more customers reducing the number of accounts eligible for remote disconnects
B5	ITD Meter Reading HC reductions	311	310	0.3%	316	338	-6.5%	316	338	-6.5%	550	580	-5.2%	Primarily due to the impact of the new transition criteria
B6	Estimated Line of Business (LOB) Benefits	\$4,756	\$5,800	-18.0%	\$5,040	\$6,275	-19.7%	\$14,244	\$17,477	-18.5%	\$78,000	\$93,004	-16.1%	Primarily due to the impact of the new transition criteria

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Combined Gas and Electric Plan, Target, and Actuals (Cumulative)



Contingency Reconciliation

SmartMeter Contingency Reconciliation		\$000s
1. Business Case Approved Contingency		\$177,753
Total PDRs Adopted by Steering Committee		\$2,856
<i>Subtotal Adopted PDR's</i>		\$2,856
Approved Date	2. Approved Project Decision Request (PDRs) - Pending Contingency Drawdown	
2007	2007 PDR Total	\$103,473
2008	2008 PDR Total	\$32,240
2009	2009 PDR Total	\$20,313
2010	<i>None currently approved</i>	
	<i>Subtotal PDRs</i>	<u>\$156,026</u>
	<i>Total Approved PDRs</i>	<u><u>\$158,882</u></u>

Note: In D.09-03-026, the CPUC concluded PG&E should use the AMI risk-based allowance to fund the additional project management costs of \$15.1 Million related to the SmartMeter Upgrade Program, and approximately \$6.1 Million related to HAN retrofit costs. PG&E is still evaluating the potential for cost savings in other categories to offset this amount, however this amount remains a likely risk-based allowance draw.

Budget Narrative and Mapping by Workstream (1/2)

#	Workstream	D06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	\$ Thousands						
					Inception to Date Spending			Original Budget d	Net Approved Adjustments to Date e	Current Approved Budget f=d+e	Remaining Approved Budget g=e-c
					a Capital	b Expense	c=a+b Total				
1	PMO	1	Provides resources, processes and tools that support effective and efficient project management, including scope, costs, schedule, issues and risks. Manages reporting processes to ensure compliance with internal and external (regulatory) communication requirements. Manages third-party vendor planning, deliverables and contract administration.	N/A	\$ 39,521	\$ 17,914	\$ 57,434	\$ 69,342	\$ 1,114	\$ 70,457	\$ 13,022
2	SM Operations	5, 8, 9, 10, 11, 12, 14	Manages internal data collection, validation and related business processes to ensure timely and accurate usage information.	Resources and associated costs to manage electric data collection systems and related validation processes have proven to be greater than originally estimated due to migration of technologies.	\$ 8,887	\$ 35,117	\$ 44,004	\$ 51,768	\$ 6,614	\$ 58,381	\$ 14,377
3	Customer Communications & Outreach	13, 15, 16	Proactively engages customers, educating as to the benefits of the SmartMeter™ technology and supporting efficient deployment activities, including the timely resolution of customer inquiries.	The anticipated leverage of coordinated customer outreach and response activities supporting existing and planned SmartMeter-enabled programs, such as SmartRate, is expected to reduce originally estimated project costs.	\$ -	\$ 32,168	\$ 32,168	\$ 100,049	\$ (6,405)	\$ 93,644	\$ 61,475
4	Change Management	1, 15	Proactively engages with all internal stakeholders, to ensure that employees are equipped with the information, training and processes to effectively leverage new tools and business processes that deliver SmartMeter™ benefits.	Wider change management activities, essential to the deployment of new IT functionalities and business processes supporting completion of system-wide deployment including urban areas, are in process of further assessment and estimation.	\$ -	\$ 5,067	\$ 5,067	\$ 920	\$ 2,844	\$ 3,764	\$ (1,303)
5	Field Delivery - Strategic Relationships	3, 4, 8, 9	Manages external labor resources that drive primary meter and module exchanges, maintain quality assurance and secure supply chain for all endpoint and network equipment.	Costs associated with the transition of electric meter technologies were not included in the original budget.	\$ 755,455	\$ 47,536	\$ 802,991	\$ 1,252,672	\$ 44,303	\$ 1,296,976	\$ 493,984
6	Field Delivery - Endpoint Installation	8, 12	Manages internal meter and module installation resources.	Cost to install metering and communications equipment in difficult to access locations, primarily in urban areas such as San Francisco and Oakland, will likely produce significant cost increases per endpoint going forward. Offset by accounting treatment of cost of removal credits.	\$ 40,264	\$ 643	\$ 40,907	\$ 71,465	\$ (10,063)	\$ 61,402	\$ 20,495
7	Field Delivery - Field Delivery Office	1, 5, 8, 9, 11	Develops and maintains coordinated deployment planning covering all remaining SmartMeter™ installations, including timeline, resources and engineering solutions.	Resource costs to plan and manage an integrated deployment plan and deliver metering and communications equipment solutions have proven to be greater than originally estimated primarily due to migration of electric meter technologies.	\$ 22,433	\$ 14,889	\$ 37,322	\$ 43,789	\$ 7,014	\$ 50,803	\$ 13,481
8	Field Delivery - Network Installation	9, 10	Manages both internal and external resources that drive site preparation and installation of all SM network equipment.	Decision to switch to an RF mesh-based communications network for electric meters is anticipated to produce a significant overall cost savings at project completion.	\$ 22,620	\$ -	\$ 22,620	\$ 103,988	\$ (75,128)	\$ 28,860	\$ 6,239
9				Deployment Subtotal:	\$ 80,772	\$ 63,069	\$ 93,840	\$ 1,471,915	\$ (33,874)	\$ 1,438,040	\$ 534,200

Budget Narrative and Mapping by Workstream (2/2)

#	Workstream	D.06-07-027 Cost Category Line Item Number	Narrative Description of Workstream	Significant Changes in Actual and/or Anticipated Costs	\$ Thousands									
					a b c=a+b			d		e		f=d+e		g=e-c
					Inception to Date Spending			Original Budget	Net Approved Adjustments to Date	Current Approved Budget	Remaining Approved Budget			
Capital	Expense	Total												
10	BusinessProcess	6	Supports the planning, development, and delivery of information technology systems and enabled business processes that support SmartMeter™ functionalities, with specific emphasis on business requirements.	Resources, time, and associated costs necessary to plan and carry out business capability assessment, delivery and process design have proven to be significantly greater than originally estimated.	\$ 16,985	\$ -	\$ 16,985	\$ 4,065	\$ 13,283	\$ 17,348	\$ 363			
11	IT,CC&B	4, 5, 6, 7, 16	Manages planning, development, delivery and maintenance of information technology systems and enabled business processes that support SmartMeter™ functionalities, related benefits and operating systems for all PG&E customers.	Resources, time, and associated costs necessary to carry out IT systems integration work have proven to be significantly greater than initially estimated.	\$ 297,916	\$ 94,566	\$ 392,472	\$ 266,559	\$ 198,952	\$ 465,511	\$ 73,039			
12	TechnologyMonitoring	1, 18	Perform ongoing technology monitoring, including technology and product development that leverage the SmartMeter™ platform.	Required technology monitoring activities were conducted, and costs incurred, prior to the Upgrade decision and were not funded in the original AMI decision.	\$ 1,732	\$ 20,134	\$ 21,866	\$ 32,611	\$ 7,501	\$ 40,111	\$ 18,245			
13	Unassigned Spending	2	Approved additional or unanticipated workstream costs. The assignment of these and other future costs against contingency is based upon the assessment of the SmartMeter™ Steering Committee.	Given the two plus years remaining to project completion and associated cost uncertainties which could arise during this time, both in terms of savings opportunities and overrun risks, a formal draw of only \$2.9 million of the \$177.8 million contingency has been made.	\$ -	\$ -	\$ -	\$ 208,899	\$ (190,028)	\$ 18,871	\$ 18,871			
14				Totals:	\$ 1,204,812	\$ 268,024	\$ 1,473,837	\$ 2,206,127	\$ -	\$ 2,206,127	\$ 732,290			

Meter Deployment and Customer Outreach Schedule

Deployment Office	Start Date	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Dinuba	Oct-09					⓪	⓪
San Carlos	Jan-09					⓪	⓪
Merced	Jul-09					⓪	⓪
Oakhurst	Dec-09					⓪	⓪
Lemoore	Dec-09					⓪	⓪
Vacaville	Jun-09			★		⓪	⓪
Concord	Jul-09					⓪	⓪
Corcoran	Dec-09					⓪	⓪
Coalinga	Dec-09					⓪	⓪
Livermore	Nov-09	★				⓪	⓪
Stockton	Jan-09					⓪	⓪
Madera	Jan-10						⓪
Los Banos	Jan-10						⓪
Vallejo/Napa	Nov-09	★	★				
Cupertino	Nov-09	★	★	★			
San Jose	Jan-10	★	★	★	★		
Richmond/Berkeley	Jan-10						⓪
Mariposa	Feb-10						⓪
Placerville	Feb-10						
Santa Rosa	Feb-10	★					
Tracy	Mar-10						⓪
Marysville	Mar-10						
Los Gatos	Apr-10	⓪					
Oakland/EastOakland	May-10	★	★	★	★		
Chico	May-10		★				
Grass Valley	Jun-10		★				
Paradise	Jun-10						
Oroville	Jun-10						
San Francisco	Jul-10		★		★		
Santa Cruz	Jul-10						
San Rafael	Jul-10						

KEY

- ★ Public Meeting Participation
- ★ Community Outreach Event
- ★ Answer Center

Community Outreach data from PG&E SmartMeter™ Outreach Events Update 4/02/10 provided to the CPUC

SmartMeter Acronyms			
Acronym	Definition	Acronym	Definition
ABS	Advanced Billing System	LOB	Line of Business
AFCI	Arc Fault Circuit Interrupter	MDMS	Meter Data Management System
AMI	Advanced Metering Infrastructure	MLPP	Meter Location Problem Project
AP	Access Point	MPSC	Meter Power Status Check
Apps	Applications	MV-90	Multi Vendor - 90
ASM	Automated Storage Management	MVI	Motor Vehicle Incidents
BDG	Business Development Group	NEMS	Net Energy Metering Services
CC&B	Customer Care and Billing	NIC	Network Interface Card
CEDSA	Centralized Electric Distribution System Assets	OIR	Order Instituting Rulemaking
CoE	Center of Excellence	OMT	Outage Management Tools
CPI	Cost Per Install	Ops	Operations
CPUC	California Public Utilities Commission	OSHA	Occupational Safety and Health Administration
DC	Data Center	PCR	Project Change Request
DCU	Data Collector Unit	PCT	Programmable Communicating Thermostat
DRA	Division of Ratepayer Advocates	PDP	Peak Day Pricing
DSCI	Distribution Control Systems, Inc.	PDR	Project Decision Request
EA	Ecologic Analytics	PE	Performance Engineering Company
EAC	Estimate at Completion	PMO	Project Management Office
ED	Energy Division	PTR	Peak Time Rebate
EMR	Electric Meter Reader	QBR	Quarterly Business Review
EMT	Electric Meter Technician	RCDC2	Remote Disconnect Phase 2
EOM	End-of-Month	Rev.	Revision
EON	Emergency Outage Notification	RF	Radio Frequency
EOY	End Of Year	RFA	Request For Authorization
FA	Functional Area	RV	Restoration Validation
FD	Field Delivery	SBA	SmartMeter Balancing Accounts
GE	General Electric Co.	SM	SmartMeter
GFI	Ground Fault Interrupter	SM Apps	SmartMeter Applications
HAN	Home Area Network	SMU	SmartMeter Upgrade
HC	Head Count	SR	Service Request
IHD	In-Home Devices	SSN	Silver Springs Network
ISTS	Information Systems and Technology Services	TBD	To Be Determined
IT	Information Technology	TechArch	Technical Architecture
ITD	Inception To Date	TIC	Technology Innovation Center
IVR	Interactive Voice Response	TOU	Time Of Use
KC	Knowledge Center	UIQ	Utility IQ - SSN software
		UTC	Unable To Complete (meter installation)
KVAR	Kilo-Volts-Amps Reactive	YTD	Year-To-Date