

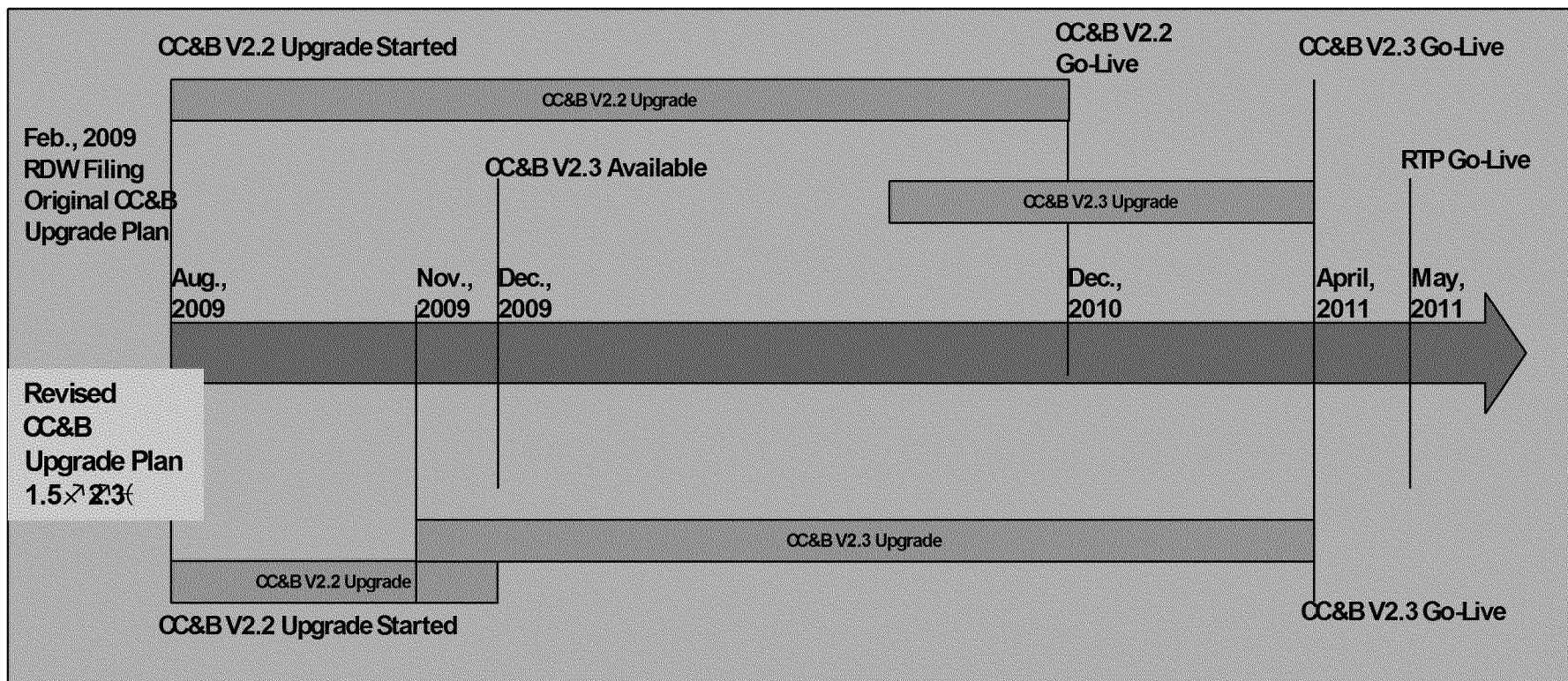


PG&E Proposes upgrading directly to CC&B version 2.3 from version 1.5.

Original Plan: Upgrade CC&B's platform to Java/Weblogic (costs of V2.2 "Foundation" in 2009 RDW) then upgrade to V2.3 functionality (costs in 2011 GRC lowered from \$28m in NOI to just over \$8m in Dec09 GRC filing).

PG&E's Revised Plan: Move directly to V2.3 of CC&B, implementing a limited amount of CC&B V2.3 functions.

- o Additional time for the major CC&B upgrade will allow for more functions to be implemented than the earlier V2.2 upgrade would have included, but less than the V1.5 to V2.2 to V2.3 would have included.
- o PG&E requests the Commission now adopt the \$31 million estimate for V2.2 as the estimate for V2.3 in the 2009 RDW. Acknowledging that the total project will cost more than \$31 million, PG&E will seek any additional amounts in an after-the-fact reasonableness application, and remove the \$8 million request for V2.3 from 2011 GRC application.



Note: This approach reduces our overall risk profile, preserves the CC&B upgrade (critical path for rate simplification and other functional enhancements), and better accommodates our long-term architectural priorities for CC&B.

Slide 1



Direct Upgrade from V1.5 to V2.3

PG&E's preferred upgrade path for CC&B has changed due to evolving circumstances. It will now upgrade CC&B from V1.5 (2009/2010) to V2.3 in time for a May 1, 2011 RTP Go-Live date.

Risks Identified during testimony	Mitigation Step / Intervening Circumstance
CC&B V2.3 Availability	CC&B V2.3 became available 5 months earlier than previously expected. It appears as though it will be available in-time to upgrade before RTP. PG&E was able to transition its CC&B V2.2 project into the V2.3 project once this became apparent.
Stabilizing Java/Weblogic before RTP	PG&E will be upgrading to V2.3 while enabling only the bare minimum number of additional features required for RTP projects. This is not ideal, but was a decision driven by the RTP deadline.
Oversubscription of IT resources	PG&E by starting earlier, and bringing in additional resources was able to overcome substantial oversubscription issues. This is still not fully resolved.
June 2011 support expiry	By starting the transition early, PG&E expects to finish its upgrade to a supported system by June 2011.

	E 20 S				A 10 S				A 10 S PDP Alternative	
	OAS	PDP Charges and Credits Proposed	Resulting PDP Rates	Reservation Rates	OAS	PDP Charges and Credits Proposed	Resulting PDP Rates	Reservation Rates PD	PDP Charge and Credits	Resulting PDP Rates
	E 20 S	E 20 S	E 20 S	E 20S	A 10 S	A 10 S	A 10 S	A 10 S	A 10 S	A 10 S
Generation										
Peak Dmd	\$8.74	-\$5.83	\$2.91	\$8.74						
Part Dmd	\$1.79	-\$1.19	\$0.60	\$1.79						
Max Dmd	\$0.00				\$3.08	-\$2.05	\$1.03	\$3.08	-\$1.54	\$1.54
Peak Engy	\$0.10697	-\$0.00205	0.10492	0.10492	\$0.11514	-\$0.01407	\$0.10107	\$0.11514	-\$0.01055	\$0.10459
Part Engy	\$0.06998	-\$0.00041	0.06957	0.06957	\$0.09256	-\$0.01407	\$0.07849	\$0.09256	-\$0.01055	\$0.08201
Off Engy	\$0.05415		0.05415	0.05415	\$0.07911	-\$0.01407	\$0.06504	\$0.07911	-\$0.01055	\$0.06856
PDP Charge	\$0.00	\$1.20	\$1.20		\$0.00	\$1.20	\$1.20		\$0.90	\$0.90
Non Generation Charges										
		E 20S			A 10 S			Alt A 10 S		
Distribution										
Peak Dmd	\$3.66		\$3.66	\$3.66						
Part Dmd	\$0.95		\$0.95	\$0.95						
Max Dmd	\$4.27		\$4.27	\$4.27	\$3.56		\$3.56	\$3.56		\$3.56
Peak Engy	\$0.01149		\$0.01149	\$0.01149	\$0.01755		\$0.01755	\$0.01755		\$0.01755
Part Engy	\$0.00459		\$0.00459	\$0.00459	\$0.01755		\$0.01755	\$0.01755		\$0.01755
Off Energy	\$0.00230		\$0.00230	\$0.00230	\$0.01755		\$0.01755	\$0.01755		\$0.01755
Transmission										
Max Dmd	\$3.25		\$3.25	\$3.25	\$2.94		\$2.94	\$2.94		\$2.94
Other Engy	\$0.01747		\$0.01747	\$0.01747	\$0.01907		\$0.01907	\$0.01907		\$0.01907
PDP Charge		\$1.20	\$1.20			\$1.20	\$1.20		\$0.90	\$0.90
Summer Rates Shown										
Total Ck										
Peak Dmd	12.4	-5.83	6.57							
Part Dmd	2.74	-1.19	1.55							
Max Dmd	7.52		7.52		9.58	-\$2.05	\$7.53		-\$1.54	\$8.04
Peak Engy	0.13593	-0.00205	0.13388		0.15176	-\$0.01407	\$0.13769		-\$0.01055	\$0.14121
Part Engy	0.09204	-0.00041	0.09163		0.12918	-\$0.01407	\$0.11511		-\$0.01055	\$0.11863
Off Engy	0.07392		0.07392		0.11573	-\$0.01407	\$0.10166		-\$0.01055	\$0.10518
		\$1.20	\$1.20			\$1.20	\$1.20		\$0.90	\$0.90