

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

PG&E Data Request No.:	DRA_208-04		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_208-Q04		
Request Date:	March 15, 2010	Requester DR No.:	DRA-208-STA
Date Sent:	March 29, 2010	Requesting Party:	DRA
PG&E Witness:	M. Christopher Maturo	Requester:	Stacey Hunter

EXHIBIT REFERENCE: PG&E-4, CHAPTER 5

SUBJECT: CUSTOMER CARE COSTS – MOBILECONNECT PROJECT

QUESTION 4

Please provide documentation to support PG&E's estimates of \$34.6 million in total capital and \$3 million in expense for 2011.

ANSWER 4

The forecast costs for the MobileConnect program included in the GRC represent the forecast costs for implementing Releases 2, 3 and a portion of Release 4 of the MobileConnect program.

The 2010 work covered by the forecast capital costs includes implementing Release 2 of the MobileConnect program. PG&E began deploying the Release 2 pilot project in March 2010 and anticipates final deployment of the Release 2 program in August 2010. The information supporting the Release 2 forecasts is included in PG&E's MobileConnect business case. A copy of this business case is included as GRC2011-Ph-1_DR_DRA_208-Q04Aatch01.

The MobileConnect work planned for 2011 includes the design, build, test and deploy phases of Release 3 and the plan, analyze and initial design phases of Release 4. Elements of the Release 3 effort are referenced on page 4 of the business case. The forecast information included in the business case for Release 3 represents the initial forecast based on the scope of work as it was known at the time the business case was prepared and reflects the best professional judgment of the project team.

The forecast for the 2011 Release 3 and 4 efforts included in the GRC request was generated using PG&E's cost forecasting tool. This tool generates a high and low forecast range using the information known by the business and the IT team at the time.

A copy of the initial forecast generated by the project team using the cost forecasting tool is included as GRC2011-Ph-1_DR_DRA_208-Q04Atch02.

The validity of the 2011 Release 3 and 4 forecast included in the GRC was reinforced by a second estimate prepared by the project team. As the requirements for the 2011 work have been developed further, the MobileConnect project team generated a second estimate using PG&E's cost estimating tool. The second estimate was developed based on the team's current understanding of the program scope and requirements, and leveraged information gained during performance of the Release 2 work. A copy of this second estimate is included as GRC2011-Ph-1_DR_DRA_208-Q04Atch03.

PG&E is currently developing the business case to support the Release 3 effort. Review and approval of the business case is projected to be completed by the end of May 2010.