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

PG&E Data Request No.:	DRA_225-15		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_225-Q15		
Request Date:	March 19, 2010	Requester DR No.:	DRA-225-DFB
Date Sent:	April 2, 2010	Requesting Party:	DRA
PG&E Witness:	M. Christopher Maturo	Requester:	Donna Fay Bower

SUBJECT: HUMAN RESOURCES DEPARTMENT AND OTHER COSTS – INFORMATION TECHNOLOGY PROJECTS

QUESTION 15

In addition PG&E states: "The HR Service Center Optimization IT project is forecast to cost $485,000 in expense in 2011 and $1.22 million in capital in 2011-2012." How were these expense and capital costs determined? Where are these costs reflected in PG&E-7, Chapter? Give specific site, page and line number to where these costs are in PG&E's testimony and workpapers.

ANSWER 15

The expense forecasts for the HR Service Center Optimization IT program are found in:

- Testimony: Exhibit (PG&E-7), Chapter 2, Appendix 2A, Table 2A-37, Page 2A-17, Line 4
- Workpapers: Exhibit (PG&E-7), Chapter 2, Workpaper Page 123, Line 241

The capital forecasts for the HR Service Center Optimization IT program are found in:

- Testimony: Exhibit (PG&E-7), Chapter 2, Appendix 2A, Table 2A-38, Page 2A-17, Line 4
- Workpapers: Exhibit (PG&E-7), Chapter 2, Workpaper Page 57, Line 210
- Workpapers: Exhibit (PG&E-7), Chapter 2, Capital Summary, Workpaper Page 318

The capital and expense forecasts for the HR Service Center Optimization IT program were developed by PG&E's Information Systems Technology Services (ISTS) organization using the Functional Area IT (FAIT) program cost forecasting tool. The cost forecasting tool follows industry best practices and generates a range of IT program costs based on a series of questions designed to produce an initial program estimate based on level of effort and program complexity. The FAIT program estimating tool takes the form of a check list which is completed by the Client Portfolio Lead (CPL), the IT functional area liaison, in consultation with the line of business. The model uses the information in the completed checklist to generate a high and low IT program forecast range. The checklist requires the user to consider several issues that impact the cost of the program such as expected project duration, staffing levels, the use of vendors, levels of dependency on other IT projects, and the program's level of criticality to PG&E users and customers. The CPL evaluates the forecast range and determines the forecast amount to include in the GRC request based on their knowledge of implementing IT programs at PG&E, industry experience and their best professional judgment.

A copy of the output from the FAIT cost forecasting tool for the HR Service Center Optimization IT program will be provided to the DRA IT witness in the coming days.