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

PG&E Data Request No.:	DRA_223-02		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_223-Q02		
Request Date:	March 19, 2010	Requester DR No.:	DRA-223-DFB
Date Sent:	April 3, 2010	Requesting Party:	DRA
PG&E Witness:	M. Christopher Maturo	Requester:	Donna Fay Bower

EXHIBIT REFERENCE: PG&E-6, CHAPTER 6

SUBJECT: RISK AND AUDIT DEPARTMENT COSTS – INFORMATION TECHNOLOGY PROJECTS

QUESTION 2

Further, PG&E states: "This IT project, the Risk Management Controls Infrastructure Program, is forecast to cost $3.2 million in expense in 2011 and $21.6 million in capital in 2011-2013 and is part of a comprehensive plan to build PG&E's RM systems and controls infrastructure when it re-entered the Electric Procurement business." How were the 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 2

The expense forecasts for the Risk Management Controls Infrastructure Program are found in:

- Testimony: Exhibit (PG&E-7), Chapter 2, Appendix 2A, Table 2A-27, Page 2A-13, Line 2
- Workpapers: Exhibit (PG&E-7), Chapter 2, Workpaper Page 124, Line 281

The capital forecasts for the Risk Management Controls Infrastructure Program are found in:

- Testimony: Exhibit (PG&E-7), Chapter 2, Appendix 2A, Table 2A-28, Page 2A-13, Line 2
- Workpapers: Exhibit (PG&E-7), Chapter 2, Workpaper Page 61, Line 265

- Workpapers: Exhibit (PG&E-7), Chapter 2, Capital Project Summary, Page 343

The capital and expense forecasts for the Risk Management Controls Infrastructure 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 Risk Management Controls Infrastructure Program will be provided to the DRA IT witness in the coming days.