

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

PG&E Data Request No.:	DRA_251-01		
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Date Sent:	April 20, 2010	Requesting Party:	DRA
PG&E Witness:	Hudson Martin	Requester:	Donna Fay Bower

**EXHIBIT REFERENCE: PG&E-6, CHAPTER 6**

**SUBJECT: RISK AND AUDIT DEPARTMENT COSTS AND INSURANCE EXPENSES**

**QUESTION 1**

In response to DRA-057-DFB, Question 16, PG&E stated that the costs for BCM IT project are included in both the department forecast (\$500,000) and IT forecast (\$300,000). Please provide a detailed explanation for the \$500,000 in Outside Services for the BCM IT project.

**ANSWER 1**

The BCM IT project has two components.

- The first component is for the purchase and installation of a BC management system and notification system. The costs to purchase and install these systems are included in the \$300,000 in expense and \$150,000 in capital in 2011 that are shown in the IT forecast (Exhibit 7, Chapter 2, WP 124, line 283, and WP 130, line 71) and described in Exhibit 6, page 6-19.
- The \$500,000 expense for the second component is included in the Corporate Security Department's 2011 forecast for FERC Account 923 (Outside Services). The majority of the second component is to engage a third party to conduct initial administration of the BC management and notification system. The third party will provide service to over 100 users, including establishing access, training, initial data entry for about 300 plans, and initial user support.

The remainder of the second component is to hire a third party to conduct a maturity model assessment of the BCM program.

With respect to the maturity assessment, PG&E plans to engage a third party to perform the program maturity assessment in 2011 in preparation for the Department of Homeland Security's forthcoming guidance on how to implement Public Law 110-53, following the recommendations of the 9/11 Commission Act, the Voluntary Private Sector Preparedness Accreditation and Certification Program, "PS-Prep". PG&E models its BCM program after one of the three standards chosen for PS-Prep, the British Standard 25999. The third-party contractor will enable PG&E to determine how ready it is to pursue certification.

For more details about PG&E's BCM IT program, please see the response to question GRC2011-Ph-I\_DR\_DRA\_223-Q09A and GRC2011-Ph-I\_DR\_DRA\_223-Q13.