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August 25, 2010

**VIA HAND DELIVERY**

**DOCKET OFFICE**  
**California Public Utilities Commission**  
555 California Street  
San Francisco, CA 94105

Re: A.07-12-009, Pacific Gas and Electric Company's Filing in Compliance  
with ALJ Ruling

Dear Docket Clerk:

Enclosed is a copy of the following documents:

1. **Public Version** - Pacific Gas and Electric Company's Response in Compliance with Administrative Law Judge's Oral Ruling Requiring that PG&E Submit Data on the Estimated Potential Costs Associated with Suspension of Pacific Gas and Electric Company's SmartMeter™ Technology Deployment;
2. Pacific Gas and Electric Company's Motion to File Under Seal the "**Confidential Version**" of Data on Estimated, Potential Costs Associated with Suspension of Pacific Gas and Electric Company's SmartMeter™ Technology Deployment; and
3. Declaration of Stephen P. Lechner Addressing Costs and Other Impacts Related to a Moratorium on PG&E's SmartMeter™ Program.

These documents were filed with the docket office using the CPUC e-filing system. In addition, the public version only of the above-referenced documents were electronically served on all parties on the official service list that provided an email address and by United States mail for those parties who did not provide an email address.

Sincerely,

/s/

Chonda J. Nwamu

CJN/pak  
Enclosures

cc: Commissioner Michael R. Peevey  
ALJ Timothy J. Sullivan  
William K. Sanders, Deputy City Attorney, City and County of San Francisco  
Official Service List of A.07-12-009

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of PACIFIC GAS AND  
ELECTRIC COMPANY for Authority  
to Increase Revenue Requirements to  
Recover the Costs to Upgrade its  
SmartMeter™ Program

Application No. 07-12-009  
(Filed December 12, 2007)

**PUBLIC VERSION**

**PACIFIC GAS AND ELECTRIC COMPANY'S RESPONSE IN COMPLIANCE WITH  
ADMINISTRATIVE LAW JUDGE'S ORAL RULING REQUIRING THAT PG&E  
SUBMIT DATA ON THE ESTIMATED POTENTIAL COSTS ASSOCIATED WITH  
SUSPENSION OF PACIFIC GAS AND ELECTRIC COMPANY'S SMARTMETER™  
TECHNOLOGY DEPLOYMENT**

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Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

August 25, 2010

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SUSPENSION OF PACIFIC GAS AND ELECTRIC COMPANY'S SMARTMETER™  
TECHNOLOGY DEPLOYMENT**

**I. INTRODUCTION**

In compliance with Administrative Law Judge Timothy Sullivan's oral Ruling issued at the August 18, 2010, Prehearing Conference (PHC) in the above-captioned proceeding, Pacific Gas and Electric Company (PG&E) hereby files the "Pubic Version" of Data Request responses that it previously provided to the Division of Ratepayer Advocates (DRA). These responses contain estimates of potential costs and lost benefits associated with a temporary suspension of PG&E's SmartMeter™ deployment based on scenarios that DRA articulated in its Data Request. PG&E also concurrently files the supporting Declaration of Stephen P. Lechner, Prinicipal at Pricewaterhouse Coopers with substantial experience working with energy utilities on complex capital projects, to provide additional information on the potential significant impacts of a temporary suspension of PG&E's SmartMeter™ deployment.

Specifically, during the PHC held on *The City and County of San Francisco's Petition to Modify Decision 09-03-026 to Temporarily Suspend Pacific Gas and Electric Company's Installation of SmartMeters* (CCSF Petition), ALJ Sullivan ordered PG&E to provide, by Wednesday, August 25, 2010, cost data in support of its statements that a moratorium would be costly. (*See* PHC Transcript at 34:14-23.) ALJ Sullivan further

stated that PG&E could provide confidential information under seal while releasing to the public its non-confidential, aggregated data. (*See id.*) Because the confidential versions of the Data Request responses include non-public, commercially-sensitive vendor and labor pricing information, PG&E concurrently files the accompanying *Motion to File Under Seal the “Confidential Version” of Data on Estimated Potential Costs Associated with Suspension of Pacific Gas and Electric Company’s SmartMeter™ Technology Deployment.*

## II. DISCUSSION

### A. A Temporary Suspension of PG&E’s SmartMeter™ Deployment Would Be Unnecessarily Costly and Would Result in the Loss of Green Union Jobs in California.

A suspension of PG&E’s SmartMeter™ deployment would likely be of uncertain scope and duration and would trigger a variety of direct and indirect operational expenses and impacts, which individually and collectively would be significant. In response to DRA’s Data Request, PG&E conducted an analysis of the potential estimated costs that PG&E would incur in the event of a temporary suspension of SmartMeter™ deployment under various scenarios. Because the actual costs of a temporary suspension would depend upon a diverse set of specific conditions and facts as they existed at the time of any suspension, PG&E adopted hypothetical assumptions as the foundation for its cost data analysis. PG&E conducted its cost analysis in two parts: (1) a calculation of the estimated lost benefits that would result under three, six and nine month suspension scenarios; and (2) a calculation of estimated potential costs that PG&E may incur including contractual vendor costs and costs associated with workforce adjustments under three, six and nine month suspension scenarios.

PG&E’s initial response to DRA estimated the loss of operational and demand response benefits to PG&E customers under the foregoing suspension scenarios. The lost benefit analysis that PG&E conducted, as set forth in the June 9, 2010 response to DRA, resulted in an approximate loss to customers ranging from \$25 million to \$87

million. (See Exhibit A, Public Version, PG&E Data Request Response, dated June 9, 2010). The second part of PG&E's analysis, as set forth in PG&E's June 23, 2010 response to DRA, attempts to quantify the contractual and workforce costs of a temporary suspension. This analysis includes but is not limited to the following types of costs: labor costs under various scenarios, workforce ramp-up costs, storage costs, project management operations costs, equipment supply chain costs, contract renegotiation costs, etc. Based on specific assumptions, as detailed in the attached response, the estimated potential costs in PG&E's second response to DRA range from approximately \$17 million to \$87 million. (See Exhibit B, Public Version, PG&E Data Request Response, dated June 23, 2010.)

Beyond the numerical costs reflected in PG&E's attached responses is an area of critical importance that requires emphasis: a moratorium would result in the loss of hundreds of green technology jobs at a time when California's economy is already weak. PG&E's SmartMeter™ Program has helped to drive significant growth, both internally and externally, in green technology jobs. A suspension of PG&E's SmartMeter™ deployment would likely result in the loss of hundreds of union green technology jobs. PG&E estimates that at least 625 union jobs directly related to the SmartMeter™ deployment would be lost if the requested moratorium were granted. Moreover, the indirect impact to jobs and the green technology industry, both here in California and nationally, extends well beyond those jobs directly linked to PG&E's SmartMeter™ installations.

**B. A Temporary Suspension of PG&E's SmartMeter™ Program Would Introduce Significant Uncertainty and Risk Around Continuation of the Program Even Beyond the Estimated Cost Ranges PG&E Calculated in Responses to DRA's Data Request.**

The suspension of a major capital program like PG&E's SmartMeter™ Program is an extremely complex and expensive endeavor that can be adversely impacted by numerous variables that could not be known unless and until an actual suspension

occurred. The analysis that PG&E has undertaken in the attached responses (*Exhibits A and B*) includes multiple layers of simplifying assumptions that may not bear out in the event of an actual program suspension. Given the countless combinations of quantifiable and non-quantifiable variables that may occur, actual costs in the event of a suspension could significantly exceed the ranges calculated in PG&E's Data Request responses. To address this considerable and complex risk, PG&E submits the concurrently filed Declaration of Stephen P. Lechner, in which Mr. Lechner discusses the potential impacts of a moratorium based on his substantial experience with other large, complex capital projects. (*See Accompanying Declaration of Stephen P. Lechner Addressing Costs and Other Impacts Related to a Moratorium on PG&E's SmartMeter™ Program.*) Given the significant uncertainty and the potentially far-reaching impacts related to any program suspension, PG&E's estimated potential costs as set forth in Exhibits A and B reflect conservative cost estimates.

## **II. CONCLUSION**

The drastic and costly action that CCSF has requested, particularly on the eve of The Structure Group's release of its months-long independent review of PG&E's SmartMeter™ technology, is not warranted. CCSF has failed to meet its burden and establish facts demonstrating the need for a moratorium. Pursuant to ALJ Sullivan's Ruling, PG&E submits the attached redacted Data Request responses and accompanying Declaration on the potential costs and other significant negative impacts of a temporary suspension in support of this position. PG&E urges the Commission to carefully consider the significant costs, project uncertainty and risk, and hundreds of green job losses that would result if the Commission imposes a temporary moratorium on PG&E's SmartMeter™ deployment.

Respectfully Submitted,

PETER OUBORG  
CHONDA J. NWAMU

By: \_\_\_\_\_ /s/  
CHONDA J. NWAMU

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Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

Dated: August 25, 2010

**EXHIBIT A**

**PUBLIC/REDACTED VERSION**

**PACIFIC GAS AND ELECTRIC COMPANY'S JUNE 9, 2010  
RESPONSE TO DIVISION OF RATEPAYER ADVOCATES  
DATA REQUEST**



PG&E Data Request No.:	SM_DRA_01/SM_ED_01		
PG&E File Name:	SM_DRA_01 and SM_ED_01		
Request Date:	April 30, 2010	Requester DR No.:	DRA-012/ED-XX
Date Sent:	June 9, 2010	Requesting Party:	DRA
		Requester:	Mr. Chris Danforth

**SUBJECT: COST OF A MORATORIUM ON THE SMART METER DEPLOYMENT**

**QUESTION 1**

Attachment A (*not included*) contains excerpts from the rebuttal testimony of Stephen Lechner in PG&E's Smart Meter Upgrade proceeding. It discusses various costs and types of penalties associated with suspending the Smart Meter deployment. The following questions are based on that testimony.

1. Please separately quantify, as best as PG&E is able, all the costs associated with suspending the AMI deployment for each of the following scenarios: (a) Three- month moratorium, (b) Six-month moratorium, and (c) Nine-month moratorium.
2. For each scenario in Question #1, please separately itemize the following costs:
  - a. For each vendor contract, the suspension costs that PG&E is contractually obligated to pay for delaying the installation;
  - b. The costs of suspending the PG&E project management office operations;
  - c. Possible loss of personnel knowledgeable about the project;
  - d. The costs related to suspending and re-starting the equipment supply chain;
  - e. The costs for contractor re-mobilization and ramping up deployment;
  - f. Vendor inefficiency costs resulting from starting and stopping work;
  - g. Costs for renegotiating existing vendor contracts, if necessary;
  - h. Costs for identifying new vendors and negotiating new contracts if existing vendors should choose to leave the project during an extended suspension; and
  - i. Any other costs not listed above that PG&E believes should be included.

Provide a written explanation of each of the above costs and how they are calculated. Provide the calculations in an Excel spreadsheet.
3. Please provide a list of all vendor contracts specifying: (a) The name of the contractor, (2) What the contract covers, and (3) Whether or not there are suspension or labor escalation costs built into the contract.

4. Provide excerpts from contract language specifying the costs incurred owing to suspending the project that are used in the calculations for Question #2 above.

**ANSWER 1**

***This Data Request and its attachment contain confidential information and is being submitted under CPUC Code Section 583.***

As PG&E discussed with DRA on May 10, 2010 and on June 1, 2010, PG&E is responding to this request in two parts. This partial response provides an update to the lost benefits model prepared by Mr. Lechner in the SmartMeter™ Program Upgrade (SMU) proceeding, which was previously provided to DRA in PG&E's response to DRA Data Request No. 20 in the SMU proceeding. This model quantified the loss of operational and demand response benefits to PG&E's customers under several short term SmartMeter™ Program suspension scenarios.

PG&E is currently calculating the estimated costs for the above suspension scenarios, as requested in Item 2 above and will provide this information to DRA in a supplemental response to this data request.

**Background**

On July 29, 2008, PG&E provided DRA Mr. Lechner's electronic model detailing the estimated loss of benefits that would result if PG&E suspended the AMI deployment (for 3, 4, and 6 months) until a commercially viable HAN device was available. Using this model as a template, PG&E has estimated the lost operational and demand response/energy conservation benefits to customers under three hypothetical program suspension scenarios (3-month, 6-month, and 9-month suspension), starting June 1, 2010.

**Assumptions**

PG&E's assumptions regarding these calculations are summarized below.

- The suspension would begin June 1, 2010.
- PG&E implements a full suspension of electric and gas SmartMeters™ (i.e., no additional meter deployment during suspension period).
- The suspension does not ultimately result in the complete termination of the SmartMeter program, and SmartMeter™ deployment can resume after the suspension is over. Based on this assumption, PG&E will continue to acquire and take delivery of SmartMeter™ equipment during the suspension period, in order to avoid risks to its supply chain that may hinder its ability to deploy SmartMeters™ once the suspension concludes.

- During the suspension, PG&E's third-party installation vendor will not be able to fully hold on to its current workforce, and upon the conclusion of the suspension, the third-party installation vendor will have to rehire workers and train its new workforce. This will create a "ramp-up" timeframe until the third-party installation vendor can install SmartMeters™ at its present full-capacity rate. PG&E's specific work force assumptions for each suspension scenario are as follows:
  - A 3-month suspension will result in a 60% loss of labor workforce that will require rehiring and retraining;
  - A 6-month suspension will result in an 80% loss of labor workforce that will require rehiring and retraining;
  - A 9-month suspension will result in a 100% loss of labor workforce that will require rehiring and retraining; and
  - PG&E's installation vendor can train ■ installers per week (the vendor's current training rate).
- Electric meter operational benefits are set at \$1.9543 per meter per month (\$1.7722 per electric meter as approved by the Commission in D.06-07-027, plus the additional \$0.1821 per electric meter per month approved by the Commission in D.09-03-026).
- Gas meter operational benefits are set at \$1.036 per gas meter per month as approved by the Commission in D.06-07-027.
- Post-suspension deployment is based on PG&E's current installation schedule; as of May 2010 ("rev11").
- At a maximum capacity of 400 third-party installers, on average, 200,000 electric SmartMeters™ and 140,000 gas SmartMeters™ can be installed per month (consistent with schedule revision 11).
- Relative benefits are calculated through December 2028.
- In the SMU proceeding, Mr. Lechner's lost benefits model included an allowance for lost demand response benefits based on the estimated demand response amounts adopted by the Commission in D.06-07-027. In the SMU proceeding, the Commission adopted estimated amounts for additional demand response and energy conservation benefits in D.09-03-026 (resulting from the upgraded meters). For purposes of this data request response, PG&E has provided two scenarios to estimate lost benefits associated with demand response and energy conservation as defined below:
  - *Demand Response Scenario 1:* Consistent with Mr. Lechner's original model, PG&E has applied a demand response benefit value of 18% to the

original \$1.7722 per electric meter per month operational benefits adopted by the Commission in D.06-07-027. This is based on an assumed DR benefit of \$338MM (as adopted in D.06-07-027), as a percentage of the operating benefits per activated meter.

- *Demand Response Scenario 2:* PG&E applied a demand response benefit value of 45% to the full \$1.9543 per electric meter per month operational benefit amount. This is based on the assumed demand response benefit of \$338MM from D.06-07-027, plus the additional demand response and energy conservation benefit of \$615MM (adopted by the Commission in D.09-03-026) as a percentage of the operating benefits per activated meter.

## Results

Given the assumptions listed above, PG&E ran the following scenario models:

### Scenario 1

\$1.9543 per meter electric operational benefit

\$1.036 per meter gas operational benefit

\$0.319 per meter electric benefit for demand response (based on adopted amount in D.06-07-027)

### Scenario 2

\$1.9543 per meter electric operational benefit

\$1.036 per meter gas operational benefit

\$0.8794 per meter electric benefit for demand response and energy conservation (based on adopted amounts in D.06-07-027 and D.09-03-06)

Table 1 below summarizes the results of these 2 alternative model runs, which for the given suspension assumptions range approximately between \$25MM to \$87MM loss to customers. In addition, the attached Excel file contains further detail on calculations used to obtain these results: SM\_DRA\_01 and SM\_ED\_01-Attachment-01.xls

**Table 1**  
**Summary of the Relative Impact of Suspension on Benefits Realization**  
**(\$000)**

<b>Description</b>	<b>PVRR Benefit Impact of Suspension Scenario</b>	
	<b>DR Scenario 1</b>	<b>DR Scenario 2</b>
<b>No Suspension</b>	<b>Baseline</b>	<b>Baseline</b>
<b>3 Month Suspension</b>	<b>(25,487)</b>	<b>(30,521)</b>
<b>6 Month Suspension</b>	<b>(48,937)</b>	<b>(58,599)</b>
<b>9 Month Suspension</b>	<b>(72,815)</b>	<b>(87,187)</b>













Assumptions:
New Schedule Used
All Original Fibers - Charges per meter based
...
Electric: per meter based - 4.00¢ (NYS)

Table with columns for Month, Year, and various metrics (Monthly Suspension, Monthly Deployment - Electric, Cumulative Deployment - Electric, Grand Total, PWR Rate, Total Gross Benefit, Total PWR Benefit). Rows are grouped by month (Apr-2019, May-2019, Jun-2019, Jul-2019, Aug-2019, Sep-2019, Oct-2019, Nov-2019, Dec-2019) and then by year (2019, 2020, 2021, 2022).

PUBLIC HEARING

Account:
New Electrical Load
Add Original Usage - Estimate per meter benefit
Total Electric per meter benefit
Deduction for meter benefit
Deduction for meter benefit
Cost per month benefit

Table with columns for Month, Meter, and various cost/benefit values. Rows are grouped by month (e.g., 2 Month Suspension, 3 Month Suspension, 6 Month Suspension, 9 Month Suspension) and include sub-totals for Total PWR Benefit.

Account:
Monthly Suspension - Gas
Cumulative Displacement - Gas
Original Benefit
PWR Rate
Total PWR Benefit

Table with columns for Month, Meter, and various cost/benefit values. Rows are grouped by month (e.g., 2 Month Suspension, 3 Month Suspension, 6 Month Suspension, 9 Month Suspension) and include sub-totals for Total PWR Benefit.

Account:
Monthly Suspension - Gas
Cumulative Displacement - Gas
Original Benefit
PWR Rate
Total PWR Benefit

PUBLIC VERSION

Assumptions:
Rate (includes Load)
AMC Original Plan - Charges per meter benefit
...
Electricity per meter benefit (DC panel)

Table with columns for Month, Month-Year, and various cost/benefit metrics. Rows are grouped by month (Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec) and then by year (2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027). Each row contains multiple columns of numerical data representing different financial metrics.









PUBLIC FORUM

Accounting  
See Column Label  
AM Original Billing - Electric per meter based  
AM Original Billing - Gas per meter based  
AM Original Billing - Sewer per meter based  
AM Original Billing - Water per meter based  
Demand Response (Impact of ASST - 50%)  
Demand Response (Impact of ASST - 50%)  
Demand Response (Impact of ASST - 50%)  
Credits per meter benefit: DR

Table with columns for months (May 2016 to May 2019) and rows for various utility services (Electric, Gas, Sewer, Water) and their associated costs/benefits. Includes sub-sections for 'Electric', 'Gas', and 'Sewer' with detailed monthly breakdowns.





PUBLIC VENUE

Account:
Site:
AM Original / Amc - Electric per meter benefit
AM Original / Amc - Gas per meter benefit
Total Electric per meter benefit
Total Gas per meter benefit
Total Electric and Gas per meter benefit
Electric per meter benefit - 20K
Gas per meter benefit - 20K

Electric

Month Suspensions
Monthly Development - Electric
Cumulative Development - Electric
Grand Benefit
PVR Rate
Total PVR Benefit

Gas

Month Suspensions
Monthly Development - Gas
Cumulative Development - Gas
Grand Benefit
PVR Rate
Total PVR Benefit

Electric

Month Suspensions
Monthly Development - Electric
Cumulative Development - Electric
Grand Benefit
PVR Rate
Total PVR Benefit

Gas

Month Suspensions
Monthly Development - Gas
Cumulative Development - Gas
Grand Benefit
PVR Rate
Total PVR Benefit

Electric

Month Suspensions
Monthly Development - Electric
Cumulative Development - Electric
Grand Benefit
PVR Rate
Total PVR Benefit

Gas

Month Suspensions
Monthly Development - Gas
Cumulative Development - Gas
Grand Benefit
PVR Rate
Total PVR Benefit

Electric

Month Suspensions
Monthly Development - Electric
Cumulative Development - Electric
Grand Benefit
PVR Rate
Total PVR Benefit

Gas

Month Suspensions
Monthly Development - Gas
Cumulative Development - Gas
Grand Benefit
PVR Rate
Total PVR Benefit

Electric

Month Suspensions
Monthly Development - Electric
Cumulative Development - Electric
Grand Benefit
PVR Rate
Total PVR Benefit

Gas

Month Suspensions
Monthly Development - Gas
Cumulative Development - Gas
Grand Benefit
PVR Rate
Total PVR Benefit

Table with columns for month/year (e.g., Feb-2025) and values for Electric and Gas metrics.

Table with columns for month/year (e.g., Feb-2025) and values for Electric and Gas metrics.

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Table with columns for month/year (e.g., Feb-2025) and values for Electric and Gas metrics.



**EXHIBIT B**

**PUBLIC/REDACTED VERSION**

**PACIFIC GAS AND ELECTRIC COMPANY'S JUNE 23, 2010  
RESPONSE TO DIVISION OF RATEPAYER ADVOCATES  
DATA REQUEST**

PG&E Data Request No.:	SM_DRA_01/SM_ED_01		
PG&E File Name:	SM_DRA_01 and SM_ED_01_Supplemental-01		
Request Date:	April 30, 2010	Requester DR No.:	DRA-012/ED-XX
Date Sent:	June 23, 2010	Requesting Party:	DRA
		Requester:	Mr. Chris Danforth

**SUBJECT: COST OF A MORATORIUM ON THE SMART METER DEPLOYMENT**

**QUESTION 1**

Attachment A (*not included*) contains excerpts from the rebuttal testimony of Stephen Lechner in PG&E's Smart Meter Upgrade proceeding. It discusses various costs and types of penalties associated with suspending the Smart Meter deployment. The following questions are based on that testimony.

1. Please separately quantify, as best as PG&E is able, all the costs associated with suspending the AMI deployment for each of the following scenarios: (a) Three- month moratorium, (b) Six-month moratorium, and (c) Nine-month moratorium.
2. For each scenario in Question #1, please separately itemize the following costs:
  - a. For each vendor contract, the suspension costs that PG&E is contractually obligated to pay for delaying the installation;
  - b. The costs of suspending the PG&E project management office operations;
  - c. Possible loss of personnel knowledgeable about the project;
  - d. The costs related to suspending and re-starting the equipment supply chain;
  - e. The costs for contractor re-mobilization and ramping up deployment;
  - f. Vendor inefficiency costs resulting from starting and stopping work;
  - g. Costs for renegotiating existing vendor contracts, if necessary;
  - h. Costs for identifying new vendors and negotiating new contracts if existing vendors should choose to leave the project during an extended suspension; and
  - i. Any other costs not listed above that PG&E believes should be included.

Provide a written explanation of each of the above costs and how they are calculated. Provide the calculations in an Excel spreadsheet.

## PUBLIC VERSION

3. Please provide a list of all vendor contracts specifying: (a) The name of the contractor, (2) What the contract covers, and (3) Whether or not there are suspension or labor escalation costs built into the contract.
4. Provide excerpts from contract language specifying the costs incurred owing to suspending the project that are used in the calculations for Question #2 above.

## ANSWER

***This Data Request and its attachments contain confidential information and is being submitted under CPUC Code Section 583.***

As PG&E discussed with DRA on May 10, 2010 and on June 1, 2010, PG&E is responding to this request in two parts. Part one, submitted on June 9, 2010, provided an update to the lost benefits model prepared by Mr. Lechner in the SmartMeter™ Program Upgrade (SMU) proceeding. This response is part two, which estimates the costs for the above suspension scenarios, as requested in Item 2 above and is being submitted as a supplemental response: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01

### Introduction

The suspension of a major capital program like PG&E's SmartMeter™ Program is an extremely complex and expensive endeavor. Moreover, such a suspension can be adversely affected by numerous variables that would only be known as the hypothetical suspension progressed. For example, while PG&E can estimate the amount a contractor may be entitled to under the terms of its existing contract, such contract terms inherently assume reasonable performance parameters that may change under a prolonged suspension scenario, leading to contract renegotiations, additional costs and/or disputes. Additionally, DRA's scenarios reflect a "duration-certain" suspension. In a real-life suspension, such certainty does not exist, which typically leads to ongoing performance uncertainty, program and operational inefficiencies, reductions in employee morale or high turn-over, and/or the need to consider new information or technology developments, which could lead to program modifications and substantial cost overruns on program re-start.

In a real-life program suspension, some of the greatest risks relate to prolonged program delays (i.e., program delays resulting from a suspension will often significantly exceed the period of suspension) and/or scope modifications at the time of program re-start. The longer a program is suspended or delayed, the greater the cost of the suspension - both in additional costs and, in the case of the SmartMeter™ Program, lost benefits.

Furthermore, a program suspension introduces a number of "non-quantifiable" risks that would likely have an adverse affect on the SmartMeter™ Program upon re-start from a qualitative perspective. For example, the current Program Management Office (PMO) team and contractors have been working on the SmartMeter™ Program for several years and are familiar with the program control tools and procedures and understand



the dynamics of this complex program. During a program suspension, it is likely PG&E will lose some of its experienced PMO team and contractor management personnel. Upon re-start, the program management team will need to re-establish its processes and procedures and go through a new "learning curve" to get back to the level of quality performance the team is currently operating at considering the experience of the current PMO team and the maturity of the program. This situation would likely lead to additional program inefficiencies, risks and issues that naturally arise during the early phases of a complex capital program.

### **General Assumptions for Estimated Costs**

For purposes of responding to this data request, PG&E has developed a series of simplifying assumptions to allow a mathematical calculation of estimated suspension costs under the three fixed scenarios set out by DRA. PG&E's assumptions regarding these calculations are summarized below.

1. The 3, 6 or 9 month suspension would begin June 1, 2010.
2. PG&E implements a full suspension of electric and gas SmartMeters™ (i.e., no additional meter deployment during suspension period).
3. The suspension does not ultimately result in the complete termination of the SmartMeter program, and SmartMeter™ deployment can resume after the suspension is over.
4. PG&E will continue its IT spend on the SmartMeter™ project to implement SmartMeter™ functionality that allows PG&E to realize benefits as laid out in the original AMI filing.
5. The program suspension does not result in any program scope modifications.

The above general assumptions along with the additional detailed assumptions articulated in the following responses to this data request are subject to significant uncertainty and will be different in the event of an actual moratorium or program suspension due to contractual and other risk factors. At this time, it is not feasible to develop a comprehensive analysis and quantification of potential program delays, scope modifications, inefficiencies and/or program quality or performance risks that would likely result from a program suspension. Thus, for purposes of this data request response, PG&E has included limited, simplifying assumptions based on DRA's "duration-certain" suspension scenarios.

### **Responses**

1. Please separately quantify, as best as PG&E is able, all the costs associated with suspending the AMI deployment for each of the following scenarios: (a)

Three- month moratorium, (b) Six-month moratorium, and (c) Nine-month moratorium.

Table 1 below summarizes the additional overall costs of a 3, 6 and 9-month moratorium. There are two potential scenarios that determine the overall costs.

Scenario 1

Employees from the [REDACTED] workforce, PG&E's third-party SmartMeter™ meter/module installer, are retained on the project and asked to remain idle until the moratorium ends.

Scenario 2

Employees from the [REDACTED] workforce, PG&E's third-party SmartMeter™ meter/module installer, are either dismissed or allocated to a different [REDACTED] project.

**Table 1**  
**Summary of Impact of Suspension on Project Costs**  
**(\$000)**

Cost	Scenario 1			Scenario 2		
	3-month Suspension	6-month Suspension	9-month Suspension	3-month Suspension	6-month Suspension	9-month Suspension
[REDACTED]						
Daily Labor Reimbursement	[REDACTED]	[REDACTED]	[REDACTED]	-	-	-
Training/Recruiting Fees	-	-	-	[REDACTED]	[REDACTED]	[REDACTED]
Monthly Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Extended PMO Operations	11,891	23,783	35,674	11,891	23,783	35,674
Storage needs for Procurement Purchases	728	1,451	2,162	728	1,451	2,162
Re-mobilization and Ramp-up						
Monthly Fees	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Network Installation						
[REDACTED]						
Contract Negotiation	94	94	94	94	94	94
[REDACTED]						
<b>TOTAL</b>	<b>29,788</b>	<b>58,458</b>	<b>87,530</b>	<b>16,970</b>	<b>32,458</b>	<b>47,948</b>

2. For each scenario in Question #1, please separately itemize the following costs:
  - a. For each vendor contract, the suspension costs that PG&E is contractually obligated to pay for delaying the installation;

[REDACTED] is PG&E's third-party SmartMeter™ meter/module installation vendor. In the event of a moratorium, depending on the course of action taken, PG&E may be obligated to pay for either (1) Labor Reimbursement costs for standing down and retaining the current [REDACTED] workforce or (2) Employee Recruiting/Training fees for standing down and allowing the release of the [REDACTED] workforce. [REDACTED]

[REDACTED] this analysis assumes PG&E pays a separate monthly fee during the moratorium. This is a monthly fee that PG&E

currently pays and it is assumed for this analysis that it will continue to be paid during a suspension of work.

In scenario (1) [REDACTED] employees are retained on the project and asked to remain idle until the moratorium ends. [REDACTED] this analysis assumes PG&E is contractually obligated to pay daily labor costs for each employee. The type of employee determines the daily labor rate. [REDACTED]

**Assumptions**

Listed below are key assumptions made in calculating the costs for scenario (1) - payment of Labor Reimbursement costs:

- i. [REDACTED] Employees are retained on the project and are asked to stand-down and remain idle indefinitely
- ii. 1 month = 20 labor days

**Costs**

The table below summarizes the Total costs of a 3, 6 or 9 month suspension for:

Scenario (1): Daily reimbursement of direct labor + Monthly fee costs

The detailed calculations behind the Total costs can be found in the attached Excel file: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-01.xls

Length of Suspension	Total Costs
3-months	\$ [REDACTED]
6-months	\$ [REDACTED]
9-months	\$ [REDACTED]

In scenario (2) [REDACTED] employees are not retained on the project. They are either dismissed or allocated to a different [REDACTED] project. In this case, it is assumed for purpose of analysis that PG&E is contractually obligated to pay for a Recruiting/Training fee for each employee when work resumes. The type of employee determines the Recruiting/Training fee. [REDACTED]

**Assumptions**

Suspending the program will likely result in a loss of contractor labor workforce. Below are key assumptions made in calculating the costs for scenario (2) - payment of Employee Recruiting/Training fees:

- i. A 3-month suspension will result in a 60% loss of labor workforce that will require rehiring and retraining.
- ii. A 6-month suspension will result in an 80% loss of labor workforce that will require rehiring and retraining.
- iii. A 9-month suspension will result in a 100% loss of labor workforce that will require rehiring and retraining.

**Costs**

The table below summarizes the Total costs of a 3, 6 or 9 month suspension for:

Scenario (2): Payment of Training/Recruiting fees + Monthly fee costs

The detailed calculations behind the Total costs can be found in the attached Excel file: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-02.xls

Length of Suspension	Total Costs
3-months	\$ [REDACTED]
6-months	\$ [REDACTED]
9-months	\$ [REDACTED]

- b. The costs of suspending the PG&E project management office operations;

As mentioned in general assumption #3 above, the suspension does not ultimately result in the complete termination of the SmartMeter program. During suspension, the AMI project management office would still need to be operational to oversee AMI processes outside of meter installation and activation (i.e., technology monitoring, risk reporting, customer outreach, vendor management, IT project Mgmt, etc.).

A moratorium on meter installation and activation however, would extend the anticipated duration of PMO operations. In current operations, the AMI PMO is expected to run through 2012. Any suspension of meter deployment would result in the PMO having to remain operational post-2012.

Suspending the program will extend the period of PMO operations, both for the assumed period of suspension and for subsequent program delays as a consequence of the program suspension.

**Assumptions**

Listed below are key assumptions made in calculating the costs of having to extend PMO operations:

- i. There is the risk that should PMO personnel be released from the project during the moratorium, the program may not be able to re-acquire those released after the moratorium passes. To mitigate this risk, all PMO personnel will be retained and budgeted labor spend will remain the same for the large majority of costs during moratorium and ramp-up.
- ii. Certain customer service and change management costs will not be eliminated but will be reduced by approximately 50% during moratorium and ramp-up.
- iii. Due to ramp-up after the moratorium period, a 3-month moratorium will extend the deployment schedule by an additional month, resulting in 4 months of additional PMO costs.
- iv. Due to ramp-up after the moratorium period, a 6-month moratorium will extend the deployment schedule by an additional 2 months, resulting in 8 months of additional PMO costs.
- v. Due to ramp-up after the moratorium period, a 9-month moratorium will extend the deployment schedule by an additional 3 months, resulting in 12 months of additional PMO costs.
- vi. The present value discount on future year PMO labor costs will offset any escalation of future year PMO labor costs.

**Costs**

The table below summarizes the total additional PMO costs resulting from a 3, 6 or 9 month moratorium. The detailed calculations behind the Total costs can be found in the attached Excel file: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-03.xls

Length of Suspension	Total Additional PMO Costs
3-months	\$ 11,891,333
6-months	\$ 23,782,667
9-months	\$ 35,674,000

- c. Possible loss of personnel knowledgeable about the project;

Per responses to question (2a) and (2b), only the loss of [REDACTED] contractors would result in additional costs. PMO personnel are assumed to be retained through the moratorium.

See response under item (2a). The costs from the loss of [REDACTED] contractors are the same as those in Scenario (2): Payment of Training/Recruiting fees + Monthly fee costs.

- d. The costs related to suspending and re-starting the equipment supply chain;

In an event of a Smart Meter deployment suspension, this analysis assumes PG&E would not suspend its procurement purchases for the SmartMeter program. As such, PG&E would incur storage costs for its procurement purchases during the deployment suspension.

**Assumptions**

Below is a key assumption made in calculating PG&E's storage costs for its procured equipment:

- i. This analysis assumes that PG&E will continue to acquire and take delivery of SmartMeter™ equipment during the suspension period in order to mitigate the various risks that would arise from interrupting the product supply chain and the [REDACTED] lead time that the equipment vendors require to fulfill equipment orders. [REDACTED]

**Costs**

The table below summarizes the total storage costs for procurement purchases resulting from a 3, 6 or 9 month moratorium. The detailed calculations behind the Total costs can be found in the attached Excel file: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-04.xls

Length of Suspension	Total Storage Costs
3-months	\$ 728,164
6-months	\$ 1,450,700
9-months	\$ 2,161,649

- e. The costs for contractor re-mobilization and ramping up deployment;

Suspending the work of [REDACTED] contractors would result in re-mobilization and ramp-up costs. Similar to the response to question (2a) above, ramp-up costs will depend on the course of action taken: either (1) Retain the current [REDACTED] workforce costs for standing down or (2) Allow the release of the [REDACTED] workforce.

Under the second scenario, program suspension will likely result in the loss of a portion or all of the installation contractor's workforce and will necessitate a period of time to rehire and retrain contractor workers. Under either scenario, program suspension will also have an adverse impact on the installation contractor's efficiency rate upon re-start of the program.

**Assumptions for Scenario 1**

Listed below are key assumptions made in calculating the re-mobilization and ramp-up costs for Scenario (1) Retain the current [REDACTED] workforce.

- i. The [REDACTED] workforce will take 1 month to get back to the same efficiency rate at which it was working prior to suspension of work

**Costs for Scenario 1**

The table below summarizes the Total ramp-up costs of a 3, 6 or 9 month suspension for Scenario (1): Retain the current [REDACTED] workforce

The detailed calculations behind the Total costs can be found in the attached Excel file: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-05.xls

Length of Suspension	Total Costs
3/6/9-months	\$ [REDACTED]

**Assumptions for Scenario 2**

Listed below are key assumptions made in calculating the re-mobilization and ramp-up costs for Scenario (2) Allow the release of the [REDACTED] workforce:

- i. A 3-month moratorium will extend the deployment schedule by an additional month due to ramp up.
- ii. A 6-month moratorium will extend the deployment schedule by an additional 2 months due to ramp up.
- iii. A 9-month moratorium will extend the deployment schedule by an additional 3 months due to ramp up.

**Costs for Scenario 2**

The table below summarizes the Total ramp-up costs of a 3, 6 or 9 month suspension for Scenario (2): Allow the release of the [REDACTED] workforce.

The detailed calculations behind the Total costs can be found in the attached Excel file: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-06.xls

Length of Suspension	Total Costs
3-months	\$ [REDACTED]
6-months	\$ [REDACTED]
9-months	\$ [REDACTED]



- f. Vendor inefficiency costs resulting from starting and stopping work;

See response under item (2e). Under this analysis, the vendor inefficiency costs from suspending the work of [REDACTED] contractors are assumed to be the same as the ramp-up costs under item (2e)

- g. Costs for renegotiating existing vendor contracts, if necessary;

Based on assumptions listed in this response, PG&E assumes a suspension of SmartMeter deployment would not necessitate the renegotiation of existing vendor contracts.

- h. Costs for [REDACTED] and negotiating new contracts if existing vendors should choose to leave the project during an extended suspension; and

[REDACTED]

**Assumptions**

Listed below are key assumptions made in calculating the competitive bid process and increased service costs:

- i. [REDACTED]
- ii. PG&E completes a 12 week "competitive bidding process" to [REDACTED] and negotiate a new contract.
- iii. The rates on the new vendor contract will be [REDACTED] higher than what was originally negotiated [REDACTED]

**Costs**

The detailed calculations behind the Total costs can be found in the attached Excel file: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-07.xls

Length of Suspension	Total Costs
3/6/9-months	\$ [REDACTED]

- i. Any other costs not listed above that PG&E believes should be included.

No additional costs have been identified as part of the analysis above. However, please refer to the "Introduction" and "General Assumptions for Estimated Costs" sections of this response for a discussion of uncertainties and unquantifiable costs in the event of a real suspension.

3. Please provide a list of all vendor contracts specifying: (a) The name of the contractor, (2) What the contract covers, and (3) Whether or not there are suspension or labor escalation costs built into the contract.

The list of all vendor contracts can be found in the attached Excel file:  
SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-08.xls

4. Provide excerpts from contract language specifying the costs incurred owing to suspending the project that are used in the calculations for Question #2 above.

Please see attached Excel file: SM\_DRA\_01 and SM\_ED\_01\_Supplemental-01-Attachment-08.xls

Daily Reimbursement of Labor + Monthly Fees

Employee Type	Count
[REDACTED]	376
[REDACTED]	24
Assumptions	
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
2) 1 month = 20 labor days	

3-month suspension	[REDACTED]	[REDACTED]	Labor Days	Total	
	376	[REDACTED]	80	[REDACTED]	
	[REDACTED]	[REDACTED]	Labor Days	Total	
	24	[REDACTED]	80	[REDACTED]	
	Total Reimbursement of Labor				[REDACTED]
	Months	2010 Monthly Fee	Total Monthly Fees		
	3	[REDACTED]	[REDACTED]		
Grand Total:				[REDACTED]	

6-month suspension	[REDACTED]	[REDACTED]	Labor Days	Total	
	376	[REDACTED]	120	[REDACTED]	
	[REDACTED]	[REDACTED]	Labor Days	Total	
	24	[REDACTED]	120	[REDACTED]	
	Total Reimbursement of Labor				\$28,689,601
	Months	2010 Monthly Fee	Total Monthly Fees		
	6	[REDACTED]	[REDACTED]		
Grand Total:				[REDACTED]	

9-month suspension	[REDACTED]	[REDACTED]	Labor Days	Total	
	376	[REDACTED]	140	[REDACTED]	
	[REDACTED]	[REDACTED]	Labor Days	Total	
	24	[REDACTED]	140	[REDACTED]	
	[REDACTED]	[REDACTED]	Labor Days	Total	
	376	[REDACTED]	40	[REDACTED]	
	[REDACTED]	[REDACTED]	Labor Days	Total	
	24	[REDACTED]	40	[REDACTED]	
	Total Reimbursement of Labor				[REDACTED]
	Months	2010 Monthly Fee	Total Monthly Fees		
	7	[REDACTED]	[REDACTED]		
Months	2011 Monthly Fee	Total Monthly Fees			
2	[REDACTED]	[REDACTED]			
Grand Total:				[REDACTED]	

**Recruiting/Training Costs + Monthly Fees**

**Assumption # 1**

Employee Type	Count
[REDACTED]	376
[REDACTED]	24
<b>Total</b>	<b>400</b>

**Assumption # 2**

	400	# of returners
[REDACTED]	40%	160
[REDACTED]	20%	80
[REDACTED]	0%	0

**Assumption # 3**

		Rehires
[REDACTED]	60%	240
[REDACTED]	80%	320
[REDACTED]	100%	400

3-month suspension	[REDACTED]	[REDACTED]	Total	
	226	[REDACTED]	[REDACTED]	
	[REDACTED]	[REDACTED]	Total	
	14	[REDACTED]	[REDACTED]	
	Total Recruiting/Training Fees			[REDACTED]
	Months	Monthly Fee	Total Monthly Fees	
	3	[REDACTED]	[REDACTED]	
Grand Total			[REDACTED]	

6-month suspension	[REDACTED]	[REDACTED]	Total	
	301	[REDACTED]	[REDACTED]	
	[REDACTED]	[REDACTED]	Total	
	19	[REDACTED]	[REDACTED]	
	Total Recruiting/Training Fees			[REDACTED]
	Months	Monthly Fee	Total Monthly Fees	
	6	[REDACTED]	[REDACTED]	
Grand Total			[REDACTED]	

9-month suspension	[REDACTED]	[REDACTED]	Total	
	376	[REDACTED]	[REDACTED]	
	[REDACTED]	[REDACTED]	Total	
	24	[REDACTED]	[REDACTED]	
	Total Recruiting/Training Fees			[REDACTED]
	Months	2010 Monthly Fee	Total Monthly Fees	
	7	[REDACTED]	[REDACTED]	
Months	2011 Monthly Fee	Total Monthly Fees		
2	[REDACTED]	[REDACTED]		
Grand Total			[REDACTED]	

PUBLIC VERSION

PMO Costs

Summary - PMO Costs	
Total PMO Costs - Current State	\$48,221,000
Total PMO Costs - 3 month Suspension	\$60,112,333
Total PMO Costs - 6 month Suspension	\$72,003,667
Total PMO Costs - 9 month Suspension	\$83,895,000
Difference in PMO Costs btwn Current State and 3 month Suspension	\$11,891,333
Difference in PMO Costs btwn Current State and 6 month Suspension	\$23,782,667
Difference in PMO Costs btwn Current State and 9 month Suspension	\$35,674,000

PUBLIC VERSION

PMO Costs

Current State - PMO budgeted costs	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	Jan-2011	Feb-2011	Mar-2011
Director's PMO PG&E labor Capital	160,750	160,750	160,750	160,750	160,750	160,750	160,750	145,667	145,667	145,667
Director's PMO PG&E labor Expense	19,500	19,500	19,500	19,500	19,500	19,500	19,500	-	-	-
Directors office Consulting - Cap	378,167	378,167	378,167	378,167	378,167	378,167	378,167	114,917	114,917	114,917
Director's Office Consulting-Exp	242,500	242,500	242,500	242,500	242,500	242,500	242,500	104,000	104,000	104,000
Director's Office Misc - Expense	167	167	167	167	167	167	167	-	-	-
Business Planning - PG&E Staff	59,500	59,500	59,500	59,500	59,500	59,500	59,500	58,750	58,750	58,750
Special Projects	37,417	37,417	37,417	37,417	37,417	37,417	37,417	-	-	-
PMO - Read2Bill Processes	190,667	190,667	190,667	190,667	190,667	190,667	190,667	-	-	-
PwC QA Reg Reporting	19,583	19,583	19,583	19,583	19,583	19,583	19,583	-	-	-
Field Delivery - Office Mgmt	54,417	54,417	54,417	54,417	54,417	54,417	54,417	47,250	47,250	47,250
Field Delivery - Strategic Relationships Labor	182,917	182,917	182,917	182,917	182,917	182,917	182,917	158,750	158,750	158,750
Field Delivery - Strategic Planning Labor	290,583	290,583	290,583	290,583	290,583	290,583	290,583	185,417	185,417	185,417
Field Delivery - Benefits Realization	105,833	105,833	105,833	105,833	105,833	105,833	105,833	111,333	111,333	111,333
Field Delivery - Engineering Solutions Labor	474,250	474,250	474,250	474,250	474,250	474,250	474,250	123,417	123,417	123,417
Engineering	385,667	385,667	385,667	385,667	385,667	385,667	385,667	-	-	-
Engineering QA - QC Capital	15,000	15,000	15,000	15,000	15,000	15,000	15,000	-	-	-
Field Delivery Office Misc - Expense	20,250	20,250	20,250	20,250	20,250	20,250	20,250	-	-	-
Field Delivery - Office Misc - Capital	17,500	17,500	17,500	17,500	17,500	17,500	17,500	-	-	-
Customer - Communications Mgmt	117,000	117,000	117,000	117,000	117,000	117,000	117,000	62,500	62,500	62,500
Customer - Impact Staff	87,750	87,750	87,750	87,750	87,750	87,750	87,750	105,750	105,750	105,750
Customer - Service and Sales	167,250	167,250	167,250	167,250	167,250	167,250	167,250	127,500	127,500	127,500
Change Management - PG&E Labor	264,333	264,333	264,333	264,333	264,333	264,333	264,333	155,333	155,333	155,333
<b>Total Monthly PMO Costs</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>
<b>Total PMO Costs</b>	<b>\$ 48,221,000</b>									

3 Month Suspension - PMO budgeted costs	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	Jan-2011	Feb-2011	Mar-2011
Director's PMO PG&E labor Capital	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750
Director's PMO PG&E labor Expense	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Directors office Consulting - Cap	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167
Director's Office Consulting-Exp	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500
Director's Office Misc - Expense	167	167	167	167	167	167	167	167	167	167
Business Planning - PG&E Staff	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Special Projects	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417

**PUBLIC VERSION**

PMO - Read2Bill Processes	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667
PwC QA Reg Reporting	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583
Field Delivery - Office Mgmt	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417
Field Delivery - Strategic Relationships Labor	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917
Field Delivery - Strategic Planning Labor	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583
Field Delivery - Benefits Realization	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833
Field Delivery - Engineering Solutions Labor	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250
Engineering	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667
Engineering QA - QC Capital	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Field Delivery Office Misc - Expense	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250
Field Delivery - Office Misc - Capital	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Customer - Communications Mgmt	58,500	58,500	58,500	58,500	117,000	117,000	117,000	117,000	117,000	117,000	117,000
Customer - Impact Staff	43,875	43,875	43,875	43,875	87,750	87,750	87,750	87,750	87,750	87,750	87,750
Customer - Service and Sales	83,625	83,625	83,625	83,625	167,250	167,250	167,250	167,250	167,250	167,250	167,250
Change Management - PG&E Labor	132,167	132,167	132,167	132,167	264,333	264,333	264,333	264,333	264,333	264,333	264,333
<b>Total Monthly PMO Costs</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>
<b>Total PMO Costs</b>	<b>\$ 60,112,333</b>										

<b>6 Month Suspension - PMO budgeted costs</b>	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	Jan-2011	Feb-2011	Mar-2011
Director's PMO PG&E labor Capital	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750
Director's PMO PG&E labor Expense	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Directors office Consulting - Cap	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167
Director's Office Consulting-Exp	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500
Director's Office Misc - Expense	167	167	167	167	167	167	167	167	167	167
Business Planning - PG&E Staff	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Special Projects	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417
PMO - Read2Bill Processes	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667
PwC QA Reg Reporting	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583
Field Delivery - Office Mgmt	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417
Field Delivery - Strategic Relationships Labor	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917
Field Delivery - Strategic Planning Labor	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583
Field Delivery - Benefits Realization	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833
Field Delivery - Engineering Solutions Labor	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250
Engineering	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667
Engineering QA - QC Capital	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Field Delivery Office Misc - Expense	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250
Field Delivery - Office Misc - Capital	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Customer - Communications Mgmt	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	117,000	117,000
Customer - Impact Staff	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	87,750	87,750

**PUBLIC VERSION**

Customer - Service and Sales	83,625	83,625	83,625	83,625	83,625	83,625	83,625	83,625	83,625	167,250	167,250
Change Management - PG&E Labor	132,167	132,167	132,167	132,167	132,167	132,167	132,167	132,167	132,167	264,333	264,333
<b>Total Monthly PMO Costs</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>
<b>Total PMO Costs</b>	<b>\$ 72,003,667</b>										

<b>9 Month Suspension - PMO budgeted costs</b>	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	Jan-2011	Feb-2011	Mar-2011	
Director's PMO PG&E labor Capital	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	
Director's PMO PG&E labor Expense	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	
Directors office Consulting - Cap	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	
Director's Office Consulting-Exp	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	
Director's Office Misc - Expense	167	167	167	167	167	167	167	167	167	167	
Business Planning - PG&E Staff	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	
Special Projects	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	
PMO - Read2Bill Processes	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	
PwC QA Reg Reporting	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	
Field Delivery - Office Mgmt	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	
Field Delivery - Strategic Relationships Labor	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	
Field Delivery - Strategic Planning Labor	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	
Field Delivery - Benefits Realization	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	
Field Delivery - Engineering Solutions Labor	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	
Engineering	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	
Engineering QA - QC Capital	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Field Delivery Office Misc - Expense	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	
Field Delivery - Office Misc - Capital	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	
Customer - Communications Mgmt	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	
Customer - Impact Staff	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	43,875	
Customer - Service and Sales	83,625	83,625	83,625	83,625	83,625	83,625	83,625	83,625	83,625	83,625	
Change Management - PG&E Labor	132,167	132,167	132,167	132,167	132,167	132,167	132,167	132,167	132,167	132,167	
<b>Total Monthly PMO Costs</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	
<b>Total PMO Costs</b>	<b>\$ 83,895,000</b>										



**PUBLIC VERSION**

**PMO Costs**

<b>Current State - PMO budgeted costs</b>	Apr-2011	May-2011	Jun-2011	Jul-2011	Aug-2011	Sep-2011	Oct-2011	Nov-2011	Dec-2011	Jan-2012	Feb-2012
Director's PMO PG&E labor Capital	145,667	145,667	145,667	145,667	145,667	145,667	145,667	145,667	145,667	73,000	73,000
Director's PMO PG&E labor Expense	-	-	-	-	-	-	-	-	-	-	-
Directors office Consulting - Cap	114,917	114,917	114,917	114,917	114,917	114,917	114,917	114,917	114,917	57,417	57,417
Director's Office Consulting-Exp	104,000	104,000	104,000	104,000	104,000	104,000	104,000	104,000	104,000	38,750	38,750
Director's Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Business Planning - PG&E Staff	58,750	58,750	58,750	58,750	58,750	58,750	58,750	58,750	58,750	29,417	29,417
Special Projects	-	-	-	-	-	-	-	-	-	-	-
PMO - Read2Bill Processes	-	-	-	-	-	-	-	-	-	-	-
PwC QA Reg Reporting	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Mgmt	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	23,667	23,667
Field Delivery - Strategic Relationships Labor	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	-	-
Field Delivery - Strategic Planning Labor	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417	82,917	82,917
Field Delivery - Benefits Realization	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333	68,250	68,250
Field Delivery - Engineering Solutions Labor	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417	45,667	45,667
Engineering	-	-	-	-	-	-	-	-	-	-	-
Engineering QA - QC Capital	-	-	-	-	-	-	-	-	-	-	-
Field Delivery Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Misc - Capital	-	-	-	-	-	-	-	-	-	-	-
Customer - Communications Mgmt	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	25,000	25,000
Customer - Impact Staff	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	52,917	52,917
Customer - Service and Sales	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	64,583	64,583
Change Management - PG&E Labor	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	36,500	36,500
<b>Total Monthly PMO Costs</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>

**Total PMO Costs**

<b>3 Month Suspension - PMO budgeted costs</b>	Apr-2011	May-2011	Jun-2011	Jul-2011	Aug-2011	Sep-2011	Oct-2011	Nov-2011	Dec-2011	Jan-2012	Feb-2012
Director's PMO PG&E labor Capital	160,750	145,667	145,667	145,667	145,667	145,667	145,667	145,667	145,667	145,667	145,667
Director's PMO PG&E labor Expense	19,500	-	-	-	-	-	-	-	-	-	-
Directors office Consulting - Cap	378,167	114,917	114,917	114,917	114,917	114,917	114,917	114,917	114,917	114,917	114,917
Director's Office Consulting-Exp	242,500	104,000	104,000	104,000	104,000	104,000	104,000	104,000	104,000	104,000	104,000
Director's Office Misc - Expense	167	-	-	-	-	-	-	-	-	-	-
Business Planning - PG&E Staff	59,500	58,750	58,750	58,750	58,750	58,750	58,750	58,750	58,750	58,750	58,750
Special Projects	37,417	-	-	-	-	-	-	-	-	-	-

**PUBLIC VERSION**

PMO - Read2Bill Processes	190,667	-	-	-	-	-	-	-	-	-	-	-
PwC QA Reg Reporting	19,583	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Mgmt	54,417	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250
Field Delivery - Strategic Relationships Labor	182,917	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750
Field Delivery - Strategic Planning Labor	290,583	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417
Field Delivery - Benefits Realization	105,833	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333
Field Delivery - Engineering Solutions Labor	474,250	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417
Engineering	385,667	-	-	-	-	-	-	-	-	-	-	-
Engineering QA - QC Capital	15,000	-	-	-	-	-	-	-	-	-	-	-
Field Delivery Office Misc - Expense	20,250	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Misc - Capital	17,500	-	-	-	-	-	-	-	-	-	-	-
Customer - Communications Mgmt	117,000	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500
Customer - Impact Staff	87,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750
Customer - Service and Sales	167,250	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500
Change Management - PG&E Labor	264,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333
<b>Total Monthly PMO Costs</b>	<b>\$ 3,291,000</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>

**Total PMO Costs**

<b>6 Month Suspension - PMO budgeted costs</b>	Apr-2011	May-2011	Jun-2011	Jul-2011	Aug-2011	Sep-2011	Oct-2011	Nov-2011	Dec-2011	Jan-2012	Feb-2012
Director's PMO PG&E labor Capital	160,750	160,750	160,750	160,750	160,750	145,667	145,667	145,667	145,667	145,667	145,667
Director's PMO PG&E labor Expense	19,500	19,500	19,500	19,500	19,500	-	-	-	-	-	-
Directors office Consulting - Cap	378,167	378,167	378,167	378,167	378,167	114,917	114,917	114,917	114,917	114,917	114,917
Director's Office Consulting-Exp	242,500	242,500	242,500	242,500	242,500	104,000	104,000	104,000	104,000	104,000	104,000
Director's Office Misc - Expense	167	167	167	167	167	-	-	-	-	-	-
Business Planning - PG&E Staff	59,500	59,500	59,500	59,500	59,500	58,750	58,750	58,750	58,750	58,750	58,750
Special Projects	37,417	37,417	37,417	37,417	37,417	-	-	-	-	-	-
PMO - Read2Bill Processes	190,667	190,667	190,667	190,667	190,667	-	-	-	-	-	-
PwC QA Reg Reporting	19,583	19,583	19,583	19,583	19,583	-	-	-	-	-	-
Field Delivery - Office Mgmt	54,417	54,417	54,417	54,417	54,417	47,250	47,250	47,250	47,250	47,250	47,250
Field Delivery - Strategic Relationships Labor	182,917	182,917	182,917	182,917	182,917	158,750	158,750	158,750	158,750	158,750	158,750
Field Delivery - Strategic Planning Labor	290,583	290,583	290,583	290,583	290,583	185,417	185,417	185,417	185,417	185,417	185,417
Field Delivery - Benefits Realization	105,833	105,833	105,833	105,833	105,833	111,333	111,333	111,333	111,333	111,333	111,333
Field Delivery - Engineering Solutions Labor	474,250	474,250	474,250	474,250	474,250	123,417	123,417	123,417	123,417	123,417	123,417
Engineering	385,667	385,667	385,667	385,667	385,667	-	-	-	-	-	-
Engineering QA - QC Capital	15,000	15,000	15,000	15,000	15,000	-	-	-	-	-	-
Field Delivery Office Misc - Expense	20,250	20,250	20,250	20,250	20,250	-	-	-	-	-	-
Field Delivery - Office Misc - Capital	17,500	17,500	17,500	17,500	17,500	-	-	-	-	-	-
Customer - Communications Mgmt	117,000	117,000	117,000	117,000	117,000	62,500	62,500	62,500	62,500	62,500	62,500
Customer - Impact Staff	87,750	87,750	87,750	87,750	87,750	105,750	105,750	105,750	105,750	105,750	105,750

**PUBLIC VERSION**

Customer - Service and Sales	167,250	167,250	167,250	167,250	167,250	127,500	127,500	127,500	127,500	127,500	127,500
Change Management - PG&E Labor	264,333	264,333	264,333	264,333	264,333	155,333	155,333	155,333	155,333	155,333	155,333
<b>Total Monthly PMO Costs</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>

**Total PMO Costs**

<b>9 Month Suspension - PMO budgeted costs</b>	Apr-2011	May-2011	Jun-2011	Jul-2011	Aug-2011	Sep-2011	Oct-2011	Nov-2011	Dec-2011	Jan-2012	Feb-2012
Director's PMO PG&E labor Capital	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	160,750	145,667	145,667
Director's PMO PG&E labor Expense	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	-	-
Directors office Consulting - Cap	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	378,167	114,917	114,917
Director's Office Consulting-Exp	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	242,500	104,000	104,000
Director's Office Misc - Expense	167	167	167	167	167	167	167	167	167	-	-
Business Planning - PG&E Staff	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	58,750	58,750
Special Projects	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	37,417	-	-
PMO - Read2Bill Processes	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	190,667	-	-
PwC QA Reg Reporting	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	19,583	-	-
Field Delivery - Office Mgmt	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	54,417	47,250	47,250
Field Delivery - Strategic Relationships Labor	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	182,917	158,750	158,750
Field Delivery - Strategic Planning Labor	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	290,583	185,417	185,417
Field Delivery - Benefits Realization	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	105,833	111,333	111,333
Field Delivery - Engineering Solutions Labor	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	474,250	123,417	123,417
Engineering	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	385,667	-	-
Engineering QA - QC Capital	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	-	-
Field Delivery Office Misc - Expense	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	20,250	-	-
Field Delivery - Office Misc - Capital	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	-	-
Customer - Communications Mgmt	58,500	58,500	117,000	117,000	117,000	117,000	117,000	117,000	117,000	62,500	62,500
Customer - Impact Staff	43,875	43,875	87,750	87,750	87,750	87,750	87,750	87,750	87,750	105,750	105,750
Customer - Service and Sales	83,625	83,625	167,250	167,250	167,250	167,250	167,250	167,250	167,250	127,500	127,500
Change Management - PG&E Labor	132,167	132,167	264,333	264,333	264,333	264,333	264,333	264,333	264,333	155,333	155,333
<b>Total Monthly PMO Costs</b>	<b>\$ 2,972,833</b>	<b>\$ 2,972,833</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 3,291,000</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>

**Total PMO Costs**

PUBLIC VERSION

PMO Costs

Current State - PMO budgeted costs	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	Jan-2013
Director's PMO PG&E labor Capital	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Director's PMO PG&E labor Expense	-	-	-	-	-	-	-	-	-	-	-
Directors office Consulting - Cap	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417
Director's Office Consulting-Exp	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750
Director's Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Business Planning - PG&E Staff	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417
Special Projects	-	-	-	-	-	-	-	-	-	-	-
PMO - Read2Bill Processes	-	-	-	-	-	-	-	-	-	-	-
PwC QA Reg Reporting	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Mgmt	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667
Field Delivery - Strategic Relationships Labor	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Strategic Planning Labor	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917
Field Delivery - Benefits Realization	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250
Field Delivery - Engineering Solutions Labor	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667
Engineering	-	-	-	-	-	-	-	-	-	-	-
Engineering QA - QC Capital	-	-	-	-	-	-	-	-	-	-	-
Field Delivery Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Misc - Capital	-	-	-	-	-	-	-	-	-	-	-
Customer - Communications Mgmt	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Customer - Impact Staff	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917
Customer - Service and Sales	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583
Change Management - PG&E Labor	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
<b>Total Monthly PMO Costs</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ -</b>

Total PMO Costs

3 Month Suspension - PMO budgeted costs	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	Jan-2013
Director's PMO PG&E labor Capital	145,667	145,667	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Director's PMO PG&E labor Expense	-	-	-	-	-	-	-	-	-	-	-
Directors office Consulting - Cap	114,917	114,917	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417
Director's Office Consulting-Exp	104,000	104,000	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750
Director's Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Business Planning - PG&E Staff	58,750	58,750	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417
Special Projects	-	-	-	-	-	-	-	-	-	-	-

**PUBLIC VERSION**

PMO - Read2Bill Processes	-	-	-	-	-	-	-	-	-	-	-
PwC QA Reg Reporting	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Mgmt	47,250	47,250	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667
Field Delivery - Strategic Relationships Labor	158,750	158,750	-	-	-	-	-	-	-	-	-
Field Delivery - Strategic Planning Labor	185,417	185,417	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917
Field Delivery - Benefits Realization	111,333	111,333	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250
Field Delivery - Engineering Solutions Labor	123,417	123,417	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667
Engineering	-	-	-	-	-	-	-	-	-	-	-
Engineering QA - QC Capital	-	-	-	-	-	-	-	-	-	-	-
Field Delivery Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Misc - Capital	-	-	-	-	-	-	-	-	-	-	-
Customer - Communications Mgmt	62,500	62,500	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Customer - Impact Staff	105,750	105,750	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917
Customer - Service and Sales	127,500	127,500	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583
Change Management - PG&E Labor	155,333	155,333	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
<b>Total Monthly PMO Costs</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>

**Total PMO Costs**

<b>6 Month Suspension - PMO budgeted costs</b>	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	Jan-2013
Director's PMO PG&E labor Capital	145,667	145,667	145,667	145,667	145,667	145,667	73,000	73,000	73,000	73,000	73,000
Director's PMO PG&E labor Expense	-	-	-	-	-	-	-	-	-	-	-
Directors office Consulting - Cap	114,917	114,917	114,917	114,917	114,917	114,917	57,417	57,417	57,417	57,417	57,417
Director's Office Consulting-Exp	104,000	104,000	104,000	104,000	104,000	104,000	38,750	38,750	38,750	38,750	38,750
Director's Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Business Planning - PG&E Staff	58,750	58,750	58,750	58,750	58,750	58,750	29,417	29,417	29,417	29,417	29,417
Special Projects	-	-	-	-	-	-	-	-	-	-	-
PMO - Read2Bill Processes	-	-	-	-	-	-	-	-	-	-	-
PwC QA Reg Reporting	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Mgmt	47,250	47,250	47,250	47,250	47,250	47,250	23,667	23,667	23,667	23,667	23,667
Field Delivery - Strategic Relationships Labor	158,750	158,750	158,750	158,750	158,750	158,750	-	-	-	-	-
Field Delivery - Strategic Planning Labor	185,417	185,417	185,417	185,417	185,417	185,417	82,917	82,917	82,917	82,917	82,917
Field Delivery - Benefits Realization	111,333	111,333	111,333	111,333	111,333	111,333	68,250	68,250	68,250	68,250	68,250
Field Delivery - Engineering Solutions Labor	123,417	123,417	123,417	123,417	123,417	123,417	45,667	45,667	45,667	45,667	45,667
Engineering	-	-	-	-	-	-	-	-	-	-	-
Engineering QA - QC Capital	-	-	-	-	-	-	-	-	-	-	-
Field Delivery Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Misc - Capital	-	-	-	-	-	-	-	-	-	-	-
Customer - Communications Mgmt	62,500	62,500	62,500	62,500	62,500	62,500	25,000	25,000	25,000	25,000	25,000
Customer - Impact Staff	105,750	105,750	105,750	105,750	105,750	105,750	52,917	52,917	52,917	52,917	52,917

**PUBLIC VERSION**

Customer - Service and Sales	127,500	127,500	127,500	127,500	127,500	127,500	127,500	64,583	64,583	64,583	64,583	64,583
Change Management - PG&E Labor	155,333	155,333	155,333	155,333	155,333	155,333	155,333	36,500	36,500	36,500	36,500	36,500
<b>Total Monthly PMO Costs</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>

**Total PMO Costs**

<b>9 Month Suspension - PMO budgeted costs</b>	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	Jan-2013
Director's PMO PG&E Labor Capital	145,667	145,667	145,667	145,667	145,667	145,667	145,667	145,667	145,667	145,667	73,000
Director's PMO PG&E labor Expense	-	-	-	-	-	-	-	-	-	-	-
Directors office Consulting - Cap	114,917	114,917	114,917	114,917	114,917	114,917	114,917	114,917	114,917	114,917	57,417
Director's Office Consulting-Exp	104,000	104,000	104,000	104,000	104,000	104,000	104,000	104,000	104,000	104,000	38,750
Director's Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Business Planning - PG&E Staff	58,750	58,750	58,750	58,750	58,750	58,750	58,750	58,750	58,750	58,750	29,417
Special Projects	-	-	-	-	-	-	-	-	-	-	-
PMO - Read2Bill Processes	-	-	-	-	-	-	-	-	-	-	-
PwC QA Reg Reporting	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Mgmt	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	23,667
Field Delivery - Strategic Relationships Labor	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	-
Field Delivery - Strategic Planning Labor	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417	185,417	82,917
Field Delivery - Benefits Realization	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333	111,333	68,250
Field Delivery - Engineering Solutions Labor	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417	123,417	45,667
Engineering	-	-	-	-	-	-	-	-	-	-	-
Engineering QA - QC Capital	-	-	-	-	-	-	-	-	-	-	-
Field Delivery Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Misc - Capital	-	-	-	-	-	-	-	-	-	-	-
Customer - Communications Mgmt	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	25,000
Customer - Impact Staff	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	105,750	52,917
Customer - Service and Sales	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	64,583
Change Management - PG&E Labor	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	155,333	36,500
<b>Total Monthly PMO Costs</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 1,500,583</b>	<b>\$ 598,083</b>

**Total PMO Costs**

**PUBLIC VERSION**

**PMO Costs**

<b>Current State - PMO budgeted costs</b>	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013
Director's PMO PG&E labor Capital											
Director's PMO PG&E labor Expense											
Directors office Consulting - Cap											
Director's Office Consulting-Exp											
Director's Office Misc - Expense											
Business Planning - PG&E Staff											
Special Projects											
PMO - Read2Bill Processes											
PwC QA Reg Reporting											
Field Delivery - Office Mgmt											
Field Delivery - Strategic Relationships Labor											
Field Delivery - Strategic Planning Labor											
Field Delivery - Benefits Realization											
Field Delivery - Engineering Solutions Labor											
Engineering											
Engineering QA - QC Capital											
Field Delivery Office Misc - Expense											
Field Delivery - Office Misc - Capital											
Customer - Communications Mgmt											
Customer - Impact Staff											
Customer - Service and Sales											
Change Management - PG&E Labor											
<b>Total Monthly PMO Costs</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Total PMO Costs**

<b>3 Month Suspension - PMO budgeted costs</b>	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013
Director's PMO PG&E labor Capital	73,000	73,000	73,000								
Director's PMO PG&E labor Expense	-	-	-								
Directors office Consulting - Cap	57,417	57,417	57,417								
Director's Office Consulting-Exp	38,750	38,750	38,750								
Director's Office Misc - Expense	-	-	-								
Business Planning - PG&E Staff	29,417	29,417	29,417								
Special Projects	-	-	-								

**PUBLIC VERSION**

PMO - Read2Bill Processes	-	-	-
PwC QA Reg Reporting	-	-	-
Field Delivery - Office Mgmt	23,667	23,667	23,667
Field Delivery - Strategic Relationships Labor	-	-	-
Field Delivery - Strategic Planning Labor	82,917	82,917	82,917
Field Delivery - Benefits Realization	68,250	68,250	68,250
Field Delivery - Engineering Solutions Labor	45,667	45,667	45,667
Engineering	-	-	-
Engineering QA - QC Capital	-	-	-
Field Delivery Office Misc - Expense	-	-	-
Field Delivery - Office Misc - Capital	-	-	-
Customer - Communications Mgmt	25,000	25,000	25,000
Customer - Impact Staff	52,917	52,917	52,917
Customer - Service and Sales	64,583	64,583	64,583
Change Management - PG&E Labor	36,500	36,500	36,500
<b>Total Monthly PMO Costs</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>

**Total PMO Costs**

<b>6 Month Suspension - PMO budgeted costs</b>	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013
Director's PMO PG&E labor Capital	73,000	73,000	73,000	73,000	73,000	73,000	73,000				
Director's PMO PG&E labor Expense	-	-	-	-	-	-	-				
Directors office Consulting - Cap	57,417	57,417	57,417	57,417	57,417	57,417	57,417				
Director's Office Consulting-Exp	38,750	38,750	38,750	38,750	38,750	38,750	38,750				
Director's Office Misc - Expense	-	-	-	-	-	-	-				
Business Planning - PG&E Staff	29,417	29,417	29,417	29,417	29,417	29,417	29,417				
Special Projects	-	-	-	-	-	-	-				
PMO - Read2Bill Processes	-	-	-	-	-	-	-				
PwC QA Reg Reporting	-	-	-	-	-	-	-				
Field Delivery - Office Mgmt	23,667	23,667	23,667	23,667	23,667	23,667	23,667				
Field Delivery - Strategic Relationships Labor	-	-	-	-	-	-	-				
Field Delivery - Strategic Planning Labor	82,917	82,917	82,917	82,917	82,917	82,917	82,917				
Field Delivery - Benefits Realization	68,250	68,250	68,250	68,250	68,250	68,250	68,250				
Field Delivery - Engineering Solutions Labor	45,667	45,667	45,667	45,667	45,667	45,667	45,667				
Engineering	-	-	-	-	-	-	-				
Engineering QA - QC Capital	-	-	-	-	-	-	-				
Field Delivery Office Misc - Expense	-	-	-	-	-	-	-				
Field Delivery - Office Misc - Capital	-	-	-	-	-	-	-				
Customer - Communications Mgmt	25,000	25,000	25,000	25,000	25,000	25,000	25,000				
Customer - Impact Staff	52,917	52,917	52,917	52,917	52,917	52,917	52,917				



**PUBLIC VERSION**

Customer - Service and Sales	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583
Change Management - PG&E Labor	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
<b>Total Monthly PMO Costs</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ -</b>

**Total PMO Costs**

<b>9 Month Suspension - PMO budgeted costs</b>	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013
Director's PMO PG&E labor Capital	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
Director's PMO PG&E labor Expense	-	-	-	-	-	-	-	-	-	-	-
Director's office Consulting - Cap	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417	57,417
Director's Office Consulting-Exp	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750
Director's Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Business Planning - PG&E Staff	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417	29,417
Special Projects	-	-	-	-	-	-	-	-	-	-	-
PMO - Read2Bill Processes	-	-	-	-	-	-	-	-	-	-	-
PwC QA Reg Reporting	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Mgmt	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667	23,667
Field Delivery - Strategic Relationships Labor	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Strategic Planning Labor	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917	82,917
Field Delivery - Benefits Realization	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250	68,250
Field Delivery - Engineering Solutions Labor	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667	45,667
Engineering	-	-	-	-	-	-	-	-	-	-	-
Engineering QA - QC Capital	-	-	-	-	-	-	-	-	-	-	-
Field Delivery Office Misc - Expense	-	-	-	-	-	-	-	-	-	-	-
Field Delivery - Office Misc - Capital	-	-	-	-	-	-	-	-	-	-	-
Customer - Communications Mgmt	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Customer - Impact Staff	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917
Customer - Service and Sales	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583	64,583
Change Management - PG&E Labor	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
<b>Total Monthly PMO Costs</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$ 598,083</b>	<b>\$598,083</b>	<b>\$598,083</b>	<b>\$598,083</b>

**Total PMO Costs**





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AUTHORITY: 50 USC 3025

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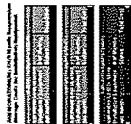
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Assumptions
[Redacted]

3/6/9-month suspension	Months to ramp-up	Monthly Fee	Total Monthly Fees
	1	[Redacted]	[Redacted]



**Assumptions**  
 1) A 3-month moratorium will extend the deployment schedule by an additional month due to ramp up.  
 2) A 6-month moratorium will extend the deployment schedule by an additional 2 months due to ramp up.  
 3) A 9-month moratorium will extend the deployment schedule by an additional 3 months due to ramp up.

3-month suspension	Months to ramp-up	2010 Monthly Fee	Total Monthly Fees
	1		

6-month suspension	Months to ramp-up	2011 Monthly Fee	Total Monthly Fees
	2		

9-month suspension	Months to ramp-up	2011 Monthly Fee	Total Monthly Fees
	3		



Assumption	Basis for Assumption
2) PG&E completes a 12-week "competitive bidding process" to ID a new vendor and negotiate a new contract	

3, 6 or 9-month suspension	Cross Functional Team	Hourly Rate	Approximate # of hours per week	Approximate # of weeks to complete Competitive Bid Process	Total
	Sourcing		\$75	13	12
AMI (Line of Business) Support		\$75	4	12	\$3,600
Legal - Corporate Law		\$195	13	12	\$30,420
Legal - External Counsel		\$500	8	12	\$48,000
<b>Total cost for Competitive Bid Process</b>					<b>\$93,720</b>
<b># of Gas Network Units to be Installed</b>					
<b># of Electric Network Units to be Installed</b>					
<b>Total Additional Installation Cost</b>					
					<b>Grand Total:</b>



AMI - Contractual Obligations for Suspension of Services

Vendor	What the Vendor Contract Covers	Are there suspension or labor escalation costs built into the contract?	Excerpts from Contract Language used to Derive Cost Calculations	Cost Calculation
1	[REDACTED]	■	[REDACTED]	[REDACTED]
2	[REDACTED]	■	[REDACTED]	[REDACTED]
3	[REDACTED]	■	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	■	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	■	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	■	[REDACTED]	[REDACTED]

CERTIFICATE OF SERVICE

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is 77 Beale Street, San Francisco, CA 94105.

On August 25, 2010, I served a true copy of:

**PUBLIC VERSION**

**PACIFIC GAS AND ELECTRIC COMPANY'S RESPONSE IN COMPLIANCE WITH ADMINISTRATIVE LAW JUDGE'S ORAL RULING REQUIRING THAT PG&E SUBMIT DATA ON THE ESTIMATED POTENTIAL COSTS ASSOCIATED WITH SUSPENSION OF PACIFIC GAS AND ELECTRIC COMPANY'S SMARTMETER™ TECHNOLOGY DEPLOYMENT**

- [XX] By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for A. 07-12-009 with an e-mail address.
  
- [XX] By U.S. Mail – by placing the enclosed for collection and mailing in the courts of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to those parties listed on the official service list for A. 07-12-009 without an e-mail address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 25<sup>th</sup> day of August, 2010, at San Francisco, California.

\_\_\_\_\_  
/s/  
PATRICIA A. KOKASON