

**PACIFIC GAS AND ELECTRIC COMPANY
San Bruno Explosion and Fire Oil
Investigation 12-01-007
Data Response**

PG&E Data Request No.:	CPSD_002-04		
PG&E File Name:	SanBrunoExplosion-FireOil_DR_CPSD_002-Q04		
Request Date:	March 12, 2012	Requester DR No.:	002
Date Sent:	March 30, 2012	Requesting Party:	Consumer Protection and Safety Division
PG&E Witness:		Requester:	Gina Adams

QUESTION 4

Provide a copy of the Business Transformation plan.

- a. Provide all documents and notices provided to management and employees that identify directives to carry out the initiatives or directives in the plan;
- b. Provide all reports that identify the financial benefits the plan is expected to deliver, as well as other non-financial benefits, for each line of business;
- c. Identify all Functional Areas that were targeted and expected goals of each functional area;
- d. Identify all 77 initiatives that were approved by the end of 2006. Provide any changes made to the initiatives;
- e. Provide all documents that measured the success of the initiatives; including all interim biannual measurements and all final measurements; and,
- f. Provide all documents that identify expected savings, if any, and all documents that identify actual savings per initiative.

The scope and time periods contained in the request have been revised as discussed below based on a conversation with Bruce Smith and Shilpa Ramaiya of PG&E and Gina Adams of CPSD on Thursday March 15, 2012.

This question is rewritten to request only management reports, high-level tracking metrics / reports, and information PG&E submitted on Business Transformation in the 2007 GRC.

ANSWER 4

Attachment Nos. DR_CPSD_002-Q04Atch09-32 to this response contain confidential employee information and are being provided pursuant to California Public Utilities Code Section 583. In addition, portions of DR_CPSD_002-Q04Atch36, which was previously provided as part of the Overland Consulting audit, also contain confidential employee information and are being provided pursuant to California Public Utilities Code Section 583.

Business Transformation (BT) was a strategy to integrate business processes across organizational lines, deploy new technologies, and instill cultural change, with a goal of improving the way PG&E did business and establishing PG&E as an industry leader. This ambitious undertaking began in 2004 with a thorough examination of how to improve customer service and instill operational excellence in PG&E's core business. This initial study led to the development of a number of initiatives (later grouped into releases) focused largely on customer service, Energy Delivery (ED), supply chain, and Information Technology (IT). The Company established a Program Management Office (PMO) to develop and implement the BT initiatives and monitor their progress. Most of this work took place in 2006 and 2007. By the end of 2006, some 77 initiatives across the Company were approved as part of BT and had resources dedicated to them. After the completion of many of the initiatives, PG&E closed the BT PMO in late 2007. At that time, several BT initiatives were transferred back to the relevant lines of business (and they were no longer considered part of BT).¹

Given the scope of BT, and the number of years involved, a very large number of reports and other documents were created regarding some aspect of BT. Many focused, for example, on a specific initiative. With this response, PG&E is providing the principal reports provided to senior management or the Board that addressed BT broadly, i.e., rather than those focused on a particular line of business, release or initiative. These fall into two categories:

(1) Board reports: Attached to this response are the reports and presentations to the Board that focused specifically on Business Transformation. See Attachments DR_CPSD_002-Q04Atch01-08 and DR_CPSD_002-Q04Atch37.

(2) Management tracking reports: With the establishment of the final set of initiatives and releases in 2006, PG&E commenced formal and regular reporting of high level metrics to senior management. These reports began in January 2006 and continued through the end of 2007, when the BT program ended. For copies of these management reports, see Attachments DR_CPSD_002-Q04Atch09-32.

¹ Gas transmission was not a particular focus of the BT initiatives. As mentioned above, BT involved a large number of initiatives (which were grouped into releases). None of the releases or initiatives focused solely or even principally on gas transmission. Rather, the Energy Delivery initiatives mainly concerned gas and electric distribution. For more information, see PG&E's response to OC-55, which is attached here as DR_CPSD_002-Q04Atch36.

In addition, PG&E is providing the materials it submitted in the 2007 GRC regarding Business Transformation. See Attachments DR_CPSD_002-Q04Atch33-35. The materials regarding BT that PG&E submitted in the 2011 GRC are included with the response to OC-55 (Attachment DR_CPSD_002-Q04Atch36).

Please find attached the following documents, listed by attachment number:

No.	Document Type	Document Title	Date
DR_CPSD_002-Q04Atch37	Board Report	Positioning PG&E for the Future	February 16, 2005
DR_CPSD_002-Q04Atch01	Board Report	Culture and Business Transformation Program: A Progress Report	December 21, 2005
DR_CPSD_002-Q04Atch02	Board Report	Culture and Business Transformation Program: Operational Performance Metrics Report	April 19, 2006
DR_CPSD_002-Q04Atch03	Board Report	Business Transformation Overview	June 21, 2006
DR_CPSD_002-Q04Atch04	Board Report	Culture and Business Transformation Program: Operational Performance Metrics Report	September 20, 2006
DR_CPSD_002-Q04Atch05	Board Report	Culture and Business Transformation: Change Management and Communications	September 20, 2006
DR_CPSD_002-Q04Atch06	Board Report	Culture and Business Transformation Program: A 2006 Progress Report	December 20, 2006
DR_CPSD_002-Q04Atch07	Board Report	Business Transformation Update	June 20, 2007
DR_CPSD_002-Q04Atch08	Board Report	Business Transformation Assessment	September 19, 2007
DR_CPSD_002-Q04Atch09	Management Tracking Report	BT Operating & Financial Performance	January 31, 2006
DR_CPSD_002-Q04Atch10	Management Tracking Report	BT Operating & Financial Performance	February 28, 2006
DR_CPSD_002-Q04Atch11	Management Tracking Report	BT Operating & Financial Performance	March 31, 2006
DR_CPSD_002-Q04Atch12	Management Tracking Report	BT Operating & Financial Performance	April 30, 2006
DR_CPSD_002-Q04Atch13	Management Tracking Report	BT Operating & Financial Performance	May 31, 2006
DR_CPSD_002-Q04Atch14	Management Tracking Report	BT Operating & Financial Performance	June 30, 2006
DR_CPSD_002-Q04Atch15	Management Tracking Report	BT Operating & Financial Performance	July 31, 2006
DR_CPSD_002-Q04Atch16	Management Tracking Report	BT Operating & Financial Performance	August 31, 2006

No.	Document Type	Document Title	Date
DR_CPSD_002-Q04Atch17	Management Tracking Report	BT Operating & Financial Performance	September 30, 2006
DR_CPSD_002-Q04Atch18	Management Tracking Report	BT Performance Management Tracking	October 31, 2006
DR_CPSD_002-Q04Atch19	Management Tracking Report	BT Performance Management Tracking	November 30, 2006
DR_CPSD_002-Q04Atch20	Management Tracking Report	BT Performance Management Tracking	December 31, 2006
DR_CPSD_002-Q04Atch21	Management Tracking Report	BT Performance Management Tracking	January 31, 2007
DR_CPSD_002-Q04Atch22	Management Tracking Report	BT Performance Management Tracking	February 28, 2007
DR_CPSD_002-Q04Atch23	Management Tracking Report	BT Performance Management Tracking	March 31, 2007
DR_CPSD_002-Q04Atch24	Management Tracking Report	BT Performance Management Tracking	April 30, 2007
DR_CPSD_002-Q04Atch25	Management Tracking Report	BT Performance Management Tracking	May 31, 2007
DR_CPSD_002-Q04Atch26	Management Tracking Report	BT Performance Management Tracking	June 30, 2007
DR_CPSD_002-Q04Atch27	Management Tracking Report	BT Performance Management Tracking	July 31, 2007
DR_CPSD_002-Q04Atch28	Management Tracking Report	BT Performance Management Tracking	August 31, 2007
DR_CPSD_002-Q04Atch29	Management Tracking Report	BT Performance Management Tracking	September 30, 2007
DR_CPSD_002-Q04Atch30	Management Tracking Report	BTSC Gold Booklet	October 31, 2007
DR_CPSD_002-Q04Atch31	Management Tracking Report	BTSC Gold Booklet	November 30, 2007
DR_CPSD_002-Q04Atch32	Management Tracking Report	BTSC Gold Booklet	December 31, 2007
DR_CPSD_002-Q04Atch33	2007 GRC Testimony	2007 General Rate Case Exhibit (PG&E-10) Business Transformation Program	December 2, 2005
DR_CPSD_002-Q04Atch34	2007 GRC Workpapers	Workpapers Supporting Chapter 4 Transformation- Information Technology	December 2, 2005
DR_CPSD_002-Q04Atch35	2007 GRC Workpapers	Workpapers Supporting Chapter 5 Transformation- Benefits Realization	December 2, 2005
DR_CPSD_002-Q04Atch36	Data Response	San Bruno GT Line Rupture Investigation- OC-55	August 5, 2011

No.	Document Type	Document Title	Date
DR_CPSD_002-Q04Atch37	Board Report (also listed above)	Positioning PG&E for the Future	February 16, 2005