

**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 Deploy  
an Advanced Metering Infrastructure

A.05-06-028  
(Filed June 16, 2005)

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**MONTHLY SMARTMETER™ STEERING COMMITTEE  
UPDATE REPORT OF PACIFIC GAS AND ELECTRIC  
COMPANY FOR MARCH 2012 IN ACCORDANCE WITH  
THE MAY 4, 2010 ASSIGNED COMMISSIONER'S  
RULING**

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Dated: April 27, 2012

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

Pacific Gas and Electric Company (PG&E) submits the attached March 2012 “SmartMeter™ Steering Committee Update Report” on the deployment and budget status of its Advanced Metering Infrastructure (AMI) Project in accordance with the May 4, 2010 “Assigned Commissioner’s Ruling Reopening Proceeding, Requiring That Reports Be Filed in This Proceeding, and Ordering Pacific Gas and Electric Company to Release Prior and Future Reports to the Public,” Ordering Paragraph 3. Underlying Decision 06-07-027, Ordering Paragraph 4, requires that this monthly summary report provide the following information: 1) project status; 2) progress against baseline schedule including equipment installation and key milestones; 3) actual project spending vs. forecast; and 4) risk-based contingency allowance draw-down status. The attached report complies with that decision and the Commissioner’s Ruling.

Respectfully Submitted,


CHRISTOPHER J. WARNER

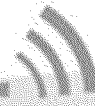
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PG&E  
**SmartMeter** 

**SmartMeter™**  
**Steering Committee Update – March 2012**

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- ▶ **Monthly Updates**
  - ▶ **Release Status Update**
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  - ▶ **Schedule Update**
  - ▶ **Deployment Update**
  - ▶ **Budget Status – Expenditures by Workstream**
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	EAC	Funded Budget	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases: February 29, 2012								
Release 1								
Release 2								
Release 3								

### Challenges

### Actions/Status

<p><u>Overall</u></p> <ul style="list-style-type: none"> <li>IT continues to execute against the plan produced as output from the Reconstruct effort. HAN enablement and Peak Time Rebate roadmaps are in progress.</li> </ul> <p><u>Release 3</u></p> <ul style="list-style-type: none"> <li>Improvements to meter data exception handling, NEMs deployment, scalability improvements for the data warehouse, and tracking of momentary outages.</li> </ul>	<p><u>Overall</u></p> <ul style="list-style-type: none"> <li>Project stabilization work complete for all components except MV90 and NEMs.</li> </ul> <p><u>Release 3</u></p> <ul style="list-style-type: none"> <li>Deployment of all in-scope functionality except MV90 completed by 11/30.</li> <li>Stabilization for all deployed components except NEMs is complete.</li> <li>Resolution for MV90, NEMs and FSU upgrade (March 2012) issues underway.               <ul style="list-style-type: none"> <li>Currently testing delivered MV90 MDM vendor fixes</li> <li>Preparing documentation for MV90 controlled deployment.</li> <li>Awaiting resolution proposal for NEM MDM issues from vendor (ETC 2/29).</li> </ul> </li> </ul>
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	EAC	2012 Forecast (2012 EOY / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: February 29, 2012							
Endpoints (2012 YTD)				*			
Gas Network (2012 YTD)							
Electric Network (2012 YTD)							

### Challenges

### Actions/Status

#### Endpoints

- Mass deployment nearly complete. Remaining meter installs in less concentrated geographic areas.
- Field Deployment team addressing less common meter types , customized solutions, customer impacts and final installations in areas containing meters left to exchange.
- Resources focused on opt-out requests during the months of February
- Increased number of 'Unable-To-Complete' meters due to non-standard meter installations in heavy urban areas (SF) and access refusals related to Customer Choice.

#### Electric Network

- Initial design scope of electric network now complete.
- Whether additional electric network is necessary is subject to ongoing review, particularly in light of customers opting-out of SmartMeter™ Program.

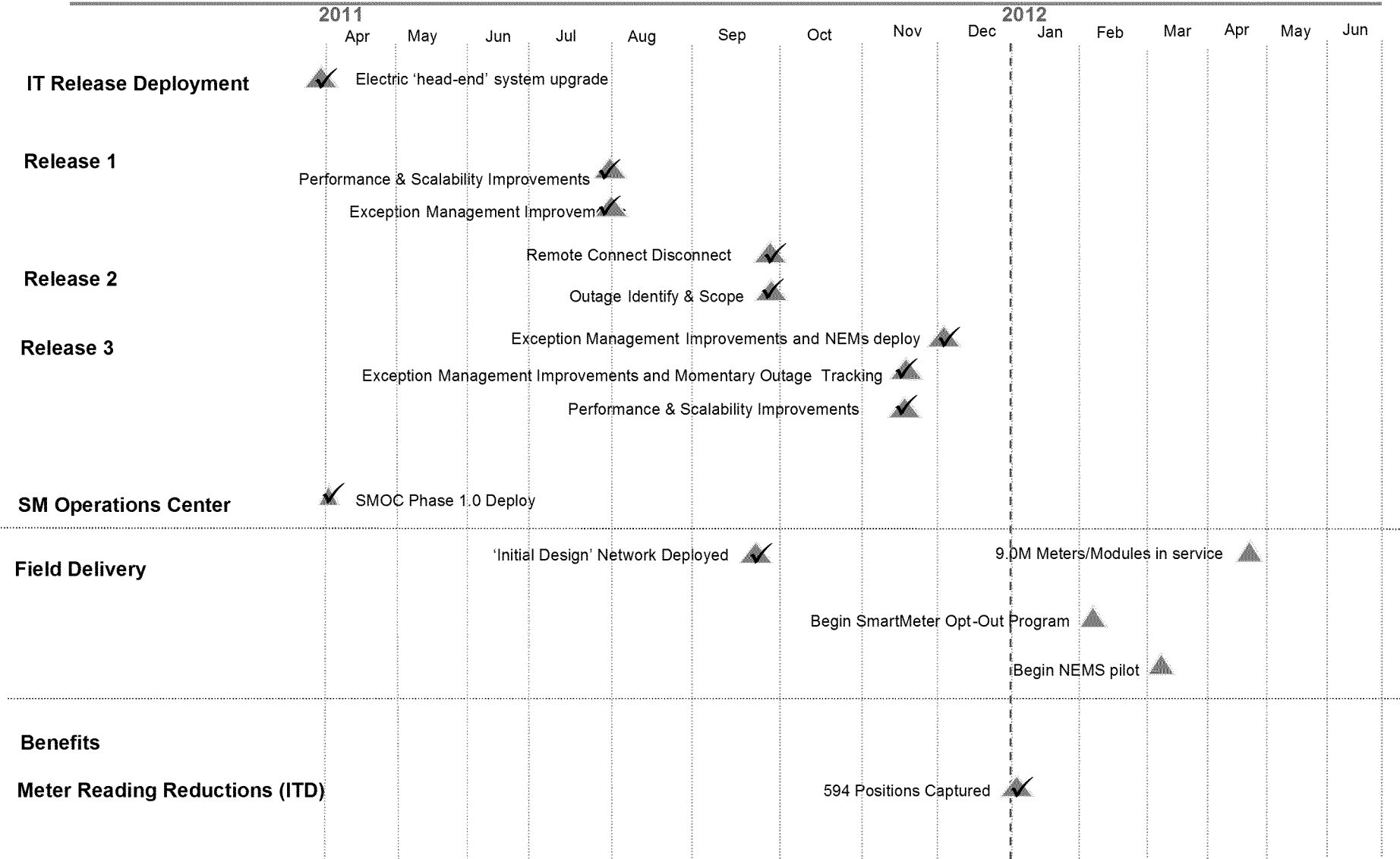
#### Endpoints

- Continuing to complete requests for opt-outs in a timely manner while addressing remaining SmartMeter™ installations.
- Working with installation contractor to update 2012 deployment schedule to most efficiently exchange remaining meters while recognizing complexity of less common meter types.
- Working on pilot-deployment of NEMS-configured meters and commercial TOU to launch NEMS , commercial TOU deployment.

#### Electric Network

- Tracking opt-outs to assess impacts on network.
- Working with technology supplier and internal stakeholders to address network coverage in 'hard-to-reach' areas.

\* 2012 Schedule and installation targets under review

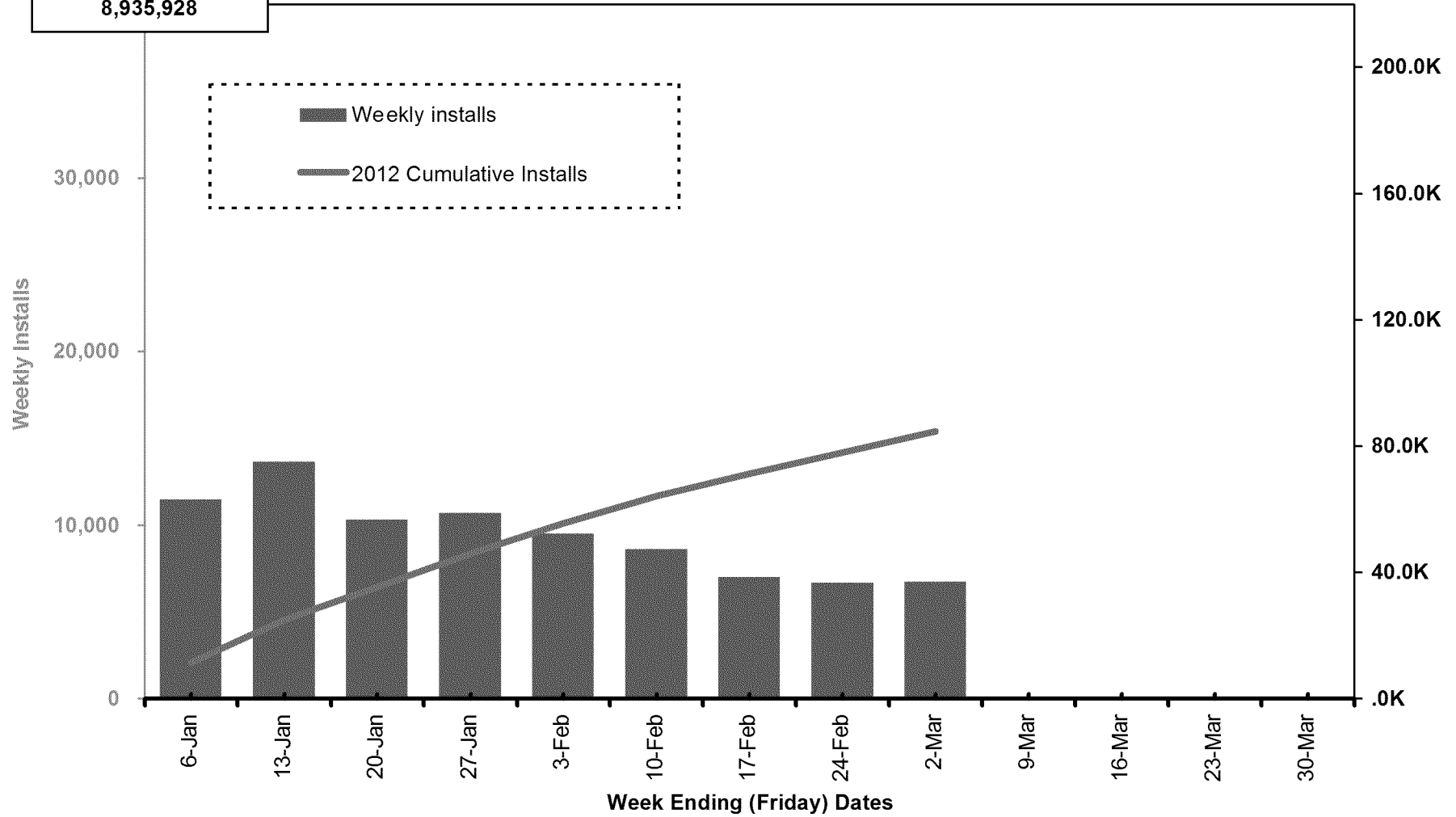


Legend	▲ Baseline Milestone	✓ Milestone Met	▲ Forecasted Milestone (delay)
	▲ Forecasted Milestone (early)	▲ Milestone TBD	▲ Approved Milestone (delay)

**Steering Committee March 2012 Report 5**

2012 Install Rate vs. Plan - Weekly Meter Totals

Total SM Inception to date meters (project scope) in service: 8,935,928



#s as of 3/2/12  
2012 Targets under review



# 2012 Budget Status – Expenditures by Workstream

#	Work Stream	Current Month - February			Year to Date - February			2012 Annual Budget *	Inception to Date Actual	#
		Budget	Actual	Variance	Budget	Actual	Variance			
<b>A. Capital (000s)</b>										
1	BUSINESS OPERATIONS (PMO)	\$198	\$235	(\$37)	\$461	\$566	(\$105)	\$1,873	\$49,868	1
2	SM OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,310	2
3	SM FIELD DELIVERY	\$5,674	\$7,057	(\$1,382)	\$10,988	\$11,776	(\$788)	\$57,106	\$413,126	3
4	SM SOLUTIONS	\$227	\$283	(\$57)	\$1,090	\$1,255	(\$165)	\$19,752	\$974,333	4
5	IT	\$835	\$170	\$665	\$1,536	\$1,980	(\$443)	\$10,480	\$371,606	5
6	<b>Capital Total:</b>	<b>\$6,934</b>	<b>\$7,745</b>	<b>(\$811)</b>	<b>\$14,075</b>	<b>\$15,576</b>	<b>(\$1,501)</b>	<b>\$89,211</b>	<b>\$1,820,243</b>	6
<b>B. Expense (000s)</b>										
7	BUSINESS OPERATIONS (PMO)	\$229	\$15	\$214	\$469	\$33	\$436	\$1,357	\$26,373	7
8	SM OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,594	8
9	SM CHANGE MANAGEMENT	\$50	\$12	\$38	\$50	\$1	\$49	\$150	\$14,886	9
10	CUSTOMER	\$662	\$204	\$458	\$1,142	\$360	\$782	\$17,723	\$97,360	10
11	SM FIELD DELIVERY	\$47	(\$0)	\$47	\$94	\$1	\$93	\$420	\$17,993	11
12	SM SOLUTIONS	\$0	\$9	(\$9)	\$0	\$21	(\$21)	\$2,218	\$68,010	12
13	IT	\$518	\$147	\$371	\$913	\$508	\$406	\$5,332	\$133,631	13
14	<b>Expense Total:</b>	<b>\$1,506</b>	<b>\$388</b>	<b>\$1,118</b>	<b>\$2,668</b>	<b>\$923</b>	<b>\$1,745</b>	<b>\$27,200</b>	<b>\$414,847</b>	14
<b>C. Total: Capital + Expense (000s)</b>										
15	BUSINESS OPERATIONS (PMO)	\$427	\$250	\$177	\$930	\$599	\$331	\$3,230	\$76,241	15
16	SM OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$67,904	16
17	SM CHANGE MANAGEMENT	\$50	\$12	\$38	\$50	\$1	\$49	\$150	\$14,886	17
18	CUSTOMER	\$662	\$204	\$458	\$1,142	\$360	\$782	\$17,723	\$97,360	18
19	SM FIELD DELIVERY	\$5,721	\$7,056	(\$1,335)	\$11,082	\$11,777	(\$695)	\$57,526	\$431,119	19
20	SM SOLUTIONS	\$227	\$293	(\$66)	\$1,090	\$1,276	(\$186)	\$21,970	\$1,042,343	20
21	IT	\$1,353	\$317	\$1,036	\$2,450	\$2,487	(\$38)	\$15,812	\$505,237	21
22	<b>Capital + Expense Total:</b>	<b>\$8,440</b>	<b>\$8,133</b>	<b>\$307</b>	<b>\$16,743</b>	<b>\$16,500</b>	<b>\$244</b>	<b>\$116,411</b>	<b>\$2,235,090</b>	22

### Year-to-Date Variance Explanations:

Unfavorable YTD capital variance (\$1.5M) primarily due to larger than planned third party installer accruals and payments (#3), along with the timing of IT progress payments (#5).  
 Favorable YTD expense variance (\$1.7M) primarily due to lower spending in Customer of \$0.8M (#10) and Business Operations/PMO of \$0.4M (#7).

\*Revised based on final 2012 deployment schedule and timing.

## SmartMeter Balancing Account (SBA) Credits \*

#	(\$ in thousands)	Actual					Remaining Budget												ITD Actual	#	
		2007	2008	2009	2010	2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1	Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 26,055	\$ 56,313	\$ 20,269	\$ 2,479	\$ 2,587	\$ 2,452	\$ 2,492	\$ 2,533	\$ 2,575	\$ 2,617	\$ 2,660	\$ 2,704	\$ 2,749	\$ 2,794	\$ 2,840	\$ 112,519	1	
2	Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,250	2
3	Total:	\$ 1,361	\$ 9,705	\$ 31,055	\$ 61,313	\$ 25,269	\$ 2,479	\$ 2,587	\$ 2,452	\$ 2,492	\$ 2,533	\$ 2,575	\$ 2,617	\$ 2,660	\$ 2,704	\$ 2,749	\$ 2,794	\$ 2,840	\$ 133,769	3	
4	2012 Cumulative Actual + Forecast:						\$ 2,479	\$ 5,066	\$ 7,518	\$ 10,010	\$ 12,543	\$ 15,118	\$ 17,735	\$ 20,396	\$ 23,100	\$ 25,849	\$ 28,643	\$ 31,483		4	

## 2012 Benefits, Budget vs. Actual and Forecast \*\*

#	(\$ in thousands)	2012												#								
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec									
5	<u>Budgeted Benefits:</u>																					
	Monthly	\$ 2,373	\$ 2,412	\$ 2,452	\$ 2,492	\$ 2,533	\$ 2,575	\$ 2,617	\$ 2,660	\$ 2,704	\$ 2,749	\$ 2,794	\$ 2,840									5
6	Cumulative	\$ 2,373	\$ 4,785	\$ 7,237	\$ 9,729	\$ 12,262	\$ 14,837	\$ 17,454	\$ 20,115	\$ 22,819	\$ 25,568	\$ 28,362	\$ 31,202									6
7	<u>Actual / Current Forecast:</u>																					
	Monthly	\$ 3,724	\$ 4,244	\$ 2,452	\$ 2,492	\$ 2,533	\$ 2,575	\$ 2,617	\$ 2,660	\$ 2,704	\$ 2,749	\$ 2,794	\$ 2,840									7
8	Cumulative	\$ 3,724	\$ 7,968	\$ 10,420	\$ 12,912	\$ 15,445	\$ 18,020	\$ 20,638	\$ 23,298	\$ 26,002	\$ 28,751	\$ 31,545	\$ 34,385									8
9	YTD Variance	\$ 1,351	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183									9

\* 2011 and 2012 SmartMeter Balancing Account (SBA) actuals and forecasts consistent with the GRC Settlement of \$0.92 electric / \$0.02 gas activated meter-month savings and the discontinuation of mainframe license savings already captured in the 2008 base year results

\*\* 2012 benefits, budget versus actual and forecast, do not include meter reading costs and benefits which are being recorded in the Meter Reading Memorandum Account beginning on January 1, 2011.

Target Resolution Date	Issue	Impact	Status Summary
Ongoing	Increasing number of installations affected by access refusals and desire for customer choice program.	Increased costs, increase in unable to complete (UTC) back-log, customer change management.	Mass deployment is nearly complete, and remaining installations consist largely of less-common meter types (e.g., NEMS, curb, TOU, etc.), are not located in concentrated geographic locations and exist in locations at which customers either have declined SmartMeters <sup>™</sup> or denied access to existing meters (e.g., UTCs). Future installation efforts will focus on ensuring customers exercise choice –either SmartMeter <sup>™</sup> or opt-out – to complete SmartMeter <sup>™</sup> Project’s defined scope. This includes increased efficiency of UTC resolution and ongoing engagement with customers across multiple communication channels.

#	Created On	I	P	Score	Prev. Score	Risk	Impact	Status Summary	Assoc. Issue
1	9/30/2011	5	4	20	20	<p>Increased forecast deployment costs and external resources requirement</p> <p><i>Key drivers:</i> Delays in deployment, resource availability and installation complexity</p>	<p>Increased installation costs and contract resources required to complete remaining installations effectively and timely</p>	<p>Working with Sourcing and suppliers to complete contracting process, and doing so subject to now -defined Customer Choice opt-out program. Attempting to establish process to ensure customers are aware of meter-choice to ensure customers exercise choice and enable Company to complete scope of SmartMeter™ Program. Pursuing other identified opportunities to offset additional installation costs and increase installation efficiency within ongoing operations.</p>	
3	4/4/2008	5	3	15	15	<p>Business processes enabled by new technology may not perform as intended.</p> <p><i>Key drivers:</i> Increased data volume and validation, underlying business processes.</p>	<p>Billing errors, customer complaints, inability to meet endpoint deployment goals.</p>	<p>Continuing to monitor technology performance and identifying mitigations to resolve any identified technology performance issues. Meter transition process checks updated to include new integrated standards with supplier for validating network design, meter connectivity and read performance. Planning for Full Deployment/Interval Billing via functionality deployments and additional process capability initiatives through 2012 underway.</p>	
4	9/1/2011	5	3	15	15	<p>Network deployment and performance in 'hard-to-reach' areas can not be completed successfully.</p> <p><i>Key drivers:</i> Network performance in 'hard-to-reach' areas and availability of alternate solutions.</p>	<p>Deployment delays, resource planning and increased costs.</p>	<p>Pursuing resolution of network coverage in 'hard-to-reach' areas with technology supplier, including potential alternate network solutions.</p> <p>Finalization of network design/equipment mix to complete network deployment in process with suppliers.</p>	

Metric	Key Performance Indicator	January '12			February '12			YTD			2012 Year End Forecast			Variance Analysis
		Actual	Month Results Target	Var	Actual	Month Results Target	Var	Actual	Target	Var	Actual	Target	Var	
P1	SM Earnings Contribution (SM-estimated)	\$ 5.5	\$ 5.5	0.0%	\$ 5.8	\$ 5.8	0.2%	11.7	11.6	0.2%	\$ 71.2	\$ 70.8	0.6%	
P2	OSHA Recordable Rate (YTD)	-	0.51		-	0.51					-	0.51		
P3	MVI Recordable Rate (YTD)	-	0.98		-	0.98					-	0.98		
C1	Customers enrolled in SmartRate (net)	22,014	<i>(track only)</i>		21,934	<i>(track only)</i>								
C2	# of CPUC escalated Customer Complaints	10	<i>(track only)</i>		4	<i>(track only)</i>		14	<i>(track only)</i>					
C10	Customer Complaint Rate (escalated to CPUC)	0.020%	<i>(track only)</i>		0.015%	<i>(track only)</i>		0.018%	<i>(track only)</i>					
D1	Meters/Modules Installed - Electric & Gas	49,736	TBD		27,178	TBD		76,914	TBD		TBD	TBD		2012 Targets under review
D5	UTC Rate	18.3%	TBD		18.5%	TBD		18.4%	TBD		8.4%	TBD		2012 Targets under review
D7	UTCs open beyond 90 days	213,485	<i>(track only)</i>		211,388	<i>(track only)</i>								
D8	CPI - Endpoints	\$116.82	TBD		\$111.63	TBD		\$114.79	TBD		\$82.97	TBD		2012 Targets under review
D14	Total Weeks of Inventory on Hand - Electric Meters	6	6	0.0%	10	6	57.5%							
D15	Total Weeks of Inventory on Hand - Gas Modules	10	6	66.7%	9	6	42.7%							
O4	Transition Aging - Average Days	93	<i>(track only)</i>		73	<i>(track only)</i>		83	<i>(track only)</i>		152	<i>(track only)</i>		
O5	SM Billing accuracy % (SA)	99.95%	99.88%	0.1%	99.94%	99.88%	0.1%	99.95%	99.88%	0.1%	99.88%	99.88%	0.0%	
O6	SM Billing timeliness % (SA)	99.92%	99.79%	0.1%	99.95%	99.80%	0.2%	99.95%	99.79%	0.2%	99.79%	99.79%	0.0%	
O7	SM % Bills not estimated (BSEGs)	99.95%	99.90%	0.1%	99.95%	99.90%	0.1%	99.95%	99.79%	0.2%	99.90%	99.90%	0.0%	
B2	Meters Activated - Electric & Gas (end of month)	243,191	<i>(track only)</i>		165,017	<i>(track only)</i>		408,208	<i>(track only)</i>		850,412	<i>(track only)</i>		

#s as of 02/29/12  
2012 Targets under review

**Combined Gas and Electric Plan, Targets, and Actuals  
(Cumulative)**

2012 Targets under review

<b>SmartMeter™ Contingency Reconciliation</b>	<b><u>\$'000s</u></b>
Business Case Approved Contingency	177,753
Total Approved Decision Requests Approved and Adopted by Steering Committee	177,753
Approved Project Decision Requests, by Approval Date	
2007	106,329
2008	32,240
2009	20,313
2010	18,871
	<u>177,753</u>

SmartMeter Acronyms			
Acronym	Definition	Acronym	Definition
ABS	Advanced Billing System	MARA	My Account Re-Architecture
AFCI	Arc Fault Circuit Interrupter	MDMS	Meter Data Management System
AMI	Advanced Metering Infrastructure	MLPP	Meter Location Problem Project
AP	Access Point	MPSC	Meter Power Status Check
Apps	Applications	MV-90	Multi Vendor - 90
ASM	Automated Storage Management	MVI	Motor Vehicle Incidents
BDG	Business Development Group	NEMS	Net Energy Metering Services
CC&B	Customer Care and Billing	NIC	Network Interface Card
CEDSA	Centralized Electric Distribution System Assets	OIR	Order Instituting Rulemaking
CoE	Center of Excellence	OIS	Outage Information System
CPI	Cost Per Install	OMT	Outage Management Tools
CPUC	California Public Utilities Commission	Ops	Operations
DART	Distribution Asset Reconciliation Tool	OSHA	Occupational Safety and Health Administration
DC	Data Center	PCR	Project Change Request
DCU	Data Collector Unit	PCT	Programmable Communicating Thermostat
DR	Disaster Recovery	PDP	Peak Day Pricing
DRA	Division of Ratepayer Advocates	PDR	Project Decision Request
DSCI	Distribution Control Systems, Inc.	PE	Performance Engineering Company
EA	Ecologic Analytics	PMO	Project Management Office
EAC	Estimate at Completion	PTR	Peak Time Rebate
ED	Energy Division	QBR	Quarterly Business Review
EMR	Electric Meter Reader	RCDC2	Remote Disconnect Phase 2
EMT	Electric Meter Technician	Rev.	Revision
EOM	End-of-Month	RF	Radio Frequency
EON	Emergency Outage Notification	RFA	Request For Authorization
EOY	End Of Year	RV	Restoration Validation
FA	Functional Area	SBA	SmartMeter Balancing Accounts
FD	Field Delivery	SM	SmartMeter
GE	General Electric Co.	SM Apps	SmartMeter Applications
GFI	Ground Fault Interrupter	SMU	SmartMeter Upgrade
HAN	Home Area Network	SR	Service Request
HC	Head Count	TBD	To Be Determined
IHD	In-Home Devices	TechArch	Technical Architecture
ISTS	Information Systems and Technology Services	TIC	Technology Innovation Center
IT	Information Technology	TLM	Transformer Load Management
ITD	Inception To Date	TOU	Time Of Use
IVR	Interactive Voice Response	UIQ	Utility IQ - SSN software
KC	Knowledge Center	UTC	Unable To Complete (meter installation)
KVAR	Kilo-Volts-Amps Reactive	YTD	Year-To-Date
LOB	Line of Business		