

**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 DECEMBER 2012 IN ACCORDANCE  
WITH THE MAY 4, 2010 ASSIGNED COMMISSIONER'S  
RULING**

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Dated: January 10, 2013

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

Pacific Gas and Electric Company (PG&E) submits the attached December 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

By:                                   /s/ Christopher J. Warner                                    
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PG&E  
**SmartMeter™**

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

- ▶ **Monthly Updates**
  - ▶ **Release Status Update**
  - ▶ **Deployment Status Update**
  - ▶ **Schedule Update**
  - ▶ **Deployment Update**
  - ▶ **Budget Status – Expenditures by Workstream**
  - ▶ **Budget Status – Benefits**
  - ▶ **Issues / Risks Summary**
  - ▶ **Program Metrics**
- ▶ **Appendix**
  - ▶ **Project Deployment Plan Progress**
  - ▶ **Contingency Reconciliation**
  - ▶ **SmartMeter<sup>™</sup> Acronyms**

	EAC	Funded Budget	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases: November 30, 2012								
Release 1								
Release 2								
Release 3								

## Challenges

## Actions/Status

### Overall

- IT has executed against the SmartMeter plan. HAN enablement and Peak Time Rebate roadmaps are in progress.

### Overall

- Development for all in-scope functionality completed as of 3/30/12
- Project stabilization work complete for all components except MV90 and NEMs.
- HAN enablement in implementation
- Peak Time Rebate roadmap awaiting Commission approval.

	EAC	2012 Forecast (2012 EOY / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: November 30, 2012							
Endpoints (2012 YTD)							
Gas Network (2012 YTD)							
Electric Network (2012 YTD)							

### Challenges

### Actions/Status

#### Endpoints

- Mass deployment is 94.2% completed. Remaining meter installs continuing in less concentrated geographic areas.
- Field Deployment team addressing less common meter types, including NEM and Transformer Rated meter implementation.
- Higher than traditional number of 'Unable-To-Complete' meters.

#### Electric Network

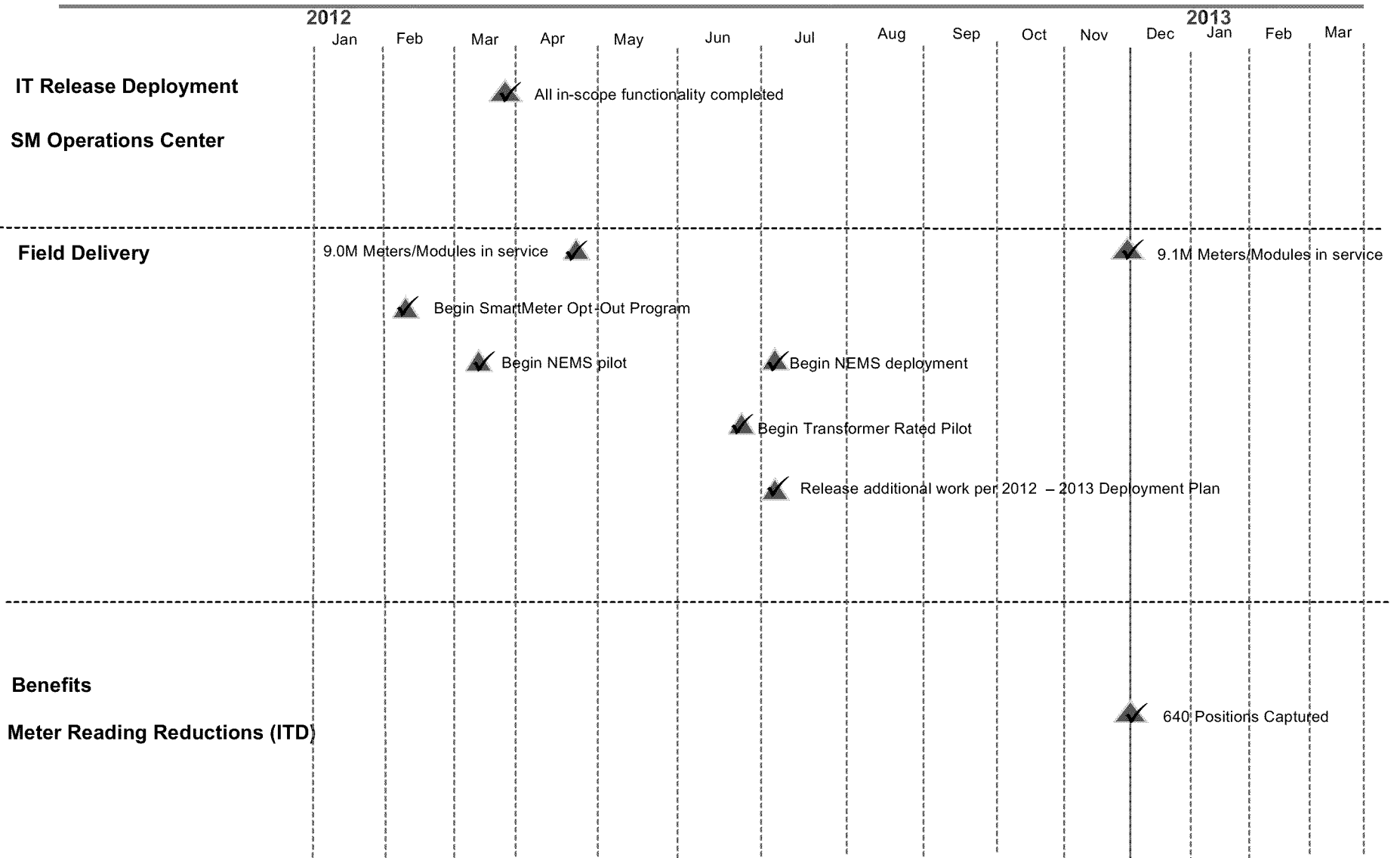
- Initial design scope of electric network is complete.
- Assess whether additional electric network is necessary in light of customers opting out of SmartMeter™ Program.

#### Endpoints

- Continuing to complete requests for opt-outs in a timely manner.
- Plans are being developed to address gaps in Meter Reading routes caused by opt-outs and UTC's.
- Field resources traditionally dedicated to SmartMeter installations are being utilized to support restoration activities on an as-needed basis

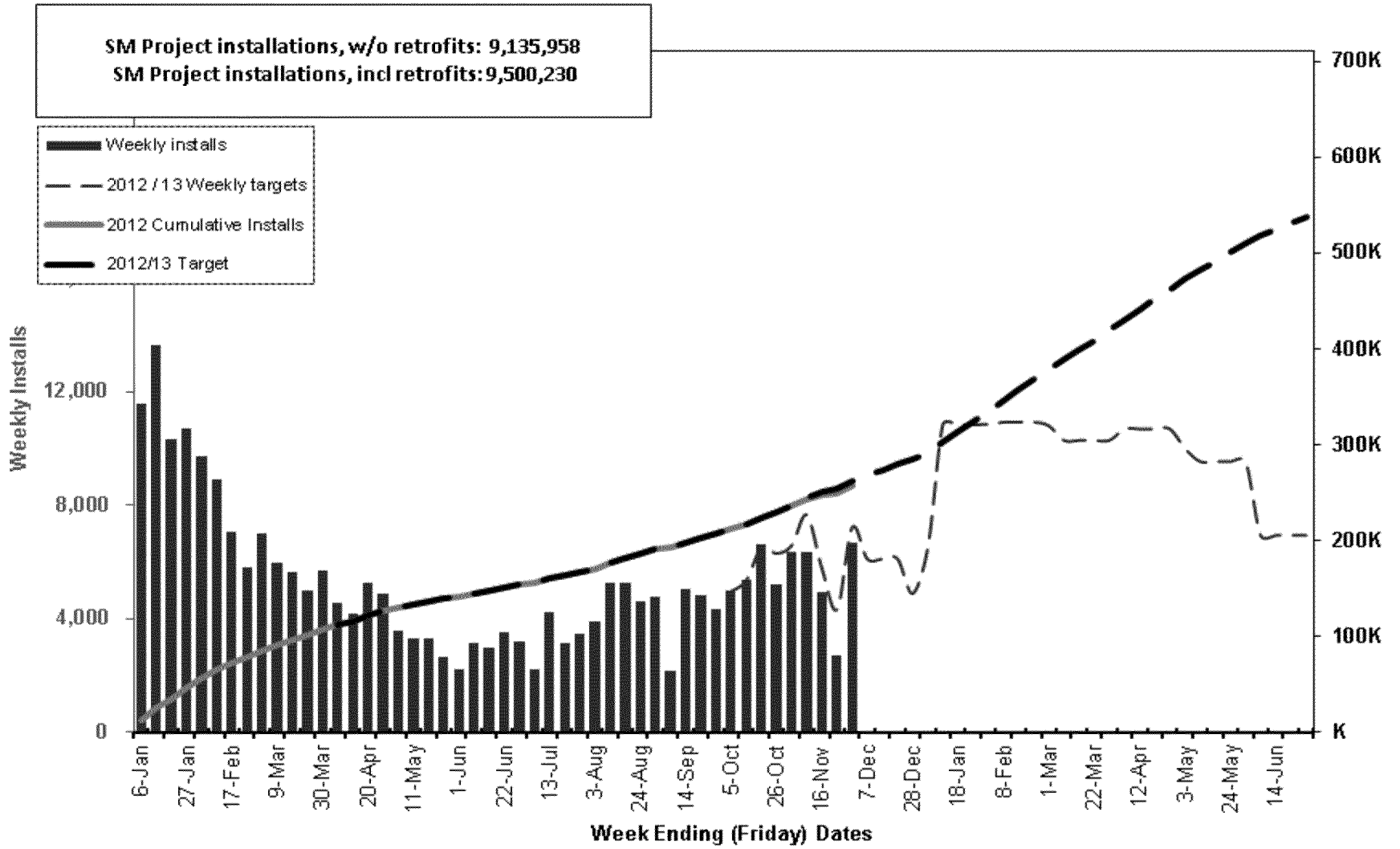
#### Electric Network

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



- Baseline Milestone
- Milestone Met
- Forecasted Milestone (delay)
- Forecasted Milestone (early)
- Milestone TBD
- Approved Milestone (delay)

2012 / 13 Install Rate - Weekly Meter Totals





# 2012 Budget Status – Expenditures by Workstream

#	Work Stream	Current Month - November			Year to Date - November			2012 Annual Forecasts *	Inception to Date Actual	#
		Budget	Actual	Variance	Budget	Actual	Variance			
<b>A. Capital (000s)</b>										
1	BUSINESS OPERATIONS (PMO)	\$0	\$38	(\$38)	\$1,060	\$1,155	(\$95)	\$1,053	\$50,457	1
2	SM OPERATIONS	\$0	\$0	(\$0)	\$0	\$0	(\$0)	\$0	\$11,310	2
3	SM FIELD DELIVERY	\$5,376	\$3,186	\$2,190	\$57,335	\$38,359	\$18,975	\$31,018	\$439,709	3
4	SM SOLUTIONS	\$988	\$4,789	(\$3,801)	\$20,706	\$8,078	\$12,628	\$18,727	\$981,253	4
5	IT	\$120	\$347	(\$227)	\$8,167	\$5,718	\$2,449	\$8,548	\$375,344	5
6	<b>Capital Total:</b>	<b>\$6,484</b>	<b>\$8,360</b>	<b>(\$1,876)</b>	<b>\$87,268</b>	<b>\$53,311</b>	<b>\$33,957</b>	<b>\$59,346</b>	<b>\$1,858,074</b>	6
<b>B. Expense (000s)</b>										
7	BUSINESS OPERATIONS (PMO)	\$0	(\$2)	\$2	\$1,955	\$514	\$1,442	\$1,853	\$26,854	7
8	SM OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,594	8
9	SM CHANGE MANAGEMENT	\$0	\$65	(\$65)	\$150	\$128	\$22	\$169	\$15,012	9
10	CUSTOMER	\$2,254	\$2,440	(\$186)	\$13,199	\$10,394	\$2,805	\$12,899	\$107,394	10
11	SM FIELD DELIVERY	\$23	\$26	(\$3)	\$302	\$52	\$249	(\$10)	\$18,045	11
12	SM SOLUTIONS	\$0	\$14	(\$14)	\$0	\$53	(\$53)	\$53	\$67,981	12
13	IT	\$178	\$652	(\$474)	\$3,484	\$1,997	\$1,487	\$3,064	\$135,120	13
14	<b>Expense Total:</b>	<b>\$2,456</b>	<b>\$3,195</b>	<b>(\$739)</b>	<b>\$19,090</b>	<b>\$13,137</b>	<b>\$5,953</b>	<b>\$18,028</b>	<b>\$427,000</b>	14
<b>C. Total: Capital + Expense (000s)</b>										
15	BUSINESS OPERATIONS (PMO)	\$0	\$35	(\$35)	\$3,016	\$1,669	\$1,347	\$2,905	\$77,311	15
16	SM OPERATIONS	\$0	\$0	(\$0)	\$0	\$0	(\$0)	\$0	\$67,904	16
17	SM CHANGE MANAGEMENT	\$0	\$65	(\$65)	\$150	\$128	\$22	\$169	\$15,012	17
18	CUSTOMER	\$2,254	\$2,440	(\$186)	\$13,199	\$10,394	\$2,805	\$12,899	\$107,394	18
19	SM FIELD DELIVERY	\$5,399	\$3,213	\$2,186	\$57,636	\$38,412	\$19,225	\$31,008	\$457,754	19
20	SM SOLUTIONS	\$988	\$4,802	(\$3,815)	\$20,706	\$8,131	\$12,575	\$18,781	\$1,049,234	20
21	IT	\$298	\$999	(\$700)	\$11,651	\$7,715	\$3,936	\$11,613	\$510,465	21
22	<b>Capital + Expense Total:</b>	<b>\$8,940</b>	<b>\$11,555</b>	<b>(\$2,615)</b>	<b>\$106,358</b>	<b>\$66,448</b>	<b>\$39,910</b>	<b>\$77,374</b>	<b>\$2,285,075</b>	22

### Year-to-Date Variance Explanations:

Favorable YTD capital variance (\$34.0M) primarily due to fewer meter/module installations (#3), fewer electric meter purchases (#4), and delayed timing of initial HAN roll-out (#5).  
 Favorable YTD expense variance (\$6.0M) primarily due to lower spending than planned in Business Operations/PMO (#7), Customer (#10) and IT (#13).

\* Annual budgets revised with intent to complete project in 2013.

## SmartMeter Balancing Account (SBA) Credits \*

#	(\$ in thousands)	Actual													Forecast	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	\$ 25,269	\$ 2,479	\$ 2,587	\$ 2,599	\$ 2,626	\$ 2,654	\$ 2,698	\$ 2,708	\$ 2,724	\$ 2,765	\$ 2,817	\$ 2,845	\$ 2,884	\$ 141,955	1
2	Mainframe License Benefits:	\$ 1,250	\$ 5,000	\$ 5,000	\$ 5,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,250	2
3	Total:	\$ 1,361	\$ 9,705	\$ 31,055	\$ 61,313	\$ 25,269	\$ 2,479	\$ 2,587	\$ 2,599	\$ 2,626	\$ 2,654	\$ 2,698	\$ 2,708	\$ 2,724	\$ 2,765	\$ 2,817	\$ 2,845	\$ 2,884	\$ 158,205	3
4	2012 Cumulative Actual + Forecast:						\$ 2,479	\$ 5,066	\$ 7,665	\$ 10,291	\$ 12,945	\$ 15,642	\$ 18,350	\$ 21,075	\$ 23,840	\$ 26,657	\$ 29,502	\$ 32,386		4

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

#	(\$ in thousands)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep***	Oct	Nov	Dec	#
		<b>Budgeted Benefits:</b>												
5	Monthly	\$ 2,373	\$ 2,412	\$ 2,392	\$ 2,432	\$ 2,473	\$ 2,515	\$ 2,557	\$ 2,600	\$ 4,120	\$ 2,765	\$ 2,811	\$ 2,857	5
6	Cumulative	\$ 2,373	\$ 4,785	\$ 7,177	\$ 9,609	\$ 12,082	\$ 14,597	\$ 17,154	\$ 19,755	\$ 23,874	\$ 26,640	\$ 29,450	\$ 32,307	6
<b>Actual / Current Forecast:</b>														
7	Monthly	\$ 3,583	\$ 4,102	\$ 4,028	\$ 4,126	\$ 4,308	\$ 3,748	\$ 3,833	\$ 3,953	\$ 3,757	\$ 4,118	\$ 3,779	\$ 2,857	7
8	Cumulative	\$ 3,583	\$ 7,685	\$ 11,713	\$ 15,839	\$ 20,147	\$ 23,895	\$ 27,729	\$ 31,681	\$ 35,438	\$ 39,556	\$ 43,334	\$ 46,191	8
9	YTD Variance	\$ 1,210	\$ 2,900	\$ 4,536	\$ 6,230	\$ 8,065	\$ 9,298	\$ 10,574	\$ 11,927	\$ 11,563	\$ 12,916	\$ 13,884	\$ 13,884	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.

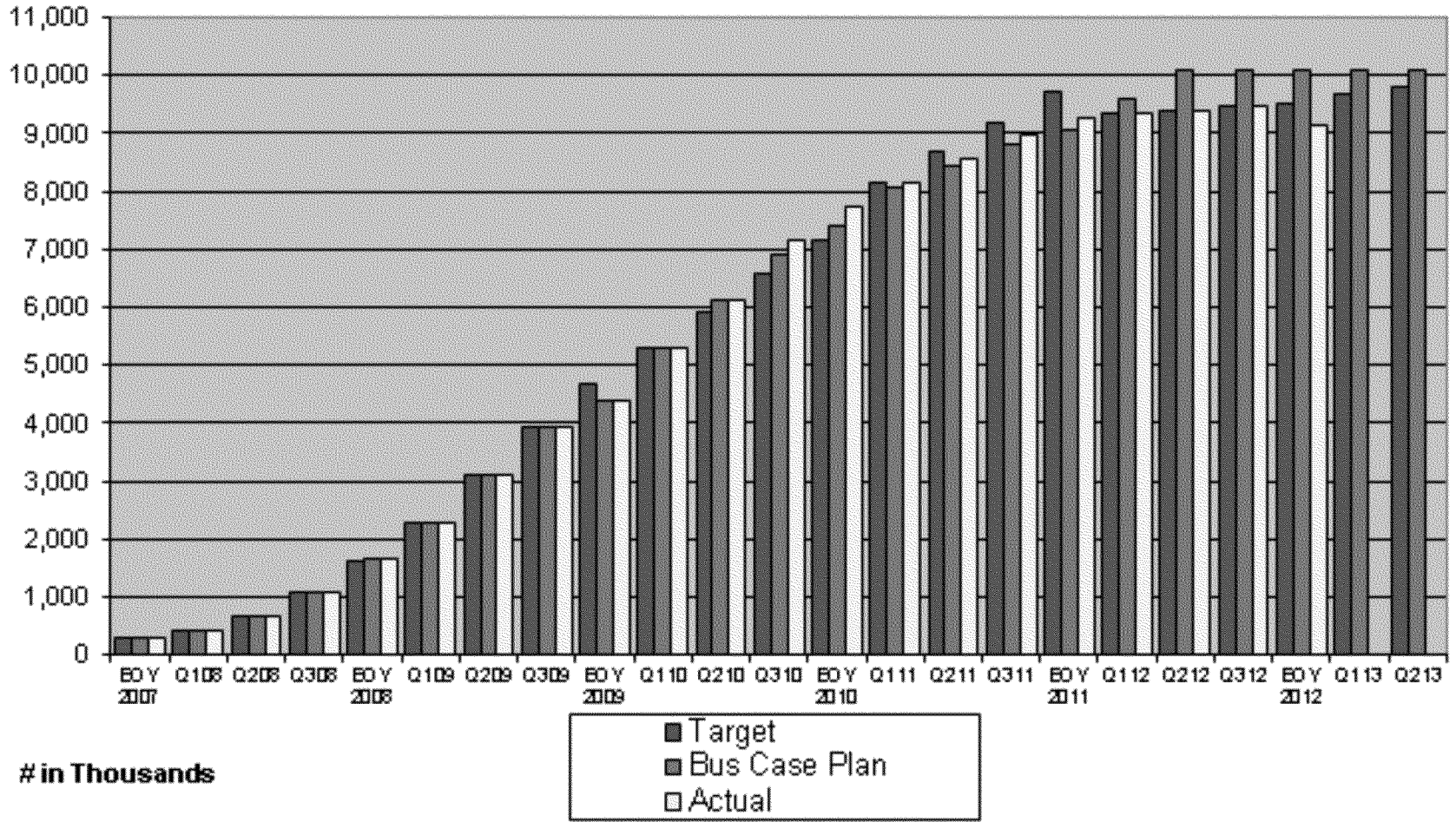
\*\*\* Expense budget reductions and transfers from Line of Businesses (LOBs) made beginning in September to match what was expected to be credited to the SBA by year-end.

Target Resolution Date	Issue	Impact	Status Summary
Ongoing	Installation attempts affected by access refusals and desire for customer choice program.	Increased costs, increase in unable to complete (UTC) back-log, customer change management.	Communicating with customers about the new SmartMeter Opt-Out Program to facilitate customer elections. Customer Choice Phase 2 resolution is expected in 2013.

#	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>Pursuing identified opportunities to increase installation efficiency within ongoing operations and adherence to scope.</p>	
2	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>	

Metric	Key Performance Indicator	OCT '12 - Month Results			NOV '12 - Month Results			YTD			2012 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Current	Target	Var	
P1	SM Earnings Contribution (\$M - estimated)	\$ 5.72	\$ 5.78	-1.0%	\$ 5.70	\$ 5.77	-1.2%	63.56	63.87	-0.5%	\$ 69.26	\$ 69.43	-0.2%	Fewer meter/module purchases and installations than planned. Revised year-end forecast target.
P2	OSHA Recordable Rate (YTD)	-	0.51		-	0.51					-	0.51		
P3	MVI Recordable Rate (YTD)	-	0.10		-	0.10					-	0.98		
C1	Customers enrolled in SmartRate (net)	79,009	<i>(track only)</i>		79,597	<i>(track only)</i>								
C2	# of CPUC escalated Customer Complaints	5	<i>(track only)</i>		2	<i>(track only)</i>		58	<i>(track only)</i>					
C10	Customer Complaint Rate (escalated to CPUC)	0.018%	<i>(track only)</i>		0.009%	<i>(track only)</i>		0.023%	<i>(track only)</i>					
D1	Meters/Modules Installed - Electric & Gas	27,530	27,218	1.1%	21,664	27,218	-20.4%	256,342	261,787	-2.1%	285,000	285,000	0.0%	See Slide 4 for details
D5	UTC Rate	14.8%	15.0%	1.3%	13.4%	15.0%	10.7%	17.0%	15.0%	-11.8%	18.0%	15.0%	20.0%	
D7	UTCs open beyond 90 days	150,433	<i>(track only)</i>		147,350	<i>(track only)</i>								
D8	CPI - Endpoints	\$110.01			\$137.35			\$122.37			\$82.97			CPI target under review in conjunction with revised deployment plan
D14	Total Weeks of Inventory on Hand - Electric Meters	9	6	50.0%	11	6	83.3%							
D15	Total Weeks of Inventory on Hand - Gas Modules	29	6	383.3%	27	6	350.0%							
O4	Transition Aging - Average Days	287	<i>(track only)</i>		245	<i>(track only)</i>		210	<i>(track only)</i>		152	<i>(track only)</i>		
O5	SM Billing accuracy % (SA)	99.81%	99.88%	-0.1%	99.84%	99.88%	0.0%	99.82%	99.87%	-0.1%	99.88%	99.88%	0.0%	
O6	SM Billing timeliness % (SA)	99.96%	99.81%	0.2%	99.95%	99.81%	0.1%	99.96%	99.80%	0.2%	99.79%	99.79%	0.0%	
O7	SM % Bills not estimated (BSEGs)	99.93%	99.90%	0.0%	99.93%	99.90%	0.0%	99.94%	99.90%	0.0%	99.90%	99.90%	0.0%	
B2	Meters Activated - Electric & Gas (end of month)	44,974	<i>(track only)</i>		71,381	<i>(track only)</i>		921,078	<i>(track only)</i>		850,412	<i>(track only)</i>		

Combined Gas and Electric Plan, Target, and Actuals (Cumulative)



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