

**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 JANUARY 2014 IN ACCORDANCE
WITH THE MAY 4, 2010 ASSIGNED COMMISSIONER'S
RULING**

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Dated: May 20, 2014

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Pacific Gas and Electric Company (PG&E) submits the attached January 2014 "SmartMeter™ Steering Committee Update Report," its final 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. PG&E's AMI Project has been completed.

Respectfully Submitted,

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PG&E
SmartMeter™

SmartMeter™
Steering Committee – Project Closure – January 2014

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- ▶ **Monthly Updates**
 - ▶ **Release Status Update**
 - ▶ **Deployment Status Update**
 - ▶ **Schedule Update**
 - ▶ **Deployment Update**
 - ▶ **Budget Status – Expenditures by Workstream**
 - ▶ **Budget Status – Benefits**
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	EAC	Funded Budget	ITD	Scope	Schedule	Resources	Issues	Risks
IT Releases: December 31, 2013								
Release 1								
Release 2								
Release 3								

Challenges

Actions/Status

Overall

- IT completed all work expected by the SmartMeter plan.
- HAN enablement and Peak Time Rebate roadmaps have been aligned with their ongoing regulatory proceedings.

Overall

- All in-scope functionality completed as of 3/30/12.
- HAN enablement in implementation and aligned with Demand Response Programs.
- Peak Time Rebate roadmap awaiting Commission approval.

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	EAC	2013 Forecast (2013 EOY / CPI)	Scope	Schedule	Resources	Issues	Risks
Deployment: December 31, 2013							
Endpoints (2013 YTD)							
Gas Network (2013 YTD)							
Electric Network (2013 YTD)							

Challenges

Actions/Status

Endpoints

- Mass deployment complete as of 12/31/13. Minor number of meters outstanding, consistent with GRC submission.

Electric Network

- Initial design scope of electric network is complete.
- Operations continues to monitor whether additional electric network is necessary due to SmartMeter™ opt-outs.

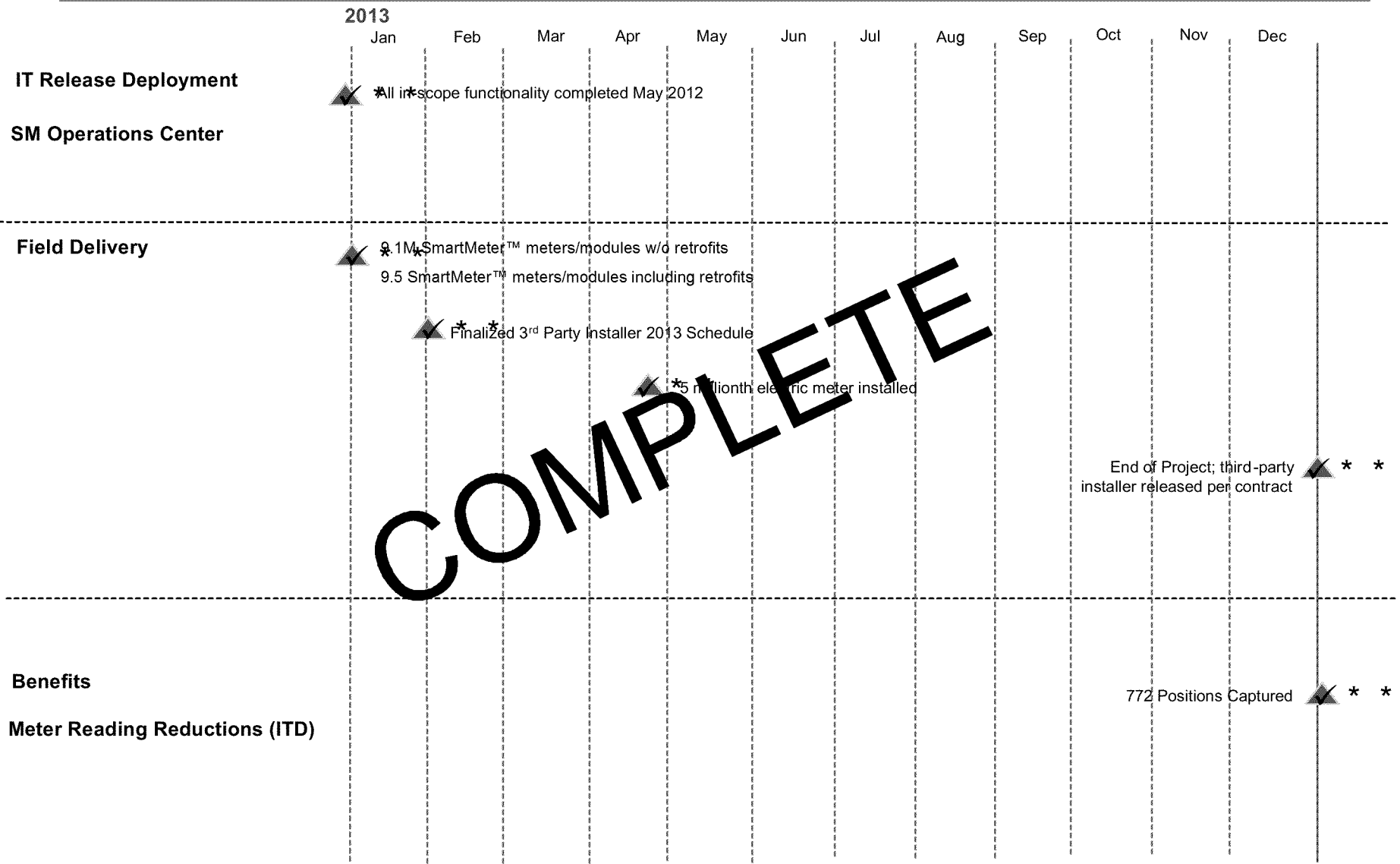
Endpoints

- Ended 3rd party provider deployment effective 12/31/13 in alignment with project closure.
- Transition to normal operations is complete.
- Issues and Risks transferred to appropriate operational lines of business.

Electric Network

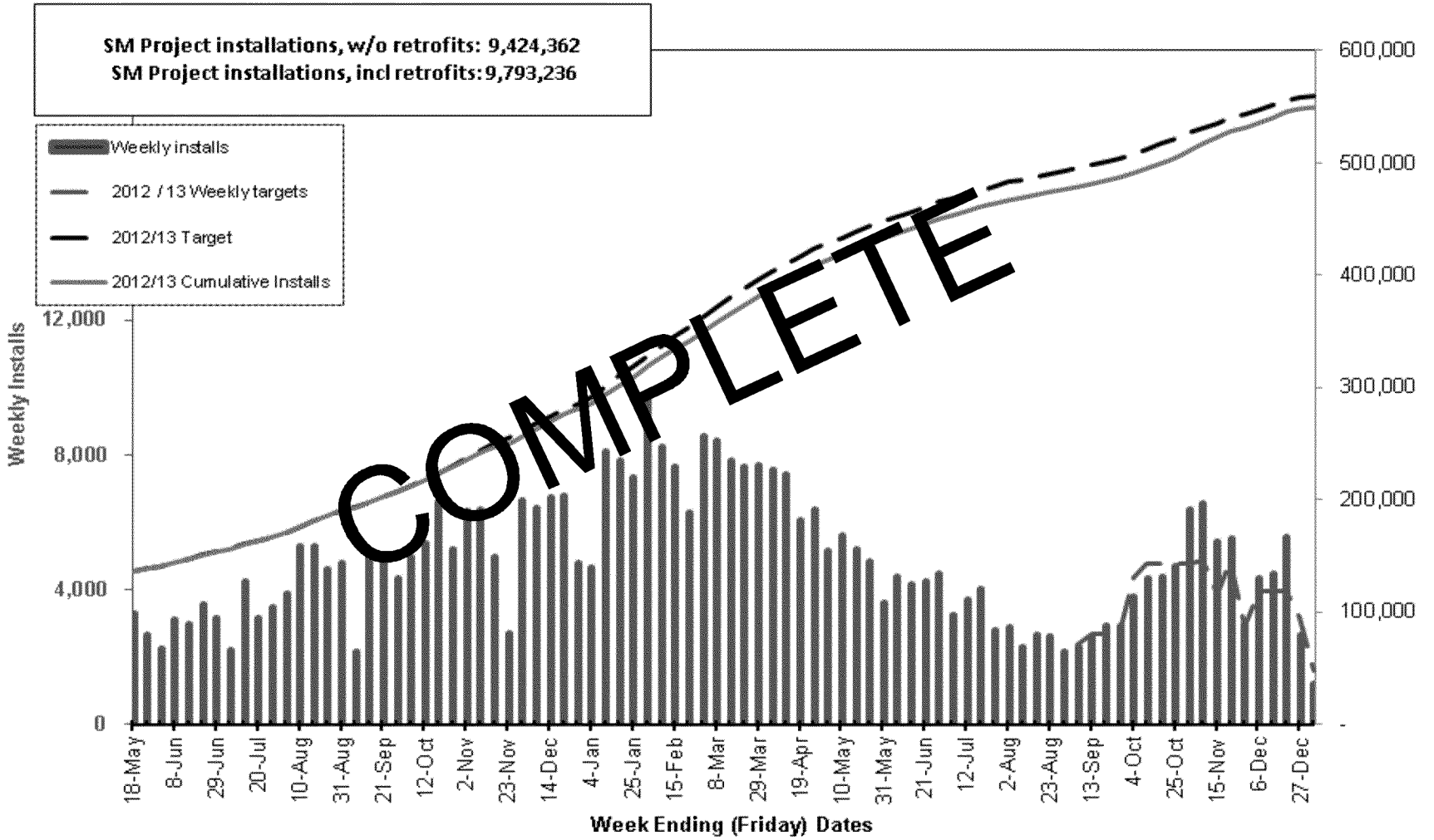
- Operations is working with technology supplier to leverage alternative solutions to address network coverage in 'hard-to-reach' areas.
- Transition to normal operations is complete.
- Operations continuing to monitor impact of optouts on network.

COMPLETE



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

2012 / 13 Install Rate - Weekly Meter Totals



2013 Budget Status – Expenditures by Workstream

#	Work Stream	Current Month - December			Year to Date - December			Inception to Date Actual (12/31/13) **	Project Completion Actual **	#
		Budget*	Actual	Variance	Budget *	Actual	Variance			
A. Capital (000s)										
1	BUSINESS OPERATIONS (PMO)	\$3,723	\$40	\$3,683	\$4,258	\$578	\$3,681	\$51,155	\$51,158	1
2	SM OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$11,310	\$11,310	2
3	SM FIELD DELIVERY	\$2,268	\$5,724	(\$3,456)	\$28,088	\$39,332	(\$11,244)	\$479,056	\$477,842	3
4	SM SOLUTIONS	\$52	\$67	(\$15)	\$9,300	(\$4,017)	\$13,317	\$980,249	\$979,804	4
5	IT	\$277	\$276	\$1	\$2,453	\$761	\$1,692	\$376,168	\$376,148	5
6	Capital Total:	\$6,320	\$6,108	\$213	\$44,100	\$36,653	\$7,447	\$1,897,937	\$1,896,262	6
B. Expense (000s)										
7	BUSINESS OPERATIONS (PMO)	(\$2,905)	(\$3)	(\$2,903)	(\$2,817)	\$84	(\$2,901)	\$26,956	\$27,214	7
8	SM OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$56,594	\$56,594	8
9	SM CHANGE MANAGEMENT	\$0	\$0	\$0	\$0	(\$71)	\$71	\$14,947	\$14,947	9
10	CUSTOMER	\$725	\$304	\$421	\$8,137	\$5,780	\$2,357	\$114,254	\$114,154	10
11	SM FIELD DELIVERY	\$36	\$450	(\$414)	\$29	\$2,357	(\$1,926)	\$24,096	\$24,216	11
12	SM SOLUTIONS	(\$0)	\$0	\$0	\$0	\$6	(\$5)	\$67,970	\$67,970	12
13	IT	\$107	\$3	\$104	\$1,511	\$3,270	(\$1,519)	\$137,948	\$138,007	13
14	Expense Total:	(\$2,039)	\$843	(\$2,883)	\$7,500	\$11,424	(\$3,923)	\$442,765	\$443,102	14
C. Total: Capital + Expense (000s)										
15	BUSINESS OPERATIONS (PMO)	\$822	\$38	\$780	\$1,441	\$661	\$780	\$78,110	\$78,372	15
16	SM OPERATIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$67,904	\$67,904	16
17	SM CHANGE MANAGEMENT	\$0	\$0	\$0	\$0	(\$71)	\$71	\$14,947	\$14,947	17
18	CUSTOMER	\$725	\$304	\$421	\$8,137	\$5,780	\$2,357	\$114,254	\$114,154	18
19	SM FIELD DELIVERY	\$2,303	\$6,174	(\$3,870)	\$28,518	\$41,687	(\$13,169)	\$503,152	\$502,058	19
20	SM SOLUTIONS	\$52	\$67	(\$15)	\$9,301	(\$4,011)	\$13,312	\$1,048,219	\$1,047,774	20
21	IT	\$383	\$369	\$14	\$4,204	\$4,031	\$173	\$514,116	\$514,155	21
22	Capital + Expense Total:	\$4,281	\$6,952	(\$2,671)	\$51,600	\$48,077	\$3,523	\$2,340,702	\$2,339,365	22

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23 * Budget amounts shown reflect initial budget amounts submitted in SAP for 2013 with the additional \$12M approved in Q3 by the Financial Plan Committee shown in line #1. With this adjustment, the total overrun in Field Delivery (#19), was offset by the total underrun in Solutions (#20).

24 ** Inception to Date Actual (12/31/13) included accruals for estimated third party final invoices for work already performed. The actual amount of the final invoices came in lower than estimated and is reflected in the Project Completion Actual.

Year-to-Date Variance Explanations:

Favorable EOY capital variance (\$7.5M) primarily due to lower than planned electric meter purchase costs (#4), offset by higher than planned per installation costs in Field Delivery (#3). Unfavorable EOY expense variance (-\$3.9M) primarily due to a reclassification of installation costs from capital to expense in Field Delivery (#11) associated with refurbished meters, and IT costs originally planned as capital (#13) but coming in as expense.

SmartMeter Balancing Account (SBA) Credits *

		Actual																			
(\$ in thousands)		2007	2008	2009	2010	2011	2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Actual	#
1	Activated Meter Benefits:	\$ 111	\$ 4,705	\$ 26,055	\$ 56,313	\$ 25,269	\$ 32,392	\$ 2,988	\$ 3,030	\$ 3,092	\$ 3,136	\$ 3,235	\$ 3,284	\$ 3,318	\$ 3,349	\$ 3,373	\$ 3,432	\$ 3,480	\$ 3,526	\$ 184,088	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	\$ 32,392	\$ 2,988	\$ 3,030	\$ 3,092	\$ 3,136	\$ 3,235	\$ 3,284	\$ 3,318	\$ 3,349	\$ 3,373	\$ 3,432	\$ 3,480	\$ 3,526	\$ 200,338	3
4	2013 Cumulative Actual + Forecast:							\$ 2,988	\$ 6,019	\$ 9,111	\$ 12,246	\$ 15,481	\$ 18,765	\$ 22,083	\$ 25,431	\$ 28,805	\$ 32,237	\$ 35,717	\$ 39,243		4

2013 Benefits, Budget vs. Actual and Forecast

(\$ in thousands)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	#
Budgeted Benefits:														
5	Monthly	\$ 2,255	\$ 3,384	\$ 3,659	\$ 3,659	\$ 3,805	\$ 3,956	\$ 4,114	\$ 4,278	\$ 4,448	\$ 4,625	\$ 4,810	\$ 5,001	5
6	Cumulative	\$ 3,794	\$ 6,639	\$ 10,158	\$ 13,818	\$ 17,622	\$ 21,579	\$ 25,693	\$ 29,971	\$ 34,419	\$ 39,045	\$ 43,854	\$ 48,856	6
Actual / Current Forecast:														
7	Monthly	\$ 3,794	\$ 4,045	\$ 4,500	\$ 4,048	\$ 4,604	\$ 3,982	\$ 4,343	\$ 4,341	\$ 4,694	\$ 4,837	\$ 4,342	\$ 3,816	7
8	Cumulative	\$ 3,794	\$ 7,839	\$ 12,339	\$ 16,387	\$ 20,991	\$ 24,973	\$ 29,316	\$ 33,657	\$ 38,351	\$ 43,188	\$ 47,530	\$ 51,346	8
9	YTD Variance	\$ 539	\$ 1,200	\$ 2,181	\$ 2,569	\$ 3,368	\$ 3,394	\$ 3,623	\$ 3,686	\$ 3,932	\$ 4,143	\$ 3,676	\$ 2,490	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

** 2013 benefits, budget versus actual and forecast, do not include meter reading costs and benefits which are being recorded in the Meter Reading Cost Balancing Account (MRCBA) beginning on January 1, 2011.

Target Resolution Date	Issue	Impact	Status Summary
Ongoing – Transferred to Operational LOBs	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 SmartMeter™ Opt-Out Program to facilitate customer elections. SmartMeter™ Opt-Out Phase 2 resolution timing is uncertain Outstanding issues moved to normal operations

COMPLETE

* The SmartMeter Project has been closed as of yearend, outstanding issue has been shifted to operational organizations.

#	Created On	I	P	Score	Prev. Score	Risk	Impact	Status Summary	Assoc. Issue
1	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>	Deployment delays, resource planning and increased costs.	Vendor provided MicroAP solution for PG&E's evaluation. Risk transitioned to the appropriate business operations.	

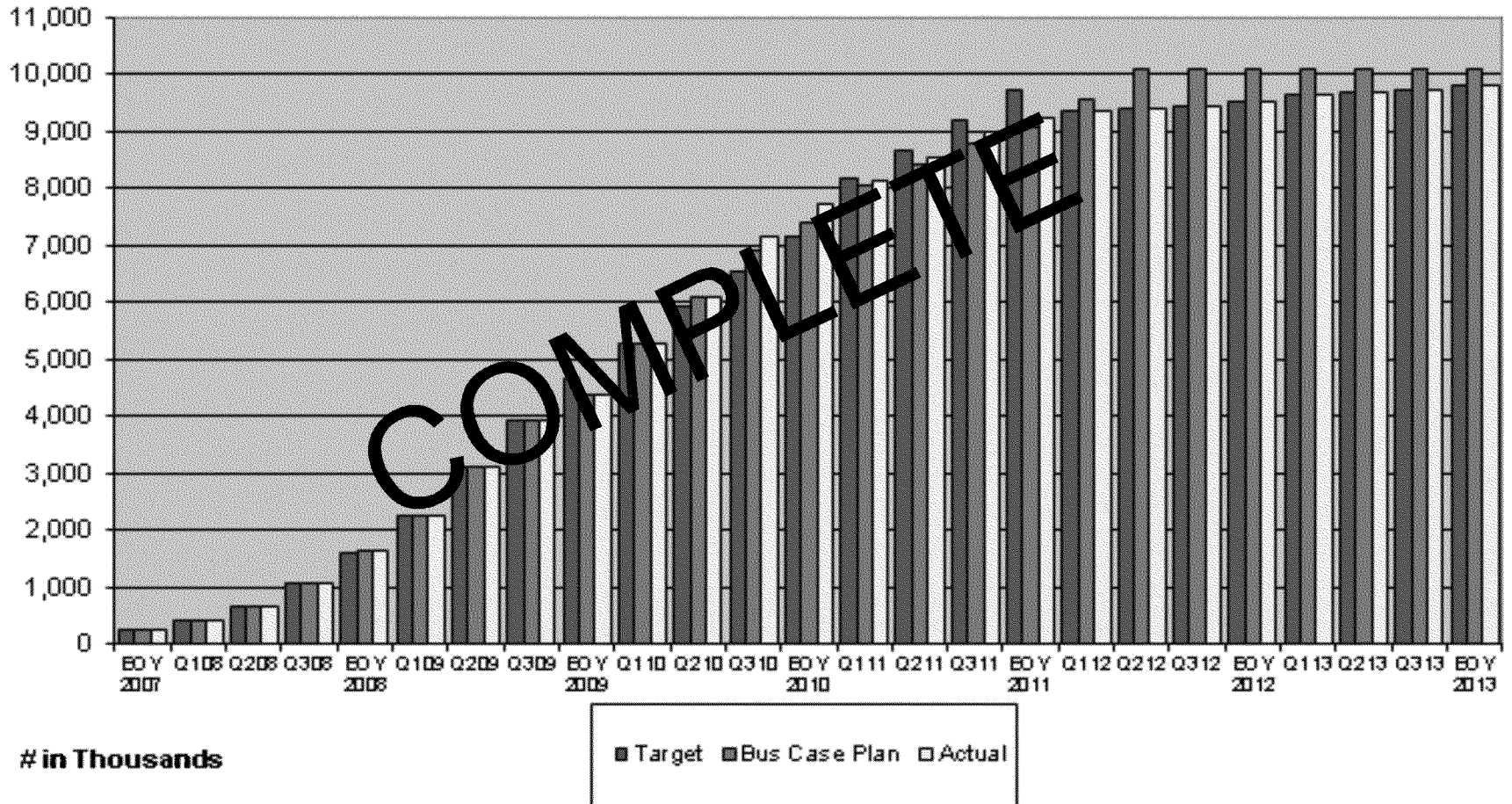
COMPLETE

* The SmartMeter Project has been closed as of yearend, outstanding risk has been shifted to operational organizations.

Metric	Key Performance Indicator	Nov '13 - Month Results			Dec '13 - Month Results			YTD			2013 Year End Forecast			Variance Analysis
		Actual	Target	Var	Actual	Target	Var	Actual	Target	Var	Current	Target	Var	
P1	SM Earnings Contribution (\$M estimated)	\$ 4.94	\$ 4.73	4.4%	\$ 4.92	\$ 4.72	4.2%	\$ 60.78	\$ 58.11	4.6%	\$ 60.78	\$ 58.11	4.6%	Project closed as of 12/31/2013
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)	118,754	<i>(track only)</i>		118,875	<i>(track only)</i>								Ongoing tracking moved to normal operations.
C2	# of CPUC escalated Customer Complaints	1	<i>(track only)</i>		1	<i>(track only)</i>		15	<i>(track only)</i>					
C10	Customer Complaint Rate (escalated to CPUC)	0.000%	<i>(track only)</i>		0.000%	<i>(track only)</i>		0.005%	<i>(track only)</i>					
D1	Meters/Modules Installed - Electric & Gas	25,603	10,701	139.3%	20,584	16,641	23.1%	88,215	274,667	4.9%	288,215	278,054	3.7%	Project closed as of 12/31/2013
D5	UTC Rate	22.1%	25.0%	13.1%	22.0%	25.0%	12.6%	33.6%	25.0%	-25.6%	25.0%	25.0%	0.0%	Any open UTC will be transferred to PG&E Operations
D7	UTCs open beyond 90 days	135,193	<i>(track only)</i>		126,125	<i>(track only)</i>								
D8	CPI - Endpoints	\$221.62	\$123.96	-44.1%	\$221.62	\$123.96	-67.1%	\$170.96	\$123.77	-27.6%	\$148.96	\$114.37	-23.2%	
D14	Total Weeks of Inventory on Hand - Electric Meters	5	6	18%	-	0	0%							
D15	Total Weeks of Inventory on Hand - Gas Modules	2	6	33%	-	0	0%							
O4	Transition Aging - Average Days	322	<i>(track only)</i>		407	<i>(track only)</i>		260	<i>(track only)</i>		209	<i>(track only)</i>		
O5	SM Billing accuracy % (SA)	99.83%	99.88%	-0.1%	99.83%	99.88%	-0.1%	99.82%	99.87%	-0.1%	99.88%	99.88%	0.0%	Ongoing tracking moved to normal operations.
O6	SM Billing timeliness % (SA)	99.95%	99.81%	0.1%	99.95%	99.81%	0.1%	99.97%	99.80%	0.2%	99.79%	99.79%	0.0%	
O7	SM % Bills not estimated (BSEGs)	99.94%	99.90%	0.0%	99.94%	99.90%	0.0%	99.93%	99.90%	0.0%	99.90%	99.90%	0.0%	
B2	Meters Activated - Electric & Gas (end of month)	72,190	<i>(track only)</i>		84,394	<i>(track only)</i>		941,078	<i>(track only)</i>		1,044,500	<i>(track only)</i>		

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



SmartMeterTM Contingency Reconciliation	<u>\$'000s</u>
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>

COMPLETE

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
ORA	Office 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		