ANNEX I - ACCEPTANCE AND EXCEPTION LIST

Meter Installation Vendor Services for the Next Generation AMI Program

Solicitation Number: PGE01-GID02-SH-001

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1. PURPOSE AND APPLICATION

This Annex I establishes the acceptance program applicable to the Services performed by the Meter Installation Vendor ("MIV" or "Contractor") under Annex A, Statement of Work ("SOW"), and identifies the categories of field conditions ("Exceptions") that are recognized as outside the Contractor's control and are therefore handled through documentation and handoff rather than counted as Contractor nonperformance.

The acceptance program has six levels, each with its own entry criteria, exit criteria, and PGE decision point:

- Installation-level acceptance - the conditions under which a single meter exchange is complete, verified, and eligible for payment (Section 4);
- Readiness acceptance - systems integration and deployment readiness testing that must be completed before PGE authorizes production deployment (Section 5);
- Meter sample testing - acceptance of PGE-furnished meter shipments before field installation, with the responsible Party determined by PGE in accordance with Section 6;
- Initial deployment - acceptance of the Initial Deployment Area (Section 7);
- Work-zone acceptance - acceptance of each completed work zone (Section 8); and
- Final Project acceptance - acceptance of the Final Closeout Package and Contract closeout (Section 9).

This Annex supplements, and does not replace, the Deliverable acceptance procedure in SOW Section 11, the performance requirements in SOW Section 6.4, the quality-audit requirements in SOW Sections 7.4.15 through 7.4.19, the Inspection or Witness of Services and Warranties provisions of the Master Agreement, and the payment provisions in Attachment I, Basis of Payment. If this Annex conflicts with the SOW or the Master Agreement, the order-of-precedence provisions of the Master Agreement control. This Annex I is an annex to the Solicitation and the resulting Contract and is distinct from Attachment I (Basis of Payment) to the SOW, which governs pricing and payment.

2. DEFINITIONS

Capitalized terms not defined here have the meanings given in the SOW or the Master Agreement.

Term	Meaning
Accepted Installation	A meter exchange that satisfies every installation-level acceptance criterion in Section 4 and has been verified in PGE's systems in accordance with Section 4.3.
Basis of Payment	"Basis of Payment" means Annex B – Basis of Payment to the Solicitation and, after Contract award, the selected Offeror's completed pricing schedule incorporated into the SOW as Attachment I, Basis of Payment.
Conditional Acceptance	PGE's written acceptance of a Deliverable, work zone, or the Initial Deployment Area subject to a documented list of outstanding items and a completion timeline, as permitted by SOW Section 11.
Deployment Readiness Test ("DRT")	The end-to-end demonstration, following Systems Integration Testing and User Acceptance Testing, that the Contractor's people, systems, facilities, inventory processes, and procedures are ready to support production deployment.
Exception	A documented field or data condition, listed in Section 10, that prevents a compliant meter exchange at a service point for reasons not attributable to the Contractor.

Term	Meaning
Initial Deployment Area ("IDA")	The first work zone(s) authorized by PGE, comprising approximately 10,000 residential meter exchanges, used to validate production processes at scale before PGE authorizes full-rate deployment.
Installation Exception Code	A PGE-approved code recorded on the work order to identify the Exception category, documented in the Deployment Design Document.
Lot	A quantity of PGE-furnished meters of a single manufacturer, meter type, and configuration, made up of whole Pallets received in one shipment or otherwise defined by PGE, for sample-testing purposes. Lot size determines sample size under PGE Meter Standard 3.8.4, Table 1. A Lot shall not exceed 10,000 meters and shall not mix manufacturers or configurations.
Pallet	The manufacturer's standard shipping unit of meters. Current pallet quantities for the meter types under consideration range from 96 to 120 meters (Manufacturer A: 120; Manufacturer B: 112; Manufacturer C: 96); PGE will confirm the applicable quantity for the meter types furnished.
PGE Meter Standard 3.8.4	PGE Meter Operations Standard 3.8.4, Meter Shop: Acceptance Testing, Rev. 1 (effective 10/18/2024), or its current revision, which establishes PGE's lot acceptance-testing procedure based on ANSI/ASQ Z1.4, General Inspection Level II, AQL 2.5, double sampling plan.
Sample Testing	Acceptance testing of a sample of meters from a received Lot in accordance with PGE Meter Standard 3.8.4 to determine whether the Lot is accepted or rejected before field installation. Sample Testing is distinct from hardware qualification testing and first-article testing, which remain PGE and AMI-supplier responsibilities.
Systems Integration Testing ("SIT")	Testing that verifies the Contractor's work-management, field-device, and data-exchange systems interoperate correctly with PGE's CIS, GIS, AMI head-end, and other designated systems.
User Acceptance Testing ("UAT")	Testing executed by PGE business users, with Contractor support, to validate that the integrated systems and processes meet PGE's operational requirements from an end-user perspective.
Zone Completion	The point at which every service point in an assigned work zone is either an Accepted Installation or is documented under an Installation Exception Code and formally handed off to PGE.

3. ACCEPTANCE FRAMEWORK OVERVIEW

Table I-1 summarizes the acceptance gates, the SOW Deliverable each supports, the Party that performs the underlying test or verification, and the PGE decision that results. Detailed criteria follow in Sections 4 through 9.

Table I-1 - Acceptance Gates

Gate	Timing	Performed by	PGE decision	SOW reference
Installation-level acceptance	Continuous; each meter exchange	Contractor performs; PGE verifies in systems	Installation counted as Accepted Installation and eligible for invoicing	SOW 7.3, 12.3

Gate	Timing	Performed by	PGE decision	SOW reference
Readiness acceptance (SIT / UAT / DRT)	Before production deployment	Contractor executes SIT and DRT; PGE executes UAT with Contractor support	Written authorization to commence production deployment; acceptance of Deliverable 2	SOW 7, 7.2, 11
Meter sample testing	Each Lot, before field installation	PGE or Contractor, as determined by PGE in accordance with Section 6	Lot released or rejected	SOW 6.1, 6.7, 7.1
Initial Deployment Area acceptance	After approx. 10,000 installations	Contractor demonstrates; PGE reviews	Authorization for full-rate deployment	SOW 4.2, 7.3
Work-zone acceptance	At each Zone Completion	Contractor submits zone completion report; PGE reviews	Zone accepted, conditionally accepted, or rejected	SOW 7.5, 11 (Deliverable 3), 12.3
Final Project acceptance	After last zone and closeout	Contractor submits Final Closeout Package; PGE reviews	Final acceptance; start of surviving obligations and warranty tail	SOW 5.4, 7.5, 11 (Deliverable 4)

4. INSTALLATION-LEVEL ACCEPTANCE

4.1 Acceptance Criteria for Each Meter Exchange

A meter exchange is an Accepted Installation only when all the following are satisfied and recorded in the installation record transmitted to PGE:

(a) The correct PGE-furnished meter, of the meter form and configuration specified in the work order, is installed at the correct service point with proper seating and electrical connections verified, a visual and safety inspection of the socket and service-entrance equipment is recorded, and the removed meter's serial number and final read are recorded and the meter is secured for return to PGE;

(b) The installed meter and endpoint are programmed in accordance with PGE's technical specifications and the AMI supplier's requirements;

(c) The endpoint is interrogated and has successfully registered with the AMI head-end system and demonstrated communication in accordance with the approved procedures, except for a documented non-Contractor-attributable condition recognized under Section 10; unsuccessful registrations or communication failures are documented, reported, and escalated per SOW Section 7.3.5;

(d) Initial read on the new meter and final read on the removed meter are captured and are consistent with the interrogation results;

(e) Secondary-voltage verification is performed and recorded where required by PGE for the meter form or installation type, and any reading outside PGE's specified tolerance is reported to PGE within twenty-four (24) hours;

(f) Tamper tags, lock rings, seals, or other PGE-specified security devices are installed and their identifiers recorded where required;

(g) Required photographs are captured and linked to the work-order record in accordance with SOW Section 7.3.8: the existing meter display showing the final read before removal, the new meter display showing the initial read after installation, the socket condition, and the meter identification plates;

(h) GPS coordinates are captured with a horizontal accuracy of three (3) meters or better and linked to PGE's GIS asset record;

(i) The work order is complete and accurate, with no open mandatory fields, and is transmitted to PGE within the daily transfer required by SOW Section 9.2;

(j) PGE-approved customer notification materials (door hanger or equivalent) are left at the premises and the distribution is recorded; and

(k) No unresolved installation error listed in SOW Section 7.4.13 is associated with the installation.

4.2 Unsuccessful Attempts

A visit that does not result in an Accepted Installation shall be closed to an Installation Exception Code from Section 10 or to a Contractor-attributable reason. Only visits closed to an Installation Exception Code are excluded from the Contractor's installation error-rate and completion-rate calculations, and only those Exception categories expressly priced in Attachment I are payable.

4.3 PGE Verification

PGE will verify Accepted Installations against head-end registration, CIS meter-change records, and the daily installation-record transfer. Installations that cannot be verified, or that are subject to an unresolved quality deficiency, are not eligible for invoicing until the discrepancy is resolved, consistent with SOW Section 12.3. PGE's verification does not relieve the Contractor of warranty or correction obligations, and PGE may reject nonconforming Services identified within the inspection period of the Master Agreement.

5. SYSTEMS INTEGRATION AND DEPLOYMENT READINESS ACCEPTANCE

Readiness acceptance satisfies SOW Task 2 and supports acceptance of Deliverable 2, Mobilization and Operational Readiness Package. Production deployment shall not commence until PGE has issued written authorization to proceed under SOW Section 7.

5.1 Test Plan

The Contractor shall submit the Systems Integration and Deployment Readiness Test Plan for PGE approval no later than 30 calendar days before the planned start of SIT. The plan shall define scope, environments, test data, roles, entry and exit criteria for each phase, defect severity definitions consistent with Table I-2, defect-management and retest procedures, and traceability of each test case to the SOW requirement or interface specification it verifies. The Contractor shall provide SIT test scripts for PGE review and enhancement and shall support PGE's development of UAT scripts.

Table I-2 - Defect Severity Classes

Severity	Definition	Exit-criteria treatment
Severity 1 - Critical	Data loss or corruption, inability to transfer installation records, safety- or customer-affecting failure, or a security or data-protection failure. No workaround.	None open at exit of any phase.
Severity 2 - High	A required data flow, interface, error-handling process, or report does not function as specified; a workaround exists but is not sustainable for production volumes.	None open at exit of DRT; PGE may allow entry to UAT with an approved remediation plan.
Severity 3 - Medium	Functionality works with an acceptable, documented workaround; cosmetic or usability issues that affect efficiency.	Open items require a PGE-approved remediation date;

Severity	Definition	Exit-criteria treatment
		count toward Conditional Acceptance list.
Severity 4 - Low	Cosmetic; no operational impact.	May remain open with a remediation date.

5.2 Systems Integration Testing (SIT)

SIT shall verify, at minimum: work-order receipt and assignment from PGE; field-device data capture and validation rules; meter programming and interrogation result capture; head-end registration and communication confirmation; daily installation-record transfer to PGE (CIS meter-change, asset, GPS, photo, and read data); inventory receipt, custody-transfer, and reconciliation data; Exception Code handling and handoff records; error handling and rejection/resubmission of failed records; and all reports and dashboards required by SOW Task 4. SIT exit requires execution of 100% of approved test cases with a pass rate of at least 95%, no open Severity 1 or 2 defects, and PGE sign-off of the SIT results report.

5.3 User Acceptance Testing (UAT)

PGE business stakeholders (metering operations, billing, customer service, meter shop, and field services, as applicable) will execute UAT scenarios reflecting real-world workflows, including meter-to-cash validation for exchanged meters, priority-work assignment and acknowledgment, complaint intake and reporting, and zone handoff. The Contractor shall provide test support, defect resolution, and retesting. UAT exit requires PGE sign-off with no open Severity 1 or 2 defects.

5.4 Deployment Readiness Test (DRT)

The DRT is a PGE-witnessed end-to-end demonstration in a production-like setting, including a field demonstration of at least 25 meter exchanges on PGE-designated service points (which may be PGE facilities or a PGE-selected pilot route). DRT exit criteria are:

- Personnel: training and qualification records complete for all personnel assigned to the initial deployment, including PGE-required safety and Fire Season Training attestations, drug and alcohol screening, and background checks;
- Facilities and inventory: warehouse, staging, and chain-of-custody procedures operating as documented; first PGE-furnished inventory received, inspected, reconciled, and (where applicable) released under Section 6;
- Field demonstration: 100% of demonstration installations meet Section 4.1, with any deficiencies corrected and root-caused before authorization;
- Data: installation records for the demonstration installations received by PGE through the production transfer method within the required daily window and reconciled without manual intervention;
- Customer-facing readiness: customer-service function, escalation contacts, identification and vehicle signage, and PGE-approved notification materials in place;
- Reporting: first weekly status report and weekly quality audit report produced from the production systems in the approved format; and
- No open Severity 1 or 2 defects from SIT, UAT, or DRT.

Upon successful DRT exit, the Contractor shall submit Deliverable 2 for acceptance under SOW Section 11. PGE's written authorization to commence production deployment will be issued upon acceptance or Conditional Acceptance of Deliverable 2.

6. METER SAMPLE TESTING

6.1 Responsibility for Sample Testing - Two Paths

PGE performs hardware qualification testing and first-article testing of new meter types in coordination with the AMI supplier; those activities are outside the Contractor's scope in all cases (SOW Section 6.7). Sample Testing of received Lots will be performed in accordance with PGE Meter Standard 3.8.4 under one of the two paths below.

Pricing for Path B is required in every Proposal through Annex B line B8 for evaluation purposes. PGE may select Path A or authorize Path B at Contract Award or thereafter in accordance with the Contract. If PGE selects Path A, Contractor-performed Sample Testing is not authorized and no payment under B8 applies.

Table I-3 - Comparison of Sample Testing Paths

Element	Path A - PGE performs Sample Testing	Path B - Contractor performs Sample Testing
Test execution	PGE meter shop (or PGE-designated laboratory) tests the sample.	Contractor tests the sample at its facility using Contractor-furnished, PGE-approved test equipment and PGE-approved procedures.
Sampling plan and pass/fail criteria	PGE Meter Standard 3.8.4 (ANSI/ASQ Z1.4, Level II, AQL 2.5, double sampling).	PGE Meter Standard 3.8.4, applied by the Contractor under a Meter Sample Test Plan approved by PGE before the first Lot is received.
Lot release decision	PGE.	PGE, based on the Contractor's Lot test report. Contractor may not release a Lot to field inventory without PGE written release, or: automatic release if PGE does not object within 2 Business Days of a passing report.
Contractor obligations	Receipt inspection, quarantine, sample pull and delivery to PGE, hold and segregation of untested Lots, records.	All Path A obligations plus test execution, equipment calibration and traceability, technician qualification, test records, and Lot test report.
PGE witness / audit	Not applicable (PGE performs).	PGE may witness any test on reasonable notice and may re-test any sample; a PGE re-test result governs.
Failed Lot	PGE directs disposition; Contractor holds the Lot and supports return to supplier.	Contractor notifies PGE within one (1) Business Day; PGE directs disposition; Contractor holds the Lot and supports return to supplier.
Pricing	Included in Contract prices (no separate line item).	Separately priced in Attachment I (Annex B, line B8) per meter tested. The unit price includes test execution, test equipment and calibration, sample handling, documentation, and reporting.
Schedule impact	Lot release time is a PGE responsibility; Contractor may request schedule relief under the Contract for PGE-caused delay.	Lot release time is a Contractor responsibility within the turnaround stated in 6.4; delay is not excusable except as stated in Section 10.

6.2 Obligations Common to Both Paths

- Receipt inspection: on receipt of each Lot, the Contractor shall verify shipment quantity and serial-number range against the PGE shipping notice, inspect packaging and meters for visible damage, and record the receipt in the asset-tracking system within one (1) Business Day.

- Quarantine: each Lot shall be physically segregated and flagged "not released" in the inventory system until released for field use. Meters from an unreleased Lot shall not be issued to crews.
- Sample selection: the sample shall be drawn randomly from across every Pallet in the Lot (not from a single Pallet or carton) in accordance with Standard 3.8.4. Serial numbers of sampled meters and the Pallet each was drawn from shall be recorded.
- Lot formation: each Lot shall consist of whole Pallets of one manufacturer, meter type, and configuration. Shipments exceeding 10,000 meters shall be divided into Lots of 10,000 or fewer, each tested separately. The Deployment Design Document shall define how Lots are bounded (by shipment, purchase-order release, or Pallet group) so that Lot sizes are unambiguous under either path.
- Records: the Contractor shall retain receipt-inspection records, sample serial numbers, chain-of-custody records for sampled meters, and Lot release or rejection notices, and shall make them available to PGE on request. Receipt, release, and disposition records shall identify the funding source (federal grant-funded or PGE-funded) associated with each Lot, consistent with the separate-tracking requirements of the SOW.
- Damaged or nonconforming meters discovered at receipt or in the field (dead-on-arrival, wrong configuration, physical damage) shall be tagged, segregated, recorded, and reported to PGE within one (1) Business Day; disposition is at PGE direction.

6.3 Path A - PGE-Performed Sample Testing

If Path A is selected, the Contractor shall pull the sample specified by PGE (the first-sample size for the Lot size under Standard 3.8.4, Table 1, plus a second sample of the same size if PGE notifies the Contractor that double sampling is required) within 2 Business Days of receipt and deliver it to PGE's meter shop or other designated location, with chain-of-custody documentation. PGE will test the sample and notify the Contractor in writing of Lot release or rejection. PGE's target turnaround is 5 Business Days from receipt of the sample; if PGE's turnaround materially affects the Contractor's ability to meet the approved schedule, the Contractor may request a schedule adjustment under SOW Section 5.3. Sampled meters returned by PGE in serviceable condition shall be returned to Lot inventory and installed; PGE will identify any sampled meters to be retained or scrapped.

6.4 Path B - Contractor-Performed Sample Testing

If Path B is selected, the Contractor shall, in addition to Section 6.2:

- Submit a Meter Sample Test Plan for PGE approval no later than 30 calendar days before the first scheduled Lot receipt. The plan shall adopt the sampling plan, sample sizes, accept/reject numbers, and double-sampling rule of PGE Meter Standard 3.8.4 without modification and shall specify the tests performed, test conditions, PGE tolerance limits to be applied, equipment, calibration and traceability, technician qualifications, record formats, and the Lot test report format;
- Evaluate each sampled meter against the failure conditions in Standard 3.8.4 Section 5.5: (i) tested accuracy outside PGE tolerance limits as specified by PGE Meter Standards for the meter's accuracy class; default test points: light load (10% TA) and full load (100% TA) at unity power factor, and full load at 50% lagging power factor; (ii) factory metrology configuration not matching the PGE specification; and (iii) broken or defective hardware, including non-functional display, inoperable remote connect/disconnect, inoperable communication module, or misaligned jaw(s). Consistent with Standard 3.8.4, a communication-module configuration difference is not a failure condition but shall be identified in the Lot test report for referral to PGE Meter Standards;
- Use test equipment with accuracy at least four (4) times better than the meter accuracy class, calibrated at intervals not exceeding 12 months with calibration traceable to NIST, and make calibration certificates available to PGE;
- Complete testing and issue the Lot test report to PGE within 5 Business Days of Lot receipt (or 8 Business Days where double sampling is required). The report shall identify the Lot size, the Table 1 row applied, first- and second-sample serial numbers, results for each test, the number of failures against the

accept/reject numbers, the accept or reject determination, and any nonconformances or communication-module configuration differences;

- Not release any Lot to field inventory without PGE's written release or, if PGE elects, without objection from PGE within 2 Business Days after a passing Lot test report;
- Notify PGE within one (1) Business Day of any failed sample or failed Lot, hold the Lot, and support PGE's disposition, including return to the AMI supplier; and
- Allow PGE to witness testing on 2 Business Days' notice and to re-test any sampled meter. If PGE's re-test result differs from the Contractor's, PGE's result governs and the Contractor shall investigate its equipment and procedures.

Sample Testing under Path B is limited to acceptance testing of received Lots. It does not transfer to the Contractor any responsibility for meter design, manufacture, calibration, certification, repair, or warranty, all of which remain with PGE and the AMI supplier. A Lot that passes Sample Testing is not a warranty by the Contractor of every meter in the Lot.

6.5 Sampling Plan Summary (PGE Meter Standard 3.8.4, Table 1)

Table I-3A reproduces the double sampling plan of Standard 3.8.4 for reference. The first and second samples are the same size and are drawn from the same Lot. A Lot is accepted if first-sample failures are at or below the first-sample Accept number and rejected if at or above the first-sample Reject number; if failures fall between those numbers, a second sample is tested and the combined failures are compared with the second-sample numbers. The current revision of Standard 3.8.4 governs over this summary.

Table I-3A - Double Sampling Plan (Standard 3.8.4, ANSI/ASQ Z1.4 Level II, AQL 2.5)

Lot size	Sample size (each)	First sample - Accept (≤)	First sample - Reject (≥)	Combined - Accept (≤)	Combined - Reject (≥)
2 to 8	2	0	1	0	1
9 to 15	2	0	1	0	1
16 to 25	3	0	1	0	1
26 to 50	5	0	1	0	1
51 to 90	8	0	2	1	2
91 to 150	13	0	2	1	2
151 to 280	20	0	3	3	4
281 to 500	32	1	4	4	5
501 to 1,200	50	2	5	6	7
1,201 to 3,200	80	3	7	8	9
3,201 to 10,000	125	5	9	12	13

Because meters arrive on manufacturer Pallets, Lot size in practice is a whole number of Pallets. Table I-3C shows, for each current manufacturer, the largest whole-Pallet Lot that stays within the 1,201-3,200 and 3,201-10,000 rows of Table 1, and the resulting sample size as a share of the Lot. Forming Lots at these break points minimizes the number of meters tested per meter received.

Table I-3C - Pallet-Based Lot Sizes at Standard 3.8.4 Break Points

Manufacturer	Meters per Pallet	Single-Pallet Lot	Largest Lot ≤ 3,200	Largest Lot ≤ 10,000
Manufacturer A	120	1 Pallet = 120 (sample 13)	26 Pallets = 3,120 (sample 80, 2.6%)	83 Pallets = 9,960 (sample 125, 1.26%)
Manufacturer B	112	1 Pallet = 112 (sample 13)	28 Pallets = 3,136 (sample 80, 2.6%)	89 Pallets = 9,968 (sample 125, 1.25%)
Manufacturer C	96	1 Pallet = 96 (sample 13)	33 Pallets = 3,168 (sample 80, 2.5%)	104 Pallets = 9,984 (sample 125, 1.25%)

6.6 Estimated Sample Testing Volume

Table I-3B estimates the Sample Testing workload over the planning horizon using the planning quantities and two Lot-forming scenarios drawn from Table I-3C: Lots formed at the largest whole-Pallet count under 3,200 meters (sample of 80) and at the largest whole-Pallet count under 10,000 meters (sample of 125). Manufacturer A Pallet quantities are used for illustration; the Manufacturer B and C results differ by less than 3%. The estimates are provided solely to support pricing of Path B and PGE's buy-versus-do decision; they are not a commitment to any Lot size, shipment schedule, quantity, or manufacturer. Figures show first-sample tests only; Offerors should allow for double sampling on a portion of Lots (each double-sampled Lot doubles the tests for that Lot).

Table I-3B - Planning Quantities and Estimated First-Sample Tests

Year	Planned meters installed	Lots / tests at 26-Pallet Lots (3,120 meters; 80 per Lot)	Lots / tests at 83-Pallet Lots (9,960 meters; 125 per Lot)
2027	10,446	4 / 320	2 / 250
2028	22,393	8 / 640	3 / 375
2029	157,045	51 / 4,080	16 / 2,000
2030	150,000	49 / 3,920	16 / 2,000
2031	150,000	49 / 3,920	16 / 2,000
2032	110,116	36 / 2,880	12 / 1,500
Total	600,000	197 / 15,760	65 / 8,125

First-sample testing therefore ranges from roughly 1.3% of meters received (large Lots) to 2.6% (small Lots), or approximately 40 to 80 meters tested per week in the peak years (2029-2031), plus double-sampling allowance. Under Path A this is the PGE meter shop workload the Contractor's deliveries must be paced to; under Path B it is the throughput the Contractor's test facility, equipment, and staffing must sustain within the turnaround in Section 6.4. Large Lots reduce testing effort but increase the inventory held in quarantine awaiting release and the number of meters affected by a rejected Lot; PGE will set the Lot-forming rule in the Deployment Design Document with both effects in mind.

7. INITIAL DEPLOYMENT AREA ACCEPTANCE

The IDA is the first work zone or zones authorized by PGE, comprising approximately 10,000 residential meter exchanges, which corresponds to the planned 2027 installation quantity in Table I-3B (10,446 meters). The planned 2028 quantity (22,393 meters) represents a controlled ramp period following IDA acceptance, with full-rate deployment planned from 2029 at approximately 150,000 meters per year. Its purpose is to verify that the Contractor's production processes, quality controls, data flows, inventory management, and customer-interaction procedures perform at production volume before PGE authorizes full-rate deployment. Where PGE's AMI program includes an AMI-supplier Initial Acceptance Test over the same population, the Contractor shall

coordinate with PGE and the AMI supplier so that both acceptance activities use the same installation population and data.

7.1 IDA Acceptance Criteria

PGE will accept the IDA when, measured over the full IDA population using the methodologies documented in the Deployment Design Document:

Measure	Threshold	Basis
Installation error rate	≤ 0.1%	SOW 6.4, 7.4.14
Data accuracy of installation records	≥ 99.9%	SOW 6.4
Endpoint registration and communication success (Contractor-attributable failures only)	≥ 99% of installed endpoints registered and communicating within 24 hours of installation	SOW 7.3.5; network-coverage failures excluded per Section 10
Installation records transmitted within the required daily window	≥ 99%	SOW 9.2
Substantiated customer complaint rate	≤ 1.0%	SOW 6.4
Inventory loss or damage rate	≤ 1.0% and full reconciliation of the IDA inventory	SOW 6.4
Contractor quality audit coverage	≥ 1% weekly random sample achieved every week; escalated sampling performed where triggered	SOW 7.4.15, 7.4.16
Safety	No recordable safety incident attributable to a procedure deficiency that remains uncorrected	Master Agreement; SOW 7.1
Deficiencies	All identified deficiencies corrected or on a PGE-approved corrective-action plan	SOW 7.4
Production rate	Demonstrated capability to sustain the SOW Section 6.4 minimums (68 exchanges per Business Day per crew and 12,000 exchanges per month across all active crews) at the crew count planned for full-rate deployment, or the ramp rate approved in the Deployment Design Document for the IDA period	SOW 5.3, 6.4

7.2 IDA Decision

Within 10 Business Days after the Contractor's written notice that the IDA population has reached Zone Completion, PGE will (a) authorize full-rate deployment, (b) authorize full-rate deployment conditionally, subject to a corrective-action plan and any production-rate limits PGE specifies, or (c) require the Contractor to continue at IDA production rates until identified deficiencies are corrected and a further review is completed. PGE may, at its discretion, require a further IDA-style acceptance before authorizing any optional commercial or industrial meter form under SOW Section 6.3.

8. WORK-ZONE ACCEPTANCE

8.1 Zone Completion Notice

When the Contractor believes a work zone has reached Zone Completion, it shall submit a zone completion report and written notice to the PGE Contract Administrator. The zone completion report shall include: installations completed by meter form and installation type; every service point not exchanged, with its Installation Exception Code, attempt history, and supporting documentation; open deficiencies and corrective-action status; zone inventory reconciliation, including returned, damaged, and unaccounted-for meters; zone quality-audit summary; zone customer-complaint summary; and the proposed handoff list for PGE's meter shop.

8.2 Zone Acceptance Criteria

SOW Section 7.5 requires PGE to accept each work zone against minimum thresholds for the six measures listed there. The table below establishes the proposed default thresholds for Proposal preparation, which will be confirmed at Contract Award and documented in the approved Deployment Design Document in accordance with the SOW.

Measure	Threshold	Notes
Exchange completion	≥ 98% of in-scope service points in the zone are Accepted Installations; 100% of the remainder carry a valid Installation Exception Code with the required attempts and documentation	Exceptions under Section 10 are excluded from the denominator only when properly documented
Installation error rate (zone)	≤ 0.1%	Corrected errors treated per the approved methodology
Data accuracy (zone)	≥ 99.9%	SOW 6.4
Endpoint communication success (Contractor-attributable)	≥ 99%	Section 10 exclusions apply
Substantiated customer complaint rate (zone)	≤ 1.0%	SOW 6.4
Quality audit pass rate (zone)	≥ 99% of audited installations pass; all failed audits corrected	SOW 7.4.15
Inventory reconciliation	Zone inventory reconciled to PGE records; all discrepancies reported and dispositioned	SOW 6.4, 7.5
Deficiencies	All Contractor-attributable deficiencies corrected, or on a PGE-approved plan (Conditional Acceptance only)	SOW 11
Handoff	Handoff list jointly reviewed with PGE and accepted by PGE's meter shop	SOW 7.5

8.3 Zone Acceptance Review

PGE will complete its zone acceptance review within thirty (30) calendar days after the Contractor's written notice of Zone Completion, consistent with SOW Section 7.5 and Section 8 of the Master Agreement, and will respond in writing with acceptance, Conditional Acceptance, or rejection with a reasonably detailed explanation. Zone acceptance is a component of Deliverable 3 and does not condition the monthly progress payments for Accepted Installations under SOW Section 12.5. Failure by PGE to respond within the review period does not constitute acceptance; the Contractor may request a decision under SOW Section 11.

8.4 Conditional Acceptance and Rejection

If a zone meets most but not all criteria, PGE may grant Conditional Acceptance with a documented list of outstanding items and a completion timeline. Final zone acceptance will not be granted until all outstanding items are resolved to PGE's reasonable satisfaction. If a zone is rejected, the Contractor shall correct the identified deficiencies and resubmit the zone completion report within the timeframe agreed by the Parties, at no additional cost to PGE to the extent the rejection results from the Contractor's failure to comply with the SOW.

9. FINAL PROJECT ACCEPTANCE

Final Project acceptance corresponds to acceptance of Deliverable 4, Final Closeout Package, under SOW Section 11. Entry criteria are: all authorized work zones accepted (with no open Conditional Acceptance items); final Project-wide inventory reconciliation completed and all unreconciled, missing, damaged, or unresolved meters dispositioned in writing by PGE; all installation records, photographs, GPS data, chain-of-custody records, audit records, training and qualification records, and other Project records delivered to PGE in the agreed formats and verified as complete; all warranty and corrective Work identified before submission completed; final deployment report and lessons learned delivered; and PGE-furnished materials, tools, badges, and access credentials returned. PGE's written acceptance of Deliverable 4 constitutes final acceptance for purposes of the SOW survival provisions and the Master Agreement warranty period, which runs for one (1) year following acceptance or initial operation, whichever is later, for each installation. Final acceptance does not waive latent defects or nonconformities not reasonably discoverable during review.

10. EXCEPTION LIST

10.1 Installation Exceptions

Table I-4 lists the Exception categories recognized under this Annex. A service point closed to an Installation Exception Code is excluded from the Contractor's completion-rate, error-rate, and communication-success calculations, is transferred to PGE through the zone handoff process, and is payable only where Attachment I includes a price for that category (for example, an unsuccessful-attempt or trip charge). The Contractor shall document each Exception with the attempt history, photographs, and other evidence stated in the table. An Exception that is not documented as required is treated as a Contractor-attributable incomplete installation.

Table I-4 - Installation Exception Categories

Code	Exception	Minimum Contractor action before closing	Required documentation	Disposition
EX-01	Inaccessible meter - locked gate or enclosure, obstruction, inside meter with no access, no response at appointment	At least two (2) documented attempts on different days in accordance with the PGE-approved Meter Access Plan (SOW 7.3), including any required appointment offer; door hanger left at each attempt	Attempt date/time, photo of obstruction, door-hanger record, appointment record	Escalated to PGE per the Meter Access Plan; handoff to PGE meter shop at Zone Completion
EX-02	Customer refusal or objection, including opt-out, medical-certificate, or accessibility concerns	Do not attempt to persuade the customer (SOW 7.3); record the refusal; escalate to PGE's Customer Service Center by warm transfer during PGE hours or through the agreed process by the next Business Day	Customer statement or observed refusal, date/time, escalation reference	PGE handles opt-out or follow-up; Contractor does not administer opt-out

Code	Exception	Minimum Contractor action before closing	Required documentation	Disposition
EX-03	Unsafe condition - damaged meter socket, exposed wiring, evidence of electrical hazard, aggressive animals, environmental hazards, or other condition described in SOW 7.3	Do not perform the installation; document with photographs and a description; notify PGE (immediately by telephone for an immediate threat, with written report within 24 hours); proceed to the next service point. Do not repair customer-side or PGE-side equipment unless authorized	Photos, description, notification record	PGE determines remediation path; Contractor revisits only when directed
EX-04	Suspected tampering, energy diversion, or theft of service (exchange completed)	Complete the installation if safe to do so; photograph and document without disturbing evidence; report to PGE within four (4) hours of discovery; do not confront or discuss evidence with the customer (SOW 7.3)	Photos, field observations, report reference	Installation counts as an Accepted Installation if Section 4.1 is met; PGE conducts all investigation and enforcement. Recorded as an Exception only if the exchange could not be completed safely
EX-05	PGE data discrepancy - meter, form, service point, or address in PGE data does not match field conditions	Verify in field; record actual serial, form, and location; notify PGE	Photos of nameplate and location, discrepancy report	PGE corrects records; work order reissued
EX-06	Meter form or installation type outside authorized scope (e.g., polyphase or transformer-rated found at a residential work order without C&I authorization)	Record actual form; do not exchange without written authorization	Photos, form identification	PGE meter shop or written authorization under SOW 6.3
EX-07	PGE-furnished meter nonconforming - dead-on-arrival, wrong configuration, physical damage, or fails field programming	Tag, segregate, and report within 1 Business Day; install a conforming replacement from released inventory if available	Serial number, failure description, photos	Return to PGE / AMI supplier; not a Contractor error
EX-08	AMI network coverage unavailable at the location (endpoint programmed correctly but cannot register due to no network)	Confirm programming and endpoint health per procedure; retry per approved interval; report daily	Interrogation log, retry record	PGE and AMI supplier resolve coverage; excluded from Contractor communication metric

Code	Exception	Minimum Contractor action before closing	Required documentation	Disposition
EX-09	Head-end or PGE system outage preventing registration or record transfer	Continue installations per PGE direction; queue records; transmit when restored	Outage notice reference, queued-record log	Excluded from timeliness and communication metrics for the outage window
EX-10	Meter already exchanged (by PGE meter shop or other) or service disconnected / vacant with meter removed	Verify in field; photograph	Photo, notes	PGE closes work order
EX-11	Site condition preventing safe work - flooding, active construction, severe weather, wildfire restriction, public-safety power shutoff	Reschedule; notify PGE if zone-wide	Notes, date/time	Rescheduled; schedule relief per SOW 7.1 contingency plan
EX-12	Meter located in a controlled facility requiring escort or special access (e.g., secured multi-family rooms, industrial sites) not arranged by PGE	Request access through PGE; two documented attempts	Access request record	PGE arranges access; work order reissued

10.2 Acceptance-Measurement Exclusions

In addition to service points closed to an Installation Exception Code, the following are excluded from the Contractor's acceptance measurements to the extent they are documented and not caused by the Contractor: (a) endpoint communication failures caused by AMI network coverage, head-end, or AMI-supplier defects; (b) installation-record transfer delays caused by PGE-system unavailability; (c) customer complaints determined by PGE not to be substantiated or to relate to PGE program decisions rather than the Contractor's conduct; (d) inventory losses caused by PGE; and (e) PGE-directed deviations from the approved procedures. Exclusions do not relieve the Contractor of any obligation to report, investigate, or support resolution.

10.3 Exceptions Are Not Waivers

Classification of a service point as an Exception does not waive the Contractor's obligations to make the required attempts, to document the condition, to protect PGE-furnished inventory, or to return and complete the exchange at the Contract price if PGE later resolves the condition and reissues the work order within the zone's active period. PGE may audit Exception classifications and may reclassify an Exception as a Contractor-attributable incomplete installation if the required actions or documentation are missing.

11. OFFEROR ACCEPTANCE AND REQUESTED EXCEPTIONS TO THIS ANNEX

The Offeror shall complete the table below and submit it with its Proposal. By submitting a Proposal, the Offeror accepts every provision of this Annex I that is not expressly listed as a requested exception. For each requested exception, the Offeror shall identify the section, describe the requested revision, provide proposed replacement language, and explain the business justification. Requested exceptions may affect responsiveness. The thresholds

and review periods identified as proposed defaults in Section 12 may be commented on in the "Comments" column without the comment being treated as an exception.

Section	Accept (Y/N)	Requested revision / proposed language	Business justification	Comments
4 - Installation-level acceptance				
5 - Readiness acceptance				
6 - Meter sample testing (Path A)				
6 - Meter sample testing (Path B)				
7 - IDA acceptance				
8 - Work-zone acceptance				
9 - Final Project acceptance				
10 - Exception List				

Offeror: _____ Authorized signature: _____ Date: _____

12. ITEMS TO BE CONFIRMED AT CONTRACT AWARD

The following items are proposed defaults in this Annex and will be confirmed by PGE at Contract Award and carried into the approved Deployment Design Document. For Proposal preparation, Offerors shall assume the proposed defaults stated in this Annex. Any change at Contract Award that materially affects the Contractor's cost or schedule of performance will be addressed under the Contract's change provisions.

#	Item	Section	Proposed default
1	Sample Testing path (A - PGE performs; B - Contractor performs)	6.1	Initial path to be selected by PGE at Contract Award; PGE may thereafter authorize Path B in accordance with Section 6.1 and the Contract.
2	Sampling plan - confirm current revision of PGE Meter Standard 3.8.4; PGE tolerance limits and test points for the new meter types	6.4, 6.5	Standard 3.8.4 Rev. 1; test points per Section 6.4
3	Lot-forming rule (Pallets per Lot by manufacturer) and confirmation of Pallet quantities	6.2, 6.5	Whole-Pallet Lots at Table I-3C break points; 120 / 112 / 96 meters per Pallet for Manufacturers A / B / C
4	Lot release mechanism and turnaround	6.3, 6.4	Contractor Lot test report within 5 Business Days of Lot receipt (8 where double sampling applies); PGE release or written objection

#	Item	Section	Proposed default
			within 2 Business Days after a passing report
5	IDA size and production-rate criterion	7	2027 planning quantity (≈10,446 meters); rate to match baseline schedule
6	Endpoint communication success threshold and measurement window	7.1, 8.2	99% within 24 hours, Contractor-attributable only
7	Zone exchange-completion threshold	8.2	98% of in-scope service points
8	IDA review period (zone review is fixed at 30 days by SOW 7.5)	7.2	10 Business Days
9	DRT field-demonstration quantity and location	5.4	25 exchanges at PGE-designated points
10	Installation Exception Codes and payable categories	10.1	Table I-4; payable categories per Annex B
11	Photograph set and GPS accuracy confirmation	4.1	Photograph set and GPS accuracy per SOW Section 7.3.8 (four required photograph subjects; 3 m horizontal accuracy)