

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company (U39M), San Diego Gas & Electric Company (U902E) and Southern California Edison Company (U338E) for Authority to Increase Electric Rates and Charges to Recover Costs of Research and Development Agreement with Lawrence Livermore National Laboratory for 21st Century Energy Systems.

Application 11-07-008
(Filed July 18, 2011)

NOTICE OF *EX PARTE* COMMUNICATION

Pursuant to Rule 8.4(a) of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE) and Lawrence Livermore National Laboratory (LLNL) hereby give notice of the following ex parte communication. The communication occurred on Tuesday, April 17, 2012, at approximately 1:15 p.m. at the offices of California Public Utilities Commission in San Francisco. The communication was oral and included the attached one page handout. In addition, copies of the Joint IOU July 18, 2011 Application, and Amendment to the Application, dated October 19, 2011 were provided. Prepared testimony dated October 19, 2011, January 31, 2012 and March 19, 2012, previously served on the parties to this proceeding, were also handed out. [Rule 8.4(a)(c)]

Brian Cherry, Vice President, Regulatory Relations, PG&E, initiated the communication with Stephen St. Marie and Colette Kersten, Advisors to Commissioner

Catherine Sandoval. Also in attendance were: Erik Jacobson, Senior Director, Regulatory Relations, PG&E; Michael Hoover, Director of Regulatory Affairs, SCE; and Dr. Julio Friedmann, Chief Energy Technologist, LLNL. [Rule 8.4(b)]

Mr. Cherry provided an overview of the joint application of PG&E, SCE and San Diego Gas and Electric Company (SDG&E) to recover costs of a research and development (R&D) agreement with LLNL. He explained the value proposition of the initiative and described some of the potential research projects that could be pursued. Mr. Cherry stated that LLNL's advanced computers and analytical capabilities would significantly help the utilities analyze the vast amounts of data emerging from smart meters, sensors and other technologies.

Mr. Hoover said that R&D in the cyber security area was particularly important to SCE. The grid's growing interconnection and complexity is introducing new cyber vulnerabilities that need to be managed.

Dr. Friedmann described some of LLNL's capabilities and research facilities. He stated that the Department of Energy is extremely supportive of this initiative and has made substantial investments at LLNL in areas such as cyber security that can be leveraged by the Investor-Owned Utilities (IOUs). For example, LLNL has a \$30 million per year R&D program to assist government agencies in detecting, responding to, and preventing computer network attacks. He also described the National Atmospheric Release Advisory Center and how the knowledge and expertise gained at this research facility can be used to improve wind prediction models to help address renewable

integration.

Mr. Jacobson said that the IOUs were not seeking approval of a narrowly defined set of research projects, but were pursuing a broad cooperative long-term research agreement. Each research project would be approved by a Board of Directors to ensure that it provided customer benefits and did not duplicate other R&D projects. [Rule 8.4(c)]

Respectfully submitted,

/s/ BRIAN K. CHERRY

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Attachment

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