

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authority to Establish its Authorized Cost of Capital for Utility Operations for 2013 and to Reset the Annual Cost of Capital Adjustment Mechanism.

Application 12-04-015
(Filed April 20, 2012)

And Related Matters.

Application 12-04-016
Application 12-04-017
Application 12-04-018

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) hereby gives notice of the following ex parte communication. The communication occurred on Monday, December 17, 2012, by telephone and by electronic mail at approximately between the hour of 10:00 a.m. and 10:30 a.m., to the offices of California Public Utilities Commission. A copy of the email transmittal and its associated attachment are attached to this notice. [Rule 8.4(a), 8.4(c)]

John Hughes, Director, Regulatory Relations, PG&E, initiated the communication with Stephen St Marie, Advisor to Commissioner Catherine Sandoval. [Rule 8.4(b)]

Mr. Hughes informed Mr. St Marie that PG&E had just filed its Reply Comments to the proposed decision issued by ALJ Galvin on the Cost of Capital applications. Mr. Hughes stated that PG&E comments took issue with the intervenor and DRA modeling results. He said that their modeling results were so low relative to several important benchmarks and their results

should be given little weight. Mr. Hughes also said that their modeling results were unreasonable compared to the national average. Mr. Hughes also addressed the claim by Southern California Edison (SCE) that SCE's capital structure is more leveraged than PG&E's capital structure. Mr. Hughes explained that if preferred stock is treated as 50 per cent debt and 50% equity, SCE's equity ratio would be the same as PG&E's. He told Mr. St. Marie that the PG&E's Reply Comments further explains these two issues. [Rule 8.4(c)]

Respectfully submitted,

/s/Brian K. Cherry

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Attachment

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