

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 separate ex parte communications. The communications occurred on Monday, December 17, 2012, by voice message 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. The two email transmittals 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 first communication with Carol Brown, Chief of Staff to Commission President Michael Peevey, and the second communication with Matthew Tisdale, Advisor to Commissioner Michel Florio. [Rule 8.4(b)]

Mr. Hughes left Ms. Brown and Mr. Tisdale voice message that PG&E had file its Reply Comments to the proposed decision issued by ALJ Galvin on Cost of Capital applications. He stated that PG&E took issue with the intervenor and DRA modeling results. Mr. Hughes said

that their modeling results were very low relative to several important benchmarks and their results should be given little weight. He added that their 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 stated that there is record support that preferred stock should be treated as 50 per cent debt and 50 per cent equity. As a result of treating preferred in this manner, SCE's equity ratio would be the same as PG&Es. [Rule 8.4(c)]

Respectfully submitted,

/s/ Brian K. Cherry  
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Attachment

Dated: December 17, 2012