PACIFIC GAS AND ELECTRIC COMPANY NONDISCLOSURE AND USE OF INFORMATION AGREEMENT FOR ENERGY EFFICIENCY EVALUATION, MEASUREMENT, AND VERIFICATION

Consistent with the energy efficiency evaluation, measurement, and verification objectives ("EM&V objectives") of the California Public Utilities Commission ("Commission") as set forth in D.05-01-055, D.05-04-051 and D.10-04-029, and related decisions ("Decision(s)"), this Nondisclosure and Use of Information Agreement ("NDA") is entered into by and between Pacific Gas and Electric Company (PG&E") and Itron, Inc. ("Recipient"). Pursuant thereto, PG&E or Commission may disclose to Recipient, and Recipient may learn of, Confidential Information (as defined below). As a condition to such disclosure by PG&E or Commission to each of the Recipient's directors, officers, employees, agents, consultants, contractors, or advisors who have a direct need to access such Confidential Information in the course of pursuing the Commission's EM&V objectives (collectively "Representatives"), the Recipient hereby agrees as follows:

- 1. DEFINITION. "Confidential information" means, for purposes of this Agreement, any and all information, materials, software, equipment, technology, customers, plans, processes and data. which is confidential and proprietary or a trade secret of PG&E, its present and future direct or indirect subsidiaries, affiliates or parent, whether or not prepared in connection with EM&V objectives, including without limitation, customer specific information, any business plans, documentation, source code, object code, diagrams, flow charts, research, development, processes, marketing techniques and materials, development or marketing timetables, strategies, development plans, customer, supplier or employee names or information, pricing policies and financial and valuation information, and other information of a similar nature whether or not reduced to writing or other tangible form, and any trade secrets, information observed when at a facility of a Party that a reasonable person would understand to be not publicly available information, or that by the nature of the information or the circumstances surrounding disclosure ought reasonably to be treated as confidential, including that which is owned by third parties and in the possession of PG&E when disclosed under this NDA. Confidential Information shall not include information: (1) known to Recipient or its Representative(s) prior to obtaining the same from PG&E; (2) in the public domain at the time of disclosure by Recipient; (3) obtained by Recipient or its Representative(s) from a third party who did not receive same, directly or indirectly, from PG&E; (4) approved for release by written authorization of an authorized manager or officer of PG&E; or (5) which is already public or has been sufficiently aggregated such that no Confidential Information can be determined. Confidential Information shall be marked by PG&E at the time of such disclosure as "proprietary," "confidential," or "trade secret," or otherwise presented in a manner to clearly indicate it is confidential or trade secret. Without limiting the foregoing, for purposes of this NDA, Confidential Information will remain the property of PG&E and neither Recipient nor its Representative(s) will be deemed by virtue of this NDA to have acquired any right, title or interest in or to PG&E's Confidential Information.
- 2. LIMITED USE; NONDISCLOSURE. Recipient hereby agrees that it shall use the Confidential Information solely for the purpose of meeting the Commission's and the Energy Division's ("CPUC") EM&V objectives. Any and all disclosure by Recipient or its Representative(s) to the CPUC shall be pursuant to Public Utilities Code Section 583 and CPUC General Order 66-C. Only Recipient and its Representatives shall have access to Confidential Information. Recipient shall not: (i) use the Confidential Information for its or its Representatives' own benefit other than for the limited purposes set forth herein, (ii) disclose the Confidential Information to any person or third party, including any employee, agent, consultant, contractor or affiliate that produces or provides energy or energy related products or services. Except as otherwise provided herein, Recipient will keep confidential and not disclose, the Confidential Information to any third party. Recipient shall cause each of its Representatives to become familiar with, agree with, and abide by, the terms of this NDA and Recipient shall take all reasonable measures to restrain its Representatives from prohibited or unauthorized disclosure or use of the Confidential Information. Recipient shall immediately notify PG&E of any unauthorized disclosure or use of the Confidential Information.

- 3. **SECURITY**. "Security" means the industry standards and techniques, both physical and logical, to ensure that the Confidential Information will not be compromised and shall be kept secure. Security shall include without limitation: a formal information security policy; a disaster recovery policy; password protected workstations at Recipient's premises and the premises of any agents, consultants, contractors, or advisors who access such Confidential Information; a policy on third-party assurance auditing; a policy on penetration testing; and encryption of Confidential Information as specified in subsection 3.c, below. Recipient represents and warrants that it shall comply with the terms of this Agreement and PG&E's security policies, subject to the following:
- (a) Prior to PG&E's first transfer of Confidential Information to Recipient, Recipient will comply with industry standard security requirements, including without limitation: a formal information security policy; a disaster recovery policy; password protected workstations at Recipient; a policy on third-party assurance auditing; a policy on penetration testing; and provide PG&E with documentation of such compliance satisfactory to PG&E.
- (b) PG&E and Recipient agree to meet periodically to evaluate Recipient's security measures and to discuss, in good faith, means by which PG&E and Recipient can enhance such protection, if necessary.
- (c) Within fifteen (15) months from the Effective Date, Recipient shall have implemented security procedures to encrypt Confidential Information at rest in accordance with the terms and conditions of PG&E's Security Policy, including but not limited to, PG&E's Information Sensitivity Level Policy EDMS #003965403 (the "New Encryption At Rest Procedures"). PG&E shall be entitled to conduct a test so as to ensure, to PG&E's satisfaction, that the Encryption At Rest Procedures are acceptable to PG&E. In the event the New Encryption At Rest Procedures fail the test or PG&E otherwise determines they are not satisfactory, PG&E may terminate this Agreement for cause without penalty or liability to Recipient.
- (d) Recipient shall implement prior to the delivery of Confidential Information and maintain during the term of this Agreement security procedures, practices and controls commensurate to assure that Confidential Information is only accessed by Recipient's authorized personnel, PG&E and its affiliates, and its authorized users, and to safeguard against its unauthorized access, destruction, use, alteration or disclosure of any such data and information. Security controls and safeguards shall include, without limitation, restriction of physical access to such data and information, implementation of logical access controls, sanitization or destruction of media, including hard drives, and establishment of an information security program that at all times is in compliance with the industry requirements of ISO 17799. In addition, Recipient shall update its security procedures, practices and policies, practices and controls so as to keep current with industry standards, including but not limited to NIST and NERC/CIP, as applicable. Any data center used by or on behalf of Recipient to collect, receive and/or store Confidential Information shall be data centers that satisfy the standards for a Tier 3 data center facility as specified in the TIA-942 standard published by the Telecommunications Industry Association. Recipient shall immediately report any unauthorized access or disclosure of Confidential Information to PG&E and shall take all reasonable measures within its control to immediately stop the access or disclosure, prevent recurrences and return to PG&E any copies and remove Confidential Information. PG&E reserves the right to perform onsite security assessments to verify the implementation and ongoing operation and maintenance of security controls. At least annually, Recipient shall assist PG&E in obtaining a copy of the then-current SAS 70 Type II Report from the owner of the collocation facility where the Confidential Information is saved and/or stored (at no cost to PG&E) as well as a copy of any other report that documents Recipient's Security requirements set forth herein.

- 4. INDEMNIFICATION. Recipient agrees to indemnify and hold harmless PG&E and its affiliates and its respective officers, directors, employees, agents, contractors, successors and assigns from and against any and all loss, liability, cost and expense, including reasonable attorneys' fees incurred by PG&E by reason of any and all claims, demands, suits and proceedings made or brought against PG&E arising from a breach by Recipient of its obligations under this Agreement.
- 5. COURT OR ADMINISTRATIVE ORDER. Notwithstanding the provisions of Section 2, above, Recipient may disclose any of the Confidential Information in the event it is required to do so by the disclosure requirements of any law, rule, or regulation or any order, decree, subpoena or ruling or other similar process of any court, governmental agency or governmental or regulatory authority. Prior to making such disclosure, Recipient shall provide PG&E with prompt written notice of any such requirement so that PG&E may seek a protective order or other appropriate remedy.
- 6. **PUBLICITY.** Without the prior consent of PG&E, Recipient shall not disclose to any person: (i) the fact that the Confidential Information has been made available to Recipient; or (ii) any information regarding any ongoing discussions between the parties.
- 7. DOCUMENT RETENTION. Upon the request of PG&E, Recipient shall promptly deliver (and return, if applicable) to PG&E or destroy (with such destruction to be certified to PG&E): (i) all Confidential Information existing in written form or recorded in any other tangible medium (and all copies, abstracts and backups thereof, however stored) furnished to Recipient; (ii) all portions of all documents, instruments, data, reports, plans, specifications, abstracts and media (and all copies, abstracts and backups thereof, however stored) furnished to or prepared by Recipient that contain Confidential Information; and (iii) all other portions of all documents, instruments, data, reports, plans, specifications, abstracts and media (and all copies, abstracts and backups thereof, however stored) in Recipients' possession that contain Confidential Information.
- 8. SURVIVAL. Notwithstanding the return or destruction of all or any part of the Confidential Information, the terms of this NDA shall nevertheless remain in full force and effect with respect to specific Confidential Information until the date that is five (5) years after the date of completion of any Recipient contract with the Commission for EM&V services, except that the terms of this NDA shall remain in full force and effect with respect to customer-specific information (whether or not marked as confidential) in perpetuity. "Customer specific" means customer-related information that is subject to the Commission rules, regulations and orders regarding customer privacy pursuant to law, including, without limitation, California Public Utilities Code Section 8380.
- 9. **ASSIGNMENT.** This Agreement shall be binding on and inure to the benefit of the successors and assigns of the Recipient. This Agreement shall not be assigned, however, without the prior written consent of the non-assigning party, which consent may be withheld due to the confidential nature of the information, data, and materials covered.
- 10. **REMEDIES.** The parties acknowledge that the Confidential Information is valuable and unique, and that damages would be an inadequate remedy for breach of this NDA. Accordingly, the parties agree that in the event of a violation of this NDA by Recipient, a restraining order and/or injunction may be issued against the Recipient in addition to any other remedy or damages PG&E may have at law.
- 11. NONWAIVER. It is understood and agreed that no failure or delay by PG&E in exercising any right, power or privilege available hereunder or under applicable law shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof of any other such right, power or privilege.
- 12. ENTIRE AGREEMENT; AMENDMENT. This NDA contains the entire agreement between the parties with respect to the subject matter hereof, and may be amended only in writing signed by both parties. This NDA supersedes any previous confidentiality or nondisclosure agreement

or contractual provisions between the parties to the extent they relate to the subject matter hereof.

- 13. GOVERNING LAW. The formation, interpretation and performance of this NDA shall be governed by the Internal laws of the State of California.
- 14. THIRD PARTY BENEFICIARIES. The Recipient agrees that any third parties owning any Confidential Information are express third party beneficiaries of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Nondisclosure and Use of Information Agreement as of the date last written below.

Name: CRAIG A. HITESHEW
Vice President - Finance
Title: Itron North America

Date: 4 11

PACIFIC GAS AND ELECTRIC COMPANY

By: Christophe J. Warner

Title: Chref Counsel

Date: 4/13/11