

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 9, 2013

Chris Johns, President
Pacific Gas & Electric Company
77 Beale Street
San Francisco, CA 94102

Dear Chris:

On October 8th in the Commission auditorium we are organizing a discussion regarding the Utility Business Model of the Future. The intent is to hear from independent experts on whether the evolving nature of the grid, changing customer needs, and technological advances in the industry may warrant a closer look at the current business model. We would also like to hear your perspective on how you are strategically aligning your company to embrace both the challenges and opportunities brought about by these changes.

We have invited our fellow Commissioners to join us at the dais as well as CAISO President & CEO, Stephen Berberich, and CEC Chair, Bob Weisenmiller. Attached to this invitation letter is the agenda for October 8th. We'd like to hear directly from you the utility perspective that has been missing in this often talked about subject.

Please confirm your participation with Marzia Zafar, Director of Policy & Planning Division, for the Commission at 415-703-1997 or via e-mail ZAF@cpuc.ca.gov

Sincerely,


A handwritten signature in black ink, appearing to read "Michael R. Peevey".

Michael R. Peevey
President
California Public Utilities Commission

A handwritten signature in black ink, appearing to read "MP Florio".

Michel Peter Florio
Commissioner
California Public Utilities Commission

CC:
Jesse Knight, SDG&E
Ron Litzinger, SCE
Ann Smith, SoCalGas



California Public Utilities Commission En Banc The Business Model for The Electric Utility of the Future October 8, 2013

Schedule of Speakers

1 p.m. **Introduction and Agenda**
CPUC Commissioners, California Independent System Operator Chair, and
California Energy Commission Chair

1:15pm **Strategic Thinking for the Electric Utility Industry**
Joseph Scalise, Partner, *Bain & Company*

The electric utility industry globally is facing some disruptive technologies that provide both challenges to and opportunities for utilities and regulators alike. Mr. Scalise will lay out the strategic "signposts" that indicate where changes are coming and the possible future business models for the California industry and what each of those models means for the utilities, regulators, energy markets, and customers.


1:55 p.m. **Customer Considerations for the Utility of the Future**
Larry Makovich, Vice President and Senior Advisor for Global Power,
IHS CERA

There is no such thing as an average California customer and the rapidly evolving, increasingly interactive grid will only create an even more heterogeneous customer base. Meeting the needs of all customers now and going forward remains at the core of utility operations. Mr. Makovich will discuss what the customer engagement trends and drivers are and what the implications are for the future utility models.

BREAK

2:50 p.m. **The Utility Model and Regulatory Framework of the Future**
Matthew Rogers, Director, *McKinsey & Co.*

Making deliberative changes to regulatory frameworks takes vision and leadership. Understanding the core competencies and value propositions of each segment of the California electricity sector and applying those



values in the best interest of states, customers, and utilities will be the biggest challenge for regulators and policy makers. Mr. Rogers will provide some insights into approaching this challenge.

3:30 p.m. Utility CEO Panel

Ron Litzinger, President, Southern California Edison

Chris John, President, Pacific Gas and Electric Company

Jesse Knight, Chairman & CEO, San Diego Gas & Electric

Ann Smith, Chairman & CEO, Southern California Gas Company

The CEO's of California's investor-owned utilities will each discuss how they are adapting their business models to better embrace the challenges of today's disruptive technologies while meeting their chief objectives of safety, reliability, and affordability in an ever changing landscape.

4:30 p.m. Wrap Up and Next Steps

4:45 p.m. Public Comment Period