



Joseph P. Marx
Assistant Vice President
Federal Regulatory
1120 20th Street, N.W., Suite 1000
Washington, DC 20036

T: 202-457-2107
F: 202-289-3699

February 1, 2010

EX PARTE NOTICE

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington DC 20554

Re: In the Matter of Implementation of Smart Grid Technology, GN Docket Nos. 09-47, 09-51, 09-137

Dear Ms. Dortch:

On January 28, 2010, AT&T representatives Christopher Hill, Vice President-Mobility Product Management, Robert Vitanza, General Attorney, Jeffrey Dygert, Executive Director-Public Policy, and I met with Commission representatives Nick Sinai, Energy & Environment Director, and Charles Worthington, Program Analyst, to discuss issues relating to Smart Grid and the Commission's National Broadband Plan. I have attached a presentation that AT&T used during the meeting.

Specifically, we discussed the security and reliability of AT&T's network and utilities' need for communications services to support Smart Grid deployments. We also touched on certain regulatory accounting requirements to which electric utilities are generally subject and the incentives that they may create for a utility choosing among different Smart Grid communications architectures.

Pursuant to Section 1.1206 of the Commission's rules, an electronic copy of this letter is being filed for inclusion in the above-referenced docket.

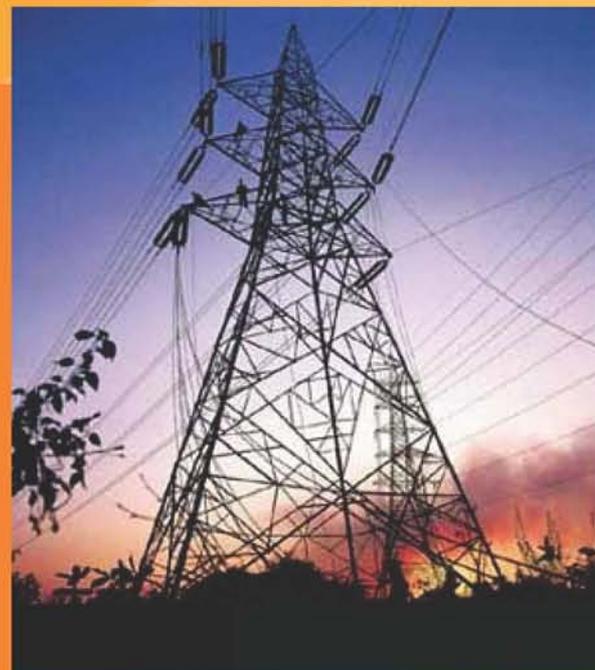
Sincerely,

Joseph P. Marx

Enclosure

Cc: Nick Sinai
Charles Worthington

Smart Grid



Commercial Providers of Smart Grid Services:

- Adaptable, scalable, flexible and backwards compatible in area of continuing change
- Minimize risk of technical obsolescence and stranded investment as Smart Grid evolves
- Leverage massive, secure nationwide network already in place
- Accommodate new technologies and devices coming into network:
 - Renewable energy inputs
 - Demand response for small and large users
 - Plug-in vehicles as energy resource and user
 - Interface with third-party application providers

Mission Critical Operations

- **Wireless WAN** service for utility substations
- **Backhaul** from AMI aggregation points
- **Telemetry** for numerous utilities, including natural gas distributors covering 15 states
- **Point-to-point connectivity** to thousands of SmartSynch smart meters
- Customers with high reliability and security requirements use AT&T's network:
 - Police and firefighters nationwide
 - Major government clients, including FBI and INS
 - Financial markets – NYSE, NASDAQ
 - Major presence in financial industry: largest banks, brokerage houses, credit card issuers

AT&T's Network Security

- NERC-CIP
 - Security protocols for the bulk electrical system to protect against cyber security breaches.
 - Does not apply to AT&T's communications network, so AT&T has not measured its network against NERC-CIP standards.
- AT&T's network complies with numerous other security standards; **would meet or exceed NERC-CIP requirements.**
 - SysTrust - security of financial information
 - ISO-17799 - information security
 - PCI - payment account security, developed by the major credit cards
 - HIPAA - personal health information
 - SAS-70 - information security

AT&T's Network Security

- Global IP network footprint enables broad-ranging security measures.
 - **700+ security professionals** in comprehensive global security organization – see threats when they first emerge on the Internet.
 - Analysis **team working 24-7** to assess security threats.
 - **Scrubbing** locations across the United States, Europe and Asia filter attack traffic close to the source.
 - Supports secure transmission of **17 Petabytes daily**.
- AT&T's Hosting Services
 - **Commercial Connectivity Services** – utilities can define transport network paths to transport data using authorized and encrypted capabilities.
 - **Enterprise On Demand** – utilities can activate/deactivate SIMs in real-time; multiple levels of security, access control and encryption

Service Continuity and Data Priority

- AT&T's network outage reports on file with the Commission
- **Service Level Agreements** negotiated with large Smart Grid customers. AT&T periodically reports network-performance metrics.
- Service meets reliability requirements of numerous investor-owned utilities and Smart Grid service providers:
 - Texas New Mexico Power
 - Cooper Power Systems
 - Itron Networks
 - SmartSynch
 - Silver Spring Networks
- Extensive **disaster recovery assets** already in place.
- **Data prioritization** available with LTE deployment in 2011

Smart Grid – The Big Picture

- Broader use of commercial networks improves business case for extension of broadband service.
- Commercial providers:
 - Continually building out and scaling networks.
 - Leverage existing networks; efficiently use spectrum resources.
 - Faster to market: Already cover more than 95% of population; satellite service fills holes.
 - Interoperable: Support endless variety of services and devices across numerous platforms. Helps build ecosystem of third-party application providers, which to add further value.
 - Used and Useful: Ensure utility rate base is not burdened with inefficient equipment that soon becomes obsolete.
- Eliminate ratemaking incentives to prefer capital expenditure on inefficient single-purpose networks.

How Government Can Help

- **Findings in National Broadband Plan**
 - Smart Grid will help to support broadband infrastructure deployment.
 - Suitability of commercial network to support Smart Grid technologies.
- **Lead by example**
 - Deploy Smart Grid technology to government facilities.
 - Support Smart Grid deployment through Stimulus and other Federal programs.
- **Encourage Deployment** – Promote adoption by consumers, enterprise customers and state/local governments.
 - Grants, Tax Incentives
 - Utilities should have incentive to adopt the most efficient communications solution for Smart Grid.

How Government Can Help

- **Preserve Flexibility for Commercial Providers to Manage and Secure Network**
 - Secure, reliable services.
 - Emergency priority services.
- **Coordinate efforts among federal agencies**
 - Various agencies are addressing questions that affect Smart Grid and the nation's unified telecommunications network.
 - Consistency in regulation and standards.
- **Support IP Standard for Smart Grid technologies:**
 - Flexible communication across various facilities.
 - Rapid and efficient deployment of different types of technologies and systems.