

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U338E) for Applying the Market Index Formula and As-Available Capacity Prices adopted in D.07-09-040 to Calculate Short-Run Avoided Cost for Payments to Qualifying Facilities beginning July 2003 and Associated Relief.

Application 08-11-001  
(Filed November 4, 2008)

And Related Matters.

Rulemaking 06-02-013  
Rulemaking 04-04-003  
Rulemaking 04-04-025  
Rulemaking 99-11-022

**JOINT NOTICE OF *EX PARTE* COMMUNICATION**

Pursuant to Rule 8.3(a) of the Commission's Rules of Practice and Procedure of the California Public Utilities Commission, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and Sempra Utilities (Sempra) hereby give notice of the following joint ex parte communication. The communication occurred on Friday, December 3, 2010, at approximately 10:30 a.m. at the offices of the California Public Utilities Commission. The communication was oral, and no handouts were used. [Rule 8.3(a)]

Erik Jacobson, Director-Regulatory Relations, PG&E, initiated the communication with Carol Brown (Chief of Staff to Commission President Michael Peevey) and Karl Meeusen (Advisor to Commission President Michael Peevey). Also present were Bill Blattner, Manager-Regulatory Relations, Sempra; and Michael Hoover, Director-Regulatory Affairs, SCE. [Rule 8.3(b)]

Mr. Jacobson stated that the utilities strongly support the proposed decision approving the combined heat and power (CHP) Settlement Agreement, but that the proposed decision should be clarified with respect to cost allocation. Mr. Hoover emphasized that a core principle of the Settlement Agreement and long-standing Commission policy was to require all load serving entities including investor owned utilities (IOUs), Community Choice Aggregators (CCAs) and Direct Access (DA) providers, to pay their equitable share of procurement costs for programs that benefit their customers. Mr. Jacobson explained that Section 13 of the Settlement Agreement provides the Commission a choice of selecting between two cost allocation options. Option A provides that CCA and DA providers procure their own CHP and Option B provides that the IOUs procure CHP on their behalf. He stated that the proposed decision should be clarified with respect to which of the two options, or mix of options, the Commission is adopting. Mr. Hoover and Mr. Blattner explained the pros and cons of the alternative approaches. Mr. Blattner described the method for allocating costs based on the load serving entities' retail sales. [Rule 8.3(c)]

To obtain a copy of this notice, please notify Sally Cuaresma at (415) 973-5012 or via email at a2c7@pge.com.

Respectfully submitted,

/s/ BRIAN K. CHERRY

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
P.O. Box 770000, Mail Code: B10C  
San Francisco, CA 94177  
Phone: 415-973-4977  
Fax: 415-973-7226  
E-mail: BKC7@pge.com

Dated: December 8, 2010

CERTIFICATE OF SERVICE BY ELECTRONIC MAIL OR U.S. MAIL

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Regulatory Relations Department B10C, 77 Beale Street, San Francisco, California 94105.

I am readily familiar with the business practice of Pacific Gas and Electric Company for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On December 8, 2010, I caused to be served a true copy of:

**JOINT NOTICE OF EX PARTE COMMUNICATION**

[XX] By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service lists for A.08-11-001, R.06-02-013, R.04-04-003, R.04-04-025, R.99-11-022, with an e-mail address.

[XX] By U.S. Mail – by placing it for collection and mailing, in the course of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to all parties of record on the service lists for A.08-11-001, R.06-02-013, R.04-04-003, R.04-04-025, R.99-11-022, who do not have an email address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on December 8, 2010, at San Francisco, California.

/s/ Sally Cuaresma  
Sally Cuaresma  
Regulatory Relations  
Pacific Gas and Electric Company  
P.O. Box 770000, Mail Code: B10C  
San Francisco, CA 94177  
Phone: 415-973-5012  
Fax: 415-973-7226  
E-mail: A2C7@pge.com

**CALIFORNIA PUBLIC UTILITIES COMMISSION**  
Service List: A.08-11-001, et al. – Last Changed: December 6, 2010

**SERVED VIA ELECTRONIC MAIL:**

Kathryn.Wig@nrgenergy.com; cynthia.brady@constellation.com; nrader@igc.org;  
anogee@ucsusa.org; chris.ohara@nrgenergy.com; keith.mccrea@sablax.com;  
roger@berlinerlawpllc.com; jimross@r-c-s-inc.com; tcarlson@rienergy.com;  
joe.paul@dynegey.com; toms@i-cpg.com; sisser@goodcompanyassociates.com;  
jordan.white@pacificcorp.com; emello@sppc.com; jgreco@terra-genpower.com;  
hchoy@isd.co.la.ca.us; jbloom@winston.com; dwoods@whitecase.com; sdrossi@calpx.com;  
douglass@energyattorney.com; klatt@energyattorney.com; carol.schmidfrazee@sce.com;  
deana.ng@sce.com; janet.combs@sce.com; DAKing@SempraUtilities.com;  
fortlieb@sandiego.gov; GBaker@SempraUtilities.com; LUrlick@SempraUtilities.com;  
JPacheco@SempraUtilities.com; TRoberts@SempraUtilities.com; mshames@ucan.org;  
michael.evans@shell.com; KMorton@SempraUtilities.com; WKeilani@SempraUtilities.com;  
CentralFiles@SempraUtilities.com; cneedham@edisonmission.com; phil@reesechambers.com;  
ek@a-klaw.com; lys@a-klaw.com; mdjoseph@adamsbroadwell.com;  
rcox@pacificenvironment.org; theresa.mueller@sfgov.org; map@cpuc.ca.gov;  
nao@cpuc.ca.gov; theresa.mueller@sfgov.org; jhendry@sfgwater.org; norman.furuta@navy.mil;  
lettenson@nrhc.org; mflorio@turn.org; michael.hindus@pillsburylaw.com; Woo, Shirley A  
(Law); Garber, Stephen (Law); wesley.spowhn@pillsburylaw.com;  
agrimaldi@mckennalong.com; bcragg@goodinmacbride.com; oshirock@pacbell.net;  
jsqueri@gmssr.com; jarmstrong@gmssr.com; lcottle@winston.com;  
Monica.Schwebs@bingham.com; jkarp@winston.com; edwardoneill@dwt.com;  
jeffgray@dwt.com; salleyoo@dwt.com; Middlekauff, Charles (Law); Manheim, William (Law);  
Gandesbery, Mary (Law); ssmyers@att.net; l\_brown369@yahoo.com; hypower@pacbell.net;  
kerry.hattevik@nexteraenergy.com; Sean.Beatty@mirant.com; rfreeh123@sbcglobal.net;  
rick\_noger@praxair.com; eric@strategyi.com; hoerner@redefiningprogress.org;  
gmorris@emf.net; clyde.murley@comcast.net; tomb@crossborderenergy.com;  
pccdonnell@earthlink.net; wem@igc.org; janreid@coastecon.com;  
michaelboyd@sbcglobal.net; jshields@ssjid.com; johnredding@earthlink.net; jweil@aglet.org;  
mgreen@palco.com; bill@jbsenergy.com; bdicapo@caiso.com; grosenblum@caiso.com;  
mdozier@caiso.com; mary.lynch@constellation.com; cmkehrein@ems-ca.com;  
dcarroll@downeybrand.com; jluckhardt@downeybrand.com; blaising@braunlegal.com;  
steven@iepa.com; abb@eslawfirm.com; dkk@eslawfirm.com; glw@eslawfirm.com;  
jdh@eslawfirm.com; atrowbridge@daycartermurphy.com; mpa@a-klaw.com;  
achang@efficiencycouncil.org; ccasselmann@pilotpowergroup.com;  
CZammit@SempraUtilities.com; HYao@SempraUtilities.com; jpepper@svpower.com;  
janice@strategenconsulting.com; jleslie@luce.com; PVillegas@SempraUtilities.com;  
tam.hunt@gmail.com; tciardella@nvenergy.com; tdarton@pilotpowergroup.com;  
WBlattner@SempraUtilities.com; DWTCPUCKETTS@dwt.com; mrw@mrwassoc.com;  
pstoner@lge.org; irene.stillings@energycenter.org; Jennifer.Barnes@Navigantconsulting.com;  
jennifer.porter@energycenter.org; judypau@dwt.com; martinhomec@gmail.com;  
sephra.ninow@energycenter.org; Halverson, Shaun E; carlo.zorzoli@enel.it; gwung@mwe.com;

jmcmahon@8760energy.com; dgulino@ridgewoodpower.com; sesco@optonline.net;  
julien.dumoulin-smith@ubs.com; doug.kiviat@morganstanley.com;  
steven.huhman@morganstanley.com; myuffee@mwe.com; rshapiro@chadbourne.com;  
khojasteh.davoodi@navy.mil; dmcfarlan@mwgen.com; lmackey@lspower.com;  
mbrubaker@consultbai.com; brianhaney@useconsulting.com; rott@rrienergy.com;  
julie.martin@bp.com; pheuer-cv@comcast.net; andrew.dalton@valero.com;  
sisser@goodcompanyassociates.com; kmudge@covad.com; todil@mckennalong.com;  
steve.koerner@el Paso.com; william.tomlinson@el Paso.com; kjsimonsen@ems-ca.com;  
dsaul@pacificsolar.net; chilen@NVEnergy.com; tdillard@sppc.com; crochlin@socalgas.com;  
pucservice@manatt.com; dehling@kln.com; b.buchynsky@dgc-us.com;  
ctorchia@chadbourne.com; sfrichardson@winston.com; npedersen@hanmor.com;  
ewheless@lacs.org; lula1@bp.com; ej\_wright@oxy.com; Don.Vawter@AES.com;  
gustavo.luna@aes.com; Winn, Valerie J; jackmack@suesec.com; tory.weber@sce.com;  
btang@ci.azusa.ca.us; allwazeready@aol.com; amber.wyatt@sce.com; beth.fox@sce.com;  
Case.Admin@sce.com; cathy.karlstad@sce.com; gary.allen@sce.com; j.eric.isken@sce.com;  
karen.lee@sce.com; laura.genao@sce.com; leon.bass@sce.com; michael.backstrom@sce.com;  
mike.montoya@sce.com; robyn.namore@sce.com; rkmoore@gswater.com; dwood8@cox.net;  
Jennifer.Hein@nrgenergy.com; tim.hemig@nrgenergy.com; ATrial@SempraUtilities.com;  
KMelville@SempraUtilities.com; sfr@sandag.org; WTobin@SempraGlobal.com;  
SNelson@SempraUtilities.com; liddell@energyattorney.com; liddell@energyattorney.com;  
kmkiener@cox.net; bpowers@powersengineering.com; marcie.milner@shell.com;  
DAKinports@SempraUtilities.com; KCordova@SempraUtilities.com; tblair@sandiego.gov;  
DNiehaus@SempraUtilities.com; JYamagata@SempraUtilities.com;  
LSchavrien@SempraUtilities.com; kjk@kjkammerer.com; Dkolk@compenergy.com;  
lkostrzewa@edisonmission.com; pherrington@edisonmission.com; jlehman@anaheim.net;  
daipm@daioildale.com; bjl@bry.com; neburgess@sycamore.com;  
andrea.morrison@directenergy.com; slefthon@aptecheng.com; bruce.foster@sce.com;  
wolff@smwlaw.com; paulfenn@local.org; eks@cpuc.ca.gov; lau@cpuc.ca.gov;  
jeanne.sole@sfgov.org; srovetti@sfgwater.org; nlong@nrdc.org; bfinkelstein@turn.org;  
ren@ethree.com; Gong, Alice; Reid, Alice L (Law); Torr, Angela C; RegRelCPUCCases;  
Lucha, Ed; Zahariudakis, George; Gluzgold, Yevgeniya; Pappas, John; filings@a-klaw.com;  
Jones, Kimberly; Huffman, Mark (Law); nes@a-klaw.com; Goldstein, Roger; Oscar, Ruth;  
sls@a-klaw.com; will.mitchell@cpv.com; Jarman, Thomas A; aliddell@icfi.com;  
epoole@adplaw.com; luluw@newsdata.com; jscancarelli@crowell.com; dhuard@manatt.com;  
angela.kim@fticonsulting.com; rocky.ho@fticonsulting.com; cpollina@winston.com;  
tsolomon@winston.com; bobgex@dwt.com; stevegreenwald@dwt.com;  
Diane.Fellman@nrgenergy.com; cem@newsdata.com; lisa\_weinzimer@platts.com;  
lisaweinzimer@sbcglobal.net; CPUCCases@pge.com; ecrem@ix.netcom.com;  
mecsoft@pacbell.net; Cherry, Brian K; RegRelCPUCCases; Livingston-Nunley, Grace; Fukui,  
Lucy; Harris, Andrew L; rwalther@pacbell.net; ron.dahlin@ge.com; k.abreu@sbcglobal.net;  
beth@beth411.com; mhharrer@sbcglobal.net; ralf1241a@cs.com;  
raj.pankhania@ci.hercules.ca.us; dtateosian@powereng.com; wbooth@booth-law.com;  
andy.vanhorn@vhcenergy.com; alexm@calpine.com; kowalewskia@calpine.com;  
rantonopoulos@calpine.com; garyi@enxco.com; sbeserra@sbcglobal.net;  
phanschen@mof.com; timea.Zentai@navigantconsulting.com; dfredericks@dgpower.com;  
philha@astound.net; editorial@californiaenergycircuit.net;

jody\_london\_consulting@earthlink.net; jon.jacobs@paconsulting.com; ted@energy-solution.com; cpucdockets@keyesandfox.com; dmarcus2@sbcglobal.net; rschmidt@bartlewells.com; carla.peterman@gmail.com; rhwiser@lbl.gov; philm@scdenergy.com; bhines@svlg.net; bmcc@mccarthyllaw.com; sberlin@mccarthyllaw.com; r.forgione@intpower.com; tomk@mid.org; joyw@mid.org; sarveybob@aol.com; seboyd@tid.org; brbarkovich@earthlink.net; Henry.Nanjo@dgs.ca.gov; dgrandy@caonsitegen.com; davidmorse9@gmail.com; gabriellilaw@sbcglobal.net; rmccann@umich.edu; rmccann@umich.edu; Dick@DavisHydro.com; eleuze@rrienergy.com; saeed.farrokhpay@ferc.gov; sdavies@caiso.com; e-recipient@caiso.com; wamer@kirkwood.com; burtt@macnexus.org; david@branchcomb.com; LauckhartR@bv.com; kenneth.swain@navigantconsulting.com; kdusel@navigantconsulting.com; pmaxwell@navigantconsulting.com; david.reynolds@ncpa.com; scott.tomashefsky@ncpa.com; kjohnson@caiso.com; steveng@destrategies.com; edchang@flynnrci.com; ddavie@wellhead.com; amber@iepa.com; mclaughlin@braunlegal.com; cleni@energy.state.ca.us; wyne@braunlegal.com; kdw@woodruff-expert-services.com; pduvair@energy.state.ca.us; bernardo@braunlegal.com; etiedemann@kmtg.com; abb@eslawfirm.com; cbk@eslawfirm.com; lmh@eslawfirm.com; vwood@smud.org; kmills@cfbf.com; jesus.arredondo@nrgenergy.com; karen@klindh.com; rnevis@daycartermurphy.com; pholley@covantaenergy.com; rsanders@hlpower.com; deb@aklaw.com; californiadockets@pacificcorp.com; rfp@eesconsulting.com; dws@r-c-s-inc.com; AEG@cpuc.ca.gov; DBP@cpuc.ca.gov; DBR@cpuc.ca.gov; SMK@cpuc.ca.gov; SJP@cpuc.ca.gov; cce.@capu.ca.gov; loe@cpuc.ca.gov; ppl@cpuc.ca.gov; fmobasheri@aol.com; abl@cpuc.ca.gov; ayk@cpuc.ca.gov; bbc@cpuc.ca.gov; bmd@cpuc.ca.gov; edf@cpuc.ca.gov; djh@cpuc.ca.gov; dug@cpuc.ca.gov; gaw@cpuc.ca.gov; gtd@cpuc.ca.gov; jm3@cpuc.ca.gov; jst@cpuc.ca.gov; joh@cpuc.ca.gov; joc@cpuc.ca.gov; jmh@cpuc.ca.gov; kpp@cpuc.ca.gov; kdw@cpuc.ca.gov; kho@cpuc.ca.gov; lra@cpuc.ca.gov; lms@cpuc.ca.gov; msw@cpuc.ca.gov; mjd@cpuc.ca.gov; unc@cpuc.ca.gov; mc3@cpuc.ca.gov; mkh@cpuc.ca.gov; psd@cpuc.ca.gov; pzs@cpuc.ca.gov; ska@cpuc.ca.gov; gig@cpuc.ca.gov; rls@cpuc.ca.gov; svn@cpuc.ca.gov; skh@cpuc.ca.gov; seb@cpuc.ca.gov; car@cpuc.ca.gov; shi@cpuc.ca.gov; skg@cpuc.ca.gov; mth@cpuc.ca.gov; tdp@cpuc.ca.gov; tcx@cpuc.ca.gov; ter@cpuc.ca.gov; tbo@cpuc.ca.gov; tyf@cpuc.ca.gov; vjb@cpuc.ca.gov; snuller@ethree.com; Marshall.Clark@dgs.ca.gov; billjulian@sbcglobal.net; bmeister@energy.state.ca.us; Claufenb@energy.state.ca.us; kgriffin@energy.state.ca.us; lwong@energy.state.ca.us; mpryor@energy.state.ca.us; mjaske@energy.state.ca.us; rmiller@energy.state.ca.us; wsm@cpuc.ca.gov; dvidaver@energy.state.ca.us; jwoodwar@energy.state.ca.us; ikwasny@water.ca.gov; mmiller@energy.state.ca.us

**SERVED VIA US MAIL:**

Robert Beach  
Sonoma County Water Agency  
1022 Sierra Vista Ct.  
Gardnerville, NY 89460-8686

Robert Keeler  
SCE  
2244 Walnut Grove Avenue  
Rosemead, CA 91770

Stephen A. S. Morrison  
City & County Of San Francisco

Steve Felte  
Tri-Dam Project & Power Authority

1 Dr Carlton B. Goodlet Place  
San Francisco, CA 94102-4682

Dale Mahon  
Central Hydroelectric Corporation  
9951 Grant Line Road  
Elk Grove, CA 95624-1441

Wendy Livornese  
Ridgewood Power Corporation  
947 Linwood Avenue  
Ridgewood, NJ 07450

Anan H. Sokker  
Chadbourne & Parke LLP  
1200 New Hampshire Ave. NW  
Washington, DV 20036

Kathleen Esposito  
Crested Butte Catalysts LLC  
Po Box 668  
Crested Butte, CO 81224

Andy Friedl  
CP Kelco  
2025 E. Harbor Drive  
San Diego, CA 92113

Tony Wakim  
Kennedy/Jenks Consultants  
622 Folsom Street  
San Francisco, CA 94107

Scott Goodwin  
Far West Power Corporation  
3330 Clayton Road, Suite B  
Concord, CA 94519

Elena Stoian  
San Jose State University  
One Washington Square  
San Jose, CA 95192

Richard Benedetti  
Georgia - Pacific Corporation  
90 W. Redwood Ave.

Po Box 1158  
Pinecrest, CA 95364-0158

Cathy Engebretson  
Sierra Pacific Industries  
Po Box 496014  
Redding, CA 96014-6014

Carol A. Smoots  
Perkins Coie LLP  
607 Fourteenth St., NW, Ste 800  
Washington, DC 20005

Kevin Boudreaux  
Calpine Corporation  
717 Texas Avenue Suite 1000  
Houston, TX 77002

Craig Williams  
DG Fairhaven Power, LLC  
1660 Union Street, Suite 200  
San Diego, CA 92101

David Olsen  
Imperial Valley Study Group  
3804 Pacific Coast Highway  
Ventura, CA 93001

Larry Finne  
United Airlines  
San Francisco Int'l Airport  
San Francisco, CA 94128

Scott Hatanaka  
Martinez Cogen Limited  
550 Solano Way  
Martinez, CA 94553

Karen Henry  
Covanta Power Pacific, Inc.  
Po Box 278  
Crows Landing, CA 95313

Zane Glenn  
Big Valley Power, LLC  
1615 Continental Street, Ste 100

Fort Bragg, CA 95437

Redding, CA 96001

Rod Mortensen  
Wheelabrator Hudson Energy Co  
20811 Industry Rd.  
Anderson, CA 96007

Attn.: Business Manager  
Ogden Power Pacific, Inc.  
2829 Childress Dr.  
Anderson, CA 96007

Kevin Kennedy  
California Energy Commission  
1516 9th Street, Ms 48  
Sacramento, CA 95814

Nancy Tronaas  
California Energy Commission  
1516 9th St. Ms-20  
Sacramento, CA 95814-5512

Chi Doan  
Calif. Dept Of Water Resources  
3310 El Camino Ave., Room LL94  
Sacramento, CA 95821

Supervisor, Special Projects  
California Energy Commission  
1516 9th Street, Ms-48  
Sacramento, CA 95814

Attn.: Director Facilities Services  
SRI International  
333 Ravenswood Avenue  
Menlo Park, CA 94025

Local Power  
22888 Highway 1  
Marshall, CA 94940-9701