

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

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2011. (U39M).

Application 09-12-020
(Filed December 21, 2009)

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Pacific Gas and Electric Company

I.10-07-027
(Filed July 29, 2010)

**NOTICE OF *EX PARTE* COMMUNICATION
OF PACIFIC GAS AND ELECTRIC COMPANY**

Pursuant to Rule 8.3(a) of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) hereby gives notice of the following ex parte communication. The communication occurred via telephone on Friday, December 10, 2010, at approximately 2:00 p.m. to the offices of the California Public Utilities Commission in San Francisco. The communication was oral and no handout was provided. [Rule 8.3(a)]

John Hughes, Director- Regulatory Relations, PG&E, initiated the communication with Scott Murtishaw (Advisor to Commission President Michael R. Peevey). [Rule 8.3(b)]

The purpose of the call was to answer a question about how any salvage value is treated in connection with the electromechanical meters that are replaced by the smart meters. Mr. Hughes left a voice mail message that basically stated that any proceeds from disposing of the electromechanical meters are recorded in the Smart Meter balancing account (SBA). He further stated that removal costs are also recorded in the SBA and that those costs are much greater than

the salvage value received. For example, the total salvage value recorded in the SBA for 2009 was only \$435,000. [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
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Dated: December 15, 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 15, 2010, I caused to be served a true copy of:

**NOTICE OF EX PARTE COMMUNICATION
OF PACIFIC GAS AND ELECTRIC COMPANY**

[XX] By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for A.09-12-020/I.10-07-027 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 list for A.09-12-020/I.10-07-027 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 15, 2010, at San Francisco, California.

/s/ Sally Cuaresma

Sally Cuaresma
Regulatory Relations
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CALIFORNIA PUBLIC UTILITIES COMMISSION

Service List: A.09-12-020/I.10-07-027 – Last Changed: December 6, 2010

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