

**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.

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

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

Investigation 10-07-027
(Filed July 29, 2010)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.3(a) of the Commission's Rules of Practice and Procedure, The Utility Reform Network (TURN) gives notice of the following *ex parte* communication. On December 20, 2010, at approximately 1:00 p.m., Robert Finkelstein, TURN's Legal Director, spoke via telephone with Scott Murtishaw, advisor to Commission President Michael Peevey. Mr. Finkelstein initiated the phone call, and the call lasted approximately fifteen minutes.

Mr. Finkelstein brought to Mr. Murtishaw's attention a letter delivered via e-mail on Friday, December 17, 2010. (This letter was the subject of an earlier *ex parte* notice.) He briefly summarized the points raised in the letter, including the options for amortization periods for PG&E's investment in meters that are no longer used and useful, and the broader context within which the Commission issued the Pacific Telephone decision cited in PG&E's reply brief. He characterized the Pacific Telephone decision as being of historical interest with regard to the tension between cost-of-service ratemaking

and emerging competition for previously monopoly-provided services, but pointed out that the discussion of the ratemaking for prematurely retired plant was in the context of a class of plant that continued to be “necessary to serve the regulated sector.” For PG&E’s electromechanical meters, the SmartMeter program will result in none of those meters being “necessary to serve the regulated sector.”

Copies of this Notice may be obtained by contacting Larry Wong at 415-929-8876, x. 300 or adminassistant@turn.org.

December 22, 2010

Respectfully submitted,

By: _____/S/_____

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