

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

Application of Pacific Gas and Electric Company for Approval to Revise its Electric Marginal Costs, Revenue Allocation, and Rate Design, including Real Time Pricing, to Revise its Customer Energy Statements, and to Seek Recovery of Incremental Expenditures. (U39M).

Application 10-03-014
(Filed March 22, 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 on Friday, March 25, 2011, at approximately 10:30 a.m. at the offices of the California Public Utilities Commission. The communication was oral and the attached handout that contained portions of Mr. Keane's rebuttal testimony was provided. [(Rule 8.3(a)(c))]

John Hughes, Director-Regulatory Relations, PG&E, initiated the communication with Scott Murtishaw, Advisor to Commission President Michael Peevey. Dennis Keane (Manager-Gas and Electric Rates, PG&E), was also in attendance. [Rule 8.3(b)]

Mr. Hughes started the meeting by stating that PG&E's proposed \$3.00 a month customer charge helps mitigate bill volatility for customers whose usage is driven into the upper tiers by, for example, hot weather. He stated that there is record support for this contained in Mr. Keane's rebuttal testimony.

Mr. Keane referred to portions of his rebuttal testimony (Exhibit 10, pages 1-8 to 1-11) that supported the mitigation of bill volatility. The PG&E representative specifically referred to Table 1-2 on page 1-10 contained in the handout which provides an example of how PG&E's residential rate proposals reduce bill volatility. Finally, Mr. Keane described how the Commission has previously approved flattening the generation component of residential rates for Southern California Edison and San Diego Gas and Electric, and why it should similarly do so in this proceeding. [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

Attachment

Dated: March 30, 2011