

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

Order Instituting Rulemaking to Consider the)	
Annual Revenue Requirement Determination of the)	Rulemaking 11-03-006
California Department of Water Resources and)	(Filed March 10, 2011)
related issues.)	
)	

NOTICE OF *EX PARTE* COMMUNICATION

Pursuant to Rule 8.4 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Kings River Conservation District (KRCD) hereby gives notice of the following *ex parte* communication.

The communication occurred on August 31, 2011 at approximately 4:00 p.m., and consisted of a meeting between Dave Orth, general manager for KRCD, Scott Blaising, counsel to KRCD, Commissioner Michael Florio and Sepideh Khosrowjah, chief of staff for Commissioner Florio. The communication was oral and occurred at the San Francisco office of the Commission. Blaising initiated the meeting.

Mr. Orth provided background information concerning KRCD, including the fact that KRCD provides flood protection and groundwater management, acts as the operating agent for the San Joaquin Valley Power Authority (a community choice aggregator), and owns and operates two electric generating facilities: the Pine Flat Hydroelectric Power Plant and the Malaga Peaking Power Plant (Malaga). Mr. Orth noted that output from Malaga is sold by KRCD to the California Department of Water Resources (CDWR), and allocated to Pacific Gas and Electric Company (PG&E). Orth stated that the expiration date for KRCD's contract with CDWR is September 18, 2015, making KRCD's contract the last of CDWR's power contracts to expire. After December 31, 2013 (for nearly

twenty-one months), KRCD's contract with CDWR will be the only remaining CDWR power contract, potentially affecting issues related to contract administration.

Mr. Orth expressed KRCD's willingness to work with the Commission, CDWR, PG&E and interested parties in an effort to explore the possible early-termination or novation of KRCD's contract if such effort is deemed to be mutually beneficial.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Blaising". The signature is fluid and cursive, with a long horizontal stroke at the end.

Scott Blaising
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Counsel for the Kings River Conservation District