

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

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local Procurement Obligations.

Rulemaking 09-10-032
(Filed October 29, 2009)

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

Pursuant to Rule 8.4(a) of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) hereby gives notice of the following equal time ex parte communication. The communication occurred on Wednesday, September 21, 2011 at approximately 10:30 a.m. at the offices of the California Public Utilities Commission. The communication was oral and included a handout, which is attached. [(Rule 8.4(a)(c))]

Sidney Dietz, Director, Regulatory Relations, PG&E, initiated the communication with Commissioner Timothy Alan Simon. Also present were Bishu Chatterjee (Advisor to Commissioner Simon); Steve Malnight (Vice President-Customer Energy Solutions, PG&E); and Kenneth Abreu (Principal Policy Analyst-Demand-Response Programs, PG&E). [Rule 8.4(b)]

Mr. Dietz stated the Proposed Decision (PD) should be altered so that the costs and benefits of complying with the new CAISO rules can be weighed before they are accepted. Mr. Malnight stated that the costs of changing the dynamic rates programs to fit into CAISO's desire for local callability do not appear to be justified by the small

benefits nor would it be reasonable to procure duplicative local Resource Adequacy (RA). Mr. Abreu stated that the PD's treatment of back-up generators requires the purchase of un-needed RA resources and would negatively impact a customer's options for dealing with dynamic rates. [Rule 8.4(c)]

Respectfully submitted,

/s/ Brian K. Cherry

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Attachment

Dated: September 26, 2011