

**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 ex parte communication. The communication occurred on Thursday, September 1, 2011 at approximately 2:00 p.m. at the offices of the California Public Utilities Commission. The communication was oral and included a handout, which is attached to this notice.

[(Rule 8.4(a)(c))]

Sidney Dietz, Director-Regulatory Relations, PG&E, initiated the communication with Damon Franz, Advisor to Commission President Michael R. Peevey. Also present from PG&E were Kenneth Abreu, Principal Policy Analyst-Demand-Response Programs, and Ulric Kwan, Principal Program Manager -Demand Response Integration.

[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 California Independent System Operator (CAISO) rules can be weighed before they are accepted. Mr. Abreu 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. Kwan stated that the PD's treatment of back-up generators requires the purchase of un-needed RA resources.

[Rule 8.4(c)]

Respectfully submitted,

/s/ Brian K. Cherry

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Attachment

Dated: September 7, 2011