

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

Rulemaking Regarding Whether, or Subject to
What Conditions, the Suspension of Direct
Access May Be Lifted Consistent With Assembly
Bill 1X and Decision 01-09-060

Rulemaking 07-05-025
(Filed May 24, 2007)

**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 Friday, September 16, 2011 at approximately 10:00 a.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))]

Erik Jacobson, Director-Regulatory Relations, PG&E, initiated the communication with Sarah Thomas, Advisor to Commissioner Mark Ferron. [Rule 8.4(b)]

Mr. Jacobson stated that PG&E strongly supports the Proposed Decision of ALJ Pulsifer with modifications in some areas. He explained the need for financial security requirements to protect customers, particularly during stressed market conditions. Mr. Jacobson pointed out that ALJ Pulsifer correctly relies on evidence from Southern California Edison Company that estimates the cost of this financial security for a creditworthy Energy Service Provider (ESP) at about 1% of the face value of the bond. This is a cost of doing business to protect both bundled and ESP customers from ESP

defaults. He also explained PG&E's position with regard to the Renewable Portfolio Standard (RPS) adder issue. The Commission should adopt the Renewable Energy Credits index pricing proposal advocated by PG&E and the Division of Ratepayer Advocates. If the Commission does not adopt this proposal, PG&E recommends that the Proposed Decision be revised to rely on Department of Energy data for 100% of the RPS adder. [Rule 8.4(c)]

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: September 21, 2011