

**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 8.4(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 Wednesday, October 19, 2011, at approximately 3:30 p.m. at the offices of the California Public Utilities Commission. The communication was oral and the attached handout was provided. [(Rule 8.4(a)(c))]

John Hughes, Director-Regulatory Relations, PG&E, initiated the communication with Scott Murtishaw (Advisor to Commission President Michael Peevey). Also in attendance from PG&E were Dennis Keane (Senior Manager-Analysis & Rates/Rate Design & Quantitative Analysis), and Randy Litteneker (Attorney-Law). [Rule 8.4(b)]

Mr. Keane stated that the Commission should approve the rates and rate principles in the filed 2011 GRC Phase 2 settlements on non-residential rate design negotiated between PG&E and customer groups, and to reject the attempts by Solar Alliance to further increase subsidies for selected very large commercial/industrial customers who install solar on their facilities. Mr. Litteneker explained that attempts by Solar Alliance to greatly reduce demand charges (in its

Option R rate proposal) or eliminate them entirely (in the case of its proposal to expand the A-6 Solar Pilot) are not justified on cost of service grounds. Moreover as PG&E's handout (attached) notes, earlier this year the Commission issued a report finding that solar customers in all rate classes are subsidized by customers without solar, and these two Solar Alliance proposals would further increase the subsidies borne by other customers. [Rule 8.4(c)]

Respectfully submitted,

/s/ Brian K. Cherry

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Attachment

Dated: October 24, 2011