

**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

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October 13, 2011

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Pursuant to Rule 8.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the Marin Energy Authority (MEA), the Alliance for Retail Energy Markets (AREM) and the Retail Energy Supply Association (RESA) respectfully submit this notice of ex parte communication.

On Wednesday, October 12, 2011, at 2:40pm an *ex parte* meeting was held with Steve St. Marie advisor to Commissioner Sandoval at the Commission's offices at 505 Van Ness Avenue, in San Francisco, CA. The meeting lasted approximately 30 minutes and consisted solely of oral communications. In attendance were Sue Mara of RTO Advisors, on behalf of RESA and Elizabeth Rasmussen of MEA. Greg Bass of Noble Americas Energy Solutions, on behalf of AREM, and Mary Lynch of Constellation Energy, on behalf of AREM, participated by telephone.

In this meeting, the attendees discussed the proposed decision recently issued by the Commission. The meeting began by discussing the problems with using United States Department of Energy Data in the power charge indifference adjustment (PCIA) calculations. The meeting then turned to a discussion of the flaws of the financial security requirement methodology and fielding questions from Mr. St. Marie regarding risk allocation. The attendees discussed the proposed revisions provided by the Direct Access Parties to various Commissioner

offices on September 30, 2011. The attendees also fielded questions regarding the legal basis of the Direct Access Parties' proposal regarding the financial security requirement methodology.

Respectfully submitted,

 /s/ Elizabeth Rasmussen

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