

**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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Consultant to
RETAIL ENERGY SUPPLY ASSOCIATION

October 24, 2011

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Pursuant to Rule 8.3 of the California Public Utilities Commission Rules of Practice and Procedure, the Retail Energy Supply Association (“RESA”) respectfully submits this notice of *ex parte* communication.

On Wednesday, October 19, 2011, at approximately 3:20 pm, Mr. Bishu Chatterjee, advisor to Commission Simon, telephoned Sue Mara of RTOAdvisors, consultant to RESA, to discuss the recent revisions to the proposed decision, which was originally issued on August 23, 2011 in R.07-05-025. This *ex parte* communication was initiated by Mr. Chatterjee, lasted approximately 20 minutes, and consisted solely of oral communications. Ms. Mara was the only party participating in the call.

Ms. Mara explained that the first revision to the proposed decision, issued October 18, 2011, addressed the majority of the Direct Access Parties’ concerns on financial security for Electric Service Providers (“ESPs”). She also noted that the October 18th revision made an improvement to the calculation of the Power Charge Indifference Amount (“PCIA”) by adopting a new capacity adder to reflect Resource Adequacy. Ms. Mara added, however, that the revised proposed decision made no change to using a 68/32% split and the United States Department of

Energy Data in calculating the renewable adder. The Direct Access Parties had sought changes to this calculation.

Regarding the second revision to the proposed decision, issued October 19, 2011, Ms. Mara expressed disappointment that a section had been added that would impose different financial security requirements for ESPs serving residential and small commercial customers. She said these additional requirements could discourage ESPs from serving small customers and may lead to more costly requirements for Community Choice Aggregators.

Respectfully submitted,

A handwritten signature in black ink that reads "Susan J. Mara". The signature is written in a cursive style with a large initial 'S' and 'M'.

Sue Mara

Consultant to
RETAIL ENERGY SUPPLY ASSOCIATION

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