

**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* COMMUNICATIONS
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 communications. The communications occurred on Monday, December 5, 2011, at approximately 10:00 a.m., 10:30 a.m., and 3:15 p.m., respectively, at the offices of the California Public Utilities Commission (CPUC). The communications were 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); Stephen St. Marie (Advisor to Commissioner Catherine Sandoval); and Bishu Chatterjee (Advisor to Commissioner Timothy Simon); collectively. Also in attendance from PG&E were Dennis Keane (Senior Manager, Analysis & Rates), Daniel Pease (Principal, Analysis & Rates), and Randall Litteneker (Attorney-Law). [Rule 8.4(b)]

Mr. Hughes started the meetings by stating that the Proposed Decision (PD) was well thought out with one exception that is discussed below. He pointed out that the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN) either supported or were not opposed to the six separate settlements that the PD adopted.

Mr. Pease then proceeded to summarize the settlements. He pointed out that the Marginal Cost and Revenue Allocation settlement was signed by 15 different parties. This settlement moves each customer class closer to its cost of service.

Mr. Pease next discussed the one proposed modification to the PD that PG&E was requesting, that the PD's recommended future study of actual distribution costs for directly served Mobilehome Parks be eliminated due to a concern that there is not enough data available to conduct a statistically significant study. However he added that it was more important that the PD be approved by the CPUC at its December 15, 2011 business meeting so that the final decision can become effective on January 1, 2012.

Mr. Keane said that the PD rightfully concluded that the rate design settlement regarding Medium and Large Light and Power (MLLP) should be approved. He stated that the PD correctly rejected the Solar Alliance arguments to expand the Schedule A-6 Solar Pilot and to add a new Option R to tariff schedules E-19 and E-20, both of which would result in additional load-shifting from other customers beyond the amount already present due to the A-6 Solar Pilot.

[Rule 8.4(c)]

Respectfully submitted,

/s/ Brian K. Cherry

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Attachment

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