

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

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 10-05-006
(Filed May 6, 2010)

**SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)
NOTICE OF EX PARTE COMMUNICATION**

In accordance with Rule 8.3 of the Commission's Rules of Practice and Procedure, San Diego Gas & Electric Company (SDG&E) hereby gives notice of the following *Ex Parte* communication in the above-captioned proceeding.

On Monday, March 26, 2012 at 10:00 a.m. in the Commission auditorium in San Francisco, Aimee Smith, Senior Counsel for SDG&E, spoke at an all-party meeting with Commissioner Florio and Commissioner Sandoval. Also in attendance were Administrative Law Judge Peter Allen; Matthew Tisdale, Advisor to Commissioner Florio; Colette Kersten, Advisor to Commissioner Sandoval; Sara Kamins and Michael Colvin, Advisors to Commissioner Ferron; Damon Franz, Advisor to President Peevey; Wendy Keilani, SDG&E Regulatory Case Manager; and Billy Blattner, SDG&E Manager of Regulatory Relations. A list of other attendees was maintained by the Commission. The all-party meeting was initiated by Commissioner Florio to discuss the pending proposed decision (PD). SDG&E's communication was oral.

Ms. Smith stated that utility-owned generation (UOG) can provide ratepayer benefits. She explained that the existing conditions under which a utility may file an application for approval of UOG outside of a solicitation provide a reasonable constraint on UOG and give the Commission the ability to decide what is in the public interest based on a developed evidentiary record. She explained that the proposed Certificate of Public Convenience and Necessity requirement is unworkable and inappropriate in instances where the generation is from an existing facility. She stated that the proposed requirement that a Request for Offer "fail" before

UOG can be proposed is also unworkable, and further that the rules adopted for conventional UOG should not apply to renewable UOG.

Ms. Smith noted that it is not utility contracting that keeps once-through cooled (OTC) generation operating beyond its scheduled retirement date; it is local need. She further explained SDG&E's view that the proposed Tier 3 Advice Letter process proposed for OTC contracts is not in the public interest for contracts with a term of less than five years, and is unworkable as a practical matter for contracts with a term of two years or less. Finally, Ms. Smith stated that SDG&E is supportive of a sustainable resource adequacy program that provides the California Independent System Operator (CAISO) with the resources it needs in both the current year and future years, but further noted that such a program should eliminate the need for a permanent backstop mechanism.

Dated this 29th day of March, 2012 in San Francisco, California.

Copies of this notice may be obtained by contacting Cindy Zammit at 415 202-9986 or emailing czammit@semprautilities.com.

Respectfully submitted,

By: //s// Billy Blattner

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