

**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 Tuesday, March 20, 2012 at 4:15 p.m. in the Commission's offices in San Francisco, Robb Anderson, Director of Resource Planning, and Billy Blattner, Manager of Regulatory Relations for SDG&E, met with Carol Brown, Chief of Staff, and Damon Franz, Advisor to President Peevey. The communication was initiated by SDG&E to discuss the proposed decision (PD) issued in the above-captioned proceeding. Communication was oral and lasted approximately thirty minutes.

Mr. Blattner stated that permitting utility-owned generation (UOG) can provide some amount of market discipline and ratepayer value. Mr. Anderson explained that the proposed requirement to demonstrate market failure and the associated new regulatory process effectively ensures that UOG will not provide such discipline or ratepayer value. He noted, however, that SDG&E does not object to the proposed prohibition on UOG participation in requests for offers or to the existing conditions for UOG procurement. Mr. Blattner noted that any UOG must still be approved by the Commission through an application process. Mr. Anderson also recommended revisions to the proposed restrictions on once-through cooling (OTC) contracting to reduce the administrative burden on parties and the Commission without extending the life of such plants beyond their retirement dates.

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

Dated this 23rd day of March, 2012 in San Francisco, California.

Respectfully submitted,

By: //s// Billy Blattner

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