

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric
Company for Approval of its 2012 Rate Design
Window Proposals. (U39E)

Application 12-02-020
(Filed February 29, 2012)

NOTICE OF EX PARTE COMMUNICATION

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 communication. The communication occurred on Tuesday, August 28, 2012, at approximately 11:30 a.m., at the offices of California Public Utilities Commission. The communication was oral and no handout was provided. [Rule 8.4(a)]

John Hughes, Director, Regulatory Relations, PG&E, initiated the communication with Matthew Tisdale, Advisor to Commissioner Michel Florio. Also in attendance for PG&E was Dennis Keane, Senior Manager, Analysis & Rates. [Rule 8.4(b)]

Mr. Hughes started the discussion by stating that PG&E was requesting a reduction in its baseline quantity to 50% from the currently authorized 55% as part of this Rate Design Window (RDW) application. In May, 2011 the company was authorized to lower its baseline quantity allocation from 60% as part of the General Rate Case (GRC) Phase 2 decision.

Mr. Keane stated that, although lower than they were prior to the CPUC's GRC Phase 2 decision, PG&E's Tier 3 and 4 rates remain 5 to 6 cents per kWh higher than those of Southern California Edison (SCE) for the same tiers.

Mr. Keane noted that SCE and residential parties recently filed a settlement in Phase 2 of

SCE's 2012 GRC in which parties agreed to lower baseline quantities from 55% to 53%. Mr. Keane stated that adopting a 50% baseline quantity allocation for PGE would lower Tier 3 and 4 rates by almost 3 cents per kWh, which would help bring those rates closer to SCE's rates for the same tiers. In contrast, a reduction from 55% to just the 53% level in SCE's settlement would result in much smaller reductions to PG&E's Tier 3 and 4 rates, and do less to solve the problem of excessively high upper-tier non-CARE rates. [Rule 8.4(c)]

Respectfully submitted,

/s/Brian K. Cherry

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000, Mail Code B10C
San Francisco, CA 94177
Phone: 415-973-4977
Fax: 415-973-7226
E-mail: BKC7@pge.com

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