

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

Application of San Diego Gas & Electric Company
(U 902 E) to Fill Local Capacity Requirement Need
Identified in D.13-03-029.

Application 13-06-____
(Filed June 21, 2013)

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

Billy Blattner
Manager of Regulatory Relations
SAN DIEGO GAS & ELECTRIC COMPANY
601 Van Ness Avenue, Suite 2060
San Francisco, CA 94102
Telephone: (415) 346-2386
Facsimile: (415) 346-3630
Email: WBlattner@semprautilities.com

July 1, 2013

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NOTICE OF EX PARTE COMMUNICATION

In accordance with Rule 8.4 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 proceeding.

On Wednesday, June 26, 2013 at 10:00, Juancho Eekhout, Director of Strategic Planning, New Products and Services; Dan Baerman, Director of Procurement and Portfolio Design; and Billy Blattner, Manager of Regulatory Relations for SDG&E, met with Julie Fitch, Chief of Staff; and Melicia Charles, Advisor to Commissioner Peterman. The meeting was conducted by video conference with Ms. Fitch, Ms. Charles and Mr. Blattner present at 601 Van Ness Avenue, San Francisco, and Mr. Eekhout and Mr. Baerman present at 8315 Century Park Ct., San Diego. The meeting was initiated by SDG&E to discuss its amended contract with the Pio Pico Energy Center (“Pio Pico”). Communication was oral and written (attached).

Mr. Blattner recapped Decision 13-03-029, which identified a local capacity requirement of 298 MW in the San Diego area beginning in 2018 and provided SDG&E the option of amending one of its power purchase tolling agreements (“PPTA”) or conducting a new solicitation to meet the identified need. Mr. Eekhout explained that a revised PPTA with Pio Pico is in the best interest of customers in San Diego. He described the PPTA amendment, including a later start date for the PPTA, an on-line date that will enable Pio Pico to begin

providing capacity prior to the PPTA start date, favorable pricing, and a commitment from Pico Pico to spend a portion of capital and operations and maintenance costs with Diverse Business Enterprises. He explained that SDG&E considered conducting a new solicitation as well as procuring preferred resources, but concluded that the amended PPTA provides a better value to ratepayers, a resource best suited to the identified need, and the highest likelihood that a suitable resource will be able to deliver in the time-frame identified in the decision.

Dated this 1st day of July, 2013 in San Francisco, CA.

Respectfully submitted,

By: _____/s/ Billy Blattner_____

Billy Blattner
San Diego Gas & Electric Co.