

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 oral communication occurred on Monday, August 26, 2013, at approximately 4:30 p.m., at the offices of the California Public Utilities Commission (CPUC) in San Francisco. The communication was oral and a two page handout was provided, which is attached to this notice. [Rule 8.4(a)(c)]

John Hughes, Director, Regulatory Relations, PG&E, initiated the communication with Scott Murtishaw, Advisor to Commission President Michael Peevey. Also present for PG&E were Dennis Keane, Senior Manager, Analysis & Rates/Rate Design & Quantitative Analysis, and Erik Jacobson, Director, Regulatory Relations. [Rule 8.4(b)]

Mr. Hughes started the meeting by stating that since PG&E's 2012 Rate Design Window application was filed in February, 2012, the Commission under statute has to act upon this matter within the 18 month limit. He said that the main issue in this application is the request to reduce the baseline allowances from 55% to 50%. This would take some of the pressure off of the increase in Tier 3 and 4 rates anticipated for January 1, 2014, and

could help prevent some of the problems that occurred during the 2009 "rate revolt" that took place in the Central Valley.

Mr. Keane used the attachments to illustrate the issues with PG&E's Tier 3 and 4 rates. Without further Commission action, these upper-tier rates are expected to increase by about 2.5 cents per kWh on January 1, 2014. By issuing a decision approving PG&E's proposed baseline quantity reductions, Tier 3 and 4 rates will instead remain virtually unchanged. He also pointed out that PG&E's current Tier 3 and 4 rates are substantially higher than Southern California Edison's and San Diego Gas and Electric's corresponding Tier 3 and 4 rates, which results in higher bill amounts and bill volatility for PG&E's upper-tier users, especially during summer months.

Mr. Hughes added that the Commission currently has the authority to make this change and does not have to wait for any rate reform legislation to correct this problem. He stated that PG&E would like to see this change made in time for rates going into effect on January 1, 2014. [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

Attachment

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