

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
for Approval of Economic Development Rate for
2013-2017 (U39E).

Application 12-03-001
(Filed March 1, 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 Thursday, August 15, 2013, at approximately 9:00 a.m., which took place just outside the Sunset Center in Carmel-by-the-Sea. [Rule 8.4(a)]

John Hughes, Director, Regulatory Relations, PG&E, initiated the communication with Michael Colvin, Advisor to Commissioner Mark Ferron and Charlotte TerKuerst, Chief of Staff to Commissioner Ferron. Brian Cherry, Vice President, Regulatory Relations, PG&E, was also present. [Rule 8.4(b)]

Mr. Hughes and Mr. Cherry discussed the Proposed Decision (PD) issued in connection with Application No. 12-03-001, PG&E's request to establish an Economic Development Rate (EDR). Mr. Hughes stated that the PD was unclear if marginal generation capacity costs were included in the floor. He said that those costs should be excluded from the floor price otherwise under some of PG&E's tariffs the maximum rate discount could not even get to the 12% discount under the standard EDR discount.

Mr. Cherry pointed out that Marginal Generation Energy Costs (MGECS) have long been established in GRCs whereas the PD states that the MGECS should be subject to updating annually in ERRA proceedings. He stated that MGECS should continue to be established in the GRC and not subject to updating in ERRA proceedings. He said that this would add a degree of certainty to the size of the discount that customers could use in deciding if they would opt for an EDR contract.

The PG&E representatives then discussed the PD finding that the Administrative costs be shareholder funded through a "below-the-line" adjustment. Mr. Cherry stated that PG&E's 2014 GRC request did not contain any cost request for this EDR application. Mr. Hughes said the PG&E may include such costs in its next 2017 GRC if the program shows overall ratepayer benefits. [Rule 8.4(c)]

Respectfully submitted,

/s/Brian K. Cherry

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Dated: August 20, 2013