BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

| | |
|---|---|
| Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2014. (U 39 M) | Application 12-11-009 (Filed November 15, 2012) |
| And Related Matter. | Investigation 13-03-007 |

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 Wednesday, March 5, 2014, at approximately 3:30 p.m., by telephone to the offices of California Public Utilities Commission. The communication lasted for approximately 10 minutes, and no written material was provided. [Rule 8.4(a)]

John Hughes, Director, Regulatory Relations, PG&E, initiated the communication with Administrative Law Judge Thomas Pulsifer. [Rule 8.4(b)]

Mr. Hughes called ALJ Pulsifer to inform him of two errors in the PG&E 2014 GRC. The net effect of these two errors results in a reduction in the forecasted GRC revenue requirement of $4.1 million.

Mr. Hughes said that the first correction reduces the forecasted revenue requirement by $7 million. This is a result of a misalignment between the way that the liability and expense associated with two of PG&E's benefit plans were forecasted and the way the plans are actually administered. The issue involves medical claims for disabled employees between the ages of 55 and 65. The GRC forecast assumes that these employees are deemed retired and therefore their medical costs are forecasted as part of the Post-Retirement other than Pension (PBOP) plan trust. However, the applicable plan for all disabled employees, including those age 55 to 65, should be the Long Term Disability (LTD) plan trust, not the PBOP trust.

Correcting this misalignment results in a $7 million reduction in the forecasted 2014 GRC revenue requirement. The reduction is due to differences in accounting and funding rules for the PBOP and LTD benefit plan trusts.

The second correction relates to a Partial Settlement Agreement filed on September 6, 2014, with The Utility Reform Network (TURN), the Marin Energy Authority (MEA) and PG&E. The settlement agreed to reallocate $31.7 million from the GRC revenue requirement for administrative and general (A&G) costs related to customer-related programs such as demand-side management. As part of the $31.7 million, PG&E mistakenly included approximately $2.88 million in payroll taxes that should not be reallocated to customer programs.

Mr. Hughes said that PG&E has spoken with the parties named above about these two issues. He added that PG&E has spoken with the Office of Ratepayer Advocates as well. [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

Dated: March 10, 2014