

**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. (U39M)

Application 12-11-009
(Filed November 15, 2012)

And Related Matter.

Investigation 13-03-007

NOTICE OF EX PARTE COMMUNICATION

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June 30, 2014

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Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, the Energy Producers and Users Coalition (EPUC) hereby give notice of the following oral ex parte communications.

On June 27, 2014, Nora Sheriff and Katy Morsony, counsel to EPUC, met with the following:

- Melicia Charles, advisor to Commissioner Peterman, from approximately 10:30 to 10:50 am;
- Marcelo Poirier, advisor to Commissioner Florio, from approximately 1:30 to 1:50 pm; and
- Allison Brown, advisor to Commissioner Sandoval, from approximately 1:50 to 2:10 pm.

All meetings were held at the Commission's office in San Francisco and were initiated by EPUC. Ms. Sheriff and Ms. Morsony expressed support for Administrative Law Judge Pulsifer's well-reasoned and thorough Proposed Decision (PD). In particular, Ms.

Sheriff and Ms. Morsony noted that EPUC agrees with the PD's continuation of the existing ratemaking treatment for PG&E's nuclear fuel inventory. They explained that the ratepayer impacts of PG&E's proposed change to the ratemaking treatment would be significant: a 2,856% increase in the associated annual revenue requirement, raising it from \$1.6 million to \$47 million. Moreover, as the PD determines, parties can raise this issue in the next cost-of-capital case. Ms. Sheriff and Ms. Morsony stated strong support for this aspect of the PD and urged that this aspect be adopted with no change.

Ms. Sheriff and Ms. Morsony also discussed the PD's treatment of PG&E's proposed hydro capital expenditures for reliability (Major Work Categories 2M/2N/2P). They recognized that the PD did reduce PG&E's requested hydro capital expenditures for reliability by eliminating the low priority work; however, the reduction was not as great as EPUC had recommended. Ms. Sheriff and Ms. Morsony indicated that PG&E's reliability hydro capital expenditures may warrant further reduction.

Ms. Sheriff further noted that rate cases are of critical importance to ratepayers, and foundational to the Commission's mission to ensure safe and reliable service at just and reasonable rates, and she urged expeditious adoption of the PD.

Respectfully submitted,



Nora Sheriff

Counsel to the
Energy Producers and Users Coalition

June 30, 2014