

**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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July 25, 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 July 22, 2014, Katy Morsony, counsel to EPUC, met with Nick Chaset, advisor to Commissioner Picker, from approximately 1:30pm to 1:45pm. The meeting was held at the Commission's office in San Francisco and initiated by EPUC.

Ms. Morsony expressed support for Administrative Law Judge Pulsifer's well-reasoned and thorough Proposed Decision (PD). In particular, she noted that EPUC agrees with the PD's continuation of the existing ratemaking treatment for PG&E's nuclear fuel inventory. She 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. Morsony stated strong support for this aspect of the PD and urged that it be adopted with no change.

Ms. Morsony also discussed the PD's treatment of PG&E's proposed hydro capital expenditures for reliability (Major Work Categories 2M/2N/2P). Ms. Morsony recommended that the Commission make additional cuts to reliability Major Work Categories (2M, 2N and 2P) consistent with EPUC's litigation position. She explained that the increases requested by PG&E are not necessary for reliability since PG&E's facilities already operate reliably. Additionally, EPUC's proposal makes no reductions to safety major work categories or projects with a safety or compliance driver. Based on these two points and the impact of increased spending on rates, the Commission should adopt the EPUC proposal.

Ms. Morsony further urged the Commission to expeditiously adopt the PD.

Respectfully submitted,



Katy Morsony

Counsel to the
Energy Producers and Users Coalition

July 25, 2014