

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).

And Related Matter

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

Investigation 13-03-007

NOTICE OF EX PARTE COMMUNICATION

August 4, 2014

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Pursuant to Commission Rule 8.4, the Coalition of California Utility Employees (“CUE”) gives notice of the following ex parte communications.

On July 30, 2014, Marc Joseph and Jamie Mauldin, counsel for CUE, met with the following:

- Julie Fitch, Chief of Staff to Commissioner Peterman, and Melicia Charles, Advisor to Commissioner Peterman, from 1:00 pm to 1:25 pm;
- Sepidah Khosrowjah, Chief of Staff to Commissioner Florio, and Marcelo Poirer, Advisor to Commissioner Florio, from 2:25 pm to 2:55 pm; and
- Nick Chaset, Advisor to Commissioner Picker, from 4:35 pm to 5:07 pm.

On July 31, 2014, Marc Joseph and Jamie Mauldin, counsel for CUE, met with the following:

- Carol Brown, President Peevey’s Chief of Staff, from 2:10 pm to 2:40 pm;
- and

- Allison Brown, Advisor to Commissioner Sandoval, from 2:58 pm to 3:25 pm.

All of the meetings were at the Commission offices in San Francisco and initiated by Mr. Joseph and Ms. Mauldin.

During each of the meetings, Mr. Joseph described how CUE's proposals would enhance the Proposed Decision's focus on safety and reliability. Mr. Joseph and Ms. Mauldin provided a two-page handout (attached) and Mr. Joseph described the itemized document and discussed how each of the items would significantly contribute to the safety and reliability of PG&E's system. Mr. Joseph also discussed the total amount of dollars CUE's recommendations would add to the amount authorized in the Proposed Decision. Mr. Joseph concluded the meetings by discussing the imprecise nature of the Total Compensation Study and how the Proposed Decision's adoption of a 5% market variance will set bad precedent for future General Rate Cases.



# ATTACHMENT A

<b>PD Section</b>	<b>CUE's Recommendation</b>	<b>Additional 2014 Revenue Requirement (millions)</b>
3.6 Gas Distribution/Leak Survey & Repair	3 year not 5 year leak survey. Ignores best practices, safety, GHG benefits	24.3
3.7.2 Gas Distribution/Gas Field Services and Response	Hire 80 new GSRs in 2014. Treat all gas odor calls as "Immediate Response."	18.3
3.8.1 Gas Distribution Capital and Investment Planning	Faster Aldyl-A and steel pipe replacement. Will take 63 years to replace all steel pipe and 40 years at PD's authorized Aldyl-A replacement. 60 miles/year for steel; 100 miles/year for Aldyl-A – will still take 15 years for both types of pipe at those rates to bring leak rate down to system average	3.1
4.7 Electric Distribution/Pole Replacement	Require PG&E to replace an additional 19,000 poles per year. PD approves 116 year replacement cycle; CUE's proposal would be a 58-year replacement cycle	19.7
4.5.7 Electric Distribution Maintenance (Underground Switch)	Replace 500 switches per year of pre-1981 switches. PD notes "catastrophic failures" but cuts funding to 250/yr	1.1
4.13.2 Electric Distribution/Substation Asset Strategy	Require PG&E to double its proposed breaker replacement rate. PD authorizes 112 year replacement cycle; CUE's proposal would be a 56 year replacement cycle	0.9
4.15.1 Electric Distribution Reliability (Overhead Conductor)	Require PG&E to double overhead conductor replacement rate. PD authorizes 1800 year replacement rate; CUE's proposal would still be a replacement rate of 915 years	3.0

4.15.3 Electric Distribution Reliability (FLISR)	Require PG&E to expand its FLISR program by 50%, up to 300 circuits per year. PD notes most cost-effective program but cuts funding by 25% CUE's proposal still shows very high B/C ratio = over 15	4.9
4.15.4 Electric Distribution Reliability (Fuses)	Require PG&E to double its overhead fuse installation program. Very high B/C ratio = 10.5	0.3
4.15.4 Electric Distribution Reliability (Reclosers)	Require PG&E to double its recloser installation program. Very high B/C ratio = 37.2	1.2
4.15.4 Electric Distribution Reliability (Targeted Circuit Improvements)	Require PG&E to expand its targeted circuit program by 50%, up to 120 circuits per year. Not discussed in PD but High B/C ratio – “well above 1”	1.2
4.15.4 Electric Distribution Reliability (Underground Protection Program)	Require PG&E to expand its underground protection program by 50%, to 100 fuses and interrupters. Not discussed in PD but High B/C ratio – “well above 1”	0.1
9.4.1.2 Administrative and General Expenses/HR (PG&E Academy)	Hire 10 FTE Staff for PG&E Academy. Reducing training in face of demographic cliff; San Bruno and Rancho Cordova, and deaths of 9 union members in last few years	3.2
8.3.1 Human Resources (Total Compensation Study)	Reject 5% market variance cap on total compensation.	
	<b>TOTAL</b>	<b>\$81.3</b>
	<b>Monthly Gas Bill Impact</b>	<b>\$0.49</b>
	<b>Monthly Electric Bill Impact</b>	<b>\$0.40</b>