

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Examine the
Commission's Post-2008 Energy Efficiency
Policies, Programs, Evaluation, Measurement,
And Verification, and Related Issues.

Rulemaking 09-11-014
(Filed November 20, 2009)

**PACIFIC GAS AND ELECTRIC COMPANY'S LATE NOTICE OF EX PARTE
COMMUNICATION**

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Dated: December 22, 2014

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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**PACIFIC GAS AND ELECTRIC COMPANY'S LATE NOTICE OF EX PARTE
COMMUNICATION**

Pacific Gas and Electric Company (PG&E) has identified an email describing an oral communication that may represent an ex parte communication concerning this proceeding that PG&E did not previously disclose pursuant to Commission Rule 8.4.

PG&E now provides late disclosure of this communication. The communication is an oral communication between PG&E then Vice President of Regulatory Relations, Brian Cherry, and Michael Colvin, advisor to Commissioner Mark Ferron, which occurred on April 3, 2013. A description of the communication is contained in an email, a copy of which is provided as Attachment 1.

The undersigned is counsel in this proceeding only for purposes of representing PG&E on issues related to these ex parte communications.

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Respectfully submitted,

EDWARD J. SHAPIRO

By: /s/ Edward J. Shapiro
Edward J. Shapiro

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Attorneys for
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Dated: December 22, 2014

ATTACHMENT 1

From: Cherry, Brian K
Sent: 4/3/2013 2:18:11 PM
To: Bottorff, Thomas E (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3); Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAc); Doll, Laura (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=LRDD); Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1); Dietz, Sidney (/O=PG&E/OU=Corporate/cn=Recipients/cn=SBD4); Hughes, John (Reg Rel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=J8HS)
Cc:
Bcc:
Subject: Commission Update - Please Do Not Forward

Tom, et al – I met with Colvin for lunch today and he shared with me a few thoughts I'd like to pass on:

1) Los Mendanos – no one has a problem with signing a RA contract with Los Mendanos – they just don't believe it should count as CHP. Colvin thinks he has the votes to strike down the Resolution approving the Los Mendanos CHP RA contract. He believes the Energy Division looked too narrowly at the definition of CHP and not at the broader policy goals. With the exception of Peevey, all of the other Commissioner's offices believe that Los Mendanos isn't a CHP 'in spirit'. Calpine has a tough slog on this one. We have been told Peevey will hold it but Colvin believes Peevey may release the hold and vote with the majority.

2) EE Incentive Ruling – we should see ACR or ALJ Ruling this week on EE Incentives. The ruling will seek additional comment on EE Incentives and will set a comment period to be followed by a proposed decision. Colvin tells me the ruling will increase the incentives available to the utilities marginally, will focus on straight-forward and consistent measurement and should be something the utilities like and embrace.

3) EE Programs and Administration – consistent with what Sid heard from Michael recently, Ferron wants to lay out plans for a 10 year EE planning process. He wants the utilities to have certainty on what they are committed to spend along for EE and DR with along with certainty regarding MW reductions. He hopes to align EE and DR on the same track as the LTPP so that the CEC and the ISO can use the same planning criteria. He believes it is time to rationalize the whole EE process and that Ferron is shopping the concept around the Commission and with other state agencies.

He also said there is no stomach (except with certain staff members) for turning over the utility programs to third parties. He believes third party and local governments will play an increasingly important role but that the utilities will retain administration.

4) Attrition – Michael was surprised by Sempra’s escalator request for attrition. The PDs approval of an escalator (although less than Sempra’s request) does not represent a policy shift on the calculation of attrition. Michael understands that our needs and Edison’s needs for attrition are very different from that of Sempra. With regards to the GRC in total, Colvin said that ALJ Wong did a bottoms up assessment without a budget in mind. When Ferron saw the recommendation, he expressed dismay that the amount ‘disallowed’ was de minimus. Ferron told the ALJ what the acceptable maximum limit was and asked Judge Wong and his staff to reduce the amount granted. It is a dangerous precedent for us. Ferron was also concerned about the rate impact on SDG&E when he decided how much Sempra should be allowed to recover.

5) Reappointment – Ferron would like to be reappointed if the Governor asks him.

6) SmartMeter Settlement – Ferron’s office asked that the SmartMeter Settlement (\$390,000) be placed on the consent agenda. Florio’s office insisted that it be put on the regular calendar. Colvin expects to see a large number of demonstrators at the Commission meeting tomorrow.