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## ATTACHMENT B



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VIA HAND DELIVERY & E-MAIL

October 6, 2014

Mr. Paul Clanon  
Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**Re: Pacific Gas and Electric Company's Late Notice of Ex Parte Communications**

Dear Mr. Clanon:

On September 15, 2014, Pacific Gas and Electric Company ("PG&E") filed a Notice of Improper Ex Parte Communications ("Notice"). The improper ex parte communications identified in the Notice were discovered through PG&E's voluntary review of communications with the Commission since early 2010. In the Notice, PG&E "caution[ed] that its evaluation of the facts and circumstances surrounding these communications is ongoing" and stated that "PG&E will provide notice in the event additional ex parte communications are identified."

PG&E has identified additional ex parte communications that it failed to disclose as required by Commission Rule 8.4.

The first communication was an oral communication between PG&E's then-Vice President of Regulatory Relations and President Michael Peevey that occurred on May 30, 2010. The content of the communication is described in an e-mail, a copy of which is attached hereto as Exhibit A. As described in Exhibit A, the communication concerned the following Commission proceedings:

- 2011 General Rate Case (A0912020);
- Application of Approval of 2008 Long-Term Request for Offer Results (A0909021);
- Application for Approval of the Manzanita Wind Project (A0912002); and
- Energy Efficiency Risk/Reward Incentive Mechanism Rulemaking (R0901019)

The first three of these proceedings are closed. The fourth proceeding, R0901019, is open; however, the docket contains a "Closed Alert," which reads, in part, as follows: "This Proceeding was closed on 1/12/2012 by R.12-01-005. However, it remains OPEN ONLY to consider (a) Existing Petitions for Modification, (b) Applications for Rehearing and (c) Requests for ICOMP. NO OTHER DOCS SHOULD BE FILED HEREIN."



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Given the status of these proceedings, PG&E is sending this letter to you and to the Commission's Acting General Counsel, and will be sending this letter to the final service list in each proceeding.

The remaining communications are e-mail exchanges between PG&E and Commission personnel concerning the Order Instituting Rulemaking on the Commission's Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanisms (R11-02-019). As to those communications, PG&E today filed with the Commission in R11-02-019 a Late Notice of Ex Parte Communications, a copy of which is attached hereto as Exhibit B.

Very truly yours,

A handwritten signature in blue ink, reading "Martin S. Schenker".

Martin S. Schenker

MSS:ra

Enclosures

cc: Acting General Counsel (via Hand Delivery and E-Mail)  
Service Lists (via E-mail)(as soon as PG&E obtains the service lists)

# **Exhibit A**

From: Cherry, Brian K  
Sent: 5/31/2010 9:29:59 PM  
To: Bottorff, Thomas E (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3)  
Cc:  
Bcc:  
Subject: Re: Peevey

Also, he is opposed to Manzana. He said that he will not approve the project if the Fed's don't give us a permit. He said that the CA Fish and Game is ok with the project, but the Dept of the Interior needs to give their ok. Without it, he won't approve it.

----- Original Message -----

From: Cherry, Brian K  
To: Bottorff, Thomas E  
Sent: Mon May 31 21:27:43 2010  
Subject: Peevey

Tom - Sara and I dinner with Mike last night. Carol had a political commitment in LA today and had to leave early so it was just the three of us and my daughter. The evening was social but we did delve into some work matters:

Oakley - Mike insisted again that he was putting Oakley last, to be filled in if some of the other projects don't get built. I told him again that if that was his intent, then the PD needed revision because it didn't approve, even conditionally, Oakley's MWs. He reiterated that wasn't true, but I told him he was mistaken and that we would come in and point out what needed to be corrected. Mike intimated that the Oakley problem would be addressed in the DWR Novation PD (second revision) but I told him that was risky. We needed changes to the LTTP itself if we wanted to keep Oakley alive. Mike was fine with that and said he would look into it.

Mike mentioned that Steve Larson had scheduled a visit to talk to him about Oakley and that Steve had already met with Clanon. I let Mike know that the developers, not PG&E had hired him. I also told Mike that a successful outcome on Oakley was important to Steve for growing his business with Capital Strategies and Mike understood the implication of that very clearly. I told him that Steve and Chevron were going directly to Schwarzenegger to get Oakley approved and Mike needed to be aware of that. Mike was very dismissive of the Governor, calling him a lame duck. That said, he didn't tip his hand on the issue. Mike and Arnold and Steve are all close. We have our work cut out for us.

AB32 - Mike stated very clearly that he expects PG&E to step up big and early in opposition to the AB32 ballot initiative. He said it would undermine our reputation if we didn't fund it, especially given the hits we have taken lately over SmartMeter, Marin and Prop 16 activities. Mike said he told Peter we need to spend at least \$1 million. I asked for clarification and he said 'at least' doesn't mean \$1 million, it means a lot more. Mike said that we couldn't spend \$50 million on Prop 16 and then claim to be poor. He has approached Sempra and Edison and said we would have egg on our face if they came out in opposition to the initiative before we did. He said it would be a positive move that could help to repair fences with opponents of Prop 16.

Anniversary of PUC - at the end of January, the PUC is hosting a celebration of the Commission's 100th Anniversary. Mike has put together a Committee headed by Pete Arth, Steve Larson and Bill Bagley who are forming a 501.3c committee (under Mike's oversight). He expects PG&E, Sempra, Edison and AT&T to contribute \$100,000 each to the celebration committee (Edison and AT&T have already confirmed they will contribute). He said he mentioned it to Peter but wasn't sure if he had mentioned it to anyone else - but that I was on notice. The amount is steep because the Committee expects to spend \$150k or so and use the rest to fund other future Commission events that the State is unwilling to fund. For example, he mentioned he hosted 2 delegations from China recently and he had to fund the dinner for them out of his own pocket because the state is broke. At another event, John Bohn and Mike ponyed up \$3,500 out of their own pocket for a lunch. He doesn't want future Commissioners to face the same dilemma.

GRC - Mike is aware that we are looking for a good GRC decision. He said we have a decent judge who listens but that we couldn't expect to win everything. I suggested we could live with \$625 million and Mike chuckled a bit. I told him that we were concerned about restoring our infrastructure and Mike agreed, noting that TURN and DRA would ruin the industry if left to their own devices. He said to expect a decision in January - around the time of the PUC's 100th Anniversary celebration. I told him I got the message.

Prop 16 - Mike confirmed that he dropped a Commission resolution opposing Prop 16 because he couldn't get Simon on Board. He was quite pleased with his editorial against Prop 16 and the positive feedback he received on it to date. He said he told Peter he thinks Prop

16 will win but also said the Board should hold Peter personally responsible if it fails. Mike thinks win or lose we have sullied our reputation and that it will be a long haul to burnish our credentials again. Mike said he received a call from David Baker regarding PG&E and our recent downfall from PR grace. He said David was looking for dirt and wanted to write an article that would show that our duplicity between what we say and what we do, particularly the contrast between how we behave in Washington and how we behave in California in regards to being Green. However, Mike said he told Baker that PG&E was a leader in CA too and that despite our heavy-handedness in Marin and in SFO on CCA, that we were making major strides to green our business - more so than Edison and Sempra.

CCA - Mike reiterated his belief that our "low road" tactics were not only ineffective but beneath us and have caused more harm than good. He believes we need to simply compare services and take a more positive and proactive outreach. He believes the negative campaign that we have utilized has created the perception again that we are the bully on the block. Mike said he doesn't really support CCA, but it is the law. He believes that nascent CCAs will fail but campaigns like ours turn off even the greatest admirers of our company.

EE Incentives - Mike complained that Bohn has been ineffective in moving this matter quickly. He was hopeful that we would resolve the final true-up this year. He suggested that Peter have lunch or dinner with John and tell him to speed things up. Mike supports us getting incentives but told me not to expect too much given the large amounts we got the last two years. I suggested to Mike that the numbers were still subject to debate, but we could reach some agreement. I jokingly suggested that if he gave us \$26 million, we could come up with \$3 million or so for AB 32. He said that is a deal he could live with - but we both agreed lots of things above my pay grade have to happen before that is a reality.

Meeting with Peter - Mike wanted to know how the meeting between him and Peter was received. I told him the feedback I had heard was all good and that Peter appreciated meeting with him.

Summit - Mike wants to talk about the direction we are headed as a Company - what we support moving forward relative to renewable policy, CCA, the City and County of SFO and our communication strategy for getting back in the public's good graces.

All in all, we had a nice evening a polished off two bottles of good Pinot. Mike is in Sacramento tomorrow and doesn't get back to the Commission until Wednesday.

That's all.