

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED
07-22-10
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Application of Pacific Gas and Electric Company (U 39 E), for Approval of the Manzana Wind Project and Issuance of a Certificate of Public Convenience and Necessity.

A.09-12-002
(Filed December 3, 2009)

**NOTICE OF EX PARTE COMMUNICATION
OF THE DIVISION OF RATEPAYER ADVOCATES**

Pursuant to Rule 8.2 and 8.3 of the California Public Utilities Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA"), hereby provides notice of an ex parte communication. On July 21, 2010, DRA attorneys Candace Morey and Marcelo Poirier and DRA analyst Yuliya Shmidt met with Andrew Schwartz, advisor to President Michael Peevey. The meeting was initiated by DRA attorney Marcelo Poirier, occurred at the Commission, 505 Van Ness Avenue, San Francisco, California, commencing at 10:00 am and lasted approximately one hour.

Ms. Morey, Mr. Poirier, and Ms. Shmidt discussed DRA's concerns about PG&E's application for the Manzana Wind Project, and in particular the lack of support for PG&E's major assumptions that impact the Project's economics over the assumed 30-year life of the Project. DRA explained the detrimental impacts to the levelized cost of energy, net market value, and ratepayers of altering PG&E's assumptions. DRA emphasized the need to impose ratepayer protections in the event the application is approved by the Commission by requiring PG&E's shareholders to assume some risk that the initial capital or Operations and Maintenance costs increase over PG&E's estimates. DRA noted that PG&E's proposed cost-of-service ratemaking proposal unreasonably requires ratepayers to bear disproportionate risks of increased project costs while insulating PG&E's shareholders from bearing any such risks. DRA also recommending that the Commission reduce the total Project costs by adopting DRA's recommendations.

Finally, DRA highlighted concerns with the manner in which PG&E presented this application for approval by the Commission without conducting a competitive solicitation. Specifically, DRA recommended that the Commission provide guidance in its decision on how to present future applications for utility owned renewable generation. No written materials were provided by DRA.

Copies of this notice can be obtained by calling or sending an e-mail to Sue Muniz at (415) 703-1858 (e-mail: sam@cpuc.ca.gov).

Respectfully submitted,

/s/ CANDACE MOREY

Candace Morey
Staff Counsel

Attorney for the Division of Ratepayer
Advocates

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-3211
E-mail: cjm@cpuc.ca.gov

July 22, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of “**NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES**” to the official service list in **A.09-12-002** by using the following service:

E-Mail Service: sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

U.S. Mail Service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on **July 22, 2010** at San Francisco, California.

/s/ ROSCELLA V. GONZALEZ

Roscella V. Gonzalez

SERVICE LIST
A.09-12-002

stephaniec@greenlining.org
loreleio@co.kern.ca.us
mdjoseph@adamsbroadwell.com
cjm@cpuc.ca.gov
mpo@cpuc.ca.gov
alazar@endangeredeearth.org
matthew@turn.org
cmmw@pge.com
bcragg@goodinmacbride.com
ssmyers@att.net
cte@eslawfirm.com
mrw@mrwassoc.com
Yim@ZimmerLucas.com
joseph.ahn@ngc.com
mmac11@yahoo.com
HRasool@SempraUtilities.com
JWright@SempraUtilities.com
DNiehaus@SempraUtilities.com
eklebaner@adamsbroadwell.com
dtk5@pge.com
GxZ5@pge.com
LDRi@pge.com
LKL1@pge.com
MWZ1@pge.com
Diane.Fellman@nrgenergy.com
cem@newsdata.com
wvm3@pge.com
regrelcpuccases@pge.com
dmarcus2@sbcglobal.net
samuelk@greenlining.org
enriqueg@greenlining.org
kdw@woodruff-expert-
services.com
steven@iepa.com
glw@eslawfirm.com
ab1@cpuc.ca.gov
dbp@cpuc.ca.gov
jbx@cpuc.ca.gov
meb@cpuc.ca.gov
svn@cpuc.ca.gov
tbo@cpuc.ca.gov
ys2@cpuc.ca.gov
claufenb@energy.state.ca.us