

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 20, 2007

Advice Letters 2863-E/E-A

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Contract for Procurement of Renewable Energy Resources Resulting from
PG&E's 2005 Renewables Portfolio Standard (RPS) Solicitation

Dear Ms. de la Torre:

Advice Letters 2863-E/E-A are effective December 14, 2006. Copies of the advice letters and resolution are returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "S. H. Gallagher".

Sean H. Gallagher, Director
Energy Division

RECEIVED
REGULATORY RELATIONS DEPARTMENT
FEB 21 2007

November 30, 2006

Advice 2863-E-A
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing to Advice Letter 2863-E Regarding a Contract for Procurement of Renewable Energy Resources Resulting from PG&E's 2005 Renewables Portfolio Standard (RPS) Solicitation between Northwest Geothermal Company and PG&E.

PURPOSE:

Pacific Gas and Electric Company (PG&E) hereby submits to the California Public Utilities Commission (CPUC) a supplemental filing for Advice 2863-E, dated July 25, 2006. The purpose of this supplement is to amend certain terms and conditions in the Power Purchase Agreement (PPA) between Northwest Geothermal Company (Northwest Geothermal) and PG&E, to conform with the "May not be Modified" Standard Contract Terms and Conditions defined in the CPUC Decision (D.) 04-06-014, Appendix A.

The Energy Division recently informed PG&E that altering the non-modifiable standard terms and conditions is unacceptable. The amendments to the PPA between Northwest Geothermal and PG&E ensures that the PPA conforms to all non-modifiable Contract Terms and Conditions as defined in Commission D. 04-06-014, Appendix A.

PG&E provides a copy of the amendment to the July 17, 2006, PPA in confidential Appendix A.

Protests

PG&E requests that the Commission waive the protest period of this supplemental filing since it is simply putting the advice letter into proper compliance to conform with the "May not be Modified" Standard Contract Terms and Conditions.

Effective Date:

PG&E requests that this advice filing become effective on **December 14, 2006**.

Notice:

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter excluding the confidential appendix is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.01-10-024 and R.06-05-027. Non-market participants who are members of PG&E's Procurement Review Group and have signed appropriate Non-Disclosure Certificates will also receive the advice letter and accompanying confidential attachments by overnight mail. Address changes should be directed to Rose De La Torre (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>



Brian K. Cherry
Vice President - Regulatory Relations

cc: Service List for R.06-05-027
Service List for R.01-10-024
Paul Douglas -- Energy Division

Attachments

Limited Access to Confidential Material:

The portions of this advice letter so marked Confidential Protected Material are submitted under the confidentiality protection of Section 583 of the Public Utilities Code and General Order 66-C. Pursuant to the Administrative Law Judge's Ruling Clarifying Interim Procedures For Complying with Decision 06-06-066, issued August 22, 2006 in Rulemaking 05-06-040, a separate Declaration of Confidential Treatment regarding the confidential information is filed concurrently herewith.

Confidential:

Appendix A First Amendment to Power Purchase Agreement

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. Pacific Gas and Electric Company U39M

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: David Poster

Phone #: (415) 973-1082

E-mail: dxpu@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2863-E-A

Subject of AL: Supplemental Filing to Advice Letter 2863-E Regarding a Contract for Procurement of Renewable Energy Resources Resulting from PG&E's 2005 Renewables Portfolio Standard (RPS) Solicitation between Northwest Geothermal Company and PG&E.

Keywords (choose from CPUC listing): PPA

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Resolution Required? Yes No

Requested effective date: **12-14-2006**

No. of tariff sheets: 0

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets:

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jinj@cpuc.ca.gov and mas@cpuc.ca.gov

Utility Info (including e-mail)

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulatory Relations

77 Beale Street, Mailcode B10C

P.O. Box 770000

San Francisco, CA 94177

Facsimile: (415) 973-7226

E-mail: PG&ETariffs@pge.com

**DECLARATION OF WILLIAM H. GAVELIS
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED
IN ADVICE LETTER 2863-E-A
(PACIFIC GAS AND ELECTRIC COMPANY ID U 39 E)**

I, William H. Gavelis declare:

1. I am presently employed by Pacific Gas and Electric Company (PG&E) and have been an employee since 1991. My current title is senior energy supply analyst within PG&E's energy supply department. In this position, my responsibilities include negotiating power contracts, modeling power contract revenue requirements and writing testimony. In carrying out these responsibilities, I have acquired knowledge of PG&E's contracts with numerous counterparties, I have also gained knowledge of the operations of such sellers in general and, based on my experience in dealing with facility and contract owners, I am familiar with the type of data and information about their contracts and operations that such parties would consider confidential and proprietary.

2. The material that PG&E is submitting relating to PG&E's Advice Letter 2863-E includes information provided in the context of negotiations with renewables developers in relation to a contract solicitation.

3. Based on my knowledge and experience, and in accordance with the "Administrative Law Judge's Ruling Clarifying Interim Procedures For Complying With Decision 06-06-066," issued August 22, 2006, I make this declaration seeking confidential treatment of the amendment included in the supplemental filing submitted on November 30, 2006 regarding an RPS Power Purchase Agreements for Northwest Geothermal Company..

4. The information for which PG&E is seeking confidential treatment falls into the following general category:

- Contracts and Power Purchase Agreements

5. The category above corresponds to a category of protected, confidential information specified in Appendix 1 Item VII.F of the Commission's confidentiality decision, D.06-06-066 (Confidentiality Matrix), and is protected from public disclosure as provided by category VII.F. of the Confidentiality Matrix.

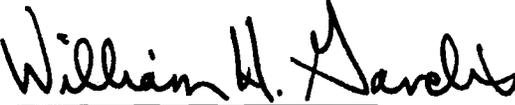
6. PG&E will comply with the limitations on confidentiality described in the Confidentiality Matrix for the type of data specified in category VII.F.

7. To my knowledge, the information being provided is not already public.

8. If the Commission orders disclosure of the Sellers' confidential data that is included in the Advice Letter, PG&E may be hampered in future contract negotiations. Sellers may be more reluctant to negotiate agreements directly with PG&E if they know their confidential, proprietary information must be made public as part of the Commission approval process. Such a circumstance could limit PG&E's ability to obtain customer benefits through direct negotiations with facility owners.

9. The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

I declare under penalty, under the laws of the State of California, that the foregoing is true and correct. Executed on November 30, 2006, at San Francisco, California.


WILLIAM H. GAVELIS

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Stanford University
California ISO	International Power Technology	Sutherland, Asbill & Brennan
Calpine	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Calpine Corp	IUCG/Sunshine Design LLC	Tecogen, Inc
Calpine Gilroy Cogen	J. R. Wood, Inc	TFS Energy
Cambridge Energy Research Assoc	JTM, Inc	Transcanada
Cameron McKenna	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
Cardinal Cogen	Manatt, Phelps & Phillips	U S Borax, Inc
Cellnet Data Systems	Marcus, David	United Cogen Inc.
Chevron Texaco	Matthew V. Brady & Associates	URM Groups
Chevron USA Production Co.	Maynor, Donald H.	Utility Cost Management LLC
City of Glendale	MBMC, Inc.	Utility Resource Network
City of Healdsburg	McKenzie & Assoc	Wellhead Electric Company
City of Palo Alto	McKenzie & Associates	Western Hub Properties, LLC
City of Redding	Meek, Daniel W.	White & Case
CLECA Law Office	Mirant California, LLC	WMA
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	