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November 13, 2006

**Advice 2865-E-A**  
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Supplemental Filing to Advice Letter 2865-E Regarding the Second Amendments to the September 14, 2005 Master Power Purchase and Sale Agreements By and Between Global Common, LLC and Pacific Gas and Electric Company.**

**PURPOSE:**

Pacific Gas and Electric Company (PG&E) hereby submits to the California Public Utility Commission (CPUC) a supplemental filing for Advice 2865-E, dated July 28, 2006. The purpose of this supplement is to amend certain terms and conditions in the Power Purchase Agreements (PPA) between Global Common, LLC (Global Common) and PG&E, to conform with the "May not be Modified" Standard Contract Terms and Conditions defined in the CPUC Decision 04-06-014, Appendix A.

On November 9, 2006, the Energy Division informed PG&E that altering the non-modifiable standard terms and conditions is unacceptable. This amendment to the PPA between Global Common and PG&E ensures that the PPA conforms to all non-modifiable Contract Terms and Condition as defined in the Commission Decision 04-06-014, Appendix A.

PG&E provides a copy of the second amendments to the September 14, 2005, PPAs 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 appendices 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>



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Vice President - Regulatory Relations

cc: Service List for R.06-05-027  
Service List for R.01-10-024  
Paul Douglass – 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 Attachments:**

**Appendix A            Second Amendments to Power Purchase Agreements**

# 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) #: 2865-E-A

Subject of AL: Supplemental Filing to Advice Letter 2865-E Regarding the Second Amendments to the September 14, 2005 Master Power Purchase and Sale Agreements By and Between Global Common, LLC and Pacific Gas and Electric Company.

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 proposed<sup>1</sup>: 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**

[inj@cpuc.ca.gov](mailto:inj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto: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 HUGH M. MERRIAM  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION CONTAINED  
IN SUPPLEMENT TO ADVICE LETTER 2865-E-A  
(PACIFIC GAS AND ELECTRIC COMPANY ID U 39 E)**

I, Hugh M. Merriam, declare:

1. I am presently employed by Pacific Gas and Electric Company (PG&E) and have been an employee for more than 5 years. My current title is Senior Structured Transaction Analyst within PG&E's Energy Supply Department. In this position, my responsibilities include negotiating transactions within PG&E's Renewables Portfolio Standard Program (RPS). 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; and consequently, I am familiar with the types of data and information about their contracts and operations that such parties would consider confidential and proprietary.

2. 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 "Second Amendment to the September 14, 2005 Master Power Purchase And Sale Agreement By and Between Global Common LLC and Pacific Gas and Electric Company," (the ("Second Amendment")) for each of the El Nido and Chowchilla Biomass Facilities respectively, Advice Letter 2865-E-A, submitted on November 13, 2006. By this Advice Letter PG&E is seeking this Commission's approval of the Second Amendment for each of the El Nido and Chowchilla Biomass Facilities respectively.

3. The Second Amendment for which PG&E is seeking confidential treatment falls into the following general category:

- Contracts and Power Purchase Agreements.

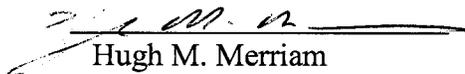
4. The Second Amendment falls within a category of protected, confidential information specified in Appendix 1 Item VII.G. of the Commission's recent confidentiality decision, D.06-06-066 (Confidentiality Matrix), that is, "Renewable Resource Contracts under RPS program – Contracts without SEPs", and is protected from public disclosure as provided by category VII.G. of the Confidentiality Matrix.

5. PG&E complied with the limitations on confidentiality described in the Confidentiality Matrix for the type of data specified in category VII.G when it filed Advice 2865-E on July 25, 2006 seeking approval of the original PPAs.

6. The Second Amendment is not already public.

7. If the Commission orders disclosure of the Second Amendment, 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.

I declare under penalty, under the laws of the State of California, that the foregoing is true and correct. Executed on November 13, 2006, at San Francisco, California.

  
Hugh M. Merriam

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

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