

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



November 1, 2006

Advice Letter 2910-E

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

Subject: Update to PG&E's Short-Term Procurement Plan – Revised List of Authorized Brokers and Exchanges

Dear Ms de la Torre:

Advice Letter 2910-E is effective October 30, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R Dela Torre	S Ramaiya
B Lam	
NOV 9 2006	
Return to	Records
	File
cc to	

Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

October 4, 2006

Advice 2910-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Update to PG&E's Short-Term Procurement Plan – Revised List of Authorized Brokers and Exchanges

Purpose

Pacific Gas and Electric Company (PG&E) requests approval of the California Public Utilities Commission (Commission) to update its Short Term Procurement Plan (STPP) list of brokers and exchanges to add one Futures Commission Merchant (FCM), Barclays, to its Commission-approved list of brokerages and exchanges.¹

Background

On January 20, 2004, PG&E filed AL 2464-E which included a list identifying the brokerages and exchanges PG&E proposed to rely on for elements of its short-term procurement activities. Since then, PG&E has determined that an additional FCM, Barclays, is needed to execute short-term electric and gas financial trades, and is proposing this addition to PG&E's Commission-approved list of brokerages/exchanges. This list is included in Attachment 1.

Update Request

To execute and settle electric and gas financial trades on the New York Mercantile Exchange (NYMEX), Intercontinental Exchange (ICE), or other exchange, PG&E employs an FCM. FCMs are members of an exchange such as NYMEX or ICE and guarantee the financial commitments of the customers that clear through

¹ PG&E filed its 2004 Short-Term Procurement Plan ("2004 STPP") on May 15, 2003, and it was approved by the Commission in D.03-12-062. PG&E's 2004 STPP has been updated via the Commission-approved Advice Letter 2464-E (submitted January 20, 2004, pursuant to D.03-12-062, to update certain tables in PG&E's 2004 STPP and provide a list identifying the brokerages and exchanges). Subsequently, pursuant to D.04-12-048, PG&E filed an updated STPP via Advice Letter 2615-E, which was approved by the Commission and made effective January 28, 2005.

them. Unlike brokers, FCMs assume the financial risk of a transaction, ensure delivery and settle transactions.

PG&E requests to add Barclays FCM to its list of authorized brokerages and exchanges because it allows executing electric and gas financial trades cleared through ICE, has a superior credit rating, and excellent customer service. The only Commission-approved FCM at this time is R.J. O'Brien, which does not give PG&E access to ICE-cleared financial trades.

Executing an enabling agreement with this FCM will not obligate PG&E to use them but instead will provide an option to do so. The decision to use an enabled FCM will be made on a transaction-by-transaction basis. In each case, PG&E will consider transaction costs and execution ease, other non-transaction specific factors, and any possible contract disputes PG&E may have had with the firms.

PG&E requests CPUC approval to update its STPP and add Barclays, an FCM, to the list of Commission-approved brokerages/exchanges

Attachment 1 provides an updated and complete list of brokerages and exchanges that PG&E will use for all Commission-approved short-term procurement transactions. In addition, PG&E updates Natsource and APB as Tullett Liberty and ICAP Energy LLC because they have been acquired by these firms.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **October 25, 2006**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

Pacific Gas and Electric Company
Attention: Brian Cherry

Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226
E-Mail: PGETariffs@pge.com

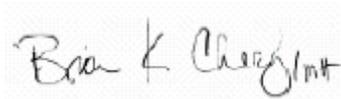
Effective Date

PG&E requests that this advice filing become effective upon review and approval by the Commission.

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. 04-04-003 and R.06-02-013. 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>



Vice President - Regulatory Relations

cc: Service List R. 04-04-003
Service List R.06-02-013
Paul Douglass, Energy Division

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: Megan Hughes

Phone #: (415) 973-1877

E-mail: MEHr@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) #: **2910-E**

Subject of AL: Update to PG&E's Short-Term Procurement Plan – Revised List of Authorized Brokers and Exchanges

Keywords (choose from CPUC listing): Procurement

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

Summarize differences between the AL and the prior withdrawn or rejected AL¹:

Resolution Required? Yes No

Requested effective date: **CPUC approval**

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:

Service affected and changes proposed¹: See Advice Letter

Pending advice letters that revise the same tariff sheets: N/A

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

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Utility Info (including e-mail)

Attn: Brian K. Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ Discuss in AL if more space is needed.

Attachment 1

**PACIFIC GAS AND ELECTRIC COMPANY
SHORT TERM PROCUREMENT PLAN
PG&E BROKERS AND EXCHANGES LIST**

Brokers

- Tullett Liberty (acquired Natsource)
- ICAP Energy LLC (acquired APB)
- Prebon
- TFS
- Amerex (recently acquired by GFI Group, Inc.)
- Landmark
- Saddleback

Exchanges and Futures Commission Merchants

- Intercontinental Exchange (ICE) – Exchange and Cleared (London Clearinghouse) trades
- New York Mercantile Exchange (NYMEX) – Exchange and Cleared trades
- R.J. O'Brien (allows for accessibility to NYMEX and NYMEX Clearing)
- Barclays (allows for accessibility to NYMEX, NYMEX Clearing, and ICE Clearing (London Clearinghouse))

**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