

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 9, 2007

Advice Letter 2970-E

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

Subject: Updated Schedules 1 and 3 of DWR Operating Agreement in Compliance with
D. 03-04-029

Dear Ms de la Torre:

Advice Letter 2970-E is effective February 11, 2007. A copy of the advice letter is returned herewith for your records.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division

RECEIVED
REGULATORY RELATIONS DEPARTMENT
FEB 21 2007



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

January 12, 2007

Advice 2970-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Updated Schedules 1 and 3 of DWR Operating Agreement in Compliance with D. 03-04-029

Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter in compliance with Decision (D.) 03-04-029.

Attachment 1 to this Advice Letter contains updates to Schedules 1 and 3 of the California Department of Water Resources (CDWR) Operating Agreement.

DWR has reviewed and concurs with the changes contained in this Advice Letter.

This filing will not increase any rate of charge, cause withdrawal of service, or conflict with any other schedule or rule.

Purpose

The purpose of this filing is to update Schedules 1 and 3 of the CDWR Operating Agreement to reflect expired or cancelled contracts from Schedule 1, and to provide updated contact information in Schedule 3.

The attached Schedule 1 contains the removal of Calpine 4, which expired March 6, 2006 and Soledad, which was terminated by mutual consent by the counterparties on January 31, 2006. The attached Schedule 3 provides updated contact information for PG&E, which has changed since the last update made January 19, 2006.

Background

PG&E and DWR executed an Operating Agreement on April 17, 2003, adopted under D. 03-04-029. The approved Operating Agreement describes and defines the respective duties of PG&E and DWR with respect to the operation and administration of the DWR contracts, including the management of gas tolling provisions and reporting requirements, consequences of default, limitations on liability, confidentiality of information, audit rights and dispute resolution.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **February 1, 2007** which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjn@cpuc.ca.gov and mas@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, 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:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
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 on regular notice, **February 11, 2007**, which is 30 calendar days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.04-04-003. Address changes to the General Order 96-A service list should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at: **<http://www.pge.com/tariffs>**



Vice President, Regulatory Relations

Attachments

cc: Service List R.04-04-003

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) #: **2970-E**

Subject of AL: Updated Schedules 1 and 3 of DWR Operating Agreement in Compliance with D. 03-04-029

Keywords (choose from CPUC listing): Memorandum Account

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: **February 11, 2007**

No. of tariff sheets: 0

Estimated system annual revenue effect: (%)

Estimated system average rate effect (%)

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:

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

inj@cpuc.ca.gov and mas@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

Schedule 1 and Schedule 3 of DWR Operating Agreement

Schedule 1

ALLOCATED CONTRACTS
(Updated January, 2007)

DWR Contract Allocation for PG&E

Long-Term Contract	Contract Category	Expiration Date
Calpine 1 Product 1	Must-Take	12/31/2009
Calpine 2 Product 1	Must-Take	12/31/2009
Clearwood(a)	Must-Take	12/31/2012
Coral	Must-Take	06/30/2012
Calpine 3	Dispatchable	07/31/2011
Calpeak (2 contracts) Panoche and Vaca-Dixon	Dispatchable	12/31/2011
Kings River Conservation District	Dispatchable	9/19/2015
GWF	Dispatchable	10/31/2012
Pacificorp	Dispatchable	06/30/2011
Wellhead (3 contracts) Fresno, Gates, and Panoche	Dispatchable	10/31/2011

- (a) Although allocated, the Clearwood contract is not yet active.

Schedule 3

REPRESENTATIVES AND CONTACTS
(Updated January, 2007)

For PG&E:

Primary Contact:

Jeannette K. Woo
Manager, Energy Contract Management
Mail Code N12E
Pacific Gas & Electric Company
P.O. Box 770000
San Francisco, CA 94177-0001

Email address: jxw7@pge.com
Phone number: 415-973-5097

Secondary Contacts:

Tatjana Rmus
Sr. Contract Management Analyst
Mail Code N12E
Pacific Gas & Electric Company
P.O. Box 770000
San Francisco, CA 94177-0001

Email address: txrk@pge.com
Phone number: 415-973-2492

Donna Rajewski
Contract Management Analyst
Mail Code N12E
Pacific Gas & Electric Company
P.O. Box 770000
San Francisco, CA 94177-0001

Email address: djr0@pge.com
Phone number: 415-973-1065

Department Director:

Kelly Everidge
Director,
Energy Contract Management & Settlements
Mail Code N12E
Pacific Gas & Electric Company
P.O. Box 770000
San Francisco, CA 94177-0001

Email address: kabd@pge.com
Phone number: 415-973-2055

Business Unit Vice President:

Fong Wan
Vice President,
Energy Procurement
Mail Code N12G
Pacific Gas & Electric Company
P.O. Box 770000
San Francisco, CA 94177-0001

Email address: fxw1@pge.com
Phone number: 415-973-3924

**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	