

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Advice Letter 2976-E

September 25, 2007

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: Procurement Transaction Quarterly Compliance Filing (Q4, 2006)

Dear Mr. Cherry:

Advice Letter 2976-E is effective September 20, 2007.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division



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 30, 2007

**Advice 2976-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

Subject: Procurement Transaction Quarterly Compliance Filing (Q4, 2006)

Pacific Gas and Electric Company (PG&E) hereby submits to the California Public Utilities Commission (Commission or CPUC) its compliance filing for the fourth quarter of 2006, in accordance with Decision (D.) 02-10-062, Ordering Paragraph (O.P.) 8, and clarified in D.03-06-076 and D.03-12-062. Decision 03-12-062, O.P. 19, requires that the Quarterly Procurement Plan Compliance Reports be submitted within 30 days of the end of the quarter.

Background

In D.02-10-062, appendix B, *Adopted Master Data Request for Monthly Advice Letters*, outlines the required information for each utility's transaction reporting advice letter. The Energy Division clarified that the compliance items delineated in Appendix B of D.02-10-062 are for the Quarterly Report. The quarterly cycle for Appendix B was formalized in D.03-06-076, Order Modifying Decisions 02-10-062 and 02-12-074 and Denying Rehearing.¹ Subsequently, D. 03-12-062, O.P. 19, granted PG&E and SCE's joint petition to extend the due date of the quarterly filing from within 15 days to within 30 days of the end of the quarter.

In addition, a histogram (graph) of energy purchases and sales during the fourth quarter of 2006 is also provided in Confidential Appendix G.

¹ Ordering Paragraph 8 of the Decision modified the title of Appendix B from D.02-10-062 to read: "Adopted Master Data Request for Quarterly Advice Letters." Also, in the first sentence of Appendix B, the word "month's" was deleted and replaced with "quarter's."

Compliance Items

A Confidential Attachment (the narrative) with supporting Appendices is being submitted to the Energy Division as follows:

Confidential Attachment and Related Appendices

The Confidential Attachment to this filing contains responses to the information requested in Appendix B of D.02-10-062, as clarified by D.03-06-076 and of D.02-12-074, O.P. 10.

The supporting Confidential Appendices are:

- Appendix A - Briefing Package to Decision Makers
- Appendix B – Procurement Review Group
Meeting Minutes, Presentations
- Appendix C - Resource Adequacy –PG&E's 2007 Request For Offer
- Appendix D – PG&E's Quarterly Transactions by Type and Quantity
- Appendix E – PG&E's Monthly Transactions by Type and Quantity
- Appendix F – PG&E's Monthly ISO Purchase and Sales Transactions for August, September, and October 2006
- Appendix G – Monthly Reports of Projected Need
- Appendix H – Histogram

Protests

Anyone wishing to protest this filing may do so by sending a letter by **February 19, 2007**, 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:

IMC Branch Chief – Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Protests also should be sent by e-mail, facsimile, and U.S. mail to, the Energy Division, as shown above, and at the above address. The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Brian K. 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

In compliance with D.02-10-062, the effective date of this advice letter is **January 30, 2007**.

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 lists for Rulemaking (R.) 01-10-024 and R. 04-04-003. Address change requests should be directed to Rose De La Torre at (415) 973-4716 (RxDd@pge.com). Advice letter filings can also be accessed electronically at:

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



Vice President - Regulatory Relations

cc: Service List - R. 01-10-024, R. 04-04-003
PG&E's Procurement Review Group

Attachments

Confidential Attachment and Related Confidential Appendices A through G

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) #: 2976-E

Subject of AL: Procurement Transaction Quarterly Compliance Filing (Q4, 2006)

Keywords (choose from CPUC listing): Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.02-10-026, D.02-12-074, D.03-06-076:

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 AL: _____

Resolution

Required? Yes No

Requested effective date: 01-30-07

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: 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

mas@cpuc.ca.gov and jnj@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

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION OF SHARON K. TATAI IN SUPPORT OF ADVICE 2976-E
QUARTERLY PROCUREMENT TRANSACTIONS COMPLIANCE REPORT
ADVICE FILING**

I, Sharon K. Tatai, declare:

1. I am a senior energy compliance and reporting analyst, in the Energy Procurement Department at Pacific Gas and Electric Company (PG&E). I am responsible for the regulatory filing of the Quarterly Procurement Transactions Compliance Report. In carrying out these responsibilities, I have acquired knowledge of the electric transactions in PG&E's electric portfolio, which are the subject of this data request response.

2. I have reviewed PG&E's the response to this advice filing and was responsible for the preparation of narrative and related attachments. I am familiar with the information included in this response, and would testify to the facts and representations in this declaration under oath based on personal knowledge.

3. Based on my review of the response and my knowledge of the information included as an attachment in the response, the response contains confidential (protectable) information that is material, market sensitive, electric procurement-related information within the scope of Public Utilities Code section 454.5(g). The Protected Information is also entitled to confidential treatment under Appendix 1 of D.06-06-066 (entitled "IOU Matrix"). Based on my knowledge and experience and in accordance with D.06-06-066 and the August 22, 2006 Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with D.06-06-066, R. 05-06-040, I make this declaration seeking confidential treatment of the Protected Information as detailed in the declaration.

4. The Protected Information falls into one or more of the following categories in the IOU Matrix:

- I) Natural gas information, Long-term fuel (gas buying and hedging plans)
- II) Cost forecast data – electric, generation cost forecasts, QF contracts

- VI) Net Open Position Information - Electric
 - A) Utility bundled net open (long or short) position for capacity (MW) and energy (MW and MWh)
- VII) Bilateral Contract Terms and Conditions – Electric
 - B) Contracts and power purchase agreements between utilities and non-affiliates
- VIII) Competitive Solicitation (Bidding) Information - Electric
 - A) Bid information (and pertinent information related to that bid)
- XI) Monthly Procurement Costs (Energy Resource Recovery Account (ERRA) Filings)
 - Detail of monthly variable cost on energy and utility operation.
- XIII) Energy Division Monthly Data Request (AB57)
 - Monthly updates on the monthly/weekly on-off peak procurement cost, capacity forecast, monthly residual net open position forecast for a rolling 12-month the number of hours the utility is expecting to be short or long, the nature of the long position (physical versus economic), monthly electric and gas price forecast, filed in response to the Energy Division’s monthly data request.

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix as follows:

- I) Natural gas information, Long-term fuel (gas buying and hedging plans)

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix for 3 years.

- II) Cost forecast data – electric, generation cost forecasts, QF contracts

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix for 3 years.

- VI) Net Open Position Information – Electric
 - A) Utility bundled net open (long or short) position for capacity (MW) and energy (MW and MWh)

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix for 3 years.

- VII) Bilateral Contract Terms and Conditions – Electric
 - B) Contracts and power purchase agreements between utilities and non-affiliates

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix for 3 years.

- VIII) Competitive Solicitation (Bidding) Information - Electric
 - A) Bid information (and pertinent information related to that bid)

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix until final contracts are approved.

- XI) Monthly Procurement Costs (Energy Resource Recovery Account (ERRA) Filings)
 - Detail of monthly variable cost on energy and utility operation.

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix for 3 years.

- XIII) Energy Division Monthly Data Request (AB57)
 - Monthly updates on the monthly/weekly on-off peak procurement cost, capacity forecast, monthly residual net open position forecast for a rolling 12-month the number of hours the utility is expecting to be short or long, the nature of the long position (physical versus economic), monthly electric and gas price forecast, filed in response to the Energy Division’s monthly data request.

The Protected Information in each of these categories is entitled to protection as confidential, according to the IOU Matrix for 3 years.

5. PG&E is complying with the limitations on confidentiality specified in the IOU Matrix for the type of data described above.

6. I am not aware of any instances in which the Protected Information identified in this declaration has been disclosed to the public.

7. The response does not alter the level of aggregation of the original report. The Protected Information cannot be provided in an aggregated, partially redacted, summarized, masked or otherwise protected form in a fashion that is consistent with the request, or without divulging confidential information.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 30th day of January 2007, at San Francisco, California.

Sharon K. Tatai

Sharon K. Tatai
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY
Procurement Transaction Quarterly Compliance Report
4th Quarter—2006
January 30, 2007

Introduction

As required by Ordering Paragraph 8 of Decision (D.) 02-10-062, and clarified in D.03-06-076, D.03-12-062, D.04-07-028, and D.04-12-048, Pacific Gas and Electric Company (PG&E) hereby submits its Procurement Transaction Quarterly Compliance Report for the record period October through December 2006 (Q4-2006).

During Q4-2006, PG&E engaged in competitive solicitations, bilateral contracting and market transactions conducted through brokers, electronic platforms and directly with counterparties to manage its net open (long/short) positions during the quarter and for portions of its future energy and capacity requirements. This procurement transaction report includes energy delivery and price data for contracts executed within Q4-2006.

PG&E's energy transactions in the California Independent System Operator (CAISO) markets are not finalized until after the CAISO settlement period, which occurs approximately 75 days after the close of an operating month. This report includes final quantities of energy in megawatt-hours (MWh) that PG&E procured in the CAISO markets for the months of August, September and October 2006, and is included in Confidential Appendix F. The quarterly advice letter filing for the first quarter of 2007 will include final CAISO procurement for the months of November and December 2006 and January 2007.

Data Request Items

D.02-10-062, Appendix B, as clarified by D.03-06-076, sets forth specific elements to be addressed in this quarterly report. Each element is identified below, along with PG&E's response.

1. Identification of the ultimate decision maker(s) up to the Board level, approving transactions.

Electric and gas procurement activities conducted during Q4-2006 included Request for Offers (RFO) for Resource Adequacy (RA), fuel supply for utility-retained generation and contracted resources, gas hedging, and forward, spot-market, and CAISO real-time transactions. Each of these activities is further described in Section 3b. All procurement activity was approved and executed either by or under the direction of Fong Wan (Vice President, Energy Procurement) or Roy Kuga (Vice President, Energy Supply).

2. The briefing package provided to the ultimate decision maker.

For Q4-2006, the specific transactions requiring presentation to and approval from PG&E's Utility Risk Management Committee (URMC) and Risk Policy Committee (RPC) are included in Confidential Appendix A.

3. Description of and justification for the procurement processes used to select the transactions (e.g., RFOs, Electronic Trading Exchanges, CAISO Spot Markets).

To meet electric energy resource requirements during Q4-2006, PG&E engaged in a variety of procurement activities allowed under D.03-12-062 and D.04-01-050. These procurement efforts include bilateral contracting (RFO), term and balance of month (BOM) transactions, and additional transactions through brokers and electronic trading platforms, as discussed in Section 3a.

PG&E executed broker, voice, and electronic exchange transactions, as well as procurement in CAISO markets, as discussed in Section 3b.

PG&E procured fuel for its remaining Utility Retained Generation (URG) fossil fuel electric generation facility at Humboldt Bay. PG&E also supplied fuel for its contracted resources through the Mirant Second Wraparound Agreement and the Duke Morro Bay Energy Tolling Agreement. Financial hedging transactions were completed to reduce risk associated with the open gas position. Transaction information is discussed further in Section 4.

Copies of presentations made by PG&E to its Procurement Review Group (PRG), and meeting notes of PRG meetings conducted in Q4-2006 for transactions executed during the quarter are included in Confidential Appendix B.

3a. For competitive solicitations, describe the process used to rank offers and select winning bids.

Electric Procurement

PG&E concluded its RFOs for RA, which resulted in the execution of agreements with

[REDACTED]

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In addition, PG&E continued to conduct its 2006 Renewables Portfolio Standard (RPS) RFO (initiated in June 2006 and expected to conclude in July 2007). A brief description of the modifications to 2004 and 2005 Renewable RFO agreements, are included in this quarter's report, but the approval for each contract was successfully sought through a separate advice letter filing.

For the RA RFO (for the summer 2007), the Procurement Review Group (PRG) was consulted regarding the process, bid requirements, potential transactions and short lists of selected products.

Resource Adequacy – Request for Offers to Purchase and Sell Local and System Resource Adequacy for 2007

PG&E issued an RFO to purchase and sell RA in specific sub-areas based on a need assessment performed in late May 2006. The RFO was completed on November 2, 2006. The

RFO resulted in PG&E [REDACTED] megawatts (MW) of RA capacity for [REDACTED] [REDACTED] 2007, and [REDACTED] a total of [REDACTED] MW of RA for the [REDACTED] of [REDACTED]. The executed agreements are included in Confidential Appendix C.

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The May 2006 needs assessment highlighted a need to cover a [REDACTED] of approximately [REDACTED]¹ MW during [REDACTED] for PG&E's Other Areas and the potential [REDACTED] as much as [REDACTED] MW in the Other Areas for all of 2007 if the [REDACTED] [REDACTED] [REDACTED] was covered with [REDACTED] per the RFO. As part of the competitive solicitation process, PG&E issued the RFO on July 28, 2006, to over [REDACTED] potential bidders. The RFO requested 2007 RA capacity products consistent with the RA capacity product put forward by a multi-party working group. The transactions were to be made pursuant to an Electrical Engineering Institute Master or Western States Power Pool Agreement with credit requirements consistent with other solicitations PG&E has issued.

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On August 11, 2006, PG&E received indicative offers from [REDACTED] bidders offering to [REDACTED] close to [REDACTED] MW of local and system RA capacity for 2007. The pricing for local RA ranged from \$ [REDACTED]/kilowatt (kW)-month to \$ [REDACTED]/kW-month for the [REDACTED] MW [REDACTED]. The system RA volume of [REDACTED] MW was priced from \$ [REDACTED]/kW-month to \$ [REDACTED]/kW-month. PG&E also received indicative offers from [REDACTED] bidders offering to [REDACTED] [REDACTED] MW of local RA capacity for 2007. The pricing of the bids to [REDACTED] the local RA ranged from \$ [REDACTED]/kW-month to \$ [REDACTED]/kW-month. PG&E also received [REDACTED] late offers [REDACTED] local RA during the RFO process that resulted in RA [REDACTED].

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PG&E discussed the issuance of the RA capacity RFO with the PRG on July 19, 2006, and updated the PRG with PG&E's proposed action after receiving bids on August 28, 2006. PG&E then outlined the final needs and proposed transactions to the PRG after receiving our RA allocation from the California Public Utilities Commission (CPUC or Commission) on October 26, 2006. PG&E received the PRG's support to conclude these transactions pursuant to this RFO.

Subsequent to receiving our final allocation of RA from the CPUC on October 10, 2006 PG&E began to negotiate confirm language with the short-listed counterparties. PG&E then requested refreshed prices from the short-listed counterparties on October 17, 2006. Ultimately

¹ This [REDACTED] was revised to [REDACTED] MW once PG&E received the final allocation of RA from the CPUC in late September.

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PG&E negotiated with [REDACTED] to provide [REDACTED] MW at a price of \$ [REDACTED] /kW-month for [REDACTED] 2007. This was \$ [REDACTED] /kW-month [REDACTED] than [REDACTED], but PG&E [REDACTED] MW. The fact that this counterparty offered to [REDACTED] allowed [REDACTED].

Based on the receipt of a number of valid offers to [REDACTED] from [REDACTED] to allow us to balance our portfolio for all of 2007 and [REDACTED] we received. For this reason we [REDACTED] MW from [REDACTED], giving PG&E an [REDACTED] MW to [REDACTED], rather than limiting our purchases to the [REDACTED] shortfall amount of [REDACTED] MW. The [REDACTED] MW cost PG&E \$ [REDACTED]. PG&E was [REDACTED] looking to [REDACTED] MW of [REDACTED] for a sum of \$ [REDACTED] for a net [REDACTED] of approximately \$ [REDACTED].

PG&E received bids from [REDACTED] counterparties to [REDACTED] RA in our initial solicitation. Each was interested in [REDACTED]. PG&E short-listed the top [REDACTED] counterparties to begin confirmation negotiations. Subsequent to the release of the 2007 RA allocations by the CPUC, PG&E asked the bidders to submit final offers. [REDACTED] of the short-listed candidates chose to submit final offers, of [REDACTED] both [REDACTED]. [REDACTED] of the counterparties, [REDACTED] their bid price from \$ [REDACTED] per kilowatt-month to \$ [REDACTED] per kW-month, the [REDACTED].

PG&E also received bids from [REDACTED] other parties for Other Areas RA who had not submitted bids in PG&E's initial request for indicative bids after the CPUC released its RA allocations. The [REDACTED] counterparties, [REDACTED] and [REDACTED] provided bids [REDACTED] offer and [REDACTED] were [REDACTED] in volumes that [REDACTED] to approximately [REDACTED] MW.

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The total purchases pursuant to this RA capacity RFO are shown in Table 1, and total sales pursuant to this RA capacity RFO are shown in Table 2. The confirmation agreements executed as part of the RFO are included in Confidential Appendix C.

**TABLE 1
PACIFIC GAS AND ELECTRIC COMPANY
PG&E 2007 RA RFO PURCHASES (MW)**

Counterparty	Facility	Term	Quantity	Price (\$/kW-mo)	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	107

**TABLE 2
PACIFIC GAS AND ELECTRIC COMPANY
PG&E 2007 RA RFO SALES (MW)**

Counterparty	Facility	Term	Quantity	Price (\$/kW-mo)	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	108
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	109
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	110
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	111
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	112

Other Bilateral Agreements Filed – For Informational Purposes

PG&E filed various agreements through the advice letter process as a result of Local and System Resource Adequacy, pursuant to February 10, 2006 Revised Protective Order, D.05-10-042 and D.06-06-064, solicitations from 2005 Renewables (resulting from the advice letter process outlined in the Assigned Commissioner’s Ruling (ACR) Specifying Criteria for Interim Renewable Energy Solicitations dated August 13, 2003) (supplemental filing), 2004 RFO Renewables (supplemental filing), and bilateral renewable agreement (supplemental filing) in Q4-2006. Tables 3, 4 and 5 summarize all agreements.

**TABLE 3
PACIFIC GAS AND ELECTRIC COMPANY
BILATERAL AGREEMENTS**

Advice Letter/ Filing Date	Agreement	MW	Solicitation
AL 2915-E-A (11/2/2006)(a)	Supplemental Filing for First Amendment to the October 12, 2006 Master Power Purchase and Sale Agreement Between Geysers Power Company, LLC and Pacific Gas and Electric Company	200 MW	Settlement Agreement 2007 Local and System Resource Adequacy, Pursuant to February 10, 2006 Revised Protective Order, D.05-10-042 and D.06-06-064

(a) Approved with Resolution E-4046.

**TABLE 4
PACIFIC GAS AND ELECTRIC COMPANY
2004 RFO RENEWABLES**

Advice Letter/Filing Date	Agreement	MW
AL 2860-E-A (10/30/2006)(a)	Supplemental Filing for First Amendment to the February 23, 2006 Master Power Purchase and Sale Agreement Between Military Pass Road-Newberry Volcano LLC and Pacific Gas and Electric Company	120 MW

(a) Approved with Resolution E-4022.

**TABLE 5
PACIFIC GAS AND ELECTRIC COMPANY
RENEWABLES**

Advice Letter/Filing Date	Agreement	MW	Method of Solicitation
AL 2865-E-A (11/13/2006)(a)	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 PG&E	18 MW	Bilateral
AL 2911-E (10/6/2005) – Three agreements	Contract for Procurement of Renewable Energy Resources Resulting from PG&E's 2005 Renewables Portfolio Standard (RPS) Solicitation – Madera, CRES, and Sierra Pacific	Madera – 24 MW Cres – 12MW Sierra Pacific – 7 MW	Solicitation from 2005

(a) Approved with Resolution E-4047.

Broker, Voice and Electronic Exchange Transactions

For electric energy, in addition to competitive procurement and bilateral contracting during the Q4-2006, PG&E engaged in competitive voice and electronic broker market transactions in order to manage its net open position, and traded telephonically with counterparties (in accordance with terms of Master Agreements). These transactions were conducted to manage PG&E's net physical open position and to participate in economic transactions designed to reduce ratepayers' exposure to market volatility. Pursuant to D.04-12-048, transactions include forward transactions with delivery starting within the next quarter and up to one quarter in duration, monthly, balance of month (BOM), day-ahead and hour-ahead transactions. These transactions are included in Table 6 of Section 4.

In Q4-2006, PG&E continued the use of voice and broker market for non-standard products, such as trading in day-ahead markets for individual hours or blocks/strips of hours on specific days of the week. Where possible, PG&E continues to expand its trading in these markets to promote competitive markets for products that better fit its load-serving obligations and, to the extent practicable, procure only the energy required rather than standard products.

As part of its effort to reduce the forward net open position in order to limit spot market energy transactions, PG&E entered into a series of term and BOM energy purchases and sales during Q4-2006, and PG&E either reduced or closed its open positions through a series of energy purchases and sales. Table 6 shows a summary of the strategies that PG&E completed in each month. The aggregate energy volumes are included in Table 7 of Section 4.

**TABLE 6
PACIFIC GAS AND ELECTRIC COMPANY
Q4-2006 TERM AND BALANCE OF MONTH AND ENERGY PURCHASES AND (SALES)**

Transaction Month	Delivery Month			
	October	November	December	
October	MW	MW		113-115
		MW		
November		MW		116-117
		MW		
December		MW	MW	118-119
		MW	MW	120-121

Electric Procurement Planning

Near-Term Planning and Procurement

PG&E’s near term planning process is designed to reduce the net open position prior to the operating month to within 5 percent of expected requirements as prescribed by D.03-12-062. PG&E develops a near-term analysis of its resource position (intra-month through several months forward) using an optimization model, which solves for lowest cost by optimizing a mix of resources to meet requirements including dispatchable California Department of Water Resources (CDWR) contracts, URG resources, Tolling Arrangements with “Merchant Plants” (e.g., Duke and Mirant), and market purchases, while accounting for all resource requirements and constraints (must-run, must-take and operating constraints).

Term and BOM purchases and sales are transacted to close the net open position to reduce reliance on the spot market. PG&E also conducts locational basis swap transactions to manage its position in different zones. After identifying transactions required to meet the must-run, must-take and operating constraints, PG&E considers “economic transactions,” which involve decisions regarding dispatchable units and market purchases/sales. The decision to engage in “economic” transactions is more complex and depends on several quantitative and subjective factors. Economic transactions are conducted using information and data regarding system conditions, market prices and options available at the time of the decision. While potentially attractive, “economic” transactions that reduce ratepayer volatility inherently include risks that must be considered, such as: (a) sharp swings in electric prices; (b) changes in production costs due to market dynamics; or (c) system changes, which may result in these transactions becoming more, or less, valuable, during the operating period or possible losses on hedge transactions. Additionally, changes in load or expected generation may result in having to buy (or sell) energy in the day-ahead or real-time markets at a cost greater than the revenue earned (or a price less than paid) in the forward transaction. Factors that go into the decision to engage in these transactions include (but are not limited to) the forecasted level of short/long energy during the forecasted period, sensitivity to changes in market price, reserve margins and demand volatility.

Day-Ahead Planning and Procurement

In day-ahead planning PG&E strives to balance projected energy requirements with available resources and provide hour-ahead traders and real-time operators with appropriate resources to respond to changes that may occur in system requirements subsequent to day-ahead trading. On a daily basis PG&E conducts a least-cost analysis to determine unit dispatch and market transactions to meet energy and ancillary services requirements. This process integrates all regulatory, environmental, safety, and legal requirements.

During Q4-2005, a new requirement was included in PG&E’s least cost dispatch process. The CAISO gained Federal Energy Regulatory Commission (FERC) approval on

September 2005, to amend its operating tariffs (i.e., “Amendment No. 72”). This Amendment requires scheduling coordinators to schedule at least 95 percent of its load in the day-ahead time frame. PG&E’s day-ahead planning and procurement incorporates weather-adjusted load forecasts, resource availability, dispatch costs and current electric market prices. The results of this analysis will determine the supply mix of CDWR contracts allocated to PG&E, PG&E-owned or controlled thermal and hydro generation, Qualifying Facilities (QF) and existing bilateral contracts, and market purchases. In determining its trading strategy, PG&E will dispatch resources whose variable costs are below market price, purchase the remainder of energy at market price or, alternatively, sell excess energy in the market.

While PG&E strives to go into the hour-ahead trading market and real-time operations with schedules as close to balanced as practicable, it also must anticipate and plan for potential schedule changes. Between the day-ahead and hour-ahead market timeframes changes in system conditions such as weather, transmission and resource availability are inevitable. Further, resources are “lumpy” when compared to load; hence it is not always possible to perfectly balance schedules in every hour, which often results in excess energy during some hours while leaving PG&E short during other hours. To address these concerns, PG&E has contracted for resources that provide intra-day flexibility that will help match changes in electric demand due to sudden weather variations and other occurrences that cause loads and resources to vary from day-ahead forecasts. These contracts contribute to system reliability as well as reduce overall costs to consumers by reducing incremental, decremental and other costs associated with the changes between day-ahead and hour-ahead forecasted conditions. The specific agreements have been addressed in PG&E’s Q2-2005 Quarterly Procurement Compliance filing, Advice 2693-E.

In addition, PG&E’s daily procurement process incorporates opportunities available in the day-ahead market as well as its must-run and must-take resource requirements by purchasing or selling energy for individual hours or small blocks of hours.

PG&E actively participates in the daily energy market using a combination of brokered transactions, exchange-based transactions and direct transactions with counterparties. Day-ahead

trading generally occurs between 6 a.m. and 7 a.m. on the day prior to the operating day. The day-ahead market continues to evolve in terms of participants, products and characteristics. In 2003, the market usually traded in “standard” on-peak and off-peak “packages” of multiples of 25 MW blocks of energy with specified delivery points. As the day-ahead market matured from 2003 through 2006, it became more liquid in the trading of non-standard products, with individual-hours transactions as well as custom packages of hours.

Hour-Ahead Planning and Procurement

“Hour-ahead” planning and procurement is somewhat of a misnomer since it effectively begins at the conclusion of day-ahead trading. As day-ahead analysis and trading occurs early in the morning prior to the operating day, there can be substantial changes to operating day requirements. Additionally, PG&E prepares weather-adjusted load forecasts throughout the day to determine if changes in generation or system operation are required. Further, unit outages and transmission outages and constraints may also affect resource requirements prior to real-time. In order to balance its portfolio during this time frame, PG&E’s hour-ahead staff has several resources at its disposal. Generation, including URG hydro, the Helms units, certain QF generators and certain CDWR contracts, may be adjusted at unique dispatch prices. Hour-ahead personnel will then optimize the portfolio and decide, based on operating requirements and market opportunity costs, if available generating resources should be adjusted to minimize system costs, and whether market transactions are required or beneficial.

The hourly market, while active, is far less transparent and dynamic than that of the day-ahead market. As there are few brokers operating in this market and limited electronic exchange opportunities, the bulk of transactions are bilateral in nature. PG&E constantly participates in the hour-ahead market to optimize its generation and market transactions to reduce costs.

CAISO Real-time Markets

There is limited opportunity for planning and analysis in anticipation for real-time operation. PG&E strives to ensure it has matched requirements and resources in its CAISO

hour-ahead schedules, and submits supplemental energy bids, as well as ancillary services schedules and bids. Once hour-ahead schedules, supplemental bids and resource adjustment bids are provided to the CAISO, the CAISO integrates the PG&E portfolio with the remainder of the CAISO grid.

The real-time “market” is unlike the bilateral and exchange markets, as real-time market participants have limited discretion to transact. Further, a market participant’s energy purchases and sales in the real-time market may not represent imbalances in a utility’s submitted portfolio. While PG&E and other market participants submit real-time supplemental energy bids to the CAISO, the CAISO optimizes resources to meet system requirements, which may or may not be a result of any individual participant’s activities. For instance, the CAISO may determine certain unscheduled Reliability Must-Run (RMR) units are required to ensure system reliability and dispatch these units accordingly. To accommodate the over-generation resulting from the dispatch of these units, CAISO will send decremental energy instructions in rank-bid order to certain generating resources to reduce output.

Locational Spreads

During Q4-2006, PG&E engaged in day-ahead locational spread transactions, authorized by the Commission in D.04-12-048 and included in PG&E’s 2005 procurement plan, in order to manage its position, reduce risk of congestion pricing, and maximize the value of its purchased Firm Transmission Right (FTR) assets. Energy volumes and average prices associated with these spread transactions are listed on quarterly and monthly transaction summaries, respectively, included as Confidential Appendices D and E.

4. Explanation/justification for the timing of the transactions (i.e., product term and rate of procurement).

Electric Transactions

Table 7 represents PG&E’s executed forward and spot transactions, along with energy volumes, by tenor. Transaction information for energy that was delivered and received within

each month, regardless of transaction execution date, has previously been provided to the Commission’s Energy Division in PG&E’s monthly data request submittals.

**TABLE 7
PACIFIC GAS AND ELECTRIC COMPANY
Q4-2006 FORWARD ELECTRIC TRANSACTIONS**

	Term	BOM	Day Ahead	Hour Ahead	Day Ahead Options	Other (Non-standard)	Total	
<u>Purchases and Sales</u>								
Transactions Volumes (GWh)	█	█	█	█	█	█	█	122
								123
<u>Total Purchases</u>								
Transactions Volumes (GWh)	█	█	█	█	█	█	█	124
								125
<u>Total Sales</u>								
Transactions Volumes (GWh)	█	█	█	█	█	█	█	126
								127

In addition to forward market participation, PG&E was a participant in the CAISO real-time “imbalance” and “supplemental” energy markets, purchasing and selling energy. As discussed above, transactions in the real-time market may be unrelated to PG&E’s position, as the CAISO purchases and sells energy in order to balance the control area grid without distinguishing an individual participant’s portfolio position.

Confidential Appendices D and E detail PG&E’s quarterly and related monthly energy transactions delivered and received during the quarter, by type, cost and quantity.² Confidential Appendix F details PG&E’s monthly CAISO purchase and sales transactions for August, September and October 2006.³

² The attached transaction reports reflect delivered energy from transactions during the period, including transactions executed in prior periods with deliveries in the current period. Energy quantities will differ between executed transaction energy and delivered energy for any given period.

³ Effective October 1, 2004, the CAISO implemented its Phase 1B market changes. The impact on this appendix is the inclusion of an additional charge type that provides for real time purchases and sales related to Generation Meter Multipliers.

Electric Fuels Section – Gas Transactions for Utility-Owned and Contracted Generation

During Q4-2006, PG&E continued to supply gas for its utility-owned generation plant and for several tolling agreements. PG&E-owned generation includes just Humboldt Bay Power Plant (Hunters Point Power Plan was retired in the second quarter 2006). PG&E tolling arrangements include an agreement with LS Power⁴ for Morro Bay and Moss Landing Power Plants and an agreement with Mirant for Contra Costa and Pittsburg Power Plants.

Table 8 summarizes the daily and monthly gas purchases PG&E transacted during Q4-2006 for utility-owned generation and the tolling agreements. PG&E purchases gas for these obligations as a single portfolio. For reporting purposes, these purchases are allocated between PG&E-owned generation and tolling arrangements based on the volumes burned at these facilities during the quarter for each calendar month. Transportation costs are based on actual burns in the calendar month gas was delivered.

PG&E made multi-month supply arrangements for baseload supplies for the summer 2006 season (April 1 through October 31, 2006) in the second quarter of 2006. PG&E made multi-month supply arrangements for baseload supplies for the winter 2006/2007 season in October. These purchases are summarized in Table 9.

⁴ LS Power purchased Morro Bay and Moss Landing from Duke Energy on May 4, 2006, and assumed Duke's responsibilities with PG&E under their respective power purchase agreements.

**TABLE 8
PACIFIC GAS AND ELECTRIC COMPANY
Q4-2006 TRANSACTIONS – GAS PURCHASES FOR ELECTRIC GENERATION
DAILY AND MONTHLY GAS SUPPLY PURCHASES**

<u>Transaction Month</u>	<u>Volume (MMBtu)</u>	<u>Commodity Cost (\$ millions)</u>	<u>Transportation Cost (\$ millions)</u>	<u>Average Unit Cost (\$/MMBtu)</u>	
<u>Transactions for PG&E-Owned Generation</u>					
October 2006	█	█	█	█	128
November 2006	█	█	█	█	129
December 2006	█	█	█	█	130
Total Q4	█	█	█	█	131
<u>Transactions for Tolling Agreements</u>					
October 2006	█	█	█	█	132
November 2006	█	█	█	█	133
December 2006	█	█	█	█	134
Total Q4	█	█	█	█	135

**TABLE 9
PACIFIC GAS AND ELECTRIC COMPANY
Q4-2006 TRANSACTIONS – TERM PURCHASES EXECUTED**

<u>Transaction</u>	<u>Volume (MMBtu/day)</u>	<u>Term</u>	<u>Price</u>	
October 2006	█	█	█	136
November 2006	█	█	█	137
December 2006	█	█	█	138
November 2006	█	█	█	139

Parking and Lending Services

PG&E uses gas parking and lending services to balance its portfolio for operational purposes. A summary of these transactions in Q4-2006 is included in Table 10.

TABLE 10
PACIFIC GAS AND ELECTRIC COMPANY
SUMMARY OF Q4-2006 PG&E PARKING AND LENDING TRANSACTIONS
TABLE 10 DAILY AND MONTHLY GAS SUPPLY PURCHASES

Line No./Service	Location	Volume (MMBtu)	Total Cost	Unit Cost (\$/MMBtu)
1/ [REDACTED]	[REDACTED]	[REDACTED]	\$ [REDACTED]	[REDACTED]

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Financial Gas Hedging

On January 31, 2006, PG&E filed an updated Electric Portfolio Gas Hedging Plan (GHP Update 2006-1) with the CPUC. The plan provided a modification to the framework that PG&E uses to manage the price risk associated with the gas open position in its electric portfolio. PG&E submitted the update as a result of increasing natural gas prices and the need to keep its electric portfolio risk measure (TeVaR) in line with CPUC guidelines. The updated plan augments and is consistent with PG&E's current Commission approved electric procurement plans and Gas Supply Plans for CDWR Tolling Agreements. GHP Update 2006-1 was approved by the CPUC's Energy Division on April 4, 2006, with an effective date of March 17, 2006. PG&E began implementation of GHP Update 1 in April and continued implementation through the end of the fourth quarter. Per the plan, PG&E completed implementation of GHP Update 2006-1 in December 2006.

The hedge transactions that PG&E executed in Q4-2006 under GHP Update 2006-1 are summarized in Table 11 which includes fixed-for-floating swaps, basis swaps, futures contracts and call options.

**TABLE 11A
PACIFIC GAS AND ELECTRIC COMPANY
Q4 2006 GAS HEDGE TRANSACTIONS UNDER PG&E'S
ELECTRIC PORTFOLIO GAS HEDGING PLAN – UPDATE 1**

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Transaction Month	Product	Location	Volume (million MMBtu)	Avg. Swap Price	Notional Value (\$ millions)	Delivery Months Beginning	Delivery Months Ending	
Oct-06				\$				142
Oct-06				\$				143
Oct-06				\$				144
Oct-06				\$				145
Nov-06				\$				146
Nov-06				\$				147
Nov-06				\$				148
Dec-06				\$				149
Dec-06				\$				150
Q4	Total							151

**TABLE 11B
PACIFIC GAS AND ELECTRIC COMPANY
Q4 2006 GAS HEDGE TRANSACTIONS UNDER PG&E'S
ELECTRIC PORTFOLIO GAS HEDGING PLAN – UPDATE 1**

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Transaction Month	Product	Location	Volume (million MMBtu)	Avg. Swap Price	Avg. Premium	Notional Value (\$ millions)	Delivery Months Beginning	Delivery Months Ending	
Oct-06				\$	\$				153
Nov-06									154
Q4	Total			\$	\$				155

5. Discussion of the system load requirements/conditions underlying the need for the month's transactions.

PG&E's hydro system saw very little precipitation in Q3-2006. This dry trend continued into Q4 with the system receiving 72 percent of normal rainfall in the quarter. Cumulative precipitation ended the quarter at 67 percent of normal.

The drawdown of PG&E's reservoirs, which started during the summer continued into Q4. PG&E's hydroelectric system was operated to use natural runoff and releases of stored water to meet fall energy needs and high peak loads during the winter holiday period.

Helms Pumped Storage Project was used to meet peak daily loads and provide ancillary services reserves. Helms pumped throughout the quarter as system conditions and economics allowed. Pumping was limited most days to single pumping due to transmission work in the Fresno area. No planned maintenance was performed at Helms. Helms Unit 2 was forced out of service at the end of September due to trouble with a circuit breaker.

The list of significant planned maintenance in the quarter included work on Balch 3 (52.5 MW), Cresta 1 (35 MW), Chicago Park (41.5 MW), Donnells (67.5 MW), Drum #5 (49.5 MW), Electra Units 1, 2 and 3 (97 MW total), James Black 2 (83 MW), Middle Fork Units 1 & 2 (68 MW ea.), Narrows #1 (55 MW), Pit 5 Units 3 and 4 (40 MW ea.), Pit 7 Units 1 and 2 (56 MW ea.), Poe Units 1 and 2 (60 MW ea.), Ralston PH (88 MW), Rock Creek Units 1 and 2 (56 MW ea.), and Stanislaus PH (90 MW).

No significant forced outages were suffered on conventional hydro during the quarter.

Diablo Canyon #1 (1,087 MW) was limited to 1/2 load four days in November to clean seawater tunnels. Diablo Canyon #2 (1,087 MW) was shut down for two days in December due to a faulty winding temperature probe. Diablo Canyon #2 was again shut down in December for two days and remained at 1/2 load for four additional days due to trouble with a cooling water pump.

During October 2006, PG&E was a [REDACTED] in the off-peak hours and the on-peak hours in the day-ahead. In the hour-ahead market, PG&E was a [REDACTED] in the on peak hours and a [REDACTED] in the off-peak hours. Market prices for day-ahead on-peak North of Path 15 (NP 15) delivery ranged from approximately \$ [REDACTED]/megawatt-hour (MWh) to \$ [REDACTED]/MWh. Day-ahead off-peak electric prices in NP 15 ranged from approximately \$ [REDACTED]/MWh to \$ [REDACTED]/MWh. Daily gas prices during the month at PG&E Citygate traded in a range between \$ [REDACTED]/MMBtu and \$ [REDACTED]/MMBtu.

During November 2006, PG&E was a [REDACTED] in the on-peak and off-peak hours in the day-ahead market, and in the on-peak and off-peak hours in the hour-ahead market. Market prices for day-ahead on-peak NP 15 delivery ranged from approximately \$ [REDACTED]/MWh to

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163-164
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\$ [REDACTED] /MWh. Day-ahead off-peak electric prices in NP 15 ranged from approximately \$ [REDACTED] /MWh to \$ [REDACTED] /MWh. Daily gas prices during the month at PG&E Citygate traded in a range between \$ [REDACTED] /MMBtu and \$ [REDACTED] /MMBtu.

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During December 2006, PG&E was a [REDACTED] in the on-peak and off-peak hours in the day-ahead market. PG&E was a [REDACTED] in the on-peak and off-peak hours in the hour-ahead market.

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Market prices for day-ahead on-peak NP 15 delivery ranged from approximately \$ [REDACTED] /MWh to \$ [REDACTED] /MWh. Day-ahead off-peak electric prices in NP 15 ranged from approximately \$ [REDACTED] /MWh to \$ [REDACTED] /MWh. Daily gas prices during the month at PG&E Citygate traded in a range between \$ [REDACTED] /MMBtu and \$ [REDACTED] /MMBtu.

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6. Discussion of how the quarter’s transactions meet the goals of the risk management strategy reflected in the Commission-approved procurement plan.

D.03-12-062 maintained the interim Consumer Risk Tolerance (CRT) level of one-cent per kilowatt-hour (KWh) adopted by the Commission in D.02-12-074, which equates to a CRT level of \$ [REDACTED] million for the “net open position” on a rolling 12-months basis. The decision specified the methodology for reporting the CRT should be based on TeVaR at the 99 percent confidence level. Finally, the decision requires PG&E to notify the PRG when the portfolio reaches 125 percent of the \$ [REDACTED] million tolerance level (\$ [REDACTED] million) to determine if remedial action or revised plans should be filed in order to manage this risk.

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During Q4-2006, PG&E’s position exceeded the CRT level of \$ [REDACTED] million and the \$ [REDACTED] million notification level. However, PG&E filed a comprehensive GHP update on

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January 31, 2006 (AL 2775-E), to address anticipated increases in TeVaR for 2006. On March 17, 2006, the Director of the Commission’s Energy Division approved this update. PG&E began implementing the plan in April 2006 and continued implementation throughout the Q3-2006.

Also, further actions were taken to reduce TeVaR. PG&E made recommendations to CDWR per Gas Supply Plan 7 (AL 2776-E, approved by the Director of the Commission’s Energy Division on April 1, 2006) regarding forward gas hedging for certain contracts allocated

to PG&E. The results will be further discussed in PG&E's Energy Resource Recovery Account (ERRA) Compliance Filing Application to be filed in February 2007.

7. Copy of each contract.

As discussed in Section 3b, during Q4-2006, PG&E executed contractual documents. Copies of the executed agreements are included in Confidential Appendix C.

8. The break-even spot price equivalent to the contract(s).

There are no applicable analyses required for this quarter's executed agreements. The agreements executed for the 2007 RA RFO pertain to the resource adequacy product for which there is no centralized market upon which to base a breakeven spot price analysis. However, one could consider as a proxy that the CPUC has set a price of \$40.00 per kW year above which a Load Serving Entity (LSE) can seek a waiver of the requirement to purchase resource adequacy. The prices at which PG&E executed all 2007 RA RFO transactions were less than this waiver price.

9. Electronic copy of any data or forecasts used to analyze the transactions.

The monthly reports demonstrating the projected need during the quarter are provided in Confidential Appendix G. This information is also provided to the Commission as part of PG&E's monthly report of Residual Net Open.

10. Utilities should provide a reasonable number of analyses requested by the Commission or the Procurement Review Group and provide the resulting outputs. Utilities should also provide documentation on the model and how it operates.

PG&E performed the appropriate number of analyses within the needs assessment process associated with its procurement activities during the quarter. These results were provided to PG&E's PRG ahead of contract execution and are provided in Confidential Appendix B.

11. Histogram (Graph) of Energy Purchases and Sales (“Buy and Sells”)

Confidential Appendix H is a histogram (graph) of energy purchases and sales by price and volume (GWh) for Q4-2006, as requested by the CPUC Energy Division. These purchases and sales represent energy purchased and sold through competitive exchange markets during the quarter and bilateral contracts executed since January 1, 2003.

**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	Dynegy 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	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Cost Management LLC
Chevron USA Production Co.	Maynor, Donald H.	Utility Resource Network
City of Glendale	MBMC, Inc.	Wellhead Electric Company
City of Healdsburg	McKenzie & Assoc	Western Hub Properties, LLC
City of Palo Alto	McKenzie & Associates	White & Case
City of Redding	Meek, Daniel W.	WMA
CLECA Law Office	Mirant California, LLC	
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	