

PUBLIC UTILITIES COMMISSION

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October 1, 2007

Advice Letter 3122-E

Brian K. Cherry
Director, Regulatory Relations
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

Subject: 2008 LRA Compliance Filings

Dear Mr. Cherry:

Advice Letter 3122-E is effective October 19, 2007. Thank you for your time.

Sincerely,

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

Sean H. Gallagher
Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

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San Francisco, CA 94105

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Pacific Gas and Electric Company
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San Francisco, CA 94177

Fax: 415.973.7226

September 19, 2007

Advice 3122-E

(Pacific Gas and Electric Company ID U 39 E)

Subject: Preliminary 2008 Local Resource Adequacy (RA) Filing for Compliance - Submitted Pursuant Decisions 05-10-042, 06-06-064 and 07-06-029 OPINION ON PHASE 2 – TRACK 1 ISSUES

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter in compliance with Decision (D.) 07-06-029. PG&E's Preliminary Local RA compliance filing for 2008, prepared in accordance with the "2008 Filing Guide for System and Local Resource Adequacy Compliance Filings" (Guide) issued by the Energy Division on August 14, 2007, is included in Confidential Attachment 2; the signed officer Certification form is included as a tab in that attachment. The California Public Utilities Commission (CPUC) requested declaration for this compliance filing is included in Attachment 1.

A portion of the information provided in Attachment 2 is commercially sensitive and confidential protected material and is being submitted subject to the protections of Section 583 of the California Public Utilities Code and pursuant to: i) the "Second Revised Protective Order Regarding Confidentiality of Market Sensitive Load and Resource Data and Information" that ALJ Wetzell issued in his February 1, 2007, ruling; ii) the California Energy Commission's (CEC) agreement to adhere to the first protective order, which the CEC signed on February 14, 2006; and iii) D. 06-06-066, which established Confidentiality standards.

Purpose

The purpose of this Advice Letter compliance filing is to identify the resources that PG&E owns or has under contract that are either listed on the California Independent System Operator Corporation's (CAISO) 2008 NQC list or on the list of units with a 2007 Reliability Must-Run (RMR) Contract.

This advice letter contains:

Attachment 1: *Declaration of Terrance Robertson supporting the confidentiality claims made in this filing.*

Confidential Attachment 2: *Preliminary 2008 Local RA Workbook*

The Preliminary 2008 Local RA Workbook contains commercially sensitive information detailing the resources it owns or has acquired in various local RA requirement areas; it includes the required signed officer Certification form.

The attached CD contains electronic filings of this Advice Letter and the Attachments.

Background

As specified in D.06-06-064, LSE's must make annual compliance filings demonstrating that they have met 100% of the applicable local procurement obligation for each month of the following calendar year (January through December) concurrently with the LSE's "year-ahead" compliance filing for System RAR. D.07-06-029 called for LSE's to make a preliminary local RA compliance filing on September 19, 2007, to show the local area resources that they had procured by that date.

On August 14, 2007, the Energy Division (ED) issued changes to the Guide as required by D.07-06-029, including a RA Reporting Template Spreadsheet and Instructions (the templates were subsequently updated on September 7, 2007). This Advice Letter has been prepared in accordance with the Guide and the Reporting Template Spreadsheet Instructions.

As instructed by the Guide, PG&E used CAISO information to determine whether any of the resources that it owns or has procured are located in a transmission constrained area identified by the CAISO or are designated as a RMR unit. PG&E used the CAISO's "**2007 RMR Contract Energy Load Points**" report dated December 29, 2006, to determine the RMR units for 2007 (<http://www.caiso.com/18db/18db9511281f0.pdf>). PG&E used the CAISO's "Net Qualifying Capacity, Local Area Data and TAC Wind Factor Data for Compliance Year 2008" list to determine which units are in local areas. (<http://www.caiso.com/1833/1833e95e5f760.xls>)

PG&E has included comments regarding several resources in column A of the "I_Phys_Res" tab of the RA Reporting Template. These comments provide clarification for the type of contract that PG&E has with some RMR¹.

This Advice Letter does not request an increase of any rate or charge, or the withdrawal of service, nor does it conflict with any other schedule or rule.

Protests

In compliance with directives provided through the Guide, this advice filing is not subject to protests.

Effective Date

PG&E requests that this advice filing be effective 30 days after the date of filing, **October 19, 2007**, pursuant to instruction from the CPUC's Energy Division. According to the Guide, RA compliance filings do not require a resolution.

Notice

In accordance with direction from the Guide, Attachment 2 of this submission is being filed with the CPUC, California Energy Commission (CEC), and California Independent System Operator (CAISO). A redacted version of Attachment 2 is available upon request. Please send all electronic approval letters to PGETariffs@pge.com. A public version of this advice letter filing can also be accessed electronically at: <http://www.pge.com/tariffs>

¹ According to the Guide, the "LSE Contract with RMR Unit" column is intended to indicate "whether the LSE has signed a contract with a RMR unit, and what type of contract the LSE signed." Two options allowed are: "RA Contract" and "Wraparound". PG&E used the "Wraparound" designation for several units which it has under contract through RMR wraparound agreements, but which do not fully displace the RMR fixed cost recovery. In these cases PG&E has set the monthly MW values at zero to indicate that it will not receive any direct local RA benefit from the wraparound contract, but will instead obtain its local RA credit through a RMR allocation to be indicated on the "Summary" tab once the CPUC Energy Division allocates 2008 RMR credits for local RA requirements.

A handwritten signature in black ink, appearing to read "Brent K. Anglin". The signature is written in a cursive, somewhat stylized font.

Vice President, Regulatory Relations

Attachments

Attachment 1: Declaration of Terrance Robertson
Confidential Attachment 2: Preliminary 2008 RA Workbook
(Redacted Version Available upon request)

cc: California Energy Commission
California Independent System Operator

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 (ID U39 M)**

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) #: **3122-E**

Tier: 2

Subject of AL: Preliminary 2008 Local Resource Adequacy (RA) Filing for Compliance - Submitted Pursuant Decisions 05-10-042, 06-06-064 and 07-06-029 OPINION ON PHASE 2 – TRACK 1 ISSUES

Keywords (choose from CPUC listing): **RA**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: 07-06-029

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

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

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes. See page 2 of advice letter.

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No
PG&E is only required to submit this advice letter to the CPUC, CEC and CAISO.

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Terrance Robertson- 415-973-6993

Resolution Required? Yes No

Requested effective date: **October 19, 2007**

No. of tariff sheets: N/A

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

In compliance with directives provided through the Guide, this advice filing is not subject to protests.

CPUC Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Avenue

San Francisco, CA 94102

E-mail: jjnj@cpuc.ca.gov and mas@cpuc.ca.gov

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, CA 94177

E-mail: PGETariffs@pge.com

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DECLARATION OF TERRANCE M. ROBERTSON IN SUPPORT OF PRELIMINARY LOCAL RA COMPLIANCE FILING

I, Terrance M. Robertson, declare:

1. I am a principal in the Electric Procurement department at Pacific Gas and Electric Company (PG&E). I am responsible for the intermediate-term electric resource planning and procurement at PG&E including local resource adequacy (Local RA) procurement for 2008. In carrying out these responsibilities, I have acquired knowledge of the local area resources in PG&E's electric portfolio, which are the subject of the filing.

2. I have reviewed PG&E's 2008 Preliminary Local RA compliance filing and was responsible for the preparation of the Preliminary Local RA Workbook (Workbook). I am familiar with the information required for the filing, and would testify to the facts and representations in this declaration under oath based on personal knowledge.

3. Based on my review of the Workbook and my knowledge of the information required for the filing, the Workbook contains confidential information (Protected Information) that is material, market sensitive, electric procurement-related information within the scope of Public Utilities Code section 4.54.5(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:

- IV) Resource Planning Information - Electric
 - A) Forecast of IOU Generation Resources
 - B) Forecast of Qualifying Facility Generation
 - C) Forecast of IOU Hydro Greater than 30 MW

- E) Forecast of Pre-1/1/2003 (“Old-World”) Bilateral Contracts
- F) Forecast of Post-1/1/2003 (“New-World”) Bilateral Contracts
- G) Forecast of DWR Contracts
- I) Forecast of Existing Renewable Resource Contracts
- V) Load Forecast Information and Data - Electric
 - B) LSE Total Peak Load Forecast – Bundled Customer (MW)
- VI) Net Open Position Information - Electric
 - A) Utility Bundled Net Open (Long or Short) Position for Capacity (MW)

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

5. Specifically, the following information contained in Attachment 2 is Protected Information:

- In the Summary Tables 1 through 5 of the “Summary” tab, the “*Total Procurement in XXX Local Area*” (where XXX refers to the LA Basin, BC/V, San Diego, Greater Bay Area, and Other PG&E) information is protected under the IOU Matrix category IV items and the category VI item noted above. This information represents the forecast of electric capacity (Local RA) as well as a component of the capacity (Local RA) net open position. This information, if released, would allow entities to closely approximate PG&E’s capacity net open position, when combined with other publicly available data.
- In the Summary Tables 1 through 5 of the “Summary” tab the “*XXX Local RA*” and “*XXX RMR Allocation*” (where XXX refers to the LA Basin, BC/V, San Diego, Greater Bay Area, and Other PG&E) information is protected under the IOU Matrix category V item noted above. It is my understanding that this information, if released, would allow the calculation of PG&E’s 2008 bundled customer total peak load, when combined with other publicly available data. This information, if released, would also allow entities to closely approximate PG&E’s capacity net open position, when combined with other publicly available data.
- In the Summary Tables 1 through 5 of the “Summary” tab the “*Compliance Status*” information is protected under the IOU Matrix category VI item noted above. This information qualitatively represents PG&E’s capacity (Local RA) net

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

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	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 Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
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	