

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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November 13, 2008

Advice Letter 3357-E

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

Subject: December 2008 RA Compliance Filings

Dear Mr. Cherry:

The above-referenced Advice Letter is effective December 1st, 2008. Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Lewis".

Kenneth Lewis, Acting Director
Energy Division



October 31, 2008

Advice 3357-E

(Pacific Gas and Electric Company ID U 39 E)

**Subject: Monthly Resource Adequacy (RA) Filing for Compliance-Month
December 2008 Submitted Pursuant to Decision 05-10-042,
Opinion on RA Requirements**

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.) 05-10-042, Opinion on Resource Adequacy Requirements* (Decision). PG&E's Resource Adequacy (RA) Filing for compliance month December 2008 is included in Confidential Attachment 3; the signed Certification is included in Attachment 1. In addition, the required California Public Utilities Commission (CPUC) confidentiality declaration for this compliance filing is included as Attachment 2.

The information provided in Attachment 3 is commercially sensitive and confidential protected material and it is being submitted subject to the protections of Section 583 of the California Public Utilities Code and pursuant to 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 and the California Energy Commission's (CEC) agreement to adhere to that protective order, which the CEC signed on February 14, 2006; and D. 06-06-066, which established Confidentiality standards.

Purpose

The purpose of this Advice Letter compliance filing is to demonstrate that PG&E has acquired sufficient resources to satisfy its 100% commitment obligation for loads plus reserve requirements for December 2008, pursuant to the Decision and subsequent CPUC guidelines.¹

¹ The CPUC's Energy Division (ED) hosted a Monthly RAR Compliance Showing workshop on March 7, 2006. Subsequently, the ED issued written guidance and a template for the RA Reporting Workbook on March 29, 2006.

This advice letter contains:

Attachment 1: *Certification Form of Roy Kuga*

Attachment 2: *Declaration of Vincent Loh supporting the confidentiality claims made in this filing.*

Confidential Attachment 3: *RA Reporting Workbook for December 2008.*

The Resource Adequacy Workbook contains commercially sensitive information indicating that PG&E has contracts for sufficient capacity to meet its Resource Adequacy Requirement.

Attachments 2 and 3 are also included in an attached CD containing the Excel file with each workbook.

Background

As specified in D.05-10-042, Section 8.5 and Finding of Fact 43, the month-ahead compliance filing should be submitted on the last day of the second month prior to the compliance month.

On August 14, 2007, the Energy Division (ED) issued the "2008 Filing Guide for System and Local Resource Adequacy (RA) Compliance Filings" (Guide) and associated reporting templates. Subsequently, on September 7, 2007, the ED updated the reporting templates to correct an error in the formulas. This Advice Letter has been prepared in accordance with the aforementioned RA and monthly reporting template. Lastly, PG&E used the CAISO's Net Qualifying Capacity (NQC) list for compliance year 2008-based on the values shown on the August 20, 2007 ISO posting (<http://www.caiso.com/1833/1833e95e5f760.xls>).

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 Energy Division's Guide, dated August 14, 2007, this advice filing is not subject to protest (See Appendix A, #5 of the Guide).

Effective Date

PG&E requests that this advice filing be approved effective **December 1, 2008**, pursuant to instruction from the CPUC's Energy Division. Per the March 29, 2006, Energy Division Guidance, RA compliance filings do not require a resolution.

Notice

In accordance with direction from the CPUC's Energy Division, service of this filing is only provided to the CPUC, California Energy Commission (CEC), and California Independent System Operator (CAISO).

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>

A handwritten signature in black ink, appearing to read "Brian Cherry".

Vice President, Regulatory Relations

Attachments

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: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@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) #: **3357-E**

Tier: **2**

Subject of AL: Monthly Resource Adequacy (RA) Filing for Compliance-Month December 2008 Submitted Pursuant to Decision 05-10-042, Opinion on RA Requirements

Keywords (choose from CPUC listing): Monthly RA

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.05-10-042

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 AL¹: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes.

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Vincent Loh - 415-972-5664

Resolution Required? Yes No

Requested effective date: 12/1/08

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

Protests, dispositions, 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

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

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

Attachment 1

Certification Form of Roy Kuga

Worksheet A. CERTIFICATION FORM

Name of Load Serving Entity (LSE): Pacific Gas and Electric Company

Energy Service Provider Registration Number (if applicable):

Scheduling Coordinator: PGG2

Certification of Information:

Consistent with Rules 1 and 2.4 of the CPUC's Rules of Practice and Procedure, this resource adequacy compliance filing has been verified by an officer of the corporation, who shall expressly certify, under penalty of perjury, the following:

1. I have responsibility for the activities reflected in this filing;
2. I have reviewed, or have caused to be reviewed, this compliance filing;
3. Based on my knowledge, information, or belief, this filing does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made;
4. Based on my knowledge, information, or belief, this [filing] contains all of the information required to be provided by CPUC orders, rules, and regulations.

Certified By Authorized LSE Representative (Name):

Title: Roy Kuga
Date: Vice President - Energy Supply
 10/30/2008

Signature (sign the hard copy of filing):

Contact Person for Questions about this Filing:

Address:

Address 2:

City:

State:

Zip:

Back-Up Contact Person for Questions about this Filing (Optional):

Name: Vincent Loh
Title: Principal - Short Term Strategy
Email: vkL@pge.com
Telephone: 415-972-5664

Attachment 2

Declaration of Vincent Loh supporting the confidentiality claims made in this filing.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DECLARATION OF VINCENT K. LOH IN SUPPORT OF MONTHLY RA COMPLIANCE FILING

I, Vincent K. Loh, declare:

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

2. I have reviewed PG&E's December-2008 Month-Ahead System RA compliance filing and was responsible for its preparation. 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 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:

- 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
- V) Load Forecast Information and Data - Electric
 - B) LSE Total Peak Load Forecast – Bundled Customer (MW)
 - C) LSE Total Energy Forecast – Bundled Customer (MWh)
- 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 3 is Protected Information:

- In Summary Table 1 (LSE Obligations) of the “Summary” tab, the “*Peak Demand [Coincident Peak Hour Demand Forecast provided by CEC] (MW) in PG&E TAC Area*” and “*Total Forward Commitment Obligation [115% of Peak Demand for all three TAC Areas]*” items are protected under IOU Matrix category V-B. These items represent, or are derived (in an obvious manner) from the Bundled Total Peak Load forecast. The “*Demand Response available more than 2 hours per day*” & “*Demand Response available no more than 2 hours per day*” items are protected under IOU Matrix category V-C. It is my understanding that disclosure of this information, together with publicly available Total Sales information can be used to closely determine PG&E’s confidential sales forecast for bundled customers. The “*Forward Commitment Obligation for Year-Ahead Minus Demand Response*” item is confidential under IOU Matrix categories V-B and VI-A. This information could be used to closely approximate PG&E’s confidential Peak Load Forecast for Bundled Customers and is a major component of the Capacity (System RA) Net Open Position.
- In Summary Table 2 (Total Claimed Resource Adequacy Capacity by Type of Capacity) of the “Summary” tab, all items under column (G) are confidential. All columns in Rows I and III to V, together with the “*Total Resource Adequacy Capacity*” row are confidential under the IOU Matrix categories IV-A,B,C,E,F,G & VI-A. This information represents the forecast of electric capacity (System RA) as well as a component of the capacity (System 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. Row VIII of these columns is confidential under the IOU Matrix category V-B. 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.

- In Summary Table 3 (Month Ahead Compliance Showing Claimed vs. Countable Load in Each Bucket (MW)), column (J) is confidential under IOU Matrix categories V-B & VI-A as they can be used to determine with high accuracy the confidential Peak Load Forecast for Bundled Customers, and are a component of the Capacity (System RA) Net Open position. Columns (K) & (L) are confidential under IOU Matrix categories IV-A,B,C,E,F,G & VI-A, as Resource Planning Forecasts and a major component of Capacity (System RA) Net Open can be derived from these columns. Column (M) is confidential under IOU Matrix category VI-A.
- In Summary Table 4 (Resource Category by Bucket (MW)), Column (O) is a restatement of confidential information in Summary Table 2 and hence confidential as well. Column (P) is confidential under IOU Matrix categories IV-A,B,C,E,F,G & VI-A. These are calculations that could be reversed to closely approximate PG&E's forecast of capacity (System RA) as well as a component of the capacity (System RA) net open position. Column (Q) is confidential under IOU Matrix category VI-A.
- In Summary Table 5 (Minimum Required Compliance Showing by Category (MW)), column (T) is confidential under IOU Matrix category V-B, as it could be used to closely approximate PG&E's Peak Load Forecast. Column (U) is confidential under IOU Matrix categories IV-A,B,C,E,F,G & VI-A. These are calculations that could be reversed to closely approximate PG&E's forecast of capacity (System RA) as well as a component of the capacity (System RA) net open position. Column (V) is confidential under IOU Matrix category VI-A as it is a component of the Capacity (System RA) Net Open position. Column (W) is

confidential under IOU Matrix category VI-A as it is an approximate determination of PG&E's Capacity Net Open position.

- In Summary Table 6 (Necessary Flows across into NP26 and SP26) of the "Summary" tab, Excel Column (B) [Zonal RAR (Peak demand + PRM – DR * 115%)] is confidential under IOU Matrix category V-B, as it could be used to closely approximate PG&E's Peak Load Forecast. Excel Column (C) [Resources in zone] is confidential under IOU Matrix categories IV-A,B,C,E,F, Excel Columns (D) [Excess (or Deficiency) of Resources over RAR in zone] and (E) [Necessary flow across Path 26] are confidential under IOU Matrix category V-B.
- In Summary Table 7 (Necessary Flows versus Path 26 Allocations) of the "Summary" tab, Excel Columns (B) [Path 26 Import Allocation], (C) [Necessary flow across Path 26], and (D) [Flows in excess of import allocation] are confidential under IOU Matrix category V-B.
- In the "I_Phys_Res" tab the "Contract Identifier," "Scheduling Resource ID," "Resource Adequacy Capacity (MW)," "Zonal Location," "Capacity Effective Start Date" "Capacity Effective End Date," "Resource Contract Number," "Used in Local Filing," "Min. Hours in Month," "Bucket 1," "Bucket 2," "Bucket 3," and "Bucket 4," "NP 26" and "SP 26," as well as the Subtotal row are protected under the IOU Matrix categories IV-A,B,C,E,F. The protected information has been highlighted in gray on the tab and segregated at the bottom of the tab below a row labeled "***** Confidential Data Below *****".
- In the "III_Unit_Import" tab the "Contract Identifier," "Scheduling Resource ID," "RA Capacity (MW)," "Zonal Location," "SCID, or Counterparty if not available," "Capacity Effective Start Date" "Capacity Effective End Date," "Resource Contract Number," "Min. Hours in Month," "CAISO Congestion Zone or Branch Group," "Bucket 1," "Bucket 2," "Bucket 3," and "Bucket 4," "NP 26" and "SP 26," as well as the Subtotal row are protected under the IOU Matrix categories IV-A,B,C,E,F noted above. The protected information has been highlighted in gray on the tab.
- In the "IV_NonUnit_Import" tab the "Contract Identifier," "CAISO Congestion Zone or Branch Group," "RA Capacity (MW)," "Zonal Location," "SCID, or

Counterparty if not available,” “Capacity Effective Start Date” “Capacity Effective End Date,” “*Min. Hours in Month,*” “*Bucket 1,*” “*Bucket 2,*” “*Bucket 3,*” and “*Bucket 4,*” “*NP 26*” and “*SP 26,*” as well as the Subtotal row are protected under the IOU Matrix categories IV-A,B,C,E,F noted above. The protected information has been highlighted in gray on the tab. In the “V_LD_Contracts” the “*Contract Identifier,*” “*Resource Adequacy Capacity (MW)*”, “*RAR Capacity Effective Start Date (mm/dd/yyyy)*”, “*RAR Capacity Effective End Date (mm/dd/yyyy)*”, “*Resource Capacity Contract Numbers*”, “*Minimum Hours in Month*”, “*CAISO Congestion Zone*”, “*Bucket 1*”, “*Bucket 2*”, “*Bucket 3*”, and “*Bucket 4*” are protected under the IOU Matrix categories IV-E,F. The protected information has been highlighted in gray on the tab and segregated at the bottom of the tab below a row labeled “***** Confidential Data Below *****”. This information, if released, would allow entities to closely approximate PG&E’s capacity (System RA) net open position when combined with other publicly available data.

- In the “V_LD_Contracts” the “*Contract Identifier,*” “*CAISO Congestion Zone,*” “*RA Capacity (MW),*” “*Zonal Location,*” “*Capacity Effective Start Date*” “*Capacity Effective End Date,*” “*Min. Hours in Month,*” “*Bucket 1,*” “*Bucket 2,*” “*Bucket 3,*” and “*Bucket 4,*” “*NP 26*” and “*SP 26,*” as well as the Subtotal row are protected under the IOU Matrix categories IV-E,F. The protected information has been highlighted in gray on the tab.
- In the “DR-a_2hr_Plus” the “*Contract Identifier,*” “*Program Name,*” “*RA Capacity,*” “*Zonal Location,*” “*Program Operator,*” “*Program Capacity (MW),*” “*Authorized Operation Start Date,*” “*Authorized Operation End Date,*” “*Total Authorized Hours of Operation*” as well as “*NP 26*” and “*SP 26,*” are protected under IOU Matrix category V-C. It is my understanding that disclosure of this information, together with publicly available energy sales information can be used to closely determine PG&E’s confidential sales forecast for bundled customers. The protected information has been highlighted in gray on the tab.
- In the “DR-b_2hr_Plus” the “*Contract Identifier,*” “*Program Name,*” “*RA Capacity,*” “*Zonal Location,*” “*Program Operator,*” “*Program Capacity (MW),*”

“Authorized Operation Start Date,” “Authorized Operation End Date,” “Total Authorized Hours of Operation” as well as “NP 26” and “SP 26,” are protected under IOU Matrix category V-C. It is my understanding that disclosure of this information, together with publicly available energy sales information can be used to closely determine PG&E’s confidential sales forecast for bundled customers. The protected information has been highlighted in gray on the tab.

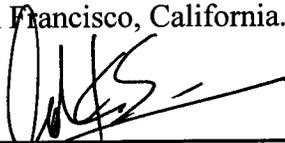
6. PG&E is complying with the limitations on confidentiality specified in the IOU Matrix for the type of data described above.

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

8. The Workbook specifies the level of aggregation required by the Energy Division. 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 required format, 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 29th day of October 2008, at San Francisco, California.



Vincent K. Loh
Pacific Gas and Electric Company