

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 28, 2010

Advice Letter 3664-E

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

**Subject: Modification to Power Purchase Agreement between
Big Creek Water Works, Ltd. and PG&E Company
as required by Resolution E-4320**

Dear Ms. Yura:

Advice Letter 3664-E is effective June 4, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Jane Yura
Vice President
Regulation and Rates

Mailing Address
Mail Code B10B
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

May 5, 2010

Advice 3664-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: **Modification to Power Purchase Agreement between Big Creek Water Works, Ltd. and Pacific Gas and Electric Company as required by Resolution E-4320**

Purpose

Pacific Gas and Electric Company (“PG&E”) hereby submits to the California Public Utilities Commission (“Commission” or “CPUC”) an advice letter in compliance with Commission Resolution E-4320. The purpose of the advice letter is to address the requirements of E-4320 by filing an amended power purchase agreement (“PPA”) between Big Creek Water Works, Ltd. (“Big Creek”) and PG&E.

Background

On December 11, 2009, PG&E filed Advice Letter 3575-E seeking Commission approval of a renewable PPA with Big Creek. On March 16, 2010, the Commission issued decision (“D.”) 10-03-021 (the “RECs Decision”), which authorized the use of tradable renewable energy credits (“TRECs”) for compliance with California’s Renewables Portfolio Standard (“RPS”) eligibility requirements. D.10-03-021 also set forth new standard terms and conditions to be incorporated into agreements that involve the purchase of RPS-eligible energy. Accordingly, Resolution E-4320 orders PG&E to file a Tier 1 advice letter containing a modified PPA that includes all of the non-modifiable standard terms and conditions required by the RECs Decision.

Compliance with Resolution E-4320, Ordering Paragraph 2

Confidential Appendix A to this filing contains the modified PPA with terms and conditions that conform exactly to the “non-modifiable” terms set forth in the RECs Decision.¹ These terms may be found on the following pages of the PPA.

Non-Modifiable Term	PPA Section No.	PPA Page No.
STC REC-1 Transfer of renewable energy credits	4.3.2	7
STC REC-2 Tracking of RECs in WREGIS	3.2.1	5

Effective Date

This Tier 1 advice letter is effective upon filing and pending disposition.

Request for Confidential Treatment

In support of this filing, PG&E has provided the amended PPA as Confidential Appendix A. This information is being submitted in the manner directed by D.08-04-023 and the August 22, 2006 Administrative Law Judge’s Ruling Clarifying Interim Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under either the terms of the IOU Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023, or General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this supplemental filing.

Request for Commission Approval

PG&E requests that the Commission issue a disposition on this Tier 1 advice letter no later than June 4, 2010, 30 days from the date of this filing.

Protests

The protest and comment period for the PPA as amended should not be reopened. This compliance filing only updates the PPA non-modifiable standard terms and conditions in compliance with D.10-03-021 and Resolution E-4320.

¹ Compare D.10-03-021 at C1 to C2 (App. C) with Appendix A.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter, excluding the confidential appendices, is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.08-08-009, R.06-02-012, and R.08-02-007. Non-market participants who are members of PG&E's Procurement Review Group and have signed appropriate Non-Disclosure Certificates will also receive the advice letter and accompanying confidential attachments by overnight mail. Address changes should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

Handwritten signature of Jane Yura-OB in black ink.

Vice President – Regulation and Rates

cc: Service List for R.08-08-009
Service List for R.06-02-012
Service List for R.08-02-007
Paul Douglas - Energy Division
Sean Simon – Energy Division

Attachments

Appendix A – Amended Power Purchase Agreement

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 and Olivia Brown

Phone #: (415) 973-1082 and (415) 973-9312

E-mail: dxpu@pge.com and oxb4@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) #: **3664-E**

Tier: 1

Subject of AL: **Modification to Power Purchase Agreement between Big Creek Water Works, Ltd. and Pacific Gas and Electric Company as required by Resolution E-4320**

Keywords (choose from CPUC listing): Contracts

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **Resolution E-4320**

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 the attached matrix that identifies all of the confidential information.

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No All members of PG&E's Procurement Review Group who have signed nondisclosure agreements will receive the confidential information.

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Kelvin Yip (415) 973-4354

Resolution Required? Yes No

Requested effective date: **June 4, 2010**

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

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane Yura

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**DECLARATION OF KELVIN F. YIP
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER 3664-E
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Kelvin F. Yip, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2002. My current title is Senior Negotiator within PG&E's Energy Procurement organization. In this position, my responsibilities include negotiating PG&E's Renewables Portfolio Standard Program ("RPS") Power Purchase Agreements. In carrying out these responsibilities, I have acquired knowledge of PG&E's contracts with numerous counterparties and have also gained knowledge of the operations of electricity sellers in general. Through this experience, I have become familiar with the type of information that would affect the negotiating positions of electricity sellers with respect to price and other terms, as well as with the type of information that such sellers consider confidential and proprietary.

2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendix A to Advice Letter 3664-E, submitted May 5, 2009.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023 (the "IOU Matrix"), and/or constitutes information that should be protected under General Order 66-C. The matrix also specifies the category or

categories in the IOU Matrix to which the data and information corresponds, and why confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information; (2) the information is not already public; and (3) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text in the attached matrix that is pertinent to this submittal.

I declare under penalty of perjury, under the laws of the State of California, that to the best of my knowledge the foregoing is true and correct. Executed on May 5, 2010 at San Francisco, California.



Kelvin F Yip

PACIFIC GAS AND ELECTRIC COMPANY Advice Letter 3664-E May 5, 2010								
IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066 AND DECISION 08-04-023								
Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 and Appendix C to D.08-04-023 (Y/N)	2) Which category or categories in the Matrix the data correspond to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time	
1	Document: Advice Letter 3664-E							
2	Appendix A	Y	Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.	Y	Y	Y	This Appendix contains the Amended PPA. Disclosure of the Amended PPA would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006, 2007, 2008, and 2009 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparty to the Amended PPA has an expectation that the terms of the Amended PPA will remain confidential pursuant to confidentiality provisions in the Amended PPA.	Remain confidential for three years

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

Alcantar & Kahl	Defense Energy Support Center	North Coast SolarResources
Ameresco	Department of Water Resources	Northern California Power Association
Anderson & Poole	Department of the Army	Occidental Energy Marketing, Inc.
Arizona Public Service Company	Dept of General Services	OnGrid Solar
BART	Division of Business Advisory Services	Praxair
BP Energy Company	Douglass & Liddell	R. W. Beck & Associates
Barkovich & Yap, Inc.	Downey & Brand	RCS, Inc.
Bartle Wells Associates	Duke Energy	Recon Research
Bloomberg New Energy Finance	Dutcher, John	SCD Energy Solutions
Boston Properties	Economic Sciences Corporation	SCE
C & H Sugar Co.	Ellison Schneider & Harris LLP	SMUD
CA Bldg Industry Association	Foster Farms	SPURR
CAISO	G. A. Krause & Assoc.	Santa Fe Jets
CLECA Law Office	GLJ Publications	Seattle City Light
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
CSC Energy Services	Green Power Institute	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	Hanna & Morton	Silicon Valley Power
California Energy Commission	Hitachi	Silo Energy LLC
California League of Food Processors	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Sunshine Design
Calpine	Los Angeles Dept of Water & Power	Sutherland, Asbill & Brennan
Cameron McKenna	Luce, Forward, Hamilton & Scripps LLP	Tabors Caramanis & Associates
Cardinal Cogen	MAC Lighting Consulting	Tecogen, Inc.
Casner, Steve	MBMC, Inc.	Tiger Natural Gas, Inc.
Chris, King	MRW & Associates	Tioga Energy
City of Glendale	Manatt Phelps Phillips	TransCanada
City of Palo Alto	McKenzie & Associates	Turlock Irrigation District
Clean Energy Fuels	Merced Irrigation District	U S Borax, Inc.
Coast Economic Consulting	Mirant	United Cogen
Commerce Energy	Modesto Irrigation District	Utility Cost Management
Commercial Energy	Morgan Stanley	Utility Specialists
Consumer Federation of California	Morrison & Foerster	Verizon
Crossborder Energy	NRG West	Wellhead Electric Company
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
	Norris & Wong Associates	eMeter Corporation