

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 9, 2010

Advice Letter 3672-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 Geysers
Power Company, LLC and PG&E Company as Required by
Resolution E-4326**

Dear Ms. Yura:

Advice Letter 3672-E is effective June 18, 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 18, 2010

Advice 3672-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: **Modification to Power Purchase Agreement between Geysers Power Company, LLC and Pacific Gas and Electric Company As Required by Resolution E-4326.**

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-4326 issued on May 10, 2010. The purpose of the advice letter is to address the requirements of Resolution E-4326 by filing an amendment to PG&E’s power purchase agreement (“PPA”) between Geysers Power Company, LLC (“Geysers”) and PG&E.¹

Background

On October 30, 2009, PG&E filed Advice Letter 3544-E seeking Commission approval of a renewable PPA with Geysers. On May 10, 2010, the Commission issued Resolution E-4326 approving Advice Letter 3544-E and ordering PG&E to file a Tier 1 advice letter within 30 days containing a modified PPA that includes all of the non-modifiable standard terms and conditions required by Decision 10-03-021 (the “Renewable Energy Credits (RECs) Decision”) for bundled contracts.

¹ See Res. E-4326, Ordering Paragraphs (“OP”) 2.

Compliance with Resolution E-4326, Ordering Paragraph 2

Appendix A to this filing contains an amendment to the Geysers PPA (the “Amendment”) with terms and conditions that conform exactly to the “non-modifiable” terms set forth in the RECs Decision.² These terms may be found on the following pages of the Amendment.

RECs Decision Non-Modifiable Standard Term and Condition	Amendment Section No.	Amendment Page No.
STC REC-1: Transfer of renewable energy credits	Amendment Item I.3	1
STC REC-2: Tracking of RECs in WREGIS	Amendment Item I.2	1

Effective Date

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

Request for Commission Approval

PG&E requests that the Commission issue a disposition on this Tier 1 advice letter no later than June 18, 2010.

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 Resolution E-4326.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the service lists for R.08-08-009, R.06-02-012, and R.08-02-007. Address changes to the General Order 96-B service list should be directed to PGETariffs@pge.com. For changes to any other service list, please contact the Commission’s Process Office at (415) 703-2021 or at

² Compare D.10-03-021 at C1 to C2 (App. C) with Appendix A.

ProcessOffice@cpuc.ca.gov. Please send all electronic approvals to
PGETariffs@pge.com. Advice letter filings can also be accessed electronically at:
<http://www.pge.com/tariffs>.

A handwritten signature in cursive script that reads "Jane Yura" followed by a slanted line and the initials "JY".

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

Attachment

Appendix A – Amendment to 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 or Greg Backens

Phone #: (415) 973-1082 or (415) 973-4390

E-mail:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3672-E**

Tier: **1**

Subject of AL: **Modification to Power Purchase Agreement between Geysers Power Company, LLC and Pacific Gas and Electric Company As Required by Resolution E-4326**

Keywords (choose from CPUC listing): Contracts, Portfolios

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-4326

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: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? Yes No

Requested effective date: **June 18, 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 proposed: 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

jn@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane K. 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

Appendix A

AMENDMENT OF THE AMENDED AND RESTATED POWER PURCHASE AGREEMENT

This AMENDMENT OF THE AMENDED AND RESTATED POWER PURCHASE AGREEMENT (this "Amendment") is made by and between Pacific Gas and Electric Company ("Buyer") and Geysers Power Company, LLC ("Seller" and collectively with Buyer, the "Parties"). Buyer and Seller are Parties to that certain Amended and Restated Power Purchase Agreement between the Parties dated, September 30, 2009 (the "Agreement").

I. Amendment.

The Agreement is hereby amended as follows:

1. The definition of "WREGIS" is amended and restated in its entirety as follows:

"1.136 "WREGIS" means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program."

2. Section 3.4(i) is amended and restated in its entirety as follows:

"Seller warrants that all necessary steps to allow the renewable energy credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract."

3. A new Section 10.1(k) is added as follows:

"Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law."

II. Miscellaneous.

1. Effect of Amendment. Once fully executed, this Amendment shall be a part of the Agreement. Other than as provided expressly herein, the Agreement remains unchanged and in effect in accordance with its terms. If there is any conflict between the Agreement and this Amendment, this Amendment shall control. For the avoidance of doubt, the Parties agree that references to "renewable energy credits," "the "Western Renewable Energy Generation Information System" or "the contract" contained in Sections 3.4(i) and 10.1(k) of the

Agreement as amended by this Amendment shall be deemed to be a reference to Renewable Energy Credits, WREGIS and this Agreement, respectively.

2. Entire Agreement. This Amendment along with the Agreement constitutes the entire agreement between the Parties relating to the subject matter thereof and shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter thereof.

3. Governing Law. This Amendment shall be governed by Section 10.10 of the Agreement. The Parties agree to comply with Article Twelve of the Agreement with respect to any dispute relating to this Amendment.

4. Captions; Construction. The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement. Any term and provision of this Amendment shall be construed simply according to its fair meaning and not strictly for or against any Party. The Parties collectively have prepared this Amendment, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Amendment or any part hereof.

5. Counterparts. This Amendment may be executed in counterparts, each of which is an original and all of which constitute one and the same instrument. A signature provided via facsimile or in a pdf document sent via e-mail shall have the same effect as an original.

6. Any Amendments or Modifications. This Amendment may only be amended or modified in writing signed by each of the Parties.

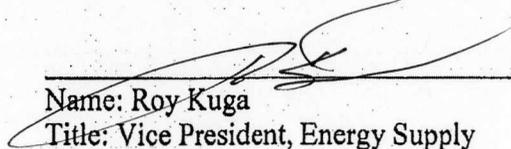
[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties have caused this Amendment to the Agreement to be duly executed by its authorized representatives, as of the day and year written below. This Amendment shall not become effective as to either Party unless and until executed by both Parties.

GEYSERS POWER COMPANY, LLC

**PACIFIC GAS AND ELECTRIC
COMPANY**

 Jack Fusco
Name: Jack Fusco
Title: President
Date: 4-9-10


Name: Roy Kuga
Title: Vice President, Energy Supply
Management
Date: 5/3/10

**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