

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 31, 2011

Advice Letters 3794-E and 3794-E-A

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: Sixth Amendment to the Contract for Procurement of Renewable Resources Energy Resulting from the Power Sales Agreement Between PG&E and Monterey Regional Waste Management District and Supplemental Filing

Dear Ms. Yura:

Advice Letters 3794-E and 3794-E-A are effective February 24, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



May 19, 2011

Advice 3794-E-A
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing to Advice Letter 3794-E -- Sixth Amendment to the Contract for Procurement of Renewable Resources Energy Resulting From the Power Sales Agreement Between PG&E and Monterey Regional Waste Management District

Introduction

Pacific Gas and Electric Company (“PG&E”) hereby submits to the California Public Utilities Commission (“Commission” or “CPUC”), a supplemental filing for Advice Letter 3794-E, dated January 25, 2011. This supplemental filing includes the Sixth Amendment to the Power Sales Agreement (“PSA”) between PG&E and an existing Qualifying Facility (“QF”), Monterey Regional Waste Management District (“MRWMD”), which amends the PSA by modifying certain non-modifiable standard terms and conditions as required by Decision (“D.”) 10-03-021, as amended by D.11-01-025. Advice Letter 3794-E is currently pending approval at the Commission.

Background

MRWMD and PG&E are parties to an existing 2.8 megawatt (“MW”) QF PSA for a facility located at the Marina Landfill near Monterey, California. Under the existing PSA, MRWMD is providing 1.15 MW of firm capacity to PG&E, which is provided from two generators with a combined nameplate capacity of 2 MW. PG&E previously received Commission approval of a fourth amendment to the PSA (“Fourth Amendment”), submitted in Advice Letter 3507-E, which allowed PG&E to purchase 3 MW of additional capacity from two additional metered generators at MRWMD’s facility, at revised pricing terms. PG&E previously requested CPUC approval for a Fifth Amendment to the PSA (“Fifth Amendment”), submitted in Advice Letter 3794-E, which extended the time period of the Fourth Amendment by up to one year and reduced the price paid for the additional capacity. This supplemental filing is limited to updating the

non-modifiable terms in accordance with D.10-03-021, as modified by D.11-01-025.

The Sixth Amendment, which replaces the Fifth Amendment, was executed and became effective on May 17, 2011. The revised price paid for additional capacity will be effective and retroactive to December 31, 2010, upon Commission approval. A copy of the Sixth Amendment is included as confidential Appendix A to this advice letter and a summary of the key terms of the Sixth Amendment that have changed from the Fifth Amendment is included as Appendix B.

Confidentiality:

In support of this Advice Letter, PG&E submits Confidential Appendix A 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 General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this Advice Letter.

Confidential Appendix:

Appendix A – Sixth Amendment to the PSA

Public Appendix:

Appendix B – Summary of the Key Amendment Terms

Protests

Due to the limited scope of PG&E's supplemental filing, PG&E respectfully requests the protest period for this filing not be re-opened.

Effective Date

PG&E requests that this supplemental filing become effective concurrently with the Commission's approval of Advice Letter 3794-E.

Notice

In accordance with General Order 96-B, Section IV, a copy of this Advice Letter excluding the confidential appendix is being sent electronically and via U.S. mail to parties shown on the attached list. 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 appendices. Address changes to the General Order 96-B service list and electronic approvals 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 Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.

Handwritten signature of Brian Cherry in cursive.

Vice President – Regulation and Rates

cc: PG&E's Procurement Review Group
Jason Simon – Energy Division
Jennifer Kalafut – Energy Division

Attachments – Confidential Appendix A and Public Appendix B

Limited Access to Confidential Material:

Appendix A to this Advice Letter is submitted under the confidentiality protection of Section 583 of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure pursuant to General Order 66-C. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

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 Linda Tom-Martinez

Phone #: (415) 973-1082 and (415) 973-4612

E-mail: dxpu@pge.com and 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) #: **3794-E-A**

Tier: **1**

Subject of AL: **Supplemental Filing to Advice Letter 3794-E -- Sixth Amendment to the Contract for Procurement of Renewable Resources Energy Resulting From the Power Sales Agreement Between PG&E and Monterey Regional Waste Management District**

Keywords (choose from CPUC listing): Qualifying Facility, Agreements

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

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

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: Hugh Merriam (415-973-1269)

Resolution Required? Yes No

Requested effective date: **Concurrent with approval of 3794-E**

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: Brian Cherry

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**DECLARATION OF HUGH MERRIAM
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER 3794-E-A
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Hugh Merriam, declare:

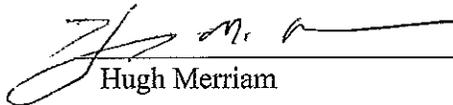
1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 1983. My current title is Manager within PG&E's Energy Procurement organization. In this position, my responsibilities include negotiating new and amended Power Purchase Agreements. In carrying 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 3794-E-A, submitted May 19, 2011. By this Advice Letter, PG&E is seeking this Commission's approval of an amendment that PG&E has executed with MRWMD.

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 19, 2011 at San Francisco, California.



Hugh Merriam

		PACIFIC GAS AND ELECTRIC COMPANY Advice Letter 3794-E-A May 19, 2011					
IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066 AND DECISION 06-04-023							
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 3794-E-A		Y	Y	Y		
2	Appendix A	Item VII B) Contracts and power purchase agreements between utilities and non-affiliated third parties. General Order 66-C.	Y	Y	Y	This Appendix contains the Amendment. Disclosure of the Amendment would provide valuable market sensitive information to competitors. Since RPS negotiations are still in progress with bidders from the under item VII B), remain 2005, 2006, 2007, 2008 and 2009 RPS solicitations, as well as negotiations with other QFs and bilateral RPS negotiations, this information should remain confidential for three years. Release of this information would be damaging to negotiations. Furthermore, the counterparty to the Amendment has an expectation that the terms will remain confidential. I am informed and believe that General Order 66-C also provides a basis for confidential treatment. General Order 66-C includes in its category of records not open to public inspection "Information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). It is in the public interest to treat such information as confidential because if such information were made public, it could have a damaging effect on current and future negotiations with other offers.	For information covered under item VII B), remain confidential for three years. For information covered by General Order 66-C, remain confidential

Public Appendix B

Sixth amendment to the PSA

**Summary of Terms Of
Sixth Amendment to the Power Sales Agreement**

Provision	Amendment
Non-modifiable Standard Terms and Conditions	<p>Added the following Non-Modifiable Standard Contract Terms for Bundled PPAs per D. 10-03-021 as modified by D. 11-01-025:</p> <ul style="list-style-type: none"> - STC 1: CPUC Approval (edited from the Fifth Amendment) - STC 2: RECs and Green Attributes - STC 6: Eligibility - STC 17: Applicable Law - STC REC-1. Transfer of Renewable Energy Credits - STC REC-2. Tracking of RECs in WREGIS

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

AT&T	Dept of General Services	Northern California Power Association
Alcantar & Kahl LLP	Douglass & Liddell	Occidental Energy Marketing, Inc.
Ameresco	Downey & Brand	OnGrid Solar
Anderson & Poole	Duke Energy	Praxair
Arizona Public Service Company	Dutcher, John	R. W. Beck & Associates
BART	Economic Sciences Corporation	RCS, Inc.
Barkovich & Yap, Inc.	Ellison Schneider & Harris LLP	Recurrent Energy
Bartle Wells Associates	Foster Farms	SCD Energy Solutions
Bloomberg	G. A. Krause & Assoc.	SCE
Bloomberg New Energy Finance	GLJ Publications	SMUD
Boston Properties	GenOn Energy, Inc.	SPURR
	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Public Utilities Commission
Braun Blaising McLaughlin, P.C.	Green Power Institute	Santa Fe Jets
Brookfield Renewable Power	Hanna & Morton	Seattle City Light
CA Bldg Industry Association	Hitachi	Sempra Utilities
CLECA Law Office	In House Energy	Sierra Pacific Power Company
CSC Energy Services	International Power Technology	Silicon Valley Power
California Cotton Ginners & Growers Assn	Intestate Gas Services, Inc.	Silo Energy LLC
California Energy Commission	Lawrence Berkeley National Lab	Southern California Edison Company
California League of Food Processors	Los Angeles Dept of Water & Power	Spark Energy, L.P.
California Public Utilities Commission	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Calpine	MAC Lighting Consulting	Sunshine Design
Cardinal Cogen	MBMC, Inc.	Sutherland, Asbill & Brennan
Casner, Steve	MRW & Associates	Tabors Caramanis & Associates
Chris, King	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto	McKenzie & Associates	Tiger Natural Gas, Inc.
City of Palo Alto Utilities	Merced Irrigation District	TransCanada
Clean Energy Fuels	Modesto Irrigation District	Turlock Irrigation District
Coast Economic Consulting	Morgan Stanley	United Cogen
Commercial Energy	Morrison & Foerster	Utility Cost Management
Consumer Federation of California	NLine Energy, Inc.	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	Navigant Consulting	Wellhead Electric Company
Day Carter Murphy	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Defense Energy Support Center	North America Power Partners	
Department of Water Resources	North Coast SolarResources	