

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



December 12, 2012

Advice Letters 3329G and 4116E

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Implementation of Affiliate Transaction Rules With Respect to the
Creation of a New Affiliate**

Dear Mr. Cherry:

Advice Letters 3329-G and 4116-E are effective as of September 28, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

September 28, 2012

Advice 3329-G/4116-E

(Pacific Gas and Electric Company ID U39 M)

Public Utilities Commission of the State of California

Subject: Implementation of Affiliate Transaction Rules With Respect to the Creation of a New Affiliate

In accordance with Affiliate Transaction Rule (Rule) VI.B adopted in Decision (D.) 97-12-088, Appendix A, dated December 16, 1997, as modified by D.06-12-029 dated December 14, 2006, Pacific Gas and Electric Company (PG&E) hereby submits this advice filing to provide notice to the California Public Utilities Commission (Commission) of the creation of one new affiliate.

Purpose

The purpose of this advice filing is to provide notice to the Commission pursuant to Rule VI.B of the creation of the affiliate listed in Attachment A.

Background

D.97-12-088, as subsequently modified by various decisions, adopted rules governing the relationship between California's natural gas local distribution companies and electric utilities and certain of their affiliates. For purposes of an electric utility, the rules apply to all utility transactions with affiliates engaging in the provision of a product that uses electricity or services that relate to the use of electricity, unless otherwise exempted by the rules.

Rule VI.B pertains to compliance plans for new affiliates subject to the rules:

Upon the creation of a new affiliate, the utility shall immediately notify the Commission of the creation of the new affiliate, as well as posting notice on its electronic bulletin board. No later than 60 days after the creation of this affiliate, the utility shall file an advice letter with the Energy Division of the Commission. The advice letter shall state the affiliate's purpose or activities, whether the utility claims that Rule II.B makes the Rules applicable to the affiliate, and shall include a demonstration to the Commission that there are adequate procedures in place that will ensure compliance with these Rules. (Appendix A-3, D.06-12-029)

The affiliate listed in Attachment A will be considered a Rule II.B affiliate of PG&E because it is or will be engaged in the provision of a product that uses electricity or a service that relates to the use of electricity.

No unusual or unique circumstances exist that would require affiliate transaction rule implementation measures beyond those PG&E already has in place for the affiliate listed in Attachment A. Therefore, PG&E will apply the provisions of its 2012 Affiliate Transaction Rules Compliance Plan, filed on July 2, 2012 via Advice **3316-G/4078-E**, to all transactions with this affiliate. The Commission provided PG&E limited exemptions from the rules for the STARS Alliance in D.12-05-010. If the Commission modifies or requires amendment of PG&E's current and prevailing compliance plan, or in the event that PG&E files a periodic update to its compliance plan, PG&E will apply all such changes or the provisions of such amended plans to this affiliate.

No cost information is required for this advice filing.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.1, this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

This advice filing is made in compliance with D.97-12-088 and D.06-12-029 and will become effective on **September 28, 2012**, the date filed.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **October 18, 2012**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

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. Address changes to the General Order 96-B service list should be directed to PG&E at email address 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. 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 dark ink that reads "Brian Cherry / IG". The signature is written in a cursive, flowing style.

Vice President, Regulatory Relations

Attachment A: List of New Affiliates

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: Igor Grinberg

Phone #: (415) 973-8580

E-mail: ixg8@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) #: **3329-G/4116-E**

Tier: 1

Subject of AL: **Implementation of Affiliate Transaction Rules With Respect to the Creation of a New Affiliate**

Keywords (choose from CPUC listing): Compliance, Affiliate

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.97-12-088 and D.06-12-029

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:

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: _____

Resolution Required? ☐ Yes ☒ No

Requested effective date: **September 28, 2012**

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

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

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**Pacific Gas and Electric Company
Attachment A
List of New Affiliates**

Affiliate Name	Address of Headquarters	Primary Officers	Contact Person	Intended Business Activity	Acquire/Creation Date	Covered By Rules
STARS Alliance LLC	1626 N. Litchfield Rd., Suite 230, Goodyear, Arizona, 85395	President: James Becker Business Operations Manager: Frank Mallen Secretary: Michael Green	John Quinlan (626) 302-4835	Formed by Southern California Edison Company, Union Electric Company, Arizona Public Service Company, Luminant Generation Company LLC, Pacific Gas & Electric Company, STP Nuclear Operating Company and Wolf Creek Nuclear Operating Company to perform functions such as sharing resources, jointly procuring selected goods and services, consolidating certain internal accounting and management functions related to members' nuclear generation facilities. Also intend to engage in cooperative activities focused on enhancing operational performance, joint planning and coordination regarding nuclear safety, and obtaining license approvals.	Formed 07/13/12 ¹ 07/30/12 ²	Yes ³

¹ STARS Alliance LLC formed after receiving approval from all of the participants of the certificate of formation.

² PG&E obtained its equity interest in STARS Alliance LLC.

³ The CPUC has granted PG&E certain limited exemptions from the Affiliate Transaction Rules in Decision 12-05-010 for the STARS Alliance LLC.

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

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