

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-4585
August 15, 2013**

R E S O L U T I O N

Resolution E-4585, Pacific Gas and Electric (PG&E)

PROPOSED OUTCOME: The Commission approves Advice Letters 4155-E and 4204-E which make minor amendments to PG&E's adopted procurement plan. PG&E hereby adds three brokerages and one exchange to their list of approved counterparties, as well as redefine one of their approved products pursuant to implementation of Dodd-Frank legislation.

SAFETY CONSIDERATIONS: Based on the information before us, these changes do not appear to result in any adverse safety impacts on the facilities or operations of PG&E. This resolution does not approve any changes to operations of facilities, and only changes certain financial activities.

ESTIMATED COST: There are no estimated costs to these Advice Letters or approval of them. PG&E is now allowed to conduct business via new brokerages and an exchange, and redefines some of their existing swap agreements as energy futures.

By Advice Letter 4155-E Filed on December 5, 2012, and Advice Letter 4204-E filed March 19, 2013.

SUMMARY

This Resolution approves Advice Letter (AL) 4155-E, which seeks to rename and redefine approved proved products in PG&E's procurement plan. It also approves AL 4204-E which adds three brokerages and one exchange to the list of approved counterparties in PG&E's procurement plan. The CPUC received no protests to either AL.

BACKGROUND

AL 4155-E was filed by PG&E in response to actions taken by companies that operate exchanges, who changed the names and definitions of some products in response to Dodd-Frank legislation of 2010. Dodd-Frank became effective in late 2010 and sought to reduce risk in financial markets partially by increasing transparency in financial products and market transactions. In order to mitigate risk of new Dodd-Frank oversight, the three major exchanges (ICE, NYMEX, CME, and NGX in Canada) changed all their energy swap products formally into futures contracts, which placed the regulation of these products with the Commodities Futures Trading Commission (CFTC) which is more understood and established. PG&E had previously conducted significant energy swap contracts with these counterparties, but pursuant to the redefinitions made by these companies after Dodd-Frank, PG&E filed AL 4155-E to conform the bundled procurement plan and continue to do business as before.

D.07-12-052 required the utilities to file ALs for all updates to procurement plans. PG&E filed AL 4202-E in order to modify the bundled procurement plan by adding three new brokerages and one new exchange to their list of approved counterparties.

NOTICE

Notice of ALs 4155-E and 4204-E were made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letters were mailed and distributed in accordance with Section III-G of General Order 96-B.

PROTESTS

Neither AL 4155-E nor AL 4204-E was protested.

DISCUSSION

Energy Division has reviewed the AL, and the proposed changes to PG&E's defined list of procurement products and counterparties, and found them to be in compliance with the Commission's orders. The proposed changes do not make material changes to PG&E's procurement authorization or procurement activity.

Both ALs are hereby approved.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS AND CONCLUSIONS

1. D.07-12-052 required PG&E to file an AL every time it became necessary to amend the bundled procurement plan.

THEREFORE IT IS ORDERED THAT:

1. The request of the PG&E to modify the swaps product naming conventions as requested in AL 4155-E is approved. PG&E's hedging plan shall reflect the new defined term for Swap which means either financial swap or financial future contracts. PG&E is authorized to amend the definitions for the several products to also include futures as requested.
2. PG&E is now authorized to trade with Choice Energy, L.P., Clear Energy Brokerage and Consulting, LLC, Sterling Planet, INC. and Macquarie Futures USA, LLC.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on August 15, 2013; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON

Paul Clanon

Executive Director

MICHAEL R. PEEVEY

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

MARK J. FERRON

CARLA J. PETERMAN

Commissioners



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-7226

March 19, 2013

Advice 4204-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Update to Pacific Gas and Electric Company's Conformed Bundled Procurement Plan – Appendix H – Brokerages and Exchanges Listing

Purpose

Pacific Gas and Electric Company (PG&E) requests California Public Utilities Commission (Commission) approval to update PG&E's Conformed Bundled Procurement Plan (BPP), Appendix H – Brokerages and Exchanges, to add three new brokerages: Choice Energy!, L.P., Clear Energy Brokerage & Consulting, LLC, and Sterling Planet, Inc. In addition, PG&E is requesting to add one futures commission merchant (FCM): Macquarie Futures USA, LLC.

Background

In accordance with Decision (D.) 07-12-052, all updates proposed to the BPP are to be made via an advice letter. Advice letter updates are to include red-lined pages of the BPP as well as clean replacement pages.¹

Below, PG&E describes the updates to its BPP and Attachments A and B reflect the relevant changes to the Conformed BPP. Attachment A is the red-lined version of the changes and Attachment B is the clean version of the changes.

Request

In an effort to allow additional options for executing RPS-eligible transactions and electric and gas physical and financial transactions, PG&E requests to add the following brokerages to its existing list of Commission-approved brokerages:

¹ D.07-12-052 at pp. 184-185.

- Choice Energy!, L.P.
- Clear Energy Brokerage & Consulting, LLC
- Sterling Planet, Inc.

In addition, to allow additional options for executing physical and financial gas transactions, PG&E requests to add the following FCM to its list of Commission-approved Exchanges and Futures Commission Merchants:

- Macquarie Futures USA, LLC (allows accessibility to NYMEX, NYMEX Clearing, ICE Clear Europe)

Authorizing these additions to PG&E's list of approved brokerages and exchanges does not obligate PG&E to use them. Instead, adding these brokerages and exchanges will simply provide PG&E an option to do so. The decision to use these or any enabled brokerages or exchanges and FCMs in Appendix H will be made on a transaction-by-transaction basis consistent with the authority provided under PG&E's Commission-approved BPP. PG&E has routinely updated its list of brokerages and exchanges in order to add potential new counterparties for transactions that are consistent with PG&E's Conformed BPP. Further, should PG&E execute any RPS-eligible transaction through any brokerage on the list of approved brokerages, PG&E will file the appropriate advice letter requesting Commission approval of the transaction.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than April 8, 2013, which is 20 days from the date of this filing. Protests must be submitted to:

CPUC Energy Division
EDTariffUnit
505 Van Ness Avenue, 4th Floor
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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) 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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (GO 96-B, Section 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (GO 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 2 Advice Letter be approved effective on or after **March 19, 2013**.

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 list for R.12-03-014 and R.10-05-006. Address changes to the General Order 96-B service list and all 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>



Vice President – Regulatory Relations

Attachments:

Attachment A:	Redline Version of Pacific Gas and Electric Company Conformed Bundled Procurement Plan Replacement Pages
Attachment B:	Clean Version of Pacific Gas and Electric Company Conformed Bundled Procurement Plan Replacement Pages

cc: Service List R.12-03-014
 Service List R.10-05-006

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 E)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Kimberly Chang

Phone #: (415) 972-5472

E-mail: kwcc@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: **4204-E**

Tier: **2**

Subject of AL: **Update to Pacific Gas and Electric Company's Conformed Bundled Procurement Plan – Appendix H – Brokerages and Exchanges Listing**

Keywords (choose from CPUC listing): Compliance, Procurement

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D. 07-12-052

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: **March 19, 2013**

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:

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

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

Attachment A:

Redline Version of Pacific Gas and Electric Company
Conformed Bundled Procurement Plan Replacement Pages



Pacific Gas and Electric Company
San Francisco, California

Cal. P.U.C. Sheet No.
Pacific Gas and Electric Company
Bundled Procurement Plan

APPENDIX H
BROKERAGES AND EXCHANGES

~~Advice Letter 4204-E~~

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

Date Filed March 19, 2013
Effective _____
Resolution No. _____

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Brokerages

- Tullett Liberty (acquired Natsource)
- ICAP Energy LLC (acquired APB)
- Prebon
- TFS
- Amerex (recently acquired by GFI Group, Inc.)
- Landmark
- Saddleback
- Anahau Energy LLC (a Women, Minority and Disabled Veteran Business Enterprise (“WMDVBE”))
- Evolution Markets Inc
- Bluesource Energy, LLC (WMDVBE)
- Energy Trade Management GP, LLC
- Equus Energy Group, LLC
- Spectron Energy Inc.
- Karbone Inc.
- BGC Environmental Brokerage Services, L.P.
- Edge Energy, LLC
- Choice Energy!, L.P.
- Clear Energy Brokerage & Consulting, LLC
- Sterling Planet, Inc.

Exchanges and Futures Commission Merchants

- Intercontinental Exchange (“ICE”) – Exchange and Cleared (Clear Europe) trades
- New York Mercantile Exchange (“NYMEX”) – Exchange and Cleared trades
- Green Exchange, LLC (GreenX) – Exchange and Cleared (CME Clearing) trades
- Natural Gas Exchange (“NGX”) – Physical and Financially Cleared Gas Products
- Barclays Capital (allows accessibility to NYMEX, NYMEX Clearing, and ICE Clear Europe)
- J.P. Morgan Securities, LLC, (allows accessibility to NYMEX, NYMEX Clearing, ICE Clear Europe, and GreenX/CME Clearing)
- Mizuho Securities, USA, (allows accessibility to NYMEX, NYMEX Clearing, ICE Clear Europe, and GreenX/CME Clearing)
- Wells Fargo Advisors, LLC., (allows accessibility to NYMEX, NYMEX Clearing, and ICE Clear Europe)
- BNP Paribas Prime Brokerage Inc. (allows accessibility to ICE Clear Europe and GreenX/CME Clearing)

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- Parity Energy, Inc. – the Parity Energy Platform (online energy derivative trading)
- ICAP Energy, LLC – the ICAPture Electronic Trading Platform (online energy derivative trading)
- Macquarie Futures USA, LLC (allows accessibility to NYMEX, NYMEX Clearing, ICE Clear Europe)

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Attachment B:

Clean Version of Pacific Gas and Electric Company
Conformed Bundled Procurement Plan Replacement Pages



APPENDIX H
BROKERAGES AND EXCHANGES



Brokerages

- Tullett Liberty (acquired Natsource)
- ICAP Energy LLC (acquired APB)
- Prebon
- TFS
- Amerex (recently acquired by GFI Group, Inc.)
- Landmark
- Saddleback
- Anahau Energy LLC (a Women, Minority and Disabled Veteran Business Enterprise (“WMDVBE”))
- Evolution Markets Inc
- Bluesource Energy, LLC (WMDVBE)
- Energy Trade Management GP, LLC
- Equus Energy Group, LLC
- Spectron Energy Inc.
- Karbone Inc.
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**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

1st Light Energy	Douglass & Liddell	North America Power Partners
AT&T	Downey & Brand	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	OnGrid Solar
Anderson & Poole	G. A. Krause & Assoc.	Pacific Gas and Electric Company
BART	GenOn Energy Inc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy, Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCD Energy Solutions
Bear Valley Electric Service	Green Power Institute	SCE
Braun Blaising McLaughlin, P.C.	Hanna & Morton	SPURR
CENERGY POWER	In House Energy	San Francisco Public Utilities Commission
California Cotton Ginners & Growers Assn	International Power Technology	Seattle City Light
California Energy Commission	Intestate Gas Services, Inc.	Sempra Utilities
California Public Utilities Commission	Kelly Group	SoCalGas
Calpine	Lawrence Berkeley National Lab	Southern California Edison Company
Casner, Steve	Linde	Sun Light & Power
Center for Biological Diversity	Los Angeles Dept of Water & Power	Sunshine Design
City of Palo Alto	MAC Lighting Consulting	Tecogen, Inc.
City of San Jose	MRW & Associates	Tiger Natural Gas, Inc.
Clean Power	Manatt Phelps Phillips	TransCanada
Coast Economic Consulting	Marin Energy Authority	Utility Cost Management
Commercial Energy	McKenna Long & Aldridge LLP	Utility Power Solutions
Consumer Federation of California	McKenzie & Associates	Utility Specialists
Crossborder Energy	Modesto Irrigation District	Verizon
Davis Wright Tremaine LLP	Morgan Stanley	Water and Energy Consulting
Day Carter Murphy	NLine Energy, Inc.	Wellhead Electric Company
Defense Energy Support Center	NRG Solar	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	Nexant, Inc.	