

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 7, 2010

Pacific Gas and Electric Company
Attn: Jane K. Yura
Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Re: Rejection of Advice 3091-G/3616-E without prejudice – new PG&E affiliate Pacific Venture Capital

Dear Ms. Yura:

Advice 3091-G/3616-E was filed by Pacific Gas and Electric Company (PG&E) on February 11, 2010, and was protested by CALifornians for Renewable Energy, Inc. (CARE), on March 3, 2010. The advice letter was filed pursuant to Commission Affiliate Transactions Rule VI.B. This rule requires the utility to file an advice letter no later than 60 days after the creation of a new affiliate. The advice letter shall:

state the affiliate's purpose or activities, whether the utility claims that Rule II B makes these Rules applicable to the affiliate, and shall include a demonstration to the Commission that there are adequate procedures in place that will assure compliance with these Rules.

(D.06-12-029, Appendix A-3, Rule VI.B.)

The advice letter concerns a change to the classification of an existing entity, Pacific Venture Capital, LLC. According to PG&E, Pacific Venture Capital has investments in Banyan SolarCity Owner 2010, LLC (Banyan), a subsidiary of SolarCity Corp. (Solar City). Although PG&E states that it has classified Pacific Venture Capital as an affiliate subject to Rule II.B of the affiliate transaction rules, PG&E contends that Banyan and Solar City are not affiliates pursuant to the definition of affiliate in Rule I.A.

The advice letter does not adequately explain how the utility will ensure compliance with the Affiliate Transactions Rules, or why these rules should not apply to Banyan or Solar City. After several inquiries, the staff does not have the required information to approve the advice letter. Furthermore, CARE's protest raises significant controversial policy issues, in addition to the affiliate rules, that should be addressed by the Commission.

Accordingly, the Energy Division rejects Advice 3091-G/3616-E without prejudice, for the reasons stated above. We suggest that PG&E file an application for the approvals requested and for any subsequent transactions that may be similar to this advice letter.

Sincerely,

Julie A. Fitch, Director
Energy Division

Cc: Jack Fulcher
CARE

February 11, 2010

Advice 3091-G/3616-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Notification of the Creation of a New Affiliate

Purpose

In accordance with Decision 06-12-029, Appendix A, Rule VI. B--New Affiliate Compliance Plans, Pacific Gas and Electric Company hereby notifies the Commission of the re-designation of an affiliate under Rule II.B of the Affiliate Transaction Rules.

Rule VI. B. specifically requires that:

Upon creation of a new affiliate, which is addressed by these Rules, 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, served on parties to this proceeding. The advice letter shall demonstrate how the utility will implement these Rules with respect to the new affiliate.

Pacific Venture Capital, LLC

PG&E Corporation changed the affiliate classification of an existing entity, Pacific Venture Capital, LLC, to a Rule II.B affiliate on December 17, 2009. Pacific Venture Capital, LLC, is being activated to establish and manage a portfolio of passive financial investments in growing energy and telecommunications companies.

The following are the Directors and Officers:

Directors: Brian A. C. Steel
Gabriel B. Togneri

Officers: Gabriel B. Togneri, President and Chief Financial Officer
Brian A. C. Steel, Vice President
Jason P. Wells, Controller
Vivek Kapil, Treasurer
David M. Kelly, Secretary

Additional Information

No unusual or unique circumstances exist that would require special affiliate transactions rule implementation measures.

Questions regarding this affiliate should be addressed to Megan Janis, Director, Compliance and Ethics at (415) 973-8190.

Pacific Gas and Electric Company has previously notified Commission staff and posted notice of the formation of these affiliates on its affiliate transaction World Wide Web site at: <http://www.pge.com/about/rates/affiliate/>.

This filing will not increase any other rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

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 **March 3, 2010**, 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: jj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies 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

Effective Date

PG&E requests that this advice filing become effective on **February 11, 2010**, the date of this filing. PG&E submits this as a Tier 1 filing.

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 parties on the service list for R.05-10-030. Address changes to the General Order 96-B service list and all electronic approvals should be directed to e-mail 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 "Brian Cherry / mt".

Vice President, Regulatory Relations

Attachments

cc: Service List R.05-10-030

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: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: 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) #: **3091-G/3616-E**

Tier: 1

Subject of AL: **Notification of the Creation of a New Affiliate**

Keywords (choose from CPUC listing): Affiliate, Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: 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 AL¹: _____

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: **February 11, 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: Brian K. Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

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

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