January 20, 2005

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Procurement transaction quarterly compliance filing

Dear Ms de la Torre:

Advice Letter 2434-E is effective December 16, 2004 by Resolution E-3889. A copy of the advice letter is returned herewith for your records.

Sincerely,

 Sean H. Gallagher, Director
   Energy Division
October 30, 2003

Advice 2434-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Procurement Transaction Quarterly Compliance Filing (Q3, 2003)

Pacific Gas and Electric Company (PG&E) hereby submits its compliance filing for the third quarter of 2003, in accordance with Ordering Paragraph (O.P.) 8 of Decision (D.) 02-10-062 and clarified in D.03-07-076.1 O.P. 8 of the decision states that PG&E, as a respondent utility, shall file each quarter’s procurement transactions that conform to its adopted procurement plan by Advice Letter within 15 days of the end of the quarter. On September 23, 2003, the Commission’s Executive Director granted a joint request by PG&E and SDG&E to extend the date of the third quarter procurement transaction report to October 30.

Background

Appendix B of D.02-10-062, Adopted Master Data Request for Monthly Advice Letters outlines the required information for each utility’s transaction reporting advice letter. The Energy Division clarified that the compliance items delineated in Appendix B of D.02-10-062 are for the Quarterly Report. The quarterly cycle for Appendix B was formalized in D.03-06-076, Order Modifying Decisions 02-10-062 and 02-12-074 and Denying Rehearing, dated June 19, 2003.2

O.P. 10 of D.02-12-074 also requires PG&E to present Black Model results, for informational purposes in the quarterly advice letter filings. PG&E provides Black Model results for appropriate transactions executed during the third quarter of 2003 on an informational basis in Confidential Appendix F. A histogram (graph) of

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1 PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

2 Ordering Paragraph 8 of the Decision modified the title of Appendix B from D. 02-10-062 to read: “Adopted Master Data Request for Quarterly Advice Letters.” Also, in the first sentence of Appendix B, the word “month’s” was deleted and replaced with “quarter’s.”
energy purchases and sales during the third quarter of 2003 is also provided in Confidential Appendix H.

Compliance Items

A Confidential Attachment (the narrative) with supporting Appendices are being submitted to the Energy Division as follows:

Confidential Attachment and Related Appendices
The Confidential Attachment to this filing contains responses to the information requested in Appendix B of D.02-10-062, as clarified by D.03-06-076, and O.P. 10 of D.02-12-074.

The supporting eight Confidential Appendices include the following:

Appendix A – PG&E’s URMC presentation(s) and PRG presentation(s)
Appendix B – PG&E’s Quarterly Transactions By Type and Quantity
Appendix C – PG&E’s Monthly Transactions By Type and Quantity
Appendix D – PG&E’s monthly ISO purchase and sales transactions for May, June and July 2003
Appendix E – Summary Documentation and Confirmations for Bilateral Contract(s)
Appendix F – Black Model Results for Selected Energy Options
Appendix G – Monthly Reports Demonstrating Projected Need
Appendix H – Histogram (Graph) of “Buys/Sells” in Q3, 2003

Protests

Anyone wishing to protest this filing may do so by sending a letter by November 19, 2003, which is 20 days from the date of this filing. The protest must state the grounds upon which it based, including such items as financial and service impact, and should be submitted expeditiously. Protest should be mailed to:

IMC Branch Chief – Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.
Pacific Gas and Electric Company
Attention: Brian K. Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 9417
Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

Effective Date
In compliance with D.02-10-062, the effective date of this advice letter is October 30, 2003.

Notice
In accordance with General Order 96-A, Section III, Paragraph G, 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. 01-10-024. Address change requests should be directed to Sandra Ciach at (415) 973-7572. Advice letter filings can be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Karen A. Concalaver
Vice President - Regulatory Relations

cc: Service List - R. 01-10-024

Confidential Attachment and Related Confidential Appendices A through H
· PG&E Electric Advice Filing List
General Order 96-A, Section III(G)

ABAG Power Pool
ACN Energy, Inc
Aglet Consumer Alliance
Agnew's Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Anderson, Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Ater & Hadden LLP
Avista Corp
Barkovich & Yap, Inc
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California ISO
Calpine
Calpine Corp
Calpine Girroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
CPUC
Creative Technology
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
Dept of the Air Force
DGS Natural Gas Services
DMM Customer Services
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc
Ellison Schneider
Energy Law Group LLP
Enron Energy Services
Exeter Associates
Foster, Wheeler, Martínez
Franciscan Mobilehome
Future Resources Associates, Inc
GLJ Energy Publications
Goodin, MacBride, Squier, Schlotz & Grueneich Resource Advocates
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W
Meyer, Joseph
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Wesenmiller & Assoc.
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
Occidental Energy Marketing
PG&E National Energy Group
Pinnacle CNG Company
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
Provost Pritchard
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMG Lonestar
Sacramento Municipal Utility District

SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabor's Caramanis & Associates
Tansey and Associates
Tecogen, Inc
TFS Energy
TJ Cross Engineers
Transwestern Pipeline Co
Turlock Irrigation District
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA