March 3, 2004

Advice Letter 2464-E

Ms Anita Smith, Rate Analyst
Pacific Gas and Electric Company
77 Beale Street, Mail Code 10B
San Francisco, CA 94177

Subject: Modified short term procurement plan

Dear Ms Smith:

Advice Letter 2464-E is effective January 20, 2004. A copy of the advice letter is returned herewith for your records.

Sincerely,

[Signature]

Paul Clanon, Director
Energy Division
January 20, 2004

Advice 2464-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Modified Short-Term Procurement Plan


Purpose

Pursuant to Ordering Paragraphs (OPs) 12 and 24 of D.03-12-062, PG&E submits, in Appendix A, updated tables to its short-term plan filed on May 15, 2003. Resubmission of the entire plan is not required. The Decision instructed PG&E to furnish updated tables to its short-term plan:

- Reflecting more recent fuel price forecasts and resulting changes to the loads/resource capacity and energy balance tables and residual net open estimates.¹

- Incorporating renewables procurement activity from 2003 and subsequent changes to the quantity of renewable energy delivered in 2004.²

Additionally, PG&E provides a list identifying the brokerages and exchanges it proposes to rely on. This list is provided in Appendix B.³

Background

On December 18, 2003, the CPUC issued D.03-12-062, determining how PG&E and California’s other investor-owned utilities (IOUs) will operate in 2004 by deciding issues needing resolution prior to January 1, 2004. The decision adopted short-term operating reserve levels, provided spot market purchase guidance, and addressed risk management issues. The CPUC also authorized

¹ D.03-12-062, OP 12.
² Ibid.
³ D.03-12-062, p. 38.
contract term duration and volume limits, procurement product and transaction standards, and set the process for modification and approval of the IOUs' 2004 short-term procurement plans.

**Protests**

Anyone wishing to protest this filing may do so by sending a letter by **February 9, 2004**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests 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 Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226  
E-mail: RxDd@pge.com

**Effective Date**

PG&E requests that this advice filing become effective on **January 20, 2004**.

**Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter excluding the confidential appendices is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for Rulemaking (R.) 01-10-024. 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 attachments by overnight mail.
The portions of this advice letter so marked Confidential Protected Material are in accordance with the May 20, 2003, Protective Order in R. 01-10-024 Regarding Confidentiality of Pacific Gas and Electric Company (PG&E) Power Procurement Information. As required by that Order, reviewing representatives of Market Participating Parties will not be granted access to Protected Material, but will instead be limited to reviewing redacted versions of documents that contain Protected Material.

Karen R. Omcala/
Vice President – Regulatory Relations

cc: Service List R. 01-10-024

Attachments

Appendix A
Updated Tables to PG&E's Short-Term Procurement Plan

Appendix B
Table of Brokers and Exchanges
ABAG Power Pool
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & 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 Gilroy 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.
Eilson Schneider
Energy Law Group LLP
Enron Energy Services
Exeter Associates
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
GLJ Energy Publications
Goodin, MacBride, Squeri, 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 Weisenmiller & Assoc.
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Associates
Northern California Power Agency
PG&E National Energy Group
Pinnacle CNG Company
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
Provoost Pritchard
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC 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
Tabors Caramanis & Associates
Tansem & Associates
Tscogen, 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
Appendix A

Updated Tables to PG&E’s Short-Term Procurement Plan
<table>
<thead>
<tr>
<th></th>
<th>GWh</th>
<th>% of Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>URG</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Hydro</td>
<td>18,174</td>
<td>23.2%</td>
</tr>
<tr>
<td>- Nuclear</td>
<td>15,964</td>
<td>20.3%</td>
</tr>
<tr>
<td>- Fossil</td>
<td>980</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>QFs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Hydro</td>
<td>699</td>
<td>0.9%</td>
</tr>
<tr>
<td>- Wind</td>
<td>1,109</td>
<td>1.4%</td>
</tr>
<tr>
<td>- Fossil</td>
<td>14,598</td>
<td>18.6%</td>
</tr>
<tr>
<td>- Other</td>
<td>4,221</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>Existing PG&amp;E Contracts</strong></td>
<td>-3,895</td>
<td>-5.0%</td>
</tr>
<tr>
<td><strong>DWR Must Take Contracts</strong></td>
<td>21,536</td>
<td>27.4%</td>
</tr>
<tr>
<td><strong>Remaining PG&amp;E Supply</strong></td>
<td>5,114</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>Total Supply</strong></td>
<td>78,499</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total Renewables</strong></td>
<td>9,708</td>
<td>12.4%</td>
</tr>
</tbody>
</table>
### PACIFIC GAS AND ELECTRIC COMPANY
### AL 2464-E
### TABLE 2-2
### PG&E 2004 ENERGY BALANCE REFERENCE CASE

<table>
<thead>
<tr>
<th>2004 Energy Load (GWh)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales</td>
<td>-80,238</td>
</tr>
<tr>
<td>Direct Access</td>
<td>8,666</td>
</tr>
<tr>
<td>Losses</td>
<td>-6,928</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-78,499</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2004 Energy Supply (GWh)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>URG</td>
<td></td>
</tr>
<tr>
<td>- Nuclear</td>
<td>15,964</td>
</tr>
<tr>
<td>- Hydro</td>
<td>18,174</td>
</tr>
<tr>
<td>- Fossil</td>
<td>980</td>
</tr>
<tr>
<td>OFs</td>
<td>20,627</td>
</tr>
<tr>
<td>DWR must take</td>
<td>21,536</td>
</tr>
<tr>
<td>Remaining PG&amp;E supply</td>
<td>1,219</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78,499</strong></td>
</tr>
<tr>
<td>2004 Energy Load (GWh)</td>
<td>Jan</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>-6,226</td>
</tr>
<tr>
<td>Direct Access</td>
<td>720</td>
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<tr>
<td>Losses</td>
<td>-552</td>
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<tr>
<td>Total</td>
<td>-6,038</td>
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PACIFIC GAS AND ELECTRIC COMPANY
AL 2464-E
TABLE 2A-1
PG&E 2004 CAPACITY BALANCE REFERENCE CASE

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Planned</th>
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<tbody>
<tr>
<td>2004</td>
<td></td>
<td></td>
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<tr>
<td>2005</td>
<td></td>
<td></td>
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<tr>
<td>2006</td>
<td></td>
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<tr>
<td>2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
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</tr>
</tbody>
</table>

Notes:
- Actual and Planned capacities are in megawatts (MW).
- The table outlines the capacity balance for the years 2004 to 2008.
- Specific data for each year is not provided in this redacted version.
<table>
<thead>
<tr>
<th>PACIFIC GAS AND ELECTRIC COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL 2464-E</td>
</tr>
<tr>
<td>TABLE 2A-2</td>
</tr>
<tr>
<td>2004 NP15 Electric Prices (S/MWh)</td>
</tr>
</tbody>
</table>
PACIFIC GAS AND ELECTRIC COMPANY
AL 2464-E
TABLE 2A-3
2004 Gas Prices ($/MMBtu)
<table>
<thead>
<tr>
<th>2004 RESOURCE MIX REFERENCE CASE</th>
</tr>
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<tbody>
<tr>
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</tbody>
</table>
PACIFIC GAS AND ELECTRIC COMPANY
AL 2464-E
APPENDIX 3A
Delta Equivalent Net Open Position

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>2004 Total</th>
</tr>
</thead>
</table>

Peak Power (MWh)
Off-Peak Power (MWh)
Gas (MMBtu)
<table>
<thead>
<tr>
<th>ISO Collateral</th>
<th>Collateral Requirements, $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedge Collateral/Prepayment</td>
<td></td>
</tr>
<tr>
<td>Total Collateral/Prepayment</td>
<td></td>
</tr>
</tbody>
</table>
Appendix B

List of Brokers and Exchanges
PACIFIC GAS AND ELECTRIC COMPANY
AL 2464-E
BROKERS AND EXCHANGES PG&E PROPOSES TO RELY ON IN 2004

Brokers:
  Natsource
  APB
  Prebon
  TFS
  Amerex
  Landmark
  Saddleback

Exchanges:
  ICE
  R.J. O'Brien (allows for accessibility to NYMEX and NYMEX Clearport)