June 5, 2006

Advice Letter 2785-E

Brian K. Cherry  
Director, Regulatory Relations  
Mail Code B10C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

Subject: RA Compliance Filings

Dear Mr. Cherry:

Advice Letter 2785-E is effective February 16, 2006. Thank you for your time.

Sincerely,

Sean H. Gallagher  
Director  
Energy Division
February 16, 2006

Advice 2785-E
(Pacific Gas and Electric Company ID U 39 E)

Subject: Annual Resource Adequacy (RA) Filing for Compliance-Year 2006
Submitted Pursuant to Decision 05-10-042, Opinion on RA Requirements

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter in compliance with Decision (D.) 05-10-042, Opinion on Resource Adequacy Requirements (Decision). PG&E's Resource Adequacy (RA) Filing for compliance-year 2006 is included in Confidential Attachments 2 through 4. In addition, the California Public Utilities Commission (CPUC) requested officer certifications are included in the Attachment 1 of the filing.

The information provided in Attachments 2 through 4 is commercially sensitive and confidential protected material and it is being submitted under Section 583 of the California Public Utilities Code and pursuant to the Revised Protective Order (RPO) adopted in the Administrative Law Judge's Ruling Adopting Revised Protective Order issued on February 10, 2006 in Rulemaking (R.) 05-12-013.

Purpose

The purpose of this Advice Letter compliance filing is to demonstrate that PG&E has acquired sufficient resources to satisfy its 90% forward commitment obligation for loads plus reserve requirements for June through September of 2006, pursuant to the Decision and subsequent CPUC guidelines.¹

¹ The CPUC's Energy Division (ED) hosted an RA implementation workshop on December 9, 2005. Subsequently, the ED issued written guidance on December 21, 2005, and errata thereto on December 29, 2005. An updated template for the RA Reporting Workbook was issued on January
This advice letter contains:

**Attachment 1:** Certification Forms

**Confidential Attachment 2:** Explanatory Notes

**Confidential Attachment 3:** RA Reporting Workbook for June, July, August and September 2006 (Four worksheets)

The Resource Adequacy Workbook contains commercially sensitive information indicating that PG&E has contracts for sufficient capacity to meet its Resource Adequacy Requirement.  

**Confidential Attachment 4:** Completed Liquidated Damages Contract Baseline Contracts Workbook

The Liquidated Damages Workbook contains a commercially sensitive list of the Liquidated Damages contracts that qualify as Resource Adequacy Capacity.

Attachments 1 through 4 are also included in an attached CD containing electronic filings of each workbook.

**Background**

As specified in Section 8.8 of D. 05-10-042, the annual compliance filing for compliance-year 2006 should be submitted 90 days after the issuance of D. 05-10-042 on October 27, 2005. As additionally specified in D. 05-10-042, for 2006 only, the year-ahead filings and the "90% year-ahead" RA obligation shall apply to the period June through September (Summer Period). In subsequent years, the Summer Period will include the month of May.

On December 21, 2005, the Energy Division (ED) issued a letter entitled "Guidance to all Load-Serving Entities (LSEs) Regarding the Upcoming January

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2 Although PG&E has completed this template as received from the CPUC, the template contains a formula error that credits only 90%, rather than 100%, of demand response programs. PG&E has noted what it believes are its correct year-ahead RA obligations in Attachments 2 and 3 and recommends this error be corrected for future demonstrations.

3 Note that for completeness PG&E has included a listing of its DWR LD contracts in this template. The LD contract tab included in the template appears intended to quantify and phase out the portion of LD's used toward meeting RA obligations. DWR contacts are not subject to this phase out and therefore required a separate tab.
27, 2006 Resource Adequacy Requirement Compliance Filings," including an RA Compliance Guide. This Advice Letter has been prepared in accordance with the RA Compliance Guide as modified by the subsequent errata and updated templates.

This Advice Letter does not request an increase of any rate or charge, or the withdrawal of service, nor does it conflict with any other schedule or rule.

**Protests**

In compliance with directives provided through an email, dated February 15, 2006, from Donald Brooks of the CPUC's Energy Division, this advice filing is not subject to protests.

**Effective Date**

PG&E requests that this advice filing be approved effective the date of filing, **February 16, 2006**, pursuant to instruction from the CPUC's Energy Division.

**Notice**

In accordance with direction from the CPUC's Energy Division, service of this filing is only provided to the CPUC, California Energy Commission (CEC), and California Independent System Operator (CAISO).

A public version of this advice letter filing can also be accessed electronically at:

http://www.pge.com/tariffs

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Brian K Chow
Director, Regulatory Relations

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*4 The compliance date of January 27, 2006 was subsequently extended to February 16 by a letter from the ED's Executive Director dated January 20, 2006.*
Company name/CPUC Utility No. Pacific Gas and Electric Company U39M

Utility type: ☑ ELC ☑ GAS ☑ PLC ☑ HEAT ☑ WATER

Contact Person: Shilpa Ramaiya
Phone #: (415) 973-3186
E-mail: srrd@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) #: 2785-E
Subject of AL: Annual Resource Adequacy (RA) Filing for Compliance-Year 2006 Submitted Pursuant to Decision 05-10-042, Opinion on RA Requirements

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.05-10-042

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL ____________________________

Summarize differences between the AL and the prior withdrawn or rejected AL:________________________

Resolution Required? ☐ Yes ☑ No

Requested effective date: 2-16-06
No. of tariff sheets: 0

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: Retail Electric Service

Pending advice letters that revise the same tariff sheets: N/A

Protests 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
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

1 Discuss in AL if more space is needed.
Attachment 1

Certification Forms
Worksheet A. CERTIFICATION FORM

| Name of Load Serving Entity (LSE): | PG&E |
| Energy Service Provider Registration Number (if applicable): | PG-2 |

Certification of Information:
Consistent with Rules 1 and 2.4 of the CPUC's Rules of Practice and Procedure, this resource adequacy compliance filing has been verified by an officer of the corporation, who shall expressly certify, under penalty of perjury, the following:
1. I have responsibility for the activities reflected in this filing;
2. I have reviewed this compliance filing;
3. Based on my knowledge, this filing does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made;
4. Based on my knowledge, this filing contains all of the information required to be provided by CPUC orders, rules, and regulations.

Certified By Authorized LSE Representative (Name): Roy Kuge
Title: Vice President - Gas and Electric Supply
Date: 2/16/06
Signature (sign the hard copy of filing): [Signature]

Contact Person for Questions about this Filing:
- Name: Terrance Robertson
- Title: Manager - Long-term Procurement Strategy
- Email: Terri4@pge.com
- Telephone: 415-973-6963
- Address: 745 Market St., N13C
- City: San Francisco
- State: CA
- Zip: 94105

Back-Up Contact Person for Questions about this Filing (Optional):
- Name: 
- Title: 
- Email: 
- Telephone: 
Worksheet A. CERTIFICATION FORM

Name of Load Serving Entity (LSE): PG&E
Energy Service Provider Registration Number (if applicable): PCC2

Certification of Information:
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4. Based on my knowledge, this [filing] contains all of the information required to be provided by CPUC orders, rules, and regulations.

Certified By Authorized LSE Representative (Name): Roy Kuga
Title: Vice President - Gas and Electric Supply
Date: 7/10/06
Signature (sign the hard copy of filing):

Contact Person for Questions about this Filing:
Name: Terrance Robertson
Title: Manager - Long-term Procurement Strategy
Email: tnr4@pge.com
Telephone: 415-973-6993
Address: 245 Market St., N13C
City: San Francisco
State: CA
Zip: 94105

Back-Up Contact Person for Questions about this Filing (Optional):
Name:
Title:
Email:
Telephone:
Worksheet A. CERTIFICATION FORM

| Name of Load Serving Entity (LSE): | PG&E |
| Energy Service Provider Registration Number (if applicable): | PGC-2 |

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Certified By Authorized LSE Representative (Name): Roy Kuge
Title: Vice President - Gas and Electric Supply
Date: 2/16/06
Signature (sign the hard copy of filing):

Contact Person for Questions about this Filing:

| Name: Terrance Robertson |
| Title: Manager - Long-term Procurement Strategy |
| Email: lmr4@pge.com |
| Telephone: 415-973-6983 |
| Address 1: 245 Market St., N13C |
| Address 2: |
| City: San Francisco |
| State: CA |
| Zip: 94105 |

Back-Up Contact Person for Questions about this Filing (Optional):

| Name: |
| Title: |
| Email: |
| Telephone: |
Worksheet A. CERTIFICATION FORM

Name of Load Serving Entity (LSE): PG&E
Energy Service Provider Registration Number (if applicable): PGC2

Certification of Information:
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Certified By Authorized LSE Representative (Name): Roy Kuge
Title: Vice President - Gas and Electric Supply
Date: 2/16/06
Signature (sign the hard copy of filing):

Contact Person for Questions about this Filing:

<table>
<thead>
<tr>
<th>Name</th>
<th>Terrance Robertson</th>
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</thead>
<tbody>
<tr>
<td>Title</td>
<td>Manager - Long-term Procurement Strategy</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:mrkd@pge.com">mrkd@pge.com</a></td>
</tr>
<tr>
<td>Telephone</td>
<td>415-673-8993</td>
</tr>
<tr>
<td>Address 1</td>
<td>245 Market St., N13C</td>
</tr>
<tr>
<td>City</td>
<td>San Francisco</td>
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<td>State</td>
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</tbody>
</table>
Worksheet A. CERTIFICATION FORM

Name of Load Serving Entity (LSE): PG&E
Energy Service Provider Registration Number (if applicable): PGC2
Scheduling Coordinator: PG&E

Certification of Information:
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