April 27, 2007

Advice Letter 2868-E

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

Subject: September 2006 RA Compliance Filings

Dear Mr. Cherry:

Advice Letter 2868-E is effective July 28, 2006. A copy of the Advice Letter is included herewith for your records. Thank you for your time.

Sincerely,

Sean H. Gallagher
Director
Energy Division
July 28, 2006

Advice 2868-E
(Pacific Gas and Electric Company ID U 39 E)

Subject: Monthly Resource Adequacy (RA) Filing for Compliance-Month
September 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-
month September 2006 is included in Confidential Attachment 2. In addition, the
California Public Utilities Commission (CPUC) requested officer certification is
included in Attachment 1 of the filing.

The information provided in Attachment 2 is commercially sensitive and
confidential protected material and it is being submitted subject to the
protections of Section 583 of the California Public Utilities Code and pursuant
to the “Revised Protective Order Regarding Confidentiality of Market Sensitive
Load Data and Information” that ALJ Wetzell issued in his February 10, 2006
ruling and the California Energy Commission’s (CEC) agreement to adhere to
that protective order, which the CEC signed on February 14, 2006.

Purpose

The purpose of this Advice Letter compliance filing is to demonstrate that PG&E has
acquired sufficient resources to satisfy its 100% commitment obligation for loads
plus reserve requirements for September 2006, pursuant to the Decision and
subsequent CPUC guidelines¹.

¹ The CPUC’s Energy Division (ED) hosted a Monthly RAR Compliance Showing workshop on
March 7, 2006. Subsequently, the ED issued written guidance and a template for the RA Reporting
Workbook on March 29, 2006.
This advice letter contains:

**Attachment 1:** Certification Form

**Confidential Attachment 2:** RA Reporting Workbook for September 2006

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

Attachments 1 and 2 are also included in an attached CD containing electronic filings of each workbook.

**Background**

As specified in D.05-10-042, Section 8.5 and Finding of Fact 43, the month-ahead compliance filing should be submitted on the last day of the second month prior to the compliance month.

On March 29, 2006, the Energy Division (ED) issued a letter entitled “Guidance to all Load-Serving Entities (LSEs) Regarding the Upcoming Monthly Resource Adequacy Requirement Compliance Filings, required by D.05-10-042 in R.04-04-003,” including a Monthly Resource Adequacy (RA) Guide and the Monthly Reporting Template Spreadsheet and Instructions. This Advice Letter has been prepared in accordance with the Monthly RA Guide and the Monthly Reporting Template Spreadsheet and Instructions.

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 the Energy Division’s Monthly RA Guide, dated March 29, 2006, this advice filing is not subject to protests.

**Effective Date**

PG&E requests that this advice filing be approved effective the date of filing, **July 28, 2006**, pursuant to instruction from the CPUC’s Energy Division. Per the March 29, 2006, Energy Division Guidance, RA compliance filings do not require a resolution.
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

Brian K. Cherry 17-206

Vice President, Regulatory Relations

Attachments

cc: California Energy Commission
    California Independent System Operator
Company name/CPUC Utility No. Pacific Gas and Electric Company U39M

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Michelle Brown</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒ ELC ☒ GAS</td>
<td>Phone #: (415) 973-4662</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:mtt3@pge.com">mtt3@pge.com</a></td>
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</table>

EXPLANATION OF UTILITY TYPE

<table>
<thead>
<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLC = Pipeline</td>
<td>HEAT = Heat</td>
</tr>
</tbody>
</table>

Advice Letter (AL) #: **2868-E**  
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 AL1: ____________________  
Resolution Required? ☐ Yes ☒ No  
Requested effective date: **July 28, 2006**  
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 proposed1: 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, 4th Floor  
505 Van Ness Avenue  
San Francisco, CA 94102  
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov  
Utility Info (including e-mail)  
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

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

Certification Form
Worksheet A. CERTIFICATION FORM

Name of Load Serving Entity (LSE): PG&E
Energy Service Provider Registration Number (if applicable): PG02
Scheduling Coordinator:

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 Kuga
Title: Vice President - Energy Supply
Date: 7/28/2006
Signature (sign the hard copy of filing):

Contact Person for Questions about this Filing:

Name: Vincent Loh
Title: Principal - Short Term Strategy
Email: vkl2@pge.com
Telephone: 415-972-5684
Address: 245 Market St., 1314B
City: San Francisco
State: CA
Zip: 94105

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

Name: Terrance Robertson
Title: Principal - Long-term Strategy
Email: tmr4@pge.com
Telephone: 415-973-6993