April 3, 2009

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

Subject: Third Extension of Three Biomass Generation Power Purchase Agreements Resulting from PG&E’s Interim Renewable Energy Solicitation and Supplemental Filing

Dear Mr. Cherry:

Advice Letters 3368-E and 3368-E-A are effective February 20, 2009 per Resolution E-4223.

Sincerely,

Julie A. Fitch, Director
Energy Division
January 5, 2009

Advice 3368-E-A
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing for Third Extension of Three Biomass Generation power Purchase Agreements Resulting from PG&E’s Interim Renewable Energy Solicitation

Pacific Gas and Electric Company (PG&E) hereby submits to the California Public Utilities Commission (Commission or CPUC) this supplement to Advice 3368-E, dated November 24, 2008.

The advice letter seeks Commission approval enter into the third delivery period, thereby extending the terms, of three power purchase agreements (“PPAs”) for electricity from three biomass generators -- Madera Power, LLC (“Madera”), Community Renewable Energy Services, Inc. (“CRES”), and Sierra Power Corporation (“Sierra”). The PPAs are substantially similar. Each contract provides three consecutive delivery periods, subject to CPUC approval of PG&E’s entry into each subsequent delivery period. The price of power to be purchased during the third delivery period was miscalculated in the advice letter.

This supplement corrects “Confidential Appendix A "PPA Price, Comparison, and Extension”" that was filed on November 24 and shows the actual price PG&E proposes to pay for electricity during the extended contract term (“Supplement”)¹.

The substantive effect of initiating the third delivery period is that the inputs to the price formula are to be updated. The price term applicable to the second and third delivery periods was reviewed and approved in Resolution E-4058 and does not present an issue for consideration. However, the price increase approved in Resolution E-4058 was inadvertently omitted from the calculations underlying the advice letter and consequently, the third delivery period pricing was not accurately represented in Confidential Appendix A.

¹ A correction to an advice letter is made by filing a supplement. General Order (G.O.) 96-B, section 7.5.1.
The derivation of the correct price is shown in the Appendix, “Corrected Price for Third Delivery Period”. To allow for direct comparison between existing costs and proposed costs, the Supplement’s pricing information is presented in the same format as the table on p. 28 of AL 2911-E, the Commission-approved advice letter that set forth the currently effective pricing schedule. Embedded within the Appendix is a corrected spreadsheet that shows the correct levelized price and notional value of the payments anticipated during the third delivery period.

No protest or response was received within the period for comment on the original advice letter filing.\(^2\) Under the circumstances, it is highly unlikely that any meritorious protest would be filed, and it is unnecessary to extend or reopen the protest period or delay the effective date of Advice 3368-E due to the filing of this Supplement.\(^3\) PG&E encourages the Energy Division to maintain its present schedule for approval of Advice 3368-E. Approval of the Supplemented Advice Letter before the expiration of the second delivery period is essential to maintain existing baseload deliveries from the three biomass-fueled eligible renewable energy resources to PG&E’s consumers.

**Confidential Attachment:**
**Appendix -- Corrected Price for Third Delivery Period.**

PG&E submitted the confidential advice letter information in the manner directed by D.08-04-023 and the Administrative Law Judge’s Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066, issued August 22, 2006, to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided by section 583 of the Public Utilities Code. A separate Declaration Seeking Confidential Treatment was filed concurrently with the advice letter.

The Appendix to this Supplement contains information about the price of energy procured by an investor-owned utility (IOU) which is confidential under either the terms of the IOU Matrix, Attachment 1, of D.06-06-066 and Appendix C of D.08-04-023 or General Order 66-C. Because the Appendix amends information that PG&E has shown to be subject to confidential treatment, the contents of the Appendix are also entitled to confidentiality protection, for the reasons set forth in the Declaration Seeking Confidential Treatment filed on November 24, 2008.

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\(^2\) Protests were due on December 15, 2008, pursuant to G.O.96-B, section 7.4.1.
\(^3\) “The filing of a supplement, or of additional information at the request of the reviewing Industry Division, does not automatically continue or reopen the protest period or delay the effective date of the advice letter.” G.O. 96-B, section 7.5.1.
Protests:

PG&E asks that the protest and comment period not be reopened since this supplement is simply revising the inputs to a Commission-approved price formula.

Effective Date:

PG&E requests that the Commission issue a resolution approving this advice filing no later than February 20, 2009.

Notice:

In accordance with General Order 96-B, Section IV, a copy of this advice letter excluding the confidential appendix is being sent electronically and via U.S. mail to parties shown on the attached list and the service lists for R.06-02-012, R.06-02-013 and R.08-08-009. 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 attachment by overnight mail. Address changes should be directed to Rose De La Torre (415) 973-4716. Advice letter filings can also be accessed electronically at:

http://www.pge.com/tariffs

Brian K. Cherry  
Vice President - Regulatory Relations

cc: Service Lists for R.06-02-012, R.06-02-013, and R.08-08-009.

Limited Access to Confidential Attachment:  
Appendix -- Corrected Price for Third Delivery Period.

The Appendix to this Supplement is marked “Confidential Protected Material” because it contains energy procurement price information submitted under the confidentiality protection of Public Utilities Code Section 583 and General Order 66-C. PG&E’s November 24, 2008 Declaration explaining why such information in the Advice Letter is protected from public disclosure pursuant to D.06-06-066 and D.08-04-023 applies equally to the Confidential Protected Material within the Supplement.
CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: David Poster</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC ☑ GAS</td>
<td>Phone #: (415) 973-1082</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:DXPU@pge.com">DXPU@pge.com</a></td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

| ELC = Electric | GAS = Gas |
| PLC = Pipeline | HEAT = Heat |
| WATER = Water |

Advice Letter (AL) #: **3368-E-A**  
Tier: [3]

Subject of AL: Supplement Third Extension of Three Biomass Generation Power Purchase Agreements Resulting from PG&E’s Interim Renewable Energy Solicitation

Keywords (choose from CPUC listing): RPS

AL filing type: ☐ Monthly ☑ Quarterly ☐ Annual ☐ One-Time ☐ Other

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

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 AL:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: **Yes. See the attached matrix that identifies all of the confidential information.**

Confidential information will be made available to those who have executed a nondisclosure agreement: **All members of PG&E’s Procurement Review Group who have signed nondisclosure agreements will receive the confidential information.**

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Gary Jeung. (415)-973-5481 (submitted in 3368-E)

Resolution Required? ☑ Yes ☐ No

Requested effective date: February 20, 2009  
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 proposed: **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
Aglet
Agnews Developmental Center
Alcantar & Kahl
Ancillary Services Coalition
Anderson & Poole
Arizona Public Service Company
BART
BP Energy Company
Barkovich & Yap, Inc.
Bartle Wells Associates
Blue Ridge Gas
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CAISO
CLECA Law Office
CSC Energy Services
California Cotton Ginners & Growers Assn
California Energy Commission
California League of Food Processors
California Public Utilities Commission
Calpine
Cameron McKenna
Cardinal Cogen
Casner, Steve
Cerox
Chamberlain, Eric
Chevron Company
Chris, King
City of Glendale
City of Palo Alto
City of San Jose
Clean Energy Fuels
Coast Economic Consulting
Commerce Energy
Commercial Energy
Constellation
Constellation New Energy
Consumer Federation of California
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center
Department of Water Resources
Department of the Army
Dept of General Services
Division of Business Advisory Services
Douglas & Liddell
Douglas & Liddell
Downey & Brand
Duke Energy
Duncan, Virgil E.
Dutcher, John
Ellison Schneider & Harris LLP
Energy Management Services, LLC
FPL Energy Project Management, Inc.
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
G. A. Krause & Assoc.
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Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
Heeg, Peggy A.
Hitachi
Hogan Manufacturing, Inc.
Imperial Irrigation District
Inercite
International Power Technology
Intestate Gas Services, Inc.
J. R. Wood, Inc.
JTM, Inc.
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP
MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
Matthew V. Brady & Associates
McKenzie & Associates
Meek, Daniel W.
Merced Irrigation District
Mirant
Modesto Irrigation District
Morgan Stanley
Morrison & Foerster
New United Motor Mfg., Inc.
Norris & Wong Associates
North Coast SolarResources
Northern California Power Association
Occidental Energy Marketing, Inc.
OnGrid Solar
PPL EnergyPlus, LLC
Pinnacle CNG Company
Praxair
R. W. Beck & Associates
RCS, Inc.
RMC Lonestar
Recon Research
SCD Energy Solutions
SCE
SESCO
SMUD
SPURR
Santa Fe Jets
Seattle City Light
Sempra Utilities
Sequoia Union HS Dist
Sierra Pacific Power Company
Silicon Valley Power
Smurfit Stone Container Corp
Southern California Edison Company
St. Paul Assoc.
Sunshine Design
Sutherland, Asbill & Brennan
TFS Energy
Tabors Caramanis & Associates
Tecogen, Inc.
Tiger Natural Gas, Inc.
Tioga Energy
TransCanada
Turlock Irrigation District
U S Borax, Inc.
United Cogen
Utility Cost Management
Utility Resource Network
Utility Specialists
Vandenberg Air Force
Verizon
Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)
White & Case
eMeter Corporation