December 17, 2009

Advice 3570-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: First Amendments to PG&E’s Wind Energy Purchase Agreements with PacifiCorp in Compliance with Resolution E-4285

I. INTRODUCTION

A. Purpose

In compliance with Resolution (“Res.”) E-4285, Pacific Gas and Electric Company (“PG&E”) submits this Tier 1 Advice Letter containing first amendments to two wind energy purchase agreements between PG&E and PacifiCorp (“First Amendments”). The original wind energy purchase agreements (“2009 Agreement” and “2010-2012 Agreement”) (collectively the “Agreements”) were submitted for California Public Utilities Commission (“Commission” or “CPUC”) approval on September 18, 2009 in Advice Letters 3526-E and 3527-E, respectively. The CPUC conditionally approved the Agreements on November 20, 2009 in Res. E-4285, and directed PG&E to modify certain provisions in the Agreements relating to unspecified “Complying Facilities”. The First Amendments incorporate the changes required by Res. E-4285.

B. Background

The Agreements are short-term, bilateral contracts for a portion of generation from wind facilities operating in PacifiCorp’s service territory in Idaho, Washington and Wyoming and were initially submitted for Commission approval on September 18, 2009. Under the terms of the Agreements, PacifiCorp can remedy any imbalances or delivery shortfalls from any “Qualified Project” or “Complying Facility.” Res. E-4285 conditionally approved the Agreements, subject to PG&E and PacifiCorp modifying the Agreements such that: (1) the deliveries from the “Qualified Projects” or “Complying Facilities” are a bundled product or the result of PacifiCorp purchasing bundled energy and green
attributes and the deliveries comply with the approved delivery structure; and (2) any “Complying Facility” is a wind facility.

C. **Description of the First Amendments**

The First Amendments amend the original Agreements so that they are consistent with Commission direction in Res. E-4285 by changing terms and wording to:

- Specify that deliveries used to remedy any imbalances or shortfalls are a bundled product or the result of PacifiCorp purchasing bundled energy and green attributes and that the deliveries comply with the approved delivery structure and;
- Specify that any “Complying Facility” must be a wind facility.

The Agreements provide that PacifiCorp has rights to the generation from any Qualified Project or Complying Facility, consistent with the delivery structure approved by the California Energy Commission.

Confidential Appendices A and B contain the First Amendments, and Confidential Appendix C provides further detail about the changes made in the First Amendments.

II. **REGULATORY PROCESS**

A. **Requested Effective Date**

In compliance with Res. E-4285, PG&E submits the First Amendments as a Tier 1 filing, effective pending Energy Division disposition. Accordingly, PG&E requests that this filing become effective on **December 17, 2009**, which is the date of filing.

B. **Request for Confidential Treatment**

In support of this Advice Letter, PG&E has provided the following confidential attachments. This information is being submitted in the manner directed by D.08-04-023 and the August 22, 2006 Administrative Law Judge’s Ruling Clarifying Interim Procedures for Complying with D.06-06-066 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under either the terms of the IOU Matrix, Appendix 1 of D.06-06-066 and Appendix C of D.08-04-023, or General Order 66-C. A separate Declaration Seeking Confidential Treatment is being filed concurrently with this Advice Letter.
Confidential Attachments:

Appendix A: First Amendment to 2009 Agreement Between PG&E and PacifiCorp

Appendix B: First Amendment to 2010-2012 Agreement Between PG&E and PacifiCorp

Appendix C: Comparison of Terms in the Agreements against Terms in the First Amendments to the Agreements

Protests:

Anyone wishing to protest this filing may do so by sending a letter by January 6, 2010, 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:

CPUC Energy Division  
Attention: Tariff Unit, 4th Floor  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Honesto Gatchalian, Energy Division, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Vice President, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177
Effective Date:

PG&E requests that this filing become effective on December 17, 2009, the date of filing. PG&E submits this filing as a Tier 1 filing.

Notice:

In accordance with General Order 96-B, Section IV, a copy of this Advice Letter, excluding the confidential appendices, is being sent electronically to parties shown on the attached list and the service lists for R.08-08-009, R.08-02-007 and R.06-02-012. Non-market participants who are members of PG&E’s Procurement Review Group and have signed appropriate Non-Disclosure Certificates may also receive the Advice Letter and accompanying confidential attachments. Address changes should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs

Brian K. Cherry (sc)

Brian K. Cherry
Vice President - Regulatory Relations

cc: Service List for R.08-08-009
    Service List for R.08-02-007
    Service List for R.06-02-012
    Paul Douglass, Energy Division
    Sean Simon, Energy Division

Attachments

Limited Access to Confidential Material:

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protections of Sections 583 and 454.5(g) of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because it consists of the contract itself, including price information, which is protected pursuant to D.06-06-066 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.
Confidential Attachments:

Appendix A: First Amendment to 2009 Agreement Between PG&E and PacifiCorp

Appendix B: First Amendment to 2010-2012 Agreement Between PG&E and PacifiCorp

Appendix C: Comparison of Terms in the Agreements against Terms in the First Amendments to the Agreements
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 and Sally Cuaresma</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC ☑ GAS</td>
<td>Phone #: (415) 973-1082; (415) 973-5012</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:DXPU@pge.com">DXPU@pge.com</a>; <a href="mailto:A2C7@pge.com">A2C7@pge.com</a></td>
</tr>
</tbody>
</table>

EXPLANATION OF UTILITY TYPE

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

Advice Letter (AL) #: 3570-E

Subject of AL: First Amendments to PG&E’s Wind Energy Purchase Agreements with PacifiCorp in compliance to Resolution E-4285

Keywords (choose from CPUC listing): Contracts; Agreements, Compliance

AL filing type: ☑ One-Time

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 agreement 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: Richard Miram, (415) 973-1170

Resolution Required? ☑ Yes ☐ No

Requested effective date: December 17, 2009

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:

Service affected and changes proposed:

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
DECLARATION OF RICH MIRAM
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER 3570-E
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)

I, Rich Miram declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E") and have been an employee at PG&E since 1973. My current title is Principal within PG&E’s Energy Procurement organization. In this position, my responsibilities include negotiating power purchase agreements with counterparties in the business of producing electric energy. In carrying out these responsibilities, I have acquired knowledge of PG&E’s contracts with numerous counterparties and have also gained knowledge of the operations of electricity sellers in general. Through this experience, I have become familiar with the type of information that would affect the negotiating positions of electricity sellers with respect to price and other terms, as well as with the type of information that such sellers consider confidential and proprietary.

2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 "Administrative Law Judge’s Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of Appendices A, B and C to Advice Letter 3570-E, submitted on December 17, 2009. By this Advice Letter, PG&E is submitting first amendments to the wind energy purchase agreements that PG&E has executed with PacifiCorp in compliance with Commission Resolution E-4285.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix 1 of
D. 06-06-066 and Appendix C of D. 08-04-023 ("the IOU Matrix"), or constitutes information that should be protected under General Order 66-C. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds (where applicable), and why confidential protection is justified. Finally, the matrix specifies: (1) that PG&G is complying with the limitations specified in the IOU Matrix for that type of data or information (where applicable); (2) that the information is not already public; and (3) that the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure.

By this reference, I am incorporating into this declaration all of the text in the attached matrix that is pertinent to this filing.

I declare under penalty of perjury, under the laws of the State of California that, to the best of my knowledge, the foregoing is true and correct. Executed on December 17, 2009 at San Francisco, California.

Rich Miram
<table>
<thead>
<tr>
<th>Redaction Reference</th>
<th>Description</th>
<th>PG&amp;E's Justification for Confidential Treatment</th>
<th>Length of Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Document: AL 3570-E</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Appendices A and B</td>
<td>Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs. General Order 66-C.</td>
<td>Y Y Y</td>
<td>For information covered under Item VII G) remain confidential for three years after the commercial operation date</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>For information covered by General Order 66-C, remain confidential</td>
</tr>
<tr>
<td>3 Appendix C</td>
<td>Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs. General Order 66-C.</td>
<td>Y Y Y</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>For information covered by General Order 66-C, remain confidential</td>
</tr>
</tbody>
</table>

These Appendices contain the first amendments to the confirmations to the Edison Electric Institute ("EEI") master power purchase and sale agreements between PacifiCorp and PG&E ("First Amendments"). Disclosure of this information would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006, 2007, 2008, and 2009 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparty to the First Amendments has an expectation that the terms of the First Amendments will remain confidential pursuant to confidentiality provisions in the EEI master power purchase and sale agreement. I am informed and believe that General Order 66-C provides a basis for confidential treatment. General Order 66-C includes in its category of records not open to public inspection "information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). It is in the public interest to treat such information as confidential because if such information were made public, it could put the counterparty at a business disadvantage, could create a disincentive to do business with PG&E and other regulated utilities, and could have a damaging effect on current and future negotiations with other counterparties.

This Appendix contains terms of the First Amendments. Disclosure of this information would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2005, 2006, 2007, 2008, and 2009 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparty to the First Amendments has an expectation that the terms of the First Amendments will remain confidential pursuant to confidentiality provisions in the EEI master power purchase and sale agreement. I am informed and believe that General Order 66-C provides a basis for confidential treatment. General Order 66-C includes in its category of records not open to public inspection "information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest." (Paragraph 2.8). It is in the public interest to treat such information as confidential because if such information were made public, it could put the counterparty at a business disadvantage, could create a disincentive to do business with PG&E and other regulated utilities, and could have a damaging effect on current and future negotiations with other counterparties. 
PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV

- Alcantar & Kahl
- Ameresco
- Anderson & Poole
- Arizona Public Service Company
- BART
- BP Energy Company
- Barkovich & Yap, Inc.
- Bartle Wells Associates
- C & H Sugar Co.
- CA Bldg Industry Association
- CAISO
- CLECA Law Office
- CSC Energy Services
- California Cotton Ginners & Growers Association
- California Energy Commission
- California League of Food Processors
- California Public Utilities Commission
- Calpine
- Cameron McKenna
- Cardinal Cogen
- Casner, Steve
- Chamberlain, Eric
- Chevron Company
- Chris, King
- City of Glendale
- City of Palo Alto
- Clean Energy Fuels
- Coast Economic Consulting
- Commerce Energy
- Commercial 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
- Dutcher, John
- Ellison Schneider & Harris LLP
- FPL Energy Project Management, Inc.
- Foster Farms
- G. A. Krause & Assoc.
- Goodin, MacBride, Squeri, Schlottz & Ritchie
- Hanna & Morton
- Hitachi
- International Power Technology
- Intestate Gas Services, 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
- Merced Irrigation District
- Mirant
- Modesto Irrigation District
- Morgan Stanley
- Morrison & Foerster
- New United Motor Mfg., Inc.
- Norris & Wong Associates
- North Coast Solar Resources
- Northern California Power Association
- Occidental Energy Marketing, Inc.
- OnGrid Solar
- Praxair
- R. W. Beck & Associates
- RCS, Inc.
- Recon Research
- SCD Energy Solutions
- SCE
- SMUD
- SPURR
- Santa Fe Jets
- Seattle City Light
- Sempra Utilities
- Sierra Pacific Power Company
- Silicon Valley Power
- Silo Energy LLC
- Southern California Edison Company
- Sunshine Design
- Sutherland, Asbill & Brennan
- 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 Specialists
- Verizon
- Wellhead Electric Company
- Western Manufactured Housing Communities Association (WMA)
- eMeter Corporation