

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 30, 2010

Advice Letter 3588-E

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: Electric Rules 15 and 16 – Upgrade of Existing PG&E
Facilities to Serve the Port of San Francisco**

Dear Mr. Cherry:

Advice Letter 3588-E is effective January 6, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Fax: 415.973.7226

January 6, 2010

Advice 3588-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Electric Rules 15 and 16 – Upgrade of Existing PG&E Facilities to Serve the Port of San Francisco

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter under the provisions of General Order (GO) 96-B, Section 8.2.3. In agreement with the City and County of San Francisco (CCSF), PG&E will proceed with its upgrade of existing electric distribution facilities under the provisions of Electric Rules 15 and 16 to enable CCSF to serve cold-ironing load. Cold-ironing is the process of providing shoreside electrical power to a docked ocean-going vessel while its main and auxiliary engines are turned off. The electricity supplied will be used for lighting, heating, cooling, machinery and other electrical needs of the vessel.

In order to provide this cold-ironing service to the Port of San Francisco by its requested May 2010 date, PG&E is filing this advice letter under the provisions of GO 96-B, Section 8.2.3, so that it may immediately begin its work to upgrade its distribution system without a retail application for service from the ultimate customer (commercial cruise ships while docked) and without a signed contract. PG&E respectfully requests the Advice Letter become effective upon filing pursuant to GO 96-B, Section 8.2.3.

Background

In 2007, the California Air Resources Board (CARB) adopted regulations for California ports and ocean-going vessels requiring the vessels to either shut down auxiliary engines for most of the time while in port or reduce emissions from the auxiliary engines by specified degrees while docked. CARB views cold-ironing as the means to mitigate air pollution by significantly reducing or completely eliminating harmful emissions from ocean-going vessels' diesel engines while in port. CARB regulations require the Port of San Francisco to provide cold-ironing by 2014.

CCSF wants to provide cold-ironing power to commercial cruise ships docked at the Port of San Francisco, Pier 27/29. This transition to cold-ironing service is important to all Bay Area residents because of diesel pollution generated by large vessels while in port. CCSF has obtained access to governmental grants to help facilitate cold-ironing at the Port of San Francisco. However, the project needs to be completed by December 31, 2010 in order for CCSF to maintain its government funding.

PG&E and CCSF have been in discussions concerning this service and the needed electrical infrastructure to accommodate cold ironing load at Pier 27/29. CCSF estimates a dramatic 11 megawatt (MW) increase in electric demand at Pier 27/29 to accommodate this cold-ironing service. CCSF has requested that PG&E upgrade its facilities in order to serve this load. CCSF has provided PG&E with a \$75,000 engineering deposit to determine the facility upgrade work necessary for PG&E to accommodate the cold-ironing service and PG&E has determined those costs to be approximately \$1.7 million. PG&E is awaiting additional information from CCSF on its electric service entrance in order to complete its cost estimates for this project. CCSF has agreed to sign a Rule 15 agreement once all the costs are finalized, obligating it to pay for the "excess facilities" associated with this upgrade as well as any economically unsupported service work if the cold-ironing load fails to materialize.

CCSF has requested a May 2010 service ready date and PG&E is set to begin its upgrade work this month. However, PG&E tariffs require that a customer pay its share of the estimated cost and PG&E's practices require a signed Rule 15 agreement, all prior to commencing construction work for an applicant. A finalized agreement will likely not be available until March 2010. Electric Rule 3 also requires that a retail customer or its agent provide PG&E with an application for service. PG&E has not yet received a service application from a retail customer (i.e. commercial cruise lines) for this cold-ironing load. CCSF may apply for this retail service on behalf of the cruise lines, but to date has only applied for such service under the provisions of the PG&E/CCSF Interconnection Agreement.

PG&E and CCSF currently dispute whether the nature of the cold-ironing loads is retail load or "municipal load" under the PG&E/CCSF Interconnection Agreement. PG&E will work with CCSF to resolve this dispute prior to establishing service in or around May 2010. Regardless of the outcome, PG&E does not wish to detract from its ability to service this load. PG&E needs to begin its upgrade work immediately if service is to become available in May 2010.

As such, PG&E is filing this advice letter in order to move forward with its upgrade work without a retail service application or a signed contract. PG&E does not see great risk in this strategy because PG&E is responsible for these upgrade costs regardless of whether cold-ironing load is retail load or "municipal load" under Rules 15 and 16.

PG&E is filing Advice 3587-E to modify Rule 18 and request Commission approval to allow submetering and resale of power for cold-ironing loads, which is similar to what has already been approved for Southern California Edison Company and San Diego Gas and Electric Company. It is PG&E's intent to have electric services to the Port of San Francisco ultimately provided to the cruise lines through these modified provisions of Rule 18.

Proposal

PG&E proposes to begin work to upgrade PG&E's existing electric facilities under the provisions of Electric Rules 15 and 16 to serve the cold-ironing load at Pier 27/29 without an application for service from the commercial cruise lines and a signed contract while this dispute over the nature of the load is pending. This approach will help meet the May 2010 requested service date while the retail/municipal load dispute is being resolved.

PG&E respectfully requests the Advice Letter become effective upon filing pursuant to GO 96-B, Section 8.2.3.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **January 26, 2010** which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

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

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, 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:

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

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

Pursuant to GO 96-B, Section 8.2.3, PG&E requests that this advice filing become effective immediately on the date of the advice letter filing.

Notice

In accordance with GO 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the GO 96-B service list and all electronic approvals should be directed to email PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

A handwritten signature in cursive script that reads "Brian Cherry 03".

Vice President
Regulatory Relations

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

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

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@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) #: 3588-E

Tier: 1

Subject of AL: Electric Rules 15 and 16 - Upgrade of Existing PG&E Facilities to serve the Port of San Francisco

Keywords (choose from CPUC listing): Metering

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

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: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? Yes No

Requested effective date: January 6, 2010

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). N/A

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

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

Alcantar & Kahl	Defense Energy Support Center	North Coast SolarResources
Ameresco	Department of Water Resources	Northern California Power Association
Anderson & Poole	Department of the Army	Occidental Energy Marketing, Inc.
Arizona Public Service Company	Dept of General Services	OnGrid Solar
BART	Division of Business Advisory Services	Praxair
BP Energy Company	Douglas & Liddell	R. W. Beck & Associates
Barkovich & Yap, Inc.	Douglass & Liddell	RCS, Inc.
Bartle Wells Associates	Downey & Brand	Recon Research
C & H Sugar Co.	Duke Energy	SCD Energy Solutions
CA Bldg Industry Association	Dutcher, John	SCE
CAISO	Ellison Schneider & Harris LLP	SMUD
CLECA Law Office	FPL Energy Project Management, Inc.	SPURR
CSC Energy Services	Foster Farms	Santa Fe Jets
California Cotton Ginners & Growers Assn	G. A. Krause & Assoc.	Seattle City Light
California Energy Commission	GLJ Publications	Sempra Utilities
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sierra Pacific Power Company
California League of Food Processors	Green Power Institute	Silicon Valley Power
California Public Utilities Commission	Hanna & Morton	Silo Energy LLC
Calpine	Hitachi	Southern California Edison Company
Cameron McKenna	International Power Technology	Sunshine Design
Cardinal Cogen	Intestate Gas Services, Inc.	Sutherland, Asbill & Brennan
Casner, Steve	Los Angeles Dept of Water & Power	Tabors Caramanis & Associates
Chamberlain, Eric	Luce, Forward, Hamilton & Scripps LLP	Tecogen, Inc.
Chevron Company	MBMC, Inc.	Tiger Natural Gas, Inc.
Chris, King	MRW & Associates	Tioga Energy
City of Glendale	Manatt Phelps Phillips	TransCanada
City of Palo Alto	Matthew V. Brady & Associates	Turlock Irrigation District
Clean Energy Fuels	McKenzie & Associates	U S Borax, Inc.
Coast Economic Consulting	Merced Irrigation District	United Cogen
Commerce Energy	Mirant	Utility Cost Management
Commercial Energy	Modesto Irrigation District	Utility Specialists
Consumer Federation of California	Morgan Stanley	Verizon
Crossborder Energy	Morrison & Foerster	Wellhead Electric Company
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	