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,

Julie A. Fitch, Director
Energy Division
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: jnj@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:
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.

Brian Cherry
Vice President
Regulatory Relations

[Signature]

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

Utility type:

- [x] ELC
- [x] 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

Advice Letter (AL) #: **3588-E**
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  [x] 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  [x] 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
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 Assn  
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  
Commerse 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, Schlotz & Ritchie  
Green Power Institute  
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