July 7, 2010

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

Re: Rejection of Advice 3091-G/3616-E without prejudice – new PG&E affiliate Pacific Venture Capital

Dear Ms. Yura:

Advice 3091-G/3616-E was filed by Pacific Gas and Electric Company (PG&E) on February 11, 2010, and was protested by Californians for Renewable Energy, Inc. (CARE), on March 3, 2010. The advice letter was filed pursuant to Commission Affiliate Transactions Rule VI.B. This rule requires the utility to file an advice letter no later than 60 days after the creation of a new affiliate. The advice letter shall:

*state the affiliate’s purpose or activities, whether the utility claims that Rule II B makes these Rules applicable to the affiliate, and shall include a demonstration to the Commission that there are adequate procedures in place that will assure compliance with these Rules.*

(D.06-12-029, Appendix A-3, Rule VI.B.)

The advice letter concerns a change to the classification of an existing entity, Pacific Venture Capital, LLC. According to PG&E, Pacific Venture Capital has investments in Banyan SolarCity Owner 2010, LLC (Banyan), a subsidiary of SolarCity Corp. (Solar City). Although PG&E states that is has classified Pacific Venture Capital as an affiliate subject to Rule II.B of the affiliate transaction rules, PG&E contends that Banyan and Solar City are not affiliates pursuant to the definition of affiliate in Rule I.A.

The advice letter does not adequately explain how the utility will ensure compliance with the Affiliate Transactions Rules, or why these rules should not apply to Banyan or Solar City. After several inquiries, the staff does not have the required information to approve the advice letter. Furthermore, CARE’s protest raises significant controversial policy issues, in addition to the affiliate rules, that should be addressed by the Commission.
Accordingly, the Energy Division rejects Advice 3091-G/3616-E without prejudice, for the reasons stated above. We suggest that PG&E file an application for the approvals requested and for any subsequent transactions that may be similar to this advice letter.

Sincerely,

Julie A. Fitch, Director
Energy Division

Cc: Jack Fulcher
CARE
February 11, 2010

Advice 3091-G/3616-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Notification of the Creation of a New Affiliate

Purpose

In accordance with Decision 06-12-029, Appendix A, Rule VI. B--New Affiliate Compliance Plans, Pacific Gas and Electric Company hereby notifies the Commission of the re-designation of an affiliate under Rule II.B of the Affiliate Transaction Rules.

Rule VI. B. specifically requires that:

Upon creation of a new affiliate, which is addressed by these Rules, the utility shall immediately notify the Commission of the creation of the new affiliate, as well as posting notice on its electronic bulletin board. No later than 60 days after the creation of this affiliate, the utility shall file an advice letter with the Energy Division of the Commission, served on parties to this proceeding. The advice letter shall demonstrate how the utility will implement these Rules with respect to the new affiliate.

Pacific Venture Capital, LLC

PG&E Corporation changed the affiliate classification of an existing entity, Pacific Venture Capital, LLC, to a Rule II.B affiliate on December 17, 2009. Pacific Venture Capital, LLC, is being activated to establish and manage a portfolio of passive financial investments in growing energy and telecommunications companies.
The following are the Directors and Officers:

**Directors:**
- Brian A. C. Steel
- Gabriel B. Togneri

**Officers:**
- Gabriel B. Togneri, President and Chief Financial Officer
- Brian A. C. Steel, Vice President
- Jason P. Wells, Controller
- Vivek Kapil, Treasurer
- David M. Kelly, Secretary

**Additional Information**

No unusual or unique circumstances exist that would require special affiliate transactions rule implementation measures.

Questions regarding this affiliate should be addressed to Megan Janis, Director, Compliance and Ethics at (415) 973-8190.

Pacific Gas and Electric Company has previously notified Commission staff and posted notice of the formation of these affiliates on its affiliate transaction World Wide Web site at: http://www.pge.com/about/rates/affiliate/.

This filing will not increase any other rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

**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 **March 3, 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 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**

PG&E requests that this advice filing become effective on **February 11, 2010**, the date of this filing. PG&E submits this as a Tier 1 filing.

**Notice**

In accordance with General Order 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 and the parties on the service list for R.05-10-030. Address changes to the General Order 96-B service list and all electronic approvals should be directed to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs.

Vice President, Regulatory Relations

Attachments

cc: Service List R.05-10-030
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 M)

Utility type:  
☑ ELC  ☐ GAS 
☐ PLC  ☐ HEAT  ☐ WATER 

Contact Person: Linda Tom-Martinez  
Phone #: (415) 973-4612  
E-mail: lmt1@pge.com

EXPLANATION OF UTILITY TYPE

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

Advice Letter (AL) #: 3091-G/3616-E  
Tier: 1

Subject of AL: Notification of the Creation of a New Affiliate

Keywords (choose from CPUC listing): Affiliate, Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.06-12-029

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:

Confidential information will be made available to those who have executed a nondisclosure agreement: ☐ Yes  ☐ No

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

Resolution Required? ☐ Yes ☑ No

Requested effective date: February 11, 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).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: 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 77000  
San Francisco, CA 94177 

E-mail: PGETariffs@pge.com
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