September 28, 2010

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, CA  94177

Subject: Modification to Power Purchase Agreement between  
Big Creek Water Works, Ltd. and PG&E Company  
as required by Resolution E-4320

Dear Ms. Yura:

Advice Letter 3664-E is effective June 4, 2010.

Sincerely,

Julie A. Fitch, Director  
Energy Division
May 5, 2010

Advice 3664-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Modification to Power Purchase Agreement between Big Creek Water Works, Ltd. and Pacific Gas and Electric Company as required by Resolution E-4320

Purpose

Pacific Gas and Electric Company (“PG&E”) hereby submits to the California Public Utilities Commission (“Commission” or “CPUC”) an advice letter in compliance with Commission Resolution E-4320. The purpose of the advice letter is to address the requirements of E-4320 by filing an amended power purchase agreement (“PPA”) between Big Creek Water Works, Ltd. (“Big Creek”) and PG&E.

Background

On December 11, 2009, PG&E filed Advice Letter 3575-E seeking Commission approval of a renewable PPA with Big Creek. On March 16, 2010, the Commission issued decision (“D.”) 10-03-021 (the “RECs Decision”), which authorized the use of tradable renewable energy credits (“TRECs”) for compliance with California’s Renewables Portfolio Standard (“RPS”) eligibility requirements. D.10-03-021 also set forth new standard terms and conditions to be incorporated into agreements that involve the purchase of RPS-eligible energy. Accordingly, Resolution E-4320 orders PG&E to file a Tier 1 advice letter containing a modified PPA that includes all of the non-modifiable standard terms and conditions required by the RECs Decision.
Compliance with Resolution E-4320, Ordering Paragraph 2

Confidential Appendix A to this filing contains the modified PPA with terms and conditions that conform exactly to the “non-modifiable” terms set forth in the RECs Decision. These terms may be found on the following pages of the PPA.

<table>
<thead>
<tr>
<th>Non-Modifiable Term</th>
<th>PPA Section No.</th>
<th>PPA Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>STC REC-1 Transfer of renewable energy credits</td>
<td>4.3.2</td>
<td>7</td>
</tr>
<tr>
<td>STC REC-2 Tracking of RECs in WREGIS</td>
<td>3.2.1</td>
<td>5</td>
</tr>
</tbody>
</table>

Effective Date

This Tier 1 advice letter is effective upon filing and pending disposition.

Request for Confidential Treatment

In support of this filing, PG&E has provided the amended PPA as Confidential Appendix A. 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 supplemental filing.

Request for Commission Approval

PG&E requests that the Commission issue a disposition on this Tier 1 advice letter no later than June 4, 2010, 30 days from the date of this filing.

Protests

The protest and comment period for the PPA as amended should not be reopened. This compliance filing only updates the PPA non-modifiable standard terms and conditions in compliance with D.10-03-021 and Resolution E-4320.

1 Compare D.10-03-021 at C1 to C2 (App. C) with Appendix A.
Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter, excluding the confidential appendices, is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R.08-08-009, R.06-02-012, and R.08-02-007. 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 attachments by overnight mail. Address changes should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs.

Jane Yura 03

Vice President – Regulation and Rates

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

Attachments

Appendix A – Amended Power Purchase Agreement
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 Olivia Brown</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC ☑ GAS</td>
<td>Phone #: (415) 973-1082 and (415) 973-9312</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:dxpu@pge.com">dxpu@pge.com</a> and <a href="mailto:oxb4@pge.com">oxb4@pge.com</a></td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

<table>
<thead>
<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLC = Pipeline</td>
<td>HEAT = Heat</td>
</tr>
<tr>
<td>WATER = Water</td>
<td></td>
</tr>
</tbody>
</table>

**Advice Letter (AL) #: 3664-E**

**Subject of AL:** Modification to Power Purchase Agreement between Big Creek Water Works, Ltd. and Pacific Gas and Electric Company as required by Resolution E-4320

**Keywords (choose from CPUC listing):** Contracts

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **Resolution E-4320**

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: ☐ Yes ☐ No 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: Kelvin Yip (415) 973-4354

Resolution Required? Yes ☐ No

Requested effective date: **June 4, 2010**

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
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: Jane Yura**

**Vice President, Regulation and Rates**

77 Beale Street, Mail Code B10B

P.O. Box 770000
San Francisco, CA 94177

E-mail: PGETariffs@pge.com
DECLARATION OF KELVIN F. YIP
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER 3664-E
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)

I, Kelvin F. Yip, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2002. My current title is Senior Negotiator within PG&E's Energy Procurement organization. In this position, my responsibilities include negotiating PG&E’s Renewables Portfolio Standard Program ("RPS") Power Purchase Agreements. 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.


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 “JOU Matrix”), and/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, and why confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information; (2) the information is not already public; and (3) 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 explanatory text in the attached matrix that is pertinent to this submittal.

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 May 5, 2010 at San Francisco, California.

[Signature]
Kelvin F Yip
<table>
<thead>
<tr>
<th>Redaction Reference</th>
<th>1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 and Appendix C to D.08-04-023 (Y/N)</th>
<th>2) Which category or categories in the Matrix the data correspond to:</th>
<th>3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)</th>
<th>4) That the information is not already public (Y/N)</th>
<th>5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)</th>
<th>PG&amp;E's Justification for Confidential Treatment</th>
<th>Length of Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Document: Advice Letter 3664-E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Appendix A</td>
<td>Y</td>
<td>Item VII G) Renewable Resource Contracts under RPS program - Contracts without SEPs.</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>This Appendix contains the Amended PPA. Disclosure of the Amended PPA 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 Amended PPA has an expectation that the terms of the Amended PPA will remain confidential pursuant to confidentiality provisions in the Amended PPA.</td>
<td>Remain confidential for three years</td>
</tr>
</tbody>
</table>
PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV

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