March 21, 2011

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:  Colusa Generating Station – Utility Generation Balancing
Account Revenue Requirement

Dear Ms. Yura:

Advice Letter 3773-E is effective December 3, 2010.

Sincerely,

Julie A. Fitch, Director
Energy Division
December 6, 2010

Advice 3773-E
(Pacific Gas and Electric Company ID U 39 E)

Subject: Colusa Generating Station - Utility Generation Balancing Account Revenue Requirement

Public Utilities Commission of the State of California

Pacific Gas and Electric Company ("PG&E") hereby proposes to include the Colusa Generating Station ("Colusa") revenue requirement in the Utility Generation Balancing Account ("UGBA") base revenue amount effective December 3, 2010. This filing is submitted in compliance with Ordering Paragraph 15 of Decision ("D.") 06-11-048.

Background:

On November 30, 2006, D.06-11-048 approved the 2004 Long Term Request for Offer ("LTRFO") Results for Adoption of Cost Recovery and Ratemaking by PG&E. Ordering Paragraph 15 of D.06-11-048 authorized PG&E to accrue a revenue requirement in the Utility Generation Balancing Account Revenue Requirement ("UGBA") as of the date of commercial operation, which is December 3, 2010. Per D.06-11-048, PG&E will retroactively true-up the Colusa revenue requirement to reflect 50% of any cost savings relative to the Colusa initial capital cost estimate.

Purpose:

As presented in Advice 3683-E, the Colusa revenue requirement is $126,560 million. Advice 3683-E was approved by the Energy Division on July 19, 2010. Table 1, attached as Attachment 1, shows the cumulative adjustments to the electric generation base revenue requirement amounts authorized in the 2007 General Rate Case ("GRC").
Protest:

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 December 27, 2010, which is 21 days from the date of this filing. 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: 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:

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

Facsimile: (415) 973-6520
E-Mail: PGETariffs@pge.com

Effective Date:

PG&E requests that this advice filing, upon Energy Division approval, become effective December 3, 2010. This Advice Letter is submitted with a Tier 2 designation.

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

* The end of the protest period falls on a weekend; PG&E is therefore moving the end of the protest period to the following business day.
list and the service list for A.06-04-012. Address changes to the General Order 96-B service list and all electronic approvals should be directed to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission’s Process office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs.

Vice President - Regulation and Rates

cc: Service List A.06-04-012

Attachments
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) #: 3773-E  
Subject of AL: Colusa Generating Station – Utility Generation Balancing Account Revenue Requirement  
Keywords (choose from CPUC listing): Balancing Account, Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.06-11-048

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: 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: December 3, 2010  
No. of tariff sheets: 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: 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: 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
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<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Amount (Thousands of Dollars)</th>
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<tr>
<td>2007</td>
<td>Adopted GRC RRQ</td>
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<tr>
<td></td>
<td>less: Other Operating Revenue</td>
<td>10,120</td>
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<td></td>
<td>less: FERC jurisdictional amount</td>
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<td><strong>2007 Base Revenue Amount (Eff. 1/1/07)</strong></td>
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<td>Office Closures</td>
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<td><strong>2007 Base Revenue Amount (Eff. 8/1/07)</strong></td>
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<td>2008</td>
<td>Attrition Adjustment</td>
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<td>Cost of Capital</td>
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<td>Reverse 2008 Revenue Requirement</td>
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<td>Add 2009 Revenue Requirement</td>
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<td>Gateway Generating Station</td>
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<td>Steam Generator Replacement</td>
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<td><strong>2010 Base Revenue Amount (Eff. 12/03/10)</strong></td>
<td><strong>1,513,350</strong></td>
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Alcantar & Kahl LLP
Ameresco
Anderson & Poole
Arizona Public Service Company
BART
Barkovich & Yap, Inc.
Bartle Wells Associates
Bloomberg
Bloomberg New Energy Finance
Boston Properties
Braun Blaising McLaughlin, P.C.
Brookfield Renewable Power
CA Bldg Industry Association
CLECA Law Office
CSC Energy Services
California Cotton Ginners & Growers Asn
California Energy Commission
California League of Food Processors
California Public Utilities Commission
Calpine
Cardinal Cogen
Casner, Steve
Chris, King
City of Palo Alto
City of Palo Alto Utilities
Clean Energy Fuels
Coast Economic Consulting
Commercial Energy
Consumer Federation of California
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center
Department of Water Resources

Dept of General Services
Division of Business Advisory Services
Douglass & Liddell
Downey & Brand
Duke Energy
Dutcher, John
Economic Sciences Corporation
Ellison Schneider & Harris LLP
Foster Farms
G. A. Krause & Assoc.
GLJ Publications
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
Hitachi
In House Energy
International Power Technology
Intestate Gas Services, Inc.
Lawrence Berkeley National Lab
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP
MAC Lighting Consulting
MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
McKenzie & Associates
Merced Irrigation District
Modesto Irrigation District
Morgan Stanley
Morrison & Foerster
NLine Energy, Inc.
NRG West
Navigant Consulting
Norris & Wong Associates
North America Power Partners

North Coast SolarResources
Northern California Power Association
Occidental Energy Marketing, Inc.
OnGrid Solar
Praxair
R. W. Beck & Associates
RCS, Inc.
Recurrent Energy
SCD Energy Solutions
SCE
SMUD
SPURR
San Francisco Public Utilities Commission
Santa Fe Jets
Seattle City Light
Sempra Utilities
Sierra Pacific Power Company
Silicon Valley Power
Silo Energy LLC
Southern California Edison Company
Spark Energy, L.P.
Sunshine Design
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tecogen, Inc.
Tiger Natural Gas, Inc.
TransCanada
Turlock Irrigation District
United Cogen
Utility Cost Management
Utility Specialists
Verizon
Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)
eMeter Corporation