August 7, 2012

Advice Letter 3814-E

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

Subject: Submits Notice of Construction, Pursuant to G.O. 131-D, for the  
Construction of the Panoche Substation Expansion Project, County  
of Fresno

Dear Mr. Cherry:

Advice Letter 3814-E is effective July 23, 2012.

Sincerely,

Edward F. Randolph, Director  
Energy Division
March 17, 2011

Advice 3814-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Submits Notice of Construction, Pursuant to General Order 131-D, for the Construction of the Panoche Substation Expansion Project, County of Fresno

Pacific Gas and Electric Company (“PG&E” or “the Company”) hereby submits notice pursuant to General Order (G.O.) 131-D, Section XI, Subsection B.4, of the construction of facilities that are exempt from a Permit to Construct.

Purpose

This advice letter provides a copy of the Notice of Proposed Construction (Attachment I) and the Notice Distribution List, which comply with the noticing requirements found in G.O. 131-D, Section XI.

Background

To help provide needed energy to northern California residents, Panoche Energy Center LLC (PEC) completed construction of a 400 MW natural gas-fired peaker power plant in June 2009. The PEC plant is located in rural Fresno County, on Panoche Road approximately 12 miles southwesterly of the City of Mendota and approximately 2 miles east of Interstate Route 5. PG&E, which owns Panoche Substation adjacent to the new plant, proposes to correct deficiencies on its 230 kilovolt (kV) bus configuration at Panoche Substation in order to better support PEC’s plant and other area load. To accomplish this, and to otherwise increase the long-term reliability and flexibility of the substation, PG&E proposes to ultimately expand the existing 230 kV portion of Panoche Substation by approximately 9 acres (approximately 750 feet by 540 feet), which will accommodate the installation of a new bus configuration as well as upgrading the substation’s protection and automation equipment. The initial work will consist of installing two new 230 kV bays, two 230 kV bus sectionalizing breakers, and one new 230 kV bus paralleling breaker. The 9-acre substation expansion will be located adjacent to the southeasterly boundary (on the back side) of the existing Panoche Substation property. Approximately 1500 feet of the existing Gates-
Panoche #1 & #2 230 kV electric transmission lines between the substation and PEC’s plant will also be reconfigured to tie into new substation bay positions to improve the substation’s reliability (existing easement, minor relocation). This reconfiguration will include the removal of one tower and two lattice steel poles, and the installation of two new tubular steel poles. As set forth below, PG&E’s substation expansion work was included in the environmental review for the PEC plant completed by the California Energy Commission (CEC) (larger project CEQA). Construction on the initial phase is planned to start in May 2011 or as soon thereafter as possible, and is planned to be completed by May 2013 or as soon thereafter as possible.

CPUC General Order 131-D, Section III, Subsection B.1.c, f, and g exempts projects meeting specific conditions from the CPUC’s requirement to file an application requesting authority to construct. The Company believes this project qualifies for the following exemption(s),

c. The minor relocation of existing power line facilities up to 2,000 feet in length, or the intersetting of additional support structures between existing structures.

d. Power lines or substations to be relocated or constructed which have undergone environmental review pursuant to CEQA as part of a larger project, and for which the final CEQA document (Environmental Impact Report (EIR) or Negative Declaration) finds no significant unavoidable environmental impacts caused by the proposed line or substation.

g. Power line facilities or substations to be located in an existing franchise, road-widening setback easement, or public utility easement; or in a utility corridor designated, precisely mapped and officially adopted pursuant to law by federal, state, or local agencies for which a final Negative Declaration or EIR finds no significant unavoidable environmental impacts.

On December 19, 2007, the California Energy Commission (CEC) issued its Final Decision and Adoption Order, for the Panoche Energy Center, and on March 25, 2009, issued its amended Notice of Decision, both of which were issued after performing the functional equivalent of CEQA review under Public Resources Code Section 21080.5. The environmental review concluded that PG&E’s substation expansion and transmission line reconfiguration would result in no significant unavoidable impacts. See Adoption Order, Findings 1 and 3; Final Decision at 3B and 160-282, Final Staff Assessment, and Notice of Decision (Compliance Proceeding 06-AFC-5C), available for review at http://www.energy.ca.gov/sitingcases/panoche/documents/index.html#figures. (State Clearinghouse #2007121095)

Additionally, G.O. 131-D requires utilities to employ "no cost" and specified "low cost" measures to reduce public exposure to electric and magnetic fields (EMFs)
in accordance with CPUC Decision 06-01-042 and the “EMF Guidelines for Electrical Facilities.” The following measures are proposed for this project:

- Keep high-current devices, transformers, capacitors, and reactors away from the substation property lines.
- Locate new substation expansion close to existing power lines to the extent practical.
- Increase the substation property boundary to the extent practical.
- Compacting equipment within the substation.

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

**Protests**

Anyone wishing to protest this filing may do so by filing a protest with the CPUC and the Company by **April 6, 2011**, which is 20 days after the date of this filing. Protests should be mailed to the following address:

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 show 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:
Persons or groups may protest the proposed construction if they believe that the Company has incorrectly applied for an exemption or that the conditions set out in Section III.B.2 of G.O. 131-D exist.

**Effective Date**

The Company requests that this advice filing become effective on **April 16, 2011**, which is 30 days after the date of filing. (In accordance with G.O. 131-D, construction will not begin until 45 days after notice is first published.)

**Notice**

A copy of this advice letter is being sent electronically and via U.S. Mail to parties shown on the attached list, including the parties listed in G.O. 131-D, Section XI, Paragraphs B.1 and B.2. These parties are identified in the “Notice Distribution List” included in Attachment I. All electronic approvals should be sent to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs/.

Vice President - Regulation and Rates

cc: Parties Listed in G.O. 131-D, Paragraphs B.1 and B.2

Attachments
**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**ADVICE LETTER FILING SUMMARY**

**ENERGY UTILITY**

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

<table>
<thead>
<tr>
<th>Company name/CPUC Utility No.</th>
<th>Pacific Gas and Electric Company (ID U39 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility type:</td>
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<tr>
<td>☑ ELC ☑ GAS</td>
<td></td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td></td>
</tr>
<tr>
<td>Contact Person:</td>
<td>Linda Tom-Martinez</td>
</tr>
<tr>
<td>Phone #:</td>
<td>(415) 973-4612</td>
</tr>
<tr>
<td>E-mail:</td>
<td><a href="mailto:lmt1@pge.com">lmt1@pge.com</a></td>
</tr>
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</table>

**EXPLANATION OF UTILITY TYPE**

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

**Advice Letter (AL) #: 3814-E**

**Tier: N/A**

**Subject of AL:** **Panoche Substation Expansion Project (County of Fresno)**

**Keywords (choose from CPUC listing):** Power Lines

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

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

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 AL1: ____________________

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: **April 16, 2011**

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 proposed1: **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:

<table>
<thead>
<tr>
<th>CPUC, Energy Division</th>
<th>Pacific Gas and Electric Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff Files, Room 4005</td>
<td>Attn: Jane K. Yura</td>
</tr>
<tr>
<td>DMS Branch</td>
<td>Vice President, Regulation and Rates</td>
</tr>
<tr>
<td>505 Van Ness Ave.,</td>
<td>77 Beale Street, Mail Code B10B</td>
</tr>
<tr>
<td>San Francisco, CA 94102</td>
<td>P.O. Box 770000</td>
</tr>
<tr>
<td><a href="mailto:jnj@cpuc.ca.gov">jnj@cpuc.ca.gov</a> and <a href="mailto:mas@cpuc.ca.gov">mas@cpuc.ca.gov</a></td>
<td>San Francisco, CA 94177</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
<td></td>
</tr>
</tbody>
</table>
NOTICE OF PROPOSED CONSTRUCTION

PROJECT NAME: Panoche Substation Expansion, County of Fresno

ADVICE LETTER NUMBER: 3814-E

Proposed Project: To help provide needed energy to northern California residents, Panoche Energy Center LLC (PEC) completed construction of a 400 MW natural gas-fired peaker power plant in June 2009. The PEC plant is located in rural Fresno County, on Panoche Road approximately 12 miles southwesterly of the City of Mendota and approximately 2 miles east of Interstate Route 5. Pacific Gas and Electric Company (PG&E), which owns Panoche Substation adjacent to the new plant, proposes to correct deficiencies on its 230 kilovolt (kV) bus configuration at Panoche Substation in order to better support PEC’s plant and other area load. To accomplish this, and to otherwise increase the long-term reliability and flexibility of the substation, PG&E proposes to ultimately expand the existing 230 kV portion of Panoche Substation by approximately 9 acres (approximately 750 feet by 540 feet), which will accommodate the installation of a new bus configuration as well as upgrading the substation’s protection and automation equipment. The initial work will consist of installing two new 230 kV bays, two 230 kV bus sectionalizing breakers, and one new 230 kV bus paralleling breaker. The 9-acre substation expansion will be located adjacent to the southeasterly boundary (on the back side) of the existing Panoche Substation property. Approximately 1500 feet of the existing Gates-Panoche #1 & #2 230 kV electric transmission lines between the substation and PEC’s plant will also be reconfigured to tie into new substation bay positions to improve the substation’s reliability (existing easement, minor relocation). This reconfiguration will include the removal of one tower and two lattice steel poles, and the installation of two new tubular steel poles. As set forth below, PG&E’s substation expansion work was included in the environmental review for the PEC plant completed by the California Energy Commission (CEC) (larger project CEQA). Construction on the initial phase is planned to start in May 2011 or as soon thereafter as possible, and is planned to be completed by May 2013 or as soon thereafter as possible.

Electric and Magnetic Fields (EMF): Pacific Gas and Electric Company will employ “no cost” and specified “low cost” measures to reduce public exposure to EMF in accordance with California Public Utilities Commission (CPUC) Decision 06-01-042 and Pacific Gas and Electric Company’s “EMF Design Guidelines for Electrical Facilities.” The following measures are proposed for this project:

- Keep high-current devices, transformers, capacitors, and reactors away from the substation property lines.
- Locate new substation expansion close to existing power lines to the extent practical.
- Increase the substation property boundary to the extent practical.
- Compacting equipment within the substation.

Exemption from CPUC Permit Requirement: CPUC General Order 131-D, Section III.B.1, exempts projects meeting specific conditions from the CPUC’s requirement to file an application requesting authority to construct. Pacific Gas and Electric Company believes this project qualifies for the following exemption(s):

- The minor relocation of existing power line facilities up to 2,000 feet in length, or the intersetting of additional support structures between existing structures.
- Power lines or substations to be relocated or constructed which have undergone environmental review pursuant to CEQA as part of a larger project, and for which the final CEQA document (Environmental Impact Report (EIR) or Negative Declaration) finds no significant unavoidable environmental impacts caused by the proposed line or substation.
- Power line facilities or substations to be located in an existing franchise, road-widening setback easement, or public utility easement; or in a utility corridor designated, precisely mapped and officially adopted pursuant to law by federal, state, or local agencies for which a final Negative Declaration or EIR finds no significant unavoidable environmental impacts.

On December 19, 2007, the California Energy Commission (CEC) issued its Final Decision and Adoption Order, for the Panoche Energy Center, and on March 25, 2009, issued its amended Notice of Decision, both of which were issued after performing the functional equivalent of CEQA review under Public Resources Code Section 21080.5. The environmental review concluded that PG&E’s substation expansion and transmission line reconfiguration would result in no significant unavoidable impacts. As proposed, the substation expansion is expected to be completed by May 2013 or as soon thereafter as possible. See Adoption Order, Findings 1 and 3; Final Decision at 3B and 160-282, Final Staff Assessment, and Notice of Decision (Compliance Proceeding 06-AFC-5C), available for review at http://www.energy.ca.gov/sitingcases/panoche/documents/index.html#figures. (State Clearinghouse #2007121095)

Public Review Process: Persons or groups may protest the proposed construction if they believe that Pacific Gas and Electric Company has incorrectly applied for an exemption or that the conditions set out in Section III.B.2 of General Order 131-D exist:

- There is a reasonable possibility that the activity may have an impact on an environmental resource of hazardous or critical concern where designated, precisely mapped and officially adopted pursuant to law by federal, state, or local agencies; or
- The cumulative impact of successive projects of the same type in the same place, over time, is significant; or
- There is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

Protests should include the following:

1. Your name, mailing address and daytime telephone number.
2. Reference to the CPUC Advice Letter Number and Project Name.
3. A clear description of the reason for the protest.
4. Whether you believe that evidentiary hearings are necessary to resolve factual disputes.

Protests for this project must be filed by April 6, 2011, at the following address:

Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Fourth Floor
San Francisco, California 94102

With a copy mailed to:

David Kraska, Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, California 94120

Pacific Gas and Electric Company must respond within five business days of receipt and serve copies of its response on each protestant and the Energy Division. Within 30 days after Pacific Gas and Electric Company has submitted its response, the Executive Director of the CPUC will send you a copy of an Executive Resolution granting or denying the request and stating the reasons for the decision.

Assistance in Filing a Protest: For assistance in filing a protest, contact the CPUC Public Advisor in San Francisco at (415) 703-2074 or 1-866-849-8390 (toll-free) or TTY (415) 703-5258 or public.advisor@cpuc.ca.gov.

Additional Project Information: To obtain further information on the proposed project, please call Pacific Gas and Electric Company’s Project Information Line at (415) 973-5530.
Notice Distribution List

Panoche Substation Expansion, County of Fresno
Advice 3814-E

Energy Commission

Melissa Jones, Executive Director
California Energy Commission
1516 Ninth Street, Mail Stop 39
Sacramento, California 95814

Terry O’Brien, Deputy Director
California Energy Commission
1516 Ninth Street, Mail Stop 39
Sacramento, California 95814

County of Fresno

Public Works and Planning Department
Attn: Alan Weaver, Director
County of Fresno
2220 Tulare Street, 6th Floor
Fresno, CA 93721

Newspaper

The Fresno Bee
<table>
<thead>
<tr>
<th>Company/Entity</th>
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<td>Alcantar &amp; Kahl LLP</td>
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