November 8, 2011

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: Contract Amendments in Compliance with Resolution E-4415  
Approving Two Contracts for Procurement of Renewable  
Energy Resources Between PG&E Company and Potrero Hills  
Energy Producers, LLC, and Sunshine Gas Producers, LLC

Dear Mr. Cherry:

Advice Letter 3913-E is effective September 28, 2011.

Sincerely,

Edward F. Randolph, Director  
Energy Division
September 28, 2011

Advice 3913-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California


Purpose:

In compliance with Resolution E-4415, approved August 18, 2011, Pacific Gas and Electric Company (“PG&E”) submits this Advice Letter attaching amendments to two power purchase agreements for procurement of renewable energy resources between PG&E and Potrero Hills Energy Producers, LLC, and Sunshine Gas Producers, LLC (collectively “PPAs”).

Background:

On August 18, 2011, in Resolution E-4415 (the “Resolution”), the Commission approved, with modification, two PPAs that were filed on February 25, 2010, with PG&E’s Advice Letter 3623-E, and amended in Supplemental Advice Letter 3623-E-A filed on April 13, 2011. The Resolution required that the pricing terms of both PPAs be changed but approved all other terms and conditions as proposed.

In compliance with Resolution E-4415, PG&E provides in Confidential Appendices A and B an amendment to each of the two PPAs.¹ Each amendment modifies the corresponding PPA to eliminate all contract pricing provisions other than the contract price approved in the Resolution. The amendments to each PPA also make minor modifications to accommodate the change required by the Resolution, including changes to the respective Delivery Term Security provisions and increases to the time required to satisfy or waive the respective Conditions Precedent.

¹ Because each of the PPAs was already amended twice, the present amendments are referred to as “Third Amendments.”
Confidential Attachments:

In support of this Advice Letter, PG&E submits the following confidential information 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 Advice Letter.

Confidential Attachments:

Appendix A – Third Amendment to Power Purchase Agreement (Potrero Hills Energy Producers, LLC)

Appendix B – Third Amendment to Power Purchase Agreement (Sunshine Gas Producers, LLC)

Protests:

Anyone wishing to protest this filing may do so by sending a letter by October 18, 2011, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and it should be submitted expeditiously. 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: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Honesto Gatchalian, Energy Division, 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:
Due to the limited scope of PG&E’s compliance filing, this filing should not delay the effective date of the Advice Letter.

Effective Date:

PG&E requests that this supplemental filing become effective on September 28, 2011. PG&E submits this as a Tier 1 advice filing effective pending disposition.

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 lists for R.11-05-005 and R.10-05-006. 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 and electronic approvals should be directed to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs.

Vice President – Regulation and Rates

cc: Service List for R.11-05-005
    Service List for R.10-05-006
    Paul Douglas – Energy Division
    Sean Simon – Energy Division
    Cynthia Walker – DRA
    Joseph Abhulimen – DRA
    Yuliya Shmidt - DRA

Attachments
**Limited Access to Confidential Material:**

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protections of Sections 583 and 454.5(g) of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because it consists of, among other items, the contract itself, price information, and analysis of the proposed RPS contract, which are protected pursuant to D.06-06-066 and D.08-04-023. A separate Declaration Seeking Confidential Treatment regarding the confidential information is filed concurrently herewith.

**Confidential Attachments:**

**Appendix A – Third Amendment to Power Purchase Agreement (Potrero Hills Energy Producers, LLC)**

**Appendix B – Third Amendment to Power Purchase Agreement (Sunshine Gas Producers, LLC)**
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 M)

Utility type: ☑ ELC ☑ GAS
☐ PLC ☐ HEAT ☐ WATER
Contact Person: David Poster and Linda Tom-Martinez
Phone #: (415) 973-1082 and (415) 973-4612
E-mail: dxpu@pge.com and lmt1@pge.com

EXPLANATION OF UTILITY TYPE
ELC = Electric
GAS = Gas
PLC = Pipeline
HEAT = Heat
WATER = Water

Advice Letter (AL) #: 3913-E
Tier: 1

Keywords (choose from CPUC listing): Contracts, Portfolio, Compliance
AL filing type: ☑ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other _____________________________
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-4415

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.

Partial information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Charles Post (415-973-9286)

Resolution Required? ☐ Yes ☑ No
Requested effective date: September 28, 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 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 Cherry
Vice President, Regulation and Rates
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com
DECLARATION OF CHARLES H. POST
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION CONTAINED IN
ADVICE LETTER 3913-E
(PACIFC GAS AND ELECTRIC COMPANY - U 39 E)

I, Charles H. Post, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2000. My current title is Principal within PG&E’s Energy Procurement organization. My responsibilities include negotiating Power Purchase Agreements (PPAs), including PG&E’s Renewables Portfolio Standard Program ("RPS") PPA. 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 “IOU 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, if applicable, 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, if applicable; (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 filing.

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 September 28, 2011, at San Francisco, California.

Charles H. Post
PACIFIC GAS AND ELECTRIC COMPANY’S (U 39 E)
Advice Letter 3913-E
September 28, 2011

IDENTIFICATION OF CONFIDENTIAL INFORMATION PER DECISION 06-06-066 AND DECISION 08-04-023

<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 (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>Document: Advice Letter 3913-E</td>
<td>Appendices A &amp; B</td>
<td>Y</td>
<td>Item VII F) Renewable Resource Contracts under RPS program - Contracts with SEPs.</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>These Appendices contain amendments to the PPAs. The amended terms are not part of the public contract summaries as identified in D.06-06-066. Disclosure of these confidential PPA terms would provide valuable market sensitive information to competitors. Since negotiations are still in progress with bidders from the 2009 and 2011 solicitations and with other counterparties, this information should remain confidential. Release of this information would be damaging to negotiations. Furthermore, the counterparties to the PPAs have an expectation that the terms of the PPAs will remain confidential pursuant to confidentiality provisions in the PPAs.</td>
</tr>
</tbody>
</table>
AT&T
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 Giners & Growers Assn
California Energy Commission
California League of Food Producers
California Public Utilities Commission
Calpine
Cardinal Cogen
Casner, Steve
Chris, King
City of Palo Alto
City of Palo Alto Utilities
City of San Jose
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
Douglass & Lidell
Downey & Brand
Duke Energy
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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
NRG Energy, Inc.
NaturEner
Navigant Consulting
Norris & Wong Associates
North America Power Partners
North Coast Solar Resources
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
Seattle City Light
Sempra Utilities
Sierra Pacific Power Company
Silicon Valley Power
Silo Energy LLC
Southern California Edison Company
Spark Energy, L.P.
Sun Light & Power
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