June 19, 2012

Advice Letter 3978-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: Revisions to the Amendment to an Existing Qualifying Facility  
Power Purchase Agreement for Procurement of Eligible  
Renewable Energy Resources between DG Fairhaven Power LLC  
and PG&E Company

Dear Mr. Cherry:

Advice Letter 3978-E is effective March 19, 2012.

Sincerely,

Edward F. Randolph, Director  
Energy Division
December 27, 2011

Advice 3978-E  
(Pacific Gas and Electric Company ID U39 E)  

Public Utilities Commission of the State of California  

Subject:  Revisions to the Amendment to an Existing Qualifying Facility Power Purchase Agreement for Procurement of Eligible Renewable Energy Resources Between DG Fairhaven Power LLC and Pacific Gas and Electric Company  

I. PURPOSE  

Pacific Gas and Electric Company (“PG&E”) hereby submits to the California Public Utilities Commission (“Commission” or “CPUC”), a letter agreement (“Letter Agreement”) that revises the amendment to the power purchase agreement between DG Fairhaven Power LLC (“DG Fairhaven”) and PG&E (“Amendment”) originally filed in Advice Letter 3843-E. The Letter Agreement is filed in compliance with Commission Resolution E-4427 (“Resolution”).  

PG&E originally filed Advice Letter 3843-E on May 10, 2011 seeking the Commission’s approval of the Amendment executed with DG Fairhaven that provided a price adjustment for delivered energy in exchange for stricter performance obligations. The Resolution approved the Amendment and ordered PG&E to file a Tier 1 Advice Letter compliance filing to demonstrate that the Amendment had been modified to include all relevant non-modifiable standard terms and conditions currently required by the Commission.¹ PG&E and DG Fairhaven executed the Letter Agreement that revises the Amendment in accordance with the Resolution. The Letter Agreement is included as Appendix A to this filing.

¹ Resolution, Ordering Paragraph 2, pp. 14-15.
Protests:

Anyone wishing to protest this filing may do so by sending a letter by **January 17, 2012**, which is **21** 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 4004, and Honesto Gatchalian, Energy Division, at the address shown above.

The protest should also 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: Brian K. Cherry  
Vice President, Regulation and Rates  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

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

Requested Effective Date:

PG&E requests that this advice filing become effective on **December 27, 2011**. PG&E submits this request as a Tier 1 advice letter.

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2 As the 20th day following this filing falls on a holiday, the end of the protest period is moved to the next business day.
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 to the GO 96-B service list and 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 for R.11-05-005
    Service List for R.10-05-006
    Andrew Schwartz – Energy Division
    Cem Turhal – Energy Division

Attachments:

Appendix A – Letter Agreement Revising Amendment
**Company name/CPUC Utility No.** Pacific Gas and Electric Company (ID U39 E)

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Greg Backens</th>
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<tr>
<td>☑ ELC</td>
<td>Phone #: 415-973-4390</td>
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<tr>
<td>☐ GAS</td>
<td>E-mail: <a href="mailto:gab4@pge.com">gab4@pge.com</a></td>
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**EXPLANATION OF UTILITY TYPE**

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

Advice Letter (AL) #: **3978-E**  Tier: 1
Subject of AL: **Revisions to the Amendment to an Existing Qualifying Facility Power Purchase Agreement for Procurement of Eligible Renewable Energy Resources Between DG Fairhaven Power LLC and Pacific Gas and Electric Company**

Keywords (choose from CPUC listing): 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-4427
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: N/A
Is AL requesting confidential treatment? No.
If so, what information is the utility seeking confidential treatment for: N/A
Confidential information will be made available to those who have executed a nondisclosure agreement: N/A
Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A
Resolution Required? ☐ Yes ☑ No
Requested effective date: December 27, 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:

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, Regulation and Rates
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com
Advice 3978-E
December 27, 2011

Appendix A

Letter Agreement Revising Amendment
John Wood  
Executive Vice President  
EWP Renewable Corporation  
600 West Broadway, Suite 1600  
San Diego, CA 92101

Re: Modification to Third Amendment executed on 2/28/2011 between Pacific Gas and Electric Company and DG Fairhaven Power LLC (PG&E Log No. 19P005)

This letter agreement shall amend the Third Amendment executed on 2/28/2011 by Terry Williams, President and CEO of DG Fairhaven Power LLC, and Roy Kuga, Vice President of Energy Supply Management at the Pacific Gas and Electric Company (“PG&E”), as amended.

This letter agreement shall:

1. In Section 1, amend the definition of “CPUC Approval” to include at the end, after subsection (b), the following sentence: “CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.”

2. Include the following definition in Section 1: “Renewable Energy Credit” has the meaning set forth in California Public Utilities Code Section 399.12(f) and CPUC Decision 08-08-028, as may be amended from time to time or as further defined or supplemented by Law.

3. Delete Section 3.10 in its entirety and replace with the following:

   “3.10 WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.”

4. In Section 3.12 (b), replace the words “renewable energy credits” with “Renewable Energy Credits”.

Best regards,

AGREED AND ACCEPTED DATE:

Dec 9, 2011

Marino Monardi  
Director, Portfolio Management  
Pacific Gas and Electric Company
Concurring Statement

ACCEPTED AND AGREED:

DG FAIRHAVEN POWER LLC,
a California Corporation

By:  
John Wood
Itrs: Vice President
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<th>North Coast SolarResources</th>
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