

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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April 1, 2014

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

Subject: PG&E's Procurement Transactions for the Second Quarter of 2013

Dear Mr. Cherry:

Energy Division partially approves Advice Letter 4266-E, PG&E's Procurement Transaction Quarterly Compliance Filing for Q2 2013 and Advice Letter 4266-E-A, Supplemental Filing to PG&E's Quarterly Compliance Reports for Q2 2013 – Financial Gas Transactions not in Compliance with Bundled Procurement Plan.

PG&E's procurement transactions for the second quarter of 2013 are approved with the exception of the noncompliant gas hedging transactions, which will be subject to review under PG&E's Energy Resource Recovery Account (ERRA) application.

Sincerely,

A handwritten signature in blue ink, appearing to read "ER", written over a horizontal line.

Edward F. Randolph
Director, Energy Division

July 30, 2013

Advice 4266-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Procurement Transaction Quarterly Compliance Filing (Q2, 2013)

Pacific Gas and Electric Company ("PG&E") hereby submits to the California Public Utilities Commission ("Commission" or "CPUC") its compliance filing for the second quarter of 2013 in conformance with PG&E's Bundled Procurement Plan ("BPP") approved by the Commission in Decision ("D.") 12-01-033. PG&E's submittal of this Procurement Transaction Quarterly Compliance Report ("QCR") for record period April 1, 2013, through June 30, 2013, (Q2, 2013) is in accordance with D.03-12-062, Ordering Paragraph 19, which requires that the QCR be submitted within 30 days of the end of the quarter.

Background

In D.07-12-052, the Commission directed Energy Division and the Investor-Owned Utilities ("IOUs") to continue the collaborative effort to develop a reformatted QCR. The Commission authorized Energy Division to implement a reformatted QCR and to make ministerial changes to the content and format of the report as needs arise. Energy Division and the IOUs finalized the QCR format in December 2008. This QCR is consistent with the final format authorized by Energy Division on December 15, 2008.

Compliance Items

Attachment 1 to this QCR includes a narrative with supporting Confidential Appendices that conforms to the reformatted QCR. The public version of Attachment 1 only includes the Narrative, which is not confidential. The confidential version of this QCR includes the following supporting Confidential Appendices:

- Appendix A – Second Quarter 2013 Electric and Natural Gas Transactions
- Appendix B – Second Quarter 2013 Counter-Party Information
- Appendix C – Second Quarter 2013 Electric Transactions Summary
- Appendix D – Second Quarter 2013 Natural Gas Transactions Summary
- Appendix E – Second Quarter 2013 Other Transactions

- Appendix F – Second Quarter 2013 Key Briefing Packages
- Appendix G – Second Quarter 2013 Independent Evaluator Reports
- Appendix H – Second Quarter 2013 New Contracts Executed/Contracts Amended
- Appendix I – Summary of Retained Generation Investments Completed During Second Quarter 2013
- Appendix J – System Load Requirements/Conditions
- Appendix K – Risk Management Strategy Communication and Management Disclosure
- Appendix L – Reasonable Number of Analyses Models, Description of Models, and How Models Operate
- Appendix M – Transactions Subject to Strong Showing

Attachment 2 to this QCR includes the confidentiality declarations and matrices.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than August 19, 2013, which is 20 days after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

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

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Rule 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Rule 3.11).

Effective Date

In accordance with D.03-12-062, the requested effective date of this Tier 2 advice letter is **August 29, 2013**, which is 30 days after the date of filing.

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 Rulemaking ("R.") R.12-03-014, R.01-10-024, and R.11-10-023. Address changes to the General Order 96-B service list and all electronic approvals should be sent 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 – Regulatory Relations

cc: Service List R.12-03-014, R.01-10-024, R.11-10-023.
PG&E's Procurement Review Group

Public Attachments: Attachment 1 – Narrative
Attachment 2 – Confidentiality Declarations and Matrices

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Igor Grinberg

Phone #: (415) 973-8580

E-mail: ixg8@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **4266-E**

Tier: **2**

Subject of AL: **Procurement Transaction Quarterly Compliance Filing (Q2, 2013)**

Keywords (choose from CPUC listing): Compliance, Procurement

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.12-01-033 and D.03-12-062

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. Please see attached Declaration and Matrix

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: Sharon Tatai, (415) 973-2788 / Michael Kowalewski (415) 972-5589 / Marianne Aikawa (415) 973-0375

Resolution Required? Yes No

Requested effective date: **August 1, 2013**

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

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:

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

PACIFIC GAS AND ELECTRIC COMPANY
PROCUREMENT TRANSACTION QUARTERLY COMPLIANCE REPORT
FOR THE SECOND QUARTER OF 2013

July 30, 2013

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Summary of Attachments

- Confidential Attachment A: *Transactions*, provides a summary of all transactions executed during the Quarter, which are less than five years in length and that have not been filed through a separate advice filing or application.
- Confidential Attachment B: *Counterparty Information*, provides a summary of (1) all non-investment grade counterparties with whom PG&E transacted; and (2) the top 10 counterparties by volume during the Quarter.
- Confidential Attachment C: *Electric Transactions Summary*, provides a summary of the electric transactions executed during the Quarter.
- Confidential Attachment D: *Natural Gas Transactions Summary*, provides a summary of the gas transactions executed during the Quarter.
- Confidential Attachment E: *Other Transactions*, provides the executed transactions resulting from non-energy-related products during the Quarter.
- Confidential Attachment F: *Second Quarter 2013 Key Briefing Packages*, provides a summary of all relevant Procurement Review Group (PRG) agendas and presentations presented.
- Confidential Attachment G: *Independent Evaluator Reports*, provides any relevant Independent Evaluator (IE) report completed in the Quarter.
- Confidential Attachment H: *New Contracts Executed/Contracts Amended*, provides a summary of all agreements executed and/or amended in the Quarter.
- Confidential Attachment I: *Summary of Retained Generation Investments Completed*, provides a summary of any investments related to retained generation facilities and multiple contracts for the same supplier, resource or facility, consistent with the requirements of D.07-01-039.
- Confidential Attachment J: *System Load Requirements/Conditions*, provides a summary of all information related to addressing PG&E's residual net open position.
- Confidential Attachment K: *Risk Management Strategy Communication and Management Disclosure*, provides a summary of all procurement-related risk strategies and issues communicated to PG&E's senior management and the PRG.

Summary of Attachments
(Continued)

- Confidential Attachment L: *Reasonable Number of Analyses Models, Description of Models, and How Models Operate*, provides a summary of any models related to the relevant transactions identified in this filing.
- Confidential Attachment M: *Transactions Subject to Strong Showing*, provides a summary and supporting documentation of strong showing transactions.

A. Introduction

As required by Ordering Paragraph (OP) 8 of Decision (D.) 02-10-062, and clarified in D.03-06-076, D.03-12-062, D.04-07-028, D.04-12-048 and D.07-12-052, Pacific Gas and Electric Company (PG&E) hereby provides its report demonstrating that its procurement-related transactions during the period April 1, 2013 through June 30, 2013 (Quarter) were in compliance with PG&E's Bundled Procurement Plan (BPP or Plan) approved by the California Public Utilities Commission (CPUC or Commission) in D.12-01-033 and D.12-04-046.

B. Summary

During the Quarter, PG&E engaged in the following procurement activities in accordance with its BPP:

1. PG&E is seeking approval for contracts executed from several competitive solicitations through this Procurement Transaction Quarterly Compliance Report (QCR):
 - a. May-September 2013 Physical Call Options Requests for Offer (RFO) for Electric Fuels (issued April 9, 2013)
 - b. 2013 Resource Adequacy (RA) RFO (issued March 12, 2013).
2. PG&E continues to evaluate offers for the following competitive solicitations for which PG&E is not seeking approval through this QCR, because these RFOs have not yet concluded:
 - a. Greenhouse Gas (GHG) Offset Credit RFO (issued March 25, 2013)
 - b. Intermediate Term RFO (issued March 26, 2013).
3. PG&E is seeking approval of select transactions executed from other procurement activities, through this QCR:
 - a. Electric Transactions:
 - i. Monthly Congestion Revenue Rights (CRR) Allocation and Auction Processes
 - ii. Convergence Bidding
 - iii. Bilateral Agreements

- b. Gas Transactions:
 - i. Electronic Exchanges
 - ii. Bilateral Transactions
 - iii. Voice Brokering

These procurement activities are described in greater detail in Section 3, below.

4. For informational purposes only, the following procurement activities are approved through separate regulatory processes:

- a. 2012 RPS RFO (issued on December 10, 2012) - PG&E continues to evaluate RPS RFO offers, related to PG&E's 2012 RPS Plan
- b. Third RAM RFO (issued on November 16, 2012) – several RAM RFO contracts were executed in Quarter 2
- c. Fourth RAM RFO (issued on May 28, 2013) - PG&E continues to evaluate offers for the fourth RAM RFO
- d. Second CHP RFO (issued on February 20, 2013) – the second CHP RFO was issued in accordance with the Qualifying Facility/Combined Heat and Power (QF/CHP) Settlement, which became effective on November 23, 2011.¹

C. Master Data Request Documentation

D.02-10-062, Appendix B, as clarified by D.03-06-076, sets forth specific elements to be addressed in this report. Each element is discussed below.

1. Identification of the ultimate decision maker(s) up to the Board level, approving the transactions.

All procurement-related activity during the Quarter was approved and executed either by, or under the direction of, Fong Wan, Senior Vice President, Energy Procurement; Roy Kuga, Vice President, Energy Supply Management; Gary Jeung, Senior Director, Renewable Energy;

¹ The QF/CHP Settlement Agreement indicates that each Investor-Owned Utility (IOU) shall conduct three RFOs during the “Initial Program Period” (or 48 months following the Settlement Effective Date) exclusively for CHP resources as a means of achieving its megawatt (MW) and greenhouse gas emissions reduction targets (*see* Term Sheet, Sections 4.2 and 5.1). PG&E issued its Second CHP RFO on February 20, 2013.

Marino Monardi, Director, Portfolio Management; and Michael Kowalewski, Acting Director, Electric Gas Supply, consistent with the delegation of authority effective for the period.

2. The briefing package provided to the ultimate decision maker.

The “decision-maker” for a particular contemplated transaction depends on many factors, such as term, volume, and notional value. For many of the transactions during the Quarter, the “decision-maker” was a gas or power trading employee executing transactions (e.g., day-ahead or hour-ahead power purchases and sales) per an established plan or to achieve a particular objective (such as balancing the portfolio supply and demand). For such transactions, briefing packages are not prepared. Briefing packages prepared during the Quarter for transactions that required senior management approval are included in Confidential Attachment K, *Risk Management Strategy Communication and Management Disclosure*. In addition, copies of presentations made by PG&E to its PRG during the Quarter are included in Confidential Attachment F, *Key Briefing Packages*.

3. Description of and justification for the procurement processes used to select the transactions.

a) *Electric Procurement – Description*

The approved procurement processes used during the Quarter were as follows:

- California Independent System Operator (CAISO) Monthly Congestion Revenue Right (CRR) Allocation and Auction Process – In April 2013, PG&E participated in Tier 1, Tier 2, and Auction of the CAISO monthly CRR process to procure CRRs for May 2013. In May 2013, PG&E participated in Tier 1, Tier 2, and Auction of the CAISO’s monthly CRR process to procure CRRs for June 2013. In June 2013, PG&E participated in Tier 1, Tier 2, and Auction of the CAISO’s monthly CRR process to procure CRRs for July 2013. Relevant information is included in Confidential Attachment F, Key Briefing Packages, Confidential Attachment J, System Load Requirements/Conditions, Confidential Attachment K, Risk Management Strategy Communication and Management Disclosure, and

Confidential Attachment L, Reasonable Number of Analyses Models, Description of Models, and How Models Operate.

- 2013 RA RFO – On March 12, 2013, PG&E issued a Resource Adequacy (RA) RFO. The primary objective of this RFO is to procure summer (i.e., June through September) 2013 system RA need and obtain sufficient imports for the RPS. A secondary objective of the RFO is to sell long positions where it is economic to do so. Interested parties were required to submit an offer by March 19, 2013, and based on the submitted offers PG&E executed several contracts before the RFO concluded on May 16, 2013. Relevant information is included in Confidential Attachment E – *Other Transactions*, Confidential Attachment H, *New Contracts Executed/Contracts Amended*, Confidential Attachment K, *Risk Management Strategy Communication and Management Disclosure*, and Confidential Attachment L, *Reasonable Number of Analyses Models, Description of Models, and How Models Operate*.
- Convergence Bidding – PG&E reviews activities in the convergence bidding market and assesses its participation in the CAISO market. Relevant information is included in Confidential Attachment E – *Other Transactions* (attachment is a quarterly report), Confidential Attachment F, *Key Briefing Packages*, Confidential Attachment J, *System Load Requirements/Conditions*, and periodically in Confidential Attachment K, *Risk Management Strategy Communication and Management Disclosure*.
- Electronic Exchanges – During the Quarter, PG&E assessed the use of electronic broker market transactions to manage its physical net open position and to participate in economic transactions designed to reduce customers’ exposure to market volatility. Activities can include day-ahead transactions. Relevant information can be found in Confidential Attachment A, *Transactions* and Confidential Attachment C, *Electric Transactions Summary*.

- Bilateral Agreement – During the Quarter, PG&E executed a bilateral agreement. Relevant information is included in Confidential Attachment A, *Transactions*, Confidential Attachment B, *Counterparty Information*, Confidential Attachment E, *Other Transactions*, Confidential Attachment H, *New Contracts Executed/Contracts Amended*, and Confidential Attachment M, *Transactions Subject to Strong Showing*.
- Agreements Arising from the QF/CHP Program Settlement (for informational purposes only) – During the Quarter, as stated above, PG&E continued to evaluate offers resulting from the second CHP RFO (issued February 20, 2013).
- Legacy Contracts (For informational purposes only) – Under the QF/CHP Program described above, some QF generators holding a legacy contract converted to new PPAs (i.e., Under 20 MW PURPA PPA, Transition PPA, and As-Available PPA) during the Quarter. However, many of the remaining legacy QF contracts are still active and may require amendments or letter agreements to help the generator meet the requirements of the Commission’s new CHP Program (e.g., greenhouse gas (GHG) administration and metering issues) that were not required under the former program.

b) ***Electric Procurement - Justification for Procurement Processes***

- i. *For competitive solicitations, describe the process used to rank offers and select winning bid(s).*
 - 2013 RA RFO – During the Quarter, PG&E executed RA contracts resulting from the RA RFO competitive solicitation. PG&E evaluated and selected offers based on price. To the extent winning offers had equal prices, the offers were accepted in equal MW amounts, consistent with PG&E’s desired procurement in the RFO and the offered quantity. Relevant information is included in Confidential Attachment E, *Other Transactions*, Confidential Attachment H, *New Contracts Executed/Contracts Amended*, Confidential

Attachment K, *Risk Management Strategy Communication and Management Disclosure*, and Confidential Attachment L, *Reasonable Number of Analyses Models, Description of Models, and How Models Operate*.

- Independent Evaluator (IE) Reports – An IE Report is required for all competitive solicitations that either involve affiliate transactions or utility-owned or utility turnkey bids, and for all competitive RFOs seeking products to satisfy service area need and supply-side resources greater than two years in length (and subject to QCR filings) regardless of the bidders. PG&E did not execute any contracts arising from competitive solicitations in the Quarter that meet the above criteria.
- ii. *For other transactional methods, provide the documentation supporting the selection of the chosen products.*
- CAISO Monthly CRR Allocation and Auction Process – PG&E estimated that a portion of its generation, imports and load in the months of May, June, and July 2013, remained exposed to congestion risk, and therefore participated in the CAISO’s Monthly CRR allocation and auction process to obtain CRRs to mitigate this risk. PG&E sought CRRs to fulfill the following objectives: (1) narrow the distribution of PG&E’s energy procurement costs due to electric transmission congestion as measured by the electric To-expiration-Value-at-Risk; and (2) reduce the expected congestion costs that PG&E would incur in its operations.

PG&E acquires CRRs for any path (represented by a source-sink pair) connecting existing generation sources to existing loads (retail loads, Helms pumping load and wholesale load obligations) or for any path that PG&E reasonably anticipates that it might need to flow energy in the future due to the addition of new contracts, resources or load obligations. Additionally, there may be CRRs which are positively correlated in value with CRRs for paths that

have limited availability. PG&E is authorized to acquire CRRs for such positively correlated paths as well. Therefore, PG&E will obtain any CRRs that are determined to be valuable as hedges against congestion costs at the time they are offered, subject to risk assessment regarding the specific source/sink combinations as approved in its BPP.

PG&E provided information regarding its CRR strategy to the PRG.

Relevant information is included in Confidential Attachment F, *Key Briefing Packages*, Confidential Attachment J, *System Load Requirements/Conditions*, Confidential Attachment K, *Risk Management Strategy Communication and Management Disclosure*, and Confidential Attachment L, *Reasonable Number of Analyses Models, Description of Models, and How Models Operate*.

- Electronic Exchanges and Bilateral – Direct With Counterparties – The dynamic environment of the short-term electric markets requires that traders have the ability to transact when market conditions are within parameters described by a particular trading strategy. Prices vary during a trading session as buyers and sellers adjust their prices in response to items such as electric system conditions, market responses, industry news and weather forecasts. As a result, it is common to see trades executed at different prices over the course of a trading session. The key aspect is that the transaction was executed within the parameters described by the monthly trading strategy and the terms of current master agreements and approved resolutions approving PG&E's execution of specific transactions. PG&E maintains flexibility in its procurement activities by transacting in various forums, e.g., voice and on-line brokers, electronic exchanges, and directly with counterparties. Not all counterparties participate in a single forum; most transact in various forums.

c) ***Natural Gas Procurement – Description***

The approved procurement processes used during the Quarter for Natural Gas transactions were as follows:

- May – September 2013 Physical Call Option RFO – On April 9, 2013 PG&E conducted a solicitation for physical call options (gas peaking products) to meet May-September demand. These call options on physical gas supply give PG&E the right, but not the obligation, to purchase natural gas at a particular location, at a published index price, and for a specified number of days. This product can help PG&E avoid liquidity impacts on days of very high demand when PG&E may otherwise face prices above the index. PG&E evaluated and selected offers based on price on April 11, 2013. Relevant information is included in Confidential Attachment E *Other Transactions*, Confidential Attachment F, *Key Briefing Packages*, Confidential Attachment H, *New Contracts Executed/Contracts Amended*, and Confidential Attachment L, *Reasonable Number of Analyses Models, Description of Models, and How Models Operate*.
- Electronic Exchanges - Commodity Purchases/Sales – PG&E bought and sold physical natural gas on the Intercontinental Exchange (ICE) and the ICE Natural Gas Exchange (ICE/NGX) physical clearing service. ICE is an electronic system that matches buyers and sellers of natural gas products. Once buyer and seller are matched, ICE trades become bilateral trades. ICE/NGX trades are cleared by NGX rather than bilaterally. Transactions include forward transactions with deliveries starting within the next quarter and up to one month in duration, Balance of Month (BOM), day-ahead, and same-day. Relevant information is included in Confidential Attachment A, *Transactions*.
- Electronic Exchanges - Gas Hedges – In compliance with D.12-01-033, PG&E conducted hedging activities under its approved hedging plan. PG&E executed hedges (futures, options and swaptions) directly on the ICE, and cleared through exchanges (ICE or the New York Mercantile Exchange (NYMEX)). ICE and

NYMEX provide access to anonymous bids and offers establishing both a liquid and robust market for financial products, and a benchmark for bilateral products. These products include Henry Hub futures and options, and basis futures against the industry benchmark indices, including Canadian Gas Price Reporter (CGPR), Gas Daily, Natural Gas Intelligence (NGI) and Inside Federal Energy Regulatory Commission (IFERC) Gas Market Report. Relevant information is included in Confidential Attachment A, *Transactions*, and Confidential Attachment J, *System Load Requirements/Conditions*.

- Bilateral - Commodity Purchases/Sales – PG&E bought and sold gas directly with counterparties in the bilateral market. Spot gas is traded at fixed prices and Gas Daily or CGPR index. Term gas (longer than one forward-month) is purchased at fixed prices, daily index (Gas Daily or CGPR) or monthly or bid week index (CGPR, NGI, or IFERC) prices. Relevant information is included in Confidential Attachment A, *Transactions*.
- Bilateral Transaction – PG&E purchased gas parking and/or lending services to balance its daily supplies with demand. Relevant information is included in Confidential Attachment A, *Transactions*, and Confidential Attachment D, *Gas Transactions*.
- Voice Brokers - Gas Hedges – PG&E executed hedges (futures) through voice brokers that resulted in exchange-cleared trades. Brokers provide access to anonymous bids and offers from both bilateral parties and cleared counterparties. After a broker matches a buyer and a seller in a trade, the parties will determine whether the trade will be settled bilaterally or cleared through NYMEX or ICE. The broker market trades the same financial products as the bilateral market. Relevant information is included in Confidential Attachment A, *Transactions*.

d) ***Natural Gas Procurement – Justification for Procurement Processes***

i. *For competitive solicitations, describe the process used to rank offers and select winning bid(s).*

- May – September 2013 Physical Call Options RFO – PG&E conducted a solicitation for physical call options (gas peaking products) to meet May - September demand. In response to the RFO, PG&E received offers from suppliers. PG&E selected the best offers based on price and conformance to the product requested. To the extent winning offers had equal prices, the offers were accepted in prorated amounts rounded to the nearest 5,000 MMBtu/d, consistent with PG&E’s desired procurement volume. Relevant information is included in Confidential Attachment E *Other Transactions*, Confidential Attachment F, *Key Briefing Packages*, Confidential Attachment H, *New Contracts Executed/Contracts Amended*, and Confidential Attachment L, *Reasonable Number of Analyses Models, Description of Models, and How Models Operate*.

ii. *For other transactional methods, provide the documentation supporting the selection of the chosen products.*

This section is not applicable this Quarter.

e) ***Other Commodities***

- California Air Resources Board (CARB) Allowance Allocation and Auction Processes – PG&E received its annual allocation of allowances from CARB in September 2012 of Vintage 2013 allowances. All of these allowances in turn will be allocated into the quarterly CARB Auctions as required by the regulations. As PG&E cannot use any of its allocated allowances to satisfy its GHG compliance obligations, allowances must separately be procured.

CARB held its third allowance auction on May 16, 2013 for vintage 2013 and 2016 allowances. As stated in PG&E’s conformed GHG Procurement Plan filed on August 31, 2012 (Bundled Procurement Plan, Appendix L) to comply with

Decision 12-04-046, PG&E is authorized to procure GHG products through CARB Auctions, approved exchanges, and utilizing a competitive RFO process. PG&E provided information regarding its allowance procurement strategy to the PRG. Relevant information is included in Confidential Attachment E, *Other Transactions*, Confidential Attachment F, *Key Briefing Packages*, Confidential Attachment K, *Risk Management Strategy Communication and Management Disclosure*, and Confidential Attachment L, *Reasonable Number of Analyses Models, Description of Models, and How Models Operate*.

- Dodd-Frank – On December 5, 2012, PG&E submitted Advice Letter 4135-E, *Update to Pacific Gas and Electric Company’s Bundled Procurement Plan – Modify Product Names*. The purpose of this filing is to revise the swaps product naming convention to comply with the recent changes in the financial markets resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). Effective April 10, 2013, the reporting requirements went into effect for “swaps” associated with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). This does not change PG&E’s current authorized hedging strategies or limits.

4. Explanation/justification for the timing of the transactions.

a) *Electric Transactions*

When selecting electric transactions, the best-priced bids/offers were selected first (merit-order selection) among those available for the required products at the time of the transaction, subject to credit and other limitations and operational constraints. Operational constraints include the local area reliability requirements of the CAISO, as set forth in D.04-07-028. Detailed explanation/justification for the timing of the transactions is included in Confidential Attachment J, *System Load Requirements/Conditions*.

b) *Natural Gas Transactions*

For daily physical gas transactions, timing of execution is primarily driven by the requirement to match fuel usage and supply on a daily and monthly basis, and by the availability of information impacting expectations for daily dispatch of electric generating units. For transactions one month or longer, PG&E typically fills its forecast short gas positions in month-ahead, seasonal, or annual blocks, depending on the liquidity and prices available in each of these markets. Execution of the transactions is based on the PG&E Electric Portfolio 2013 Physical Gas Procurement Plan and documentation supporting the timing of transactions is included in Confidential Attachment J, *System Load Requirements/Conditions*.

5. Discussion of the system load requirements/conditions underlying the need for the Quarter's transactions.

a) *Near-Term Planning and Procurement*

PG&E develops a near-term analysis of its resource position (intra-month through several months forward) using an optimization model, which solves for lowest cost by optimizing a mix of resources to meet requirements, including dispatchable California Department of Water Resources contracts, Utility-Owned Generation resources, PPAs with dispatchability, Tolling Arrangements with "Merchant Plants," and market purchases, while accounting for all resource requirements and constraints (must-run, must-take and operating constraints).

Term and BOM purchases and sales may be transacted to close the net-open position and to reduce PG&E's reliance on the spot market. After identifying transactions required to meet the must-run, must-take and operating constraints, PG&E considers "economic" transactions that involve decisions regarding dispatchable units and market purchases/sales. The decision to engage in "economic" transactions is more complex and depends on several quantitative and subjective factors. "Economic" transactions are conducted using information and data regarding system conditions, market prices and options available at the time of the decision. While potentially

attractive “economic” transactions that reduce ratepayer volatility inherently include risks that must be considered, such as: (a) sharp swings in electric prices; (b) changes in production costs due to market dynamics; or (c) system changes, which may result in these transactions becoming more, or less, valuable, during the operating period or possible losses on hedge transactions. Additionally, changes in load or expected generation and other market and system conditions may result in having to buy (or sell) energy in the day-ahead or Real-Time Markets at a cost greater than the revenue earned (or a price less than paid) in the forward transaction. Factors that go into the decision to engage in these transactions include (but are not limited to) the forecasted level of short/long energy during the forecasted period, sensitivity to changes in market price, reserve margins and demand volatility.

b) ***PG&E Participation in the CAISO Markets***

The CAISO’s day-ahead market provides market participants with the opportunity to contract financially for the buying and selling of energy for the following day. In the Integrated Forward Market (IFM), the CAISO clears financially binding offers to buy and sell energy based on the physical characteristics and locations of available resources and customer loads, for each of the 24 hours of the following day. PG&E participates in the IFM by bidding and/or scheduling loads and resources. The CAISO optimizes the bids/schedules to arrive at a least cost solution for each hour of the following day to meet anticipated loads for the CAISO control area. This optimization considers energy, ancillary services, deliverability requirements. If one’s bids “clear” the market, there is a financial obligation to purchase from or sell into the IFM. Deviation charges are imposed for non-compliance.

c) ***PG&E-Owned Generation Conditions During Second Quarter 2013***

PG&E received 54 percent of normal rainfall during the Quarter.

The Helms Pumped Storage Facility (Helms) was used throughout the Quarter as unit availability, system conditions, and economics allowed. Helms 2 (404 MW) was

out of service for a portion of the Quarter on a major overhaul and returned to service May 22.

Planned maintenance outages lasting longer than 72 hours on conventional hydro facilities greater than 30 MW during the Quarter included work on Balch 2 Unit 2 (52.5 MW), Bucks Creek Unit 1 (33 MW), Bucks Creek Unit 2 (32 MW), Butt Valley (41 MW), Pit 5 Unit 1 (40 MW), Tiger Creek Units 1 and 2 (29 MW each), and Rock Creek Unit 2 (56 MW).

Forced outages lasting longer than 24 hours at conventional hydro facilities greater than 30 MW were incurred at Balch 2 Units 2 and 3 (52.5 MW each), Caribou 2 Unit 5 (60 MW), Pit 3 Unit 2 (23.3 MW), Pit 4 Unit 2 (47.5 MW), Pit 6 Unit 1 (40 MW), Poe Unit 2 (60 MW), Rock Creek Units 1 and 2 (56 MW each).

For fossil generation, planned maintenance was performed at the Gateway Generating Station (580 MW) and several of the engines for Units 3, 4 and 8 (16.3 MW each) at the Humboldt Bay Generating Station (HBGS). There was one major forced outage for fossil generation at HBGS Unit 3.

Diablo Canyon Nuclear Plant Unit 1 (1,122 MW) was forced out for several days due to an issue with reactor coolant piping. No planned outages were incurred at Diablo Canyon.

A discussion of the monthly system conditions is included in Confidential Attachment J, *System Load Requirements/Conditions*.

6. Discussion of how the Quarter's transactions meet the goals of the risk management strategy reflected in the Plan.

During the Quarter, PG&E executed transactions in accordance with its CPUC-approved Hedging Plan. Financial hedges were executed directly on the ICE, through a broker and cleared through an exchange (ICE or the NYMEX) or through an electronic auction and cleared through an exchange. ICE and the brokers provide access to anonymous bids and offers from both bilateral parties and cleared counterparties establishing both a liquid and robust market for

financial products, and a benchmark for bilateral products. These products include Henry Hub futures and options, and basis futures against the industry benchmark indices, including CGPR, Gas Daily, NGI and IFERC. A list of information regarding Consumer Risk Tolerance notifications and management disclosures is included in Confidential Attachment K, *Risk Management Strategy Communication and Management Disclosure*.

7. Copy of each contract.

A list of transactional contracts executed and/or modified by PG&E during the Quarter is included in Confidential Attachment H, *New Contracts Executed/Contracts Amended*. Copies of the contracts that were not separately filed are also included in this attachment.

8. The valuation results for the contract(s) (for contracts three months or longer).

PG&E provides the valuation method and results for the contracts filed via this QCR in Confidential Attachment H, *New Contracts Executed/Contracts Amended*.

9. An electronic copy of any data or forecasts used to analyze the transactions.

Because transaction personnel are continuously monitoring a wide range of market information on a 24-hour-per-day, 7-day-per-week basis, it is not feasible to provide all the data and forecasts used to analyze all potential and executed transactions. However, key analysis data utilized during the Quarter is contained in Confidential Attachment J, *System Load Requirements/Conditions*.

10. Provide a reasonable number of analyses requested by the Commission or the PRG and provide the resulting outputs.

To the extent any analyses requested by the Commission or PRG during the Quarter were not already included as a part of PG&E's response to Items 1 through 9 above, such additional analyses would be contained in Confidential Attachment F, *Key Briefing Packages*.

11. Any other information sought by the Commission under the Public Utilities Code.

To the extent that the Commission has requested information for the Quarter as identified in the Master Data Request, this information is included in the confidential attachment workpapers. In addition, the Commission’s Energy Division has requested that PG&E provide transparent exchange traded prices. PG&E has included this information in Confidential Attachment A – *Transactions* and in Confidential Attachment M, *Transactions Subject to Strong Showing*.

D. Additional Reporting Requirement Pursuant to Decision 07-01-039

As required by OP 12 of D.07-01-039, PG&E has included in Confidential Attachment I, *Summary of Retained Generation Investments Completed*, investments in retained generation that were completed during the Quarter, as well as any multiple contracts of less than five years with the “same supplier, resource or facility” as required in D.07-01-039 on page 154. These were no transactions or investments to report during the Quarter.

E. Cost Allocation Mechanism (CAM)

For the Quarter, PG&E did not execute contracts or transactions that qualify as CAM resources.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION OF SHARON K. TATAI
SEEKING CONFIDENTIAL TREATMENT OF FOR CERTAIN DATA AND
INFORMATION CONTAINED IN PG&E'S ADVICE LETTER 4266-E REGARDING
CONFIDENTIAL ATTACHMENTS F, G, AND K**

I, Sharon K. Tatai, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 1980. My current title is Manager within PG&E's Energy Procurement organization. In this position, my responsibilities include review of regulatory reports and managing PG&E's Procurement Review Group and Independent Evaluator program. In carrying out these responsibilities, I have acquired knowledge of PG&E's regulatory reporting and have also gained knowledge of electric energy procurement data, processes, and practices. Through this experience, I have become familiar with the type of information that would affect the regulatory filing, as well as with the type of information that would be considered confidential and proprietary.
2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of PG&E's July 30, 2013 Advice Letter 4266-E, Confidential Attachments F, G, and K. By this Application, PG&E is seeking the Commission's approval of Quarter Two, 2013 Procurement Transaction Quarterly Compliance Report, submitted by PG&E.
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 I of D.06-06-066 and Appendix 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, 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 the foregoing is true and correct.

Executed on July 30, 2013, at San Francisco, California.

_____/s/_____
Sharon K. Tatai
Manager
Energy Compliance and Report
Energy Procurement
PACIFIC GAS AND ELECTRIC COMPANY

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
PROPOSAL REGARDING ADVICE LETTER 4266-E
PROCUREMENT TRANSACTION QUARTERLY COMPLIANCE REPORT OF QUARTER TWO 2013
July 30, 2013**

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Document: Confidential Attachment 1							
Attachment F – PRG Material	Y	Item VII) E) New non-utility affiliated bilateral contracts – Electric CPUC General Order (G.O.) 66-C	Y	Y	Y	Presentations to the PRG provide confidential bilateral contract terms, including price and performance terms. Confidentiality protection depends on type of material presented, see, <i>infra</i> . The information constitutes confidential business information protected under GO 66-C.	3 Years from initial delivery date specified in contract or 1 Year after termination of deliveries, whichever is less
Attachment G – Independent Evaluator Reports	N	CPUC General Order 66-C	N/A	Y	Y	Disclosure of information would provide counterparty name, volume, and price and would provide market sensitive information regarding bid strategy and selection. The information constitutes confidential business information protected under GO 66-C.	Indefinite
Attachment K – Risk	N	CPUC General Order 66-C	N/A	Y	Y	TeVaR and supporting forecasts and analysis	

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Management			Y	Y	Y	are confidential. In addition, the Risk Management Committee attachments address PG&E's energy procurement strategy, price, volumes, and counterparties. The information constitutes confidential business information protected under GO 66-C.	Indefinite

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION OF MICHAEL KOWALEWSKI
SEEKING CONFIDENTIAL TREATMENT OF FOR CERTAIN DATA AND
INFORMATION CONTAINED IN PG&E'S ADVICE LETTER 4266-E REGARDING
CONFIDENTIAL ATTACHMENTS A, B, D, E, H, J, L, and M**

I, Michael Kowalewski, declare:

1. I am presently employed by Pacific Gas and Electric Company (PG&E) and have been an employee since 1992. My current title is Acting Director, Electric Gas Supply in the Energy Supply Management Department, which is part of the Energy Procurement Department. In this position, my responsibilities include physical and financial gas supply management and trading in support of PG&E's allocated DWR contracts, PG&E's company-owned generating facilities, and PG&E's tolling agreements. In carrying out these responsibilities, I have acquired knowledge of gas supply and gas hedging for electric generation, the markets for physical and financial products for gas supply and hedging, and the various types of transactions involved.
2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of PG&E's July 30, 2013 Advice Letter 4266-E, Confidential Attachments A, B, D, E, H, J, L, and M. By this Application, PG&E is seeking the Commission's approval of Quarter Two, 2013 Procurement Transaction Quarterly Compliance Report, submitted by PG&E.
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 I of D.06-06-

066 and Appendix 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, 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 the foregoing is true and correct.

Executed on July 30, 2013, at San Francisco, California.

/s/
Michael Kowalewski
Acting Director, Gas Supply
Energy Supply Management
PACIFIC GAS AND ELECTRIC COMPANY

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
 PROPOSAL REGARDING ADVICE LETTER 4266-E
 PROCUREMENT TRANSACTION QUARTERLY COMPLIANCE REPORT OF QUARTER TWO 2013
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Document: Confidential Attachment 2							
Attachment A – Physical Natural Gas Spot Transactions	Y	Item I)B) 2) Utility recorded gas procurement and cost information XI) Monthly Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)	Y	N	Y	Actual quantity and cost of procured gas are protected.	1 and 3 Years
Attachment A – Physical Natural Gas Term Transactions and/or Financial Natural Gas Transactions	Y	Item I) B) 2) Utility recorded gas procurement and cost information Item I) A) 4) Long-term fuel (gas) buying and hedging plans	Y	N	Y	Actual quantity and cost of procured gas are protected. Each transaction is a factor in PG&E's long term buying and hedging strategies. With the entire set of transactions PG&E's counterparties could reconstruct PG&E's gas buying and hedging	1 and 3 Years; Confidential for three years past expiration of the last trade executed under the hedging plan. (Resolution E-

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
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		XI) Monthly Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)				plans. This information reveals procurement cost categorized by transaction type, which is provided to Energy Division per Assembly Bill 57	4276, Finding 8) This date is January 1, 2019.
Attachment B – Counterparty Information, including counterparty concentration – Table “List of Top Ten Counterparties” by transaction, volume, and dollar value	N	CPUC General Order 66-C	N/A	N	Y	Counterparty sales information constitutes confidential non-utility business information protected under GO 66-C.	Indefinite
Attachment D – Natural Gas Transactions		Item I) B) 2) Utility recorded gas procurement and cost				PG&E's hedging strategies may be deduced through an analysis of PG&E's summarized transactions.	1 and 3 Years;

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	Y	information Item I) A) 4) Long-term fuel (gas) buying and hedging plans; Item I) A) 4), Long-term fuel (gas) buying and hedging plans XI) Monthly Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)	Y	N	Y		Confidential for three years past expiration of the last trade executed under the hedging plan. (Resolution E-4276, Finding 8) This date is January 1, 2019.
Attachment E - Other Transactions	N	CPUC General Order 66-C	N/A	N	Y	Disclosure of information would provide counterparty name, volume, and price and would provide market sensitive information regarding bid strategy and selection.	3 Years
Attachment H – Executed		CPUC General Order 66-C				Disclosure of information would provide counterparty name, volume,	3 Years

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Contracts	N		N/A	N	Y	and price and would provide market sensitive information regarding bid strategy and selection.	
Attachment J - Gas Transaction, Natural Gas Documents	Y	Item I) A) 4) Long-term fuel (gas) buying and hedging plans	Y	N	Y	This information includes detailed information on PG&E's implementation of its fuel buying and hedging plans and must remain confidential to avoid disclosing PG&E's market strategy.	3 Years and Confidential for three years past expiration of the last trade executed under the hedging plan. (Resolution E-4276, Finding 8) This date is January 1, 2019.
Attachment L – Reasonable Number of Analyses	N	CPUC General Order 66-C	N/A	N	Y	Disclosure of information would provide counterparty name, volume, and price and would provide market sensitive information regarding bid strategy and selection.	3 Years

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
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Attachment M – Transactions Subject to Strong Showing - Physical Natural Gas, Term Transactions, and/or Financial Natural Gas Transactions	Y	Item I) A) 4) Long-term fuel (gas) buying and hedging plans; Item I) B) 2) Utility recorded gas procurement and cost information; XI) Monthly Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)	Y	N	Y	Actual quantity and cost of procured gas are protected. Each transaction is a factor in PG&E's long term buying and hedging strategies. With the entire set of transactions PG&E's counterparties could reconstruct PG&E's gas buying and hedging plans. This information reveals procurement cost categorized by transaction type, which is provided to Energy Division per Assembly Bill 57	3 Years and Confidential for three years past expiration of the last trade executed under the hedging plan. (Resolution E-4276, Finding 8) This date is January 1, 2019.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION OF MARIANNE AIKAWA
SEEKING CONFIDENTIAL TREATMENT OF FOR CERTAIN DATA AND
INFORMATION CONTAINED IN PG&E'S ADVICE LETTER 4266-E REGARDING
CONFIDENTIAL ATTACHMENTS A, B, C, E, H, I, J, L, AND M**

I, Marianne Aikawa, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 1989. My current title is Senior Manager within PG&E's Energy Procurement organization. In this position my responsibilities include reviewing regulatory reports. In carrying out these responsibilities, I have acquired knowledge of PG&E's regulatory reporting and have also gained knowledge of electric energy procurement data, processes, and practices. Through this experience, I have become familiar with the type of information that would affect the regulatory filing, as well as with the type of information that would be considered confidential and proprietary.
2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of PG&E's July 30, 2013 Advice Letter 4266-E, Confidential Attachments A, B, C, E, H, I, J, L, and M. By this Application, PG&E is seeking the Commission's approval of Quarter Two, 2013 Procurement Transaction Quarterly Compliance Report, submitted by PG&E.
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 I of D.06-06-

066 and Appendix 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, 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 the foregoing is true and correct.

Executed on July 30, 2013, at San Francisco, California.

_____/s/_____
Marianne Aikawa
Senior Manager
Energy Compliance and Report
Energy Procurement
PACIFIC GAS AND ELECTRIC COMPANY

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
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Document: Confidential Attachment 3							
Attachment A – Physical and Financial Electric Deals	Y	Item VI) E) and F) Utility Planning Area Matrix Net Open (Electric) Item XIII) Energy Division Monthly Data Request (AB 57) XI) Monthly Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)	Y	N	Y	Disclosure of monthly and daily data provides an understanding of PG&E's strategy for closing out its net open position. This information reveals procurement cost categorized by transaction type, which is provided to Energy Division per AB 57 and is confidential for three years.	3 Years
Attachment B – Counterparty Information, including non-investment grade counterparties table: "List of Non-	N	CPUC General Order 66-C	N/A	N	Y	Counterparty sales information constitutes confidential non-utility business information protected under GO 66-C.	Indefinite

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Investment Grade Counterparties ”							
Attachment C - Electric Transactions, tables by transaction, volume, and dollar value: “Electric Physical,” ”Electric Financial,” ”Electric-Physical-HA Only,” “List of Top Ten Counterparties ”	Y	Item VI) E) and F) Utility Planning Area Matrix Net Open (Electric) Item XIII) Energy Division Monthly Data Request (AB 57) XI) Monthly Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)	Y	N	Y	These analyses are the basis of the monthly variable cost of energy and utility operation, which must be protected to preserve the confidentiality of ERRA documentation.	3 Years
Attachment C - Electric Transactions (see above)	Y	Item VI) E) and F) Utility Planning Area Matrix Net Open	Y	N	Y	This information is provided to Energy Division on a confidential basis per AB 57 and must be protected here to preserve confidentiality of the AB 57 report.	3 Years

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		(Electric) Item XIII) Energy Division Monthly Data Request (AB 57) XI) Monthly Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)					
Attachment E – Other Transactions	Y	VII) B) Bilateral Contract Terms and Conditions – contracts and power purchase agreements between utilities and non-affiliated third parties,	Y	N	Y	This information includes confidential contract information for contracts between PG&E and non-affiliated third parties.	3 Years
Attachment H - Executed Contracts	Y	VII) B) Bilateral Contract Terms and Conditions – contracts and power purchase agreements between utilities and non-	Y	N	Y	Disclosure of information would provide counterparty name, volume, and price and would provide market sensitive information regarding bid strategy and selection.	3 Years

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 July 30, 2013**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	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)	2) Which category or categories in the Matrix the data corresponds to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
		affiliated third parties					
Attachment I – Summary of Retained Generation Investments	N	CPUC General Order 66-C	N/A	N	Y	Information on retained generation investments constitutes confidential business information protected under GO 66-C.	Indefinite
Attachment J – System Conditions	Y	Item VI) E) and F) Utility Planning Area Matrix Net Open (Electric) Item VI) Utility Bundled Net Open Position (Electric)	Y	N	Y	Residual net short/long is key input to PG&E's confidential forecast of net open position The residual net short/long is information is provided to Energy Division on a confidential basis per AB 57 and must be protected here to preserve confidentiality of the AB 57 report.	3 Years
Attachment L - Reasonable Number of Analyses	Y	Item VI) E) and F) Utility Planning Area Matrix Net Open (Electric) Item XIII) Energy Division Monthly Data Request (AB 57) XI) Monthly	Y	N	Y	These analyses are the basis of the monthly variable cost of energy and utility operation, which must be protected to preserve details which would reveal PG&E's position in the market place.	3 Years

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
 PROPOSAL REGARDING ADVICE LETTER 4266-E
 PROCUREMENT TRANSACTION QUARTERLY COMPLIANCE REPORT OF QUARTER TWO 2013
 July 30, 2013**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	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)	2) Which category or categories in the Matrix the data corresponds to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
		Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)					
Attachment M – Transactions Subject to Strong Showing	Y	Item VI E) and F) Utility Planning Area Matrix Net Open (Electric) VII) B) Bilateral Contract Terms and Conditions – contracts and power purchase agreements between utilities and non-affiliated third parties	Y	N	Y	Disclosure of information would provide counterparty name, volume, and price and would provide market sensitive information regarding bid strategy and selection.	3 Years

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

1st Light Energy	Division of Ratepayer Advocates	Occidental Energy Marketing, Inc.
AT&T	Douglass & Liddell	OnGrid Solar
Alcantar & Kahl LLP	Downey & Brand	Pacific Gas and Electric Company
Anderson & Poole	Ellison Schneider & Harris LLP	Praxair
BART	G. A. Krause & Assoc.	Regulatory & Cogeneration Service, Inc.
Barkovich & Yap, Inc.	GenOn Energy Inc.	SCD Energy Solutions
Bartle Wells Associates	GenOn Energy, Inc.	SCE
Bear Valley Electric Service	Goodin, MacBride, Squeri, Schlotz & Ritchie	SDG&E and SoCalGas
Braun Blaising McLaughlin, P.C.	Green Power Institute	SPURR
CENERGY POWER	Hanna & Morton	San Francisco Public Utilities Commission
California Cotton Ginners & Growers Assn	In House Energy	Seattle City Light
California Energy Commission	International Power Technology	Sempra Utilities
California Public Utilities Commission	Intestate Gas Services, Inc.	SoCalGas
California State Association of Counties	Kelly Group	Southern California Edison Company
Calpine	Linde	Spark Energy
Casner, Steve	Los Angeles Dept of Water & Power	Sun Light & Power
Center for Biological Diversity	MAC Lighting Consulting	Sunshine Design
City of Palo Alto	MRW & Associates	Tecogen, Inc.
City of San Jose	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Clean Power	Marin Energy Authority	TransCanada
Coast Economic Consulting	McKenna Long & Aldridge LLP	Utility Cost Management
Commercial Energy	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Davis Wright Tremaine LLP	NLine Energy, Inc.	Water and Energy Consulting
Day Carter Murphy	NRG Solar	Wellhead Electric Company
Defense Energy Support Center	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	North America Power Partners	