Energy Division Data Request #1 **March 23, 2010**
Advice Letter 3583-E

Subject: Energy Division data request for additional information for Advice Letter (AL) 3583-E, which concerns PG&E's request for approval of three power purchase agreements (PPAs) with Shell Energy North America (US) L.P..

Please provide a detailed response by COB on **Tuesday, March 30, 2010**. Once you have prepared a response, please contact Sean Simon; svn@cpuc.ca.gov to schedule a call to discuss your response. Also, any questions related to the data request should be directed to Sean Simon.

1. Why wasn't the Independent Evaluator (IE) able to directly observe the negotiations between PG&E and Shell Energy?
2. How will PG&E hedge against price variability for these contracts?
3. Is the Combine Hills II facility operational?

   3 (a). If not, when is it expected to be operational?
4. Are the transmission upgrades associated with the Combine Hills II facility completed?

   4 (a). If not, when are they expected to be completed?
5. How did Shell determine the value of the Green Attributes for each contract?

   5 (a). Why are the Green Attributes priced differently for each facility?
6. For the Wheat Field contract, why does the delivery rate double in the months of November and December?

   6 (a). What are the benefits to ratepayers for an increase in delivery in these months?
7. What are the risks to ratepayers of a December true-up if, as the IE notes, December 2010 and 2011 are currently expected to have higher power prices at COB than the average for the year?

   7 (a). Does PG&E intend to hedge for this particular risk?

   7 (b). Is there another more cost effective way to implement the true-up?