



April 26, 2010

Mr. Honesto Gatchalian
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: PG&E's Comments on Draft Resolution E-4326

Dear Mr. Gatchalian:

Pacific Gas and Electric Company ("PG&E") submits the following comments on Draft Resolution E-4326 ("Draft Resolution"), which was issued on April 5, 2010, in advance of the Commission's consideration and potential vote on May 6, 2010.

The Draft Resolution approves with modifications PG&E's Advice Letter 3544-E, which request Commission approval a renewable power purchase agreement ("PPA") with Geysers Power Company, LLC ("Geysers") for purchase of incremental Renewables Portfolio Standard ("RPS") eligible energy from Geysers' 725 megawatt ("MW") geothermal generation system in Sonoma and Lakes Counties, California. The Draft Resolution requires PG&E to submit a Tier 1 advice letter within 30 days after the effective date of the Resolution containing a modified power purchase agreement executed by the buyer and seller that includes all of the non-modifiable required standard terms and conditions required pursuant to D.10-03-021.

The Draft Resolution summarizes the annual deliveries under the agreement in the following table:¹

Year	New PPA (GWh/yr)
2010 - 2012	3,537
2013 - 2014	3,537
2015 - 2017	3,537
2018 - 2021	2,080

¹ Draft Resolution E-4326 at p. 3.

Deliveries in the first 2 periods, 2010–2012 and 2013–2014, include deliveries under two existing PPAs that PG&E previously executed with Geysers. One of the two existing PPAs will terminate upon approval of the new PPA and the deliveries under the previous PPA, approved by the Commission in Resolution E-4046, will continue under the terms and conditions of the new PPA. The other existing PPA, approved by the Commission in Resolution E-4164, will continue as a separate PPA and is not affected by the new PPA. Deliveries under the continuing PPA, 1,456 GWh per year, are therefore not part of the new PPA that PG&E is seeking the Commission's approval for in Advice Letter 3544-E. The Draft Resolution should be modified to summarize deliveries under the under the new agreement to exclude the deliveries of the continuing PPA. The corrected deliveries are summarized in the table below:

Year	New PPA (GWh/yr)
2010 - 2012	2,081
2013 - 2014	2,081
2015 - 2017	3,537
2018 - 2021	2,080

Sincerely,



Vice President - Regulation and Rates

cc: Commission President Michael R. Peevey
Commissioner John A. Bohn
Commissioner Dian M. Grueneich
Commissioner Nancy Ryan
Commissioner Timothy A. Simon
Julie Fitch, Director, Energy Division
Amy Baker, Energy Division
Paul Douglas, Energy Division
Cheryl Lee, Energy Division
Sean Simon, Energy Division
Service Lists for R.08-08-009 and R.06-02-012

CERTIFICATE OF SERVICE

I certify that I have by mail, e-mail, or hand delivery this day served a true copy of Pacific Gas and Electric Company's reply comments on Draft Resolution E-4326 regarding PG&E's Advice Letter 3544-E to:

- Honesto Gatchalian
- Amy Baker
- Julie Fitch
- Commissioners: Michael Peevey, John Bohn, Dian Grueneich, Nancy Ryan, and Timothy Simon
- All parties on the official CPUC service lists for: R.08-08-009 and R.06-02-012

/S/ LINDA TOM-MARTINEZ
LINDA TOM-MARTINEZ
PACIFIC GAS AND ELECTRIC COMPANY

Date: April 26, 2010