



**Pacific Gas and
Electric Company®**

COPY

Randal S. Livingston, P.E.
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June 2, 2010

Mr. Paul Clanon, Executive Director
CALIFORNIA PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue, 5th Floor
San Francisco, CA 94102

Re: Planned Permanent Closure of PG&E's Humboldt Bay Power Plant

Dear Mr. Clanon:

This letter provides formal notice to the California Public Utilities Commission ("Commission" or "CPUC") that, pursuant to Operating Standard 23 of General Order 167 ("GO 167"), Pacific Gas and Electric Company ("PG&E") plans to permanently shut down the Humboldt Bay Power Plant in the third quarter of 2010. Operating Standard 23 requires a Generating Asset Owner to notify "the Commission and the Control Area Operator in writing at least ninety days prior to a change in the long-term status of a unit". The notice must include a description of the planned change.

PG&E's Humboldt Bay Power Plant is comprised of two fossil fueled boilers and turbine generator units, producing 50 net megawatts each, and two simple cycle gas turbine driven generators producing 15 net megawatts each. There is also a 65 megawatt nuclear unit presently in decommissioning/dismantlement status. That unit is not addressed in this letter.

A new fossil fueled generating plant, Humboldt Bay Generating Station, is under construction adjacent to Humboldt Bay Power Plant on the same industrial site. This new facility is expected to begin commercial operation in the third quarter of 2010. The new facility will fulfill substantially the same functions as the existing plant.¹ Accordingly, PG&E anticipates that the conditions necessary to permanently shut down Humboldt Bay Power Plant will be met in the third quarter of 2010.

¹ See CPUC D.06-11-048 http://docs.cpuc.ca.gov/word_PDF/final_decision/62451, *Opinion Approving Results Of Long-Term Request For Offers* (Nov. 30, 2006), Ordering Paragraphs 1 and 2, p. 45, also see California Energy Commission's September 2008 Final Decision regarding the Humboldt Bay Repowering Project at <http://www.energy.ca.gov/2008publications/CEC-800-2008-005/CEC-800-2008-005-CMF>



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If you have any questions regarding this notification, please contact Annette Faraglia in the Law Department at (415) 973-7145.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Randal S. Livingston', written over a horizontal line.

Randal S. Livingston

cc: Commission President Michael R. Peevey
Commissioner Dian M. Grueneich
Commissioner John A. Bohn
Commissioner Timothy Alan Simon
Commissioner Nancy E. Ryan
Mr. Richard Clark, Director – Consumer Protection & Safety Division
Mr. Mark A. Zeiring, Consumer Protection & Safety Division
Charlyn A. Hook, Esq. – Legal Division
Ms. Linda Serizawa, Division of Ratepayer Advocates



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bcc: Jack S. Keenan, Sr. Vice President – Chief Operating Officer
Nancy E. McFadden, Sr. Vice President/Sr. Advisor – Public Affairs
Thomas E. Bottorff, Sr. Vice President –Regulatory Relations
Brian K. Cherry, Vice President – Regulatory Relations
Joseph F. O’Flanagan, Director – Energy Procurement Ratemaking Policy
Redacted [redacted], Principal Project Manager – Power Generation Fossil Plant Construction
Redacted [redacted], Manager – Power Generation Hydro Operations & Maintenance
Redacted [redacted], Business Planner Consultant – Power Generation
William V. Manheim, Chief Counsel – Generation, Law Department
Annette Faraglia, Law Department
Redacted [redacted], Law Department
Alyssa T. Koo, Law Department