

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

Application of Pacific Gas and Electric
Company to Recover Pumped Storage
Study Costs (U 39E)

**Application A.10-08-011
(Filed August 20, 2010)**

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
PROOF OF RULE 3.2(c) COMPLIANCE**

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DATED: September 9, 2010

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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PROOF OF RULE 3.2(c) COMPLIANCE**

Pacific Gas and Electric Company ("PG&E") hereby provides proof of compliance with Rule 3.2(c) of the California Public Utilities Commission's Rules of Practice and Procedure. Attachment A demonstrates that PG&E met the requirement specified in Rule 3.2(c), that PG&E publish Notice of this Application in newspapers of general circulation (see Attachment A). In addition, PG&E takes this opportunity to confirm that, on August 23, 2010, PG&E mailed the Notice to state and county officials required under Rule 3.2(b) (see Attachment B).

Respectfully Submitted,

WILLIAM V. MANHEIM
MATTHEW A. FOGELSON

By: _____ /S/

MARILYN WALKER
Legal Assistant

**Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
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Facsimile: (415) 973-5520
E-Mail: mafv@pge.com**

DATED: September 9, 2010

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT A

DECLARATION OF PUBLICATION OF PACIFIC GAS AND ELECTRIC
COMPANY'S NOTICE OF APPLICATION FILING

No. 10-08-011

I, Barbara Wichmann declare:

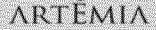
I am a Traffic Coordinator employed by ARTEMIA Communications, Inc., at 2001 Union Street, Suite 495, San Francisco, CA. I am responsible for working with Marilyn Walker of Pacific Gas and Electric Company (the Company) preparing the composition of the Notification of Pacific Gas and Electric Company's Filing of an Application to Recover Pumped Storage Study Costs (10-08-011), and scheduling the earliest possible publication dates with the 55 newspapers in the Company's service territory. When Marilyn Walker of the Company contacted me concerning the need to publish the notification of filing of Application 10-08-011, I drafted the publishing schedule for the 55 newspapers (attached herewith). I faxed the attached schedule, for publication dates to Ms. Walker for approval. She notified me that the dates were acceptable, and I contacted the 55 newspapers to reserve the publication dates. I receive the proofs of publication from the 55 newspapers, within three to five weeks after publication, which I collect and then forward to Ms. Walker.

I declare under penalty of perjury that the foregoing is true and correct.

In San Francisco California, this 6th day of September, 2010.



BARBARA WICHMANN



Pacific Gas & Electric Company (Confidential)
Submitted on 08/16/2010

**LISTING OF SECURED PLACEMENTS FOR
PUMPED STORAGE PROJECT**

PGL 00-24NR
RUN DATES: 8/25 - 8/30
SIZE: 3 COL X 12"
TOTAL MEDIA BUY:\$ 99,049.65

Newspaper	Run Dates	# of insertions	Ad Size	Est. Cost
Amador Ledger	8/25-8/30	1	3 Col X 12"	\$418.23
Appeal Democrat	8/25-8/30	1	3 Col X 12"	\$1,352.34
Argus	8/25-8/30	1	3 Col X 12"	\$1,721.24
Auburn Journal	8/25-8/30	1	3 Col X 12"	\$1,035.00
Bakersfield Californian	8/25-8/30	1	3 Col X 12"	\$2,050.07
Calaveras Enterprise/Prospect	8/25-8/30	1	3 Col X 12"	\$362.25
Californian (Salinas)	8/25-8/30	1	3 Col X 12"	\$1,372.41
Chico Enterprise Record	8/25-8/30	1	3 Col X 12"	\$786.32
Colusa Sun-Herald	8/25-8/30	1	3 Col X 12"	\$213.90
Contra Costa Times (Walnut Creek) & West County Times	8/25-8/30	1	3 Col X 12"	\$1,721.24
Daily Independent (Ridgecrest)	8/25-8/30	1	3 Col X 12"	\$479.00
Daily News (Red Bluff)	8/25-8/30	1	3 Col X 12"	\$786.32
Daily Republic (Fairfield)	8/25-8/30	1	3 Col X 12"	\$599.69
Davis Enterprise	8/25-8/30	1	3 Col X 12"	\$745.20
Fresno Bee	8/25-8/30	1	3 Col X 12"	\$5,025.13
Gilroy Dispatch	8/25-8/30	1	3 Col X 12"	\$414.00
Grass Valley Union	8/25-8/30	1	3 Col X 12"	\$1,012.64
Hanford Sentinel	8/25-8/30	1	3 Col X 12"	\$1,477.97
Hayward Daily Review	8/25-8/30	1	3 Col X 12"	\$1,721.24
Hollister Free Lance	8/25-8/30	1	3 Col X 12"	\$414.00
Independent Journal (Marin)	8/25-8/30	1	3 Col X 12"	\$1,721.24
Lodi News-Sentinel	8/25-8/30	1	3 Col X 12"	\$810.43
Lompoc Record	8/25-8/30	1	3 Col X 12"	\$1,051.97
Madera Tribune	8/25-8/30	1	3 Col X 12"	\$414.00
Merced Sun Star	8/25-8/30	1	3 Col X 12"	\$1,101.44
Modesto Bee	8/25-8/30	1	3 Col X 12"	\$1,455.21
Monterey County Herald	8/25-8/30	1	3 Col X 12"	\$3,591.14
Napa Valley Register	8/25-8/30	1	3 Col X 12"	\$876.22
Oakland Tribune	8/25-8/30	1	3 Col X 12"	\$1,721.24
Paradise Post	8/25-8/30	1	3 Col X 12"	\$1,048.43
Porterville Recorder	8/25-8/30	1	3 Col X 12"	\$688.16
Press Democrat (Santa Rosa)	8/25-8/30	1	3 Col X 12"	\$2,733.06
Record Searchlight (Redding)	8/25-8/30	1	3 Col X 12"	\$3,158.13
Reporter (Vacaville)	8/25-8/30	1	3 Col X 12"	\$2,868.74
Sacramento Bee	8/25-8/30	1	3 Col X 12"	\$2,652.91
San Francisco Chronicle	8/25-8/30	1	3 Col X 12"	\$24,343.20
San Jose Mercury News	8/25-8/30	1	3 Col X 12"	\$1,721.24
San Mateo Times	8/25-8/30	1	3 Col X 12"	\$1,721.24
Santa Cruz Sentinel	8/25-8/30	1	3 Col X 12"	\$1,721.24
Santa Maria Times	8/25-8/30	1	3 Col X 12"	\$1,739.63
Siskiyou Daily News (Yreka)	8/25-8/30	1	3 Col X 12"	\$413.48
Stockton Record	8/25-8/30	1	3 Col X 12"	\$2,132.93
Tahoe Daily Tribune	8/25-8/30	1	3 Col X 12"	\$964.62
Times Herald (Vallejo)	8/25-8/30	1	3 Col X 12"	\$2,868.74
Times Standard (Eureka)	8/25-8/30	1	3 Col X 12"	\$1,161.27
Tracy Press	8/25-8/30	1	3 Col X 12"	\$660.33
Tribune (SLO)	8/25-8/30	1	3 Col X 12"	\$1,909.77
Trinity Journal (Weaverville)	8/25-8/30	1	3 Col X 12"	\$343.10
Tri-Valley Herald (Pleasanton)	8/25-8/30	1	3 Col X 12"	\$1,721.24
Tulare Advance Register	8/25-8/30	1	3 Col X 12"	\$3,407.22
Ukiah Daily Journal	8/25-8/30	1	3 Col X 12"	\$828.00
Union Democrat (Sonora)	8/25-8/30	1	3 Col X 12"	\$985.32
Willows Journal	8/25-8/30	1	3 Col X 12"	\$226.93
Woodland Daily Democrat	8/25-8/30	1	3 Col X 12"	\$579.60
Grand Total				\$99,049.65

**NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S
FILING OF AN APPLICATION
TO RECOVER PUMPED STORAGE STUDY COSTS**

On August 20, 2010, Pacific Gas and Electric Company (PG&E) filed this Application at the California Public Utilities Commission (CPUC), requesting authorization to recover costs associated with studies performed to evaluate the feasibility of developing new hydroelectric pumped storage projects. If a project (or projects) is found feasible as a result of these studies, PG&E would seek approval from the CPUC to build the project and recover construction costs in a later filing pursuant to the CPUC's standard cost of service ratemaking process. PG&E is also requesting authorization from the CPUC to establish a balancing account to record and recover costs associated with the pumped storage studies.

This application requests recovery of \$33.475 million for costs associated with performing the pumped storage feasibility studies discussed above. Revenues required from customers would be collected in rates over a six-year period, beginning with the next available rate change after CPUC approval of this application.

What is the Pumped Storage Project?

A hydroelectric pumped storage project is a technology used to store electrical energy. Water is pumped from one reservoir to another reservoir at a higher elevation to store energy. When the stored energy is required to meet customer demand, the water is allowed to flow from the upper reservoir through hydroelectric generating equipment to the lower reservoir where it is captured and is once again available for pumping.

Why is PG&E Studying Pumped Storage?

PG&E is looking for ways to support the addition of renewable electricity generation resources. Additional renewable resources will benefit the environment, our customers and meet California's goal of having load-serving entities, such as PG&E, procure 33 percent of retail sales from eligible renewable energy resources by 2020. Some renewable generation technologies like wind and solar are dependent on weather conditions that may not coincide with customer demand. Pumped storage projects can support the use of intermittent renewable resources by using output generated during off-peak hours to pump water for energy storage and then releasing the water for additional electricity generation during peak demand periods. Pumped storage projects can integrate renewable generation resources into the grid, providing for stable grid operation with higher degrees of renewable electricity production.

Will rates increase as a result of this application?

Yes. However, the increase in rates resulting from this application will be spread over a six-year period and will not appear in customer bills until the next available rate change after CPUC approval of this application. Using the highest year costs of \$8.512 million, the bundled system average rate increase will be less than 0.07 percent, relative to current rates.

FOR FURTHER INFORMATION

To request a copy of the application and exhibits or for more details, call PG&E at **1-800-743-5000**.

For TDD/TTY (speech-hearing impaired), call **1-800-652-4712**.

Para más detalles llame **1-800-660-6789**

詳情請致電 **1-800-893-9555**

You may request a copy of the application and exhibits by writing to:

Pacific Gas and Electric Company
Pumped Storage Project
P.O. Box 7442
San Francisco, CA 94120.

THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) may review this application.

The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in, these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of PG&E's request, amend or modify it, or deny the application. The CPUC's final decision may be different from PG&E's application.

If you would like to learn how you can participate in this proceeding or if you have comments or questions, you may contact the CPUC's Public Advisor as follows:

Public Advisor's Office
505 Van Ness Avenue
Room 2103
San Francisco, CA 94102
1-415-703-2074 or **1-866-849-8390** (toll free)
TTY **1-415-703-5282** or TTY **1-866-836-7825** (toll free)

If you are writing a letter to the Public Advisor's Office, please include the name of the application to which you are referring. All comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Energy Division staff.

A copy of PG&E's Pumped Storage Project application and exhibits are also available for review at the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, Monday-Friday, 8 a.m.-noon.

ATTACHMENT B

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**CERTIFICATE OF SERVICE
BY
ELECTRONIC MAIL AND U. S. MAIL**

I, Elizabeth J. Diamond, state that: I am a citizen of the United States and am employed in the City and County of San Francisco; I am over the age of eighteen (18) years and not a party to the within cause; and my business address is Pacific Gas and Electric Company, Law Department B30A-2482, 77 Beale Street, San Francisco, CA 94105-1814.

On the 9th day of September, 2010, I caused to be served a true copy of:

**PACIFIC GAS AND ELECTRIC COMPANY (U 39E)
PROOF OF RULE 3.2(c)
COMPLIANCE**

[XX] Electronic Mail: By serving the above document, via electronic mail transmission, to each of the parties listed on the official Service Lists for CPUC Docket No's. **A.09-12-020/I.10-07-027, R.08-08-009, R.10-05-006, and on the Mokelumne Stakeholder Advisory Forum** (copy attached).

[XX] U. S. Mail: By placing the enclosed document in sealed envelopes, with postage fully pre-paid, for collection and mailing and addressed to those parties without an electronic mail address listed on the official Service Lists for CPUC Docket No's. **A.09-12-020/I.10-07-027, R.08-08-009, and R.10-05-006, and on the Mokelumne Stakeholder Advisory Forum** (copy attached).

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 9th day of September, 2010 at San Francisco, California.

/S/
ELIZABETH J. DIAMOND

**Mokelumne Stakeholder Advisory Forum
List of Organizations and Individuals / Addresses**

Organization	Name of Participant(s)	E-Mail
U. S. Forest Service, Eldorado NF (“USFS/ENF”) *	Ms. Beth Paulson Mr. Doug Barber Ms. Teresa McClung Ms. Julie Tupper	bapaulson@fs.fed.us dkbarber@fs.fed.us tmccclung@fs.fed.us jtupper01@fs.fed.us
U. S. Fish & Wildlife Service (“USFWS”) *	Ms. Deborah Giglio Mr. Bill Pelle Mr. William Foster	deborah_giglio@fws.gov william_pelle@fws.gov william_foster@fws.gov
U. S. Bureau of Land Management (“USBLM”)	Mr. Jim Eicher	jeicher@ca.blm.gov
California State Water Resources Control Board (“SWRCB”)	Mr. Les Grober Ms. Camilla Williams Mr. Russ Kanz	lgrober@waterboards.ca.gov ckwilliams@waterboards.ca.gov rkanz@waterboards.ca.gov
California Department of Fish & Game (“CDF&G”)	Mr. Stafford Lehr Ms. Annie Manji Ms. Mary Lisa Lynch Mr. Ken Kundargi	slehr@dfg.ca.gov amanji@dfg.ca.gov mlynch@dfg.ca.gov kkundargi@dfg.ca.gov
Calaveras Band of Miwok Indians P. O. Box 1015 West Point, CA 95255-1015	Ms. Deborah Grimes	
Jackson Band of Miwok Indians P. O. Box 1090 Jackson, CA 95642-1090	Ms. Margaret Dalton	
Sierra Native Americans P. O. Box 1204 Ione, CA 95640-1204	Mr. Dwight Dutschke	
Washoe Tribe of NV and CA 861 Crescent Drive Carson City, NV 89701-7704	Mr. Darrel Cruz	darrel.cruz@washoetribe.us
Ione Band of Miwok Indians P. O. Box 1190 Ione, CA 95640-1190	Mr. Glen Villa	
Shingle Springs Band of Miwok Indians P.O. Box 1340 Shingle Springs, CA 95682-1340	Mr. Jeff Murray	

Calaveras Band of Me-Wuk Indians P.O. Box 393 West Point, CA 95255-0393	Ms. Gloria Grimes	
Buena Vista Rancheria of Me-Wuk Indians 4650 Coalmine Road Ione, CA 95640	Ms. Donnamarie Potts	
Chicken Ranch Band of Me-Wuk Indians Chicken Ranch Rancheria P.O. Box 1159 Jamestown, CA 95327-1159	Mr. Lloyd Mathiesen	
Sierra Native American Council 1580 Longgate Road Plymouth, CA 95669-9725	Mr. Sam Baugh	
Central Sierra Me-Wuk Cultural & Historic Preservation Committee P.O. Box 1389 Tuolumne, CA 95379-1389	Ms. Reba Fuller	
Native American Heritage Commission (“NAHC”)	Mr. Larry Myers	nahc@pacbell.net
The Foothill Conservancy (“FC”)	Mr. Pete Bell	pete@mokeriver.com
American Whitewater (“AW”)	Mr. David Steindorf	dave@amwhitewater.org
California Sportfishing Protection Alliance (“CSPA”)	Mr. John Beuttler Mr. Chris Shutes	jbeuttler@aol.com blancapaloma@msn.com
East Bay Municipal Utility Dist. (“EBMUD”) *	Ms. Lena Tam Ms. Priyanka Jain Mr. Marcel Hall	ltam@ebmud.com pjain@ebmud.com mhall@ebmud.com
Amador Water Agency (“AWA”) *	Mr. James Abercrombie Mr. Gene Mancebo	jabercrombie@amadorwa.com gmancebo@amadorwa.com
Calaveras County Water Dist. (“CCWD”) *	Mr. Ed Pattison Ms. Jennifer Harder	edwinp@ccwd.org jharder@downeybrand.com
Mokelumne River Water & Power Authority (“MRWPA”) *	Mr. Mel Lytle	mlytle@sigov.org
Upper Mokelumne River Watershed Authority (“UMRWA”)	Mr. Rob Alcott	robalcott@aol.com
Jackson Valley Irrigation Dist. (“JVID”) *	Mr. Tom Hoover	jvidtom@wildblue.net jvid@wildblue.net
Amador Resource Conservation District (“ARCD”)	Mr. Steve Cannon	arcd@volcano.net