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**VIA E-MAIL pac@cpuc.ca.gov
AND BY MESSENGER**

Mr. Paul Clanon, Executive Director
CALIFORNIA PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue, 5th Floor
San Francisco, CA 94105

**Re: Implementation of D.10-12-035 Issued in A.08-11-011
Request for Extension of Time to File Semi-Annual CHP Program Reports**

Dear Mr. Clanon:

The "Qualifying Facility and Combined Heat and Power Program Settlement Agreement" ("Settlement Agreement") approved by California Public Utilities Commission ("Commission") Decision ("D.")10-12-035 requires each CPUC Jurisdictional Entity to prepare a CHP Program Semi-Annual Report ("CHP Report").¹ The First Semi-Annual Progress Report is to be filed on the first business day of the month following the Settlement Effective Date.² The Settlement Effective Date is anticipated to be on or around November 23, 2011, therefore, the CHP Report would be due on December 1, 2011.

Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, collectively the Joint Investor-Owned Utilities ("Joint IOUs") respectfully request an extension of time to comply with D.10-12-035, pursuant to Rule 16.6 of the Commission's Rules of Practice and Procedure ("Rules"). The extension is requested until July 31, 2012 for several reasons.

A December 1, 2011 Report would not be very informative because the Settlement Effective Date will have occurred only seven days before the deadline for the initial CHP Report, and there would be negligible new procurement activity to report.³ In addition, the framework for the CHP Report has not been completed, pursuant to Settlement Agreement Section 8.1.5, and any prematurely filed Reports may not meet the Commission's needs.

¹ Settlement Agreement Article 8.

² D.10-12-035, p. 44.

³ PG&E has already executed power purchase agreements ("PPAs") for 480 MW of CHP generation in accordance with Article 3.4.4 of the Settlement Agreement, but the Commission is already aware of these through its review and approval of the PPAs or amendments to the PPAs.



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The Commission's purpose in requiring the CHP Reports would be best served if the initial Reports were filed after significant procurement activity under the Settlement Agreement is scheduled to occur. This would include the execution of replacement contracts for QFs on extension and the execution of amendments to Legacy PPAs. Accordingly, the Joint IOUs request an extension of time for filing the initial CHP Report until July 31, 2012.

With respect to the filing schedule for subsequent Semi-Annual CHP Reports, the Joint IOUs recommend March 31st and September 30th of each year. These dates are acceptable to each of the Joint IOUs and would lead to the filing of the Second CHP Report on September 30, 2012. It would be helpful if the Executive Director were to issue one letter that both: (1) approves the request for extension of time; and (2) approves the requested dates for filing the Semi-Annual CHP Report.

If this request is granted, PG&E will promptly transmit the Executive Director's approval to all parties to A.08-11-001.

Very truly yours,

Evelyn C. Lee
Law Department
Pacific Gas and Electric Company

On Behalf of the Joint IOUs

ECL:bd