

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

Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program

Rulemaking 11-05-005
(Filed May, 5 2011)

**RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN
RENEWABLE NET SHORT FILING OF
COMMERCIAL ENERGY OF MONTANA, INC.**

(PUBLIC)

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Dated: August 15, 2012

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OF THE STATE OF CALIFORNIA**

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Renewables Portfolio Standard Program

Rulemaking 11-05-005
(Filed May, 5 2011)

**RENEWABLE PORTFOLIO STANDARD PROCUREMENT PLAN
RENEWABLE NET SHORT CALCULATION OF
COMMERCIAL ENERGY OF MONTANA, INC.**

In accordance with the April 5, 2012 Assigned Commissioner’s Ruling and the Administrative Law Judge’s Ruling adopting renewable net short calculation methodology issued August 2, 2012, Commercial Energy of Montana, Inc. (“CEM”) hereby submits this update of the Renewable Net Short (RNS) calculation. All other portions of the Procurement Plan submitted May 23, 2012 remain unchanged.

5. Quantitative Information - §399.13(a)(5)(A),(B), (D) and (F)

A table demonstrating CEM’s RNS calculation is provided below. As stated previously, CEM plans to meet its future RPS obligations through a mix of bundled and REC-only transactions. The procurement provided below demonstrates RECs that have already been procured, as well as forecasted generation from a contract with a facility already online. The output is adjusted for an estimated 0.5% annual decline. Barring any significant market changes, CEM does not foresee problems in meeting its RPS requirement. Qualitative information is provided in the table below:

| Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|
| Load | | | | | | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 |
| RPS % | 0.20 | 0.20 | 0.20 | 0.22 | 0.23 | 0.25 | 0.27 | 0.29 | 0.31 | 0.33 | 0.33 | 0.33 |
| Procurement Obligation | | | | | | 2500 | 2700 | 2900 | 3100 | 3300 | 3300 | 3300 |
| Voluntary Margin Over Procurement | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Online Generation | | | | | | 85.27 | 84.85 | 84.42 | 84.00 | 83.58 | 83.16 | 82.75 |
| Risk Adj Forecast Generation | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Preapproved | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Generic Generation | | | | | | | | | | | 0 | |
| Annual RNS | | | | | | 2415 | 2615 | 2816 | 3016 | 3216 | 3217 | 3217 |

Respectfully submitted this 15th day of August, 2012 at Oakland, California.

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By /s/ Ron Perry
Ron Perry

VERIFICATION

I am an officer of Commercial Energy of Montana, Inc., and am authorized to make this verification of its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the forgoing is true and correct, and that this verification is executed on this 15th day of August, 2012 at Oakland, California.

/s/ Ron Perry

Ron Perry
CEO of Commercial Energy of Montana, Inc.