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Fax: 415-973-7226

December 14, 2012

Advice 4066-E-A

(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplemental: Notice of Construction, Pursuant to General

Order 131-D, for the Construction of the Saratoga-Vasona 230 kV Transmission Line – Town of Los Gatos; and the Monta Vista-Hicks 230 kV Transmission Line – Cities of Saratoga and

Cupertino

Pacific Gas and Electric Company ("PG&E" or "the Company") hereby submits to the California Public Utilities Commission ("CPUC") a supplement to Advice 4066-E "Advice Letter", dated June 19, 2012.

Purpose

The purpose of this supplement is to clarify the information provided in Advice Letter 4066-E filed in June 2012. The Advice Letter explained that the proposed projects covered by the Advice Letter are needed to comply with CPUC General Order 95 "and accommodate new Federal Energy Regulatory Commission (FERC) ground-to-conductor clearance requirements, which are regulated by the North American Electric Reliability Corporation (NERC)...". This supplement provides a clarification of what was meant by PG&E's reference to "new" FERC/NERC requirements and a fuller explanation of the genesis of and methodology used for these projects as set forth below.

In October 2010, NERC issued an alert to all transmission entities ("NERC Alert"). The NERC Alert identified a reliability concern associated with what NERC characterized as possible "significant and widespread" discrepancies between the design and actual field conditions of transmission facilities nationwide. The NERC Alert recommended that transmission entities: 1) perform an assessment, over a three-year period, of all applicable transmission facilities; 2) report to NERC on any findings; and 3) take prompt corrective action to mitigate any identified discrepancies. Transmission entities all across the country are in the midst of doing the requested assessments, reporting on identified discrepancies and performing mitigations. This is the "new"

FERC/NERC requirement to which the Advice Letters were referring.

NERC Reliability Standards FAC-008-1 and FAC-009-1 require each transmission owner to have a documented Facility Rating Methodology (FRM) and to establish ratings for its transmission facilities consistent with its rating methodology. PG&E's FRM is contained in PG&E Utility Standards TD1004S and TD1004P-01 as well as Utility Work Procedure WP1004-04. In part, PG&E's FRM requires conductor clearances to "meet General Order (GO) 95 clearance requirements". (WP1004-04, p.1.)

In response to the NERC Alert, PG&E has been assessing its transmission facilities to determine whether actual field conditions conform to design criteria (including conductor clearance requirements) in accordance with its FRM. Following its ratings methodology, PG&E uses current¹ GO 95 minimum clearance requirements based on GO 95, Table 1 (as further explained in GO 95, Rules 37 and 43) to assess its transmission facilities for correct ratings. If PG&E discovers a discrepancy, PG&E will review the facility further for appropriate mitigation. Its findings and planned mitigations for any identified discrepancies are reported to NERC. NERC expects that the discrepancies will be remediated within one year or on a schedule approved by the Regional Entity if longer than a year. In addition, consistent with NERC's expectations, PG&E is consulting with its regional Reliability Coordinator (WECC RC) and Transmission Operator (CAISO) to coordinate any mitigation plans while maintaining the bulk electric system stability and reliability.

As to AL 4066-E, PG&E has also identified discrepancies along the Saratoga-Vasona 230 kV Transmission Line in the Town of Los Gatos and the Monta Vista-Hicks 230 kV Transmission Line in the Cities of Saratoga and Cupertino. PG&E plans to raise four lattice steel towers along these Transmission Lines to address these discrepancies.

Protests

Pursuant to General Order 96-B, Section 7.5.1, due to the limited nature of this supplemental advice letter, PG&E is requesting the protest period not be reopened by the filing of this supplement.

Effective Date

The Company requests that this advice filing become effective concurrent with Advice Letter 4066-E on July 19, 2012.

¹ The use of current GO 95 minimum clearance requirements when assessing facilities for correct ratings is consistent with industry and good engineering practices.

Notice

A copy of this advice letter is being sent electronically and via U.S. Mail to parties shown on the attached list, including the parties listed in G.O. 131-D, Section XI, Paragraphs B.1 and B.2. These parties are identified in the "Notice Distribution List" included in Attachment I. All electronic approvals should be sent to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs/.

Vice President - Regulatory Relations

Brian Cherry /IG

cc: Parties Listed in G.O. 131-D, Paragraphs B.1 and B.2

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)		
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 E)		
Utility type:	Contact Person Redac	ted
☑ ELC ☐ GAS	Redacted Phone #	
□PLC □HEAT □WATER	E-mail:	
EXPLANATION OF UTILITY TYPE		(Date Filed/ Received Stamp by CPUC)
ELC = Electric GAS = Gas □		
	VATER = Water	
Advice Letter (AL) #: 4066-E-A Subject of AL: Supplemental: Submits Notice of Construction, Pursuant to General Order 131-D, for the Construction of the Saratoga-Vasona 230 kV Transmission Line – Town of Los Gatos; and the Monta Vista-Hicks 230 kV Transmission Line – Cities of Saratoga and Cupertino Keywords (choose from CPUC listing): Power Lines		
AL filing type: □ Monthly □ Quarterly □ Annual ☑ One-Time □ Other		
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No		
Summarize differences between the AL and the prior withdrawn or rejected AL: N/A		
Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: N/A		
Confidential information will be made available to those who have executed a nondisclosure agreement: N/A		
Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: <u>N/A</u>		
Resolution Required? ☐ Yes ☑No		
Requested effective date: <u>July 19, 2012 (concurrent with 4066-E)</u> No. of tariff sheets: <u>N/A</u>		
Estimated system annual revenue effect (%): N/A		
Estimated system average rate effect (%): N/A		
When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).		
Tariff schedules affected: N/A		
Service affected and changes proposed: N/A		
Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:		
California Public Utilities Commission	Pacifi	c Gas and Electric Company
Energy Division EDTariffUnit 505 Van Ness Ave., 4th FIr. San Francisco, CA 94102 E-mail: EDTariffUnit@cpuc.ca.gov	Vice F 77 Be P.O. E San F	Brian Cherry President, Regulatory Relations ale Street, Mail Code B10C Box 770000 rancisco, CA 94177 I: PGETariffs@pge.com

Notice Distribution List

NERC Compliance Projects:
Saratoga-Vasona 230kV Power Line – Town of Los Gatos
Monta Vista-Hicks 230KV Power Line – Cities of Saratoga and Cupertino

Advice 4066-E-A

Energy Commission

Mr. Robert Oglesby, Executive Director California Energy Commission 1516 Ninth Street, Mail Stop 39 Sacramento, California 95814

Mr. Roger Johnson, Deputy Director California Energy Commission 1516 Ninth Street, Mail Stop 39 Sacramento, California 95814

Town of Los Gatos

Wendie Rooney, Community Development Director Town of Los Gatos Community Development Department 110 East Main Street Los Gatos, CA 95030

City of Saratoga

James Lindsay, Community Development Director City of Saratoga Community Development Department 13777 Fruitvale Avenue Saratoga, CA 95070

City of Cupertino

Aarti Shrivastava, Community Development Director City of Cupertino Community Development Department 103000 Torre Avenue Cupertino, CA 95014

PG&E Gas and Electric Advice Filing List

1st Light Energy

AT&T

Alcantar & Kahl LLP

Ameresco

Anderson & Poole

BART

Barkovich & Yap, Inc. Bartle Wells Associates

Bloomberg

Bloomberg New Energy Finance

Boston Properties

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CENERGY POWER
CLECA Law Office

California Cotton Ginners & Growers Assn

California Energy Commission

California League of Food Processors California Public Utilities Commission

Calpine

Cardinal Cogen Casner, Steve

Center for Biological Diversity

Chris, King City of Palo Alto

City of Palo Alto Utilities

City of San Jose City of Santa Rosa Clean Energy Fuels

Clean Power

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Commercial Energy

Consumer Federation of California

Crossborder Energy

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Day Carter Murphy

Defense Energy Support Center

Department of General Services Department of Water Resources

Dept of General Services Douglass & Liddell Downey & Brand Duke Energy

Economic Sciences Corporation Ellison Schneider & Harris LLP

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In House Energy

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Lawrence Berkeley National Lab
Los Angeles County Office of Education
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Manatt Phelps Phillips
Marin Energy Authority
McKenna Long & Aldridge LLP

McKenzie & Associates
Merced Irrigation District
Modesto Irrigation District

Morrison & Foerster Morrison & Foerster LLP NLine Energy, Inc.

NRG West NaturEner

Norris & Wong Associates

North America Power Partners North Coast SolarResources

Northern California Power Association Occidental Energy Marketing, Inc.

OnGrid Solar PG&E

Praxair

R. W. Beck & Associates

RCS, Inc.

SCD Energy Solutions

SCE SMUD SPURR

San Francisco Public Utilities Commission

Seattle City Light Sempra Utilities

Sierra Pacific Power Company

Silicon Valley Power Silo Energy LLC

Southern California Edison Company

Spark Energy, L.P. Sun Light & Power Sunrun Inc.

Sunshine Design

Sutherland, Asbill & Brennan

Tecogen, Inc.

Tiger Natural Gas, Inc.

TransCanada

Turlock Irrigation District

United Cogen

Utility Cost Management

Utility Specialists

Verizon

Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)

eMeter Corporation