



**Brian K. Cherry**  
Vice President  
Regulatory Relations

Pacific Gas and Electric Company  
77 Beale St., Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

Fax: 415-973-7226

January 3, 2014

Tariff Unit  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
EDTariffUnit@cpuc.ca.gov

**Re: PG&E's Comments on Draft Resolution E-4632**

Dear Energy Division Tariff Unit:

Pacific Gas and Electric Company ("PG&E") submits the following comments on Draft Resolution E-4632 ("Draft Resolution"), which was circulated on December 13, 2013 for public review and comment in advance of the California Public Utilities Commission's ("Commission") consideration and potential vote on January 16, 2014.

In Advice Letter 4102-E filed on September 7, 2012, as supplemented by Advice Letter 4102-E-A filed on September 17, 2013 ("Advice Letter"), PG&E requested approval of a power purchase agreement ("PPA") between Sierra Pacific Industries ("SPI") and PG&E for Renewables Portfolio Standard eligible power from SPI's existing Burney, Lincoln, Quincy, and Sonora facilities and new Anderson II facility, all located in Northern California ("Projects"). PG&E supports approval of the PPA with modifications to the Draft Resolution as discussed below.

The Safety Considerations section of the Draft Resolution includes a discussion of PG&E's obligation to enforce applicable requirements of law related to the construction, ownership and

operation of the Projects. PG&E requests that this discussion be modified as the language overstates PG&E's rights under the PPA. The PPA contains a number of general provisions identifying that SPI is responsible for compliance with a number of local, state, and national regulations, many of which address operational safety. These safety regulations may include, but are not limited to, those of the national or California Environmental Protection Agency, the California Air Resources Board, the local Air Quality Management District(s), the California Independent System Operator, the Federal Energy Regulatory Commission, IEEE standards, and the national Occupational Safety and Health Administration. The provisions are purposefully general and serve to: (1) clarify that the burden of safe operations on the Projects lies with SPI, the entity with control over on-site decisions, and (2) protect PG&E customers against bearing the cost of imprudent or unsafe operations. These provisions, however, do not provide PG&E with a right to dictate or enforce safe operations at the Projects. PG&E therefore requests that the fourth and fifth sentences in the Safety Considerations section regarding PG&E's enforcement obligations be modified in a manner consistent with the terms of the PPA.

In addition, PG&E has now supplemented its data response regarding SPI's safety history. PG&E therefore requests that the third sentence in the Safety Considerations section of the Draft Resolution regarding the inadequacy of PG&E's data response be modified consistent with PG&E's supplemental response.

For the foregoing reasons and those provided in the Advice Letter, PG&E requests that the Commission adopt the Draft Resolution with the modifications described above and as shown in Appendix 1.

Sincerely,

A handwritten signature in cursive script that reads "Brian Cherry /sw".

Vice President - Regulatory Relations

cc: Commissioner President Michael Peevey  
Commissioner Carla Peterman  
Commissioner Michel Florio  
Commissioner Catherine Sandoval  
Commissioner Mark Ferron  
Frank Lindh, General Counsel  
Karen Clopton, Chief Administrative Law Judge  
Edward Randolph, Energy Division Director  
Lewis Bichkoff, Energy Division  
Paul Douglas, Energy Division  
Energy Division Tariff Unit  
Service List for Draft Resolution E-4632

**APPENDIX 1:****Recommended Modifications to Draft Resolution E-4632**

<p>Page 18, Safety Considerations, Third Sentence: “As the data request was for PG&amp;E to provide a response, submitting an unverified matrix developed by SPI as the response was insufficient.”</p>	<p>Delete and replace with the following: “Thereafter, PG&amp;E supplemented its response with information obtained from a Google search and a search of Cal-OSHA’s database.”</p>
<p>Page 18, Safety Considerations, Fourth and Fifth Sentences: “PG&amp;E is required to enforce the terms of the SPI PPA that require SPI to abide with all applicable requirements of law related to the construction, ownership and operation of the facilities. Further, PG&amp;E’s obligation to comply with Public Utilities Code Section 451 continues to apply.”</p>	<p>Delete and replace with the following: “The Commission recognizes that under the terms of the PPA SPI is responsible for the safe construction, ownership and operation of the facilities and that other regulatory agencies have responsibility for enforcing safety at the facilities. PG&amp;E’s obligation to comply with Public Utilities Code Section 451 in the administration of the PPA continues to apply.”</p>