

August 11, 2014

Advice 4352-E-B  
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental: Procurement Transaction Quarterly Compliance  
Filing (Q4, 2013)

Pacific Gas and Electric Company ("PG&E") is submitting this advice letter to the California Public Utilities Commission ("Commission" or "CPUC") related to its Procurement Transaction Quarterly Compliance Report ("QCR") for record period October 1, 2013, through December 31, 2013, (Q4-2013) to provide supplemental information that corrects certain information included in PG&E's original submittal (Advice 4352-E), Confidential Attachments A, B, D, H, and L as described below.

### Background

PG&E submitted its QCR for Q4-2013 on January 30, 2014 in accordance with Decision (D.) 03-12-062, Ordering Paragraph 19, which requires that the Quarterly Procurement Plan Compliance Reports be submitted within 30 days of the end of the quarter.

PG&E's Q4-2013 QCR includes a number of Confidential Attachments that are reviewed by Commission Audit staff prior to approving the advice letter. During the course of this review, several reporting errors were detected and PG&E submitting corrections for the items that were identified as incorrect. Specifically, the following attachments have been amended:

- Confidential Attachment A – Natural Gas Transactions
- Confidential Attachment B – Natural Gas Counterparty Information
- Confidential Attachment D – Natural Gas Transactions Summary
- Confidential Attachment H – New Contracts Executed and Amended During the Quarter
- Confidential Attachment L – Reasonable Number of Analyses Models, Descriptions of Models, and How Models Operate.

The amendment for Confidential Attachment A corrects the reported average price for a five index-priced gas transactions reported for the quarter. The error was the result of formula error for daily swing pricing during a weekday or holiday that is not a market holiday. Aside from Attachment A, Attachments B and D were affected by the price error

and have been updated to reflect these corrections.

The amendment for Confidential Attachment H moves a transaction associated with a Resource Adequacy (RA) sale from the bilateral table on page 3 of Attachment H to the Request for Offer (RFO) table on page 1 of Attachment H.

The amendment for Confidential Attachment L corrects several of PG&E's hedging compliance reports' monthly volume, which was incorrectly reported in PG&E's original submittal. The corrections are associated with PG&E's option transactions.

### Request

PG&E's request the Commission approve Advice 4352-E, 4352-E-A, and 4352-E-B, which includes amendments for the following Confidential Attachments A, B, D, H, and L as described above.

### Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile E-mail, no later than September 2, 2014, which is 22 ~~days~~ the date of this filing. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Meredith Allen  
Senior Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

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<sup>1</sup> September 2 is the first business day after the Labor Day holiday.

Facsimile: (415) 973-7226  
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Rule 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Rule 3.11).

#### Effective Date

In accordance with D.02-10-062, the requested effective date of this Tier 2 advice letter is September 10, 2014, which is 30 days after the date of filing.

#### Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter excluding the confidential appendices is being sent electronically and via U.S. mail to parties shown on the attached list and the service lists for Rulemaking ("R.") 12-03-014, R.01-10-024, and R.11-10-023. Address changes to the General Order 96-B service list and all electronic approvals should be sent to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

\_\_\_\_\_  
/S/

Meredith Allen  
Senior Director, Regulatory Relations

cc: Service List R.12-03-014, R.01-10-024, R.11-10-023  
PG&E's Procurement Review Group

Public Attachment: Attachment 1 – Confidentiality Matrix and Declarations

# 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:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: **Shirley Wong**

Phone #: **(415) 972-5505**

E-mail: **slwb@pge.com and PGETariffs@pge.com**

### EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas        
PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **4352-E-B**

Tier: **2**

Subject of AL: **Supplemental: Procurement Transaction Quarterly Compliance Filing (Q4, 2013)**

Keywords (choose from CPUC listing): **Compliance, Procurement**

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other **Supplement to Quarterly AL**

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.12-01-033 and D.03-12-062**

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:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: **Yes. Please see Attachment 1 - Confidentiality Matrix and Declarations**

Confidential information will be made available to those who have executed a nondisclosure agreement: **Yes.**

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: **Marianne Aikawa, (415) 973-0375 and Pete Koszalka, (415) 973-3818**

Resolution Required?  Yes  No

Requested effective date: **September 10, 2014**

No. of tariff sheets: **N/A**

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 22 days or September 2, 2014<sup>1</sup> after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division  
ED Tariff Unit  
505 Van Ness Ave., 4<sup>th</sup> Floor  
San Francisco, CA 94102  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Pacific Gas and Electric Company  
Attn: Meredith Allen, Senior Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

<sup>1</sup> September 2 is the first business day after the Labor Day holiday.

Advice 4352-E-B  
August 11, 2014

**ATTACHMENT 1**  
**CONFIDENTIALITY MATRIX AND DECLARATIONS**

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)  
 QUARTERLY COMPLIANCE REPORT ADVICE LETTER 4352-E-B  
 PROCUREMENT TRANSACTION QUARTERLY COMPLIANCE REPORT OF QUARTER FOUR 2013  
 August 11, 2014**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 (Y/N)	2) Which category or categories in the Matrix the data corresponds to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
Attachment A – Physical and Financial Natural Gas Transactions	Y	Item I)B) 2) Utility recorded gas procurement and cost information  XI) Monthly Procurement Costs (Energy Resource Recovery Account [ERRA] Filings)  Item I) A) 4) Long-term fuel (gas) buying and hedging plans	Y	N	Y	Actual quantity and cost of procured physical spot gas are protected.  Each financial transaction is a factor in PG&E's long term buying and hedging strategies. With the entire set of transactions PG&E's counterparties could reconstruct PG&E's gas buying and hedging plans.	Utility recorded physical gas procurement and cost information is confidential for one year.  Monthly procurement costs (ERRA Filings) are confidential for 3 years.  Financial transactions are confidential for three years past expiration of the last trade executed under the hedging plan. (Resolution E-4276, Finding 8) This date is January 1, 2019.

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)  
 QUARTERLY COMPLIANCE REPORT ADVICE LETTER 4352-E-B  
 PROCUREMENT TRANSACTION QUARTERLY COMPLIANCE REPORT OF QUARTER FOUR 2013  
 August 11, 2014**

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Attachment B – Counterparty Information, including non-investment grade counterparties table: “List of Non-Investment Grade Counterparties”	N	CPUC General Order (“G.O.”) 66-C	N/A	N	Y	Counterparty sales information constitutes confidential non-utility business information protected under G.O. 66-C.	Indefinite
Attachment D – Natural Gas Transactions	Y	Item I) B) 2) Utility recorded gas procurement and cost information  Item I) A) 4) Long-term fuel (gas) buying and hedging plans;	Y	N	Y	Actual quantity and cost of procured physical term gas are protected.  PG&E's hedging strategies may be deduced through an analysis of PG&E's summarized transactions.	Utility recorded physical gas procurement and cost information is confidential for one year.  Financial transactions are confidential for three years past expiration of the last trade executed under

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)  
 QUARTERLY COMPLIANCE REPORT ADVICE LETTER 4352-E-B  
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 August 11, 2014**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

Redaction Reference	1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 (Y/N)	2) Which category or categories in the Matrix the data corresponds to:	3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)	4) That the information is not already public (Y/N)	5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
							the hedging plan. (Resolution E-4276, Finding 8) This date is January 1, 2019.
Attachment H - Executed Contracts	Y	VII) B) Bilateral Contract Terms and Conditions – contracts and power purchase agreements between utilities and non-affiliated third parties;  VIII ) A) Bid information and B) Specific quantitative analysis involved in scoring and evaluation of participating bids  <b>Item D)B) 2) Utility recorded gas procurement and cost information</b>	Y	N	Y	Disclosure of information would provide counterparty name, volume, and price and would provide market sensitive information regarding bid strategy and selection.	3 Years;  Bid information - remain confidential until after final contracts submitted to CPUC for approval  Utility recorded physical gas procurement and cost information is confidential for one year.

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)  
 QUARTERLY COMPLIANCE REPORT ADVICE LETTER 4352-E-B  
 PROCUREMENT TRANSACTION QUARTERLY COMPLIANCE REPORT OF QUARTER FOUR 2013  
 August 11, 2014**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>1) The material submitted constitutes a particular type of data listed in the Matrix, appended as Appendix 1 to D.06-06-066 (Y/N)</b>	<b>2) Which category or categories in the Matrix the data corresponds to:</b>	<b>3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data (Y/N)</b>	<b>4) That the information is not already public (Y/N)</b>	<b>5) The data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure (Y/N)</b>	<b>PG&amp;E's Justification for Confidential Treatment</b>	<b>Length of Time</b>
Attachment L – Reasonable Number of Analyses – Natural Gas	Y	Item I) A) 4) Long-term fuel (gas) buying and hedging plans	Y	N	Y	This information includes detailed information on PG&E's hedging plan, and must remain confidential to avoid disclosing PG&E's market strategy.	Financial gas information is confidential for three years past expiration of the last trade executed under the hedging plan. (Resolution E-4276, Finding 8) This date is January 1, 2019.

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

**DECLARATION OF MARIANNE AIKAWA  
SEEKING CONFIDENTIAL TREATMENT OF CERTAIN DATA AND  
INFORMATION CONTAINED IN PG&E'S ADVICE LETTER 4352-E-B  
REGARDING  
CONFIDENTIAL ATTACHMENT H**

I, Marianne Aikawa, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 1989. My current title is Senior Manager within PG&E's Energy Procurement organization. In this position my responsibilities include reviewing regulatory reports. In carrying out these responsibilities, I have acquired knowledge of PG&E's regulatory reporting and have also gained knowledge of electric energy procurement data, processes, and practices. Through this experience, I have become familiar with the type of information that would affect the regulatory filing, as well as with the type of information that would be considered confidential and proprietary.
2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of the supplemental filing being filed today for PG&E's January 30, 2014 Advice Letter 4352-E, Confidential Attachment H.
3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix I of D.06-06-066 and Appendix D.08-04-023 (the "IOU Matrix"), and/or constitutes information that should

be protected under General Order 66-C. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds, and why confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information; (2) the information is not already public; and (3) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text in the attached matrix that is pertinent to this submittal.

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

Executed on August 11, 2014, at San Francisco, California.

\_\_\_\_\_/s/\_\_\_\_\_  
Marianne Aikawa  
Senior Manager  
Energy Compliance and Report  
Energy Procurement  
PACIFIC GAS AND ELECTRIC COMPANY

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

**DECLARATION OF PETE KOSZALKA  
SEEKING CONFIDENTIAL TREATMENT OF CERTAIN DATA AND  
INFORMATION CONTAINED IN PG&E'S ADVICE LETTER 4352-E-B REGARDING  
CONFIDENTIAL ATTACHMENTS A, B, D AND L**

I, Pete Koszalka, declare:

1. I am presently employed by Pacific Gas and Electric Company (PG&E) and have been an employee since 2003. My current title is Director, Electric Gas Supply in the Energy Supply Management Department, which is part of the Energy Procurement Department. I am responsible for physical and financial trading of gas in support of PG&E's allocated Department of Water Resources contracts, PG&E's Utility Retained Generation plants, and PG&E's tolling agreements. In carrying out these responsibilities, I have acquired knowledge of gas supply and gas hedging for electric generation, the markets for physical and financial products for gas supply and hedging, and the various types of transactions involved.
2. Based on my knowledge and experience, and in accordance with Decision ("D.") 08-04-023 and the August 22, 2006 "Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision 06-06-066," I make this declaration seeking confidential treatment of the supplemental filing being filed today for PG&E's January 30, 2014 Advice Letter 4352-E, Attachments A, B, D and L.
3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix I of D.06-06-066 and Appendix D.08-04-023 (the "IOU Matrix"), and/or constitutes information that should

be protected under General Order 66-C. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds, and why confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information; (2) the information is not already public and/or cannot easily be redacted; and (3) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text in the attached matrix that is pertinent to this submittal.

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

Executed on August 11, 2014 at San Francisco, California.

\_\_\_\_\_/s/  
Pete Koszalka  
Director, Electric Gas Supply  
Energy Supply Management  
PACIFIC GAS AND ELECTRIC COMPANY

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Douglass & Liddell	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Downey & Brand	OnGrid Solar
Anderson & Poole	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
BART	G. A. Krause & Assoc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	GenOn Energy, Inc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
CENERGY POWER	Green Power Institute	SDG&E and SoCalGas
California Cotton Ginners & Growers Assn	Hanna & Morton	SPURR
California Energy Commission	In House Energy	San Francisco Public Utilities Commission
California Public Utilities Commission	International Power Technology	Seattle City Light
California State Association of Counties	Intestate Gas Services, Inc.	Sempra Utilities
Calpine	K&L Gates LLP	SoCalGas
Casner, Steve	Kelly Group	Southern California Edison Company
Center for Biological Diversity	Linde	Spark Energy
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
City of San Jose	Los Angeles Dept of Water & Power	Sunshine Design
Clean Power	MRW & Associates	Tecogen, Inc.
Coast Economic Consulting	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Commercial Energy	Marin Energy Authority	TransCanada
Cool Earth Solar, Inc.	McKenna Long & Aldridge LLP	Utility Cost Management
County of Tehama - Department of Public Works	McKenzie & Associates	Utility Power Solutions
Crossborder Energy	Modesto Irrigation District	Utility Specialists
Davis Wright Tremaine LLP	Morgan Stanley	Verizon
Day Carter Murphy	NLine Energy, Inc.	Water and Energy Consulting
Defense Energy Support Center	NRG Solar	Wellhead Electric Company
Dept of General Services	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Division of Ratepayer Advocates	North America Power Partners	