



FILED

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

Application of Pacific Gas and Electric
Company for Approval of Four Power
Purchase Agreements With Westside
Qualifying Facilities and Associated Cost
Recovery.

U 39 E

Application No. 10-10-005

**OPENING COMMENTS OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
IN SUPPORT OF PROPOSED DECISION**

CHARLES R. MIDDLEKAUFF
EVELYN C. LEE

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-6971
Facsimile: (415) 973-5520
E-Mail: CRMd@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

February 28, 2011

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The *Proposed Decision Approving Four Power Purchase Agreements With Existing Qualifying Facilities* issued by Administrative Law Judge (“ALJ”) Yacknin (“PD”) approves PG&E’s power purchase agreements (“PPAs”) with Mid-Set Cogeneration Company, Salinas River Cogeneration Company, Coalinga Cogeneration Company, and Sargent Canyon Cogeneration Company (collectively “Sellers”), conditioned on the Qualifying Facility and Combined Heat and Power Settlement Agreement (“QF/CHP Settlement”) approved in Decision (“D.”) 10-12-035 becoming effective. The PD also approves the cost recovery proposed by PG&E in its application and counts the PPAs toward the Megawatt and Greenhouse Gas Emissions Reduction Targets established in the QF/CHP Settlement, subject to the QF/CHP Settlement becoming effective. PG&E fully supports the PD and is not proposing any modifications or changes to the PD.

The PD provides that this proceeding will be closed if PG&E attaches to its comments on the PD “a binding agreement between PG&E and all parties to the PPAs that the PPAs are not effective until and unless the QF/CHP Settlement becomes effective”¹ PG&E and the Sellers have agreed to modify the PPAs consistent with the PD and are currently working to

¹ PD at pp. 10-11.

finalize the amendments. PG&E will attach to its reply comments final, executed amendments between PG&E and each of the Sellers specifying that the PPAs will not become effective until the QF/CHP Settlement becomes effective. On this basis, the PD should be adopted and this proceeding should be closed.

Respectfully submitted,

CHARLES R. MIDDLEKAUFF
EVELYN C. LEE

By: _____/s/_____
CHARLES R. MIDDLEKAUFF

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-6971
Facsimile: (415) 973-5520
E-Mail: CRMd@pge.com

Dated: February 28, 2011

CERTIFICATE OF SERVICE BY ELECTRONIC MAIL

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department B30A, 77 Beale Street, San Francisco, CA 94105.

On the 2nd day of March 2011, I caused to be served a true copy of:

**OPENING COMMENTS OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
IN SUPPORT OF PROPOSED DECISION**

by Electronic Mail – serving the above via e-mail transmission to each of the parties listed on the official service list for A.10-10-005.

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

Executed on this 2nd day of March 2011 at San Francisco, California.

/s/
STEPHANIE LOUIE

THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA SERVICE LIST

Last Updated: February 8, 2011

CPUC DOCKET NO. A1010005

Total number of addressees: 17

CASE COORDINATION
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE ST., PO BOX 770000 MC B9A
SAN FRANCISCO CA 94105
Email: RegRelCPUCCases@pge.com
Status: INFORMATION

ANDREW L. HARRIS ENERGY
PACIFIC GAS & ELECTRIC COMPANY
PO BOX 770000 MAIL CODE B9A
SAN FRANCISCO CA 94177-0001
Email: ALHo@pge.com
Status: INFORMATION

EVELYN C. LEE ATTORNEY
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE ST, MC B30A
SAN FRANCISCO CA 94105
FOR: Pacific Gas and Electric Company
Email: ECL8@pge.com
Status: INFORMATION

Michael Colvin
CALIF PUBLIC UTILITIES COMMISSION
POLICY & PLANNING DIVISION
505 VAN NESS AVE RM 5119
SAN FRANCISCO CA 94102-3214
Email: mc3@cpuc.ca.gov
Status: STATE-SERVICE

Lisa-Marie Salvacion
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
505 VAN NESS AVE RM 4107
SAN FRANCISCO CA 94102-3214
Email: lms@cpuc.ca.gov
Status: STATE-SERVICE

Hallie Yacknin
CALIF PUBLIC UTILITIES COMMISSION
DIVISION OF ADMINISTRATIVE LAW JUDGES
505 VAN NESS AVE RM 5005
SAN FRANCISCO CA 94102-3214
Email: hsy@cpuc.ca.gov
Status: STATE-SERVICE

CALIFORNIA ENERGY MARKETS
425 DIVISADERO ST. STE 303
SAN FRANCISCO CA 94117-2242
Email: cem@newsdata.com
Status: INFORMATION

REGULATORY FILE ROOM
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 7442
SAN FRANCISCO CA 94120
Email: CPUCCases@pge.com
Status: INFORMATION

TOM JARMAN
PACIFIC GAS AND ELECTRIC
PO BOX 770000
SAN FRANCISCO CA 94177-0001
Email: taj8@pge.com
Status: INFORMATION

CHARLES R. MIDDLEKAUFF ATTORNEY
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE ST, B30A / PO BOX 7442
SAN FRANCISCO CA 94105
FOR: Pacific Gas and Electric Company
Email: CRMd@pge.com
Status: PARTY

Claire Eustace
CALIF PUBLIC UTILITIES COMMISSION
ELECTRICITY PLANNING & POLICY BRANCH
505 VAN NESS AVE RM 4104
SAN FRANCISCO CA 94102-3214
Email: cce@cpuc.ca.gov
Status: STATE-SERVICE

Melissa Semcer
CALIF PUBLIC UTILITIES COMMISSION
ENERGY DIVISION
505 VAN NESS AVE AREA 4-A
SAN FRANCISCO CA 94102-3214
Email: unc@cpuc.ca.gov
Status: STATE-SERVICE

DANIEL W. DOUGLASS
DOUGLASS & LIDDELL
EMAIL ONLY
EMAIL ONLY CA 0
FOR: Alliance for Retail Energy Markets
Email: douglass@energyattorney.com
Status: PARTY

LEGAL & REGULATORY DEPARTMENT
CALIFORNIA INDEPENDENT SYSTEM OPERATOR
151 BLUE RAVINE RD.
FOLSOM CA 95630
Email: e-recipient@caiso.com
Status: INFORMATION

THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA SERVICE LIST

Last Updated: February 8, 2011

CPUC DOCKET NO.

Total number of addressees:

MICHAEL DOZIER

CAL. INDEPENDENT SYSTEM OPERATOR CORP.

151 BLUE RAVINE ROAD

FOLSOM CA 95630

FOR: California Independent System Operator Corporation
(ISO)

Email: mdozier@caiso.com

Status: PARTY

MRW & ASSOCIATES, LLC

EMAIL ONLY

EMAIL ONLY CA 0

Email: mrw@mrwassoc.com

Status: INFORMATION

SUE MARA

RTO ADVISORS, LLC

164 SPRINGDALE WAY

REDWOOD CITY CA 94062

Email: sue.mara@rtoadvisors.com

Status: INFORMATION