



FILED

10-13-10
04:59 PM

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

**Application of Pacific Gas and Electric
Company to Recover Pumped Storage
Study Costs (U 39 E)**

**Application A.10-08-011
(Filed August 20, 2010)**

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
PROOF OF RULE 3.2(d) COMPLIANCE**

**WILLIAM V. MANHEIM
MATTHEW A. FOGELSON**

**Law Department
PACIFIC GAS AND ELECTRIC COMPANY
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-7475
Facsimile: (415) 973-5520
E-Mail: mafv@pge.com**

DATED: October 13, 2010

**Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY**

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

**Application of Pacific Gas and Electric
Company to Recover Pumped Storage
Study Costs (U 39 E)**

**Application A.10-08-011
(Filed August 20, 2010)**

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
PROOF OF RULE 3.2(d) COMPLIANCE**

Pacific Gas and Electric Company ("PG&E") hereby provides proof of compliance with Rule 3.2(d) of the California Public Utilities Commission's Rules of Practice and Procedure. As demonstrated in Attachment A, PG&E has met the notice requirement specified in rule 3.2 (d) by mailing a bill insert describing the rate increase associated with the above-referenced Application to affected customers. Mailing of the insert was completed on September 27, 2010.

Rule 3.2(d) further provides that "Applicants shall file proof of compliance with 10 days after mailing", or, in this case, by October 7, 2010. Due to an administrative error, this Proof of Service is being filed outside the ten-day window. However, no party will be prejudiced by the late filing.

Respectfully submitted,

WILLIAM V. MANHEIM
MATTHEW A. FOGELSON

By: _____ /S/
MARILYN WALKER
Legal Assistant

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-7475
Facsimile: (415) 973-5520
E-Mail: MAFv@pge.com

DATED: October 13, 2010

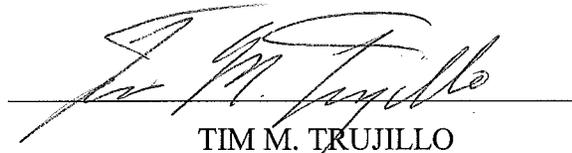
ATTACHMENT A

**DECLARATION OF MAILING NOTICE OF FILING TO
CUSTOMERS**

I, Tim M. Trujillo, an employee of Pacific Gas & Electric Company, state that I am a citizen of the United States and employed in the City of West Sacramento, County of Yolo, and State of California; that I am over the age of eighteen (18) years and not a party to the within cause; that my business address is 885 Embarcadero Drive, West Sacramento, California; and that a printed copy of the attached Notification of Pacific Gas and Electric Company's Filing of an Application to Recover Pumped Storage Study Costs, No.10-08-011, was enclosed with customer bills during the period beginning August 27, 2010 and ending September 27, 2010.

I declare under penalty of perjury that the foregoing is true and correct.

Dated, October 12, 2010, at West Sacramento, California.


TIM M. TRUJILLO

FOR FURTHER INFORMATION

To request a copy of the application and exhibits or for more details, call PG&E at 1-800-743-5000. For TDD/TTY (speech-hearing impaired), call 1-800-652-4712.

You may request a copy of the application and exhibits by writing to:

Pacific Gas and Electric Company
Pumped Storage Project
P.O. Box 7442, San Francisco, CA 94120

THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) may review this application. The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in, these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of PG&E's request, amend or modify it, or deny the application. The CPUC's final decision may be different from PG&E's application.

If you would like to learn how you can participate in this proceeding or if you have comments or questions, you may contact the CPUC's Public Advisor as follows:

Public Advisor's Office
505 Van Ness Avenue
Room 2103
San Francisco, CA 94102
1-415-703-2074 or 1-866-849-8390 (toll free)
TTY 1-415-703-5282 or 1-866-836-7825 (toll free)
E-mail to public.advisor@cpuc.ca.gov

If you are writing a letter to the Public Advisor's Office, please include the name of the application (PG&E Pumped Storage Project Application) to which you are referring. All comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Energy Division staff.

A copy of PG&E's Pumped Storage Project application and exhibits are also available for review at the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, Monday-Friday, 8 a.m.-noon.



Para más detalles llame al 1-800-660-6789 • 詳情請電 1-800-893-9555

NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S APPLICATION TO RECOVER PUMPED STORAGE STUDY COSTS

On August 20, 2010, Pacific Gas and Electric Company (PG&E) filed an application with the California Public Utilities Commission (CPUC), requesting authorization to recover costs associated with studies performed to evaluate the feasibility of developing new hydroelectric pumped storage projects. If a project (or projects) is found feasible as a result of these studies, PG&E would seek approval from the CPUC to build the project and recover construction costs in a later filing pursuant to the CPUC's standard cost of service ratemaking process. PG&E is also requesting authorization from the CPUC to establish a balancing account to record and recover costs associated with the pumped storage studies.

This application requests recovery of \$33.475 million for costs associated with performing the pumped storage feasibility studies discussed above. Revenues required from customers would be collected in rates over a six-year period, beginning with the next available rate change after CPUC approval of this application.

What is the Pumped Storage Project?

A hydroelectric pumped storage project is a technology used to store electrical energy. Water is pumped from one reservoir to another reservoir at a higher elevation to store energy. When the stored energy is required to meet customer demand, the water is allowed to flow from the upper reservoir through hydroelectric generating equipment to the lower reservoir where it is captured and is once again available for pumping.

Why is PG&E Studying Pumped Storage?

PG&E is looking for ways to support the addition of renewable electricity generation resources. Additional renewable resources will benefit the environment, our customers and meet California's goal of having load-serving entities, such as PG&E, procure 33 percent of retail sales from eligible renewable energy resources by 2020. Some renewable generation technologies like wind and solar are dependent on weather conditions that may not coincide with customer demand. Pumped storage projects can support the use of intermittent renewable resources by using output generated during off-peak demand hours to pump water for energy storage and then releasing the water for additional electricity generation during peak demand periods. Pumped storage projects can integrate renewable generation resources into the grid, providing for more stable grid operation with higher degrees of renewable electricity production.

Will rates increase as a result of this application?

Yes. However, the increase in rates resulting from this application will be spread over a six-year period and will not appear in customer bills until the next available rate change after CPUC approval of this application. Using the highest year costs of \$8.512 million, the bundled system average rate increase will be less than 0.07 percent, relative to current rates.

**CERTIFICATE OF SERVICE
BY
ELECTRONIC MAIL AND U. S. MAIL**

I, Elizabeth J. Diamond, state that: I am a citizen of the United States and am employed in the City and County of San Francisco; I am over the age of eighteen (18) years and not a party to the within cause; and my business address is Pacific Gas and Electric Company, Law Department B30A-2482, 77 Beale Street, San Francisco, CA 94105-1814.

On the 13th day of October, 2010, I caused to be served a true copy of:

**PACIFIC GAS AND ELECTRIC COMPANY (U 39E)
PROOF OF RULE 3.2(d)
COMPLIANCE**

[XX] Electronic Mail: By serving the above document, via electronic mail transmission, to each of the parties listed on the official Service List for CPUC Docket No. **A.10-08-011 and on the Mokelumne Stakeholder Advisory Forum** (copy attached).

[XX] U. S. Mail: By placing the enclosed document in sealed envelopes, with postage fully pre-paid, for collection and mailing and addressed to those parties without an electronic mail address listed on the official Service Lists for CPUC Docket No. **A.10-08-011 and on the Mokelumne Stakeholder Advisory Forum** (copy attached).

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 13th day of October, 2010 at San Francisco, California.

/S/
ELIZABETH J. DIAMOND

**Mokelumne Stakeholder Advisory Forum
List of Organizations and Individuals / Addresses**

| Organization | Name of Participant(s) | E-Mail |
|---|---|--|
| U. S. Forest Service, Eldorado NF (“USFS/ENF”) * | Ms. Beth Paulson Mr. Doug Barber Ms. Teresa McClung Ms. Julie Tupper | bpaulson@fs.fed.us dkbarber@fs.fed.us tmclung@fs.fed.us jtupper01@fs.fed.us |
| U. S. Fish & Wildlife Service (“USFWS”) * | Ms. Deborah Giglio Mr. Bill Pelle Mr. William Foster | deborah_giglio@fws.gov william_pelle@fws.gov william_foster@fws.gov |
| U. S. Bureau of Land Management (“USBLM”) | Mr. Jim Eicher | jeicher@ca.blm.gov |
| California State Water Resources Control Board (“SWRCB”) | Mr. Les Grober Ms. Camilla Williams Mr. Russ Kanz | lgrober@waterboards.ca.gov ckwilliams@waterboards.ca.gov rkanz@waterboards.ca.gov |
| California Department of Fish & Game (“CDF&G”) | Mr. Stafford Lehr Ms. Annie Manji Ms. Mary Lisa Lynch Mr. Ken Kundargi | slehr@dfg.ca.gov amanji@dfg.ca.gov mlynch@dfg.ca.gov kkundargi@dfg.ca.gov |
| Calaveras Band of Miwok Indians P. O. Box 1015 West Point, CA 95255-1015 | Ms. Deborah Grimes | |
| Jackson Band of Miwok Indians P. O. Box 1090 Jackson, CA 95642-1090 | Ms. Margaret Dalton | |
| Sierra Native Americans P. O. Box 1204 Ione, CA 95640-1204 | Mr. Dwight Dutschke | |
| Washoe Tribe of NV and CA 861 Crescent Drive Carson City, NV 89701-7704 | Mr. Darrel Cruz | darrel.cruz@washoetribe.us |
| Ione Band of Miwok Indians P. O. Box 1190 Ione, CA 95640-1190 | Mr. Glen Villa | |
| Shingle Springs Band of Miwok Indians P.O. Box 1340 Shingle Springs, CA 95682-1340 | Mr. Jeff Murray | |

| | | |
|---|---|--|
| Calaveras Band of Me-Wuk Indians P.O. Box 393 West Point, CA 95255-0393 | Ms. Gloria Grimes | |
| Buena Vista Rancheria of Me-Wuk Indians 4650 Coalmine Road Ione, CA 95640 | Ms. Donnamarie Potts | |
| Chicken Ranch Band of Me-Wuk Indians Chicken Ranch Rancheria P.O. Box 1159 Jamestown, CA 95327-1159 | Mr. Lloyd Mathiesen | |
| Sierra Native American Council 1580 Longgate Road Plymouth, CA 95669-9725 | Mr. Sam Baugh | |
| Central Sierra Me-Wuk Cultural & Historic Preservation Committee P.O. Box 1389 Tuolumne, CA 95379-1389 | Ms. Reba Fuller | |
| Native American Heritage Commission (“NAHC”) | Mr. Larry Myers | nahc@pacbell.net |
| The Foothill Conservancy (“FC”) | Mr. Pete Bell | pete@mokeriver.com |
| American Whitewater (“AW”) | Mr. David Steindorf | dave@amwhitewater.org |
| California Sportfishing Protection Alliance (“CSPA”) | Mr. John Beuttler Mr. Chris Shutes | jbeuttler@aol.com blancapaloma@msn.com |
| East Bay Municipal Utility Dist. (“EBMUD”) * | Ms. Lena Tam Ms. Priyanka Jain Mr. Marcel Hall | ltam@ebmud.com pjain@ebmud.com mhall@ebmud.com |
| Amador Water Agency (“AWA”) * | Mr. James Abercrombie Mr. Gene Mancebo | jabercrombie@amadorwa.com gmancebo@amadorwa.com |
| Calaveras County Water Dist. (“CCWD”) * | Mr. Ed Pattison Ms. Jennifer Harder | edwinp@ccwd.org jharder@downeybrand.com |
| Mokelumne River Water & Power Authority (“MRWPA”) * | Mr. Mel Lytle | mlytle@sjgov.org |
| Upper Mokelumne River Watershed Authority (“UMRWA”) | Mr. Rob Alcott | robalcott@aol.com |
| Jackson Valley Irrigation Dist. (“JVID”) * | Mr. Tom Hoover | jvidtom@wildblue.net jvid@wildblue.net |
| Amador Resource Conservation District (“ARCD”) | Mr. Steve Cannon | arcd@volcano.net |