PG&E Comments

Start Up/Minimum Load Draft Tariff Language

<table>
<thead>
<tr>
<th>Submitted by</th>
<th>Company</th>
<th>Date Submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ian Quirk</td>
<td>PG&amp;E</td>
<td>December 8, 2010</td>
</tr>
</tbody>
</table>

Pacific Gas &amp; Electric (PG&amp;E) appreciates the opportunity to participate in the stakeholder process for CAISO’s Bidding and Mitigation of Commitment Costs Initiative and to submit comments regarding the November 22, 2010 Draft Tariff Language.

1. **30.4.1.1 Proxy Cost Option**

The Formulas for the Proxy Cost Option Calculation Should Be Included in the Tariff. The tariff section detailing the Proxy Cost Option does not provide the formulaic detail of the calculation. Instead, the tariff refers to formulaic values "calculated pursuant to the Business Practice Manual". The specific formulas, including definitions, significantly affect the rates, terms and conditions of service, and, therefore, should be included in the tariff.

2. **Appendix A Definition**

Correction of Proxy Cost Reference Needed. The current definition of "Proxy Cost" in Appendix A refers to section 30.4(1). This is presumably meant to be a reference to section 30.4.1. If so, this reference should be changed in to reflect the CAISO numbering convention (i.e., no parentheses).

3. **Reevaluation of O&amp;M Costs**

Commitment to Reevaluate O&amp;M Costs Should Be Included in the Tariff. The Board-approved final proposal makes a commitment that the CAISO will reevaluate the default O&amp;M costs every three years. This re-calculation significantly affects rates, terms, and conditions of service, and, therefore, should be included in the tariff.

4. **Gas Delivery Point Definitions**

Gas Delivery Points Should Be Stated in the Tariff. One of the changes made in this proposal is the replacement of the current SoCal Border price with the SoCal City Gate price. The gas delivery point (including the new SoCal City Gate) will impact the daily proxy cost value. Identification of the gas delivery points (including the new SoCal City Gate) and how they are selected clearly affects the rates, terms, and conditions of service, and, therefore, should be included in the tariff. Additionally, the CAISO needs to make the appropriate changes in the tariff appendices. For example, there is a reference to the SoCal Border price in Schedule C Variable Cost Payment (page 1131 of the June 28,
2010 Fifth replacement version of the CAISO Tariff. Though that section does not explicitly relate to the contents of this proposal, the old delivery point may no longer be applicable.

5. Proposed Effective Dates

Request Clarification on Separate Effective Dates. It is unclear to PG&E why some of the proposed tariff language has an effective date of October 1, 2011 and other parts have an effective date of April 1, 2011. PG&E requests clarification of the reason for the different dates.