

PG&E Comments

Ex-Post Price Correction Make Whole Payments

Submitted by	Company	Date Submitted
Ian Quirk (415) 973-9798	PG&E	December 11, 2009
Derick Stowe (415) 973-5662		

Pacific Gas & Electric (PG&E) appreciates the opportunity to participate in the Ex-Post Price Correction Make Whole Payments stakeholder process and to submit comments regarding the December 8, 2009 presentation. PG&E offers the following comments regarding the alternative proposal.

PG&E is supportive of the CAISO’s alternative calculation methodology for Ex Post Price Correction Make Whole Payments presented on December 8th.

That said, we would like to make two clarifying points regarding our support. First, as stated in our November 13th comments, all revenue imbalances for Make Whole Payments for load should be charged to supply, not demand. Supply benefits from the upward price corrections, and these benefits should be used to offset any Make Whole Payments. Allocation of Make Whole Payments for load to load would be both unfair and a seemingly unproductive exercise.

Second, it is likely the volume and amount of these payments are limited and will decrease over time as the CAISO improves its systems. Given this assumption we support a Make Whole Payments mechanism that is relatively simple and easy to implement. It is our understanding that the CAISO is doing analysis to quantify the level of Make Whole Payments. Based in part on that analysis, the solution should be scoped consistent with the scope of the problem.