12745 N. Thornton Road
Lodi, CA 95242

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Agenda

Date: June 3, 2015

Subject: **June 8, 2015 Lodi Energy Center Project Participant Committee Meeting**

Location: **12745 N. Thornton Road, Lodi, CA or via teleconference**

Time: **10:00 A.M.**

***** In compliance with the Brown Act, you may participate in person at the meeting location or via teleconference at one of the locations listed below. In either case, please: (1) post this notice at a publicly accessible location at the participation location at least 72-hours before the meeting begins, and (2) have a speaker phone available for any member of the public who may wish to attend at your location.**

NCPA **12745 N. Thornton Road** **Lodi, CA**	**NCPA** **651 Commerce Drive** **Roseville, CA**	**CITY OF AZUSA** **729 N. Azusa Avenue** **Azusa, CA**
BAY AREA RAPID TRANSIT **300 Lakeside Drive, 16th Floor** **Oakland, CA**	**CITY OF GRIDLEY** **685 Kentucky Street** **Gridley, CA**	**CITY OF LOMPOC** **100 Civic Center Plaza** **Lompoc, CA**
CITY OF BIGGS **465 “C” Street** **Biggs, CA**	**PLUMAS-SIERRA RURAL ELECTRIC COOP** **73233 Highway 70** **Portola, CA**	**CITY OF UKIAH** **411 W Clay Street** **Ukiah, CA**
CALIFORNIA DEPARTMENT OF WATER RESOURCES **2135 Butano Drive, Suite 100** **Room 125** **Sacramento, CA 95825**	**CITY OF SANTA CLARA** **1500 Warburton Avenue** **Santa Clara, CA**	**POWER & WATER RESOURCES POOLING AUTHORITY** **2106 Homewood Way, No. 100** **Carmichael, CA 95608**
CITY OF HEALDSBURG **401 Grove Street** **Healdsburg, CA**		

The Lodi Energy Center Project Participant Committee may take action on any of the items listed on this Agenda regardless of whether the matter appears on the Consent Calendar or is described as an action item, a report, or an information item. If this Agenda is supplemented by staff reports, they are available to the public upon written request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view Agendas and other public writings: NCPA, 651 Commerce Drive, Roseville, CA or www.ncpa.com

Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participant in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.

1. **Call Meeting to Order and Roll Call**

PUBLIC FORUM

Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item considered by the Lodi Energy Center Project Participant Committee at this meeting, before or during the Committee's consideration of that item, shall so advise the Chair and shall thereupon be given an opportunity to do so. Any member of the public who desires to address the Lodi Energy Center Project Participant Committee on any item within the jurisdiction of the Lodi Energy Center Project Participant Committee and not listed on the Agenda may do so at this time.

2. **Meeting Minutes** - Approval of May 11, 2015 regular meeting

MONTHLY REPORTS

3. **Operational Report for May 2015** - *(Jeremy Lawson)*

4. **Market Data Report for May 2015 –** Verbal Report *(Bob Caracristi)*

5. **Monthly Asset Report –** *(Michael DeBortoli)*

CONSENT CALENDAR

All items on the Consent Calendar are considered routine and will be approved without discussion by a single roll call vote. Any Project Participant or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar. Prior to the roll call vote to approve the Consent Calendar, the Participants will be polled to determine if any Participant wishes to abstain from one or more items on the Consent Calendar.

6. **Treasurer's Report for May** - Accept by all Participants

7. **Financial Report for May** - Approve by all Participants

8. **GHG Reports (excerpted from monthly ARB)** - Accept by all Participants

9. **LEC Project Management and Operations Agreement (PMOA) Schedule 1.00 Exhibit 2 VOM –** Staff seeking approval of revised Exhibit 2 to Schedule 1.00 for revised Variable Operation and Maintenance Cost (VOM) to reflect the values approved for the FY16 Budget *(Mike DeBortoli)*

Consent Items pulled for discussion: ______________________________________

BUSINESS ACTION ITEMS

10. **Adjustment of Bidding Strategies to Account for Bid Cost Recovery –** Staff seeking approval of adjusting the Minimum Load Costs of the LEC Plant *(Ken Goeke)*

11. **PG&E's Gas One-Time Bill Credit Plan in Compliance with Decision 15-04-024 –** Discussion of PG&E gas credit and whether it warrants adjustment of LEC bid curve during affected months *(Martin Caballero)*

INFORMATIONAL/ DISCUSSION ITEMS

12. **Other New Business**

ADJOURNMENT

Next Regular Meeting: July 13, 2015

Lodi Energy Center
Project Participant Committee Meeting
May 11, 2015 - MEETING MINUTES
Location: Lodi Energy Center
12745 N. Thornton Rd, Lodi CA 95242
and by teleconference
10:00 A.M.

1. Call Meeting to Order and Roll Call

The PPC meeting was called to order at 10:03 a.m. by Chairman George Morrow. He asked that roll be called of the Project Participants as listed below.

PPC Meeting Attendance Summary		
Participant	**Attendance**	**Particulars / GES**
Azusa - Morrow	Present	2.7857%
BART - Lloyd	Present	6.6000%
Biggs - Sorenson	Absent	0.2679%
CDWR - Werner	Present	33.5000%
Gridley - Borges	Absent	1.9643%
Healdsburg - Crowley	Absent	1.6428%
Lodi - Cadek	Present	9.5000%
Lompoc - Hostler	Absent	2.0357%
MID - Caballero	Present	10.7143%
Plumas-Sierra - Brozo	Absent	0.7857%
PWRPA - Palmerton	Present	2.6679%
SVP - Hance	Present	25.7500%
Ukiah - Grandi	Absent	1.7857%
Summary		
Present	7	91.5179%
Absent	6	8.4821%
Quorum by #:	Yes	
Quorum by GES:	Yes	
Meeting Date:	5/11/2015	

Public Forum

Chairman Morrow asked if any members of the public were present in Lodi or at any of the other noticed meeting locations who would like to address the PPC on any agenda items. No members of the public were present.

2. Meeting Minutes

The draft minutes of the regular meeting held on April 13, 2015 were considered. The LEC PPC considered the following motion:

Date: 5/11/2015

Motion: The PPC approves the minutes of the April 13, 2015 regular meeting as presented.

Moved by: **Lodi**

Seconded by: **MID**

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	**Vote**	**Particulars / GES**
Azusa	Yes	2.7857%
BART	Yes	6.6000%
Biggs	Absent	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Absent	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	7	91.5179%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	6	8.4821%
Result:	Motion passed.	

MONTHLY REPORTS

3. Operational Reports for April 2015

Jeremy Lawson presented a Revised Operational Report for April which was updated from that which was included in the compiled meeting materials. The revised report reflects the outage which occurred on April 14. There were no OSHA recordable accidents, no permit violations and no NERC/WECC violations. The outage which occurred on April 14 was due to failure of a check valve in the excitation cooling air ducting which resulted in material getting into the cooling fan which caused the motor and ducting to break free from the supporting foundation. Staff quickly responded; removed the damaged ducting, installed a temporary fix and returned the plant to service. The plant was out of service a little over three hours.

Jeremy's report reflected monthly production of 181,256 MWH, 705 service hours, and equivalent operating availability of 99.58%. The report set forth the Capacity Factor @ 280MW Pmax of 89.91% and @ 302MW Pmax of 83.36%. The plant ran continuously except for the outage periods. The 0.91% deviation in efficiency is expected to improve after the outage. The plant had 3 hot starts, 0 warm starts and 0 cold starts. Staff is anxious to see the results of operations after the outage.

Mike DeBortoli discussed the May planned outage which was originally scheduled from May 1 through 9. He said it was extended through May 12 because of the time needed for shipping and repair of the fuel valves. The valves were sent out to the vendor on day one however there was significant damage requiring machining to be done. The valves are being tested today and are expected to arrive for installation tomorrow to wrap up the outage. Mike presented ten great pictures of various aspects of the outage and work being done.

4. Market Data Report for April 2015

Bob Caracristi discussed the operating and financial settlement results for the month. He noted again this month the issue occurred as in January, February, and March regarding the incorrect CAISO RA availability standard. NCPA will again submit a request for correction. He said the March correction was reversed and it will be reflected on the June ARB available May 25. He said the CAISO data entry is done manually and that it appears after mid April the numbers seem to be correct. Included in the discussion was an additional metric to address the concept of mileage accuracy.

5. Monthly Asset Report

Mike DeBortoli presented the monthly asset report/budget review for March. He noted revenue is down due to production of less MW hours than projected. The fuel costs are down about 20% and administrative costs as well due to timing of the monthly lease payments. Fixed costs are lower than forecast due to resources being dedicated elsewhere. Project costs are down to date as many projects are presently being prepared to go to bid. He said overall costs are tracking well. Mike noted a comparison of MW production compared to 2014 and the resultant average MWh costs; dropping from an average of $53 in 2014 to $33 in 2015 primarily because gas prices dropped from $584 to $322.

Consent Calendar

The consent calendar was considered. Chairman Morrow asked if any Participant wished to remove any item listed on the Consent Calendar for separate discussion. He then asked if any Participant wished to abstain from one or more items on the Consent Calendar. There were no abstentions. The LEC PPC considered the following motion:

Date:	5/11/2015
Motion:	The PPC approves the Consent Calendar consisting of: agenda items no. 6 Treasurer's Report for April 2015; 7. Financial Reports for April 2015; 8. GHG Reports for May 2015; 9. Five year Multi-Task General Services Agreement with Ernie & Sons Scaffolding dba Unique Scaffold; 10. Five year Multi-Task General Services Agreement with First Global Gear Services, LLC dba

FGGS, LLC; 11. First Amendment to the existing five year Multi-Task General Services Agreement with Performance Mechanical, Inc.; 12. Second Amendment to the existing three year General Services Agreement with Expro Americas, LLC; 13. First Amendment to the existing five year Multi-Task General Services Agreement with Peterson Industrial Scaffolding, Inc. Accepting Assignment to Platinum Scaffolding, Inc.; and 14. First Amendment to the existing five year Multi-Task Equipment, Materials and Supplies Agreement with Univar USA, Inc.

Moved by: **CDWR**
Seconded by: **BART**

Discussion: There was no further discussion.

Vote Summary on Motion		
Participant	**Vote**	**Particulars / GES**
Azusa	Yes	2.7857%
BART	Yes	6.6000%
Biggs	Absent	0.2679%
CDWR	Yes	33.5000%
Gridley	Absent	1.9643%
Healdsburg	Absent	1.6428%
Lodi	Yes	9.5000%
Lompoc	Yes	2.0357%
Modesto	Yes	10.7143%
Plumas-Sierra	Absent	0.7857%
PWRPA	Yes	2.6679%
Silicon Valley Power	Yes	25.7500%
Ukiah	Absent	1.7857%
Vote Summary		
Total Ayes	8	93.5536%
Total Noes	0	0.0000%
Total Abstain	0	0.0000%
Total Absent	5	6.4464%
Result:	Motion passed.	

BUSINESS ACTION ITEMS

None

INFORMATIONAL ITEMS

15. Proclamation for Michael Werner for Service as LEC PPC Chairman

Mike Werner served as the Chairman of the LEC Project Participant Committee from September 9, 2011 to March 9, 2015. Mike's leadership guided the LEC Project Participant Committee through the final phase of construction of the Lodi Energy Center, the first Siemens Flex-Plant with "fast start" technology in the nation. He was at the helm when the LEC achieved Commercial Operation on November 27, 2012, was named the winner of the Gas-Fired Top Plant Award for 2012, and during the plant's first two-plus years in operation. Mike's personal and professional commitment to the Project, its Participants, and plant staff, together with his experience and knowledge of the industry, are widely recognized and appreciated by all. The PPC and its Participant organizations heartily thanked Michael Werner for his service by presenting him with a formal Proclamation in recognition for his service.

16. <u>Other New Business</u>

None

<u>Adjournment</u>

The next regular meeting of the PPC is scheduled for Monday, June 8, 2015. The meeting was adjourned at 11:34 a.m.

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Lodi Energy Center Project Participant Committee

Operational Report

Agenda Item No.: 3

Date: 6/8/2015

To: Lodi Energy Center Project Participant Committee

Safety

- OSHA Recordable: 0 Accidents

Notice of Violations

- Permits: 0 Violations
- NERC/WECC: 0 Violations

Outage Summaries:

- **Condensate Water Quality – (Saturday 5/16/15 to Monday 5/18/15, 54 hours)** Condensate water chemistry exceeded operating parameter limitations. This was caused by exhausted polishing filters and the lack of replacements.

Planned Outage Summaries:

- 2016, April 29th – May 27th: Hot Gas Path (HGP), Yard Upgrades (Current Transformers), Hot Reheat Valve (HRH), Misc.

Generating Unit Statistics: LEC

Report Date:	
Start Date	5/1/2015
End Date	5/31/2015

1. Monthly Production 91,116 MWH
2. Productivity Factor
   - a. Service Hours 375 Hours
   - b. Service Factor 50.40 %
   - c. Capacity Factor @ 280MW Pmax 43.74 %
   - d. Capacity Factor @ 302MW Pmax 40.55 %
3. Equivalent Operating Availability (EOA) 92.73 %
4. Forced Outage Rate (FOR)
   - a. Combustion Turbine Generator 12.59 %
   - b. Steam Turbine Generator 12.59 %
5. Heat Rate Deviation (HRD)
   - a. Fuel Cost (Not Current Market Price) 4.00 $/mmBTU

MW Range		Average HR	PMOA HR	Deviation	Production	Cost
		BTU/kW-Hr	BTU/kW-Hr	%	MWH	$
Seg. 1	296 - 302	6,850	6850	0.00%	0	$0
Seg. 2	284 - 296	6,904	6870	0.50%	12,928	$1,775
Seg. 3	275 - 284	6,913	6971	-0.83%	19,899	-$4,590
Seg. 4	250 - 275	6,958	7081	-1.74%	28,644	-$14,098
Seg. 5	225 - 250	7,026	7130	-1.46%	9,010	-$3,740
Seg. 6	200 - 225	7,134	7315	-2.48%	7,371	-$5,349
Seg. 7	175 - 225	7,297	7711	-5.36%	9,021	-$14,922
Seg. 8	165 - 175	7,603	7856	-3.23%	3,121	-$3,164
					89,994	**-$44,088**

6. AGC Control Deviation

MW Range		High Dev	Low Dev	Absolute Dev	Cost
		MWH	MWH	MWH	$
Seg. 1	296 - 302	0	0	0	$0
Seg. 2	284 - 296	20	-67	87	$2,415
Seg. 3	275 - 284	70	-87	158	$4,360
Seg. 4	250 - 275	121	-31	152	$4,228
Seg. 5	225 - 250	52	-24	76	$2,129
Seg. 6	200 - 225	41	-25	66	$1,877
Seg. 7	175 - 225	45	-24	69	$2,001
Seg. 8	165 - 175	12	-6	18	$557
		361	-265	625	**$17,566**

7. Starting Reliability

Start Type	**Hot Starts**	**Warm Starts**	**Cold Starts**
Number of Starts	3	1	1
Start Time Benchmark (Minutes)	85	160	235
Start Time Actual (Average Minute)	79.3	172.0	182.0
Start Time Deviation (%)	-6.7%	7.5%	-22.6%
Start Fuel Benchmark PMOA (mmBTU)	1,967	5,200	5,430
Start Fuel Actual (Average mmBTU)	1,419	3,388	3,203
Fuel Deviation	-27.8%	-34.8%	-41.0%
Costs of Fuel Deviations ($)	**-$2,190**	**-$7,249**	**-$8,906**

Definitions:

1. Monthly Production = Plant Net MWH's

2. Capacity Factor

    a. Service Hours = In Production or in Service State

    b. Service Factor = SH / PH x 100%

    c. Capacity Factor = Production / 302MW x PH

    d. Capacity Factor = Production / 280MW x PH

3. Monthly Equivalent Availibility Factor (EAF) = (AH – EPDH – EFDH) / PH x 100%

4. Forced Outage Rate = (FOH/(FOH+SH) * 100%

5. Heat Rate Deviation (HRD)

    a. Fuel Cost = Cost of Fuel in $/mmBTU

    b. Average Heat Rate = The Average Heat Rate for the given Range

    c. Heat Rate Deviation = (Heat Rate Average - Heat Rate Expected) / Heat Rate Expected x 100%

    d. Production = The Sum of Production for the given Range

    e. Costs of Heat Rate Deviations = (Average Heat Rate - Expected Heat Rate) x Production x Cost of Fuel

6. AGC Deviation-

    a. MWH’s = AGC Set Point Generation - LEC Actual Generation

    b. Cost of Deviations = Fuel Cost x Heat Rate x Generation

7. Starting Reliability

    a. Number of Starts = Start Count for Hot, Warm, and Cold

    b. Start Time = Average Time from 0 Fuel Flow to Pmin

    c. Start Fuel = Average Fuel Consumption to Pmin

    d. Cost of Fuel Deviation = (Actual Fuel Consumed - Expected Fuel) x Cost of Fuel

Lodi Energy Center
Monthly Budget Analysis
Expenditures
Report Date: 06/02/2015

	July	August	September	October	November	December	January	February	March	April	May	June	Year	FY2015 Budget	Percent Used	Comments
VOM	5,013,750	3,005,870	7,220,696	8,698,870	2,285,209	4,085,871	6,323,574	5,221,369	5,304,344	5,161,433	1,929,544	3,124,898	57,375,427	51,345,222	111.7%	
Capacity Factor	57%	33%	89%	87%	26%	51%	94%	81%	89%	90%	32%	41%	64%	53%	120.5%	Generation is running about 31% over plan,
Fuel Consumed (mmBTU, estimated)	841,281	498,061	1,261,077	1,383,229	377,086	765,116	1,375,224	1,078,629	1,300,099	1,281,371	444,466	579,741	11,185,380	9,123,040	122.6%	Despite this, avg prices are 13% less than
Avg Fuel Cost ($/mmBTU)	5.23	5.05	4.96	4.82	5.13	4.45	3.54	3.25	3.22	3.15	3.39	3.44	4.05	4.51	89.7%	plan, resulting in revenues about 15% over
Power Produced (MWHr, estimated)	118,475	69,005	178,828	197,725	51,635	106,336	196,020	151,608	184,508	181,247	63,952	83,416	1,582,755	1,207,542	131.1%	plan. Other variable costs tend to follow
Avg Power Price ($/MWHr)	51.48	48.21	45.28	46.39	49.51	43.40	35.04	33.10	32.53	34.12	32.00	33.00	39.64	45.15	87.8%	the increase in generation, each being
Operations / Variable / LTSA	33,177	143,351	75,472	1,053,321	85,959	130,448	426,789	906,682	162,018	180,042	62,289	672,754	3,932,302	3,651,332	107.7%	influeces by its prices, such as fuel prices
Fuel (estimated)	4,398,896	2,515,899	6,260,014	6,670,402	1,932,834	3,406,639	4,863,748	3,507,973	4,187,387	4,039,586	1,506,741	1,994,310	45,284,429	41,167,130	110.0%	being about 11% below plan.
AB32 GHG Offset (estimated)	532,550	314,769	809,067	890,883	244,760	504,456	950,428	740,441	875,466	863,028	319,760	417,080	7,462,687	6,037,710	123.6%	
CA ISO Charges (estimated)	49,127	31,851	76,143	84,264	21,656	44,328	82,609	66,273	79,473	78,777	40,754	40,754	696,009	489,050	142.3%	
Routine O&M (Fixed)	552,933	791,135	793,683	677,404	878,278	1,488,858	613,030	887,770	664,696	542,852	1,032,111	1,039,544	9,962,294	10,175,576	97.9%	
Maintenance / Fixed	31,638	191,168	148,448	225,573	224,966	285,636	160,174	132,436	230,808	101,629	250,000	145,000	2,127,476	1,765,358	120.5%	August & November Outage, HP Bypass
Administration	106,163	96,717	188,734	18,250	7,496	188,236	20,584	272,197	53,222	10,640	191,068	104,068	1,257,375	1,250,914	100.5%	
Mandatory Costs	27,186	10,162	7,623	1,763	13,784	2,227	3,548	7,138	8,430	34,617	26,209	26,209	168,896	220,000	76.8%	
Inventory Stock	0	91,974	43,909	28,659	5,803	0	11,687	67,541	13,155	4,383	36,364	96,000	399,475	400,000	99.9%	
Labor	286,415	284,596	288,276	304,166	522,865	121,672	313,673	314,790	263,939	285,622	425,000	564,797	3,975,811	4,299,182	92.5%	
Insurance	0	0	13,885	0	0	792,094	0	0	-7,030	2,400	0	0	801,349	1,000,425	80.1%	
Power Management & Settlements	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	98,993	1,187,916	1,187,916	100.0%	
Other Costs	2,538	17,525	3,815	0	4,371	0	4,371	-5,325	3,179	4,568	4,477	4,477	43,996	51,781	85.0%	
Projects	150,000	155,088	150,000	150,000	152,168	159,770	150,000	171,011	155,344	168,854	703,998	4,510,338	6,776,571	6,791,260	99.8%	
Maintenance Reserve	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000	1,800,000	100.0%	
Operations & Maintenance Projects	0	0	0	0	0	8,512	0	0	1,176	4,125	53,998	250,000	317,811	332,500	95.6%	
Capital Projects	0	5,088	0	0	2,168	1,258	0	21,011	4,168	14,729	500,000	4,110,338	4,658,760	4,658,760	100.0%	
A&G	104,462	121,410	131,651	132,694	127,777	113,545	260,575	154,636	144,670	187,422	187,422	376,120	2,042,384	2,166,107	94.3%	
Administrative & General (Allocated)	86,419	101,714	108,222	111,235	108,310	93,570	228,298	130,807	123,499	149,294	149,294	337,992	1,728,654	1,728,654	100.0%	
Generation Services Shared	18,043	19,696	23,429	21,459	19,467	19,975	32,277	23,829	21,171	38,128	38,128	38,128	313,730	437,453	71.7%	
Total O&M Cost	5,821,145	4,073,503	8,296,030	9,658,968	3,443,432	5,848,044	7,347,179	6,434,786	6,269,054	6,060,561	3,853,075	9,050,900	76,156,676	70,478,165	108.1%	
Debt Service	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,158	2,203,157	26,437,895	26,437,890	100.0%	
Revenues	6,099,407	3,326,855	8,097,556	9,171,969	2,556,565	4,615,131	6,868,600	5,018,056	6,001,657	6,184,195	2,046,464	2,752,728	62,739,183	54,517,593	115.1%	
ISO Energy Sales (estimated)	6,098,942	3,326,733	8,097,456	9,171,969	2,556,565	4,615,068	6,868,600	5,018,056	6,001,657	6,184,195	2,046,464	2,752,728	62,738,433	54,517,593	115.1%	
Other Income	465	122	100	0	0	63	0	0	0	0	0	0	750	0		
Net	($1,924,896)	($2,949,806)	($2,401,632)	($2,690,157)	($3,090,025)	($3,436,071)	($2,681,737)	($3,619,888)	($2,470,555)	($2,079,524)	($4,009,769)	($8,501,329)	($39,855,389)	($42,398,462)	Below budget by 6.00%	

A PUBLIC AGENCY
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LEC Treasurer's Report

AGENDA ITEM NO.: 6

Date: June 3, 2015

To: LEC Project Participant Committee

Subject: Treasurer's Report for the Month Ended May 31, 2015

In compliance with NCPA policy and State of California Government Code Sections 53601 and 53646(b), the following monthly report is submitted for your information and acceptance.

Cash - At month end cash totaled $0.

Investments - The carrying value of the LEC's investment portfolio totaled $43,498,533 at month end. The current market value of the portfolio totaled $43,513,613.

The overall portfolio had a combined weighted average interest rate of 0.329% with a bond equivalent yield (yield to maturity) of 0.345%. Investments with a maturity greater than one year totaled $13,159,000. During the month $21 million was invested.

Funds not required to meet annual cash flow are reinvested and separately reported as they occur.

Interest Rates - During the month, rates on 90 day T-Bills stayed the same with basis point (at 0.01%) and rates on one year T-Bills increased 1 basis point (from 0.25% to 0.26%).

To the best of my knowledge and belief, all securities held by LEC as of May 31, 2015 are in compliance with the Agency's investment policy. There are adequate cash flow and investment maturities to meet next month's cash requirements.

Environmental Analysis
The Treasurer's report will not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

Donna Stevener

DONNA STEVENER
Assistant General Manager/CFO
Administrative Services/Finance

Prepared by:

DONNA STEVENER signature omitted

SONDRA AINSWORTH
Treasurer-Controller

Attachments

LODI ENERGY CENTER

TREASURER'S REPORT

MAY 31, 2015

TABLE OF CONTENTS

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Cash & Investment Balance
May 31, 2015

	CASH	INVESTMENTS	TOTAL	PERCENT	INVESTMENTS at MARKET
MANDATORY FUNDS					
Debt Service Account	-	20,933,897	20,933,897	46.63%	20,933,897
Debt Service Reserve	-	11,806,466	11,806,466	26.30%	11,814,035
O & M Reserve	-	10,687,210	10,687,210	23.81%	10,694,721
	-	43,427,573	43,427,573	96.74%	43,442,653
ADDITIONAL PROJECT FUNDS					
GHG Cash Account	-	70,959	70,959	0.16%	70,959
Transmission Upgrade Escrow [1]	1,393,232		1,393,232	3.10%	
Participant Deposit Account	-	1	1	0.00%	1
	$ 1,393,232	$ 43,498,533	$ 44,891,765	100.00%	$ 43,513,613

NOTE A -Investment amounts shown at book carrying value.

1 Amount held in escrow.

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Cash Activity Summary
May 31, 2015

	RECEIPTS			EXPENDITURES			CASH
	OPS/CONSTR	INTEREST (NOTE B)	INVESTMENTS (NOTE A)	OPS/CONSTR	INVESTMENTS (NOTE B)	INTER-COMPANY/ FUND TRANSFERS	INCREASE / (DECREASE)
MANDATORY FUNDS							
Debt Service Account	$ -	$ 0	$ 11,152,000	$ -	$ (16,464,926)	$ 5,312,926	$ -
Debt Service Reserve	-	6,119	4,181,000	-	(4,187,119)	-	-
O & M Reserve	-	-	-	-	-	-	-
	-	6,119	15,333,000	-	(20,652,045)	5,312,926	-
ADDITIONAL PROJECT FUNDS							
GHG Cash Account	-	-	-	-	-	-	-
Transmission Upgrade Escrow [1]		482,015					482,015
Participant Deposit Account	-	-	-	-	-	-	-
							-
TOTAL	$ -	$ 488,134	$ 15,333,000	$ -	$ (20,652,045)	$ 5,312,926	$ 482,015

NOTE A -Investment amounts shown at book carrying value.

NOTE B -Net of accrued interest purchased on investments.

1 Amount held in escrow.

Northern California Power Agency/Lodi Energy Center
Treasurer's Report
Investment Activity Summary
May 31, 2015

	PURCHASED	SOLD OR MATURED	(NON-CASH) DISC/(PREM) AMORT	(NON-CASH) GAIN/(LOSS) ON SALE	INVESTMENTS TRANSFERS	INVESTMENTS INCREASE / (DECREASE)
MANDATORY FUNDS						
Debt Service Account	16,464,926	(11,152,000)	565	-	-	5,313,491
Debt Service Reserve	4,187,119	(4,181,000)	(141)	(1,634)		4,345
O & M Reserve	-	-	221	-		221
	20,652,045	(15,333,000)	645	(1,634)	-	5,318,057
ADDITIONAL PROJECT FUNDS						
GHG Cash Account		-	-	-		-
Participant Deposit Acct.		-	-	-	-	-
TOTAL	$ 20,652,045	$ (15,333,000)	$ 645	$ (1,634)	$ -	$ 5,318,057

Less Non- Cash Activity	
Disc/(Prem) Amortization & Gain/(Loss) on Sale	(645)
Net Change in Investment --Before Non-Cash Activity	$ 5,317,412

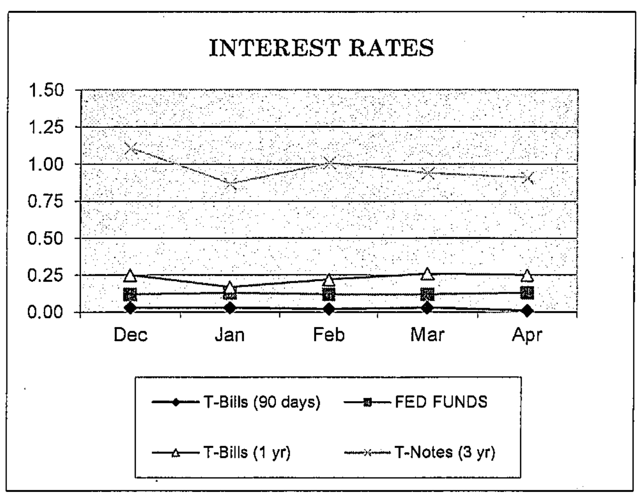
NOTE A -Investment amounts shown at book carrying value.

Northern California Power Agency
Lodi Energy Center
Interest Rate/Yield Analysis
May 31, 2015

	WEIGHTED AVERAGE INTEREST RATE	BOND EQUIVALENT YIELD
OVERALL COMBINED	0.329%	0.345%
Debt Service Account	0.090%	0.090%
Debt Service Reserve	0.374%	0.410%
O & M Reserve	0.748%	0.773%
GHG Cash Account	0.260%	0.260%

KEY INTEREST RATES

	CURRENT	PRIOR YEAR
Fed Fds (Ovrnight)	0.13%	0.09%
T-Bills (90da.)	0.01%	0.03%
Agency Disc (90da.)	0.06%	0.03%
T-Bills (1yr.)	0.26%	0.11%
Agency Disc (1yr.)	0.25%	0.14%
T-Notes (3yr.)	0.98%	0.61%



Northern California Power Agency
Total Portfolio
Investment Maturities Analysis
May 31, 2015

Type	0-7 Days	8-90 Days	91-180 Days	181-270 Days	271-360 Days	1-5 Years	5-10 Years	Total	Percent
US Government Agencies	$4,465	$0	$0	$0	$0	$13,159	$0	$17,624	40.52%
US Bank Trust Money Market	24,104							24,104	55.41%
Commercial Paper	0							0	0.00%
Investment Trusts (LAIF)	1,771							1,771	4.07%
U.S.Treasury Market Acct. *	0							0	0.00%
U.S.Treasury Bill								0	0.00%
Certificates of Deposit								0	0.00%
Total Dollars	$30,340	$0	$0	$0	$0	$13,159	$0	$43,499	100.00%
Total Percents	69.75%	0.00%	0.00%	0.00%	0.00%	30.25%	0.00%	100.00%	

Investment are shown at Face Value, in thousands.

* The cash balance held at US Bank includes outstanding checks that have not yet cleared. This cash balance is invested nightly in a fully collateralized (U.S. Government Securities) repurchase agreement.

** Cash held by Union Bank of California is invested nightly in fully collateralized U.S. Treasury Securities.

NORTHERN CALIFORNIA POWER AGENCY

Detail Report Of Investments

APPENDIX

Note: **This appendix has been prepared to comply with Government Code section 53646.**

NCPA NORTHERN CALIFORNIA POWER AGENCY

Northern California Power Agency
Treasurer's Report
05/31/2015

LEC Construction Revolving

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		1	0.254	07/01/2013	1		1	0.254	1	SYS70040	70040	1
	Fund Total and Average	**$ 1**	0.254		**$ 1**		**1**	**0.254**	**$ 1**			**$ 1**
	GRAND TOTALS:	**$ 1**	0.254		**$ 1**		**1**	**0.254**	**$ 1.**			**$ 1**

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.
Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2015

NCPA NORTHERN CALIFORNIA POWER AGENCY

Northern California Power Agency
Treasurer's Report
05/31/2015

LEC Issue#1 2010A DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	4,514,554	0.100	07/01/2013	4,514,554		1	0.100	4,514,554	SYS79003	79003	4,514,554
Federal Home Loan Ba	USBT	693,000	0.040	04/24/2015	692,971	06/01/2015	0	0.040	693,000	313384GH6	26217	693,000
Federal National Mtg	USBT	1,387,000	0.065	10/28/2014	1,386,459	06/01/2015	0	0.065	1,387,000	313588GH2	26175	1,387,000
	Fund Total and Average	**$ 6,594,554**	0.086		**$ 6,593,984**		**1**	**0.087**	**$ 6,594,554**			**$ 6,594,554**

LEC Issue #1 2010B DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	5,788,716	0.100	07/01/2013	5,788,716		1	0.100	5,788,716	SYS79004	79004	5,788,716
Federal Home Loan Ba	USBT	732,000	0.039	04/24/2015	731,969	06/01/2015	0	0.040	732,000	313384GH6	26218	732,000
	Fund Total and Average	**$ 6,520,716**	0.093		**$ 6,520,685**		**1**	**0.093**	**$ 6,520,716**			**$ 6,520,716**

LEC Issue #2 2010A DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	3,383,269	0.100	07/01/2013	3,383,269		1	0.100	3,383,269	SYS79011	79011	3,383,269
Federal Home Loan Ba	USBT	434,000	0.039	04/24/2015	433,982	06/01/2015	0	0.040	434,000	313384GH6	26219	434,000
Federal National Mtg	USBT	868,000	0.065	10/28/2014	867,661	06/01/2015	0	0.065	868,000	313588GH2	26176	868,000
	Fund Total and Average	**$ 4,685,269**	0.088		**$ 4,684,912**		**1**	**0.088**	**$ 4,685,269**			**$ 4,685,269**

LEC Issue #2 2010B DS Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	2,782,358	0.100	07/01/2013	2,782,358		1	0.100	2,782,358	SYS79012	79012	2,782,358
Federal Home Loan Ba	USBT	351,000	0.040	04/24/2015	350,985	06/01/2015	0	0.040	351,000	313384GH6	26220	351,000
	Fund Total and Average	**$ 3,133,358**	0.093		**$ 3,133,343**		**1**	**0.093**	**$ 3,133,358**			**$ 3,133,358**
	GRAND TOTALS:	**$ 20,933,897**	0.090		**$ 20,932,924**		**1**	**0.090**	**$ 20,933,897.**			**$ 20,933,897**

***Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.
Investments with less than 6 months to maturity use an approximate method, all others use an exact method.**

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2015

Northern California Power Agency

Treasurer's Report

05/31/2015

LEC Issue #1 2010 DSR Fund

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	4,287,576	0.100	07/01/2013	4,287,576		1	0.100	4,287,576	SYS79005	79005	4,287,576
Federal National Mtg	USB	4,170,000	0.875	05/30/2014	4,171,960	08/28/2017	819	0.977	4,178,924	3135GOMZ3	26136	4,171,354
	Fund Total and Average	**$ 8,457,576**	0.482		**$ 8,459,536**		**404**	**0.533**	**$ 8,466,500**			**$ 8,458,930**

LEC Iss#1 2010B BABS Subs Resv

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	2,261,048	0.100	07/01/2013	2,261,048		1	0.100	2,261,048	SYS79006	79006	2,261,048
	Fund Total and Average	**$ 2,261,048**	0.100		**$ 2,261,048**		**1**	**0.100**	**$ 2,261,048**			**$ 2,261,048**

LEC Issue #2 2010B DSR BABS

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
US Bank Trust	USB	1,086,487	0.100	07/01/2013	1,086,487		1	0.100	1,086,487	SYS79013	79013	1,086,487
	Fund Total and Average	**$ 1,086,487**	0.100		**$ 1,086,487**		**1**	**0.100**	**$ 1,086,487**			**$ 1,086,487**
	GRAND TOTALS:	**$ 11,805,111**	0.374		**$ 11,807,071**		**290**	**0.410**	**$ 11,814,035.**			**$ 11,806,465**

***Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.**
Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2015

NCPA
NORTHERN CALIFORNIA POWER AGENCY

Northern California Power Agency
Treasurer's Report
05/31/2015

LEC O & M Reserve

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		1,700,473	0.260	07/01/2013	1,700,473		1	0.260	1,700,473	SYS70047	70047	1,700,473
Union Bank of Califo	UBOC	0	0.002	07/18/2013	0		1	0.002	0	SYS70041	70041	0
Federal Home Loan Mt	UBOC	3,000,000	0.500	10/25/2013	2,992,800	06/06/2016	371	0.592	3,000,120	3134G46A1	26052	2,997,207
Federal Home Loan Mt	UBOC	2,992,000	0.800	09/23/2014	2,991,102	12/23/2016	571	0.813	2,990,654	3134G5HP3	26162	2,991,377
Federal Farm Credit	UBOC	2,997,000	1.220	09/23/2014	2,998,499	09/18/2017	840	1.202	3,003,474	3133EDV74	26161	2,998,153
	Fund Total and Average	**$ 10,689,473**	0.748		**$ 10,682,874**		**500**	**0.773**	**$ 10,694,721**			**$ 10,687,210**
	GRAND TOTALS:	**$ 10,689,473**	0.748		**$ 10,682,874**		**500**	**0.773**	**$ 10,694,721.**			**$ 10,687,210**

***Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.**
Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2015

Investment # 26052 – FHLMC - Callable Quarterly.
Investment # 26161 – FFCB - Callable 9/18/2015, then anytime.
Investment # 26162 – FHLMC –Callable Quarterly.

Northern California Power Agency

Treasurer's Report

05/31/2015

LEC GHG Auction Acct

Issuer	Trustee / Custodian	Stated Value	Interest Rate	Purchase Date	Purchased Price	Maturity Date	Days to Maturity	Bond* Equiv Yield	Market Value	CUSIP	Investment #	Carrying Value
Local Agency Investm		70,959	0.260	07/01/2013	70,959		1	0.260	70,959	SYS70046	70046	70,959
	Fund Total and Average	**$ 70,959**	0.260		**$ 70,959**		**1**	**0.260**	**$ 70,959**			**$ 70,959**
	GRAND TOTALS:	**$ 70,959**	0.260		**$ 70,959**		**1**	**0.260**	**$ 70,959.**			**$ 70,959**

***Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.**

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of **05/31/2015**

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LEC Financial Reports

AGENDA ITEM NO.: 7

Date: June 3, 2015

Subject: May 31, 2015 Financial Reports (Unaudited)

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENT OF NET POSITION
UNAUDITED

ASSETS		May 31 2015		2014
CURRENT ASSETS				
Cash and cash equivalents	$	70,959	$	70,788
Interest receivable		25,719		11,947
Inventory and supplies - at average cost		1,474,440		1,143,196
Due from (to) Agency, net		15,731,357		12,311,857
TOTAL CURRENT ASSETS		17,302,475		13,537,788
RESTRICTED ASSETS				
Cash and cash equivalents		27,197,712		19,446,950
Investments		17,623,091		24,491,564
Interest receivable		14,005		12,632
TOTAL RESTRICTED ASSETS		44,834,808		43,951,146
ELECTRIC PLANT				
Electric plant in service		423,399,112		423,354,890
Less: accumulated depreciation		(36,516,976)		(21,917,781)
		386,882,136		401,437,109
Construction work-in-progress		34,052		-
TOTAL ELECTRIC PLANT		386,916,188		401,437,109
OTHER ASSETS				
Regulatory assets		15,889,247		14,780,616
TOTAL OTHER ASSETS		15,889,247		14,780,616
TOTAL ASSETS	$	464,942,718	$	473,706,659

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENT OF NET POSITION
UNAUDITED

		May 31		
		2015		2014
LIABILITIES & NET POSITION				
CURRENT LIABILITIES				
Accounts and retentions payable	$	2,330,196	$	2,912,094
Operating reserves		13,074,923		11,362,480
Current portion of long-term debt		9,025,000		8,640,000
Accrued interest payable		11,769,912		11,465,163
TOTAL CURRENT LIABILITIES		36,200,031		34,379,737
NON-CURRENT LIABILITIES				
Operating reserves and other deposits		982,057		70,654
Long-term debt, net		371,987,390		381,934,068
TOTAL NON-CURRENT LIABILITIES		372,969,447		382,004,722
TOTAL LIABILITIES		409,169,478		416,384,459
DEFERRED INFLOWS OF RESOURCES				
Regulatory credits		45,524,891		45,404,582
NET POSITION				
Invested in capital assets, net of related debt		(11,925,381)		(7,170,570)
Restricted		9,589,386		10,043,351
Unrestricted		12,584,344		9,044,837
TOTAL NET POSITION		10,248,349		11,917,618
TOTAL LIABILITIES AND NET POSITION	$	464,942,718	$	473,706,659

NORTHERN CALIFORNIA POWER AGENCY
LODI ENERGY CENTER
STATEMENT OF REVENUES, EXPENSES
& CHANGES IN NET POSITION
UNAUDITED

	Eleven Months Ended May 31	
	2015	2014
SALES FOR RESALE		
Participants	$ 23,561,634	$ 30,944,804
Other	65,470,998	59,304,662
TOTAL SALES FOR RESALE	89,032,632	90,249,466
OPERATING EXPENSES		
Operations	49,275,541	45,360,690
Depreciation	13,382,621	13,381,907
Purchased power	6,552,296	-
Maintenance expenses	7,034,232	8,604,710
Administrative and general	3,988,896	5,402,818
Transmission	549,144	1,060,139
Intercompany (sales) purchases	402,310	384,219
TOTAL OPERATING EXPENSES	81,185,040	74,194,483
NET OPERATING REVENUES	7,847,592	16,054,983
OTHER REVENUES (EXPENSES)		
Interest expense	(15,096,445)	(14,257,050)
Interest income	169,218	89,264
Other	3,918,271	1,308,516
TOTAL OTHER REVENUES (EXPENSES)	(11,008,956)	(12,859,270)
FUTURE RECOVERABLE AMOUNTS	3,271,099	4,428,505
REFUNDS TO PARTICIPANTS	530,826	(1,185,594)
INCREASE IN NET POSITION	640,561	6,438,624
NET POSITION		
Beginning of year	9,607,788	5,478,994
End of period	$ 10,248,349	$ 11,917,618

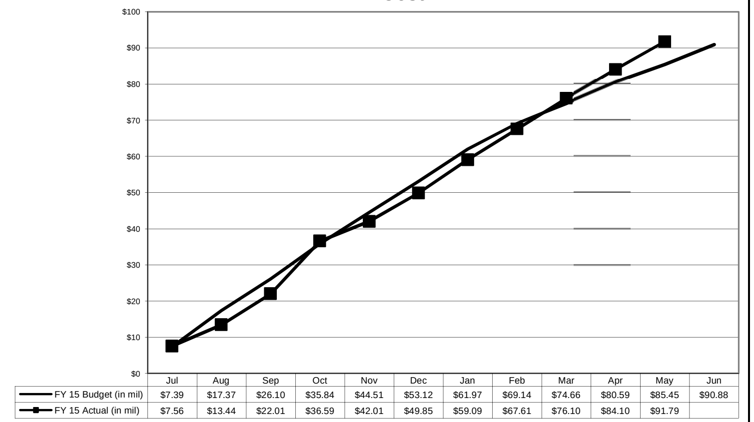
Lodi Energy Center
FY 2015 Operating Costs
As of May 31, 2015

	Annual Budget	Actual	Remaining	YTD % Remaining	Notes
Routine O&M Costs					
Variable	$ 3,651,332	$ 4,440,974	$ (789,642)	-22%	**A**
Fixed	1,765,358	1,939,165	(173,807)	-10%	**B**
Administration	1,250,914	977,275	273,639	22%	
Mandatory Costs	220,000	117,503	102,497	47%	
Inventory Stock	400,000	303,083	96,917	24%	
Routine O&M Costs without Labor	7,287,604	7,778,000	(490,396)	-7%	
Labor	4,299,182	3,610,740	688,442	16%	
Total Routine O&M Cost	11,586,786	11,388,740	198,046	2%	
Other Costs					
Fuel	41,167,130	43,850,154	(2,683,024)	-7%	**C**
CA ISO Charges	489,050	549,144	(60,094)	-12%	**D**
CA ISO Purchased Energy	-	6,552,296	(6,552,296)	N/A	**E**
Debt Service	26,437,890	24,234,740	2,203,150	8%	
Insurance	1,000,425	801,350	199,075	20%	
Other Costs	51,781	37,746	14,035	27%	
Generation Services Shared	437,453	242,840	194,613	44%	
Administrative & General (Allocated)	1,728,654	1,311,069	417,585	24%	
Power Management Allocated Costs	1,187,916	1,088,923	98,993	8%	
Total O&M Cost	84,087,085	90,057,002	(5,969,917)	-7%	
Projects					
Operations & Maintenance	332,500	17,773	314,727	95%	
Capital	4,658,760	65,385	4,593,375	99%	
Maintenance Reserve	1,800,000	1,650,000	150,000	8%	
Total Projects	6,791,260	1,733,158	5,058,102	74%	
Annual Cost	90,878,345	91,790,160	(911,815)	-1%	
Less: Third Party Revenue					
Interest Income	44,489	141,007	(96,518)	-217%	
ISO Energy Sales	54,517,593	63,402,976	(8,885,383)	-16%	
Ancillary Services Sales	1,420,431	2,068,022	(647,591)	-46%	
Other Income	-	750	(750)	N/A	
	55,982,513	65,612,755	(9,630,242)	-17%	
Net Annnual Cost to Participants	$ 34,895,832	$ 26,177,405	$ 8,718,427	25%	
Total Variable Costs	45,307,512	55,392,568	(10,085,056)		
Total Fixed Costs	45,570,833	36,397,592	9,173,241		
	$ 90,878,345	$ 91,790,160	$ (911,815)		
Net Cumulative Generation (MWh)	1,207,542	1,526,448			
Total O&M Cost Per MWh	$ 69.63	$ 59.00			
Net Annual Cost Per MWh	$ 28.90	$ 17.15			

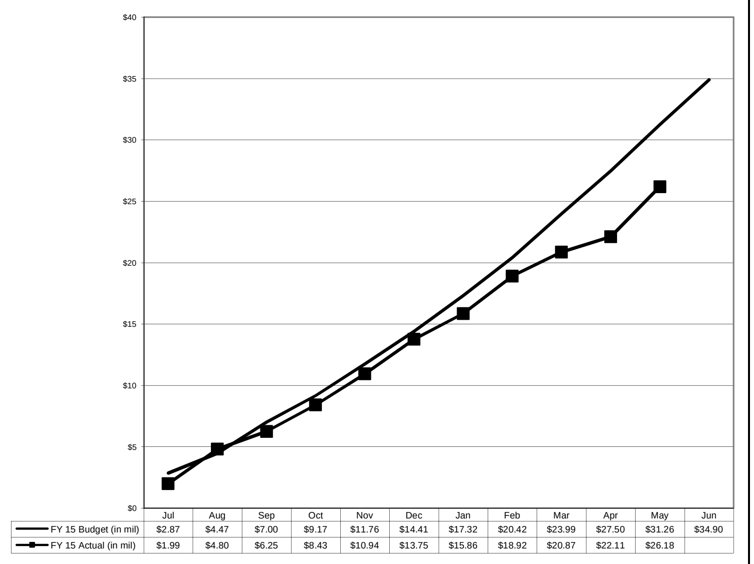
Footnotes:

A - Higher variable maintenance and chemical costs due to higher year to date generation.
B - Higher costs due to repairs to boilers, turbines and higher water treatment costs.
C - Higher than budgeted fuel costs due to higher year to date generation offset by lower costs per mmBtu.
D - Costs are higher than expected due to higher year to date generation.
E - Non-budgeted costs due to load balancing requirements at CA ISO.

Cost



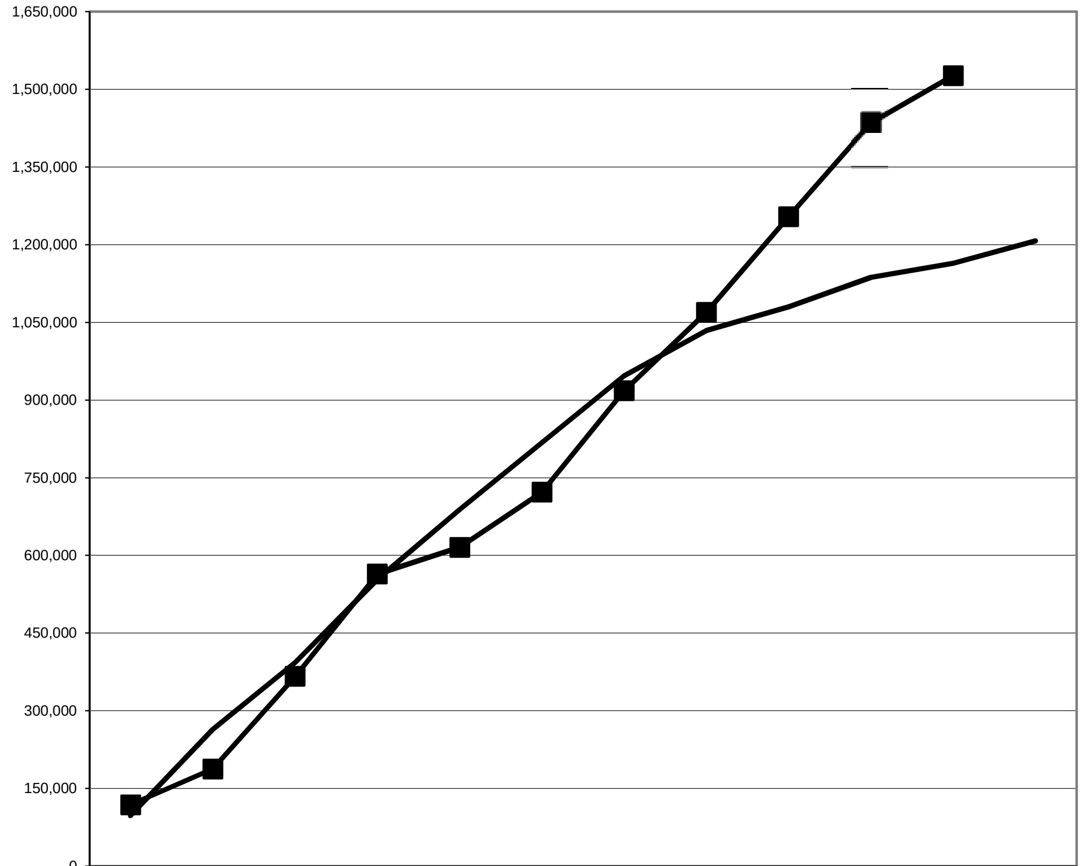
Net Cost to Participants



Annual Budget
LEC Generation Analysis
Planned vs. Actual
FY 2015

Lodi Energy Center

In MWh



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 15 Planned	97,285	263,628	393,482	553,897	688,758	817,382	946,527	1,034,640	1,080,058	1,136,945	1,164,072	1,207,542
FY 15 Actual	118,473	187,479	366,308	564,023	615,659	721,997	918,016	1,069,61	1,254,12	1,435,37	1,526,44	

2013 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report
for the Lodi Energy Center

	Actual													Compliance Year 2013
IDENTIFIER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	0	82,787	101,925	128,167	134,284	32,545	80,153	122,492	94,615	92,091	98,739	105,078	138,068	1,210,944
Gas Schedule (MMBtu)	0	593,484	723,038	894,657	952,529	229,724	579,650	870,331	673,965	650,250	692,396	738,008	965,292	8,563,324
Emissions Factor (MT/MMBtu)	0	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	
Monthly MT Emissions (MT)	0	32,027	39,019	48,280	51,403	12,397	31,281	46,967	36,371	35,091	37,365	39,827	52,092	462,120
Cumulative MT Obligation (MT)	0	32,027	71,046	119,326	170,730	183,127	214,407	261,375	297,745	332,836	370,201	410,028	462,120	462,120
Compliance Instrument Participant Transfers (to LEC)														
Auction Allowances	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	92,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	460,633
NCPA Compliance Instrument Purchases (for LEC)														
Auction Purchases	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	47,000	0	0	0	0	0	0	0	0	0	0	0	0	47,000
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Monthly Activity (MT)	139,695	5,350	0	13,644	105,000	50,632	30,628	1,600	102,200	12,594	0	0	46,290	507,633
Cumulative MT Account Balance [MTA] (MT)	139,695	145,045	145,045	158,689	263,689	314,321	344,949	346,549	448,749	461,343	461,343	461,343	507,633	507,633
MTA Shortfall (MT)	(139,695)	(113,018)	(73,999)	(39,363)	(92,959)	(131,194)	(130,542)	(85,174)	(151,004)	(128,507)	(91,142)	(51,315)	(45,513)	(45,513)

2013 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center	2014 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center												
	Actual												Compliance Year 2014
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Total
Energy (MWh)	136,604	156,089	120,489	55,378	71,210	51,037	118,473	69,006	178,831	197,715	51,636	106,338	1,312,806
Gas Schedule (MMBtu)	951,700	1,092,730	858,805	391,272	512,068	371,695	836,762	496,327	1,251,547	1,371,546	372,826	759,691	9,266,969
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	
Monthly MT Emissions (MT)	51,358	58,969	46,345	21,115	27,634	20,059	45,156	26,784	67,540	74,015	20,120	40,997	500,092
Cumulative MT Obligation (MT)	513,478	572,447	618,793	639,908	667,542	687,600	732,756	759,540	827,080	901,095	782,299	823,296	823,296
Compliance Instrument Participant Transfers (to LEC)													
Auction Allowances	102,347	50,000	48,066	25,000	1,290	138,448	0		13,586	50,520	100,350	350	529,957
Secondary Market Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0
Offsets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Compliance Instrument Participant Transfers (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
NCPA Compliance Instrument Purchases (for LEC)													
Auction Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Market Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Sale Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Offset Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	0	0	0	138,916	0	138,916
Total Monthly Activity (MT)	102,347	50,000	48,066	25,000	1,290	138,448	0	0	13,586	50,520	100,350	350	529,957
Cumulative MT Account Balance [MTA] (MT)	609,980	659,980	708,046	733,046	734,336	872,784	872,784	872,784	886,370	936,890	898,324	898,674	898,674
MTA Shortfall (MT)	(96,502)	(87,533)	(89,253)	(93,138)	(66,794)	(185,184)	(140,028)	(113,244)	(59,290)	(35,795)	(116,025)	(75,378)	(75,378)

2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center	2015 NCPA All Resources Bill LEC GHG Compliance Instrument Detail Report for the Lodi Energy Center									
	Actual				Estimated		Compliance Year 2015	Cumulative Totals		
IDENTIFIER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	Total	Total	Charge Code	Source
Energy (MWh)	196,019	151,600	184,507	181,244	63,952	83,416	860,739	3,384,489		Forecast/Meter
Gas Schedule (MMBtu)	1,368,474	1,073,330	1,299,294	1,269,481	447,667	583,914	6,042,160	23,872,453		Forecast/Meter
Emissions Factor (MT/MMBtu)	0.054	0.054	0.054	0.054	0.054	0.054				MARS
Monthly MT Emissions (MT)	73,850	57,922	70,116	68,508	24,158	31,511	326,065	1,288,277		derived
Cumulative MT Obligation (MT)	897,145	955,068	1,025,184	1,093,692	1,117,850	1,149,361	1,149,361	2,434,776		derived
Compliance Instrument Participant Transfers (to LEC)										
Auction Allowances	41,342	250	250,100	15,000	92,617	0	399,309	1,389,899		CITSS
Secondary Market Allowances	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Allowances	0	0	0	0	0	0	0	0		CITSS
Offsets	0	0	0	0	0	0	0	0		CITSS
Total Compliance Instrument Participant Transfers (MT)	41,342	250	250,100	15,000	92,617	0	399,309	1,389,899		
NCPA Compliance Instrument Purchases (for LEC)										
Auction Purchases	0	0	0	0	0	0	0	47,000		CITSS
Secondary Market Purchases	0	0	0	0	0	0	0	0		CITSS
Reserve Sale Purchases	0	0	0	0	0	0	0	0		CITSS
Offset Purchases	0	0	0	0	0	0	0	0		CITSS
Total NCPA Compliance Instrument Purchases (MT)	0	0	0	0	0	0	0	47,000		
Compliance Instruments Surrendered to CARB (MT)	0	0	0	0	0	0	0	138,916		CITSS
							0			
Total Monthly Activity (MT)	41,342	250	250,100	15,000	92,617	0	399,309	1,436,899		derived
Cumulative MT Account Balance [MTA] (MT)	940,016	940,266	1,190,366	1,205,366	1,297,983	1,297,983	1,297,983	1,297,983		derived
MTA Shortfall (MT)	(42,871)	14,802	(165,182)	(111,674)	(180,133)	(148,622)	(148,622)	1,136,793	MTA SHORTFALL	derived

NCPA All Resources Bill LEC GHG Obligation Detail Report (Cumulative)
June 2015

IDENTIFIER	AZUSA	BART	BIGGS	CDWR	GRI	HEA	LOD	LOM	MID	PLU	PWRPA	SNCL	UKI	TOTAL	Charge Code	Source
Allocation Percentages																
Generation Entitlement Share %	2.7857%	6.6000%	0.2679%	33.5000%	1.9643%	1.6428%	9.5000%	2.0357%	10.7143%	0.7857%	2.6679%	25.7500%	1.7857%	100%		MARS
Obligation Accounts																
Current MT Compliance Obligation (MTO) Balance (MT)	32,018	75,858	3,079	385,036	22,577	18,882	109,189	23,398	123,146	9,031	30,664	295,960	20,524	1,149,361		derived
Current MT Compliance Instrument Account (MTA) Balance (MT)	39,130	75,859	3,609	456,463	26,050	21,352	109,189	29,372	143,116	9,479	34,081	334,229	20,355	1,302,284		derived
MTA Shortfall (MT)	(7,112)	(1)	(530)	(71,427)	(3,473)	(2,470)	0	(5,975)	(19,970)	(448)	(3,417)	(38,269)	169	(152,923)	MTA SHORTFALL	Derived
Monthly GHG Price $/MT	12.55	12.55	12.55	12.55	12.55	12.55	12.55	12.55	12.55	12.55	12.55	12.55	12.55	12.55	MTA SHORTFALL	ICE Index
GHG Minimum Cash Compliance Obligation ($)	0	0	0	0	0	0	4	0	0	0	0	0	2,118	2,122	MTA SHORTFALL	Derived
Current Month CCA Balance ($)*	60,991	0	143	0	1,103	4,780	755	0	0	0	0	0	2,652	70,424	CCA BALANCE	Accounting
Net GHG Obligation ($)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NET GHG OBLIG	Derived

* The Current Month CCA Balance ($) consists of the current cash balance plus any outstanding balance of Net GHG Obligation ($) billed but not yet received.

VOM Impact
PMOA Schedule 1.00, Exhibit 2

VOM Impact	Approved FY15 Budget	Approved FY15 VOM	Approved FY16 Budget	Proposed FY16 VOM
Variable Cost	$	$/MWH	$	$/MWH
Operations (Appendix I)	1,191,985	0.94	$1,516,320	0.94
LTSA	2,409,386	1.89	$3,328,201	2.07
Maintenance Reserve Variable (Appendix I)	277,734	0.23	$353,208	0.22
Total	**3,879,105**	**3.06**	**$5,197,729**	**3.23**
Forecasted Generation (MWH)		1,267,681		1,605,494

Lodi Energy Center Project Participant Committee

Staff Report

AGENDA ITEM NO.: 9

Date: June 3, 2015

To: Lodi Energy Center Project Participant Committee

Subject: Approval of Updated Lodi Energy Center (LEC) Project Management and Operations Agreement (PMOA) Schedule 1.00, Exhibit 2

Background

NCPA and the LEC Project Participants executed the Lodi Energy Center Project Management and Operations Agreement (PMOA), which became effective on August 1, 2010. The PMOA contains multiple Schedules, which provide procedures and protocols, and guidelines regarding Project operations. Pursuant to the PMOA, Schedules can be revised, deleted or added from time to time based on then existing operating or market conditions, and subject to the approval of the Project Participant Committee (PPC), and with regard to certain Schedules, approval additionally by the NCPA Commission when such Schedules "…could be reasonably viewed as having an impact on other NCPA projects." (PMOA, Article 10).

As has been done in prior years, staff is recommending changes to PMOA Agreement Schedule 1.00, Exhibit 2 "VOM" which provides the calculations for Variable Operation and Maintenance costs ("VOM"). Exhibit 2 of Agreement Schedule 1.00 has been updated to reflect the Project's revised Variable Operation and Maintenance (VOM) cost of $3.23/MWh to be consistent with the FY16 budget approved on April 13, 2015. This revised VOM is the result of updated budgeted operations and maintenance cost components and forecasted annual Project energy production. A completed "marked" version of the proposed PMOA Schedule 1.00, Exhibit 2 is attached to this staff report reflecting the specific changes staff is recommending.

Fiscal Impact

No significant costs will be incurred to implement the changes to the PMOA Schedules and funds are available in the NCPA budget to support the work associated with these contract updates.

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Recommendation

NCPA staff recommends that the PPC pass a motion approving implementation of the revised PMOA Agreement Schedule 1.00, Exhibit 2, effective July 1, 2015 to account for the changes outlined in this staff report.

Prepared by:

/s/

KEN SPEER
Assistant General Manager
Generation Services

Attachments: (1)

- Lodi Energy Center Project Management and Operations Agreement Amended Schedule 1.00, Exhibit 2: VOM

EXHIBIT 2

VOM

The Variable Operation and Maintenance cost (VOM) shall be determined using the applicable budgeted variable cost line items, as listed in the table below, and the annual forecasted Project Energy in the then current Project Annual Budget or Mandatory Budget Amendment. The VOM shall be reviewed and revised annually in coordination with NCPA's Project Annual Budget cycle, or as otherwise determined by the PPC and NCPA.

**VOM ($/MWH) = (**Operation ($) + Siemens LTSA ($) + Maintenance Reserve ($)) / forecasted annual Project Energy (MWH)

FY 2016 Project Annual Budget Line Items

Variable Cost	**$**	**$/MWH**
Routine O&M Costs Operation (Appendix I)	1,516,320	0.94
Routine O&M Costs Maintenance Siemens LTSA	3,328,201	2.07
Other Costs Maintenance Reserve (Appendix I)	353,208	0.22
Total FY2016	**5,197,729**	**3.23**

Forecast annual Project Energy (MWh)	1,605,494

VOM = $1,516,320 + $3,328,201 + $353,208)) / 1,605,494
VOM = 3.23 $/MWh

Meredith Allen
Senior Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-7226

May 21, 2015

Advice 3597-G
(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: **Gas One-Time Bill Credit Plan in Compliance with Decision 15-04-024**

Pacific Gas and Electric Company (PG&E) hereby submits its Gas One-Time Bill Credit Plan (Bill Credit Plan) pursuant to Decision (D.)15-04-024. The Bill Credit Plan is described in Attachment 1 to this filing, including an illustration of the credits by class using billed usage from November and December 2014.

Purpose

This filing complies with Ordering Paragraphs (OPs) 4 and 5 of D.15-04-024, issued April 9, 2015. In accordance with D.15-04-024, PG&E submits the Bill Credit Plan described herein to return to PG&E's gas end-use customers their proportional share of the $400 million bill credit as determined by the equal cents per therm method ordered by the California Public Utilities Commission (CPUC or Commission).

Background

On April 9, 2015, the Commission approved final decisions in the three investigations pending against PG&E relating to (1) PG&E's safety recordkeeping for its natural gas transmission system, (2) PG&E's operation of its natural gas transmission pipeline system in or near locations of higher population density, and (3) PG&E's pipeline installation, integrity management, recordkeeping and other operational practices, and other events or courses of conduct, that could have led to or contributed to the natural gas explosion that occurred in the City of San Bruno, California on September 9, 2010.

The CPUC also approved a fourth decision (D.15-04-024), which, among other things, requires that PG&E provide a one-time $400 million bill credit to its end-use natural gas customers.

Bill Credit Plan

Attachment 1 describes the process PG&E will use to implement the $400 million bill credit. In accordance with D.15-04-024, PG&E requests a one-month extension such that customers will receive the bill credit as a credit item on their March 2016 bills.[1] Providing the bill credit in the February billing cycle would not provide sufficient time to perform the necessary system queries, analysis of results, computation processes and system testing. Since the bill credit for many noncore customers is expected to be greater than their monthly bill, noncore customers will receive the bill credit in the form of a check in order to provide them the benefit of the bill credit in the month of March.

The credit will be based on each customer's billed consumption in the November and December 2015 billing cycles using a uniform cents per therm amount regardless of end-use class or service level. Core customers are not billed on a uniform calendar basis but instead bills are issued across all non-holiday weekdays of each month. Depending on each core customer's billing serial, the usage incorporated into the credit rate and customer bill credit calculations will be a two-month period ranging from early October to late December as the core bills issued in November and December variously cover those periods.

PG&E bills for noncore gas customers are issued on the first business day of the month for usage during the previous calendar month. Therefore, in compliance with the CPUC decision stating that PG&E will use November and December billing cycles, for noncore customers this will actually mean using October and November 2015 calendar month usage when calculating the bill credit rate and the actual credit amounts for these noncore customers. The amount of the bill credit will not be recovered through any regulatory mechanism. Bills for PG&E's interdepartmental gas usage will not be eligible for this bill credit nor included in the calculation of the per therm credit rate.

Should the Commission issue disposition with a different methodology for computation of the bill credit, PG&E will act as quickly as possible to issue the bill credit to customers.

Table 1 to Attachment 1 provides illustrative bill credit amounts by customer class based on November and December 2014 billing data.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than June 10, 2015, which is 20 days after the date of this filing. Protests must be submitted to:

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[1] Decision, page 88, and Ordering Paragraph 4.b.

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th 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

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, Section 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, Section 3.11).

Approval and Effective Date

In compliance with D.15-04-024, PG&E requests that this Tier 2 advice letter be approved and become effective on or before September 1, 2015 to ensure ample time to conduct the analysis of customer usage data, modify and test its billing system, and issue the credits to eligible customers during the March 2016 billing cycle. In the event the Commission approves this bill credit advice letter after September 1, 2015, the Bill Credit Plan will be implemented as soon as possible following Commission approval.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service lists for A.13-12-012, I.12-01-007, I.11-02-016, I.11-11-009, A.12-11-009 (and I.13-03-007), and R.11-02-019. Address changes to the General Order 96-B service list should be directed to PG&E at email address 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. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/

Meredith Allen
Senior Director, Regulatory Relations

Attachments

cc: Service Lists for A.13-12-012, I.12-01-007, I.11-02-016, I.11-11-009, A.12-11-009 (and I.13-03-007), and R.11-02-019

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 G)**

Utility type:	Contact Person: Jennifer Wirowek
☐ ELC ☑ GAS	Phone #: (415) 973-1419
☐ PLC ☐ HEAT ☐ WATER	E-mail: J6WS@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE	(Date Filed/ Received Stamp by CPUC)
ELC = Electric GAS = Gas	
PLC = Pipeline HEAT = Heat WATER = Water	

Advice Letter (AL) #: **3597-G** **Tier:** 2

Subject of AL: **Gas One-Time Bill Credit Plan in Compliance with Decision 15-04-024**

Keywords (choose from CPUC listing): Compliance, Core, Noncore, Credit

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other ____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision 15-04-024

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: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: ____

Resolution Required? ☐ Yes ☑ No

Requested effective date: **September 1, 2015** 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**

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: 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

Attachment 1

PACIFIC GAS AND ELECTRIC COMPANY
GAS ONE-TIME BILL CREDIT PLAN

1. PURPOSE

This Gas One-Time Bill Credit Plan (Bill Credit Plan) complies with Ordering Paragraphs (OPs) 4 and 5 of D.15-04-024, issued April 9, 2015, which requires PG&E to credit PG&E's gas end-use customers their proportional share of the $400 million bill credit on their February 2016 bills. In accordance with D.15-04-024, PG&E requests a one-month extension such that customers will receive the bill credit as a credit item on their March 2016 bills.[1] Providing the bill credit in the February billing cycle would not provide sufficient time to perform the necessary system queries, analysis of results, computation processes and system testing. Since the bill credit for many noncore customers is expected to be greater than their monthly bill, noncore customers will receive the bill credit in the form of a check in order to provide them the benefit of the bill credit in the month of March.

2. INITIAL BILL CREDIT DATE

Credits will be made to eligible gas customers on their March 2016 bills, as described in Section 4 below, based on each customer's billed consumption in their November and December 2015 billing cycles using a uniform cents per therm amount. The reduction in revenue is not to be recovered through any regulatory mechanism. PG&E needs six months to program and test the necessary modifications to its billing system to implement this credit. Accordingly, in the event the Commission does not approve the Bill Credit Plan by September 1, 2015, the Bill Credit Plan will be implemented as soon as possible following Commission approval.

3. TOTAL AMOUNT TO BE CREDITED

The total amount to be credited to PG&E eligible end-use customers is $400 million. A contingency amount equal to one (1) percent of the total credit amount will be temporarily retained by PG&E to address disputes customers may make on their eligibility for the bill credit or of the credit amount. Table 1 provides illustrative bill credit amounts by customer class based on November and December 2014 billing data.

[1] Decision, page 88 and Ordering Paragraph 4.b.

4. CUSTOMER ELIGIBILITY

An eligible customer is a PG&E natural gas end-use customer who has usage billed in November and/or December 2015 billing cycles or a long bill beyond December 31, 2015 that would normally include these billing cycle periods, and who has an open account during the March 2016 billing cycle.

5. METHODOLOGY FOR DISTRIBUTION OF CREDITS TO ELIGIBLE CUSTOMERS

Credits will be made to PG&E's eligible end-use gas customers based on the method described below:

a) An illustrative credit rate is provided in Table 1.The credit rate is equal to the Bill Credit Plan amount (less the 1 percent contingency) divided by the total therms billed for PG&E's natural gas customer usage for the November and December 2015 billing cycles.

Core customers are not billed on a uniform calendar basis but instead bills are issued across all non-holiday weekdays of each month. Depending on each core customer's billing serial, the usage incorporated into the credit rate and customer bill credit calculations will be a two-month period ranging from early October to late December as the core bills issued in November and December variously cover those periods.

PG&E bills for noncore gas customers are issued on the first business day of the month for usage during the previous calendar month. Therefore, in compliance with the CPUC decision stating that PG&E will use November and December billing cycles, for noncore customers this will actually mean using October and November 2015 calendar month usage when calculating the bill credit rate and the actual credit amounts for these noncore customers.

b) PG&E will remit the credit amount due to each eligible core customer through a one-time bill credit appearing on their March 2016 bills. Since the bill credit for many noncore customers is expected to be greater than their monthly bill, noncore customers will receive the bill credit in the form of a check in order to provide them the benefit of the bill credit in the month of March.

c) The bill credit will not be recorded as a reduction in revenue. Therefore, there will be no effect in utility user taxes or franchise fee payments to cities and counties.

d) Bills for PG&E's interdepartmental gas usage will not be eligible for this bill credit nor included in the calculation of the per therm credit rate.

6. ADJUSTMENTS OF BILL CREDITS UPON CUSTOMER INQUIRY

If any former or present customer contends, within six months after the initial implementation date of the Bill Credit Plan, that the amount received by the customer is incorrect, PG&E will investigate and make an appropriate adjustment.

7. UNCASHED CHECKS

Any uncashed checks resulting from the Bill Credit Plan will remain a liability of PG&E to the individual customer for one year after the date of the check issuance. The claim of any person legally entitled to one of the uncashed checks (whether or not the check is returned to PG&E) will be honored. Where a check has been returned, PG&E will make every reasonable effort to locate the payee.

8. REPORT ON BILL CREDIT PLAN

A preliminary report of the total amount of credits made to PG&E customers pursuant to the Bill Credit Plan will be reported to the Commission 45 days after the $400 million bill credit has been distributed describing its calculation of the bill credit on a customer class basis, the number of customers it was distributed to on a customer class basis, and the total amount of bill credits distributed. This report cannot be considered a final report due to potential customer adjustments and corrections made pursuant to Section 6 of the Bill Credit Plan. A final report of the total amount of credits made to PG&E customers will be reported seven months after the $400 million bill credit has been distributed to allow for adjustments of bill credits upon customer inquiry as described in Section 6. If the total amount of bill credits distributed is less or more than $400 million, PG&E will, at the time it submits its final report to the Commission, submit a Tier 2 advice letter proposing a method of truing up the $400 million using existing balancing accounts.

9. CUSTOMER NOTIFICATION

A bill credit will be shown as a line item on eligible customers' bills. There will be a separate statement/instruction to master-metered customers at mobile home parks and other residential complexes of their obligation to pass the bill credit on to their submetered customers in the manner required by Public Utilities Code Section 739.5(b). A sample of the statement/instruction in the form of a Master-Metered Customer Letter is attached as Exhibit 1 to this plan.

Table 1
Pacific Gas and Electric Company
Gas One-Time Bill Credit Plan (Estimate)

ILLUSTRATIVE EXAMPLE of $400 Million Bill Credit using 2014 Recorded Data

Per CPUC Order for Equal Cents per Therm Allocation to All End-Use Customers Regardless of Service Level

Actual credit provided to end-use customers in 3/2016 to be based on end-use customer usage billed in 11/2015 and 12/2015

Recorded Billed Gas Usage (GH Sheets = Billed Therms; Excludes Interdepartmental)

Illustrative per therm rate = $0.31/therm

	Therms Billed in 11/1/2014	Therms Billed in 12/1/2014	Total Therms Billed for Calculation of Bill Credit	% of Total Therms Billed	Bill Credit Allocated by Class ($*)	Total Number of End-Use Customers Billed in November and December 2014	Illustrative Average Bill Credit per End-Use Customer
Residential - Individually Metered	90,311,316	179,924,063	270,235,379	21.1%	$83,500,728	4,029,116	$20.72
Residential - Master Metered**	11,304,391	16,986,568	28,290,959	2.2%	$8,741,697	59,499	$146.92
Core Commercial***	53,653,488	79,583,979	133,237,467	10.4%	$41,169,389	223,325	$184.35
Industrial-Distribution	21,003,560	20,814,478	41,818,038	3.3%	$12,921,464	518	$24,944.91
Industrial-Transmission****	147,391,999	132,654,651	280,046,650	21.9%	$86,532,338	1,227	$70,523.50
Electric Generation-D/T	195,760,665	146,920,123	342,680,788	26.7%	$105,885,822	326	$324,803.14
Electric Generation-BB Service Level	88,655,309	91,759,718	180,415,027	14.1%	$55,746,906	12	$4,645,575.46
Wholesale	1,909,173	2,950,671	4,859,844	0.4%	$1,501,656	6	$250,275.96
Totals	609,989,902	671,594,251	1,281,584,152	100.0%	$396,000,000	4,314,029	$91.79

*: Net of 1% Contingency Reserve

**: Residential Master-Metered Customers will pass through the credits to the ultimate units served by the Master-Metered Customer

***: Includes Small Commercial, Large Commercial, and Core NGV1 and NGV2

****: Includes G-NT-BB and Noncore NGV4-Transmission

Exhibit 1
Pacific Gas and Electric Company
Sample Master-Metered Customer Letter

Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177-1490

SAMPLE MASTER-METERED CUSTOMER LETTER

March x, 2016

«CUSTOMER_NAME»
«MAILING_ADDRESS»
«MAILING_ADDRESS2»
«MAILING_CITY», «MAILING_STATE»
«MAILING_POSTAL»

Dear Valued Customer,

In March 2016, PG&E gas customers will receive a credit on their bills. This credit is being given in compliance with the California Public Utilities Commission (CPUC's) decision on investigations related to PG&E's gas transmission pipelines (specifically, CPUC Decision 15-04-024). The one-time credit is based on billed consumption in November and December 2015 billing cycles using a uniform cents per therm rate. In total, PG&E's gas customers will receive a credit of $400 million.

California Public Utilities Code Section 739 directs master-metered customers to pass on credits received on the master-metered bill to their sub-metered tenants.

> "Every master-meter customer of a gas or electrical corporation subject to subdivision (a) who, on or after January 1, 1978, receives any rebate from the corporation shall distribute to, or credit to the account of, each current user served by the master-meter customer…"

As a master-metered customer, you are required by state law to pass along any credit or rate reduction that you may receive to your tenants. The credit is the same for both CARE and non-CARE customers and should be passed on to each dwelling unit. The uniform per therm rate based on billed consumption in November and December 2015 billing cycles is $0.xx. For example, if a dwelling were billed for 6 therms in November and 8 therms in December, totaling 14 therms for that period, then the credit would be $x.xx (14 therms multiplied by per therm rate of $0.xx)

Please take a moment to check the number of dwelling units PG&E has on record for your facility. This information can be found on the bill you receive for your master meter. Should the number of units need updating, please call the number below.

PG&E is committed to providing exceptional customer service. If you have questions or need further assistance, please call our **Business Customer Contact Center** at **1 (800) 468-4743.**

Please post this notice in a conspicuous place. Thank you.

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

AT&T
Albion Power Company
Alcantar & Kahl LLP
Anderson & Poole
BART
Barkovich & Yap, Inc.
Bartle Wells Associates
Braun Blaising McLaughlin, P.C.
CPUC
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine
Casner, Steve
Cenergy Power
Center for Biological Diversity
City of Palo Alto
City of San Jose
Clean Power
Coast Economic Consulting
Commercial Energy
Cool Earth Solar, Inc.
County of Tehama - Department of Public Works
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center
Dept of General Services

Division of Ratepayer Advocates
Douglass & Liddell
Downey & Brand
Ellison Schneider & Harris LLP
G. A. Krause & Assoc.
GenOn Energy Inc.
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
In House Energy
International Power Technology
Intestate Gas Services, Inc.
K&L Gates LLP
Kelly Group
Leviton Manufacturing Co., Inc.
Linde
Los Angeles County Integrated Waste Management Task Force
Los Angeles Dept of Water & Power
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenna Long & Aldridge LLP
McKenzie & Associates
Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar
Nexant, Inc.

Occidental Energy Marketing, Inc.
Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Praxair
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
SCE
SDG&E and SoCalGas
SPURR
Seattle City Light
Sempra Energy (Socal Gas)
Sempra Utilities
SoCalGas
Southern California Edison Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
Tiger Natural Gas, Inc.
TransCanada
Utility Cost Management
Utility Power Solutions
Utility Specialists
Verizon
Water and Energy Consulting
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
YEP Energy