UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Pacific Gas and Electric Company)	Project No. 77
)	(Potter Valley)

NOTICE OF WITHDRAWAL OF NOTICE OF INTENT TO FILE LICENSE APPLICATION AND PRE-APPLICATION DOCUMENT

On April 6, 2017, pursuant to 18 C.F.R. §§ 5.5 and 5.6, Pacific Gas and Electric Company ("PG&E"), filed with the Federal Energy Regulatory Commission ("Commission") notice of its intent to file an application for a new license ("NOI") for the Potter Valley Hydroelectric Project No. 77 ("Project" or "Potter Valley") and a Pre-Application Document ("PAD"). The Project license expires on April 14, 2022, requiring PG&E to submit its Final License Application ("Application") on or before April 14, 2020. PG&E is hereby withdrawing its NOI and PAD, and discontinuing the Integrated Licensing Process initiated to prepare a license application. PG&E is also terminating its efforts to transfer and sell the Project.

PG&E would like to thank the Commission Staff and all participating stakeholders for their time and efforts on the relicensing process and those who have participated in PG&E's Request for Offers to acquire the Project. After extensive deliberation, PG&E has determined that it would be contrary to the interests of its electric ratepayers to continue relicensing the Potter Valley project. Hence, PG&E is discontinuing its efforts to seek a new Project license.

Potter Valley has long been recognized by PG&E as uneconomic for PG&E's ratepayers (i.e., the cost of production exceeding the cost of alternative sources of renewable power on the

open market). Regrettably, continued declining energy markets, potential increased costs associated with anticipated new license conditions, and challenging financial circumstances have caused PG&E to conclude that it cannot justify further expenditures to its ratepayers associated with the Project.

PG&E anticipates the Commission will institute its "orphan project" process codified as 18 C.F.R. § 16.25 to solicit license applications for Potter Valley from other entities. PG&E supports such action and understands that it would be responsible for surrendering the existing Potter Valley license if no other entity seeks and obtains a new license for the Project.

PG&E recognizes the value of Potter Valley to local communities because it provides for protection of important environmental resources, consumptive water uses, public recreation, and other economic values. Accordingly, PG&E is committed to working with stakeholders to ensure these values are appropriately considered if PG&E is required to file a surrender application.

DATED: January 25, 2019

Respectfully submitted,

PACIFIC GAS AND ELECTRIC COMPANY

By:

ANNETTE FARAGLIA

Chief Counsel, Hydro Generation Pacific Gas and Electric Company

Law Department

77 Beale Street, B30A-3005

San Francisco, CA 94105

Telephone: (

(415) 973-7145

Facsimile:

(415) 973-5520

E-Mail:

annette.faraglia@pge.com