From: Deal, Matthew

Sent: 1/4/2010 10:50:32 AM

To: Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC)

Cc:

Bcc:

Subject: RE: RCEC order on appeal (and hello)

I spoke with Calpine this morning. We're working on meeting the 1/21 timeline. That is a stretch...more realistically we are talking about the 2/4 meeting. I think the PTM could then be put out on the next agenda (although that is still up in the air depending on what, if any, further action the Commission needs to take in order to provide both sides with comfort on the latest set of delays.) My hope is that there is no further Commission action necessary for this project to move forward. My take is that there is already sufficient Commission approval for PG&E and Calpine to come to terms on prudent administration of the contract thus making all these concerns moot.

From: Horner, Trina [mailto:TNHc@pge.com] **Sent:** Monday, January 04, 2010 10:40 AM

To: Deal, Matthew

Subject: RCEC order on appeal (and hello)

Hi Matt, I hope you had a good holiday and were able to take some time off. I successfully avoided the BB for a whole week, which was glorious although I am paying for it now.

On our most recent favorite topic: I don't know if you've talked with Calpine lately. My understanding, based on conversations Tom B. has had with Joe R. over the holiday, is that we've agreed to further extend the tolling agreement to allow for further negotiations (I think by 60 days), and Calpine is supportive of seeing an Order on Appeal as soon as possible addressing the AFR on the 2nd Amended PPA decision. We're all really hoping to see it for the January 21 CPUC meeting agenda. Any chance?

Talk soon...

Trina