

From: Churchill, Susannah  
Sent: 4/9/2010 11:21:45 AM  
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)  
Cc: Redacted Lawlor, Joe T  
(/O=PG&E/OU=Corporate/cn=Recipients/cn=JTL5)  
Bcc:  
Subject: questions re AL 3577-E

Hi Meredith, Joe and Redac

Here are my questions regarding the DTE Stockton contract (to confirm my conversation with Joe this morning, this is not the Big Creek contract). Please email me replies by close of business on Tuesday, April 13. Questions and replies will be kept confidential pursuant to Commission rules.

1) What is the maximum and minimum allowable prices under the contract, both TOD-adjusted and non-TOD adjusted, assuming fuel prices increase but don't exceed the maximum allowable of \$75/ton? Please confirm that prices listed on Page D-26 of the AL (\$137.09/MWh or \$141.39 TOD-adjusted) are the maximum prices, and state the minimum prices, both TOD-adjusted and non-TOD adjusted-- I can't find the minimum price listed anywhere.

The IE report (page A10) makes reference to the price being allowed to rise by \$12.50/MWh, but I think they got it wrong, given what I think is the max price listed on page D-26.

2) Re. GHG change of law provision:

a) would any costs resulting from AB 32 implementation qualify as a change of law under this provision, even though AB 32 was enacted years ago, because implementation is not yet complete? Please explain why the developer should not be responsible for the risk of GHG emissions costs associated with their project's generation as anticipated under AB 32, if that is the case.

b) 10.1(c) in the PPA seems to say that if federal GHG legislation hasn't passed by Jan 2011 (very likely), the Seller can terminate the agreement. Please explain.

c) Would PG&E submit an amended AL at CPUC (or otherwise request CPUC approval) if prices change pursuant to this section of the contract? Please point to where in the AL you note this.

d) Have other PG&E RPS contracts included a similar provision? Please discuss.

3) What are the water needs and planned supply for the project? Could find no discussion in the AL.

4) Page D-7 of the AL states that DTE has to convert the existing grandfathered QF connection to a new CAISO LGIA and install CAISO revenue quality meters. Please describe the milestones that will be required for each, and the list the projected dates for reaching each milestone.

Thanks very much,  
Susannah

***Susannah Churchill***

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