

From: Bone, Traci  
Sent: 4/19/2010 10:10:43 AM  
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAE)  
Cc: Simon, Sean A. (sean.simon@cpuc.ca.gov); Lee, Cheryl (cheryl.lee@cpuc.ca.gov);  
Redacted  
Bcc:  
Subject: RE: Vantage PPA: Finding 13

Meredith: I have two sets of questions which are embedded in the attached redline.

Easy question: By AB 57, do you mean PU Code 454.5(b)? I am new to the LTPP and RPS areas and not familiar with all the legislation by name.

Harder question: See the comment. In short, I don't see how your proposed exception is any different than a change in law concern, which I believe the current language addresses. There is more discussion on the attachment. I must not really be understanding PG&E's concern unless it is just a distinction between a change in law in a change in regulation. I had understood it to be more than that.

Again, to the extent this is something else, I strongly encourage you to raise this concern in the SCE Application to Modify as soon as possible, and I am also willing to continue to go back and forth with you to sort out what PG&E's real concern is.

Finally, to the extent PG&E shares SCE's purported concern that "commercially reasonable efforts" need to be expressly cross referenced in the eligibility language, (which I didn't think was PG&E's concern - but I could be mistaken) please see Civil Code Sec. 1641, which articulates the black letter rule on contract interpretation that every first year law student is taught.

Traci Bone  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-2048  
Fax: (415) 703-2262  
[tbo@cpuc.ca.gov](mailto:tbo@cpuc.ca.gov)  
[www.cpuc.ca.gov](http://www.cpuc.ca.gov)

**From:** Allen, Meredith [mailto:MEAE@pge.com]  
**Sent:** Thursday, April 15, 2010 7:11 PM  
**To:** Bone, Traci  
**Cc:** Simon, Sean A.; Lee, Cheryl; Redacted  
**Subject:** Fw: Vantage PPA: Finding 13

Traci,

As we discussed yesterday, attached is proposed language that addresses the delivery issue while leaving the other language on eligibility the same. The intent of the new language is to confirm recovery

of the costs of the Vantage transaction in the event that the delivery rules change.

Please let me know if you would like to discuss and I will schedule a time.  
Thank you for working with us on this issue.

Meredith

**From:** [Redacted]  
**To:** Allen, Meredith  
**Sent:** Thu Apr 15 15:02:10 2010  
**Subject:** Vantage PPA: Finding 13

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Regulatory Relations  
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