From: Lee, Cheryl

Sent: 4/19/2010 3:49:28 PM

To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)

Cc: Simon, Sean A. (sean.simon@cpuc.ca.gov)

Bcc:

Subject: RE: Vantage PPA: Finding 13

Meredith.

I also left a voicemail, so feel free to ignore whichever gets to you second.

Will someone be providing a response soon? My deadline for revisions is very fast approaching.

Thanks, Cheryl

From: Bone, Traci

Sent: Monday, April 19, 2010 10:11 AM

To: Allen, Meredith

Cc: Simon, Sean A.; Lee, Cheryl; Redacted

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 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

<< Vantage PPA - Finding 13.doc>>

Redacted

Regulatory Relations Redacted