

From: Horner, Trina  
Sent: 6/4/2010 3:10:41 PM  
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7);  
'carol.brown@cpuc.ca.gov' (carol.brown@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: Re: Russell City

Carol, I think probably yes. I will suggest to folks here. Thanks!

----- Original Message -----

From: Brown, Carol A. <carol.brown@cpuc.ca.gov>  
To: Cherry, Brian K  
Cc: Horner, Trina  
Sent: Fri Jun 04 14:07:49 2010  
Subject: FW: Russell City

Would this be an easier way to do it????

-----Original Message-----

From: Darling, Melanie  
Sent: Friday, June 04, 2010 9:58 AM  
To: Brown, Carol A.  
Subject: Russell City

Carol-- As you may recall, PG&E was initially allowed (D.06-11-048) to defer its election of cost allocation for its 2004 LTRFO Power Purchase Agreements until after the Commission issued its final order on the CAM-energy auction process. In Ordering paragraph #3 of D.07-09-044 that adopted a settlement on the energy auction process, PG&E was ordered to make the election within 45 days of the date of mailing of that final decision, BY WAY OF ADVICE LETTER, as to which of the five PPA resources from its 2004 LTRFO results, as approved (in D.06-11-048), would be subject to the Cost Allocation Method developed in D.06-07-029. This squarely includes the RCEC power purchase agreement.

According to Energy Division, PG&E did not comply with this order. It seems to me that it is more appropriate for PG&E to follow the Commission's outstanding order, rather than submit the election into the pending proceeding.

Melanie