

From: Cherry, Brian K  
Sent: 12/28/2010 2:15:21 PM  
To: 'Kahlon, Gurbux' (gurbux.kahlon@cpuc.ca.gov); ssm3@pg3.com (ssm3@pg3.com)  
Cc:  
Bcc:  
Subject: RE: CIMT agenda (NRG Follow Up)

Gurbux - I'd like to wait to discuss this after further conversation with Paul. Kirk and I are planning on speaking with him on Thursday.

**From:** Kahlon, Gurbux [mailto:gurbux.kahlon@cpuc.ca.gov]  
**Sent:** Tuesday, December 28, 2010 11:59 AM  
**To:** Kahlon, Gurbux; Cherry, Brian K; ssm3@pg3.com  
**Subject:** RE: CIMT agenda (NRG Follow Up)

Looping in Shelly as well.

**From:** Kahlon, Gurbux  
**Sent:** Tuesday, December 28, 2010 11:54 AM  
**To:** 'BKC7@pge.com'  
**Subject:** FW: CIMT agenda (NRG Follow Up)

Brian, I will be handling this. I need to talk to you or to Shelly.

*Gurbux Kahlon  
Manager, Rate Regulation, Analysis and Policy Branch  
Energy Division  
California Public Utilities Commission  
505 Van Ness Ave, San Francisco Ca 94102  
Tel: 415-703-1775  
E-mail: [gkk@cpuc.ca.gov](mailto:gkk@cpuc.ca.gov)*

**From:** Cherry, Brian K [mailto:BKC7@pge.com]  
**Sent:** Monday, December 27, 2010 11:25 AM  
**To:** Clanon, Paul; Lindh, Frank; Fitch, Julie A.  
**Subject:** FW: CIMT agenda (NRG Follow Up)

FYI. We are looking at a 30% noncore curtailment under Stage 1 conditions this winter. The key to keeping core service intact in parts of San Francisco includes shutting Potrero off completely and reducing delivers to NRG's steam plant by 30% or more. NRG has informed us that they think they can go to 30% curtailment with their

back-up plan but can't do much more than that. Under the Commission's tariffs for steam load, it appears that the Commission could re-order priority cuts in deliveries to NRG's customers. If true, that might allow for certain critical facilities to remain on steam (condominiums, medical facilities, hotels) and force some customers to be shut off (businesses), allowing for greater than 30% curtailment but preventing complete shut-off in gas deliveries from PG&E. PG&E has no way of identifying NRG's customers or their specific loads and NRG has been reluctant to provide us with any information on their operations. I'm hoping that you guys will have better luck in finding out what they can and cannot do so that we aren't forced to take their entire load down when we don't need to.

**From:** Cherry, Brian K  
**Sent:** Monday, December 27, 2010 11:18 AM  
**To:** Sharp, Shelly; [Redacted]; Johnson, Kirk  
**Cc:** Lokey, Felecia K  
**Subject:** RE: CIMT agenda (NRG Follow Up)

Thanks Shelly. In addition, the tariff appears to allow the Commission the right to direct steam deliveries to certain customers (and by inference, not others). This may allow NRG to serve condominiums and perhaps hotels and not office buildings. Perhaps the Commission can get the information on customer load at a 30% curtailment level that we can't or determine if they can be curtailed to even larger levels to maintain core load in the City.

**From:** Sharp, Shelly  
**Sent:** Monday, December 27, 2010 11:13 AM  
**To:** [Redacted]; Johnson, Kirk  
**Cc:** Lokey, Felecia K; Cherry, Brian K  
**Subject:** RE: CIMT agenda (NRG Follow Up)

Kirk

In addition to the information that NRG has provided to date to their account rep (i.e., 1) that they can withstand a Stage 1 curtailment - which I believe is 30% - and that they are firming up their plan; and 2) 2 or 3 of their 10 boilers can burn diesel), we can try to get a firmer plan from them. In the meantime, according to their website, they are regulated by the CPUC and have an obligation to "exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of steam" to their customers. Brian Cherry is reviewing the tariff by which they provide service right now (see relevant excerpt below). I think we should consider having the CPUC help to get a firmer plan out of them. I also believe that if only 2 or 3 of their boilers have backup capability that the CPUC may find that their plan for continuous steam supply is not reasonable.

S

Rule No. 14

## SHORTAGE OF SUPPLY AND INTERRUPTION OF DELIVERY

The Company will exercise reasonable diligence and care to furnish and deliver a continuous and

sufficient supply of steam to the customer, but does not guarantee continuity or sufficiency of

supply. The Company will not be liable for interruption, shortage, or insufficiency of supply; or

any loss or damage of any kind or character, if same is caused by inevitable accident, act of God,

fire, strikes, riots, war, or any other cause except that arising from its failure to exercise reasonable

diligence.

The Company, whenever it shall find it necessary for the purpose of making repairs or improvements to its system, will have the right to suspend temporarily the delivery of steam, but

in all such cases, as reasonable notice as circumstances will permit, will be given to the customers,

and the making of such repairs or improvements will be prosecuted as rapidly as may be practicable,

and, if practicable, at such times as will cause the least inconvenience to the customer,

In case of shortage of supply and during the period of such shortage, the Company will make such

appointment of its available supply of steam among its customers as shall be ordered or directed

from time to time by the Public Utilities Commission of the State of California, acting either directly

or by an administrator or other official appointed for that purpose. In the absence of such order

or direction by the Public Utilities Commission, the Company will, in times of shortage, apportion its

available supply of steam among all customers in the most reasonable manner possible.

**From:** Redacted  
**Sent:** Monday, December 27, 2010 11:03 AM  
**To:** Johnson, Kirk  
**Cc:** Sharp, Shelly; Lokey, Felecia K  
**Subject:** RE: CIMT agenda (NRG Follow Up)

Kirk,

Redacted will make a call to NRG today to get more detailed information.

Thanks,

Redacted

**From:** Johnson, Kirk  
**Sent:** Monday, December 27, 2010 9:16 AM  
**To:** Redacted  
**Cc:** Sharp, Shelly  
**Subject:** RE: CIMT agenda (NRG Follow Up)

Robert and Shelly, can we take another run at NRG to determine what their plans really are and how much curtailment they can really handle. NRG is the biggest load in SF (excluding Potrero) and if we can get some good intelligent we can run different scenarios to see if a solution is workable.

Darbee offered and wanted to call Crane stating they had a good relationship. But before we do that I think we need to see if Crane will share more information. I am in SF this week except for the 29th and would be happy to participate.

Kirk

Redacted  
**From:** Redacted  
**Sent:** Friday, December 24, 2010 4:03 PM  
**To:** Johnson, Kirk  
**Cc:** Sharp, Shelly  
**Subject:** Fw: CIMT agenda (NRG Follow Up)

Kirk,

The contact info is listed below.

Robert

**From:** [Redacted]  
**Sent:** Friday, December 24, 2010 03:58 PM  
**To:** [Redacted]  
**Cc:** Sharp, Shelly; [Redacted]  
**Subject:** RE: CIMT agenda (NRG Follow Up)

Dear Robert: Listed below are the NRG key contacts; including both the local General Manager and the CEO. The local General Manager drives the local strategy.

NRG Energy Center San Francisco LLC supplies district steam to buildings in a 2-square-mile area of the central business district of San Francisco. NRG-SF has a curtailment plan and identified strategies to reduce to their allowable burn rate during a non-core curtailment event. NRG-SF has backup diesel fuel. There is a possibility that NRG San Francisco may curtail steam to downtown customers in order to meet our non-core gas curtailment needs. NRG-SF General Manager (Gordon Judd) attended two PG&E Non-Core Gas Curtailment Focus Meetings hosted by Area 1. Gordon drives the local strategy for NRG-SF and has the best information.

**Gordon Judd, General Manager**

NRG Energy Center San Francisco

PH: 415.644.9667

**David Crane, President and CEO**

211 Carnegie Center

Princeton, New Jersey 08540-6213

United States

Phone: 609-524-4500

<http://www.nrgenergy.com/about/index.htm>

Please call my cell phone if you have any questions at [Redacted]

[Redacted]

Supervisor - Area 1  
ES&S (Account Management Team)

Cell [Redacted]

cc: [Redacted] Non-Core Gas Curtailment Lead, Area 1

**From:** [Redacted]  
**Sent:** Friday, December 24, 2010 3:03 PM  
**To:** [Redacted]  
**Cc:** Sharp, Shelly  
**Subject:** Fw: CIMT agenda

[Redacted]

Please see the request below.

[Redacted]

**From:** Sharp, Shelly  
**Sent:** Friday, December 24, 2010 10:39 AM  
**To:** [Redacted]  
**Cc:** Nichols, Steven J (Director)  
**Subject:** Fw: CIMT agenda

Can u get requested info to Kirk?

**From:** Johnson, Kirk  
**Sent:** Thursday, December 23, 2010 03:20 PM  
**To:** Sharp, Shelly  
**Cc:** Cherry, Brian K  
**Subject:** FW: CIMT agenda

Shelly to follow up on my call. here is the presentation we made to CIMT. We have a couple of follow ups.

One of them is to ID the CEO of NRG and the CEO of their holding company if there is one. Darbee offered to make a call if he has a relationship with the CEO. Can your team gather this information?

We want to put pressure on NRG to tell us where their real pain point is in term of curtailments. Can they really handle a 30% load reduction? Or is it higher or lower.

Brian and I are going to try and meet with Clannon and discuss the CPUCs view on raising the pressure in L101 to reduce or eliminate noncore customer curtailments.

Kirk

**From:** Woolley, Sean [mailto:swoolley@prtm.com]  
**Sent:** Thursday, December 23, 2010 12:09 PM  
**To:** Mistry, Dinyar; Johnson, Kirk; [Redacted]  
**Cc:** Singh, Sumeet  
**Subject:** RE: CIMT agenda

Dinyar: Final CIMT materials are attached. These include the agenda, curtailment slides, and an appendix (curtailment details and our usual calendar). We've included a pdf to email to any CIMT participants attending via phone.

Emily: Will you please prepare color hardcopies for all in-person CIMT attendees?

Thanks,

Sean

**Sean Woolley**  
Principal

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Where Innovation Operates  
M +1 415.810.1680  
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Confidential

**From:** Mistry, Dinyar [mailto:Dinyar.Mistry@pge-corp.com]  
**Sent:** Thursday, December 23, 2010 10:17 AM  
**To:** Woolley, Sean  
**Subject:** RE: CIMT agenda

Thanks Sean. Is Kirk going to bring hard copies of the curtailment slides, or does he need us to make them? Dinyar

**From:** Woolley, Sean [mailto:swoolley@prtm.com]  
**Sent:** Thursday, December 23, 2010 10:16 AM  
**To:** Mistry, Dinyar  
**Subject:** RE: CIMT agenda

Yes. I'll put this agenda together and send you the final curtailment slides. Should have them by ~12:00. I'll also send them to Emily for printouts.

**From:** Mistry, Dinyar [mailto:Dinyar.Mistry@pge-corp.com]  
**Sent:** Thursday, December 23, 2010 10:07 AM  
**To:** Woolley, Sean  
**Subject:** CIMT agenda

Sean:

If you're around, could you put together a quick agenda for today's 1 pm CIMT meeting? Topics:

1. Status on San Francisco & Peninsula Operations (K. Johnson)
2. Update on CPUC matters (T. Bottorff)
3. Update on City of San Bruno (J. Simon) - put this in the Litigation and Claims section

Thanks,

Dinyar