

From: Clanon, Paul
Sent: 12/30/2010 10:40:32 AM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: Fwd: Contingency planning by NRG

Begin forwarded message:

From: "Kahlon, Gurbux" <gurbux.kahlon@cpuc.ca.gov>
Date: December 29, 2010 11:48:42 AM PST
To: "Clanon, Paul" <paul.clanon@cpuc.ca.gov>, "Fitch, Julie A." <julie.fitch@cpuc.ca.gov>
Subject: FW: Contingency planning by NRG

Paul/Julie: I got in touch with the NRG Energy Center general manager and have the following information. He thinks they can handle Stage I and part of any Stage II curtailment situation with their diesel fired boilers. According to Gordon, they can work with their customers and manage their situation well even if it got to Stage II. I have asked him to keep me apprised.

Gurbux

From: Judd, Gordon [mailto:Gordon.Judd@nrgenergy.com]
Sent: Wednesday, December 29, 2010 11:01 AM
To: Kahlon, Gurbux
Subject: RE: Contingency planning by NRG

Gurbux,

Thanks so much for the call.

As we discussed, NRG Energy San Francisco has received notification from PG&E of possible gas curtailments this winter due to the San Bruno event and resulting reduction in delivery capacity of their gas transmission system. We maintain on site diesel as an emergency backup fuel and can currently deliver up to 60% steam

capacity with the boilers that are set up to run on diesel. The current Stage 1 curtailment to 70% of peak gas demand should therefore not result in any interruption of service to steam customers. If a Stage 2 curtailment were called, PG&E has notified us that our Stage 2 curtailment level is to 0% of peak gas demand. In that case, we would not be able to meet peak customer demand, which typically is 6 am-10 am on weekdays. With a mismatch between the steam supply and the customer demand, the pressure in the steam distribution system would drop to where the amount of steam that customers could take was reduced to where it was equal to the supply. When we receive a curtailment notice from PG&E, we will be notifying our largest customers so that they can voluntarily turn on their building heat earlier than normal which would warm their building earlier and reduce the on-peak demand that would be felt during the curtailment. We do not plan on curtailing any branches of the steam system.

As a side note, we are working with PG&E to evaluate the possibility of establishing intermediate curtailment limits for us between the curtailments to 70% and to 0%.

Please let me know if you have any other questions.

Gordon Judd

General Manager

NRG Energy Center San Francisco

From: Kahlon, Gurbux [mailto:gurbux.kahlon@cpuc.ca.gov]
Sent: Wednesday, December 29, 2010 10:44 AM
To: Judd, Gordon
Subject: Contingency planning by NRG

Gordon, it was nice talking to you this morning about your contingency planning in the event of reductions in gas supply to you by PG&E. Sending you this e-mail so you have my e-mail address to send me the brief explanation that we just talked about. Thanks and have a great New Year.

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