

From: Gupta, Alope
Sent: 8/18/2011 9:23:14 AM
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Bcc:
Subject: Call follow-up re PLS CE

Bill:

Thank you for spending the time on the call yesterday. To follow up re the PLS CE analysis submitted by PG&E, I have noted the main points to be still resolved by PG&E:

1. Confirm if there is an error in cell H80 = 2012 participant equipment cost. ED suggests this amount should be net of utility incentive in cell H74. Same correction to apply to 2013, 2014. On the call, you thought that the current value may be in error.
2. Explain why is 2012 Gen capacity costs in cell H51 = \$209 (instead of \$147.7, which is the summer de-rated peak capacity cost shown on Inputs sheet)? Same issue for 2013/2014. If this is incorrect, please confirm.
3. Explain calculation of E factor. Is it appropriate to apply 1.4x multiplier in the numerator (given that the peak market price is already 1.4x average market price on Inputs sheet). If incorrect, please confirm correct formula.
4. Confirm if there is an error in calculation of Energy Savings on line 57. ED suggests it should be adjusted for line losses at the source? On the call, you thought that the current formula may be in error.
5. Confirm if the amortization approach and the application of Energy Savings value over limited period are being correctly applied in the TRC test. Should we be counting the present value of the energy savings over the PLS project life? Alternatively, should we be amortizing

the annual Program Admin costs over the project life?

If you confirm that corrections are needed, please send us a corrected PLS CE spreadsheet, along with a summary list of the changes made. We should also look into what, if anything, could/should be done in terms of process and record update.

Thanks.

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