

From: Dietz, Sidney
Sent: 12/22/2011 3:00:48 PM
To: 'nancy.ryan@cpuc.ca.gov' (nancy.ryan@cpuc.ca.gov)
Cc: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Bcc:
Subject: Re: Fwd: Call from PG&E's Attorney and Next Steps re AMP Contracts

Nancy --

Thanks for the note. We will hold to the deal, and we will start activities on 1Jan. What Mary says is true, but Brian has said to go forward despite the lack of decision. But this is why we need the ACR sooner rather than later -- to give assurance to the aggregators that there will be programs this summer and for our own cost recovery -- and for the final decision to be effective 1Jan12. I will make sure we work with the aggregators to get the running start we all want in Jan.

yours,

sid

Do I seem terse? Blame the thumb keyboard.

From: Ryan, Nancy [mailto:nancy.ryan@cpuc.ca.gov]
Sent: Thursday, December 22, 2011 02:18 PM
To: Dietz, Sidney
Subject: Fwd: Call from PG&E's Attorney and Next Steps re AMP Contracts

Sid-

I'm concerned about this email. Brian assured me that PG&E would proceed as if these contracts were still in place, but what the aggregators are hearing doesn't seem consistent. I'm away from the office and don't have Brian's email address handy. Can you pls pass this on to him and convey my request that he follow up with me.

Thanks,
Nancy

Sent from my iPhone

Begin forwarded message:

From: "Sara Steck Myers" [Redacted]
Date: December 19, 2011 4:05:53 PM EST

To: "Ryan, Nancy" <ner@cpuc.ca.gov>

Subject: Call from PG&E's Attorney and Next Steps re AMP Contracts

Hi Nancy:

I wanted you to know that late Thursday (12/15) evening I was called by Mary Gandesbery, PG&E's attorney in the 3-Year DR applications (A.11-03-001, et al.). She wanted to inform me of PG&E's position on the status of the AMP contracts and contract amendments as follows:

1. By the terms of the AMP contracts/amendment, any amendment to the AMP contracts to extend their operational date beyond 12/31/11 requires a CPUC *decision*, not a ruling or an Executive Director order.
2. Without a CPUC decision approving the amendment, and the associated rate recovery in PG&E's ERRR account, the contracts expire on 12/31/11.
3. However, if and when the CPUC approves the amendment, as requested by PG&E in A.11-03-001, et al., it is PG&E's position (although this was stated with some equivocation by Mary) that the contracts/amendment become valid from that date to the end of the year.
4. Because the contracts cannot be called in January and February, this circumstance of a delay in the decision may not affect the services provided, but PG&E did not know if it affected or would affect customers participating in these contracts (or what AMP providers would need to tell them).
5. As to any additional changes authorized or directed by the CPUC in its decision for these contracts (i.e., the net energy metering provisions), PG&E believes that those changes can be made by "letter amendment" and do not require further approval for those changes (since they were in fact authorized by a CPUC decision).
6. In closing, Mary noted that she heard Commissioner Ferron state at yesterday's CPUC meeting that the contracts would continue (or something like that), and she wanted to confirm that that was not correct based on the contract language and the authorization required and requested by PG&E in A.11-03-001, et al.

I have asked each of the companies to confirm this individually with PG&E – I am not their transactional lawyer, but thought you should know what PG&E was thinking. It does place a high premium on an Alternate that not only grants PG&E's extension request, but makes clear that, in doing so, the contracts are "reinstated."

Thank you – and hope your Christmas is fun!

Sara