

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 30, 2012

Brian Cherry
Vice President, Regulatory Affairs
Pacific Gas & Electric
PO Box 770000
Mail Code B10C
San Francisco, CA 94177

Les Starck
Senior Vice President, Regulatory Affairs
Southern California Edison
601 Van Ness Ave, Ste. 2030
San Francisco CA 94102

Dan Skopec
Vice President, Regulatory Affairs
Sempra Energy Utilities
601 Van Ness Ave, Suite 2060
San Francisco, CA 94102

Dear Messrs Cherry, Skopec, and Starck:

This confirms that the Commission will actively supervise the negotiations ordered by the Commission in Resolution E-4471 between the Calpine Corporation and the three investor-owned utilities regarding the Sutter Energy Center, and clarifies that the effective date of the Resolution, for purposes of triggering the 30-day period in which to complete negotiations and submit a Tier 2 advice letter, is the date of publication, March 29, 2012.

The Commission's supervision of the contract negotiation processes will occur in several ways. As required by the Resolution, the IOUs will engage an independent evaluator for purposes of monitoring the negotiations on behalf of the Commission. As required by the Resolution, the independent evaluator will submit a report after the conclusion of the negotiations. Finally, the Commission will review the materials submitted by the independent evaluator along with the joint Tier 2 advice letter and make a determination as appropriate.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon".

Paul Clanon
Executive Director

CC: Joseph Ronan, Calpine