

From: Clanon, Paul
Sent: 4/2/2012 9:39:16 AM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE: Sutter

Can Frank and I call you now?

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Monday, April 02, 2012 8:32 AM
To: Clanon, Paul
Subject: Sutter

Paul – here is an update of where we are. The three utilities have agreed that it makes sense for one utility to engage in negotiations on behalf of the others with the guidelines that any deal be done at market prices. The Resolutions cap of \$17 million is far above market. Elizabeth Dornan called Mark Huffman on Friday to reiterate that Commissioner Sandoval is interested in a negotiated market solution – one that does not exceed what was offered in our most recent RFO. We are heeding this guidance. We are prepared to begin negotiations under these principles and seek your guidance on when you want this to begin.