

December 7, 2011

VIA CERTIFIED MAIL

Enalasis Corporation
250 Avenida Campillo
Calxico, California 92231

Re:

HVAC Quality Maintenance Sub-Program Contractor Incentive Program
(PG&E Contracts: Executed 02/02/2010 and 01/05/2011)

Dear Redacted,

Pursuant to the terms of the HVAC Quality Maintenance Contractor Incentive Program (the "Program"), Enalasis Corporation ("Enalasis"), as the Program's verification service, is responsible for disbursing incentive payments to qualified contractors and technicians who perform work under the Program.

It has come to our understanding that Enalasis has failed to pay a number of qualified contractors and technicians for work performed to date. Specifically, it has been alleged that Enalasis has failed to pay DMS for work they performed under the Program. A list of the various jobs performed by DMS that remain unpaid is set forth in the enclosed schedule.

PG&E hereby demands that Enalasis, within thirty days from the date of this letter, provide PG&E with copies of all documentation verifying that all contractor(s) and technician(s) on jobs referenced in the enclosed schedule have been paid. If DMS was not entitled to compensation, PG&E hereby demands that Enalasis provide PG&E with documentation setting forth, in reasonable detail, the reasons why DMS was not paid for the work performed. Finally, if Enalasis has not paid DMS and there is no reason why DMS has not been paid, then PG&E hereby demands Enalasis to promptly issue a check to DMS for the work performed and provide PG&E with a copy of the check so that PG&E can verify the monies have been sent to DMS.

Please be advised that nothing set forth in this correspondence shall act as a release or waiver of any claims PG&E has or may have against Enalasis Corporation or any of its directors, officers, members or employees.

I trust you will give this matter your immediate attention.

Very truly yours,



Duane Larson, Director
Mass Market Energy Solutions and Services
Pacific Gas and Electric Company

cc: File