From: Schwartz, Andrew Sent: 12/28/2012 12:16:44 PM To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe) Cc: Bcc: Subject: FW: Bailey Creek Extension Request Hi, Meredith, Per my voicemail, see the note below that I sent to Evelyn, Kace and Charles. Thanks, Andy P.S. Happy New Year if I don't talk to you before then! From: Schwartz, Andrew Sent: Friday, December 28, 2012 12:11 PM To: 'Fujiwara, Kace'; 'ecl8@pge.com' Cc: 'Middlekauff, Charles (Law)' Subject: Bailey Creek Extension Request Kace and Evelyn,

I want to give you a heads-up regarding a letter that I believe Ed Randolph will be sending today in response to Brian Cragg's request on behalf of Bailey Creek Hydroelectric seeking a second extension of their PPA. Basically that letter will say two key things: First, the less formal extension-granted-by-letter process envisioned in the Settlement is not appropriate for this project given that it does not appear to meet the eligibility requirements for that process. Second, and more importantly, the letter will state that we believe the request merits consideration. The upshot of this is that we think it would be appropriate for PG&E to submit an advice letter requesting a second extension for this project. I understand in talking to Brian Cragg that there was some reluctance on the part of PG&E to submit such an advice letter absent some direction from ED. While I don't think we can direct PG&E to file such an advice letter, we do believe a second extension for this project should be considered and it appears the only vehicle to do that would be via an AL submitted by PG&E.

Thanks,

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