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April 23, 2013

Hon. Michael R. Peevey
President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear President Peevey:

On behalf of USS-POSCO Industries ("UPI"), we write to express our support for the approval of contracts pending before the California Public Utilities Commission ("CPUC") for capacity from Calpine Corporation's ("Calpine") Los Medanos Energy Center ("LMEC") electric generation facility. UPI has been a proud member of the Pittsburg, California community and its tradition of steel manufacturing for over 100 years. We employ over 700 employees at our plant. We understand that the Calpine contracts have come under attack in part because of inaccurate factual assertions regarding the operation and purpose of the LMEC facility.

Specifically, we understand that some opponents to the contracts have suggested that LMEC's steam and electricity service obligations are optional or incidental to its production of electricity for sale to the grid. From our perspective, this is a preposterous notion. Since 2001, LMEC has provided critical steam and electric service in significant quantities, and with much needed flexibility, to support our operations.

UPI owns and operates a steel finishing plant immediately adjacent to the LMEC in Pittsburg, California. UPI's operations involve the manufacturing of cold rolled, HRPO (hot rolled pickled & oiled), galvanized, Advanced High Strength Steels (AHSS), and tin mill products starting from hot rolled steel. The manufacturing process for these products requires a constant and firm supply of steam. Without a constant supply of steam from the LMEC facility, UPI cannot operate its plant and manufacture its products.

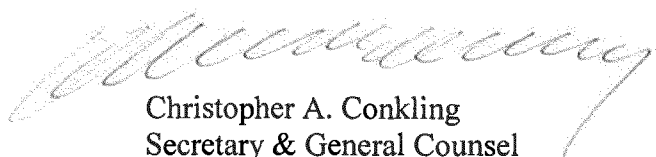
In addition to steam, UPI is reliant upon LMEC for its electricity supply. The steel finishing process can lead to large swings in load as various stages of the process are brought on and off-line at the UPI plant. Both LMEC's flexibility as a modern power generation resource and its cogeneration capabilities make LMEC an ideal partner for UPI. Access to this electricity and variability management from the LMEC facility is absolutely critical to UPI's operations.

UPI's continued success in California in part depends on reliable, cost effective, and flexible steam and electric service that we obtain from Calpine's LMEC facility. On behalf of our company and its workforce, we ask you and your fellow Commissioners to approve the Calpine contracts.

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Thank you for your consideration.

Very truly yours,

A handwritten signature in cursive script, appearing to read "C. Conkling".

Christopher A. Conkling
Secretary & General Counsel

cc: Hon. Mark Ferron, Commissioner, CPUC
Hon. Michel Florio, Commissioner, CPUC
Hon. Carla Peterman, Commissioner, CPUC
Hon. Catherine Sandoval, Commissioner, CPUC
Paul Clanon, Executive Director, CPUC
Edward Randolph, Director, Energy Division, CPUC