

From: Kahlon, Gurbux
Sent: 9/16/2013 5:00:36 PM
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)
Cc:
Bcc:
Subject: RE: CONFIDENTIAL: Station Power Follow Ups

Thanks, Meredith.

Gurbux Kahlon

Manager, Market Structure, Costs and Natural Gas

Energy Division

California Public Utilities Commission

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From: Allen, Meredith [mailto:MEAe@pge.com]
Sent: Friday, September 13, 2013 5:01 PM
To: Kahlon, Gurbux
Subject: CONFIDENTIAL: Station Power Follow Ups

Gurbux,

Below are the responses to the questions that we discussed on the call.

- The four Dynegy units are on one large parcel. The energy deliveries and station load for all four units would be totalized, if PG&E did not own facilities between the units. In order to resolve this issue, PG&E would enter into a CPUC-approved Special Facilities Agreement (SFA) with Dynegy that would require them to pay a monthly cost of ownership fee in

perpetuity.

- If Dynegy was retroactively billed to February 2011 and the SFA was applied back to that date, the bill would be approximately \$5.8 million through July 31, 2013. This amount includes approximately \$5.1 million of netted charges and \$650,000 for cost of ownership charges.

- If Dynegy was retroactively billed to December 2012 and the SFA was applied back to that date, the bill would be approximately \$1.2 million through July 31, 2013. This amount includes approximately \$1 million of netted charges and \$200,000 for cost of ownership charges. (The \$2 million I mentioned was in error. Sorry about that)

- The Court of Appeals decision that resolved all remaining appeals was decided on December 18, 2012. Here is the link to the decision. <http://www.ferc.gov/legal/court-cases/opinions/2012/11-1122-opinion.pdf> We believe that this date should be used to determine the retroactive bill given the issues that we discussed.

Please let me know if you need additional information. I hope you have a great weekend.

Thanks,

Meredith

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