

PG&E Supplemental comments originally received in email format from Glenn Goldbeck

In response to the January 24, 2008 stakeholder call to present and discuss the CAISO CRR/FTR contingency plan proposal, outlined below are additional PG&E comments intended to supplement those provided on January 23, 2008.

o While still preferring a full FTR auction process for April and May 2008 as indicated below, in the alternative, PG&E would support the simplified/manual auction approach for these two months as discussed on the stakeholder call. This approach appears to generally satisfy PG&E's desire for a market/auction based approach with release quantities up to the available transmission capacity (rather than a simple roll-forward of existing FTRs) that will best address our current portfolio needs; in addition, this approach will also accommodate the CAISO concerns about inadequate time or resources necessary to conduct a full FTR auction process (which a manual auction would avoid).

o The applicable interest rate methodology associated with CRR auction proceeds (payments and collections) should be determined and finalized to avoid future uncertainties and debates.

For follow-up or questions, please contact Brian Hitson (415-973-7720), or Glenn Goldbeck (415-973-3235).