

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 22, 2011

Scott Reynolds
Plant Manager Sutter Energy Center
5029 South Township Road
Yuba City, CA 95993

SUBJECT: General Order (G.O.) 167 Audit
Sutter Energy Center
CPUC Audit Number GO167-1010

Dear Mr. Reynolds:

The Consumer Protection and Safety Division has completed a Preliminary Audit Report of the Sutter Energy Center (copy enclosed.)

Please submit a response to CPSD by March 25, 2011. The response should include a Corrective Action Plan (CAP) for the violations listed in Section IV (Violations Requiring Corrective Action) of the report. The CAP should provide a description and schedule of the actions Sutter plans to take to achieve full and prompt compliance with the Standards. If you believe the report contains factual or other errors, you may discuss those issues in your response.

Please submit your response electronically, in both Microsoft Word and Adobe Acrobat PDF formats, to Richard W. Clark, Director of CPSD, at rwc@cpuc.ca.gov, with copies to jmh@cpuc.ca.gov, powerplant_audits@cpuc.ca.gov, yjb@cpuc.ca.gov, cm1@cpuc.ca.gov, and ron@cpuc.ca.gov. After CPSD reviews Sutter's response, the audit team will arrange for a meeting with you and your staff.

Please note that the 30-day comment period does not alter Sutter's continuing obligation to comply with all applicable requirements of General Order 167.

If you wish to make a claim of confidentiality covering any of the information in the preliminary audit report, please submit a confidentiality request pursuant to Section 15.4 of General Order 167, using the heading "GENERAL ORDER 167 CONFIDENTIALITY CLAIM." Please send the request to Charlyn Hook (chh@cpuc.ca.gov), Legal Division, with a copy to Richard Clark (rwc@cpuc.ca.gov), Director CPSD.

Thank you for your courtesy and cooperation throughout the audit process. If you have any questions, please call Ron Lok at (415) 703-1355, or email at ron@cpuc.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Halligan".

Julie Halligan, Deputy Director
Consumer Protection and Safety Division

Enclosures: Preliminary Audit Report on the Sutter Energy Center Dated February 22, 2011

cc: Richard Clark
Charlyn Hook
Valerie Beck w/o enclosure
Charles Magee w/o enclosure
Ron Lok w/o enclosure