

Dynergy Inc.  
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Houston, Texas 77002  
Phone 713.507.6400  
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DYNERGY

June 11, 2012

**DOCKET**

**00-AFC-12C**

DATE JUN 11 2012

RECD JUN 15 2012

Christopher J. Marxen, Manager  
Compliance Office  
Siting, Transmission & Environmental  
Protection Division  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

California Energy Commission  
Accounting Office  
1516 Ninth Street  
Sacramento, CA 95814

Re: Morro Bay Modernization & Replacement Power Plant Project (00-AFC-12C)  
Fiscal Year 2012/2013 Energy Facility Compliance Fee- Invoice No. 2112

Dear Mr. Marxen:

On May 22, 2012, Dynergy provided notice to the California Energy Commission to terminate the certification of phase 2 and 3 of the Morro Bay Project, and that it will no longer remit payment for the compliance fees for this facility, beginning in Fiscal Year 2012/2013.

In addition to the above notice and for clarification, we have no intentions of pursuing or renewing the NPDES permit (WDR Order No. R3-2004-0028) filed to support the project. It is our understanding that the permit expired in 2009 and requires no further action.

If you have any questions, please do not hesitate to contact me.

Sincerely,

R. Alan Padgett  
VP GasCo Asset Management

Christopher J. Marxen, Manager  
California Energy Commission  
June 11, 2012  
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cc:

Marty Daley  
Steve Goschke  
Barbara Irwin  
Josh Farkas  
Joan Walter (CEC)