Dnegy Inc.
601 Travis, Suite 1400
Houston, Texas 77002
Phone 713.507.6400
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DYNEGY

DOCKET	
00-AFC-12C	
DATE	JUN 11 2012
RECD	JUN 15 2012

June 11, 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, Dynegy 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

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