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March 19, 2010

Ms. Redacted
Pacific Gas and Electric Company
245 Market Street
San Francisco, CA 94105

Dear Redacted

As you will recall, effective 1/1/2009 we revised your renewal and pricing terms associated with your decision to move to the Towers Collaborative Purchasing Group. I am writing to confirm that in November 2008 Medco estimated that PG&E would save 10.28%, 11.08%, 11.88%, 13.70% for 2009, 2010, 2011, and 2012 respectively with the new Towers Collaborative pricing compared to the pricing that you had in place prior to 1/1/2009. The total estimated savings would be approximately 11.83% over this four year period. Estimated savings is based on 2008 data.

As a reminder our analysis is confidential and proprietary. If you require any additional information or have any questions, please feel free to give me a call.

Sincerely,

Catherine Wasson

cc: Redacted

