

From: Cherry, Brian K
Sent: 9/20/2010 3:45:19 PM
To: 'pac@cpuc.ca.gov' (pac@cpuc.ca.gov); 'frl@cpuc.ca.gov' (frl@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fw: Oakley discussions update

FYI. I have breakfast with Steve tomorrow

From: Horner, Trina
To: Cherry, Brian K
Sent: Mon Sep 20 15:27:58 2010
Subject: Oakley discussions update

So here's the current status, for your mtg w/ Larson tomorrow: GE sent Dave Lewis and Marino a proposal last Friday for PG&E to "pre-pay" \$250 - 350 million at substantial completion (whenever that is) with the remaining due on Jan 2016 (put that amount into context: this is a ~ \$1.1 billion project). Dave and Marino discussed this with Fong today and Fong was not very interested as it would fundamentally change our risk in the deal. They have communicated this message back to GE and Radback this afternoon, and further discussed another possible structure involving a pre-payment. Dave and Marino are researching a few issues regarding this alternative structure this afternoon but are not very confident that it will work. They're working on it now and will communicate their findings to GE / Radback (and me) tomorrow.

Trina