

From: Skala, Pete
Sent: 11/30/2010 4:16:28 PM
To: Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC)
Cc:
Bcc:
Subject: "Regulatory Out" Clauses

Hi
Trina,

I am assuming this
is a good question for Todd and Marino, but thought I would filter through you
in case you think others should take a crack at it...

I am curious
whether, in PG&E's long term contracting
experience, counterparties attempt to amend the
"government charges" provisions of your pro forma, which hold
the Seller responsible for paying
govt fees,
permits, etc. (specifically, I am curious if counterparties ever attempt
to shift the risk unforeseen FUTURE govt
regs to PG&E in exchange for offering the product at a lower
price)? (And if so, how commonplace
the practice is...)

Thanks,

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