

From: Simon, Timothy A.
Sent: 12/5/2012 11:55:56 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: Re: Follow-Up Conference Call: PG&E / SEG Call

Excellent letter. Thank you. We should catch breakfast or lunch soon!

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Wednesday, December 05, 2012 11:41 AM Pacific Standard Time
To: Simon, Timothy A.
Subject: FW: Follow-Up Conference Call: PG&E / SEG Call

Follow-up with Ozzie.

From: Jacobson, Erik B (RegRel)
Sent: Wednesday, December 05, 2012 11:38 AM
To: [Redacted] Jeung, Gary P
Cc: Kerr, Joan; [Redacted] Kuga, Roy M
Subject: RE: Follow-Up Conference Call: PG&E / SEG Call

Ozzie,

It was a pleasure speaking with you and Roxanne yesterday. While we understand your interest in pursuing bilateral transactions, virtually all our energy procurement is now conducted through competitive solicitations. All transactions executed are measured against the offers we receive in competitive solicitations or other available current market pricing. The CPUC through numerous decisions and rulings supports and endorses the use of competitive solicitations as the principal venue for procuring required energy supplies. Our experience suggests that MBEs can be extremely competitive in these solicitations.

PG&E is committed to achieving its supplier diversity goals and we continually monitor our progress to assess whether changes to our approach are warranted. PG&E is currently involved with SCE and SDG&E in an effort to develop a framework focused on sustainability that will facilitate entry and development of DBEs in electric procurement. As with our DBE experience in the natural gas markets this effort will take time and the effort of all stakeholders

to achieve sustainability.

Thanks for taking the time to speak with us yesterday. We look forward to following up with you on the credit issue.

Best regards,

Erik

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