

From: Colvin, Michael  
Sent: 2/11/2013 12:00:07 PM  
To: Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1)  
Cc:  
Bcc:  
Subject: RE: Hercules Muniticpal Utility

Thanks Erik. Please do forward on the press release/public statement when available.

Michael

**From:** Jacobson, Erik B (RegRel) [mailto:EBJ1@pge.com]  
**Sent:** Monday, February 11, 2013 11:58 AM  
**To:** Brown, Carol A.; Franz, Damon A.; Fitch, Julie A.; Khosrowjah, Sepideh; Tisdale, Matthew; Poirier, Marcelo; Kersten, Colette; Katague, Ditas; TerKeurst, Charlotte; Colvin, Michael; Kamins, Sara M.; Lee, Audrey; Peterson, Rachel A.; Kalafut, Jennifer; Clanon, Paul; Randolph, Edward F.; Prosper, Terrie D.  
**Cc:** Vege, Anupama  
**Subject:** Hercules Muniticpal Utility

**Confidential**

Good morning,

We wanted to let you know before it is made public that PG&E is in the process of negotiating with the City of Hercules for the purchase of its electric assets. Hercules Municipal Utility, which is owned by the City of Hercules serves approximately 800 customers. PG&E submitted a bid in January in response to the City's request for proposals for the purchase of these assets and was selected as the winning bid. The City wishes to issue a joint public statement soon that would disclose the selection of PG&E's winning bid.

We are now in the process of conducting due diligence and confidential negotiations for a purchase agreement with the City. Assuming that we reach an agreement with the City, PG&E will be filing a section 854 application for Commission approval. Please let Anu Vege (3-7600) or I know if you have any questions.

Thanks,

Erik

*Erik Jacobson*  
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