

From: [Redacted]
Sent: 2/13/2013 3:25:43 PM
To: terrie.prosper@cpuc.ca.gov (terrie.prosper@cpuc.ca.gov)
Cc: Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1)
Bcc:
Subject: Hercules Muniticpal Utility

Terrie

Attached is press release which is expected to be issued tomorrow jointly by PG&E and the City of Hercules. Please let Erik or I know if you have any questions.

Regards

[Redacted]

[Redacted]

From: Jacobson, Erik B (RegRel)
Sent: Monday, February 11, 2013 11:58 AM
To: cab@cpuc.ca.gov; df1@cpuc.ca.gov; Fitch, Julie A. (julie.fitch@cpuc.ca.gov); skh@cpuc.ca.gov; Matthew Tisdale (mwt@cpuc.ca.gov); mpo@cpuc.ca.gov; cek@cpuc.ca.gov; dmK@cpuc.ca.gov; cft@cpuc.ca.gov; mc3@cpuc.ca.gov; smk@cpuc.ca.gov; al4@cpuc.ca.gov; rp1@cpuc.ca.gov; jmk@cpuc.ca.gov; pac@cpuc.ca.gov; efr@cpuc.ca.gov; tdp@cpuc.ca.gov
Cc: [Redacted]
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 Redacted Redacted or I know if you have any questions.

Thanks,

Erik

*Erik Jacobson
Senior Director, Regulatory Relations
Pacific Gas and Electric Company
77Beale Street, Rm. 1083
San Francisco, CA 94105
tel: 415-973-4464
cell: 415-310-7617
ebj1@pge.com*