



PRESS RELEASE  
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ISSUED BY: The City of Hercules and Pacific Gas and Electric Company

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**THE CITY OF HERCULES APPROVES PG&E PURCHASE OF HERCULES MUNICIPAL UTILITY ASSETS**

**HERCULES, Calif.** – On Tuesday, May 28, 2013, the Hercules City Council approved an agreement with Pacific Gas and Electric Company (PG&E) to purchase the assets of Hercules Municipal Utility (HMU). The sale offers all HMU customers – from residential to industrial – the lower PG&E rate, pending regulatory approval.

“PG&E looks forward to providing customers in the City of Hercules with service that is affordable, reliable, clean and above all, safe,” said Geisha Williams, PG&E’s Executive Vice President of Electric Operations. “We’re making significant investments to upgrade and modernize our electric facilities that are resulting in strong reliability for our customers. Last year, PG&E customers experienced the fewest minutes without electricity in company history.”

HMU is a municipal electric utility owned and operated by the City of Hercules since March 2003. The City of Hercules decided last year to sell HMU’s assets in order to focus on delivering core city services. The City looked for a utility company with the ability to provide more efficient, reliable, and affordable electric services. The City intends to retire the HMU bond debt with the proceeds from the sale.

“The City of Hercules is pleased with its selection of PG&E to purchase the Hercules Municipal Utility assets. This is the best choice for our Community,” said Hercules Mayor John Delgado. “PG&E has a long and successful history serving this region and understands our City’s needs. We look forward to partnering with the people at PG&E to bring better service to our residents and businesses.”

On June 5, 2012, residents of the City voted to pass Measure N, authorizing the sale of HMU. Measure N was approved by 77% of voters. On August 28, 2012, the Hercules City Council adopted procedures for accepting bids for sale of the HMU assets, as required by the California Public Utilities Code. Representatives of the City solicited bid proposals and ultimately determined that PG&E offered the highest and best bid. Hercules and PG&E then engaged in negotiations to prepare the Asset Purchase Agreement containing all of the necessary terms and conditions for the sale.

“I have been impressed by the high level of professionalism and openness that PG&E’s negotiating team demonstrated throughout these complex negotiations,” said City Manager Steve Duran. “The City’s

team also deserves kudos for an extraordinary effort to work with PG&E through all the legal, technical and financial issues necessary to get to this point.”

PG&E will begin providing service once the transaction closes.

#### **ABOUT THE CITY OF HERCULES**

Established as a dynamite factory in the 1800s and incorporated in 1900, the City of Hercules is located on the northeastern shore of San Pablo Bay, conveniently located along the I-80 corridor and within minutes of both San Francisco and Napa. The nearly 25,000 residents represent a diverse mix of many ethnic groups. Primarily a suburban, family-oriented community, the City has bold plans for a lively new waterfront, anchored by transit-oriented development around a new train and ferry terminal.

#### **ABOUT PACIFIC GAS AND ELECTRIC COMPANY**

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with 20,000 employees, the company delivers some of the nation’s cleanest energy to 15 million people in Northern and Central California. For more information, visit <http://www.pge.com/about/newsroom/> and [www.pgecurrents.com](http://www.pgecurrents.com).