

From: Cherry, Brian K  
Sent: 8/27/2013 11:48:55 AM  
To: Paul Clanon (paul.clanon@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: Fwd: S&P Revising Outlook to Negative

FYI.

Brian K. Cherry  
PG&E Company  
VP, Regulatory Relations  
77 Beale Street  
San Francisco, CA. 94105  
(415) 973-4977

Begin forwarded message:

**From:** "Bijur, Nicholas M." <nmb7@pge.com>  
**Date:** August 27, 2013, 11:37:02 AM PDT  
**To:** "Harvey, Kent M" <Kent.Harvey@pge-corp.com>, "Bottorff, Thomas E" <TEB3@pge.com>, "Cherry, Brian K" <BKC7@pge.com>, "Earley Jr., Anthony" <anthony.earley@pge-corp.com>, "Fitzpatrick, Tim" <TXFo@pge.com>, "Pruett, Greg S." <Greg.Pruett@pge-corp.com>, "Park, Hyun" <Hyun.Park@pge-corp.com>, "Hartman, Sanford (Law)" <SLHb@pge.com>  
**Cc:** "Togneri, Gabriel" <Gabriel.Togneri@pge-corp.com>, "Cherry, Sara" <SACr@pge.com>, "Mistry, Dinyar" <DBMd@pge.com>, "Wilson, Michelle (Law)" <MLW3@pge.com>, Redacted

Redacted

Redacted

**Subject: S&P Revising Outlook to Negative**

S&P took us to committee today and are revising our outlook to Negative (which means there is a greater than 33% chance of a downgrade). Attached is a draft of their report they plan to publish today. We will let you know how the bond market responds to this news.

One interesting comment from S&P to highlight regarding the most recent

CPSD recommendation:

...indicates a possible weakening of our assessment of the California regulatory jurisdiction and could have ratings implications for all of the utilities regulated by the CPUC. While in the ordinary course of businesses, the California regulatory jurisdiction has demonstrated a "more credit supportive" environment, political pressure subject to items outside the normal course of business, would necessitate our re-evaluation of the California regulatory jurisdiction.

**From:** Grosberg, Gabe [<mailto:gabe.grosberg@standardandpoors.com>]  
**Sent:** Tuesday, August 27, 2013 11:16 AM  
**To:** Bijur, Nicholas M.  
**Subject:** DRAFT

*We plan to issue the attached release in connection with your company's business developments. We are sending this to give you an opportunity to bring to our attention any factual errors or inadvertent inclusion of confidential information in the report. If you have any questions or comments on our analysis that are not factual in nature, we ask that you discuss these matters with us. We will use our sole discretion in making editorial changes to the document, which represents our independent opinion. The information in the release is confidential and must not be disclosed or released to anyone prior to its official release by Standard & Poor's.*

The information contained in this message is intended only for the recipient, and may be a confidential attorney-client communication or may otherwise be privileged and confidential and protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, please be aware that any dissemination or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by replying to the message and deleting it from your computer. McGraw Hill Financial reserves the right, subject to applicable local law, to monitor, review and process the content of any electronic message or information sent to or from McGraw Hill Financial e-mail addresses without informing the sender or recipient of the message. By sending electronic message or information to McGraw Hill Financial e-mail addresses you, as the sender, are consenting to McGraw Hill Financial processing any of your personal data therein.