

From: Cherry, Brian K
Sent: 2/19/2014 4:05:01 PM
To: mp6@cpuc.ca.gov (mp6@cpuc.ca.gov)
Cc: [Redacted] Bijur, Nicholas
M. (/O=PG&E/OU=Corporate/cn=Recipients/cn=nmb785178462)
Bcc:
Subject: FW: Successful Senior Notes Transaction

Mike – I'd like to highlight a significant bond deal done yesterday by PG&E that include a large number of diverse firms.

From: [Redacted]
Sent: Wednesday, February 19, 2014 12:04 PM
To: Cherry, Brian K
Cc: Bijur, Nicholas M.; Kerr, Joan; Fitzpatrick, Tim
Subject: Successful Senior Notes Transaction

Yesterday we priced \$900 million of Senior Notes, which consisted of \$450 million of 10-year 3.75% notes and \$450 million of 30-year 4.75% notes. Proceeds from this offering will be used for general corporate purposes as well as to fund a \$540 million maturity on March 1.

This transaction benefited from strong credit markets and continued low treasury rates. As a point of comparison, we completed a slightly smaller transaction last November at rates that were 10-40 basis points higher. We were also able to take advantage of a relatively quiet stretch in the new issue market, thanks in large part to the earlier announcement of fourth quarter earnings relative to our peers. We extend a specific thank you to the Accelerated Reporting initiative that made this possible.

This transaction was our largest since exiting bankruptcy and included the largest dollar amount of fees PG&E has paid to minority firms on a single transaction. In addition to Ramirez Securities serving as a Joint Lead Bookrunner on the transaction, which is the fourth year in a row that we have utilized a minority-owned firm in a lead role, we also engaged five diverse firms as co-managers: Loop Capital, Blaylock Beal Van, Lebenthal, MFR Securities, and Mischler Financial Group. This group reflects the full spectrum of diverse suppliers, including Hispanic-owned, African American-owned, Woman-owned, and Disabled Veteran-owned firms, and is representative of our strong and growing relationships in this segment. We paid \$1.8 million (26.5% of total fees on the transaction) to these firms, which is the largest amount paid to diverse suppliers on any PG&E senior notes transaction.

Please let me know if you have any questions.

Redacted

Treasury, Corporate Finance Manager

Pacific Gas and Electric Company

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