

**MEMORANDUM OF UNDERSTANDING
CONFIDENTIAL CUSTOMER DATA EXCHANGE**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is effective as of March 9, 2012 (the "Effective Date") by and between Pacific Gas and Electric Company (PG&E"), with its primary business address at 77 Beale Street, San Francisco, California 94105 and San Jose Water Company ("SJWC"), with its primary business address at 110W. Taylor Street, San Jose, California 95110 each referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, on May 5, 2011, the California Public Utilities Commission (the "Commission") adopted Decision ("D.") 11-05-020, which requires certain water and energy utilities with overlapping service territories to share low-income customer information in order to increase the participation rates of eligible customers in low-income assistance programs offered by the Parties;

WHEREAS, 0.11-05-020 adopts guidelines for data sharing between water and energy utilities and directs the water and energy utilities to enter into memoranda of understanding and confidentiality agreements to implement data sharing and ensure the confidentiality of such exchange, of which this MOU is a core element of the Parties' data sharing plans;

WHEREAS, pursuant to 0.11-05-020, the Parties have entered into a Confidentiality and Nondisclosure Agreement, which is incorporated by this reference and attached hereto as Appendix A, that sets forth the duties and responsibilities of the Parties with respect to ensuring the confidentiality of Confidential Customer Data, as defined therein; and

WHEREAS, the Parties now wish to establish the process and protocols that, together with the Confidentiality and Nondisclosure Agreement, will govern the exchange of Confidential Customer Data (each transmission, a "Data Exchange").

NOW, THEREFORE, for valuable consideration, the Parties agree as follows:

1. Definitions

Initially capitalized terms used in this MOU that are not defined herein shall have the meaning set forth in the Confidentiality and Nondisclosure Agreement, attached hereto as Appendix A.

2. Responsibilities

- a. Zip Codes. Each Party will, prior to the first Data Exchange governed by this MOU, provide the other Party's Designated Recipient (set forth in Section 13 of the Confidentiality and Nondisclosure Agreement) with a list of the zip codes in such Party's service area (the "Zip Code List"). Each Party acknowledges that maintaining a current Zip Code List is critical to an effective data-sharing program and agrees to timely provide updated zip code information to the other Party throughout the term of this MOU.
- b. Data Transfer File Format. Each Party will complete each Data Exchange using the data transfer file format attached hereto as Appendix B, which uses fixed width and text fields. Each Data Exchange will consist of a complete dataset of

low-income customer assistance program participants corresponding to the applicable Zip Code List.

- c. Data Transfer Method. The Parties agree to use secure file transfer protocol as the secure data transfer system to protect the privacy of the Data Exchange.
- d. Frequency. The Parties will perform Data Exchanges on a twice-yearly basis: March 1 and September 1, or within a reasonable time thereafter, except that the first Data Exchange governed by the terms of this MOU shall be performed as soon as practicable after the execution of this MOU.
- e. Confidentiality and Nondisclosure. Each Party agrees to protect, use, handle and safeguard Confidential Customer Data received in each Data Exchange as set forth in the Confidentiality and Nondisclosure Agreement attached hereto as Appendix A.
- f. Purpose. Each Party agrees to use Confidential Customer Data received in each Data Exchange only for the Purpose set forth in Section 2 (Purpose and Limited Use) of the Confidentiality and Nondisclosure Agreement attached hereto as Appendix A.

3. Term

This MOU shall be effective on the date set forth above, and shall continue in full force and effect until terminated in accordance with the terms set forth in Section 4 (Termination) below.

4. Termination

Either Party may terminate this MOU by thirty (30) days prior written notice. Termination of this MOU shall not abrogate either Party's obligations with respect to the treatment and care of Confidential Customer Data received prior to the date of termination as detailed in the Confidentiality and Nondisclosure Agreement attached hereto as Appendix A.

5. Notice

Any notice required or permitted by this MOU shall be in writing and shall be delivered as follows, with notice deemed given as indicated: (a) by personal delivery, upon delivery; (b) by overnight courier, upon written verification of receipt; or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Each Party hereunder designates only the following position as its authorized representative to receive notice required or permitted under this MOU:

For: Pacific Gas and Electric Company

For: San Jose Water Company
Bob Day

Position Title: Susan Norris, Senior Manager

Position Title: Director of Customer Service

Address: Customer Energy Solutions
245 Market St., San Francisco, CA 94105

Address: 1265 S. Bascom Ave.
San Jose, CA 95128

Phone: 415-973-1421

Phone: 408-279-7922

6. Changed Circumstances

Any Party may initiate informal discussions between the Parties concerning the provisions of this MOU, based on its assessment that changes in regulatory requirements or other circumstances external to the MOU indicate that it would be in the best interests of one or both Parties to consider revisions to the MOU. The Parties will jointly evaluate the changed circumstances to determine what, if any, revisions to the MOU are necessary or desirable. Any agreed-upon changes would require an amendment to the MOU in the manner set forth in Section 15 (Complete Agreement) below.

7. Expenses

Each Party shall use its own resources and funds in carrying out the provisions of this MOU, and neither Party shall be responsible for reimbursing the other Party for expenditures of costs incurred hereunder, except as provided in Section 11 (Indemnity) below.

8. Not A Joint Venture

This MOU shall not constitute, create or otherwise imply a joint venture, teaming or pooling agreement, partnership or business combination of any kind.

9. No Representations or Warranties

Any Data Exchange performed under this MOU shall carry no warranties or representations of any kind, either express or implied.

10. Limitations on Liability

No Party shall be liable to any other Party for any punitive, special, indirect, incidental, or consequential damages whatsoever whether in contract, tort (including negligence), or strict liability resulting from a Party's performance or nonperformance of its obligations under this MOU.

11. Indemnity

PG&E shall indemnify, defend, and hold harmless SJWC and its current and future, direct and indirect parent company(ies), subsidiaries, affiliates and respective successors, assigns, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions (including reasonable attorneys fees) arising out of, related to, or in any way caused by the negligent acts or omissions of PG&E, its employees, agents or subcontractors in the course of PG&E's performance under this MOU.

SJWC shall indemnify, defend, and hold harmless PG&E and its current and future, direct and indirect parent company(ies), subsidiaries, affiliates and respective successors, assigns, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions (including reasonable attorneys fees) arising out of, related to, or in any way caused by the negligent acts or omissions of SJWC, its employees, agents or subcontractors in the course of SJWC performance under this MOU.

12. Governing Law

This MOU shall be governed by and interpreted in accordance with the laws of the State of

California, without regard to its conflict of law principles.

13. Binding Agreement

This MOU shall be binding upon the Parties, their successors and assigns.

14. No Assignment

Except for a transfer to an affiliate or a subsidiary pursuant to applicable Commission-approved affiliate transaction rules, no rights or obligations under this MOU shall be assigned or transferred without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or denied.

15. Complete Agreement

This MOU contains the entire understanding between the Parties with respect to the process and protocols that, together with the Confidentiality and Nondisclosure Agreement, govern the exchange of Confidential Customer Data by the Parties. No change or modification shall be made effective unless in writing and signed by an authorized representative of each Party.

16. Survival

Notwithstanding the termination of this Agreement pursuant to Section 4 (Termination) above, each Party's obligations under this Agreement set forth in Sections 5, 7-13 shall survive the termination of this Agreement.

17. Severability

The invalidity or unenforceability of any provision of this MOU shall not effect the validity or enforceability of any other provision hereof.

18. Headings

The headings contained herein are for convenience of reference only and shall not be construed to be part of this MOU.

19. Counterparts

This MOU may be executed in any number of counterparts, each of which shall be an original as against any Party whose signature appears thereon and all of which together shall constitute one and the same instrument. This MOU shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the Parties reflected hereon as signatories.

20. Jurisdiction of the Commission

This MOU shall at all times be subject to such changes or modifications by the Commission or as said Commission may, from time to time, direct in the exercise of its jurisdiction.

[SIGNATURE PAGE TO FOLLOW]

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IN WITNESS WHEREOF, the Parties have accepted and agd to this MOU as of the Effective Date above, acting through their representatives as stated below.

PACIFIC GAS AND ELECTRIC COMPANY

Christopher A Warren
Authorized Signature

Chief Counsel - CPE
Title

3/9/12
Date

SAN JOSE WATER COMPANY

Palle Jensen
Authorized Signature

Palle Jensen, Sr. VP-Regulatory Affairs
Title

3/9-12
Date

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APPENDIX A

Confidentiality and Nondisclosure Agreement

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

THIS CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT (the "Agreement") is effective as of March 9, 2012 by and between Pacific Gas and Electric Company ("PG&E"), with its primary business address at 77 Beale Street, San Francisco, California 94105 and San Jose Water Company ("SJWC"), with its primary business address at 110 W. Taylor Street, San Jose, CA 95110 each referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on May 5, 2011, the California Public Utilities Commission (the "Commission") adopted Decision ("D.") 11-05-020, which requires certain water and energy utilities with overlapping service territories to share low-income customer information in order to increase the participation rates of eligible customers in low-income assistance programs;

WHEREAS, D.11-05-020 adopts guidelines for sharing between water and energy utilities and directs the water and energy utilities to enter into nondisclosure agreements to implement data sharing and ensure the confidentiality of customer information, of which this Agreement is a core element of the Parties' data sharing plans;

WHEREAS, pursuant to the directives in D.11-05-020, each Party desires to disclose to and receive from the other Party Confidential Customer Data, as defined in Section 1 below;

WHEREAS, each Party desires to protect, use, handle, and safeguard Confidential Customer Data it receives from the other Party hereto in accordance with the duties and responsibilities set forth herein, giving it the same degree of care as the receiving Party exercises with its own Confidential Customer Data to prevent its unauthorized disclosure; and

WHEREAS, it is to the mutual benefit of each Party hereto to enter into this Agreement and provide for a procedure to share and protect Confidential Customer Data disclosed pursuant to this Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the Parties agree as follows:

1. **Definition of Confidential Customer Data**

"Confidential Customer Data" as used in this Agreement, means information or data received by one Party from the other Party, in written or other forms, which includes customer names, service addresses, billing addresses, re-certification information, post-enrollment status and other customer-specific information relevant to the enrollment and participation in low-income assistance programs offered by the Parties.

2. **Purpose and Limited Use**

The Parties acknowledge and agree that the purpose of this Agreement is to permit each Party to transmit and receive Confidential Customer Data to and from the other Party hereto, in order to facilitate eligible customer enrollment in, and the continued provision of, low-income assistance programs (the "Purpose"). The receiving Party shall use Confidential Customer Data received pursuant to this Agreement only for the Purpose and for no other use whatsoever.

3. Security of Transmitted Information

All information transmitted pursuant to this Agreement shall be kept secure by the receiving Party. Prior to the delivery of Confidential Customer Data and during the term of this Agreement, the Parties shall implement security procedures, practices and controls sufficient to safeguard against unauthorized access to, or destruction, use, alteration or disclosure of Confidential Customer Data. Security means the industry standards and techniques, both physical and logical, to ensure that the Confidential Customer Data will not be compromised and shall be kept secure. Each Party represents and warrants that it has adopted and implemented an information security policy, program and controls that includes reasonable administrative, technical and physical safeguards (including encryption of Confidential Customer Data if requested by either Party) against risk of loss, unauthorized access or use, destruction, modification, and unintended or inappropriate disclosure. The receiving Party shall revise its information security policy, program and controls as frequently as necessary to maintain its sufficiency. The receiving Party represents and warrants that it shall comply with the terms of this Agreement and its information security policy, program and controls, subject to the following:

- a. Prior to the first transfer of Confidential Customer Data to receiving Party, receiving Party will provide transferring Party with documentation of such compliance with the above-referenced security procedures, practices and controls satisfactory to transferring Party, which documentation shall be subject to the same confidentiality requirements that govern the Confidential Customer Data, including, but not limited to, notice in the event of disclosure, as specified.
- b. The Parties agree to meet periodically, if requested by either Party, to evaluate each Parties' information security policy and to discuss, in good faith, means by which the Parties can enhance such protection, if deemed necessary by mutual agreement.
- c. In the event either Party determines that the other Party has not complied with the security practices, procedures and controls required by this Agreement, such Party shall provide written notice to the other Party describing the deficiencies. The other Party shall then have sixty (60) calendar days to cure. If the other Party has not cured the deficiencies within sixty (60) calendar days, the initiating Party may terminate this Agreement for cause without penalty or liability to the other Party. In the event of disagreement between the Parties regarding the sufficiency of the receiving Party's security procedures: (1) the Parties agree to attempt, in good faith, to resolve said disagreement; and (2) the disclosing Party may suspend or not initiate the transmission of Confidential Customer Data until such time that said disagreement is resolved. If the Parties are unable to voluntarily reach a mutually satisfactory resolution regarding the sufficiency of the receiving Party's security procedures, either Party may seek resolution of such disagreement through informal or formal procedures at the California Public Utilities Commission.

4. Nondisclosure

Subject to Section 5 (Exceptions to Nondisclosure) below, the Parties agree to keep all Confidential Customer Data received under this Agreement in the strictest confidence. The Parties further agree to restrict the disclosure of Confidential Customer Data to utility employees, consultants, representatives and agents with an authorized "need to know" in that, in order to implement the Purpose, it is necessary that each such employee, consultant,

representative or agent receive or review the Confidential Customer Data. Each such recipient of Confidential Customer Data shall be:

- a. advised that the information is confidential and must not be used except to accomplish the Purpose;
- b. instructed as to the proper handling of Confidential Customer Data, to protect against risk of loss, unauthorized access or use, destruction, modification or unintended or inappropriate disclosure; and
- c. subject to the receiving Party's internal restrictions concerning disclosure of confidential information.

5. Exceptions to Nondisclosure

Notwithstanding Section 4 (Nondisclosure) above, neither Party shall be liable under this Agreement if a disclosure or use of Confidential Customer Data is made where the Confidential Customer Data (whether individually or in the aggregate) is:

- a. in the public domain at the time of the disclosure or is subsequently made available to the general public without restriction and without breach of this Agreement by the receiving Party;
- b. known by the receiving Party at the time of disclosure without restrictions on its use or independently developed by the receiving Party, as evidenced by adequate written documentation;
- c. disclosed to the receiving Party by a third party without restriction and without breach of any agreement;
- d. disclosed with the prior written approval of the disclosing Party;
- e. used or disclosed in communications consistent with the Purpose of this Agreement to the customer that is the subject of the Confidential Customer Data, his/her authorized representative, or an individual the Party reasonably believes to be the customer or his/her authorized representative;
- f. used or disclosed pursuant to a court order, subpoena or other lawful order of a court or governmental authority of competent jurisdiction or pursuant to any statutory or regulatory requirements, with prior written notice given to the disclosing Party; or
- g. disclosed as required by applicable law, with prior written notice given to the disclosing Party.

6. Unauthorized Disclosure

In the event of any unauthorized disclosure of Confidential Customer Data received pursuant to this Agreement, the Party responsible for such unauthorized disclosure must immediately notify, in writing, the disclosing Party (from whom the Confidential Customer Data was originally received).

7. Notice

Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows, with notice deemed given as indicated: (a) by personal delivery, upon receipt; (b) by overnight courier, upon written verification of receipt; or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Each Party hereunder designates only the following position as its authorized representative to receive notice required or permitted under this Agreement:

For: Pacific Gas and Electric Company
Christopher J. Warner
Position Title: Chief Counsel
Address: P.O. Box 7442
San Francisco, CA 94120
Phone: 415-973-6695

For: San Jose Water Company
Wille Brown
Position Title: Attorney
110 W. Taylor Street
San Jose CA 95110
Phone: 408-818-7280

8. Term

This Agreement shall be effective on the date set forth above, and shall continue in full force and effect until terminated in accordance with the terms set forth in Section 9 (Termination) below.

9. Termination

Either Party may terminate this Agreement by thirty (30) days prior written notice. Termination of this Agreement shall not abrogate either Party's obligations with respect to the treatment and care of Confidential Customer Data received prior to the date of termination as detailed in this Agreement.

10. Limitations on Liability

No Party shall be liable to any other Party for any punitive, special, indirect, incidental, or consequential damages whatsoever whether in contract, tort (including negligence), or strict liability resulting from a Party's performance or nonperformance of its obligations under this Agreement.

11. Indemnity

PG&E shall indemnify, defend, and hold harmless SJWC and its current and future, direct and indirect parent company(ies), subsidiaries, affiliates and respective successors, assigns, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions (including reasonable attorneys fees) arising out of, related to, or in any way caused by the negligent acts or omissions of PG&E, its employees, agents or subcontractors in the course of PG&E's performance under this Agreement.

SJWC shall indemnify, defend, and hold harmless PG&E and its current and future, direct and indirect parent company(ies), subsidiaries, affiliates and respective successors, assigns, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions (including reasonable attorneys fees) arising out of, related to, or in any way caused by the negligent acts or omissions of SJWC, its employees, agents or subcontractors in the course of SJWC's performance under this Agreement.

12. Survival

Notwithstanding the termination of this Agreement pursuant to Section 9 (Termination) above, each Party's obligations under this Agreement with respect to the other Party's Confidential Customer Data, as set forth in Sections 1-7 and 9-20 shall survive the termination of this Agreement.

13. Designated Recipient

Each Party hereunder designates only the following position as its authorized representative to receive Confidential Customer Data transmitted under this Agreement:

For: Pacific Gas and Electric Company
Susan Norris
Position Title: Senior Manager, CES
Address: 245 Market Street
San Francisco, CA 94105
Phone: 415-973-1421

For: San Jose Water Company
Dana Drysdale
Position Title: VP- Information Systems
Address: 110 W. Taylor St.
San Jose, CA 95110
Phone: 408-279-7977

14. Expenses

Each Party shall use its own resources and funds in carrying out the provisions of this Agreement, and neither Party shall be responsible for reimbursing the other Party for expenditures of costs incurred hereunder, except as provided in Section 10 (Indemnity) above.

15. Ownership of Confidential Customer Data

All Confidential Customer Data transmitted by either Party to the other Party pursuant to this Agreement shall be and remain the property of the disclosing Party.

16. Not A Joint Venture

This Agreement shall not constitute, create or otherwise imply a joint venture, teaming or pooling agreement, partnership or business combination of any kind.

17. No Representations or Warranties

Any Confidential Customer Data transmitted under this Agreement shall carry no warranties or representations of any kind, either express or implied. The receiving Party shall not rely on the Confidential Customer Data for any purpose other than to make its own evaluation for the Purpose of this Agreement.

18. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the State of California (the "State"), without regard to its conflict of law principles.

19. Other Applicable Law

Each Party disclosing or receiving Confidential Customer Data pursuant to this Agreement is responsible for complying with any applicable State and federal privacy requirements.

20. Binding Agreement

This Agreement shall be binding upon the Parties, their successors and assigns.

21. No Assignment

Except for a transfer to an affiliate or a subsidiary pursuant to applicable Commission-approved affiliate transaction rules, no rights or obligations under this Agreement shall be assigned or transferred without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or denied.

22. Complete Agreement

This Agreement contains the entire understanding between the Parties with respect to the confidentiality and nondisclosure obligations for Confidential Customer Data hereunder. No change or modification shall be made effective, unless in writing, and signed by an authorized representative of each Party. Any conflict between the language on any specific legend or stamp on any Confidential Customer Data received hereunder and this Agreement shall be resolved in favor of the language of this Agreement.

23. Severability

The invalidity or unenforceability of any provision of this Agreement shall not effect the validity or enforceability of any other provision hereof.

24. Headings

The headings contained herein are for convenience of reference only and shall not be construed to be part of this Agreement.

25. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be an original as against any Party whose signature appears thereon and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the Parties reflected hereon as signatories.

25. Jurisdiction of the Commission

This Agreement shall at all times be subject to such changes or modifications by the Commission or as said Commission may, from time to time, direct in the exercise of its jurisdiction.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their authorized representatives as of the date set forth above.

PACIFIC GAS AND ELECTRIC COMPANY


Authorized Signature

Chre Uijang
Title

3/9/12
Date

SAN JOSE WATER COMPANY


Authorized Signature

Palle Jensen, Sr. VP - Regulatory Affairs
Title

3/9-12
Date

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APPENDIXB

Data Transfer File Format

APPENDIX B

Data Transfer File Format

Record Types

RECORD LENGTH - 280

Header Records

RECTYPE		2	'10' - HEADER
HDR INTERFACE ID		40	COMPANY ID
HDR CREATED DATE		8	HEADER DATE – CCYYMMDD
HDR CREATED TIME		6	HEADER TIME - HHMMSS
FILLER		224	

TOTAL RECORD
 SIZE: 280

Detail Record

RECTYPE		2	'20' - DETAIL
LAST NAME		30	CUSTOMER LAST NAME
FIRST NAME		30	CUSTOMER FIRST NAME
SERVICE HOUSE NO		6	HOUSE NUMBER - MUST BE NUMERIC
SERVICE FRCTN		3	FRACTIONAL STREET ADDRESS NUMBER
SERVICE PREFIX		2	STREET DIRECTION
SERVICE STREET		30	STREET NAME
SERVICE SUFFIX		4	STREET SUFFIX
SERVICE APT		8	APARTMENT OR SUITE NUMBER
SERVICE CITY		30	CITY NAME
SERVICE STATE		2	2 CHAR STATE CODE
SERVICE ZIP		5	5-DIGIT ZIP - MUST BE NUMERIC
SERVICE ZIP+4		4	4-DIGIT ZIP+4
BILLING HOUSE NO		6	HOUSE NUMBER - MUST BE NUMERIC
BILLING FRCTN		3	FRACTIONAL STREET ADDRESS NUMBER
BILLING PREFIX		2	STREET DIRECTION
BILLING STREET		30	STREET NAME
BILLING SUFFIX		4	STREET SUFFIX
BILLING APT		8	APARTMENT OR SUITE NUMBER

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APPENDIX B

Data Transfer File Format

BILLING CITY		30	CITY NAME
BILLING STATE		2	2 CHAR STATE CODE
BILLING ZIP		5	5-DIGIT ZIP - MUST BE NUMERIC
BILLING ZIP+4		4	4-DIGIT ZIP+4
CERTIFIED DATE		8	DATE – CCYYMMDD
ENROLLTYPE		1	1 CHAR ENROLL TYPE – E or R
POST ENROLL VERIFICATION		8	DATE – CCYYMMDD
FILLER		13	

TOTAL RECORD
 SIZE: 280

Trailer Record

RECTYPE		2	'90' - TRAILER
REC COUNT		10	NUMBER OF RECORDS
FILLER		268	

TOTAL RECORD
 SIZE: 280