Thank you for making the choice to promote renewable energy. PG&E supports customers who make smarter energy choices. Customers like you are playing an increasingly important role by adding renewable generation to the electrical grid. In order to ensure the success of the Net Energy Metering Program (NEM), PG&E is committed to helping our customers understand the billing process so they can best leverage their investment.

Understanding Your NEM Rate Schedule

Otherwise Applicable Rate Schedule (OAS)
On your interconnection agreement, you selected an Otherwise Applicable Rate Schedule (OAS) that will be used to bill your NEM account. Your OAS is important because it determines not only how you will be charged for net usage, but also in part, it determines how you will be credited for net-generation—which is the excess energy your system exports back to PG&E. If you have any questions about your OAS, please call us at 1-800-468-4743.

NEM Rate Schedule Options for Residential / Small Commercial

Standard Rate Schedule
For customers who chose the standard residential rate schedule (E-1), or the standard small-commercial rate schedule (A-1), the cost per kilowatt hour (kWh) will not vary by time of day. The net energy meter will collect data on a cumulative basis.

Time-of-Use Rate Schedule
For customers who chose a time-of-use (TOU) rate schedule the cost per kWh varies by season and time of day. A net energy meter on a time-of-use rate schedule collects data for each time-of-use period. TOU rates are higher when the demand for energy is highest. Peak hours are midday and early evening.

California Solar Initiative
Customers receiving rebates through the California Solar Initiative are required to choose service under an applicable existing TOU rate starting in 2007, provided there is an applicable TOU rate for your customer class. For residential customers PG&E offers two TOU rate options: E-6 and E-7**. For commercial and industrial: A-6, A-10, E-19, and E-20.

TOU Example: The chart below is graphical representation of a PG&E residential TOU rate (E-6):

<table>
<thead>
<tr>
<th>SUMMER</th>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midnight</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 a.m. - 10 a.m.</td>
<td></td>
<td></td>
<td>Off-peak</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 a.m. - 1 p.m.</td>
<td>Off-peak</td>
<td></td>
<td>Part-Peak</td>
<td></td>
<td></td>
<td></td>
<td>Off-peak</td>
</tr>
<tr>
<td>1 p.m. - 7 p.m.</td>
<td>*Part-peak</td>
<td></td>
<td>Peak</td>
<td></td>
<td></td>
<td></td>
<td>*Part-peak</td>
</tr>
<tr>
<td>7 p.m. - 9 p.m.</td>
<td>5 p.m. - 8 p.m.</td>
<td></td>
<td>Part-Peak</td>
<td></td>
<td></td>
<td></td>
<td>5 p.m. - 8 p.m.</td>
</tr>
<tr>
<td>9 p.m. - Midnight</td>
<td></td>
<td>Off-peak</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The summer season is May 1 through October 31. In addition to the part-peak periods from 10 a.m. - 1 p.m. and 7 p.m. - 9 p.m. on weekdays, there is a part-peak period from 5 p.m. - 8 p.m. on weekends. All the hours on tariff designated Holidays are considered off-peak.

** New NEM solar residential customers taking service after January 1, 2007 may select E-7 as their OAS until either 5,000 new NEM solar customers have been interconnected or until the final 2007 General Rate Case decision has been made regarding revisions to E-6, whichever is sooner. Customers taking service on E-7 may remain on E-7 until they decide to make a change in their OAS.
The winter season is November 1 through April 30. A part-peak period exists from 5 p.m. – 8 p.m. on weekdays. All the hours on tariff designated Holidays are considered off-peak.

Understanding Net-Generation Credits

Your renewable energy generation production can help you reduce your energy bill in three unique ways:

1. Your generator can send energy directly to your home appliances, offsetting any PG&E supplied energy directly. This is as if you are effectively receiving the equivalent of a full retail rate credit for your generation.

2. Your generator may export energy to the PG&E grid. When you are not using energy while your generator is running, the energy that is produced is sent to PG&E’s grid, causing your PG&E meter’s net kWh reading to decrease. At night when your generator is not producing energy and you require power for lighting and appliances, your PG&E meter reading will increase. The offset caused by sending your excess energy to the grid and making your PG&E meter “spin backward”, and using the energy when you need it will result in a full retail rate credit for any net-generation.

3. Each month PG&E reads its meter at your house. By subtracting the monthly reading from the previous month, PG&E determines the net amount of energy you either used or sent to PG&E’s grid during the month. If you used energy, PG&E will calculate that month’s usage as a charge, in the same way it would if you did not have a generator and were just taking service on your OAS alone. If you sent more energy to PG&E’s grid than you used, it is valued as a credit. The valuation of that credit is based on the full retail energy charge provided in your OAS. That credit is carried forward on your NEM account and can be used to offset energy charges throughout the duration of your true-up period.

Understanding Net-Consumption Charges

Net-consumption charges are dependent on a number of factors:

Net kilowatt hour usage (kWh) represents the total amount of energy supplied by PG&E that your household consumes. This amount, in concert with the TOU period and baseline tier in which the energy was used, will determine what you will pay for energy.

The Baseline quantity is the maximum amount of kWh usage that can be billed at the lowest price of your chosen OAS. Residential customer rates are tiered; meaning usage over baseline allowance is calculated at a higher rate (depending on the rate schedule). Baseline quantities vary by season, climate zone and the customer’s heat source.

Keeping usage below or near your baseline quantity is a great way to lower your bill.

These quantities are intended to represent the electricity necessary to supply a significant portion of the reasonable energy needs for an average residential customer. Customers enrolled in the California Alternate Rates for Energy (CARE) program who receive discounts on their energy rates and customers with medical baselines receive additional amounts of baseline usage.

If applicable, TOU periods, in concert with baseline tiers, determine the charges for the kWh that you consume. Customers using energy during peak periods are charged at the applicable peak rate, taking into account the customer’s usage in relation to their baseline quantity. Likewise, net kilowatt-hours produced by you and exported to PG&E’s grid are valued at the same price per kilowatt-hour that PG&E would charge during that same time of use period.
PACIFIC GAS AND ELECTRIC COMPANY

NET ENERGY METERING ELECTRIC STATEMENT

THIS IS NOT A BILL

Service Dates: December 29, 2005 to January 30, 2006
True-up Period from March, 2005 to February, 2006

CUSTOMER NAME
SERVICE ADDRESS
SERVICE ADDRESS

TOTAL CURRENT MONTH’S BILLED AMOUNT

$11.74*

*This amount is the minimum you must pay this month and is reflected on your regular monthly blue bill, in addition to the energy charges that you may pay monthly or at the end of the true-up period showed above. It includes the following components: Transmission $0.41, Distribution $10.77, Public Purpose Programs $0.09, Nuclear Decommissioning $0.01, Generation $0.46.

ENERGY CHARGES/CREDITS:

Current Month Energy Charge/Credit (-):

$107.99

Cumulative Energy Charges/Credits (-) for the current true-up period:

$432.10

This Cumulative Energy Charges does not reflect any payment you may have made.

You have the option to pay your energy charges either monthly or at the end of your true-up period.

ANY UNPAID ENERGY CHARGES WILL BE DUE AT THE END OF YOUR TRUE-UP PERIOD (Feb 2006)

CURRENT MONTH METER INFORMATION:

<table>
<thead>
<tr>
<th>METER BADGE ID</th>
<th>SEASON</th>
<th>TOU PERIOD</th>
<th>PRIOR READ</th>
<th>CURRENT READ</th>
<th>DIFFERENCE</th>
<th>METER CONSTANT</th>
<th>ENERGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>126M98</td>
<td>Winter</td>
<td>Peak</td>
<td>49,227</td>
<td>49,227</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>126M98</td>
<td>Winter</td>
<td>Part</td>
<td>47,383</td>
<td>47,763</td>
<td>380</td>
<td>1</td>
<td>380</td>
</tr>
<tr>
<td>126M98</td>
<td>Winter</td>
<td>Off</td>
<td>70,666</td>
<td>71,098</td>
<td>432</td>
<td>1</td>
<td>432</td>
</tr>
<tr>
<td>TOTAL(S)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>812</td>
</tr>
</tbody>
</table>

CURRENT MONTH BASELINE QUANTITY INFORMATION:

<table>
<thead>
<tr>
<th>SEASON</th>
<th>RATE EFFECTIVE DATE</th>
<th>RATE DAYS</th>
<th>DAILY BASELINE QUANTITY</th>
<th>MONTHLY BASELINE QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter</td>
<td>10/01/05</td>
<td>2</td>
<td>10.20</td>
<td>20.400</td>
</tr>
<tr>
<td>Winter</td>
<td>01/01/06</td>
<td>30</td>
<td>10.20</td>
<td>306.000</td>
</tr>
<tr>
<td>TOTAL(S)</td>
<td></td>
<td></td>
<td></td>
<td>326.400</td>
</tr>
</tbody>
</table>

Question Regarding This Bill Can Be Directed To: BUSINESS CUSTOMER CENTER (800) 468-4743

DATE BILLED: 02/01/06

Billing Point ID: xxxxxxxxxx
PACIFIC GAS AND ELECTRIC COMPANY
NET ENERGY METERING ELECTRIC STATEMENT
THIS IS NOT A BILL
Service Dates: December 29, 2005 to January 30, 2006
True-up Period from March, 2005 to February, 2006

ENERGY TRUE-UP HISTORY:

<table>
<thead>
<tr>
<th>BILLING MONTH</th>
<th>BILL TO DATE</th>
<th>SUMMER ON</th>
<th>SUMMER PART</th>
<th>SUMMER OFF</th>
<th>WINTER PART</th>
<th>WINTER OFF</th>
<th>TOTAL ENERGY</th>
<th>ENERGY CHARGES / CREDITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 2006</td>
<td>01/30/06</td>
<td></td>
<td></td>
<td></td>
<td>380</td>
<td>432</td>
<td>812</td>
<td>$107.99</td>
</tr>
<tr>
<td>Jan 2006</td>
<td>12/29/05</td>
<td></td>
<td></td>
<td></td>
<td>215</td>
<td>426</td>
<td>641</td>
<td>$61.54</td>
</tr>
<tr>
<td>Dec 2005</td>
<td>11/30/05</td>
<td>2</td>
<td>0</td>
<td>56</td>
<td>1</td>
<td>557</td>
<td>616</td>
<td>$45.06</td>
</tr>
<tr>
<td>Nov 2005</td>
<td>10/28/05</td>
<td>8</td>
<td>-59</td>
<td>649</td>
<td></td>
<td></td>
<td>598</td>
<td></td>
</tr>
<tr>
<td>Oct 2005</td>
<td>09/29/05</td>
<td>-20</td>
<td>-78</td>
<td>666</td>
<td></td>
<td></td>
<td>568</td>
<td>$40.93</td>
</tr>
<tr>
<td>Sep 2005</td>
<td>08/29/05</td>
<td>-53</td>
<td>-78</td>
<td>641</td>
<td></td>
<td></td>
<td>510</td>
<td>$16.55</td>
</tr>
<tr>
<td>Aug 2005</td>
<td>07/29/05</td>
<td>-60</td>
<td>-120</td>
<td>698</td>
<td></td>
<td></td>
<td>518</td>
<td>$14.24</td>
</tr>
<tr>
<td>Jul 2005</td>
<td>06/29/05</td>
<td>-52</td>
<td>-114</td>
<td>626</td>
<td>-4</td>
<td>19</td>
<td>419</td>
<td>$5.01</td>
</tr>
<tr>
<td>Jun 2005</td>
<td>05/31/05</td>
<td>-52</td>
<td>-121</td>
<td>577</td>
<td>-179</td>
<td>683</td>
<td>504</td>
<td>$26.57</td>
</tr>
<tr>
<td>May 2005</td>
<td>04/29/05</td>
<td></td>
<td></td>
<td></td>
<td>-56</td>
<td>726</td>
<td>670</td>
<td>$11.09</td>
</tr>
<tr>
<td>Apr 2005</td>
<td>03/31/05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,316</td>
<td>$432.10</td>
</tr>
</tbody>
</table>

**Energy Charges/Credits (-) include all energy related amounts and taxes.

This graph reflects your net energy charge and credit (-). The total output of your generator may be different.

Question Regarding This Bill Can Be Directed To: BUSINESS CUSTOMER CENTER (800) 468-4743

DATE BILLED: 02/01/06  Billing Point ID: xxxxxxxxxx
Additional Information

1 This is not a bill: The Net Energy Metering Electric Statement is not a bill; it is a statement that details the net-generation and net-consumption related to your NEM account. This statement is sent on a monthly basis and is intended to provide you with details about your net-energy usage and the charges/credits that you have accrued so you can keep track of your total charges/credits throughout the true-up period.

2 Service Dates: The dates used to calculate a bill exclusive of the "Bill From" date and including the "Bill To" date.

3 True-up Period: The “true up” is the annual reconciliation of all charges and/or credits accrued at the end of your 12-month billing cycle. This period normally represents the anniversary date of your interconnection.

4 Rate Schedule: When you applied for Net Energy Metering, you selected an Otherwise Applicable Rate Schedule (OAS). Your OAS is important because it determines not only how you will be charged for net usage, but also how you will be credited for the net-generation that you export to PG&E’s grid from your generating facility.

5 Account ID: When you have questions or need service, giving PG&E this unique account identifier will help us serve you more quickly.

6 Service ID: A new 10-digit number that uniquely identifies your service agreement and your account information. The service agreement makes use of rates, billing days, metering information, and other factors in order to calculate applicable charges.

7 Total Current Month Billed Amount: This amount reflects the monthly minimum charges due.

8 Current Month Energy Charges/Credits: The current month energy charge/credit reflects the kWh charges/credits accrued by you in the current billing period. Residential and Commercial customers on A1 or A6 have the option to pay their energy charges either monthly or annually. Such customers whose generator credits will not offset most of their usage charges or who are accruing a large Cumulative Energy Charge (see 9 below) may want to pay their energy charges monthly to avoid a large year end true-up bill. All other customers are required to pay their energy charges on a monthly basis.

9 Cumulative Energy Charges/Credits: The cumulative energy charges/credits for the current true-up period is an aggregated total of the kWh charges that you have accrued throughout the true-up period. If not paid or offset by energy credits, this amount will be payable upon receipt of your true-up statement.

10 Option to Pay Monthly or Annually: Pursuant to California Public Utility Code, residential customers, customers on a non-demand rate schedule (A1 or A6) and commercial customers with demand less than 20 kW have the option to pay energy charges on either a monthly or an annual basis.

11 Seasonal Effects on your Rate: Depending on the season, your rates will vary and your baseline quantities will change. The summer season represents the dates from May 1 through October 31 and the winter season from November 1 through April 30. During the winter season, baseline allowances will generally increase, while they generally decrease during the summer season. During billing periods that crossover between seasons, you will see separate entries for your usage in each seasonal period.
Additional Information (Continued)

12 TOU Period: Time-of-Use (TOU) rates are higher during peak hours when the demand for energy is highest. Peak hours occur during midday and early evening. Part-peak hours (if applicable) are generally in the morning and evening hours and off-peak periods are generally during the overnight and weekend periods. Please check your specific rate schedule to determine the exact timing of your TOU periods.

13 Meter Difference: The monthly meter difference is the difference in two consecutive meter reads of your PG&E meter and represents the kWh used from the beginning to the end of a specific billing period. This meter difference, multiplied by the meter constant (usually 1 for residential customers) determines the net kWh that you have used during a billing period.

14 Baseline Quantity: The baseline quantity is a designated amount of kilowatt-hours (kWh) of energy that PG&E customers can buy at a predetermined rate. The baseline quantity designated for each customer depends on the season, whether or not the customer has permanently installed electric heating and the geographic zone in which the customer lives. Baseline quantity is important as it is a component of how you are charged/credited for usage and generation exported to the grid.

15 Business Customer Center (BCC): PG&E's BCC is a group of business customer specialists within the Account Services department that provide assistance to solar customers.

16 Energy Charges/Credits: Following the completion of a true-up period, any credits for excess generation that you earn will be applied to electricity charges within this 12-month reconciliation period. If you produce more energy than you use, please note that you will not be paid for any excess energy production at the end of the annual reconciliation period, nor will any excess energy credits be applied to your next true-up period.

17 Net Usage Graph: This graph provides a visual measure of your net usage/generation by TOU and seasonal period.

For more information visit pge.com