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REGULATORY RELATIONS DEPARTMENT
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STATE OF CALIFORNIA GRAY DAVIS, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691

August 4, 2003

Advice Letter 2389-E

Ms Anita Smith, Rate Analyst
Pacific Gas and Electric Company
77 Beale Street, 10B Mail Code
San Francisco, CA 94177

Subject: Advanced metering and demand response project for large customers, electric Schedules E-BIP, E-OBMC, E-SLRP, E-DBP, E-POBMC AND E-CPP

Dear Ms Smith:

Advice Letter 2389-E is effective August 1, 2003. A copy of the advice letter is included herewith for your records.

Sincerely,

Paul Clanon

Paul Clanon, Director
Energy Division

jjr

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Advice 2389-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California (CPUC)

<u>Subject:</u> **Advanced Metering Project – Demand Response Programs For Large Customers, Electric Rate Schedules E-BIP, E-OBMC, E-SLRP, E-DBP, E-POBMC, and E-CPP – EXPEDITED APPROVAL REQUESTED**

Pacific Gas and Electric Company (PG&E) hereby submit for filing a new E-CPP tariff and revisions to its current interruptible electric tariffs and associated agreement, for expedited approval. In compliance with Ordering Paragraph (O.P.) 28 and Attachments C and D of Decision (D.) 03-06-032, tariff sheets have been revised and are listed on the enclosed Attachment I.[1] PG&E is also filing to terminate Schedule A-RTP and Schedule E-PBIP in compliance with O.P. Nos. 17 and 18 of D.03-06-032.

Purpose

The purpose of this filing is to comply with Decision (D.) 03-06-032 and establish new electric Rate Schedule E-CPP, *Critical Peak-Pricing,* and modify existing electric Rate Schedules E-DBP – *Demand Bidding Program*; E-POBMC – *Pilot Optional Binding Mandatory Curtailment Program*; E-OBMC – *Optional Binding Mandatory Curtailment Program*; E-BIP – *Baseline Interruptible Program*; E-SLRP – *Scheduled Load Reduction Program,* and also to modify the associated *Interruptible Program Agreement* (Form 79-976).

This filing also terminates rate Schedules A-RTP and Schedule E-PBIP, in compliance with O.P. Nos. 17 and 18 of D. 03-06-032.

The purpose of these electric rate schedules is to help make it possible for PG&E to achieve its share of statewide demand response goals, and to provide an initial set of voluntary tariffs and programs for large electric customer with electric demands of at least 200 kW (Large Customers).

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[1] PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

Background

In June 2002, the Commission issued Rulemaking (R.) 02-06-001. The purpose of the Rulemaking is to provide a forum to establish comprehensive policies to: (1) develop demand flexibility as a resource to enhance electric system reliability; (2) reduce power purchase and individual consumer costs; and (3) protect the environment. The intended result is that customers will have a diverse array of options and choices through which they can make their demand-responsive resources available to the electric system.

The Rulemaking was divided into multiple phases. In addition, there are three working groups – Working Group (WG) 1, composed of agency decision-makers; WG 2, composed of active parties interested in developing demand response programs for large customers; and WG 3, composed of active parties who are interested in developing demand response programs for small commercial and residential customers.

On November 15, 2002, WG2 filed its first report that contained six demand response offerings to be implemented by Summer 2003. On December 13, 2002, WG2 filed its second report that supplemented the first report by addressing implementation details. On January 16, 2003, WG2 filed its third report that modified the previous report and contained a proposal sponsored by the respondent IOUs for a statewide critical peak pricing (CPP) tariff. On March 11, 2003, WG2 filed its fourth and final report addressing transitional incentives for the proposed interruptible tariffs. On June 6, 2002, the Commission issued D. 03-06-032, “Demand Response Goals and Adopting Tariffs and Programs for Large Customers.”

In compliance with D.03-06-032, and to provide large customers with choices from a new menu of demand response programs, PG&E is hereby filing Advice 2389-E.

Electric Rate Schedules

In accordance with the Ordering Paragraphs of D.03-06-032, the attached proposed electric rate schedules are designed to:

- Give customers choices from a portfolio of voluntary demand response programs;
- Permit certain customers with multiple meters and electric accounts at a single location to enroll additional accounts in demand response programs;
- Permit limited participation by agricultural customers in the demand response programs;

- Permit limited participation by customers in multiple demand response programs;

- Provide participating customers with the option of receiving incentives to help pay for the cost of professional technical assistance to develop verifiable new demand response capabilities at their facilities;

- Provide a temporary optional bill protection for those customers participating in the CPP program.

Electric Rate Schedule E-CPP – Critical Peak Pricing

The proposed Critical Peak Pricing (CPP) program tariff offers qualifying Large Customers with demand greater than 200 kW a new alternative to service under traditional time-of-use rates. During a fixed number of CPP event days, participants will pay a premium for energy usage during CPP High-Price hours (3 p.m. to 6 p.m.), together with a slightly lower premium for usage during CPP Moderate-Price hours (12 Noon to 3 p.m.). The implementation of CPP event days will be based on the day-ahead forecasted temperatures at specific locations within each of two designated PG&E geographic zones. Participants will be notified of a CPP event by 5 p.m. on the day preceding an event. Participants will receive a discount off of their otherwise applicable rate schedule for on-peak and part-peak energy usage on all other summer weekdays, those days when CPP events are not scheduled. Eligible customers are those who receive bundled service from PG&E under rate Schedules E-20, E-19 (including voluntary), A-10 TOU, AG-4 (option C & F only) or AG-5 (option C & F only). A customer with multiple accounts at a single site may participate in the CPP program with additional accounts on the premises that are less than 200 kW average demand, provided at least one of the customer accounts is greater than 200 kW average demand and is participating in the CPP program. Customers on the CPP tariff may select from two types of transitional incentive options: bill protection and/or technical assistance.

Revisions to Existing Electric Tariffs

Electric Rate Schedule E-DBP– Demand Bidding Program

The Decision expands the existing Demand Bidding Program (DBP) by making it both an emergency and a day-ahead bidding program and expands the eligibility criteria to include certain agricultural customers, as well as multiple meter customer groups, and allows the California Energy Commission (CEC) or its contracting agent to conduct a site visit for measurement and evaluation. Consequently, the revised E-DBP will supercede the existing tariff. Customers must be on Schedules E-20, E-19 (including voluntary), A-10 TOU, AG-4 (option C & F only) or AG-5 (option C & F only) to participate in this program. Customers on the DBP tariff may select the technical assistance transitional incentive option to assist them in identifying and implementing demand reduction.

Electric Rate Schedules E-POBMC – Pilot Optional Binding Mandatory Curtailment; E-OBMC – Optional Binding Mandatory Curtailment; E-BIP – Base Interruptible Program; and E-SLRP – Scheduled Load Reduction Program

These four rate schedules are being modified to allow for dual participation, under rules specified in D. 03-06-032, in each of these pre-existing rate programs in combination with participation in the California Power Authority's Demand Response Partnership program.

The following agreement form is proposed to comply with D. 03-06-032:

- **Form 79-1005** – Technical Assistance Incentive Application

In compliance with the decision, PG&E and California Energy Commission (CEC) are in the process of reaching agreement regarding the content of the form. PG&E will file this form as soon as it is available.

Moreover, the following agreement forms are being modified to comply with D. 03-06-032:

- **Form 79-966** – Agreement For Schedule E-OBMC. This Agreement is being modified in Section 4. Participation in Capacity Interruptible Programs to include the CPA DRP as an additional demand response option

- **Form 79-993** – Agreement for Schedule E-POBMC. This Agreement is being modified in Section 4. Participation in Capacity Interruptible Programs to include the CPA DRP as an additional demand response option.

- **Form 79-976** – Interruptible Program Agreement. This Agreement is being modified to include the E-CPP as an additional demand response option; delete the E-PBIP option; add language pertaining to multiple meter customer groups (Section 11); modifications to Attachment A pertaining to E-DBP pre-bid and committed load reduction amounts; addition of Attachment D pertaining to multiple meter customer groups; addition of Attachment E pertaining to transitional incentives for E-CPP and E-DBP participants; and the addition of Attachment F & G, the Non-Disclosure Agreement Regarding Confidentiality of Certain Pacific Gas and Electric Company Price Data and the Non-Disclosure Certificate. Attachment F & G adds confidentiality language to cover the forecasted hourly price that is disclosed to the DBP participant during Market Price events.

- **Form 79-977** – InterAct Agreement - This Agreement is being modified to include E-CPP as a demand response program option, as well as the addition of Attachment A for CPP and DBP multiple meter customer group listing.

Termination of Rate Schedules

In addition, to comply with Ordering Paragraphs 17 and 18, PG&E requests that the Commission terminate PG&E's Electric Rate Schedules A-RTP, *Real Time Pricing*, and Electric Rate Schedule E-PBIP – *Pilot Base Interruptible Program.*

Protests

In compliance with D. 03-06-032, Ordering Paragraph 29, anyone wishing to protest this filing may do so by sending a letter by **June 26, 2003**, which is **10 days** from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief – Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

However, in consideration of the need to begin implementation of the SPP as quickly as possible to meet the Summer 2003 requirements, PG&E respectfully requests expedited treatment of this advice filing.

In order to assist interested parties in understanding these tariffs and their impact, the utilities have agreed to participate in a meeting of Working Group 3 on **June 20, 2003**, to explain the tariffs and address any questions. **This meeting will be held from 10:00 a.m. to 4:00 p.m. at the CPUC headquarters building at 505 Van Ness Avenue, Hearing Room D, San Francisco, California, and was noticed to the entire service list in R. 02-06-001 on June 6, 2003**. This meeting should help interested parties meet the recommended shortened protest period.

Effective Date

PG&E respectfully requests that the Commission rule expeditiously on this advice filing so that PG&E may move forward to implement the SPP by July 2003, as directed by the Commission in D. 03-06-032. As such, and in compliance with D. 03-06-032, PG&E requests that once approved, the effective date of this advice filing is **July 6, 2003**, which is 20 days from the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list, and the service list parties for R. 02-06-001. Address changes should be directed to Sandra Ciach at (415) 973-7572. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

Attachments

Attachment II – Rate Design Workpapers

cc: Service List R. 02-06-001

COMMERCIAL/INDUSTRIAL/GENERAL
SCHEDULE E-19—MEDIUM GENERAL DEMAND-METERED TIME-OF-USE SERVICE
(Continued)

11. NON-FIRM SERVICE PROGRAM: (Cont'd.)

l. INTERACTIONS WITH OTHER DEMAND RESPONSE PROGRAMS: (N)

1. Customers who participate in a third-party sponsored interruptible load program must immediately notify PG&E of such activity.

2. Participants in the non-firm program may also participate in the Demand Bidding Program (Schedule E-DBP), but will not be paid the energy reduction incentives under the Schedule E-DBP during those hours where a non-firm event is issued.

3. Participants in the non-firm program may participate in the Optional Binding Mandatory Curtailment Program (Schedule E-OBMC) and the Pilot Optional Binding Mandatory Curtailment Program (Schedule E-POBMC) subject to meeting all applicable eligibility, operational and participation requirements specified in those schedules.

4. Participants in the non-firm program may participate in the California Power Authority Demand Reserves Partnership (CPA-DRP) program provided the additional load committed to the CPA-DRP is below their Firm Service Level (FSL) under the non-firm program.

5. Participants on the non-firm program shall not participate in the Scheduled Load Reduction Program (Schedule E-SLRP), or the Critical Peak Pricing Program (Schedule E-CPP) while on the non-firm program. Participants on the non-firm program may participate in the Base Interruptible Program (Schedule E-BIP) only after they have completed their annual obligations under the non-firm program.

6. Participants in the non-firm program may participate in the California Power Authority Supplemental Energy Market program but will not be paid for curtailments under the California Power Authority's program during those hours when a non-firm event is issued. (N)

(Continued)

COMMERCIAL/INDUSTRIAL/GENERAL
SCHEDULE E-20—SERVICE TO CUSTOMERS WITH MAXIMUM DEMANDS OF 1,000 KILOWATTS OR MORE
(Continued)

11. NON-FIRM SERVICE PROGRAM: (Cont'd.)

l. INTERACTIONS WITH OTHER DEMAND RESPONSE PROGRAMS: (N)

1. Customers who participate in a third-party sponsored interruptible load program must immediately notify PG&E of such activity.

2. Participants in the non-firm program may also participate in the Demand Bidding Program (Schedule E-DBP), but will not be paid the energy reduction incentives under the Schedule E-DBP during those hours where a non-firm event is issued.

3. Participants in the non-firm program may participate in the Optional Binding Mandatory Curtailment Program (Schedule E-OBMC) and the Pilot Optional Binding Mandatory Curtailment Program (Schedule E-POBMC) subject to meeting all applicable eligibility, operational and participation requirements specified in those schedules.

4. Participants in the non-firm program may participate in the California Power Authority Demand Reserves Partnership (CPA-DRP) program provided the additional load committed to the CPA-DRP is below their Firm Service Level (FSL) under the non-firm program.

5. Participants on the non-firm program shall not participate in the Scheduled Load Reduction Program (Schedule E-SLRP), or the Critical Peak Pricing Program (Schedule E-CPP) while on the non-firm program. Participants on the non-firm program may participate in the Base Interruptible Program (Schedule E-BIP) only after they have completed their annual obligations under the non-firm program.

6. Participants in the non-firm program may participate in the California Power Authority Supplemental Energy Market program but will not be paid for curtailments under the California Power Authority's program during those hours when a non-firm event is issued. (N)

(Continued)

SCHEDULE E-BIP—BASE INTERRUPTIBLE PROGRAM
(Continued)

METERING EQUIPMENT: Each account must have an interval meter capable of recording usage in 15-minute intervals installed that can be read remotely by PG&E. Metering equipment (including telephone line, cellular, or radio control communication device) must be in operation for at least ten (10) days prior to participating in the program. If required, PG&E will provide and install the metering equipment at no cost to the customer. If applicable the customer is responsible for the installation and monthly fees associated with telephone equipment and a dedicated line required for the remote reading or monitoring of the interval meter. (T)

Customers receiving an interval meter at no charge from PG&E through this Program will be able to continue to use it at no additional cost even after the Program is terminated, provided that the customer remained in the Program continuously for a minimum period of one year. A customer who receives an interval meter through this Program but later elects to leave the Program prior to the one-year anniversary date, or is terminated for cause, will reimburse PG&E for all expenses associated with the installation and maintenance of the meter. Such charges will be collected as a one-time payment pursuant to Electric Rule 2, Section I.

NOTIFICATION EQUIPMENT: Customers, at their expense, must have access to the Internet and an e-mail address to receive notification via the Internet. In addition, all customers must have, at their expense, an alphanumeric pager that is capable of receiving a text message sent via the Internet. A customer cannot participate in the Program until all of these requirements have been satisfied.

In the event of a Program curtailment operation, customers will be notified using one or more of the above-mentioned systems. Receipt of such notice is the responsibility of the participating customer. Once notified, the customer must log into the Program's Internet web site and acknowledge participation in the curtailment. Failure to acknowledge a curtailment notice does not release the customer from its obligation to participate. PG&E does not guarantee the reliability of the pager system, e-mail system or Internet site by which the customer receives notification.

PROGRAM DETAILS: The CAISO, based on its forecasted system conditions and operating procedures, may request PG&E to operate all or part of the Program.

1. Customers will be given at least thirty (30) minutes notice before each curtailment.

2. A Program curtailment operation will be limited to a maximum of one (1) event per day and four (4) hours per event.

3. The Program will not exceed ten (10) events during a calendar month, or one hundred twenty (120) hours per calendar year.

4. Customers may re-designate their firm service level or discontinue participation in the Program only once each year during the month of November. Customer shall provide written notification of such changes to PG&E. Changes will become effective January 1 of the following year.

5. The Program will be operated throughout the year.

6. In the event of a curtailment event, customers on the Program will be notified as described in the Notification Equipment Section of this schedule.

7. PG&E reserves the right to terminate the Program, with Commission approval and thirty (30) days' written notice to customers.

(Continued)

SCHEDULE E-BIP—BASE INTERRUPTIBLE PROGRAM
(Continued)

INCENTIVE PAYMENTS: PG&E will evaluate and credit customers and/or apply non-compliance penalties for the customer load reductions realized under Schedule E-BIP within a period no longer than ninety (90) days after each curtailment event, depending on where the curtailment event falls within the customer's actual billing cycle. The incentive payments will be reflected in the customer's regular monthly bill as an adjustment.

During the Summer Season (May 1 through October 31) payments will be paid based on the difference of the customer's average monthly on-peak period demand and its designated firm service level. During the Winter Season (November 1 through April 30) payments will be paid based on the difference of the customer's average monthly partial-peak period demand and its designated firm service level. This difference will be multiplied by the price of $7.00 per kW-month to determine the incentive payment.

FAILURE TO REDUCE LOAD: Customers will be penalized $6.00 per kWh for energy usage over its firm service level during a curtailment. PG&E may elect to evaluate and assess the non-compliance penalties associated with several curtailment events as a single adjustment.

INTERACTION WITH CUSTOMER'S OTHER APPLICABLE CHARGES: Participating customers' regular electric service bills will continue to be calculated each month based on their actual recorded monthly demands and energy usage.

Customers who participate in a California Power Authority (CPA) or a third party sponsored interruptible load program must immediately notify PG&E of such activity. (T)

Load can only be committed to one interruptible program for any given hour of a curtailment, and customers will be paid for performance under only one program for a given load reduction. (T)

Customers may participate in the Optional Binding Mandatory Curtailment Plan (Schedule E-OBMC), and the Pilot Optional Binding Mandatory Curtailment Plan (Schedule E-POBMC). With limitations, participants in E-BIP may also participate in the Non-Firm Program, Demand Bidding Program (Schedule E-DBP), and the California Power Authority Demand response Program (CPA DRP). Customers currently enrolled in Non-Firm program, must complete all annual obligations to that program before being eligible for E-BIP. Customers enrolled in E-DBP will not receive an incentive payment during hours where there is an overlapping E-BIP event. Customers may participate in the CPA-DRP provided their CPA-DRP interruptible load is below their E-BIP Firm Service Level. (T)

Customers shall not participate in the Schedule Load Reduction Program (Schedule E-SLRP) or the Critical Peak Pricing Program (Schedule E--CPP) while on the E-BIP program. (T)

SCHEDULE E-OBMC—OPTIONAL BINDING MANDATORY CURTAILMENT PLAN
(Continued)

ELIGIBILITY REQUIREMENTS: Bundled service and direct access service customers are eligible to file an OBMC Plan provided the customer can demonstrate to PG&E's satisfaction the following items:

1. The customer must be able to reduce its electric load such that the entire load on the PG&E circuit or dedicated substation that provides service to the customer is reduced to or below MLLs for the entire duration of each and every RO operation.

2. For the purpose of evaluating the ability of an OBMC plan to achieve a reduction in circuit load of fifteen (15) percent, the prior year average monthly peak circuit or dedicated substation demand, adjusted for major changes in facilities that resulted in permanent circuit load changes, will be used. Customers desiring adjustment to the prior year demands must submit a declaration signed and stamped by a California registered professional engineer attesting to the facility changes, providing detail of the source of kilowatt load changes, and the total permanent change in maximum demand. PG&E will, at the customer's expense, have the facility changes verified by an independent California registered professional engineer, unless otherwise waived by PG&E.

3. Customers must also be able to achieve a minimum of a 15% circuit load reduction from the established baseline upon notice to curtail. Customers submitting a declaration under Section 2 above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 10% circuit load reduction from the established baseline upon notice to curtail.

4. Customers participating in an OBMC plan who are the only customers on their circuit may participate in a PG&E operated capacity interruptible program provided the program requires the reduction of load to a pre-established firm service level. Customers participating in a demand bidding program or the CPA DRP shall not (T) be paid for load reduction during OBMC operations. Customers participating in an OBMC plan shall not participate in the CAISO's Demand Relief Program (DRP) or in a PG&E program that aggregates load for the CAISO's DRP.

5. The customer must sign the Agreement For Optional Binding Mandatory Curtailment Plan (Form No. 79-966) whereby the customer agrees to all terms and conditions set forth in this tariff and in said Agreement.

SCHEDULE E-SLRP—SCHEDULED LOAD REDUCTION PROGRAM
(Continued)

ELIGIBILITY: Customers who are deemed essential under the Electric Emergency Plan as adopted in Decision 01-04-006 and Rulemaking 00-10-002, must submit to PG&E a written declaration that states that the customer is, to the best of that customer's understanding, an essential customer under Commission rules and exempt from rotating outages. It must also state that the customer voluntarily elects to participate in an interruptible program for part or all of its load based on adequate backup generation or other means to interrupt load upon request by the respondent utility, while continuing to meet its essential needs. In addition, an essential customer may commit no more than 50% of its average peak load to interruptible programs.

METERING EQUIPMENT: Each account must have an interval meter capable or recording usage in 15-minute intervals installed that can be read remotely by PG&E. Metering equipment (including telephone line, cellular, or radio control communication device) must be in operation for at least 10 days prior to participating in the Program to establish baseline. If required, PG&E will provide and install the metering equipment at no cost to the customer. If applicable, the customer is responsible for the installation and monthly fees associated with telephone equipment and a dedicated line required for the remote reading or monitoring of the interval meter. (T)

Customers receiving an interval meter at no charge from PG&E through this Program will be able to continue to use it at no additional cost even after the program is terminated, provided that the customer remained in the Program continuously for a minimum period of one year. A customer who receives an interval meter through this Program, but who: 1) later elects to leave the Program prior to the one-year anniversary date, or 2) fails to fully comply in at least 10 events in a 12-month period; or 3) is terminated for non-compliance, will reimburse PG&E for all expenses associated with the installation and maintenance of the meter. Such charges will be collected as a one-time payment pursuant to Electric Rule 2, Section I, and any failure to pay such charges will subject the customer to service termination pursuant to Electric Rule 11, Section K.

SLRP OPTIONS: Participants in the Program will elect on the Interruptible Program Agreement a specific SLRP option(s). The SLRP option(s) corresponds with the day of the week and the time the customer agrees to reduce load. Participants on this Program will be required to curtail only during the summer season (June 1 through September 30) during the time period that corresponds with the customer's elected SLRP option(s). Participants must make an election of up to three of the following options per week, with no more than two of the SLRP options occurring during the same time period:

SLRP Options

	Day of Week	**Time Period** 8 a.m. – 12 Noon.	**Time Period** 12 Noon – 4 p.m.	**Time Period** 4 p.m. – 8 p.m.
1.	Monday	1A	1B	1C
2.	Tuesday	2A	2B	2C
3.	Wednesday	3A	3B	3C
4.	Thursday	4A	4B	4C
5.	Friday	5A	5B	5C

(Continued)

SCHEDULE E-SLRP—SCHEDULED LOAD REDUCTION PROGRAM
(Continued)

INTERACTION WITH CUSTOMER'S OTHER APPLICABLE PROGRAMS AND CHARGES:

Participating customers' regular electric service bills will continue to be calculated each month based on their actual recorded monthly demands and energy usage.

Customers who participate in a third-party sponsored interruptible load program must immediately notify PG&E of such activity.

Load can only be committed to one interruptible program for any given hour of a curtailment, and customers will be paid for performance under only one program for a given load reduction. (N)

Customers currently enrolled in a PG&E interruptible program (Non-Firm or Schedule E-BIP), must complete all annual obligations to that program before being eligible for Schedule E-SLRP. In addition, E-SLRP customers may not participate in the California ISO Participating Load Program (Supplemental and Ancillary Services), California Power Authority's Demand Reserves Partnership (CPA-DRP) program, and PG&E's Optional Binding Mandatory Curtailment Program (Schedule OBMC), Pilot Optional Binding Mandatory Curtailment Program (Schedule E-POBMC), and the Critical Peak Pricing program (Schedule E-CPP). (T)

Customers enrolled in E-SLRP may participate in PG&E's Demand Bidding Program (Schedule E-DBP) during the days when the customer's load is not scheduled for curtailment under the SLRP program. (T)

SCHEDULE E-DBP—DEMAND BIDDING PROGRAM

APPLICABILITY: The Schedule E-DBP Demand Bidding Program (Program) offers customers incentives for reducing energy consumption and demand when requested by Pacific Gas and Electric Company (PG&E) to increase system reliability. This Program is optional for customers with an average demand of 200 kilowatts (kW) and who voluntarily commit to reduce a minimum of 100 kW each hour for each service account during an E-DBP Event. PG&E will determine E-DBP Bid acceptances for energy reductions. Interval metering is required to receive service under this Program. Customers must be on electric Rate Schedules E-20, E-19 (including voluntary), A-10 TOU, AG-4 (option C and F only) or AG-5 (option C and F only) to participate in this program. A customer with multiple meters at a single site may qualify for the program under the specified multiple meter provisions of this tariff. This schedule is available until modified or cancelled by the California Public Utilities Commission (CPUC). (T)

TERRITORY: This schedule applies everywhere PG&E provides electric service.

ELIGIBILITY: This schedule is available to individual PG&E bundled-service customers whose commodity portion of their bill is not calculated as the sum of the products of the customer-specific hourly load and the hourly commodity price. Each customer must take service under the provisions of their otherwise-applicable rate schedule. Customers participating in the Program must commit to reduce load by at least 100 kW during a market price DBP event and agree to reduce their load by their Committed Load Reduction Amount in the event of an Emergency DBP event. (T)

Customers on this tariff must agree to allow the California Energy Commission (CEC) or its contracting agent to conduct a site visit for measurement and evaluation, and agree to complete any surveys needed to enhance the program. Customer must submit a signed Authorization To Receive Customer Information or Act On A Customer's Behalf form giving the CEC authorization to request billing history and meter usage data information. (N)

Customers must submit a signed Interruptible Program Agreement (Form 79-976) and an Inter-Act Agreement (Form 79-977) in order to establish service. In addition, customers must have the required metering and notification equipment in place prior to participation in this Program.

Customers who are "Essential Customers" under PG&E's Electric Emergency Plan and as defined by the Commission in Rulemaking 00-10-002, must submit to PG&E a written declaration that states that the customer is, to the best of that customer's understanding, an Essential Customer under Commission rules and exempted from rotating outages. The declaration must also state that the customer voluntarily elects to participate in this interruptible program for part or all of its load upon request by PG&E under the terms of E-DBP, while continuing to adequately meet its essential needs with backup generation or other means. In addition, an Essential Customer may commit no more than a total of 50 percent (50%) of its average peak load to all interruptible programs for each participating account. (N)

Customers that have multiple meters located at a single site (e.g., contiguous property, campus facilities, business parks) with individual meters that have average demands less than 200 kW may participate in this program under the provisions stated in Multiple Meter Customer Section of this tariff. (N)

(Continued)

SCHEDULE E-DBP—DEMAND BIDDING PROGRAM
(Continued)

METERING EQUIPMENT: Each participating customer account must have an interval meter capable of recording usage in 15-minute intervals installed that can be read remotely by PG&E. Metering equipment (including telephone line, cellular, or radio control communication device) must be in operation for at least ten (10) days prior to participating in the program to establish baseline. If required, for non-agricultural customers, PG&E will provide and install the metering equipment at no cost to the customer through December 31, 2004. PG&E will also provide meter data retrieval at no cost to those customers receiving free meters through this tariff until otherwise directed by the CPUC. The cost of the metering equipment and its installation is the responsibility of the customer on agricultural rate schedules. If applicable, the customer is responsible for the installation and monthly fees associated with telephone equipment and a dedicated line required for the remote reading or monitoring of the interval meter. (T) | | | | | | | | | (T) (D)

NOTIFICATION EQUIPMENT: Customers, at their expense, must have access to the Internet and an e-mail address to receive notification regarding program operations and to submit E-DBP. In addition, all customers must have, at their expense, an alphanumeric pager that is capable of receiving a text message sent via the Internet. A customer cannot participate in the Program until all of these requirements have been satisfied. (T)

If an E-DBP Event occurs, customers will be notified using one or more of the above-mentioned systems. PG&E will make best efforts to notify customers, however it is the customer's responsibility to receive such notice and to check the PG&E website to see if the Program is activated. No evaluation will be performed, nor payment made, for load reductions undertaken during an E-DBP Event without such advance confirming notification. PG&E does not guarantee the reliability of the pager system, e-mail system or Internet site by which the customer receives notification. (T) (T)

(Continued)

SCHEDULE E-DBP—DEMAND BIDDING PROGRAM
(Continued)

E-DBP EVENT NOTICE:

A. Day-Ahead Market Price E-DBP Event Notice (N)

By 2:00 p.m. (Pacific Time), PG&E may implement a Day-Ahead E-DBP event in those hours where the forecasted Day-Ahead hourly market prices equal or exceed $0.15 per kWh for four consecutive hours between 12:00 noon and 8:00 p.m. the next day. PG&E will notify customers of such event, and will post the hourly market price on the notice through the program's web site by 3:00 p.m. the day preceding the E-DBP event. Market Price E-DBP Event Notices will be issued on Friday by 3:00 p.m. for events occurring on the following Monday, or for events that are issued for Tuesday following a holiday that falls on Monday.

For the Day-Ahead E-DBP Event, participating customers shall submit bids to the program's website between 3:00 p.m. and 4:00 p.m. on the day preceding the curtailment event. After 5:00 p.m., customers will receive confirmation of bid acceptance or rejection on the web site. Unless a specific megawatt (MW) limit is requested, PG&E will deem all bids acceptable from customers. In the event bids are restricted, PG&E will accept bids on a first-come, first-served basis. If the customer's bid is accepted, the customer must reduce their kW load for each participating account to or above their accepted bid amount for each hour of their bid. Once a customer's bid has been accepted, that bid shall not subsequently be rejected by the utility, but payment shall continue to be based on the customer's actual performance.

B. System Emergency E-DBP Events

PG&E can be issue a System Emergency E-DBP Event when it deems that there are outstanding system issues that may affect system reliability. Emergency events can be issued for the hours of between 12:00 noon and 8:00 p.m., weekdays only, excluding holidays. PG&E will notify customers of a system emergency E-DBP event through the program's web site, and participants must reduce their loads by their committed load reduction amount within one (1) hour of notification. (N)

(D)

(Continued)

SCHEDULE E-DBP—DEMAND BIDDING PROGRAM
(Continued)

ENERGY BID:

A. Market Price E-DBP Events (T)

E-DBP bidding shall be accepted for non-holiday weekdays only. The E-DBP Bid shall indicate the amount of kW curtailment that the participant is offering for each hour of the E-DBP Event. The participant may submit only one bid for each E-DBP Event. Each bid must be for a minimum of two (2) hours and must be for consecutive hours during the E-DBP Event. The customer's bid must meet the minimum energy reduction threshold of 100 kW for each hour in the E-DBP Event. The participant must submit their bid within the timeframe specified in the Market Price E-DBP Event Notice section. (T)

Customers, at their option, may designate a pre-bid amount in which they will only be notified of an E-DBP event when the price trigger meets or exceeds their specified pre-bid amount. The customer's pre-bid amount shall be designated on the customer's Interruptible Program Agreement (Form 79-976). (N)

B. System Emergency E-DBP Events

Once notified, the customer must log into the Program's Internet web site and acknowledge participation in the curtailment. Failure to acknowledge a curtailment notice does not release the customer from their obligation to participate. The participant must reduce their load by their Committed Load Reduction amount within the time frame specified in the notice.

E-DBP WEBSITE: Customers must submit a Market Price E-DBP Bid through PG&E's designated Internet website. Each bid submitted via the website shall be for an E-DBP Event that can take place on the next eligible day, any weekday, excluding holidays, following the bid (T) submission. Notification of E-DBP Bid acceptances will be posted to PG&E's website. (T) Posting of accepted bids may be delayed due to unforeseen problems in transmitting or receiving the bids. PG&E cannot guarantee the reliability of the Internet site by which (T) customers submit bids and receive information regarding this Program. PG&E may use and accept alternate means of notification as necessary. PG&E will communicate the following information on the website regarding accepted E-DBP Bids:

1. The Date and the Time Period of the E-DBP Events; and (T)

2. The customer's specific energy baseline (CSEB), based on the hourly average of the three (3) highest energy usages on the immediate past ten (10) similar days. (T) The three (3) highest energy usage days will be deemed as those days with the highest total kilowatt hour usages between noon and 8:oo p.m. The past ten (10) similar days will include Monday through Friday, excluding holidays, and will additionally exclude days when the customer was paid to reduce load on an interruptible or other curtailment program or days when rotating outages are called. (N)

(N)

3. The hourly pricing incentive that PG&E intends to offer for qualifying load reductions. (N)

(Continued)

SCHEDULE E-DBP—DEMAND BIDDING PROGRAM
(Continued)

PROGRAM TESTING: PG&E may activate an E-DBP event with a simulated emergency event test trigger twice per year. Each emergency test event shall be no longer than four (4) hours. During such a test, the customer shall be responsible for curtailing load consistent with the terms of this schedule. Participants will receive incentive payment for qualifying load reduction based on a System Emergency E-DBP Event. (T)

INCENTIVE PAYMENTS: PG&E will evaluate and pay for the customer's hourly load reductions realized under the Program within ninety (90) days after each E-DBP Event, depending on where the E-DBP Event falls within the participant's actual billing cycle. The incentive payments will be reflected in the customer's regular monthly bill as an adjustment. (N)

A. Market Price E-DBP Event Incentive

Incentives will be calculated on an hourly basis, and will be equal to the product of the forecasted hourly market price of the E-DBP Event (when the forecast market price is equal to or exceeds $0.15/per kWh) and the qualified kWh energy reduction for each hour a bid was accepted.

Energy reduction for a given Market Price E-DBP Event hour will be determined as the difference between the customer specific energy baseline (CSEB) for that hour and the customer's actual energy usage during that hour. Participants will only be paid for a maximum of 150 percent (150%) of their accepted bid (kW) load drop measured on an hourly basis. Participants must drop at least 50 percent (50%) of their bid load to qualify for any payment in any hour. In no case will a customer receive a credit payment for a given hour if it does not meet, in that hour of the event, the minimum energy reduction of 100 kW.

B. System Emergency E-DBP Event Incentive

Incentives will be calculated on an hourly basis, and will be equal to the product of $0.50 per kWh and the qualified kWh energy reduction for each hour of the E-DBP Event.

Energy reduction for a given System Emergency E-DBP Event hour will be determined as the difference between the customer specific energy baseline (CSEB) for that hour and the customer's actual energy usage during that hour. Participants will only be paid for a maximum of 150 percent (150%) of their committed load reduction measured on an hourly basis. Participants must drop at least 50 percent (50%) of their committed load reduction to qualify for any payment in any hour. In no case will a customer receive a credit payment for a given hour if it does not meet, in that hour of the event, the minimum energy reduction of 100 kW. (N)

Participants will not receive more than one incentive payment for the same event. If both a System Emergency E-DBP Event and a Market Price E-DBP Event should occur during the same hour, the participant will receive the higher of the two incentive levels. (T)
(D)
(L)

(Continued)

SCHEDULE E-DBP—DEMAND BIDDING PROGRAM
(Continued)

MULTIPLE METER CUSTOMERS: Customers that have multiple meters located at a single site (e.g., contiguous property, campus facilities, business parks) are eligible for the program under the following conditions: (N)

1. Each individual service account must currently take service on an applicable PG&E rate schedule and have an installed interval meter as stated in the Applicability Section of this schedule. If necessary, a service account may change rate schedule and PG&E will provide and install an interval meter. Fees associated with a rate change will be the responsibility of the customer.

2. The customer must have at least one service account with an average demand of 200 kW or larger within the customer's site and that service account must be designated as the primary account for the multiple-meter customer group. A signed Interruptible Program Agreement (Form 79-976), and an Inter-Act Agreement (Form 79-977) must be submitted under the name of the primary account.

3. All service accounts that are part of the multiple-meter customer group must take service from PG&E under the same corporate tax identification number and be listed on the Interruptible Program Agreement. Individual accounts, (excluding the lead account), with average demands less than 200 kW may participate in the program as part of the multiple-meter customer group.

4. Energy reduction during a DBP event will be based on individual service account performance and will be calculated as described in the Incentive Payment section of this tariff.

TECHNICAL ASSISTANCE INCENTIVES: The technical assistance option shall enable customers to earn a rebate for professional technical assistance that enhances the customer's ability to respond to curtailment requests for on-peak demand reductions. Customers shall receive a rebate (not to exceed actual costs) based on $50 per kW of curtailable on-peak load reduction nominated by the customer through a signed Technical Assistance Incentive Application (Form 79-1005). Curtailable on-peak load shall be defined as existing load that is temporarily reduced or shifted to another time period as a result of an E-DBP Event being issued.

Customer shall receive 50% of the rebate following submission of a signed Application prepared in conjunction with an audit conducted by a CEC-certified Professional Engineer (P.E.) of potential on-peak load reductions. Customers shall receive the remainder of the rebate after demonstrating peak demand reduction of at least 50% of their nominated load drop as averaged over all DBP events or tests. The demand (energy) reduction will be determined by the same methodology as defined in the Incentive Payment section of this schedule. If the minimum level of demand reduction does not occur, the customer shall not be awarded the remainder of the rebate. A minimum of two (2) DBP events or tests must be successfully completed to calculate the average performance level and award incentive.

The technical assistance incentives will be available to participants until December 31, 2005, or until the funding for the transitional incentives are exhausted.

Participants receiving a technical assistance incentive under the Critical Peak Pricing Program (Schedule E-CPP) are ineligible to receive a technical assistance incentive for the same consulting study under this schedule. (N)

SCHEDULE E-DBP—DEMAND BIDDING PROGRAM
(Continued)

FAILURE TO REDUCE LOAD: Except as provided in the Incentive Payment section of this schedule, no additional monetary penalties will be assessed under this Program for a customer's failure to comply (reduce energy) during any or all hours of an E-DBP Event. (L)

PROGRAM TERMS: Customers' participation in this tariff will be in accordance with Electric Rule 12. (T) Customers may terminate their E-DBP agreement by giving a minimum of 30 days' written notice. Cancellation of the agreement will become effective with the first regular billing cycle after the 30-day notice period. PG&E may terminate the service agreement at any time after giving a thirty (30) day written notice to participants. (T) (L)

INTERACTION WITH CUSTOMER'S OTHER APPLICABLE PROGRAMS AND CHARGES: Participating customers' regular electric service bills will continue to be calculated each month based on their actual recorded monthly demands and energy usage.

Customers who participate in a third-party sponsored interruptible load program must immediately notify PG&E of such activity. DBP participants shall not participate in the California Power Authority Demand Reserves Partnership (CPA-DRP) program.

Load can only be committed to one program for any given hour of a curtailment, and customers will be paid for performance under only one program for a given load reduction. In other words, should another interruptible program be activated, while an E-DBP Event is in progress, those events will supersede an E-DBP Event, and no E-DBP incentive payments will be applied for those overlapping hours. (D) (N) E-DBP customers shall not participate in the California ISO's Participating Load Program (D) (Supplemental and Ancillary Services), California Power Authority's Demand Reserves Partnership (CPA-DRP) program, or any other pay for performance program. (N)

Customers enrolled in the Scheduled Load Reduction Program (Schedule E-SLRP) may participate in E-DBP during the days when the customer's load is not scheduled for curtailment under the E-SLRP program.

EMERGENCY STANDBY GENERATION: Customers may achieve energy reductions by operating back-up or onsite generation. The customer will be solely responsible for meeting all environmental and other regulatory requirements for the operation of such generation.

SCHEDULE E-POBMC—PILOT OPTIONAL BINDING MANDATORY CURTAILMENT PLAN
(Continued)

ELIGIBILITY REQUIREMENTS: Bundled service and direct access service customers are eligible to file a POBMC Plan provided the customer can demonstrate to PG&E's satisfaction the following items:

1. The customer must be able to reduce its electric load such that the entire load on the PG&E circuit or dedicated substation that provides service to the customer is reduced to or below MLLs for the entire duration of each and every RO operation.
2. For the purpose of evaluating the ability of a POBMC plan to achieve a reduction in circuit load of fifteen (15) percent, the prior year average monthly peak circuit or dedicated substation demand, adjusted for major changes in facilities that resulted in permanent circuit load changes, will be used. Customers desiring adjustment to the prior year demands must submit a declaration signed and stamped by a California registered professional engineer attesting to the facility changes, providing detail of the source of kilowatt load changes, and the total permanent change in maximum demand. PG&E will, at the customer's expense, have the facility changes verified by an independent California registered professional engineer, unless otherwise waived by PG&E.
3. Customers must also be able to achieve a minimum of a 15 percent circuit load reduction from the established baseline upon notice to curtail. Customers submitting a declaration under Section 2, above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 10 percent circuit load reduction from the established baseline upon notice to curtail.
4. Customers participating in a POBMC plan who are the only customers on their circuit may participate in a PG&E operated capacity interruptible program provided the program requires the reduction of load to a pre-established firm service level. Customers participating in a demand bidding program or the CPA DRP shall not be paid for load reduction during POBMC operations. Customers participating in a POBMC plan shall not participate in the CAISO's Demand Relief Program (DRP) or in a PG&E program that aggregates load for the CAISO's DRP. (T)
5. The customer must sign an Agreement For Schedule E-POBMC (Form No. 79-993) whereby the customer agrees to all terms and conditions set forth in this schedule and in said Agreement.
6. The customer must provide real-time metering equipment at their expense such that the customer can monitor loads in real-time for the purpose of determining the POBMC baseline adjustment amount.

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM

APPLICABILITY: The critical peak pricing (CPP) program is a voluntary alternative to traditional time-of-use rates. Schedule E-CPP is available to PG&E bundled-service customers with an average demand greater than 200 kW and served on PG&E electric rate schedules A-10 TOU, E-19 (including E-19 voluntary), E-20, AG-4 (rates C and F only), AG-5 (rates C and F only) or their successors. Each customer must continue to take service under the provisions of their otherwise-applicable schedule (OAS). The CPP program only operates during the summer months (May 1 through October 31). Customers on this tariff must agree to allow the California Energy Commission (CEC) or its contracting agent to conduct a site visit for measurement and evaluation, and agree to complete any surveys needed to enhance the CPP program. (N)

Customers may receive a transitional incentive to participate in the CPP program through December 31, 2005. Customers have the choice of receiving bill protection and/or technical incentives subject to meeting qualification criteria (see Transitional Incentive Options section below).

Customers must have an interval meter and Internet access to PG&E's Inter-Act, a web-based notification system. Customers must have the required metering and notification equipment in place prior to participation in the CPP program.

TERRITORY: This schedule is available to customers in PG&E's electric service territory.

RATES: The customer will be billed for all regular charges applicable under its otherwise-applicable rate schedule. Additional charges (based on usage on CPP operating days) and credits (based on usage on non-CPP days) will be determined according to the rates specified in this tariff. See "Definition of Time Periods" section below for specific CPP TOU period definitions. The CPP periods may differ from those of the customer's OAS. The additional energy charges applicable on CPP operating days will be determined as follows:

CPP High-Price Period Usage: The total effective energy charge for usage during the CPP High-Price Period will be five (5) times the customer's summer on-peak energy rate under their otherwise-applicable rate schedule multiplied by the actual energy usage, plus

CPP Moderate-Price Period Usage: The total effective energy charge for usage during the CPP Moderate-Price Period will be three (3) times the customer's summer part-peak energy rate under their otherwise-applicable rate schedule multiplied by the actual energy usage.

Customers taking service under Schedule E-CPP will pay reduced total effective TOU energy rates, through offsetting summer on-peak and part-peak rate credits for usage on those days that are not declared as CPP operating days, as shown in the following table. Schedule E-CPP charges and credits will only be applicable during the Summer season (May 1 to October 31), and will not affect winter season rates or bills. (N)

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM
(Continued)

RATES: (Cont'd.)

Schedule E-CPP charges and credits vary according to the customer's OAS, and are as shown in the table below: (N)

	Non-CPP Days (Credit) per kilowatt hour of usage		CPP Days (Charge) per kilowatt hour of usage	
	On-Peak	Part-Peak	Moderate-Price	High-Price
E-20T	$0.03591	$0.00158	$0.10126	$0.61796
E-20P	$0.03882	$0.00166	$0.10899	$0.63636
E-20S	$0.04234	$0.00373	$0.11035	$0.73628
E-19T	$0.04042	$0.00420	$0.16282	$0.75404
E-19P	$0.03977	$0.00356	$0.13254	$0.66972
E-19S	$0.04490	$0.00525	$0.13980	$0.75372
A-10T	$0.02218	$0.01000	$0.13748	$0.42321
A-10P	$0.04906	$0.00500	$0.23329	$0.86276
A-10S	$0.05589	$0.00500	$0.24435	$0.81852
AG-4C, F	$0.03060	$0.00644	$0.17309	$0.51604
AG-5C, F	$0.02420	$0.00561	$0.12785	$0.42820

Please refer to the sections of this tariff labeled "Program Operations" and "Notification and Trigger" for a complete description of how CPP Operating Days will be determined, and how customers will be notified of those days when CPP Operating Day prices will be in effect. (N)

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM
(Continued)

DEFINITION OF TIME PERIODS:

SUMMER (service from May 1 through October 31): (N)

CPP Operating Days (Monday through Friday, except holidays)

CPP High-Price:	3:00 p.m. to 6:00 p.m.
CPP Moderate-Price:	12:00 noon to 3:00 p.m.

Non-CPP Operating Days

Peak:	As defined in the customer's otherwise-applicable rate schedule.
Partial-Peak:	As defined in the customer's otherwise-applicable rate schedule.
Off-Peak:	As defined in the customer's otherwise-applicable rate schedule.

WINTER (service from November 1 through April 30)

Partial-Peak:	As defined in the customer's otherwise-applicable rate schedule.
Off-Peak:	As defined in the customer's otherwise-applicable rate schedule.

Please refer to the sections of this tariff labeled "Program Operations" and "Notification and Trigger" for a complete description of how CPP Operating Days will be determined, and how customers will be notified of those days when CPP Operating Day prices will be in effect. (N)

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM
(Continued)

DEFINITION OF TIME PERIODS: (Cont'd.)	HOLIDAYS: The CPP program will not operate on holidays. "Holidays" are Memorial Day, Independence Day, and Labor Day. The dates will be those on which the holidays are legally observed.	(N)
METERING EQUIPMENT:	Each participating customer account must have an interval meter installed that can be remotely read by PG&E. Metering equipment (including telephone line, cellular, or radio communication device) must be in operation for at least ten (10) days prior to participating in the program to establish baseline. If required, for non-agricultural customers, PG&E will provide and install the metering equipment at no cost to the customer through December 31, 2004. PG&E will also provide meter data retrieval at no cost to those customers receiving free meters through this tariff until otherwise directed by the CPUC. For customers on agricultural rate schedules, the cost of the metering equipment and its installation is the responsibility of the customers. If applicable, the customer may also be responsible for the installation and monthly fees associated with telephone equipment and a dedicated line required for the remote reading or monitoring of the interval meter.	|
NOTIFICATION EQUIPMENT:	Customers, at their expense, must have access to the Internet and an e-mail address to receive notification of a CPP event. In addition, all customers must have, at their expense, an alphanumeric pager that is capable of receiving a text message sent via the Internet. A customer cannot participate in the CPP program until all of these requirements have been satisfied.	|
	If a CPP event occurs, customers will be notified using one or more of the above-mentioned systems. Receipt of such notice is the responsibility of the participating customer. PG&E will make best efforts to notify customers, however it is the customer's responsibility to receive such notice and to check the PG&E website to see if the Program is activated. PG&E does not guarantee the reliability of the pager system, e-mail system or Internet site by which the customer receives notification.	|
CONTRACTS:	Customers must submit a signed Interruptible Program Agreement (Form 79-976) and a Customer Agreement and Password Agreement Governing Use of the Inter-Act Software Tool (Form 79-977) in order to receive service.	|
	Customer's participation in this tariff will be in accordance with Electric Rule 12. Customers may terminate their E-CPP agreement by submitting a signed Cancellation of Contract and providing a minimum of 30 days' written notice. Cancellation of the agreement will become effective with the first regular billing cycle after the 30-day notice period. PG&E reserves the right to terminate the agreement upon thirty (30) days written notice.	(N)

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM
(Continued)

PROGRAM OPERATIONS: PG&E will notify customers by 5:00 p.m. on a day-ahead basis when a CPP operation day will occur the next business day. A CPP event will only be called Monday through Friday, excluding holidays. Notices will be issued on Friday by 5:00 p.m. for events occurring on the following Monday, or for events that are issued for Tuesday following a holiday that falls on Monday. The trigger or activation of a CPP event will be the forecasted temperatures at designated specific locations in two geographical zones. Each specific zone will operate CPP events individually, meaning that a CPP event may be triggered in one or both zones. (N)

NOTIFICATION AND TRIGGER: CPP operating days will ordinarily be determined based on day-ahead maximum temperature forecasts at specific locations within each of two designated PG&E zones. The two zones are Zone 1 (San Francisco and Peninsula) and Zone 2 (all other areas PG&E provides service).

Beginning May 1st of each summer season, the initial forecasted temperature thresholds for triggering CPP events will be:

Zone 1: 94 degrees (average of forecasts for San Francisco and San Jose)

Zone 2: 98 degrees (average of forecasts for San Francisco, San Jose, Concord, Redding, Sacramento and Fresno)

PG&E will adjust the forecasted temperature thresholds up or down, over the course of the summer as necessary, to achieve the CPP program design basis of 12 operating days each summer. For the Summer of 2003, the maximum number of critical peak days will be prorated to account for the late starting date. At the beginning of each calendar month, PG&E will review the number of CPP operating days that have already occurred and may adjust the applicable temperature threshold for each zone up or down (increments of 2 degrees), in accordance with historical weather patterns. Customers will be notified of the applicable temperature threshold for their zone via the Inter-Act system.

CPP events may also be initiated as warranted by extreme system conditions such as special alerts issued by the California Independent System Operator, or under conditions of high forecasted California spot market power prices or for testing/evaluation purposes. (N)

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM
(Continued)

PROGRAM RESEARCH AND ANALYSIS:	Customers receiving service under this tariff must agree to allow personnel from the California Energy Commission (CEC) or its contracting agent to conduct a site visit for measurement and evaluation, and agree to complete any surveys needed to enhance the CPP program. Customer must submit a signed Authorization To Receive Customer Information or Act On A Customer's Behalf form giving the CEC authorization to request billing history and meter usage data information.	(N)
PROGRAM TERM:	The CPP program will remain open until terminated or superceded by action of the CPUC.	|
BILLING:	Monthly bills are calculated in accordance with the customer's OAS and the rates contained herein. The difference between the amount due under the customer's OAS and the amount due under critical-peak pricing will appear on the customer's bill as an additional charge or credit.	|
CUSTOMER MULTIPLE-METER PREMISES:	A customer with multiple accounts on a single site (e.g., contiguous property, campus facilities, business parks) may participate in the CPP program with accounts on the premises that are less than 200 kW average demand provided at least one of the customer accounts is greater than 200 kW average demand and is participating in the CPP program. The customer's taxpayer identification number must be the same for each account participating in the CPP program under this provision and each account must be listed on the interruptible Program Agreement. All other CPP program requirements must be met for each participating account. The bill for each account will be calculated on a stand-alone basis.	|
TRANSITIONAL INCENTIVE OPTIONS:	Customers in the CPP program may elect either or both of two types of optional transitional incentives: (1) 100 percent bill protection; and (2) professional technical assistance. Bill protection is capped at a maximum systemwide participation level of 200 MWs of load drop. Funding for professional technical assistance incentives is capped at a maximum budget as established by the CPUC and is available on a first-come, first-served basis, subject to meeting qualification criteria. No transitional incentives will be paid beyond December 31, 2005, or after incentive funds are depleted, whichever is earlier. CPP customers receiving a transitional incentive in the Demand Bidding Program (DBP) are not eligible to receive transitional incentives for professional technical assistance in the CPP program.	(N)

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM
(Continued)

TRANSITIONAL INCENTIVE OPTIONS: (Cont'd.)

B. Technical Assistance Incentive: The technical assistance option shall enable the customers to earn a rebate for professional technical assistance that enhances the customer's ability to respond to curtailment requests for on-peak demand reductions. A customer requesting this incentive may receive a rebate (not to exceed costs) based on $50 per kW of curtailable on-peak load reduction nominated by the customer through a signed Technical Assistance incentive Application (Form 79-1005). Curtailable on-peak load shall be defined as existing load that is temporarily reduced or shifted to another time period as a result of an E-CPP Event being issued. The customer shall receive an incentive payment equal to 50 percent of the rebate following submission of a signed Application prepared in conjunction with an audit conducted by a CEC-certified Professional Engineer (P.E.) of potential on-peak load reductions. The remaining 50 percent of the rebate shall be paid after the customer has demonstrated actual peak demand reductions equal to at least 50 percent of their load drop per CPP event as averaged over four consecutive CPP months. The demand (energy) reduction will be determined by the same methodology as defined in the Bill Protection section of this schedule. If the minimum level of demand reduction does not occur, the customer shall not be awarded the remainder of the rebate. The technical assistance incentives will be available to participants until December 31, 2005, or until the funding for the transitional incentives are exhausted. Participants receiving a technical assistance incentive under the Demand Bidding Program (Schedule E-DBP) are ineligible to receive technical assistance incentive for the same consulting study under this schedule. (N)

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM
(Continued)

TRANSITIONAL INCENTIVE OPTIONS: (Cont'd.)

A. Bill Protection: A customer electing the bill protection option will not pay more under the CPP program than it would pay under its otherwise-applicable rate schedule for the 14-month bill protection period provided the customer: (1) remains in the CPP program for the entire duration of the rate protection period; and (2) maintains an open account. For the purpose of determining whether the 3 percent minimum average demand reduction per CPP event has been met, demand reduction will be estimated as the difference between the customer-specific baseline for each hour and the customer's actual energy usage during that hour. The customer's specific energy baseline (CSEB) is based on the hourly average of the three (3) highest energy usages on the immediate past ten (10) similar days. The three highest energy usage days will be deemed as those days with the highest total kilowatt-hour usages between Noon and 6:00 p.m. The past ten (10) similar days will include Monday through Friday, excluding holidays, and will additionally exclude days when the customer was paid to reduce load on an interruptible or other curtailment program or days when rotating outages are called. Bill protection benefits will be computed on a cumulative basis at the end of the bill protection period. (N)

To receive the benefits of a lower CPP bill, customers shall reduce demand during Moderate-Price and High-Price CPP periods by a minimum of 3 percent per CPP event averaged over the course of the CPP months during the customer's 14-months of bill protection.

A customer shall not receive the benefits of the CPP program if during the 14-month bill protection period they fail to meet any of the requirements for receiving the benefits of the bill protection at which time one of the following will occur:

1. If a participating customer meets the 3 percent peak demand reduction and their bill as calculated under this Schedule is greater than their bill as calculated under their OAS over the entire 14-months, then such customer will receive a Bill Protection Credit equal to CPP charges minus OAS charges.

2. If a participating customer meets the 3 percent peak demand reduction and their bill as calculated under this Schedule is equal to or less than their bill as calculated under their OAS over the entire 14-months, then the customer has received a financial benefit and no additional incentive payment is provided.

3. If a participating customer does not meet the 3 percent peak demand reduction and their bill as calculated under this Schedule is greater than their bill as calculated under their otherwise-applicable schedule over the entire 14-months, then such customer will receive a Bill Protection Credit equal to CPP charges minus OAS charges.

4. If a participating customer does not meet the 3 percent peak demand reduction and their bill as calculated under this Schedule is less than their bill as calculated under their OAS over the entire 14-months, then such customer will not receive a Bill Protection Credit and will be billed on their OAS over the entire 14-months. (N)

(Continued)

SCHEDULE E-CPP—CRITICAL PEAK PRICING PROGRAM
(Continued)

INTERACTION WITH OTHER DEMAND REDUCTION PROGRAMS: Participants in the CPP program may also participate in the Demand Bidding Program (Schedule E-DBP) and the California Power Authority Demand Reserves Partnership Program (CPA DRP) but shall not receive energy payment for performance under those programs during CPP event hours. Customers who participate in a California Power Authority (CPA) or a third-party sponsored interruptible load program must immediately notify PG&E of such activity. CPP participants shall not participate in the Non-Firm Program, Base Interruptible Program (Schedule E-BIP), the Optional Binding Mandatory Curtailment Program (Schedule E-OBMC), the Pilot Optional Binding Mandatory Curtailment Program (Schedule E-POBMC), or the Scheduled Load Reduction Program (Schedule E-SLRP) while on the CPP program. (N)

PACIFIC GAS AND ELECTRIC COMPANY

AGREEMENT FOR SCHEDULE E-OBMC
FORM NO. 79-966 (6/03) (T)
(ATTACHED)

PACIFIC GAS AND ELECTRIC COMPANY

INTERRUPTIBLE PROGRAM AGREEMENT
FORM NO. 79-976 (6/03) (T)
(ATTACHED)

(Continued)

PACIFIC GAS AND ELECTRIC COMPANY

INTER-ACT AGREEMENT (N)
FORM NO. 79-977 (6/03) (N)
(ATTACHED)

(Continued)

PACIFIC GAS AND ELECTRIC COMPANY

AGREEMENT FOR SCHEDULE E-POBMC
FORM NO. 79-993 (6/03) (T)
(ATTACHED)

PACIFIC GAS AND ELECTRIC COMPANY

TECHNICAL ASSISTANCE (N)
INCENTIVE APPLICATION |
FORM NO. 79-1005 (6/03) (N)
(ATTACHED)

(Continued)

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