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December 23, 2003

Advice 2453-E
(Pacific Gas and Electric Company ID U 39 G/E/M)

Public Utilities Commission of the State of California

Subject: Tariff Clarifications and Modifications to Section 11 of Electric Rate Schedules E-19 and E-20 – Non-Firm Program

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.[1]

Purpose

The purpose of this filing is to make revisions, miscellaneous clarifications and modifications to PG&E's Non-Firm interruptible load program as it is described in Section 11 of electric Rate Schedules E-19 – *Medium General Demand-Metered Time-of-Use Service* (Schedule E-19) and electric Rate Schedule E-20 – *Service to Customers with Maximum Demands of 1,000 Kilowatts or More* (Schedule E-20), and Section 8 of electric Rate Schedule S – *Standby* (Schedule S).

The revisions, clarifications and modifications are necessary to clean-up obsolete provisions, and to clarify that the existing tariffs' language reflects modifications as ordered in Decision (D.) 01-04-006. These revisions are generally non-substantive and administrative in nature.

In addition, Section 8 (Non-Firm Service) of Schedule S is being revised so that the Non-Firm program as described in Schedule S is aligned with the description in Schedules E-19 and E-20. Numerous revisions to the Non-Firm program that were filed and approved under Schedules E-19 and E-20 were inadvertently left out of the Non-Firm Program description under Schedule S. This filing will unify the program under all three schedules.

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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

PG&E's proposed tariff clarifications and modifications are summarized below. They are provided in the attached tariffs in revision mark format for ease of comprehension. Upon implementation, text deletions and revisions, and margin notations, will be made as appropriate.

Tariff Modifications and Clarifications

The following modifications are being made to Section 11 of Schedules E-19 and E-20, to remove old tariff language and to clarify the eligibility section of the non-firm program.

Electric Rate Schedules E-19 and E-20

1. Paragraph 1 of Section 11 of Schedules E-19 (CPUC Sheet # 21015-E) and E-20 (CPUC Sheet # 21016-E):

   Delete the last sentence of the first paragraph that references the Nonfirm Bidding Pilot program. This language is obsolete since the Nonfirm Bidding Pilot program was created in response to D.92-11-049, and was terminated in 1995 after completing its authorized three-year pilot period. Removal of such language eliminates potential ambiguity in the tariff.

2. Paragraph 2 of Section 11 of Schedules E-19 (CPUC Sheet # 21015-E) and E-20 (CPUC Sheet # 21021-E):

   In Section 5.2 of D.01-04-006 -- *Other Modifications to Existing Programs* – the Commission instructed the utilities to not reopen the existing interruptible programs, but rather refer interested customers to the Base Interruptible Program, (electric Schedule E-BIP – *Base Interruptible Program*), or other available interruptible or demand response programs.

   Additional language needs to be added to the existing tariff language to clarify that the program is closed to all customers, including customers who are new to the PG&E system and to those customers who wish to assign their non-firm contract to another party if a business changes ownership. Customers will be encouraged to participate in the Base Interruptible Program or other Demand Response Programs that are being offered.

   In addition to the modified language in the second paragraph of Section 11 of Schedules E-19 and E-20, the word "certain" is being added to the second sentence of the first paragraph. The proposed language would state that "Certain" customers may also elect to receive non-firm service under the respective rate schedule. Adding the word "certain" will help emphasize the exclusivity of the non-firm program.

3. Paragraph 7 of Section 11 of Schedules E-19 (CPUC Sheet # 21016-E) and E-20 (CPUC Sheet # 18044-E):

   Delete the first sentence of the paragraph: *"See Section 13 of this rate schedule for discussion of contractual length-of-service requirements that may be applied to customers enrolling in the Non-firm Service Program."* As stated in item number 2 above, PG&E seeks to clarify that the non-firm program is closed to all customers not currently in the program, and therefore this sentence that refers to contractual lengths when enrolling in the non-firm program is no longer relevant, since we will no longer enroll new customers.

4. Paragraph 2 of Section 11.a of Schedules E-19 (CPUC Sheet # 21016-E) and E-20 (CPUC Sheet # 21022-E):

   In Advice 2099-E-A - *Add New Schedule E-BIP, E-VDRP & E-OBMC, New PS BX for Electric Interruptible Load Program Per 01-04-006*, PG&E revised the language in the tariff to reflect the requirements of Section 1.2.5 of D.01-04-006 that established that non-firm participants may not have an insurance policy to cover potential non-compliance penalties.

   In addition, PG&E had existing non-firm customers submit a No Insurance Declaration to PG&E. The approved language failed to state that the submission of the No Insurance Declaration is a requirement of the program and the following sentence is being added to this paragraph to clarify this requirement: *"Eligibility for the non-firm program requires that each customer execute and submit to PG&E a No-Insurance Declaration that states that the customer does not have, and will not obtain such insurance".*

5. Paragraph 2 of Section 11.c of Schedules E-19 (CPUC Sheet # 21017-E) and E-20 (CPUC Sheet # 21023-E):

   This paragraph states that annual Under Frequency Relay (UFR) operations are not included in the tolling of the annual pre-emergency or emergency curtailment limits. PG&E feels that this paragraph would be more appropriate in Section 11.f under the Limit on Emergency Curtailments and therefore are requesting to move the 2nd paragraph of Section 11.c to Section 11.f.

6. Section 11.f of Schedules E-19 (CPUC Sheet # 21018-E) and E-20 (CPUC Sheet # 21024-E):

   Clarify existing language to restate the limitation on the number and duration of curtailment events. PG&E is proposing to modify the language as follows: The number of curtailment events will not exceed one (1) per day, four (4) in a calendar week, and thirty (30) times per calendar year. The duration of the curtailment events will not exceed six (6) hours each, forty (40) hours per calendar month, and a total of one hundred (100) hours per calendar year.

In addition, as mentioned in item number 5, PG&E will be moving the 2nd paragraph of Section 11.c to this section.

7. Paragraphs between Section 11.g and 11.h of Schedules E-19 (CPUC Sheet # 21018-E) and E-20 (CPUC Sheet # 21024-E):

   Delete the two paragraphs that reference obsolete provisions regarding the past waiver of non-compliance penalties that were effective only for a limited period of time following the California energy crisis. D.01-04-006 resolved the issue of how the non-compliance penalties for the period of October 1, 2000 to January 25, 2001, were to be handled and PG&E responded accordingly. The language in the two paragraphs is no longer required and should be removed from the tariffs.

8. Paragraphs 1 and 2 of Section 11.h of Schedules E-19 (CPUC Sheet # 21019-E) and E-20 (CPUC Sheet # 21025-E):

   As in item 7, these two paragraphs reference the non-compliance penalties during the energy crisis and the ILCPMA memorandum account. D.01-04-006 resolved the issue of how the non-compliance penalties during this time period mentioned were to be handled and PG&E responded accordingly. The language in the two paragraphs is no longer required and should be removed from the tariffs. These two paragraphs were inadvertently dropped from Schedule E-20 and it should be recorded as being removed even though they do not appear in Schedule E-20.

9. Paragraph 3 of Section 11.h of Schedules E-19 (CPUC Sheet # 21019-E) and E-20 (CPUC Sheet # 21025-E):

   This paragraph was inadvertently dropped from Schedule E-20 in the tariff revisions that were filed with Advice 2234-E-A - *Interruptible Load Program OIR--Phase 2 Per 02-04-060*. The missing text was last included in the tariff version that was filed with Advice 2079-E - *Revise Schedules E-19 & E-20 to Suspend Penalty Provisions for Interruptible Electric Service Customers, Add New Preliminary Statement W--Interruptible Load Curtailment Penalty Memorandum Account*. PG&E is proposing to reinstate the language in Schedule E-20 so that Section 11 of both E-19 and E-20 remains identical.

   In addition, PG&E is requesting to move this paragraph down one paragraph for fluency, so that it would now follow the paragraph that starts with "The applicable non-compliance penalty..." This paragraph describes what a non-compliance penalty is, and the paragraph that is being moved describes how the non-compliance penalty is calculated.

10. Paragraph 5 of Section 11.h of Schedule E-19 (CPUC Sheet # 21019-E), and Paragraph 2 of Section 11.h of Schedule E-20 (CPUC Sheet # 21025-E):

Delete the paragraph that states: "During 1992 or until such time as PG&E calls either a pre-emergency or emergency curtailment after June 1, 1992, the non-compliance penalty will be the higher non-compliance penalty shown in Section 12. No reduced non-compliance penalties are available in 1992." The provisions of this paragraph are no longer applicable, since PG&E has had numerous curtailments since 1992, and the application of lower or higher penalty amounts is covered in the next paragraph of this section.

11. Paragraph 7 of Section 11.h of Schedule E-19 (CPUC Sheet # 21019-E), and Paragraph 4 of Section 11.h of Schedule E-20 (CPUC Sheet # 21025-E):

    Delete the 2nd sentence of the paragraph, which states, *"New non-firm customers will be assessed the higher noncompliance penalty during their first year on the program."* As stated in item number 2 above, the non-firm program is closed to all customers not currently in the program and therefore this sentence that refers to noncompliance penalties during their first year on the program is no longer relevant, since we will no longer enroll new customers.

12. Section 11.l.4 of Schedules E-19 (CPUC Sheet # 21020-E) and E-20 (CPUC Sheet # 21027-E):

    Add clarifying language to state in which options of the California Power Authority Demand Reserves Partnership (CPA-DRP) program a non-firm customer may participate. The proposed language will state that participants in the non-firm program may participate in the Call Option and Supplemental Energy Market of the CPA-DRP with specified restrictions. Non-firm participants will not be able to participate in the Ancillary Service Option of the CPA-DRP program. This language is consistent with Ordering Paragraph 13 and the discussion language in Section IV.E.3 c & IV.E.3.d of D.03-06-032. Since the CPA-DRP has various options under the program, distinguishing which options of the CPA-DRP a customer can and cannot participate in will reduce ambiguity in the tariff.

Electric Rate Schedule S

The following modifications are being made to Section 8 of Schedule S to align the non-firm program's description as it is described in Schedules E-19 and E-20. Many of the tariff revisions that were approved by the Commission for the non-firm program, were approved for Schedules E-19 and E-20, but Schedule S was inadvertently omitted in our filings.

Currently, PG&E does not have any participants on the non-firm program who are on Schedule S, and therefore, the changes that are being proposed will have no impact on customers, other than making the non-firm language in Section 8 of Schedule S more closely match the language in the non-firm sections of Schedules E-19 and E-20.

13. First paragraph of Section 8 of Schedule S (CPUC Sheet # 21029-E):

    Remove language in the first paragraph of Section 8 that states that the "economic dispatch" is an option under the non-firm service program. The economic dispatch option under the non-firm service program was terminated with the approval of Advice 1711-E - *Revise Non-Firm Service Provision to Reflect Upcoming Transfer of Responsibility of Operation to ISO.* This language was removed from Schedules E-19 and E-20 with the approval of Advice 1711-E, but the removal of the language in Schedule S was not included in our filing, which should be achieved through this filing.

14. Add Section 8.b in Schedule S (CPUC Sheet # 21029-E):

    D.02-04-060 stated that the non-firm program is available for qualifying customers until modified or terminated in the rate design phase of the next general rate case or similar proceeding. This language was added to Schedules E-19 and E-20 with the approval of Advice 2234-E-A, but identical language in Schedule S was not included in our filing, which should be achieved through this filing.

15. Add Section 8.c in Schedule S (CPUC Sheet # 21029-E):

    Section 1.2.5 of Attachment A of D.01-04-006 states that non-firm service customers may not have, or obtain, any insurance for the sole purpose of paying non-compliance penalties for willful failure to comply with requests for curtailments. This language was added to Schedules E-19 and E-20 with the approval of Advice 2099-E, but identical language in Schedule S was not included in our filing, which should be achieved through this filing. In addition, we are adding identical language as stated in Item 4 that clarifies that the customer must execute and submit to PG&E a no insurance declaration.

16. Add Section 8.d in Schedule S (CPUC Sheet # 21029-E):

    Section 3.4 of Attachment A of D.01-04-006, states that essential customers may participate in interruptible tariffs for up to 50% of their load. This language was added to Schedules E-19 and E-20 with the approval of Advice 2099-E, but identical language in Schedule S was not included in our filing, which should be achieved through this filing.

17. Move Section 8.b to Section 8.e and revise the language in the new Section 8.e (CPUC Sheet # 21030-E)

    This section is being revised to reflect the approval of Advice 1727-E - *1996 General Rate Case Phase II, Add New LEV Schedule E-6, Revise Non-Firm Rate Schedules, Add New Forms 79-863, 79-864, Per 97-12-044,* that modified the pre-emergency curtailment requirement to no more than two pre-emergency events per year. This section is also being revised to reflect that, at PG&E's discretion, the request be subject to the implementation criteria of the pre-emergency curtailment. (Randy: I'm not sure I understand this paragraph, but this is the best I can make of it.)

18. Move Section 8.c to Section 8.f and add language in the new Section 8.f (CPUC Sheet #21030).

    In the 1993 General Rate Case (D.92-05-031) the Commission established the Pre-Emergency Curtailment for the non-firm program and the criteria for when it can be called. Section 8.b. references the pre-emergency curtailment criteria in Section 8.d., but the actual criteria was inadvertently left out of Section 8.d. The pre-emergency criteria language that PG&E is now submitting was added to Schedules E-19 and E-20 with the approval of Advice 1396-E – *To Revise Schedules E-19, E-20, and E-26, in Compliance with Decision 92-05-031.*

19. Move Section 8.e to 8.h and revise language in the new Section 8.h. (CPUC Sheet # 21030-E):

    D.01-01-056 established new limitations on the number of non-firm curtailment events that can be issued in a given year. This language was added to Schedules E-19 and E-20 with the approval of Advice 2079-E, but identical language in Schedule S was not included in our filing. PG&E is submitting language identical to Item 6 of this Advice Letter that clarifies the language on the limitation of the number and duration of non-firm curtailment events.

    In addition, language will be added to restate that automatic under frequency relay (UFR) operations are not included in the annual tolling of pre-emergency or emergency curtailment limits. This language was added to Section 11.c of Schedules E-19 and E-20 with the approval of Advice 1396-E, and we are requesting in Item 5 of this Advice Letter to move this language to Section 11.f of Schedules E-19 and E-20. This language was mistakenly excluded from the non-firm section of Schedule S.

20. Move Section 8.g to 8.j and add language to the new Section 8.j (CPUC Sheet # 21031-E)

    In the 1993 General Rate Case, the Commission established the reduced non-compliance penalty amounts for those customers who fully complied with all requested pre-emergency and emergency curtailment events, if any, in the preceding calendar year. Additionally, language is being added to this section that restates when non-compliance penalties are assessed and how they are calculated. This language was added to Section 11 of Schedules E-19 and E-20 with approval of Advice 1396-E, but identical language in Section 8 of Schedule S was not included in our filing, which should be achieved through this filing.

21. Add Section 8.l (CPUC Sheet # 21032-E)

Details on the specifics on when under frequency relay (UFR) interruptions can occur and the ownership responsibility of the equipment associated with the UFR option is being added to Section 8.l of Schedule S. This language was added to Section 11 of Schedules E-19 and E-20 with approval of Advice 1277-E, and an adjustment of the frequency threshold was modified in Advice 1629-E, but identical language in Section 8 of Schedule S was not included in our filings, which should be achieved through this filing.

22. Add Section 8.o (CPUC Sheet # 21032-E)

In general, customers on the non-firm option of Schedule S are not eligible for additional participation on other demand response programs as authorized with limitation in D.03-06-032. This is because of the eligibility of the Schedule S on the other programs or because their zero firm service level makes them ineligible to participate in other programs.

Add clarifying language to state in which options of the California Power Authority Demand Reserves Partnership (CPA-DRP) program a non-firm customer may participate. The proposed language will state that participants in the non-firm program may participate in the Call Option and Supplemental Energy Market of the CPA-DRP with specified restrictions. Non-firm participants will not be able to participate in the Ancillary Service Option of the CPA-DRP program.

This language is consistent with Ordering Paragraph 13 and the discussion language in Section IV.E.3 c & IV.E.3.d of D.03-06-032. Since the CPA-DRP has various options under the program, distinguishing which options of the CPA-DRP a customer can and cannot participate in will reduce ambiguity in the tariff.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **January 12, 2004**, which is 20 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

Effective Date

PG&E requests that this advice filing become effective on regular notice, **February 1, 2004**, which is 40 days after 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 parties on the service list Rulemaking (R.) 00-10-002. 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/tariffs

Karen A. Tomcala/sct
Vice President - Regulatory Relations

Attachments

cc: R. 00-10-002

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21015-E	Electric Rate Schedule E-19 – Medium General Demand-Metered Time-of-Use Service	18037-E
21016-E	Electric Rate Schedule E-19 (Continued)	18039-E
21017-E	Electric Rate Schedule E-19 (Continued)	18040-E
21018-E	Electric Rate Schedule E-19 (Continued)	18865-E
21019-E	Electric Rate Schedule E-19 (Continued)	17900-E
21020-E	Electric Rate Schedule E-19 (Continued)	20512-E
21021-E	Electric Rate Schedule E-20 – Service to Customers with Maximum Demands of 1,000 Kilowatts or More	18866-E
21022-E	Electric Rate Schedule E-20 (Continued)	18044-E
21023-E	Electric Rate Schedule E-20 (Continued)	18045-E
21024-E	Electric Rate Schedule E-20 (Continued)	18867-E
21025-E	Electric Rate Schedule E-20 (Continued)	15356-E
21026-E	Electric Rate Schedule E-20 (Continued)	16430-E
21027-E	Electric Rate Schedule E-20 (Continued)	20513-E
21028-E	Electric Rate Schedule S - Standby	16201-E
21029-E	Electric Rate Schedule S (Continued)	16201-E
21030-E	Electric Rate Schedule S (Continued)	16202-E
21031-E	Electric Rate Schedule S (Continued)	15424-E
21032-E	Electric Rate Schedule S (Continued)	15424-E
21033-E	Table of Contents – Rate Schedules (Continued)	20982-E
21034-E	Table of Contents	20864-E

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

8. STANDARD SERVICE FACILITIES: If PG&E must install any new or additional facilities to provide the customer with service under this schedule the customer may have to pay some of the cost. Any advance necessary and any monthly charge for the facilities will be specified in a line extension agreement. See Rules 2, 15, and 16 for details. This section does not apply to customers voluntarily taking service under Schedule E-19.

Facilities installed to serve the customer may be removed when service is discontinued. The customer will then have to repay PG&E for all or some of its investment in the facilities. Terms and conditions for repayment will be set forth in the line extension agreement.

9. SPECIAL FACILITIES: PG&E will normally install only those standard facilities it deems necessary to provide service under this schedule. If the customer requests any additional facilities, those facilities will be treated as "special facilities" in accordance with Section I of Rule 2.

10. ARRANGEMENTS FOR VISUAL-DISPLAY METERING: If the customer wishes to have visual-display metering equipment in addition to the regular metering equipment, and the customer would like PG&E to install that equipment, the customer must submit a written request to PG&E. PG&E will provide and install the equipment within 180 days of receiving the request. The visual-display metering equipment will be installed near the present metering equipment. The customer will be responsible for providing the required space and associated wiring.

PG&E will continue to use the regular metering equipment for billing purposes.

11. NON-FIRM SERVICE PROGRAM: As noted, the rates in the chart in Section 3 of this rate schedule apply to firm service only. ("Firm" means service where PG&E provides a "continuous and sufficient supply of electricity," as described in Rule 14.) Certain customers may also elect to receive non-firm service under Schedule E-19. Non-firm service is not available to customers taking service under Schedule E-19 on a voluntary basis. (D)

In accordance with Decision 01-04-006, the Non-firm Service Program is closed to new (T)
or existing customers that are not currently in the program. Existing contracts may not (N)
be assigned to other parties. Customers considering participating in an interruptible I
program should refer to Schedule E-BIP for program terms and conditions, or may I
consider other available interruptible or demand response programs. The customer's (N)
total load must meet the eligibility criteria in 11.a in order to participate in the Non-firm Service Program. Customers being served, as of December 31, 1992, under the Non-firm Service Program may continue to participate in the Non-firm Service Program.

(Continued)

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

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

UNDERFREQUENCY RELAY PROGRAM: Under this program, the customer agrees to be subject at all times to automatic interruptions of service caused by an underfrequency relay device that may be installed by PG&E.

Please note that PG&E may require up to three years' written notice for a change from non-firm to firm service, or for termination of participation in the Underfrequency Relay Program. (D)

a. ELIGIBILITY CRITERIA FOR NON-FIRM SERVICE: To qualify for non-firm service, the customer must have had an average peak-period demand of at least 500 kilowatts during each of the last six summer billing months prior to the customer's application for non-firm service. (Average peak-period demand is the total number of kWh used during the peak-period hours of a billing month divided by the total number of peak-period hours in the month.) Customers who have not yet had six months of summer service must demonstrate to PG&E's satisfaction that they will maintain an average monthly-peak-period demand of 500 kW or more to qualify for non-firm service.

Customers on non-firm service may not have, or obtain, any insurance for the sole purpose of paying non-compliance penalties for willful failure to comply with requests for curtailments. Customers with such policy will be terminated from the Program, and will be required to pay back any incentives that the customer received for the period covered by the insurance. If the period cannot be determined, the recovery shall be for the entire period the customer was on the program. Eligibility for the non-firm program requires that each customer execute (N)
and submit to PG&E a No Insurance Declaration that states that the customer |
does not have, and will not obtain such insurance. (N)

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 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.

(Continued)

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

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

b. DESIGNATION OF FIRM SERVICE LEVEL: If a customer takes non-firm service, the designated number of kilowatts to which the customer must reduce demand during emergency curtailments is the customer's contractual "firm service level." This designated firm service level must be at least 500 kilowatts less than the smallest of the customer's average peak-period demands during the last six summer billing months prior to the designation.

c. PRE-EMERGENCY CURTAILMENT REQUIREMENTS: A customer may be requested to curtail, on a pre-emergency basis, up to five times per year. Each pre-emergency curtailment will last no more than five hours. Customers will be given at least 30 minutes notice before each curtailment. PG&E will request at least six pre-emergency curtailments during any rolling three-year period. The pre-emergency curtailments will be requested subject to the criteria listed in Section 11.d below, and PG&E's discretion.

(D)

d. PRE-EMERGENCY CURTAILMENT PROCEDURE: PG&E will notify the customer by telephone, electronic mail, or other reliable means of communication. This notification will designate the time by which the customer's kW demand is requested to reduce to the customer's contractual firm service level. The notification will also designate the time when the customer may resume use of full power.

PG&E may call a pre-emergency curtailment if one of the following criteria are met:

1) The 9:00 a.m. forecast of temperatures in the Central Valley (the average of the forecasted temperature in Fresno and Sacramento) exceeds 100 degrees Fahrenheit; and PG&E has been informed by the ISO that an adjusted 10:00 a.m. forecast of two-hour reserves for that afternoon's peak is 12 percent or less; or

2) The 9:00 a.m. forecast of temperatures in the Central Valley exceeds 105 degrees F.

(Continued)

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

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

e. EMERGENCY CURTAILMENT PROCEDURE: When it becomes necessary for PG&E to request a curtailment, PG&E will notify the customer by telephone, electronic mail, or other reliable means of communication. This notification will designate the time by which the customer's kW demand is requested to be reduced to the customer's contractual firm service level.

The customer is requested to not resume the use of curtailed power until notified by PG&E that it may do so or until the customer has curtailed its service for six hours.

f. LIMIT ON EMERGENCY CURTAILMENTS: The number of curtailment events will not exceed one (1) per day, four (4) in a calendar week, and thirty (30) times per calendar year. The duration of the curtailment events will not exceed six (6) hours each, forty (40) hours per calendar month, and a total of one hundred (100) hours per calendar year. (N)
(D)
(D)

Annual UFR operations shall not be included in the annual pre-emergency or emergency curtailment limit. (N)

g. EMERGENCY-NOTICE PROVISION: If there is an emergency on the PG&E system, PG&E may ask the customer to curtail the use of electricity on less than the 30 minutes notice allowed for the Non-firm Service Option. The customer will be asked to make its best effort to comply. The customer will not be assessed the noncompliance penalty for failing to comply within the shorter notice period.

The customer will be assessed a noncompliance penalty if the regular notice period for the operation passes and the customer still has not curtailed use.

(D)

(Continued)

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

h. NONCOMPLIANCE PENALTY: (D)

The applicable noncompliance penalties are listed in Section 12. If a customer has curtailed to or below the designated firm service level for all of the requested pre-emergency and emergency curtailments, if any, in the preceding calendar year, the noncompliance penalty for the current year, will be the lower level shown in Section 12.

The penalty will be calculated by determining the total amount of excess energy taken during the curtailment period (energy taken in excess of the customer's firm service level times the duration of the curtailment) and multiplying this total by the noncompliance penalty (per KWh). (N)

(D)

Once a customer has complied with all the requested curtailments during the previous year, the customer's noncompliance penalty will remain at the reduced penalty level shown in Section 12 for the next calendar year. If the customer fails to comply with a requested curtailment, the noncompliance penalty for the following year will be the higher value shown in Section 12.

If no emergency or pre-emergency curtailments are called during a given year, the customer's noncompliance penalty for the next year in which curtailments occur shall be based on the customer's level of compliance during the last year curtailments were called. (D)

During the year, PG&E will record any energy taken in excess of the customer's firm service level during any emergency or pre-emergency curtailments. PG&E will notify the customer of the amount of excess energy taken and the estimated noncompliance penalty. PG&E shall assess the noncompliance penalties, subject to the noncompliance penalty limit described below, at the end of the calendar year. The customer's noncompliance penalty shall be equal to the appropriate noncompliance penalty shown in Section 12 times the total amount of excess energy taken during any pre-emergency and emergency curtailments.

In any given calendar year, the noncompliance penalties may not exceed 200 percent of the annual incentive level. The noncompliance penalty limit is equal to twice the annual incentive paid (the difference between what the customer would have paid on firm service rates less the customer's bill on non-firm rates excluding any noncompliance penalties). If a customer's total noncompliance penalties in any given year exceed the noncompliance penalty limit, PG&E shall bill the customer a noncompliance penalty equal to the noncompliance penalty limit.

(Continued)

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

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

I. INTERACTIONS WITH OTHER DEMAND RESPONSE PROGRAMS:

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 Call Option of 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. Participants in the non-firm program may participate in the Supplemental Energy Market Option of the CPA-DRP 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. Participants in the non-firm program may not participate in the Ancillary Service Option of the CPA-DRP program. (T) (N) (N)

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.

(D)

(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: As noted, the rates in the chart in Section 3 of this rate schedule apply to firm service only. ("Firm" means service where PG&E provides a "continuous and sufficient supply of electricity," as described in Rule 14.) Certain customers may also elect to receive non-firm service under Schedule E-20. (T) (D)

In accordance with Decision 01-04-006, the Non-firm Service Program is closed to new or existing customers that are not currently in the program. Existing contracts may not be assigned to other parties. Customers considering participating in an interruptible program should refer to Schedule E-BIP for program terms and conditions, or may consider other available interruptible or demand response programs. The customer's total load must meet the eligibility criteria in 11.a in order to participate in the Non-firm Service Program. Customers being served, as of December 31, 1992, under the Non-firm Service Program may continue to participate in the Non-firm Service Program. (T) (N) | | (N)

This program is available for qualifying customers until modified or terminated in the rate design phase of the next general rate case or similar proceeding as ordered in Decision 02-04-060.

A customer who elects to receive non-firm service under Schedule E-20 must participate in PG&E's Emergency Curtailment Program. A non-firm service customer may also elect to participate in PG&E's Underfrequency Relay (UFR) Program.

EMERGENCY CURTAILMENT PROGRAM: Under the Emergency Curtailment Program, a non-firm service customer may be requested to reduce demand to a designated number of kilowatts (kW), referred to as the customer's contractual "firm service level." PG&E will make requests for such curtailments from its non-firm service customers upon notification from the California Independent System Operator (ISO) that a system-wide or local operating condition exists which will impair the ability of the ISO to meet the demands of PG&E's other customers. The ISO is expected to issue load curtailment directives to PG&E in those instances where load reductions are necessary in order to maintain system-wide operating reserves above the 5 percent level throughout the next operating hour, or if such load reductions are the sole remaining measure available in order to mitigate transmission overloads in the PG&E area.

(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.)

UNDERFREQUENCY RELAY PROGRAM: Under this program, the customer agrees to be subject at all times to automatic interruptions of service caused by an underfrequency relay device that may be installed by PG&E.

Please note that PG&E may require up to three years' written notice for a change from non-firm to firm service, or for termination of participation in the Underfrequency Relay Program. (D)

a. ELIGIBILITY CRITERIA FOR NON-FIRM SERVICE: To qualify for non-firm service, the customer must have had an average peak-period demand of at least 500 kW during each of the last six summer billing months prior to the customer's application for non-firm service. (Average peak-period demand is the total number of kWh used during the peak-period hours of a billing month divided by the total number of peak-period hours in the month.) Customers who have not yet had six months of summer service must demonstrate to PG&E's satisfaction that they will maintain an average monthly-peak-period demand of 500 kW or more to qualify for non-firm service.

Customers on non-firm service may not have, or obtain, any insurance for the sole purpose of paying non-compliance penalties for willful failure to comply with requests for curtailments. Customers with such policy will be terminated from the Program, and will be required to pay back any incentives that the customer received for the period covered by the insurance. If the period cannot be determined, the recovery shall be for the entire period the customer was on the program. Eligibility for the non-firm program requires that each customer execute (N)
and submit to PG&E a No Insurance Declaration that states that the customer |
does not have, and will not obtain such insurance. (N)

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 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.

(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.)

b. DESIGNATION OF FIRM SERVICE LEVEL: If a customer takes non-firm service, the designated number of kW to which the customer must reduce demand during emergency curtailments is the customer's contractual "firm service level." This designated firm service level must be at least 500 kW less than the smallest of the customer's average peak-period demands during the last six summer billing months prior to the designation.

c. PRE-EMERGENCY CURTAILMENT REQUIREMENTS: A customer may be requested to curtail, on a pre-emergency basis, up to a maximum of two times per year (except that any emergency curtailments will count towards the maximum). Each pre-emergency curtailment will last no more than five hours. Customers will be given at least 30 minutes notice before each curtailment. The pre-emergency curtailments will be requested subject to the criteria listed in Section 11.d below, and PG&E's discretion.

(D)

d. PRE-EMERGENCY CURTAILMENT PROCEDURE: PG&E will notify the customer by telephone, electronic mail, or other reliable means of communication. This notification will designate the time by which the customer's kW demand is requested to reduce to the customer's contractual firm service level. The notification will also designate the time when the customer may resume use of full power.

PG&E may call a pre-emergency curtailment if one of the following criteria are met:

1) The 9:00 a.m. forecast of temperatures in the Central Valley (the average of the forecasted temperature in Fresno and Sacramento) exceeds 100 degrees Fahrenheit; and PG&E has been informed by the ISO that an adjusted 10:00 a.m. forecast of two-hour reserves for that afternoon's peak is 12 percent or less; or

2) The 9:00 a.m. forecast of temperatures in the Central Valley exceeds 105 degrees F.

(Continued)

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

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

e. EMERGENCY CURTAILMENT PROCEDURE: When it becomes necessary for PG&E to request a curtailment, PG&E will notify the customer by telephone, electronic mail, or other reliable means of communication. This notification will designate a time by which the customer's kW demand is requested to be reduced to the customer's contractual firm service level.

The customer is requested not to resume the use of curtailed power until notified by PG&E that it may do so or until the customer has curtailed its service for six hours.

f. LIMIT ON EMERGENCY CURTAILMENTS: The number of curtailment events will not exceed one (1) per day, four (4) in a calendar week, and thirty (30) times per calendar year. The duration of the curtailment events will not exceed six (6) hours each, forty (40) hours per calendar month, and a total of one hundred (100) hours per calendar year. The customer will be given at least 30 minutes notice before each curtailment. (N) (T)

(D)

Automatic UFR operations shall not be included in the annual pre-emergency or emergency curtailment limit.

g. EMERGENCY-NOTICE PROVISION: If there is an emergency on the PG&E system, PG&E may ask the customer to curtail the use of electricity on less than the 30 minute notice allowed for the Non-Firm Service Option. The customer will be asked to make its best effort to comply. The customer will not be assessed the noncompliance penalty for failing to comply within the shorter notice period.

The customer will be assessed a noncompliance penalty if the regular notice period for the operation passes and the customer still has not curtailed use.

(D)

(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.)

h. NONCOMPLIANCE PENALTY: (T)

The applicable noncompliance penalties are listed in Section 12. If a customer has curtailed to or below the designated firm service level for all of the requested pre-emergency and emergency curtailments, if any, in the preceding calendar year, the noncompliance penalty for the current year, will be the lower level shown in Section 12.

The penalty will be calculated by determining the total amount of excess energy taken during the curtailment period (energy taken in excess of the customer's firm service level times the duration of the curtailment) and multiplying this total by the noncompliance penalty (per kWh). (N)

(D)

Once a customer has complied with all the requested curtailments during the previous year, the customer's noncompliance penalty will remain at the reduced penalty level shown in Section 12 for the next calendar year. If the customer fails to comply with a requested curtailment, the noncompliance penalty for the following year will be the higher value shown in Section 12.

If no emergency or pre-emergency curtailments are called during a given year, the customer's noncompliance penalty for the next year in which curtailments occur shall be based on the customer's level of compliance during the last year curtailments were called. (D)

During the year, PG&E will record any energy taken in excess of the customer's firm service level during any emergency or pre-emergency curtailments. PG&E will notify the customer of the amount of excess energy taken and the estimated noncompliance penalty. PG&E shall assess the noncompliance penalties, subject to the noncompliance penalty limit described below, at the end of the calendar year. The customer's noncompliance penalty shall be equal to the appropriate noncompliance penalty shown in Section 12 times the total amount of excess energy taken during any pre-emergency and emergency curtailments.

In any given calendar year, the noncompliance penalties may not exceed 200 percent of the annual incentive level. The noncompliance penalty limit is equal to twice the annual incentive paid (the difference between what the customer would have paid on firm service rates less the customer's bill on non-firm rates excluding noncompliance penalties). If a customer's total noncompliance penalties in any given year exceed the noncompliance penalty limit, PG&E shall bill the customer a noncompliance penalty equal to the noncompliance penalty limit.

(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.)

i. ADDITIONAL NON-FIRM SERVICE PROVISIONS:

1) **Required Re-Designations of Firm Service Level**: A non-firm service customer must maintain a difference of at least 500 kW between the firm service level and the average monthly summer peak-period demand. If the difference is less than 500 kW for any three summer months during any 12-month period, the customer must designate a new firm service level. This new firm service level must be at least 500 kW below the lowest of the customer's average peak-period demands for the last six summer billing months preceding the new designation. If the customer cannot meet this requirement, PG&E will change the account to firm service.

2) **Optional Re-Designations of Firm Service Level**: A non-firm service customer may decrease the firm service level effective with the start of any (T) billing month, provided the customer gives PG&E at least 30 days' written notice. The customer may increase the firm service level (or return to full (T) service) only with PG&E's permission or by giving PG&E three years notice, or by giving such notice to PG&E during a one-month period following any revisions of the program operating criteria initiated by the ISO, or during an annual contract review period that is provided for between November 1 and December 1 each year. The increased firm service level must be such that there is still at least a 500-kW difference between the firm service level and the lowest average monthly summer peak-period demand. The increased firm service level will become effective with the first regular reading of the meter after the customer receives permission from PG&E or at the end of the three year notice period. If a customer elects to change to firm service, they will not be permitted to subsequently return to non-firm status in the future.

3) **Telephone Line Requirements**: Non-firm customers are required to make available a telephone line and space for a notification printer.
This requirement is in addition to any other equipment requirement which may apply.

j. BILL REDUCTIONS FOR NON-FIRM SERVICE CUSTOMERS:

1) **Demand Charges**: Reduced peak-period demand charges for curtailable service shall be applied to the difference between the customer's maximum demand in the peak-period and its Firm Service Level (but not less than zero). The peak-period charges for firm service shall be applied to the peak-period demand less the above difference.

2) **Energy Charges**: Reduced energy charges for curtailable service shall be applied to (a-b), where (a) is the number of kilowatt-hours used in the time period and (b) is the product of the Firm Service Level and the number of hours in the time period. (a-b) shall not be less than zero.

3) Economic **Stimulus Rate Credit**: The energy charges described in 11.j.2 shall be reduced by the product of the Economic Stimulus Rate Credit and (a-b) as calculated in 11.j.2.

(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.)

I. INTERACTIONS WITH OTHER DEMAND RESPONSE PROGRAMS:

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 Call Option of 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. Participants in the non-firm program may participate in the Supplemental Energy Market Option of the CPA-DRP 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. Participants in the non-firm program may not participate in the Ancillary Service Option of the CPA-DRP program. (T) (N) (N)

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.

(D)

(Continued)

SCHEDULE S—STANDBY SERVICE
(Continued)

RATES: (Cont'd.)

7. DEFINITION OF TIME PERIODS:

Times of the year and times of the day are defined as follows:

SUMMER Period A (service from May 1 through October 31):

Peak:	12:00 noon to 6:00 p.m.	Monday through Friday (except holidays)
Partial-Peak:	8:30 a.m. to 12:00 noon AND 6:00 p.m. to 9:30 p.m.	Monday through Friday (except holidays)
Off-Peak:	9:30 p.m. to 8:30 a.m.	Monday through Friday All DaySaturday, Sunday, and holidays

WINTER Period B (Service from November 1 through April 30):

Partial-Peak:	8:30 a.m. to 9:30 p.m.	Monday through Friday (except holidays)
Off-Peak:	9:30 p.m. to 8:30 a.m.	Monday through Friday (except holidays) All Day Saturday, Sunday and holidays

HOLIDAYS: "Holidays" for the purposes of this rate schedule are New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. The dates will be those on which the holidays are legally observed.

(L)

(Continued)

SCHEDULE S—STANDBY SERVICE
(Continued)

RATES: (Cont'd.)

8. NONFIRM SERVICE: (L)

A Customer who elects to receive non-firm service under Schedule S must participate in PG&E's emergency curtailment program. A non-firm service customer may also elect to participate in PG&E's underfrequency relay (UFR) (T) program. Please note that PG&E may require up to three years' written notice for (T) a change from non-firm to firm service, or for termination of participation in the underfrequency relay program.

a. ELIGIBILITY: To qualify for non-firm service under Schedule S, the customer must demonstrate to PG&E's satisfaction that it has at least 500 kW of average peak-period on-site load, whether served by PG&E or by its own generator. (L)

b. This program is available for qualifying customers until modified or terminated (N) in the rate design phase of the next general rate case or similar proceeding as ordered in Decision 02-04-060.

c. Customers on non-firm service may not have, or obtain, any insurance for the sole purpose of paying non-compliance penalties for willful failure to comply with requests for curtailments. Customers with such policy will be terminated from the Program, and will be required to pay back any incentives that the customer received for the period covered by the insurance. If the period cannot be determined, the recovery shall be for the entire period the customer was on the program. Eligibility for the non-firm program requires that each customer execute and submit to PG&E a No Insurance Declaration that states that the customer does not have, and will not obtain such insurance.

d. 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 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 percent of its average peak load to interruptible programs. (N)

(Continued)

SCHEDULE S—STANDBY SERVICE
(Continued)

RATES: (Cont'd.)

8. NONFIRM SERVICE: (Cont'd.)

e. PRE-EMERGENCY CURTAILMENT REQUIREMENTS: A customer may be requested to curtail, on a pre-emergency basis, up to a maximum of two times per year (except that any emergency curtailments will count towards the maximum). Each pre-emergency curtailment will last no more than five hours. (T) (T) (N) (N)

Customers will be given at least 30 minutes notice before each curtailment. The pre-emergency curtailments will be requested subject to the criteria listed in Section 8.d below. (D)

(D)

f. PRE-EMERGENCY CURTAILMENT PROCEDURE: PG&E will notify the customer by telephone, electronic mail, or other reliable means of communication. This notification will designate the time by which the customer's kW demand must be completely curtailed. (T)

The notification will also designate the time when the customer may resume use of full power. PG&E may call a pre-emergency curtailment if one of the following criteria are met: (N)

1) The 9:00 a.m. forecast of temperatures in the Central Valley (the average of the forecasted temperature in Fresno and Sacramento) exceeds 100 degrees Fahrenheit: and PG&E has been informed by the ISO that an adjusted 10:00 a.m. forecast of two-hour reserves for that afternoon's peak is 12 percent or less: or

2) The 9:00 a.m. forecast of temperatures in the Central Valley exceeds 105 degrees F. (N)

g. EMERGENCY CURTAILMENT PROCEDURE: When it becomes necessary for PG&E to request a curtailment, PG&E will notify the customer by telephone, electronic mail, or other reliable means of communication. This notification will designate a time by which the customer's kW demand must be completely curtailed. (T)

The customer may not resume the use of curtailed power until notified by PG&E that it may do so or until the customer has curtailed its service for six hours.

h. LIMIT ON EMERGENCY CURTAILMENTS: The number of curtailment events will not exceed one (1) per day, four (4) in a calendar week, and thirty (30) times per calendar year. The duration of the curtailment events will not exceed six (6) hours each forty (40) hours per calendar month, and a total of one hundred (100) hours per calendar year. The customer will be given at least 30 minutes notice before each curtailment. (N)

Automatic UFR operations shall not be included in the annual pre-emergency or emergency curtailment limit. (N)

(Continued)

SCHEDULE S—STANDBY SERVICE
(Continued)

RATES: (Cont'd.)

8. NONFIRM SERVICE: (Cont'd.)

i. EMERGENCY-NOTICE PROVISION: If there is an emergency on the PG&E system, PG&E may ask the customer to curtail the use of electricity on less than the 30 minute notice allowed for the non-firm service option. The customer will be asked to make its best effort to comply. The customer will not be assessed the noncompliance penalty for failing to comply within the shorter notice period, but the customer will be assessed this penalty if the regular notice period for the option passes and the customer still has not curtailed use.

j. NONCOMPLIANCE PENALTY: If PG&E requests that a non-firm service customer curtail the use of electricity and the customer fails to do so by the time specified, the customer must pay a noncompliance penalty. This penalty will be payable in addition to the regular charges. (T)

The penalty will be calculated by determining the total amount of energy taken during the curtailment period and multiplying this total by $8.40 per kWh, subject to a 200 percent annual cap on the total penalty as described below. If a customer fully complied with all of the requested pre-emergency and emergency curtailments, if any, in the preceding, calendar year, the noncompliance penalty for the current year, will be reduced in half to $4.20 per kWh. (T) (N)

Once a customer has complied with all the requested curtailments during the previous year, the customer's noncompliance penalty will remain at the $4.20 penalty level for the next calendar year. If the customer fails to comply with a requested curtailment, the noncompliance penalty for the following year will be increased back to the $8.40 penalty level.

If no emergency or pre-emergency curtailments are called during a given year, the customer's noncompliance penalty for the next year in which curtailments occur shall be based on the customer's level of compliance during the last year curtailments were called.

During the year, PG&E will record any energy taken in excess during any emergency or pre-emergency curtailments. PG&E will notify the customer of the amount of excess energy taken and the estimated noncompliance penalty. PG&E shall assess the noncompliance penalties, subject to the noncompliance penalty limit described below, at the end of the calendar year. The customer's noncompliance penalty shall be equal to the appropriate noncompliance penalty shown above, times the total amount of excess energy taken during any pre-emergency and emergency curtailments. (N)

In any given calendar year, the noncompliance penalties may not exceed 200 percent of the annual incentive level. The noncompliance penalty limit is equal to twice the annual incentive paid (the difference between what the customer would have paid on firm service rates less the customer's bill on nonfirm rates excluding noncompliance penalties). If a customer's total noncompliance penalties in any given year exceed the noncompliance penalty limit, PG&E shall bill the customer a noncompliance penalty equal to the noncompliance penalty limit.

(L)

(Continued)

SCHEDULE S—STANDBY SERVICE
(Continued)

RATES: (Cont'd.)

8. NONFIRM SERVICE: (Cont'd.)

k. TELEPHONE LINE REQUIREMENTS: Non-firm customers are required to make available a telephone line and space for a notification printer. This requirement is in addition to any other equipment requirement which may apply. (T) (L)

l. DETAILS ON AUTOMATIC INTERRUPTIONS – UFR OPTION: If a customer is participating in the UFR program, service to the customer will be automatically interrupted if the frequency on the PG&E system drops to 59.65 hertz for 20 cycles. PG&E will install and maintain a digital underfrequency relay and whatever associated equipment it believes is necessary to carry out such automatic interruption. Relays and other equipment will remain the property of PG&E. If more than one relay is required, PG&E will provide the additional relays as "special facilities," at customer's expense, in accordance with Section I of Rule 2. (N)

In addition to the underfrequency relay, PG&E may install equipment that would automatically interrupt service in case of voltage reductions or other operating conditions. (N)

m. COMMUNICATION CHANNEL FOR UFR SERVICE: UFR program customers are required to provide an exclusive communication channel from the PG&E-provided terminal block at the customer's facility to a PG&E-designated control center. The communication channel must meet PG&E's specifications, and must be provided at the customer's expense. PG&E shall have the right to inspect the communication circuit upon reasonable notice.

n. BILL REDUCTIONS FOR NON-FIRM SERVICE CUSTOMERS: If a customer elects this Schedule S service option, the credits shown under Section 2 of this Schedule will apply to all usage during the on-peak and part- peak billing period. Should the customer also elect service under an underfrequency relay (UFR option), the additional credit shown for underfrequency relay service shall apply to all energy usage.

o. INTERACTIONS WITH OTHER DEMAND RESPONSE PROGRAMS: Customers who participate in a third-party sponsored interruptible load program must immediately notify PG&E of such activity. (N) (N) (L)

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Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
CPUC
Creative Technology
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
Dept of the Air Force
DGS Natural Gas Services
DMM Customer Services
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Enron Energy Services
Exeter Associates
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Grueneich Resource Advocates
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
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Meek, Daniel W.
Meyer, Joseph
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
PG&E National Energy Group
Pinnacle CNG Company
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
Provost Pritchard
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
TJ Cross Engineers
Transwestern Pipeline Co
Turlock Irrigation District
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA