

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 2, 2009

Advice Letter 2856-E-A

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Revised Schedule S – Standby Service, New Special Condition
15 for Customers under California Independent System
Operator (CAISO) Station Power Protocol in Compliance with
FERC Order**

Dear Mr. Cherry:

Advice Letter 2856-E-A is effective June 1, 2006.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
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415.973.4977
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August 28, 2009

Advice 2856-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Revised Schedule S – Standby Service, New Special Condition 15 for Customers under California Independent System Operator (CAISO) Station Power Protocol in Compliance with FERC Order

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric Schedule S – *Standby Service*, and incidental changes to Electric Schedules E-DCG – *Departing Customer Generation*. The revised standby tariff, Schedule E-DCG tariff and the accompanying Special Agreement for Standby Service (Form 79-285), are enclosed. This supplemental advice letter replaces Advice 2856-E in its entirety.

Background

In a series of Orders issued from 2004 to 2006, the Federal Energy Regulatory Commission (FERC) held that generators may become qualified as Station Power Protocol (SPP) generators by the California Independent System Operator Corporation (CAISO) and that utilities may not charge an SPP generator for standby service where the SPP-certified generator self-supplies power (*i.e.* has a net positive output over a one-month period). The California Public Utilities Commission (CPUC) and Southern California Edison (SCE) filed appeals with the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit), asserting that the FERC's Station Power Order intruded upon the CPUC's jurisdiction to regulate the retail sales of energy. These appeals were held in abeyance pending the FERC consideration of Requests for Rehearing.

On July 10, 2006, PG&E submitted Advice 2856-E to the CPUC seeking approval of a standby service tariff consistent with the FERC Orders, which generally provided that PG&E would not charge SPP-certified generators that self-supply station power retail energy charges for that station power, including

REVISED

nonbypassable charges (NBCs). The CPUC suspended PG&E's Advice 2856-E pending resolution of the Requests for Rehearing and appeals.

In January 2009, the FERC rejected all outstanding Requests/Clarification for Rehearing of its Station Power Orders. Likewise in January 2009, the CPUC voluntarily dismissed its D.C. Circuit appeal. The D.C. Circuit has issued an order setting the briefing schedule for SCE's appeal. The CPUC, however, has indicated that it will not approve Advice 2856-E while SCE's appeal is pending.

With its Advice Letter pending, PG&E has continued to invoice its SPP customers for energy under PG&E's currently effective CPUC tariff. Several of PG&E's generator retail-energy customers, however, have requested reimbursement of standby service payments, consistent with the FERC Orders on station power.

As the approval for PG&E's 2006 Advice 2856-E is still pending, PG&E is re-filing this Advice Letter to respond to requests for refunds from our customers, to modify the Reservation Charge requirement to reflect the FERC's station power order and to make certain other managerial and ministerial improvements as summarized below. As with its Advice 2856-E, this filing would allow PG&E only to charge SPP Customers for standby service consistent with the FERC directive on station power, but would also explicitly provide for recovery of energy and other charges should the D.C. Circuit reverse FERC's directive on station power. For clarification, PG&E's proposed modified Special Condition 15 does not impose departing load charges on SPP-certified generators, including the Power Charge Indifference Adjustment (PCIA) in accord with CPUC Decision 06-07-030, ordering paragraph 9.

Approval of this Advice Letter would eliminate inconsistencies between PG&E's CPUC-approved Tariff and the FERC Orders, to allow PG&E to reverse all charges including NBCs, as described in Appendix A, to customers satisfying the requirements of Special Condition 15. PG&E has held monies received from SPP-certified generators (paid in accordance with PG&E's currently effective CPUC tariff), in our general fund and would be able to make refunds upon approval of this advice letter.

PG&E requests an effective date for this Advice Letter of June 1, 2006, the same as the original date requested in Advice 2856-E. Advice 2856-E was submitted to comply with the FERC February 17, 2006 Order (FERC Docket No. ER05-849-000 – Self Supply of Station Power)¹ and the implementation of the CAISO Amendment 68 - Station Power Protocol². While the effective date of the CAISO Amendment 68 was April 1, 2006, PG&E's first customer-generator to request station power treatment under this provision received station power certification on June 1, 2006.

¹ *California Independent System Operator Corp.*, 114 FERC ¶ 61,176, at P 10 (2006).

² <http://www.caiso.com/docs/2005/04/19/20050419074929735.pdf>

Tariff Revisions

Schedule S – Standby Service³

- Added language to the Applicability section to include reference to the newly added Station Power Special Condition 15 (see next item).
- The original filing added Special Condition 15 to the Standby Tariff. Some of the original language included in Advice 2856-E was re-written.
- Changed the provision in Special Condition 15 from the original (July 2006) filing where a self-supplying generator that has Net Negative Output in a given Netting Period is responsible for payment of all charges associated with the negative imbalance amount based on Schedule S *only for that month*. In the original filing, if there was a negative Net Output in a given Netting Period, the customer would have been responsible for (i) payment of all charges associated with retail standby for the Station Load energy shortfall, including the reservation capacity charge, and (ii) payment of all Standby Reservation charges for the next eleven Netting Periods.
- Added language in Special Condition 15 describing the specific retail charges, including NBCs, as summarized in Appendix A below. (Appendix A shows a matrix of the charges applicable to Station Load Self-Supply participants.)
- Added two new definitions in Special Condition 15, one for Net Positive Output and one for Net Negative Output.
- Added contingency language to Special Condition 15, Section f, regarding SCE's appeal.

Special Agreement for Standby Service (Form 79-285)

- Revised the accompanying Form 79-285, *Pacific Gas And Electric Company's Special Agreement For Electrical Standby Service*, adding a new option 5 for receiving service on PG&E Standby for Station Load Self-Supply.
- Added titles to the all the options for clarifications.

Schedule E-DCG – Departing Customer Generation

- Added language stating that any station load served over PG&E's distribution facilities to customers taking service under Schedule S Special Condition 15 Station Load Self-Supply and allocated as either Remote Self-Supply or Third Party Self-Supply load shall be subject to the charges contained in Schedule S, as applicable.

³ This section summarizes the changes herein to PG&E's previous advice letter, 2856-E, filed in 2006.

Protests

In accordance with General Order 96-B, Section 1.3, PG&E is requesting a shortened protest period of 11 days due to customer requests for reimbursement of standby service payments, consistent with the FERC Orders on station power. Given PG&E's previous advice filing on this matter, interveners should be familiar with issues raised and a shortened protest period should allow adequate time for stakeholder comments. Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **September 8, 2009**. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective, June 1, 2006, which is the date originally requested in Advice Letter 2856-E.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list should be directed to San Heng at (415) 973-2640. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

Brian Cherry 08

Vice President, Regulatory Relations

Attachments: Appendix A

cc: Service List, A.02-11-017

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2856-E-A

Tier: 2

Subject of AL: Revised Schedule S – Standby Service, New Special Condition 15 for Customers under California Independent System Operator (CAISO) Station Power Protocol in Compliance with FERC Order

Keywords (choose from CPUC listing): Compliance, Standby Service

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: No

Does AL replace a withdrawn or rejected AL? No If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? Yes No

Requested effective date: June 1, 2006

No. of tariff sheets: 16

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting). N/A

Tariff schedules affected: Rate Schedule S, Rate Schedule E-DCG, and Form 79-285

Service affected and changes proposed: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

ijn@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**Appendix A - NBC charges for Station
Power 2009-08-12**

Standby Service for Station Load Self-Supply
Matrix for PG&E Retail Charges

(Applicable charges based on Schedules S - Standby, E-DCG - Departing Customer Generation and customer's otherwise applicable rate schedule)

	Transmission Access Charge (TAC) T	Distribution Charge D	Non-Bypassable Charges			Competition Transition Charge (CTC)	Power Charge Indifference Adjustment (PCIA)	Energy Cost Recovery Amount (ECRA)	Utility Retained Generation (URG)
			Nuclear Decommissioning (NDC)	Public Purpose Programs (PPP)	DWR Bond				
On-Site Self Supply Load*									
Transmission (ISO-controlled Grid) Net Positive Generation	no charge	no charge	no charge	no charge	no charge	no charge	no charge	no charge	no charge
Distribution Net Positive Generation	no charge	no charge	no charge	no charge	no charge	no charge	no charge	no charge	no charge
Remote Self-Supply Load*									
Transmission (ISO-controlled Grid) Net Positive Generation	charge	no charge	no charge	no charge	no charge	no charge	no charge	no charge	no charge
Distribution Net Positive Generation	no charge	charge*	charge**	charge**	charge**	charge**	no charge	no charge	no charge
Third Party Supply Load									
Applicable when there is a net energy shortfall in a calendar month	<i>Third Party Supply Load charges apply only to the net energy shortfall in a calendar month. Please note that any net shortfall will be billed pursuant to PG&E's tariffs (not the CAISO tariffs).</i>								

* Charge for actual use of PG&E's distribution facilities.

** Non-Bypassable Charges will be assessed consistent with retail standby customers.

This sheet is for reference only. See the Standby Tariff Special Condition 15 for the terms and conditions for Station Power Self-Supply

**ATTACHMENT 1
Advice 2856-E-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
28399-E	ELECTRIC SCHEDULE S STANDBY SERVICE Sheet 1	28235-E*
28400-E	ELECTRIC SCHEDULE S STANDBY SERVICE Sheet 2	28236-E
28401-E	ELECTRIC SCHEDULE S STANDBY SERVICE Sheet 15	
28402-E	ELECTRIC SCHEDULE S STANDBY SERVICE Sheet 16	
28403-E	ELECTRIC SCHEDULE S STANDBY SERVICE Sheet 17	
28404-E	ELECTRIC SCHEDULE S STANDBY SERVICE Sheet 18	
28405-E	ELECTRIC SCHEDULE E-DCG DEPARTING CUSTOMER GENERATION CG Sheet 10	23254-E
28406-E	Electric Sample Form No. 79-285 Special Agreement for Electrical Standby Service	28248-E
28407-E	ELECTRIC TABLE OF CONTENTS Sheet 1	28384-E
28408-E	ELECTRIC TABLE OF CONTENTS RATE SCHEDULES Sheet 4	28294-E
28409-E	ELECTRIC TABLE OF CONTENTS SAMPLE FORMS Sheet 15	28261-E



ELECTRIC SCHEDULE E-DCG
DEPARTING CUSTOMER GENERATION CG

Sheet 10

SPECIAL
 CONDITIONS:
 (Cont'd.)

6. **NEW LOAD SERVED BY CUSTOMER GENERATION:** In accordance with Public Utilities Code Section 369, a new electric consumer, which locates in PG&E's service area as it existed on December 20, 1995 (and any incremental load of an existing PG&E customer) shall be responsible for paying Nonbypassable Charges as applicable, except where such consumer's new or incremental load is being met through a direct transaction that does not make any use of transmission or distribution (T&D) facilities owned by PG&E; or (ii) where Station load is served over distribution facilities to customers taking service under Schedule S Special Condition 15 Station Load Self-Supply and allocated as either On-Site or Remote Self-Supply load, in which case the generating facility shall be subject to the charges contained Schedule S, as applicable.

(T)
 |
 |
 |
 (T)

a. General: Any party claiming that nonbypassable charges do not apply under this provision shall demonstrate through a physical test that such direct transaction can start and fully operate on an ongoing basis, without any of the parties involved in the direct transaction (i.e., the new or incremental customer load is able to be "islanded" to demonstrate that the direct transaction does not require the use of PG&E's T&D systems). Once this standard is met, connection to the system is allowed without invalidating the exemption. Where PG&E determines that the physical test requirement has not been satisfied, it will so notify the owner/operator of the new or incremental load in writing. Any disagreement with respect to that utility determination will be subject to the Dispute Resolution provisions applying to disagreements with Customer Generation Departing Load Nonbypassable Charge Statements.

b. Standby Relationships:

- 1) For customers interconnected with PG&E's T&D facilities for standby service, PG&E shall deem that new or incremental load can be served through a direct transaction while isolated from the power grid when a physical test of the generator providing electric power to the load demonstrates the following:
 - a) The generator is a synchronous generator with black start capabilities, i.e., the synchronous generator starts without being connected to PG&E's T&D facilities; and,
 - b) The ongoing physical flow of power for the direct transaction can be provided with no connection to PG&E's T&D facilities.

(Continued)



**ELECTRIC SCHEDULE S
 STANDBY SERVICE**

Sheet 1

APPLICABILITY: PG&E will supply electricity and capacity on a standby basis under the terms of this schedule for customers:

- a. whose supply requirements would otherwise be delivered through PG&E-owned facilities (including Independent System Operator (ISO)-controlled transmission facilities) but are regularly and completely provided through facilities not owned by PG&E;
- b. who at times take auxiliary service (by means of a double-throw switch) from another public utility and who signed Standard Form 79-285 prior to the day after the Commission ends the rate freeze ordered by Assembly Bill 1890;
- c. who require PG&E to provide reserve capacity and stand ready at all times to supply electricity on an irregular or noncontinuous basis; (T)
- d. whose nonutility source of generation does not qualify under items (a), (b), or (c) above, but who qualify for and elect to receive back-up service under the provisions of Special Condition 7 below; or (T)
- e. who have one or more generating units certified under the California System Operator (CAISO) tariffs for which the customer Self-Supplies Station Load by netting any energy deliveries against Station Power in a given month, subject to the provisions of Special Condition 15 below. (N)
 |
 |
 (N)

Any customer under a time-of-use rate schedule using electric generation technology that meets the criteria as defined in Electric Rule 1 for Distributed Energy Resources is exempt from the otherwise applicable Standby Reservation Charges. Customers qualifying for this exemption will continue to pay the applicable energy, reactive demand, customer and meter charges provided for under this rate schedule, and shall be subject to the requirements outlined in Special Condition 10 of this tariff.

Customers whose: (T)

- a. premises are supplied only in part by electric energy from a non-utility source of supply, and who do not qualify for or elect to take back-up service under the provisions of Special Condition 7, and/or (T)
- b. regular non-utility source of supply is subject to an extended outage as defined under Special Condition 8, (T)

will receive service under one of PG&E's other applicable rate schedules.

However, this service will be provided subject to the provisions of Special Conditions 1 through 6 and 8 through 9 below, and reservation charges as specified under Section 1 will also be applicable. (T)

Solar customers who are taking service under PG&E's net metering tariffs or who utilize solar generating facilities which are less than or equal to one megawatt to serve load and who do not sell power or make more than incidental export of power into PG&E's power grid are exempt from standby charges. Non solar customers taking service under one of PG&E net metering schedules may be exempt from standby charges pursuant to PU Code 2827.

(Continued)



**ELECTRIC SCHEDULE S
 STANDBY SERVICE**

Sheet 2

TERRITORY: PG&E's entire service territory. (L)
 RATES: Total bundled service charges are calculated using the total rates shown below. Direct Access (DA) and Community Choice Aggregation (CCA) charges shall be calculated in accordance with the paragraph in this rate schedule titled Billing. (L)

DEFINITION OF SERVICE VOLTAGE:

The following defines the three voltage classes of Schedule S rates. Standard Service Voltages are listed in Rule 2*.

- a. Secondary: This is the voltage class if the service voltage is less than 2,400 volts or if the definitions of "primary" and "transmission" do not apply to the service.
- b. Primary: This is the voltage class if the customer is served from a "single customer substation" or without transformation from PG&E's serving distribution system at one of the standard primary voltages specified in PG&E's Electric Rule 2, Section B.1.
- c. Transmission: This is the voltage class if the customer is served without utility transformation at one of the standard transmission voltages specified in PG&E's Electric Rule 2, Section B.1.

The Standby Reservation Charges for customers who have paid for the total cost of the service transformers as special facilities under electric Rule 2 are determined by the voltage at the high side of the service transformer. All other charges will be billed on the voltage level at the low side of the service transformer.

PG&E retains the right to change its line voltage at any time, after reasonable advance notice to any customer affected by the change. The customer then has the option of changing its system to receive service at the new line voltage or accepting service at the initial voltage level through transformers supplied by PG&E.

DEFINITION OF MAXIMUM DEMAND:

The real (kW) and reactive (kVAR) demands billed under this tariff will be averaged over each 15-minute interval. "Maximum demand" (real and reactive) will be the highest 15-minute interval average for the billing month. If the customer's use of electricity is intermittent or subject to severe fluctuations, a 5-minute interval may be used. If the customer has any welding machines, the diversified resistance welder load, calculated in accordance with Section J of Rule 2, will be considered the maximum demand if it exceeds the maximum demand that results from averaging the demand over 15-minute intervals.

* The Rules referred to in this rate schedule are part of PG&E's electric tariffs. Copies are available at PG&E's local offices.

(Continued)



ELECTRIC SCHEDULE S
STANDBY SERVICE

Sheet 15

SPECIAL
 CONDITIONS:
 Cont'd.)

15. **STANDBY SERVICE FOR STATION LOAD SELF-SUPPLY:** Standby Service for Station Load Self-Supply permits customers operating a generating unit under the California ISO (CAISO) tariff, Station Power Protocol (SPP) subject to the conditions described below, to net any energy deliveries against Station Power in a calendar month. (See defined terms at the end of this special condition.) This Special Condition 15 does not apply to and does not modify other tariff charges or conditions on permitted netting as defined by CAISO, FERC Electric Tariff, Replacement Vol. No. 1, Section 10.1.3 (as amended from time to time). (N)
- a) **Eligibility:** To be eligible for this Special Condition, a generating unit supplying Station Power must be:
- i) located in the CAISO control area, and
 - ii) a part of a CAISO-approved Station Power Portfolio.
- b) **Charges:** If a generating unit in the station power portfolio requires the use of the CAISO-controlled transmission facilities and/or PG&E's distribution facilities, it will be subject to applicable retail standby charges.
- i) **On-Site Self-Supply:**
 If there is a Net Positive Output in a given Netting Period, the customer shall not be assessed standby charges for that month under this Schedule S.

 Otherwise, if there is a Net Negative Output in a given Netting Period, see (iii) *Third Party Supply* below.
- ii) **Remote Self-Supply:**
 If there is a Net Positive Output in a given netting period and:
- If Station Load is being served by one or more off-site generating facilities within the Station Power Portfolio and *all solely employ transmission voltages* in the delivery of power to serve the customer's Station Load, then it is exempt from retail Standby charges including Non-Bypassable Charges (NBC). For situations where a station power load is connected by means of a non-CAISO-controlled, FERC-jurisdictional generation-tie facility (including a transmission line and associated equipment) and does not employ PG&E's local distribution facilities, no retail standby charges are applicable. Generation-tie facility must have been fully paid for by the SPP Customer or a prior owner including the monthly Cost of Ownership. Transmission costs are collected through CAISO-imposed Transmission Access Charge (TAC).
 - If PG&E *distribution* facilities were actually employed to serve Station Load, then distribution charges including NBCs will be assessed.
- Otherwise, if there is a Net Negative Output in a given Netting Period, see (iii) *Third Party Supply* below.
- iii) **Third Party Supply:**
 If there is a Net Negative Output, the customer is responsible for payment of

(Continued)



ELECTRIC SCHEDULE S
STANDBY SERVICE

Sheet 16

SPECIAL
 CONDITIONS:
 (Cont'd.)

15. STANDBY SERVICE FOR STATION LOAD SELF-SUPPLY (Cont'd)
- iii) **Third Party Supply:** (Cont'd.)
 all charges associated with the negative imbalance amount based on Schedule S including the reservation capacity charge as defined in Special Condition 1 of this Schedule. No special treatment is accorded to Third Party Supply SPP option.
 - c) **Agreement:** Customers participating in the CAISO SPP must sign PG&E's Special Agreement for Electrical Standby Service for Station Self-Supply (Form 79-285).
 - d) **Commencement of Rate:** Customers requesting service under SPP are required to notify PG&E of their eligibility for this service by submitting the above agreement. Eligible customers shall be billed under this Special Condition 15 after written receipt and approval of the customer's SPP agreement, or on the date of verification by PG&E of customer's eligibility under the SPP.
 - e) **Eligibility Change Notice:** It is the customer's responsibility to notify PG&E if there is a change in the customer's eligibility status. The customer must notify PG&E within ten (10) business days from the date that there is any change in the customer's eligibility under Schedule S, Special Condition 15. Customers shall be re-billed during periods of ineligibility under the provisions of retail standby service under Schedule S.
 - f) **Verification:** Information provided by the customer is subject to verification by PG&E. Refusal or failure of a customer to provide eligibility information upon request by PG&E in the form of written approval or certification by the CAISO shall delay the provisions of service under Special Condition 15.
 - g) **Billing:** All customer usage will be based on metered data in a Netting Period.

 Meter data allocated to On-Site Self-Supply load ID, Remote Self-Supply load ID, and Third Party Supply load ID, which is used for billing under Special Condition 15, is provided by the CAISO and is not subject to additional PG&E data validation.
 - i) **Metering:** Prior to receiving service under Special Condition 15, the customer shall:
 - i) Provide, own, install, and maintain all facilities necessary to accommodate any metering equipment specified by PG&E including any additional metering if the customer serves any non-Station Power load, and
 - ii) Provide consent to enable PG&E to receive the customer's metered data from the CAISO, including metered data for load associated with the On-Site Self-Supply Load ID, Remote Self-Supply Load ID, and Third Party Load ID. Such metered data received by PG&E from the CAISO shall be in acceptable format for billing under this Schedule.

(Continued)



ELECTRIC SCHEDULE S
STANDBY SERVICE

Sheet 17

SPECIAL
 CONDITIONS:
 (Cont'd.)

15. STANDBY SERVICE FOR STATION LOAD SELF-SUPPLY (Cont'd)

j) **Notice of Pending Appeal:** Currently, an appeal of the Federal Energy Regulatory Commission's (FERC's) June 22, 2005 and related orders is pending before the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit appeal) related to this section. A Customer eligible for SPP and taking service under this Special Condition 15, must acknowledge its obligation to and agreement to pay charges consistent with the resolution of the D.C. Circuit appeal, including subsequent decisions on appeal or remand, if any, for any time after the later of April 1, 2006 or when the Customer received CAISO certification to operate under SPP. Appropriate payment constitutes the final amount calculated commencing from the date when the Customer received CAISO certification to operate under SPP until the effective date of CPUC jurisdictional standby tariffs that reflect the resolution of the D.C. Circuit appeal. Any payments owed PG&E resulting from the reconciliation will not include interest except as specifically ordered in the clarifying tariffs.

k) **Definitions:**

Net Output: The gross energy output from a generating unit less the Station Power requirements for such generating unit during the Netting Period, or the energy available to provide Remote Self-Supply from a generating facility in another control area during the monthly Netting Period.

Net Negative Output: The Net Output over the netting period is negative, that is, over the netting period either On-Site Self-Supply, or Remote Self-Supply provides less than all (<100%) of the customer's Station Power requiring it to draw on Third Party Supply.

Net Positive Output: The Net Output over the netting period is positive, that is, over the netting period the customer relies only on either On-Site Self-Supplies, or Remote Self-Supplies for all (100%) of its Station Power.

Netting Period: A calendar month representing the interval over which the Net Output of one or many generating resources in a Station Power Portfolio is available to be attributed to the self-supply of the Station Power in that Station Power Portfolio.

On-Site Self-Supply: Energy from a generating unit that is deemed to have Self-Supplied all or a portion of its Station Power load without use of the CAISO-controlled grid during the Netting Period.

On-Site Self-Supply Load ID: A load ID established by CAISO and associated with the Station Power Portfolio's scheduling coordinator. This Load ID will be used by CAISO after the Netting Period to identify Station Power load that was supplied on-site by a generating unit within the SPP.

Remote Self-Supply: Positive Net Output from generating resources in the Station Power Portfolio that is deemed to have Self-Supplied Station Power load of other generating units in the Station Power Portfolio during the Netting Period, where such self-supply requires the use of the CAISO-controlled grid.

(Continued)



ELECTRIC SCHEDULE S
STANDBY SERVICE

Sheet 18

SPECIAL
 CONDITIONS:
 (Cont'd.)

15. STANDBY SERVICE FOR STATION LOAD SELF-SUPPLY (Cont'd)

k) **Definitions:** (Cont'd)

Remote Self-Supply Load ID: A Load ID established by CAISO and associated with the Station Power Portfolio's scheduling coordinator. This load ID will be used by CAISO after the Netting Period to identify Station Power load that was remotely supplied by a generating unit within the Station Power Portfolio.

Self-Supply: Generating units within a Station Power Portfolio providing generation to serve Station Power load within the Station Power Portfolio either through On-Site Self-Supply or Remote Self-Supply.

Station Power: Energy for operating electric equipment, or portions thereof, located on the generating unit site owned by the same entity that owns the generating unit, which electrical equipment is used exclusively for the production of energy and any useful thermal energy associated with the production of energy by the generating unit; and for the incidental heating, lighting, air conditioning and office equipment needs of buildings, or portions thereof that are owned by the same entity that owns the generating unit; located on the generating unit site; and used exclusively in connection with the production of energy and any useful thermal energy associated with the production of energy by the generating unit. Station Power includes the energy associated with motoring a hydroelectric generating unit to keep the unit synchronized at zero real power output to provide regulation or spinning reserve. Station Power does not include any energy used to power synchronous condensers; used for pumping at a pumped storage facility; or provided during a black start procedure. Station Power does not include energy used to serve loads outside the CAISO-controlled grid.

Station Power Portfolio: One or more generation resources eligible to self-supply Station Power, including generating units in the CAISO control area and generating facilities outside of the CAISO control area, all of which are owned by the same entity.

Third-Party Supply: Energy that is deemed to have been purchased from third parties to supply Station Power load during the Netting Period.

Third-Party Supply ID: A Load ID established by CAISO. This Load ID will be used by CAISO after the Netting Period to identify Station Power load that was supplied from a third party.

(N)



Electric Sample Form No. 79-285
Special Agreement for Electrical Standby Service

**Please Refer to Attached
Sample Form**

Advice Letter No: 2856-E-A
Decision No.

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

Date Filed August 28, 2009
Effective June 1, 2006
Resolution No. _____

Distribution

- ___ Division
- ___ Customer (original)
- ___ Rates and Tariffs – New Business (original)
- ___ Electric Billing Solutions

QF LOG# _____
 Premises # _____
 CDx Acct # _____

**PACIFIC GAS AND ELECTRIC COMPANY'S
 SPECIAL AGREEMENT FOR ELECTRICAL STANDBY SERVICE**

This is an agreement between Pacific Gas and Electric Company (PG&E), a California corporation, and _____ (Customer), a(n) _____ . This agreement will be herein referred to as "Agreement".

Customer has requested PG&E to provide standby service at Customer's premises at _____, County of _____ California, under one of the standby options designated below:

- [] **Option 1 – PG&E Standby Through Non-PG&E Supply Facilities** – Standby service for customers whose supply requirements would otherwise be delivered through PG&E owned facilities (including Independent System Operator controlled transmission facilities), are regularly and completely supplied through facilities not owned by PG&E.

The non-utility owned generating facilities have a total rated capacity of approximately _____kVA.

All PG&E power deliveries will be made under Schedule S -- *Standby Service*.

- [] **Option 2 – PG&E Standby When Service is from Another Utility** – Standby service for customers who regularly take electric service from another public utility but desire PG&E to reserve its generation, transmission or distribution capacity for their use:

Customer currently is supplied regular electric service from another utility's generation, transmission, or distribution system; Customer may be alternately served by PG&E by means of a double-throw switch. Both PG&E and the other utility have consented to this arrangement. Customer's maximum demand from electric equipment on his premises is _____kW.

All PG&E power deliveries will be made under Schedule S.

This option is closed to all new customers after January 19, 2001.

- [] **Option 3 – PG&E Standby for Non-Continuous/Irregular PG&E Supply** – Standby service for customers who require PG&E to reserve transmission or distribution capacity and stand ready at all times to deliver electricity on an irregular or non-continuous basis:

Customer has a) a premise which is normally, in part but not in whole, served by non-utility owned generation facilities with a total rated capacity of less than 50 percent of Customer's maximum demand for that premise, or b) a premise which qualifies for back-up service under the provisions of Special Condition 7 of Schedule S (See Option 4) but chooses not to elect Option 4 or currently lacks the necessary on-site metering to bill Option 4 properly,

or c) electrical equipment which is used on an irregular or non-continuous basis. The total rated capacity of Customer's generation facilities or irregularly utilized equipment is _____ kVA.

Customer will be billed for all PG&E power deliveries on the otherwise applicable rate schedule; however, Special Conditions 1 through 6 and 8, 9, and 10 of Schedule S will also apply to Customer's service.

- [] **Option 4 – PG&E Supplemental (Back-up and Maintenance) Standby Service –** Standby service for customers who do not meet the criteria described in Option 1 and 2 above, but elect to receive back-up and maintenance portion of their total standby requirements under the provisions of Special Condition 7 of Schedule S:

At least 50 percent of Customer's maximum electric demand is served by a non-utility owned generator, and all necessary metering has been installed (by May 1, 1994, or the effective date of the contract) by PG&E to separately measure Customers net on-site generation and on-site load requirements. Customer would otherwise, except for such generation, qualify for service under Schedule E-19 (mandatory), E-20 or E-37.

Customer will be billed for the back-up and maintenance portion of the premises' total service requirements under the provisions of Special Condition 7 of Schedule S, and for its ordinary supplemental power requirements (on-site load in excess of the capability of the customer's non-utility owned generation) under the provisions of the otherwise applicable rate schedule. All back-up and maintenance power deliveries by PG&E will be billed in accordance with Schedule S. The total rated capacity of Customer's generation is kVA.

- [] **Option 5 – PG&E Standby for Station Load Self-Supply –** Standby service for customers, whose supply requirements would otherwise be delivered through PG&E owned facilities (including Independent System Operator controlled transmission facilities), where the customers' Station Power requirements are regularly supplied through generating units in accord with the customer's CAISO-approved Station Power Portfolio (SPP), as described under the provisions of Special Condition 15 of Schedule S .

Notice of Pending Appeal: Currently an appeal of the Federal Energy Regulatory Commission's (FERC's) June 22, 2005 and related orders is pending before the U.S. Court of Appeals for the D.C. Circuit (D.C. Circuit appeal) related to Schedule S Special Condition 15 regarding Station Power. A Customer eligible for SPP and taking service under Special Condition 15, must acknowledge its obligation to and agreement to pay charges consistent with the outcomes of the Southern California Edison's D.C. Circuit appeal for any time after the later of April 1, 2006 or when the Customer received CAISO certification to operate under SPP. Appropriate payment constitutes the final amount calculated commencing from the date when the Customer received CAISO certification to operate under SPP until the effective date of CPUC jurisdictional standby tariffs that reflect the resolution of the D.C. Circuit appeal. Any payments owed PG&E resulting from the reconciliation will not include interest except as specifically ordered in the clarifying tariffs.

PU Code 353 exemption:

Standby service for customers who qualify for exemption under PU Code 353 and elect to take this exemption.

- [] **Customers does NOT qualify for PU Code 353 exemption**

[] Customers with supplemental power requirements:

*For customers with supplemental power requirements (on-site load in excess of the capability of the customer's non-utility owned generation) under the provisions of the otherwise applicable rate schedule, Special Conditions 1 through 7 of Schedule S will **not** apply. (Option 3)*

[] Customers with excess generation:

*For those customers who operate electric generation equipment capable of serving their entire load and elect to take this exemption, Special Condition 1 (reservation capacity) will **not** apply. All other applicable charges of Schedule S will apply. (Options 1, 2 and 4)*

Terms and Conditions

1. Customer has requested PG&E to stand ready at all times to deliver or supply and deliver electric energy to Customer's premises on an as-needed basis. Such standby service shall be provided to Customer in accordance with and subject to PG&E's applicable rates and rules as established from time to time by, and on file with, the California Public Utilities Commission (Commission).
2. PG&E shall be granted, without cost to it, all necessary rights-of-way and easements, satisfactory to PG&E, in both location and form of document, to establish such service.
3. All necessary service facilities to accommodate Customer's load shall be furnished by PG&E and Customer as specified in electric line extension and service rules or the otherwise appropriate extension agreements. Any necessary extensions and reinforcements of PG&E's distribution and transmission facilities that are furnished by PG&E at Customer's expense in accordance with either a separate line extension or special facilities agreement, in accordance with the applicable tariffs.
4. All facilities furnished by PG&E to provide electric service at all times shall be and remain the property of PG&E notwithstanding that they may be affixed to Customer's property. PG&E may remove such facilities upon termination of the Agreement.
5. During the term of this Agreement, Customer grants to PG&E the right to operate, maintain, replace, and repair PG&E's facilities on Customer's premises necessary to provide standby service hereunder and all rights necessary for access to and from such facilities at all reasonable times.
6. All standby electric service provided shall be _____ phase, 60 hertz, alternating current at an electromotive force of approximately ____ volts. Allowable variations in this frequency and voltage are specified in PG&E's electric Rule 2. The delivery point for PG&E's standby service shall be considered the point where conductors owned, or under license by Customer, contact PG&E's conductors, or as otherwise designated by applicable rules.
7. The initial reserved capacity for standby service shall be ____kW (Reservation Capacity) and shall be billed monthly at the rate described in the "Rates" section of Schedule S. If the Customer is already receiving standby service from PG&E under a preceding contract, that contracted or reserved capacity, or the amount of capacity to which that contract has been subsequently ratcheted, shall automatically become the Customer's

Reservation Capacity, until the ratchet period ends unless the Reservation Capacity has been increased in accordance with the preceding paragraph.

8. Customer elects to receive any backup and maintenance service that is to be billed under the provisions of Schedule S under the following terms: _____ Firm Service Only.
9. If Customer has a generator and wishes to operate that generator in parallel with PG&E's system, Customer must also execute either a power purchase agreement, or parallel operation agreement, or applicable interconnection agreement with PG&E. Interconnection and operation of all non-utility owned generation paralleling with PG&E's system will be treated in accordance with electric Rule 21. Customers may need to meet those requirements as imposed by other governing entities having jurisdiction including the Independent System Operator and the Western Systems Coordinating Council.
10. Customer shall pay PG&E the monthly charges for the standby service provided hereunder at any established office of PG&E.
11. The initial term of this Agreement shall be for a period of one (1) year from the date the standby service under this Agreement is first made available to Customer as such date is established in PG&E's records and shall continue thereafter from year to year. Customer may terminate this Agreement at the expiration of the initial or any subsequent one-year term, or PG&E may terminate this Agreement in accordance with its tariffs, provided that written notice of such termination is given to the other party at least thirty (30) days prior to such termination date.
12. Customer may, with PG&E's written consent, assign this Agreement to a subsequent owner of the premises if the assignee will, in writing; agree to perform the obligations of the Agreement.
13. This Agreement shall, at all times, be subject to such changes or modifications by the Commission as it may from time to time direct in the exercise of its jurisdiction.

Dated this _____ day of _____, _____.

Customer

PACIFIC GAS AND ELECTRIC

BY: _____
(Signature)

BY: _____
(Signature)

(Type / print name)

(Type / print name)

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

Mailing Address: _____

Mailing Address: Pacific Gas and Electric Co

77 Beale St. B8M

San Francisco, CA 94105



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**PG&E Gas and Electric
Advice Filing List
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Alcantar & Kahl	Day Carter Murphy	Norris & Wong Associates
Ameresco	Defense Energy Support Center	North Coast SolarResources
Anderson & Poole	Department of Water Resources	Northern California Power Association
Arizona Public Service Company	Department of the Army	Occidental Energy Marketing, Inc.
BART	Dept of General Services	OnGrid Solar
BP Energy Company	Division of Business Advisory Services	Praxair
Barkovich & Yap, Inc.	Douglas & Liddell	R. W. Beck & Associates
Bartle Wells Associates	Douglass & Liddell	RCS, Inc.
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CA Bldg Industry Association	Duke Energy	SCD Energy Solutions
CAISO	Dutcher, John	SCE
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California Cotton Ginners & Growers Assn	Foster Farms	Santa Fe Jets
California Energy Commission	G. A. Krause & Assoc.	Seattle City Light
California League of Food Processors	GLJ Publications	Sempra Utilities
California Public Utilities Commission	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sierra Pacific Power Company
Calpine	Green Power Institute	Silicon Valley Power
Cameron McKenna	Hanna & Morton	Southern California Edison Company
Cardinal Cogen	Hitachi	Sunshine Design
Casner, Steve	International Power Technology	Sutherland, Asbill & Brennan
Chamberlain, Eric	Intestate Gas Services, Inc.	Tabors Caramanis & Associates
Chevron Company	Los Angeles Dept of Water & Power	Tecogen, Inc.
Chris, King	Luce, Forward, Hamilton & Scripps LLP	Tiger Natural Gas, Inc.
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