

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 20, 2007

Advice Letter 2948-E-A

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Supplement – Revisions to Electric Rule 1 and Agricultural Rate Schedules to Implement Agricultural Definition Settlement in Compliance with D. 06-11-030

Dear Ms. de la Torre:

Advice Letter 2948-E-A is effective November 30, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "S. H. Gallagher".

Sean H. Gallagher, Director
Energy Division

RECEIVED
REGULATORY RELATIONS DEPARTMENT
FEB 21 2007



Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

December 11, 2006

Advice 2948-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Revisions to Electric Rule 1 and Agricultural Rate Schedules to Implement Agricultural Definition Settlement in Compliance with D.06-11-030

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.

Background

As part of its Test Year 2007 Phase 2 General Rate Case application (A. 06-03-005), filed March 2, 2006, PG&E provided testimony on the agricultural definition issue and requested that its proposed agricultural applicability statement be implemented on an expedited schedule. Settlement talks with Agricultural Energy Consumers Association (AECA), California Farm Bureau Federation (CFBF) and California Rice Millers (CRM) ensued after the filing of the application. On August 8, 2006, the parties filed their motion to adopt the Agricultural Definition Settlement. On November 30, 2006, the Commission granted the uncontested motion of the parties and adopted the Agricultural Definition Settlement in Decision (D.) 06-11-030. In Ordering Paragraph (OP) 2 of D.06-11-030, the Commission ordered PG&E to file revisions to its tariffs to implement the decision.

Tariff Revisions

The following electric rate schedules are modified to implement the Agricultural Definition Settlement:

- AG-1 Agricultural Power
- AG-R Split-Week Time-of-Use Agricultural Power
- AG-V Short-Peak Time-of-Use Agricultural Power

AG-4 Time-of-Use Agricultural Power
AG-5 Large Time-of-Use Agricultural Power

The rate schedules are revised to include the language found in the Agricultural Definition Settlement in the "Applicability" section of each rate schedule. The language has been modified slightly from the version found in the Agricultural Definition Settlement to conform the language to the conventions used in tariffs, such as:

- The footnote to Section A.2 of the Agricultural Definition Settlement has been incorporated into the text of that paragraph in each of the referenced electric rate schedules;
- The footnote to Section B.1(b) has been deleted as the Commission's Decision adopting the settlement rendered that text moot;
- The phrase "(provided that the Commission approves this settlement agreement, the following language will be added)" that appeared in Section B.1(b) of the Agricultural Definition Settlement has been deleted as the Commission's Decision adopting the settlement rendered that text moot.

Additionally, Electric Rule 1 is being revised to:

- Include a cross-reference to "Qualification for Agricultural Rates" in the definition of "Agricultural Customer".
- Include the definition of "Qualification for Agricultural Rates" as found in the Agricultural Definition Settlement

Protests

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 **January 2, 2007**, which is 22 days after the date of this filing.¹ 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: anj@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.

¹ The 20 day protest period concludes on a weekend and holiday. PG&E is hereby moving this date to the following business day.

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

Pursuant to OP 2 of D.06-11-030, PG&E requests that this advice filing become effective on **November 30, 2006**, which is the effective date of D.06-11-030.

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 for A.06-03-005. Address changes to the General Order 96-A service list should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at: **<http://www.pge.com/tariffs>**



Vice President, Regulatory Relations

Attachments

cc: A.06-03-005

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)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Bernard Lam

Phone #: (415) 973-4878

E-mail: bxlc@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) #: **2948-E**

Subject of AL: Revisions to Electric Rule 1 and Agricultural Rate Schedules to Implement Agricultural Definition Settlement in Compliance with D.06-11-030

Keywords (choose from CPUC listing): Compliance Filing, Agricultural

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.06-11-030

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

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: **November 30, 2006**

No. of tariff sheets: 22

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).

Tariff schedules affected: Electric Rate Schedule AG-1, AG-R, AG-V, AG-4, AG-5, and Electric Rule 1

Service affected and changes proposed¹: See advice letter

Pending advice letters that revise the same tariff sheets: N/A

Protests 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

ijnj@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

¹ Discuss in AL if more space is needed.

**ATTACHMENT 1
Advice 2948-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
25637-E	Schedule AG-1--Agricultural Power	25320-E
25638-E	Schedule AG-1 (Cont.)	New
25639-E	Schedule AG-R--Split-Week Time-of-Use Agricultural Power	24920-E
25640-E	Schedule AG-R (Cont.)	24921-E
25641-E	Schedule AG-V--Short-Peak Time-of-Use Agricultural Power	24925-E
25642-E	Schedule AG-V (Cont.)	24926-E
25643-E	Schedule AG-4--Time-of-Use Agricultural Power	24930-E
25644-E	Schedule AG-4 (Cont.)	24931-E
25645-E	Schedule AG-5--Large Time-of-Use Agricultural Power	24938-E
25646-E	Schedule AG-5 (Cont.)	24939-E
25647-E	Rule 01--Definitions	14855-E
25648-E	Rule 01 (Cont.)	14869-E
25649-E	Rule 01 (Cont.)	New
25650-E	Rule 01 (Cont.)	New
25651-E	Rule 01 (Cont.)	New
25652-E	Rule 01 (Cont.)	New
25653-E	Rule 01 (Cont.)	New
25654-E	Rule 01 (Cont.)	New
25655-E	Rule 01 (Cont.)	New
25656-E	Table of Contents -- Rate Schedules	25139-E
25657-E	Table of Contents -- Rules	25356-E
25658-E	Table of Contents -- Title Page	25046-E



SCHEDULE AG-1—AGRICULTURAL POWER

1. APPLICABILITY: A customer will be served under this schedule if 70% or more of the annual energy use on the meter is for agricultural end-uses. Agricultural end-uses consist of: (N)

- (a) growing crops;
- (b) raising livestock;
- (c) pumping water for irrigation of crops; or
- (d) other uses which involve production for sale.

Only agricultural end-uses performed prior to the First Sale of the agricultural product are agricultural end-uses under this criteria, except for the following activities, which are also agricultural end-uses under this criteria: (a) packing and packaging of the agricultural products following the First Sale and before any subsequent sale, and (b) agricultural end-uses by nonprofit cooperatives. Guidelines for interpreting this applicability statement are set forthwith in Section D of the Rule 1 Definition 'Qualification for Agricultural Rates'.

None of the above activities may process the agricultural product. Residential dwelling, office, and retail usage are not agricultural end-uses.

The Rule 1 definition 'Qualification for Agricultural Rates' specifies additional activities and meters that will also be served on agricultural rates, and guidelines through the following sections: (B) Other Activities and Meters Also Served on Agricultural Rates, (C) Specific Applications of the March 2, 2006 Applicability Criteria, and (D) Guidelines for Applying the Applicability Criteria. (N)
(D)

This schedule is not applicable to service for which a residential or commercial/ industrial schedule is applicable, or to customers with a maximum demand of 500 kW or more. This schedule is also not available to customers whose meter indicates a maximum demand of 200 kW or greater for three consecutive months, except customers that are identified as load research sites. Customers with interval data meters who are not eligible for this rate schedule must be placed on a Time-Of-Use (TOU) rate schedule.

The provisions of Schedule S—Standby Service Special Conditions 1 through 6 shall also apply to customers whose premises are regularly supplied in part (but not in whole) by electric energy from a nonutility source of supply. These customers will pay monthly reservation charges as specified under Section 1 of Schedule S, in addition to all applicable Schedule AG-1 charges. Exemptions to standby charges are outlined in the Standby Applicability Section of this rate schedule. (L)

(Continued)



SCHEDULE AG-1—AGRICULTURAL POWER
(Continued)

1. **APPLICABILITY:** (Cont'd.) Depending upon the end-use of electricity, the customer will be served under one of the two rates under Schedule AG-1: Rate A or Rate B. (L)
- Rate A: Applies to single-motor installations with a connected load rated less than 35 horsepower and to all multi-load installations aggregating less than 15 horsepower or kilowatts.
- Rate B: Applies to single-motor installations rated 35 horsepower or more, to multi-load installations aggregating 15 horsepower or kilowatts or more, and to "overloaded" motors. The customer's end-use is determined to be overloaded when the measured input to any motor rated 15 horsepower or more is determined by PG&E to exceed one kilowatt per horsepower of nameplate rated output.
2. **TERRITORY:** Schedule AG-1 applies everywhere PG&E provides electricity service.
3. **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.

TOTAL RATES

	<u>Rate A</u>	<u>Rate B</u>	
Total Customer Charge Rates (\$ per meter per day)	\$0.39425	\$0.52567	
<u>Total Demand Rates (\$ per kW)</u>			
Connected Load Summer	\$3.08	-	
Connected Load Winter	\$2.82	-	
Maximum Demand Summer	-	\$5.98	
Maximum Demand Winter	-	\$4.13	
Primary Voltage Discount Summer	-	\$0.81	
Primary Voltage Discount Winter	-	\$0.69	
<u>Total Energy Rates (\$ per kWh)</u>			
Energy	\$0.17472	\$0.14933	(L)

(Continued)



SCHEDULE AG-R—SPLIT-WEEK TIME-OF-USE AGRICULTURAL POWER
(Continued)

1. **APPLICABILITY:** (Cont'd.) Depending upon the end-use of electricity and whether or not a Time-Of-Use Installation or Time-Of-Use Processing charge applied prior to May 1, 2006, the customer will be served under one of the rates under Schedule AG-R: Rate A, B, D or E. (L)
- Rates A and D: Applies to single-motor installations with a connected load rated less than 35 horsepower and to all multi-load installations aggregating less than 15 horsepower or kilowatts. Rate D applies to customers who were on Rate D as of May 1, 2006. Rate A applies to all other customers.
- Rates B and E: Applies to single-motor installations rated 35 horsepower or more, to multi-load installations aggregating 15 horsepower or kilowatts or more, and to "overloaded" motors. The customer's end-use is determined to be overloaded when the measured input to any motor rated 15 horsepower or more is determined by PG&E to exceed one kilowatt per horsepower of nameplate rated output. Rate E applies to customers who were on Rate E as of May 1, 2006. Rate B applies to all other customers. (L)
- Rate B will apply to those customers whose maximum demand is 200 kW or greater for three consecutive months and select this schedule upon the initial installation of the interval data meter, unless the customer was on Rate E as of May 1, 2006.
- The meters required for this schedule may become obsolete as a result of electric industry restructuring or other action by the California Public Utilities Commission. Therefore, any and all risks of paying the required charges and not receiving commensurate benefit are entirely that of the customer.
- Transfers Off of Schedule AG-R:** After being placed on this schedule due to the 200 kW or greater provisions of this schedule, customers who fail to exceed 199 kilowatts for 12 consecutive months may elect to stay on this schedule or elect an applicable non-time-of-use rate schedule or alternate time-of-use rate schedule.
2. **TERRITORY:** Schedule AG-R applies everywhere PG&E provides electricity service.

(Continued)



SCHEDULE AG-V—SHORT-PEAK TIME-OF-USE AGRICULTURAL POWER
(Continued)

1. **APPLICABILITY:** (Cont'd.) Depending upon the end-use of electricity and whether or not a Time-Of-Use Installation or Time-Of-Use Processing charge applied prior to May 1, 2006, the customer will be served under one of the rates under Schedule AG-V: Rate A, B, D or E. (L)

Rates A and D: Applies to single-motor installations with a connected load rated less than 35 horsepower and to all multi-load installations aggregating less than 15 horsepower or kilowatts. Rate D applies to customers who were on Rate D as of May 1, 2006. Rate A applies to all other customers.

Rates B and E: Applies to single-motor installations rated 35 horsepower or more, to multi-load installations aggregating 15 horsepower or kilowatts or more, and to "overloaded" motors. The customer's end-use is determined to be overloaded when the measured input to any motor rated 15 horsepower or more is determined by PG&E to exceed one kilowatt per horsepower of nameplate rated output. Rate E applies to customers who were on Rate E as of May 1, 2006. Rate B applies to all other customers. (L)

Rate B will apply to those customers whose maximum demand is 200 kW or greater for three consecutive months and select this schedule upon the initial installation of the interval data meter, unless the customer was on Rate E as of May 1, 2006.

The meters required for this schedule may become obsolete as a result of electric industry restructuring or other action by the California Public Utilities Commission. Therefore, any and all risks of paying the required charges and not receiving commensurate benefit are entirely that of the customer.

Transfers Off of Schedule AG-V: After being placed on this schedule due to the 200 kW or greater provisions of this schedule, customers who fail to exceed 199 kilowatts for 12 consecutive months may elect to stay on this schedule or elect an applicable non-time-of-use rate schedule or alternate time-of-use rate schedule.

2. **TERRITORY:** Schedule AG-V applies everywhere PG&E provides electricity service.

(Continued)



SCHEDULE AG-4—TIME-OF-USE AGRICULTURAL POWER

1. APPLICABILITY: A customer will be served under this schedule if 70% or more of the annual energy use on the meter is for agricultural end-uses. Agricultural end-uses consist of: (N)
- (a) growing crops;
 - (b) raising livestock;
 - (c) pumping water for irrigation of crops; or
 - (d) other uses which involve production for sale.
- Only agricultural end-uses performed prior to the First Sale of the agricultural product are agricultural end-uses under this criteria, except for the following activities, which are also agricultural end-uses under this criteria: (a) packing and packaging of the agricultural products following the First Sale and before any subsequent sale, and (b) agricultural end-uses by nonprofit cooperatives. Guidelines for interpreting this applicability statement are set forthwith in Section D of the Rule 1 Definition 'Qualification for Agricultural Rates'.
- None of the above activities may process the agricultural product. Residential dwelling, office, and retail usage are not agricultural end-uses.
- The Rule 1 definition 'Qualification for Agricultural Rates' specifies additional activities and meters that will also be served on agricultural rates, and guidelines through the following sections: (B) Other Activities and Meters Also Served on Agricultural Rates, (C) Specific Applications of the March 2, 2006 Applicability Criteria, and (D) Guidelines for Applying the Applicability Criteria. (N)
(D)
- The provisions of Schedule S—Standby Service Special Conditions 1 through 6 shall also apply to customers whose premises are regularly supplied in part (but not in whole) by electric energy from a nonutility source of supply. These customers will pay monthly reservation charges as specified under Section 1 of Schedule S, in addition to all applicable Schedule AG-4 charges. Exemptions to standby charges are outlined in the Standby Applicability Section of this rate schedule. (L)

(Continued)



SCHEDULE AG-4—TIME-OF-USE AGRICULTURAL POWER
(Continued)

1. **APPLICABILITY:** (Cont'd.) Depending upon the end-use of electricity and whether or not a Time-Of-Use Installation or Time-Of-Use Processing Charge applied prior to May 1, 2006, the customer will be served under one of the rates under Schedule AG-4: Rate A, B, C, D, E or F. (L)

Rates A and D: Applies to single-motor installations with a connected load rated less than 35 horsepower and to all multi-load installations aggregating less than 15 horsepower or kilowatts. Rate D applies to customers who were on Rate D as of May 1, 2006. Rate A applies to all other customers.

Rates B, C, E, and F: Applies to single-motor installations rated 35 horsepower or more, to multi-load installations aggregating 15 horsepower or kilowatts or more, and to "overloaded" motors. The customer's end-use is determined to be overloaded when the measured input to any motor rated 15 horsepower or more is determined by PG&E to exceed one kilowatt per horsepower of nameplate rated output. Rates E and F apply to customers who were on Rates E and F as of May 1, 2006. Rates B and C apply to all other customers. (L)

Rates B and C will apply to those customers whose maximum demand is 200 kW or greater for three consecutive months and select this schedule upon the initial installation of the interval data meter, unless the customer was on Rate E or F as of May 1, 2006.

The meters required for this schedule may become obsolete as a result of electric industry restructuring or other action by the California Public Utilities Commission. Therefore, any and all risks of paying the required charges and not receiving commensurate benefit are entirely that of the customer.

Transfers Off of Schedule AG-4: After being placed on this schedule due to the 200 kW or greater provisions of this schedule, customers who fail to exceed 199 kilowatts for 12 consecutive months may elect to stay on this schedule or elect an applicable non-time-of-use rate schedule or alternate time-of-use rate schedule.

(Continued)



SCHEDULE AG-5—LARGE TIME-OF-USE AGRICULTURAL POWER
(Continued)

1. APPLICABILITY: Depending upon the end-use of electricity and whether or not a Time-Of-Use (Cont'd.) Installation or Time-Of-Use Processing charge applied prior to May 1, 2006, the customer will be served under one of the rates under Schedule AG-5: Rate A, B, C, D, E or F. (L)

Rates A and D: Applies to single-motor installations with a connected load rated less than 35 horsepower and to all multi-load installations aggregating less than 15 horsepower or kilowatts. Rate D applies to customers who were on Rate D as of May 1, 2006. Rate A applies to all other customers.

Rates B, C, E, and F: Applies to single-motor installations rated 35 horsepower or more, to multi-load installations aggregating 15 horsepower or kilowatts or more, and to overloaded motors. The customer's end-use is determined to be overloaded when the measured input to any motor rated 15 horsepower or more is determined by PG&E to exceed one kilowatt per horsepower of nameplate rated output. Rates E and F apply to customers who were on Rates E and F as of May 1, 2006. Rates B and C apply to all other customers. (L)

Rates B and C will apply to customers whose maximum demand is 200 kW or greater for three consecutive months and select this schedule upon the initial installation of the interval data meter, unless the customer was on Rate E or F as of May 1, 2006.

The meters required for this schedule may become obsolete as a result of electric industry restructuring or other action by the California Public Utilities Commission. Therefore, any and all risks of paying the required charges and not receiving commensurate benefit are entirely that of the customer.

Transfers Off of Schedule AG-5: After being placed on this schedule due to the 200 kW or greater provisions of this schedule, customers who fail to exceed 199 kilowatts for 12 consecutive months may elect to stay on this schedule or elect an applicable non-time-of-use rate schedule or alternate time-of-use rate schedule.

2. TERRITORY: Schedule AG-5 applies everywhere PG&E provides electricity service.

(Continued)



RULE 1—DEFINITIONS

ACCOUNT: A PG&E-specific identifier for tracking energy service deliveries for a specific load through one or more meters at a customer premises or location. One customer may have several accounts within a premises or throughout PG&E's service territory.

AGRICULTURAL CUSTOMER: Please see "QUALIFICATION FOR AGRICULTURAL RATES."

(N)
(N)

APPLICANT: A person or agency requesting PG&E to supply electric service or for changes in electric service. Electric service may consist of both energy and energy-related services.

APPLICATION: An oral, electronic, or a written request to PG&E for electric service; not an inquiry as to the availability or charges for such service. The form of the request shall be at PG&E's discretion.

(Continued)



RULE 1—DEFINITIONS
(Continued)

PUBLIC PURPOSE PROGRAMS CHARGES: A non-bypassable surcharge imposed on all retail sales of electricity and electrical services to fund public goods research, development and demonstration, energy efficiency activities, and low income assistance programs.

PUBLIC UTILITIES COMMISSION: The Public Utilities Commission of the State of California.

QUALIFICATION FOR AGRICULTURAL RATES:

(N)

A. APPLICABILITY

1. A customer will be served under an agricultural rate schedule if 70% or more of the annual energy use on the meter is for agricultural end-uses. Agricultural end-uses consist of:
 - (a) growing crops;
 - (b) raising livestock;
 - (c) pumping water for irrigation of crops; or
 - (d) other uses which involve production for sale.
2. Only agricultural end-uses performed prior to the First Sale of the agricultural product are agricultural end-uses under this criteria, except for the following activities, which are also agricultural end-uses under this criteria: (a) packing and packaging of the agricultural products following the First Sale and before any subsequent sale, and (b) agricultural end-uses by nonprofit cooperatives.
3. None of the above activities may process the agricultural product. Residential dwelling, office, and retail usage are not agricultural end-uses.
4. Rule 1 specifies additional activities and meters that will also be served on agricultural rates, and guidelines through the following sections: (B) Other Activities and Meters Also Served on Agricultural Rates, (C) Specific Applications of the March 2, 2006 Applicability Criteria, and (D) Guidelines for Applying the Applicability Criteria.

(N)

(Continued)



RULE 1—DEFINITIONS
(Continued)

QUALIFICATION FOR AGRICULTURAL RATES: (Cont'd.)

(N)

B. OTHER ACTIVITIES AND METERS ALSO SERVED ON AGRICULTURAL RATES

The specific language in Section B controls over the language of Sections A, C, and D for only those activities and meters listed in Section B and has no precedential effect on other activities and meters not specifically listed in Section B.

1. ACTIVITY-BASED QUALIFICATION

The following activities will be served on agricultural rates provided that 70% or more of the annual energy usage on the meter is for activities listed in Section B(1) below:

- (a) Activities specifically adjudicated by the CPUC in its decisions and orders to be agricultural end-uses prior to March 2, 2006 shall remain on PG&E's agricultural rates. These activities are: milk processing, cotton ginning, almond hulling and shelling, and a feed mill integral to the operation of an agricultural end-use.
- (b) The following activities determined by PG&E to be agricultural end-uses shall be served on agricultural rates: sun-dried raisin packing, pistachio hulling and shelling, rice drying, hulling and milling necessary to produce white rice, and packing of brown and white rice, but no grinding, crushing, parboiling, cooking, or gelatinizing of rice.

2. METER-BASED QUALIFICATION

Any meter (other than meters qualifying in Section B(1) above) on agricultural rates prior to March 2, 2006 shall remain on agricultural rates provided that (1) energy usage on the meter continues to meet the Applicability Statement in effect at that time; and (2) metered usage remains, without interruption, in the name of the present account holder or to anyone who states by declaration that:

- (a) they have had a legal or financial interest in the agricultural endeavor for at least two (2) years prior to the change in ownership and have not compensated others or been compensated as a result of the transfer of ownership; or
- (b) they have been a bona fide employee, working at least 25 hours per week during the active operating season of the agricultural endeavor, for the last two (2) calendar years prior to the transfer of ownership; or

(N)

(Continued)



RULE 1—DEFINITIONS
(Continued)

QUALIFICATION FOR AGRICULTURAL RATES: (Cont'd.)

(N)

B. OTHER ACTIVITIES AND METERS ALSO SERVED ON AGRICULTURAL RATES
(Cont'd.)

2. METER-BASED QUALIFICATION (Cont'd.)

(c) they are the lineal descendants of one of the owners of the agricultural endeavor; or

(d) they are the spouse or former spouse of an owner of the agricultural endeavor.

3. All activities or meters qualifying for an agricultural rate under Sections B(1) or B(2) above shall not serve as precedent or be considered in any other way in determining eligibility under the Agricultural Applicability Statement except as provided in Section B.

C. SPECIFIC APPLICATIONS OF THE MARCH 2, 2006 APPLICABILITY CRITERIA

Activities identified as agricultural end-uses in this section must also meet the criteria set forth in Section A, with the exception of the processing limitation in Section A(3). Where an actual or perceived conflict exists between Section A and an activity expressly identified as an agricultural end-use in Section C, the specific language of Section C will control over the processing limitation in Section A(3). Any activity not expressly identified as an agricultural end-use in Section C must meet the criteria in Section A in order to be served on agricultural rates.

1. Activities involved in growing crops up to the conclusion of the harvest operation on the premises where the crop was grown are agricultural end-uses.

2. Raising livestock, poultry and fish up to, but not including, the point that the animal is slaughtered or its life terminated in any other operation is an agricultural end-use.

3. Pumping water for irrigation or frost protection of crops, or for reclamation of agricultural land is an agricultural end-use.

(N)

(Continued)



RULE 1—DEFINITIONS
(Continued)

QUALIFICATION FOR AGRICULTURAL RATES: (Cont'd.)

(N)

C. SPECIFIC APPLICATIONS OF THE MARCH 2, 2006 APPLICABILITY CRITERIA
(Cont'd.)

- 4. Drying, hulling, and shelling of grains, legumes, and nuts are agricultural end-uses but not the following:
 - (a) Other processing or ensiling grain, grain corn, hay, or any other agricultural product;
 - (b) Activities whose purpose is to change or enhance the flavor of the agricultural product including, but not limited to, roasting, cooking, blanching, salting, curing, and brining;
 - (c) Oil pressing, processing, and manufacturing to produce oil from corn, safflower, cottonseed, sunflower, and peanut;
 - (d) Separation or processing of seed from agricultural, vegetable, or flower seed crops, including alfalfa, Bermuda grass, and clover;

- 5. Waxing, fumigation, irradiation, cleaning, sorting, grading, packing and storage of whole fresh grapes, berries, and other fruits and vegetables are agricultural end-uses, but not the following:
 - (a) Activities which separate the harvested product into more than one constituent agricultural product, as listed by California Agricultural Statistics Service in their most recent California Statistics Report.
 - (b) Activities which are part of processes whose purpose is to change or enhance the flavor of the agricultural product, including roasting, cooking, blanching, salting, curing, brining, and any other flavor altering processes.
 - (c) Pitting or dehydrating of fruits including, but not limited to, plums, grapes, and apricots;
 - (d) Post-harvest husking or removal of fresh sweet corn kernels from the cob;
 - (e) Crushing or juicing of fruits and vegetables, including but not limited to grapes, apples, and carrots;

(N)

(Continued)



RULE 1—DEFINITIONS
(Continued)

QUALIFICATION FOR AGRICULTURAL RATES: (Cont'd.)

(N)

C. SPECIFIC APPLICATIONS OF THE MARCH 2, 2006 APPLICABILITY CRITERIA
(Cont'd.)

5. (Cont'd.)

- (f) Peeling of garlic and onions and post-harvest processing of multiple baby carrots from individual, harvested, mature carrots;
- (g) Olive oil pressing, processing, or manufacturing;
- (h) Post-harvest chopping or leafing of lettuce heads or other vegetables and fruits; and
- (i) The processing of milk into cheese, yogurt, lactose-free milk, chocolate milk or any other products which do not have the appearance and physical characteristics of fluid milk.

6. Manufacturing of ice used by the manufacturer for the immediate cooling of whole fresh fruits and vegetables is an agricultural end-use, but not manufacturing of ice for sale.

7. Cleaning, packing, grading, sorting, and storage of fresh eggs are agricultural end-uses.

8. Raising crops or live plants in a greenhouse is an agricultural end-use.

9. Raising plants or fish through aquaculture is an agricultural end-use.

10. Cold storage, but not freezing, and other controlled environment storage which merely retards or accelerates the natural ripening of whole unaltered fresh fruits and vegetables is an agricultural end-use.

D. GUIDELINES FOR APPLYING THE APPLICABILITY CRITERIA

The following guidelines shall be used to determine whether a customer shall be served under agricultural rates under the Applicability Criteria in Sections A and C.

(N)

(Continued)



RULE 1—DEFINITIONS
(Continued)

QUALIFICATION FOR AGRICULTURAL RATES: (Cont'd.)

(N)

D. GUIDELINES FOR APPLYING THE APPLICABILITY CRITERIA (Cont'd.)

1. PRODUCTION FOR SALE

All agricultural products or a subsequent product derived therefrom must be produced for sale to qualify under this criteria. If an activity is primarily for the provision of an agricultural service, and not the production of an agricultural product for sale, it is not an agricultural end-use. Examples of activities that are agricultural services include animal boarding and training, agricultural research, brokering or resale of agricultural products, farming at correctional facilities, experimental or educational farming, and fish hatcheries for wild release. Other activities which do not involve the production of an agricultural product for sale include cemetery, golf course, and park landscaping, wildlife habitat flooding, and zoo activities.

2. PACKING AND PACKAGING

Qualifying packing and packaging are defined herein as otherwise qualifying activities performed by the first entity or individual to pack or package the agricultural product, following the first sale and before any subsequent sale, transfer of control of, or title to the agricultural product.

3. QUALIFYING ACTIVITIES PERFORMED BY NONPROFIT COOPERATIVES

This applicability criteria treats all otherwise qualifying activities performed by cooperatives as though they were performed before the first sale, transfer of control of, or title to the agricultural product. Cooperatives may engage in any qualifying activity that would be permitted by the producer of the agricultural product. In order to be a qualifying cooperative, the association must be a nonprofit cooperative association organized and functioning under, and in compliance with, the California Food & Agriculture Code.

4. "FIRST SALE" DEFINED

The first sale of, transfer of control of, or title to the agricultural product and refers to the demarcation between agricultural and non-agricultural end-uses. It applies to all activities other than qualifying packing and packaging activities described above in Section D(2) and activities performed by qualifying nonprofit cooperatives described above in Section D(3).

(N)

(Continued)



RULE 1—DEFINITIONS
(Continued)

QUALIFICATION FOR AGRICULTURAL RATES: (Cont'd.)

(N)

D. GUIDELINES FOR APPLYING THE APPLICABILITY CRITERIA (Cont'd.)

5. PROCESSING

Any activity that qualifies the customer as a Processor as defined in the California Food & Agriculture Code § 55407 and any activity defined as Processing under the California Food & Agriculture Code § 42519 shall not qualify as an agricultural end-use under this applicability criteria, unless the specific product and process is identified as an agricultural end-use in Section C above.

Food & Agriculture Code § 55407 – “Processor” means any person that is engaged in the business of processing or manufacturing any farm product, that solicits, buys, contracts to buy, or otherwise takes title to, or possession or control of, any farm product from the producer of the farm product for the purpose of processing or manufacturing it and selling, reselling, or redelivering it in any dried, canned, extracted, fermented, distilled, frozen, eviscerated, or other preserved or processed form. It does not, however, include any retail merchant that has a fixed or established place of business in this state and does not sell at wholesale any farm product which is processed or manufactured by him.

Food & Agriculture Code § 42519 – “Processing” means canning, preserving, or fermenting, which materially alters the flavor, keeping quality, or any other property, the extracting of juices or other substances, or the making of any substantial change of form. It does not include refrigeration at temperatures which are above the freezing point nor any other treatment which merely retards or accelerates the natural processes of ripening or decomposition.

6. PROCESSING OPERATION

If any part of an operation processes an agricultural product, no portion of the operation will qualify as an agricultural end-use under this applicability statement. In addition, no activity or operation performed after processing of the agricultural product has occurred may qualify as an agricultural end-use.

7. AGRICULTURAL PRODUCT

An agricultural product is defined as the crop yielded at the conclusion of the harvest operation. If the first primary wholesale product produced following the harvest operation is a processed item, such as oil, juice, seeds, or similar product, such processing is not an agricultural end-use under this Applicability Criteria.

(N)

(Continued)



RULE 1—DEFINITIONS
(Continued)

QUALIFICATION FOR AGRICULTURAL RATES: (Cont'd.)

(N)

D. GUIDELINES FOR APPLYING THE APPLICABILITY CRITERIA (Cont'd.)

8. HARVEST OPERATION

Harvest operation includes those activities most commonly performed in the field to yield the crop in PG&E service territory, as measured on a per tonnage basis.

E. REQUESTS FOR AGRICULTURAL RATES AND COMPLAINTS BEFORE THE CPUC REGARDING AGRICULTURAL RATE APPLICABILITY

1. If, after March 2, 2006, a customer submits a written claim to PG&E for agricultural rates, any applicable Rule 17.1 adjustments will be determined on the basis of this applicability statement.
2. If, on or before March 2, 2006, a customer submitted a written claim to PG&E for agricultural rates, any applicable Rule 17.1 adjustments will be determined as follows:
 - (a) For the pre-March 2, 2006 time period, on the basis of the previous agricultural applicability statement.
 - (b) For the post-March 2, 2006 time period, on the basis of this applicability statement.

(N)

QUALIFIED CONTRACTOR/SUBCONTRACTOR (QC/S): An applicant's contractor or subcontractor who:

(L)

- 1) Is licensed in California for the appropriate type of work such as, but not limited to, electrical and general;
- 2) Employs electric workmen properly qualified (Qualified Electrical Worker, Qualified Person, etc.) as defined in State of California High Voltage Safety Orders (Title 8, Chapter 4, Subchapter 5, Group 2); and
- 3) Complies with applicable laws such as, but not limited to, Equal Opportunity Regulations, OSHA and EPA.

(L)

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Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
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Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
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APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
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Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
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CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Stanford University
California ISO	International Power Technology	Sutherland, Asbill & Brennan
Calpine	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Calpine Corp	IUCG/Sunshine Design LLC	Tecogen, Inc
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Cambridge Energy Research Assoc	JTM, Inc	Transcanada
Cameron McKenna	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
Cardinal Cogen	Manatt, Phelps & Phillips	U S Borax, Inc
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Chevron Texaco	Matthew V. Brady & Associates	URM Groups
Chevron USA Production Co.	Maynor, Donald H.	Utility Cost Management LLC
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CLECA Law Office	Mirant California, LLC	WMA
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Defense Fuel Support Center	Northern California Power Agency	
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Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	