

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



May 24, 2007

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

Subject: Rejection without prejudice of Advice Letter 3051-E

Dear Mr. Cherry:

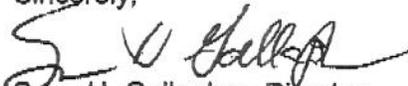
With this letter, Energy Division rejects without prejudice PG&E's Advice Letter (AL) 3051-E. Issues raised by PG&E's advice letter would best be considered by the Commission in a formal proceeding, e.g., initiated by a petition to modify D.05-06-016 or a new application.

PG&E filed AL 3051-E on May 11, 2007 requesting approval to expand and extend the agricultural internal combustion engine (AG-ICE) conversion program, which provides agricultural customers with incentives to convert internal combustion engines used for irrigation pumping (primarily diesel-powered pumps) to electric service. The Division of Ratepayer Advocates and The Utility Reform Network have each sent letters to the Commission regarding AL 3051-E. Both DRA and TURN state that the proper procedural vehicle to address PG&E's request is a petition to modify D.05-06-016, jointly filed by the parties to the settlement adopted by that decision, rather than the advice letter process.

PG&E in AL 3051-E requests significant revisions to the AG-ICE program that would result in modification of an all-party settlement agreement. PG&E requests program expansion to include conversion incentives for gas to electric pumps, as well as to pumps smaller than those contemplated in the settlement agreement adopted in D.05-06-016. The scope of PG&E's proposal requires that the Commission consider it formally rather than through the advice letter process. PG&E may submit its request in a petition to modify D.05-06-016 or alternatively in a new application proposing a new conversion program. Any such application should include estimates of the amount of additional electric load expected to result from PG&E's proposal and demonstrate that PG&E has sufficient resources to supply this load. The application should also quantify the impact on ratepayers of PG&E's request to increase the funding level previously approved for the AG ICE conversion program.

The Commission is supportive of cost-effective measures for reducing air emissions through conversions of engines to electric service. This letter addresses the procedural mechanism for considering PG&E's proposal and not the substance of that proposal. Please contact Don Lafrenz of the Energy Division staff at (415) 703-1063 if you have any questions.

Sincerely,


Sean H. Gallagher, Director
Energy Division

cc: Dana Appling, Director, Division of Ratepayer Advocates
Nina Suetake, Staff Attorney, The Utility Reform Network
Larry Allen, President, California Air Pollution Control Officers Association



Brian K. Cherry
Vice President
Regulatory Relations

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77 Beale St., Mail Code B10C
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San Francisco, CA 94177

415.973.4977
Fax: 415.973.7226

May 11, 2007

Advice 3051-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Request to Extend Agricultural Internal Combustion Engine Conversion (AG-ICE) Program

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

Purpose

PG&E seeks to expand and extend the AG-ICE program, which provides agricultural customers with incentives to convert internal combustion engines used for irrigation pumping (primarily diesel-powered pumps) to electric service. Due to new air quality regulations, San Joaquin Valley customers using natural gas-powered pumps will need to retrofit or replace their engines by January 1, 2009. In addition, customers using older diesel-powered pumps will need to retrofit or replace their engines by 2009 (San Joaquin Valley) or by 2010-11 (Sacramento Valley). To give them an incentive to convert to electric service (rather than installing a Tier III diesel engine), PG&E proposes to expand the AG-ICE program to apply to natural gas customers, and to extend the program for all applicable engines until December 31, 2007. Because the program is currently set to expire on July 31, 2007, PG&E urges the Commission to act quickly to allow the program to continue without disruption.

Background

The AG-ICE program is an innovative program designed to improve air quality in the Sacramento and San Joaquin Valleys by providing incentives to agricultural customers to convert diesel-powered irrigation pumps to electric service. The program reflects a collaborative effort of utilities, agricultural interests, consumer interests, and environmental agencies, who entered into an all-party settlement that was adopted by the Commission in 2005. (See Decision (D.) 05-06-016.) The AG-ICE program contains three key components -- an enhanced line extension allowance, discounted rates, and the collection of emissions credits.

1. Line Extension Allowance. An enhanced line extension allowance helps defray the up-front costs of connecting to PG&E's electric system. In addition to the normal line extension allowance calculated pursuant to PG&E's tariffs, each AG-ICE customer receives an "add-on" that correlates to the size of the load as set forth below:

- 50 kW to 125 kW \$7,500 adder
- 126 kW to 225 kW \$15,000 adder
- 226 and above kW \$32,395 adder

The line extension allowance under the AG-ICE program is not subject to an annual review of revenues. Consequently, the customers are not entitled to any refund, nor are they subject to deficiency billing. To mitigate the impact of a large up-front payment, PG&E also allows the customer to make four quarterly payments.

2. Incentive Rate. To provide certainty to customers making a decision whether to convert to electricity, the AG-ICE program provides up to 10 years of discounted agricultural rates. Beginning in 2005, the AG-ICE rate represented a discount of approximately 20 percent off PG&E's otherwise applicable agricultural rates. The AG-ICE rate will increase by a fixed 1.5 percent per year and will remain in place until December 31, 2015. This incentive rate is structured to provide price signals to discourage peak period usage.

3. Emission Credits. In exchange for an enhanced line extension allowance and a discounted electric rate, the customer must turn over to PG&E all emissions credits. PG&E donates the emission credits, with the exception of carbon dioxide (CO₂),¹ to the local air district, which then retires the credits, leading to permanent improvements in air quality, particularly in the San Joaquin and Sacramento Valleys, two of the most heavily polluted air regions in the nation. To date, PG&E has converted about 900 diesel engines, with another 800 expected to be converted. The California Air Resources Board estimates that these conversions will result in the removal of approximately 3,600 tons of oxides of nitrogen (NO_x) and 14,000 tons of CO₂ emissions per year. In 2006, the program received the Governor's Environmental and Economic Leadership award in recognition of the program's innovation and success in reducing air pollution in California.

¹ PG&E plans to retain the CO₂ emissions credits as a hedge against future carbon regulation, which may provide a benefit to PG&E's ratepayers in the future.

Proposal

Due to new air quality requirements², natural gas customers must decide whether to invest in new technology or convert to electric use, either of which requires significant long-term investments. Customers could invest in newer, cleaner diesel engines or invest in retrofits for their existing natural gas engines. Although the new diesel engines are substantially cleaner than the older engines, they still have more toxic pollutant, criteria pollutant, and CO₂ emissions than electric. The electric motors themselves have no CO₂ or NO_x emissions, and the emissions associated with the generation of electricity pale in comparison to emissions associated with either diesel or natural gas engines. The San Joaquin Unified Air Pollution Control District (SJUAPCD) has indicated that there may be more than 1,000 natural gas-powered agricultural irrigation pumps in their district. Of these, based on the diesel conversion rate, PG&E estimates that over 300 are likely to convert to electricity rather than diesel, if the AG-ICE program is available to them.

To encourage agricultural customers to convert to electric use (rather than investing in a Tier III diesel engine, for example), PG&E proposes to open the AG-ICE program to natural gas customers and to extend the program for all eligible participants until December 31, 2007. (PG&E does not propose to extend the sunset date for the discounted rate, which expires on December 31, 2015.)

In addition, PG&E proposes three other adjustments to the program that will encourage further conversions to electric service:

- To allow conversions of engines that are smaller than the 50 horsepower minimum set forth in the current AG-ICE tariff, PG&E proposes to reduce the minimum engine size to 25 horsepower, and these customers would be entitled to the \$7,500 line extension “adder.”
- PG&E proposes to allow agricultural customers who converted from natural gas to electricity since the start of the original AG-ICE program in 2005 to obtain service on the discounted AG-ICE incentive rate going forward. They would not receive any refunds associated with the line extension costs or the rates paid under their currently applicable agricultural rate schedule. PG&E proposes this as an equitable gesture to those customers conscious of the need to remove internal combustion engines, and who voluntarily changed to electric service.

² On April 30, 2007, the SJUAPCD Board voted for “Extreme Non-Attainment” designation. This reduces the “Major Source/ Part 70” air permitting threshold from 25 tons per year to 10. Part 70 air permitting entails significant monitoring and reporting requirements, particularly for natural gas engines. Based on preliminary data, the SJUAPCD believes that unless PG&E’s AG-ICE program is made available to the natural gas engines, the majority of farmers using these engines will merely convert to diesel rather than shoulder the additional burden of the natural gas engine Part 70 requirements.

- PG&E requests additional balancing account funding to cover both the line extension costs and capacity additions that may be necessary to accommodate natural gas conversions. In D.05-06-016, the Commission approved a settlement establishing the AG-ICE program, which included a \$27.5 million balancing account for PG&E. PG&E expects to use approximately \$25 million of this balancing account by July 31, 2007, when the program is currently set to expire. While there may be sufficient funds remaining in the balancing account to accommodate the natural gas conversions, PG&E requests that the Commission eliminate the cap on balancing account protection to avoid having to shut down the program prior to the end of the year.³

Tariff Changes

To implement the AG-ICE program changes and tariff revisions discussed herein, PG&E proposes to modify language in: (a) Electric Preliminary Statement Part EA – Internal Combustion Conversion Incentives Balancing Account, (b) Schedule AG-ICE, and (c) Sample Forms 79-1020 – Internal Combustion Engine Conversion Incentive Distribution and Service Extension Agreement and 79-1023 – Application for Service Internal Combustion Engine Conversion Incentive Agricultural Service. The modified tariff sheets are attached.

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 **May 31, 2007**, which is 20 days after the date of this filing. 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.

³ The settlement approved by the Commission also established a \$9.17 million balancing account for Southern California Edison. PG&E understands that SCE has used only approximately \$1 million of its balancing account. Therefore, the need for additional funds to accommodate natural gas conversions in PG&E's service territory may fall within the total statewide cost envisioned by the Commission when it established the AG-ICE program.

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 immediately upon approval of the Commission.

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 to parties on the service list in A.04-11-007 (the proceeding in which the Commission approved the current AG-ICE program). 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: Service List – A.04-11-007

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) #: **3051-E**

Subject of AL: Request to Extend Agricultural Internal Combustion Engine Conversion (AG-ICE) Program

Keywords (choose from CPUC listing): Agriculture

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

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

N/A

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: Upon Commission approval

No. of tariff sheets: 9

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 Preliminary Statement Part EA, Rate Schedule AG-ICE, and Sample Forms

Service affected and changes proposed¹: Extend AG-ICE program

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 3051-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
26330-E	Preliminary Statement Part EA--Internal Combustion Conversion Incentives Balancing Account	23642-E
26331-E	Schedule AG-ICE--Agricultural Internal Combustion Engine Conversion Incentive Rate	25913-E
26332-E	Schedule AG-ICE (Cont.)	23649-E
26333-E	Sample Form 79-1020--Internal Combustion Engine Conversion Incentive Distribution and Service Extension Agreement	23650-E
26334-E	Sample Form 79-1023--Application for Service - Internal Combustion Engine Conversion Incentive - Agricultural Service	23653-E
26335-E	Table of Contents -- Rate Schedules	25994-E
26336-E	Table of Contents -- Preliminary Statements	25389-E
26337-E	Table of Contents -- Sample Forms	26272-E
26338-E	Table of Contents -- Title Page	26224-E



PRELIMINARY STATEMENT
(Continued)

EA. INTERNAL COMBUSTION CONVERSION INCENTIVES BALANCING ACCOUNT (ICCIBA)

1. PURPOSE: The purpose of the ICCIBA is to record and recover the costs associated with connecting electric services under the engine conversion program (i.e., converting internal combustion-powered irrigation pumps and natural gas pumps used by agricultural customers to electric pumps). Enrollment in the engine conversion program shall commence on August 1, 2005 and end on December 31, 2007. There is no cap on the total authorized capital investment for standard allowances and line extension adders, or distribution system capacity upgrades or reinforcements that may be needed to accommodate conversions during this enrollment period. The authorization for recovery is pursuant to D.05-06-016, as modified in Advice 3051-E. (T)
2. APPLICABILITY: The ICCIBA shall apply to all electric customers, except for those specifically excluded by the Commission.
3. REVISION DATE: Disposition of amounts in this account shall be transferred to the Distribution Revenue Adjustment Mechanism on a monthly basis.
4. DISTRIBUTION RATES: There is no rate component for the ICCIBA.
5. ACCOUNTING PROCEDURES: PG&E shall maintain the ICCIBA by making entries to this account at the end of each month as follows:
 - a. A debit entry for the revenue requirement based on the estimated costs for the capital additions in the program above equal to:
 - (1) depreciation expense on the average of the beginning and the end-of-month balance of the capital additions at one-twelfth the annual depreciation rates approved by the CPUC for these plant accounts; plus
 - (2) the return on investment on the average of the beginning and the end-of-month balance of the net investment (capital additions less accumulated depreciation less deferred taxes) at one-twelfth of the annual rate of return on investment last adopted for PG&E's Electric Department by the Commission.
 - b. A debit entry equal to federal and state taxes based on income associated with items 5.a.(1) and (2) above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the percentage of net investment last adopted by the Commission with respect to PG&E.
 - c. A debit entry equal to the monthly property taxes on the plant installed.
 - d. A credit entry equal to the sum of items 5.a through 5.c above to transfer the balance to the Distribution Revenue Adjustment Mechanism.



SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE

APPLICABILITY: This rate schedule is available to agricultural customers who currently have a stationary or portable internal combustion engine used for agricultural irrigation pumping purposes, which is fired by diesel, gasoline, propane, or butane fuels, or natural gas. Only one electric account may be established for each qualifying pump. Direct access accounts are not eligible for service under this rate schedule. The customer must apply to convert from an internal combustion engine to electric service during the period from August 1, 2005, to December 31, 2007. (T)

A customer may be served under this rate schedule only if it qualifies for an existing PG&E agricultural tariff. The Rule 1 definition "Qualification for Agricultural Rates" specifies activities and meters that will be served on agricultural rates. This schedule is not available to service for which a residential or commercial/industrial tariff is applicable. (T)

This schedule will terminate on December 31, 2015. (D)

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

ELIGIBILITY: To be eligible for service under this rate schedule, a customer must meet all of the following conditions: (1) qualify as an agricultural customer; (2) receive bundled electric service from PG&E; (3) demonstrate to PG&E's satisfaction that the customer is currently using an internal combustion engine-driven agricultural irrigation pump that is rated equal to or greater than 25 horsepower and was installed and operational prior to September 1, 2004; (4) receive electric energy from only a utility supply source only, (its premises are not regularly supplied in part or whole by a non-utility source of supply); (5) destroy its existing operational engine on electrification or remove the engine from service as prescribed by the Air Resources Board or applicable air district; (6) agree to sign a statement acknowledging that they are required to have an electric motor/pump efficiency test; (7) agree to give PG&E the relevant air pollutant reductions resulting from the conversion; (8) qualify for electrical connection under PG&E's Internal Combustion Engine Conversion Incentive Distribution and Service Extension Agreement ("Agreement"), Form 79-1020; and (9) submit an Application for Service, Form 79-1023 ("Application") (which identifies the engine serial number of the pump(s)). In addition, a customer may take service on this rate schedule by assuming the service of a prior service agreement that was on this rate schedule and there is no break in service; (10) A customer that switched to electric from natural gas irrigation puming since August 1, 2005 and can document natural gas engine removal, may switch to this schedule without retroactive adjustment. (N)

METERING: The customer must have an appropriate time-of-use meter.

INFORMA-TION REQUIRE-MENTS: A customer may be required to provide business operation information and engine driven pumping facility plans that are relevant to establishing the incentive rate and line extension adder allowance eligibility. (N)

(Continued)



SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

DEFINITIONS
(Cont'd.)

STATIONARY ENGINE

An internal combustion engine that is designed to stay in one location, or remain in one location, i.e., an engine affixed to a foundation.

PORTABLE ENGINE

A portable engine is a subcategory of stationary engines, and is an engine that is designed and capable of being carried or moved from one location to another. This engine does not have the capability to move on its own power. Some indicators of portability include skids, carrying handles, or they can be towed. Note, mobile engines that have the capability of moving on their own power, such as a truck engine, do not meet this definition and are not eligible for this rate schedule.

DISQUALIFICATION:

A customer will be disqualified from this tariff if the customer is found to use an internal combustion engine-driven pump for the same load that originally qualified for this rate schedule.

PERIOD/
LIMITATIONS:

The enrollment period for this rate schedule will expire on December 31, 2007. No new customers will be allowed to sign-up for this rate or line extension adder beyond this date. Customers must submit an Application on or prior to December 31, 2007.

(T)

(T)

COMMENCEMENT DATE:

Service under this rate schedule will commence with the customer's first regular scheduled meter read date after the Agreement is fully executed and all the required equipment/facilities for electric service are installed.

TERM AND EXPIRATION:

This rate schedule shall expire on December 31, 2015. A customer can terminate service under this tariff at anytime after its commencement date, and can switch to service under another tariff, provided the customer meets the eligibility requirements. Once a customer terminates service under this tariff, they will not be eligible again for this tariff in the future.

RATES AND RULES:

All applicable rates, rules and tariffs shall remain in force. In the event of a conflict, the terms and conditions provided within this tariff and the Agreement shall supersede those set forth in the standard CPUC-approved tariffs.

DWR BOND CHARGE:

The Department of Water Resources (DWR) Bond Charge was imposed by California Public Utilities Commission Decision 02-10-063, as modified by Decision 02-12-082, and is property of DWR for all purposes under California law. The Bond Charge applies to all retail sales, excluding CARE and Medical Baseline sales. The DWR Bond Charge (where applicable) is included in customers' total billed amounts.



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Original

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

26333-E
23650-E

PACIFIC GAS AND ELECTRIC COMPANY
INTERNAL COMBUSTION ENGINE
CONVERSION INCENTIVE DISTRIBUTION
AND SERVICE EXTENSION AGREEMENT
FORM NO. 79-1020 (05/2007)
(ATTACHED)

(T)

Advice Letter No. 3051-E
Decision No.

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

Date Filed May 11, 2007
Effective _____
Resolution No. _____

106640



PROVISIONS

1. As indicated in the AG-ICE Billing Letter, Applicant has elected to have competitive bidding and has awarded a qualified Contractor or PG&E the responsibility of designing and or installing electric service, as applicable, to the locations described in Exhibit B. These services shall be installed in accordance with the provisions of PG&E's Rules 2, 15 and 16, General Terms and Conditions, project specific terms and conditions, design, specifications, and the special provisions and requirements of this Agreement.
2. **Construction Responsibilities of Applicant.**
Applicant shall perform or arrange for the performance of the following work required for this project:

Electric Extensions:

- Route clearing, tree trimming, trenching, excavating, backfilling, and compacting;
- Furnishing of imported backfill material as required and disposal of trench spoil as required;
- Performing necessary surface repair and boring as required;
- Furnishing, installing, and transferring ownership to PG&E of any substructures, conduits, and protective structures required other than the conduit portion of cable-in-conduit (Rule 15 only);
- Obtaining any necessary construction permits for all work performed by Applicant under this Agreement.

Electric Underground Extensions:

- Installing primary and secondary distribution conductors, poles, pole risers, switches, transformers, and other distribution facilities required to complete the extension.

Electric Overhead Extensions:

- Installing all facilities required for the pole line extension, including poles, conductors, transformers, switches, and other devices as might be required.

Applicant agrees to secure and pay for all required permits and licenses which may be required to fulfill the construction responsibilities from the governmental authority having jurisdiction.

Applicant shall provide to PG&E, prior to PG&E preparing the line extension contract and within the AG-ICE Billing Letter, the Applicant's Contract Anticipated Costs to perform the work normally provided by PG&E. The Applicant shall submit, on a form provided by PG&E, a verified statement of such costs. If the Applicant elects not to provide such costs to PG&E, the Applicant shall acknowledge its election on the form and PG&E will use its estimate.

If Applicant elects to have PG&E perform this work, Applicant shall pay to PG&E, as specified herein and before the start of construction, PG&E's estimated-installed costs thereof.

Applicant shall also pay to PG&E the costs for substructures and conduits which PG&E had previously installed at its own expense in anticipation of the current extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the line extension shall be paid for by Applicant and shall be installed by PG&E on PG&E owned and maintained facilities.

Upon completion of construction by Applicant and inspection and acceptance by PG&E, title and ownership for the electric facilities installed under this Agreement shall vest in PG&E in accordance with the Acceptance and Conveyance section of this Agreement and as specified in the respective rule.

3. Construction Responsibilities of PG&E.

Except as otherwise provided in the rules, PG&E shall be responsible for:

- Providing inspection service to verify Applicant's performance under this Agreement, as determined by PG&E; and
- Connecting the applicant-installed facilities to PG&E's energized system (system tie-in work) as applicable.

PG&E will perform its construction responsibilities for the installation of only those facilities that, in PG&E's judgment, will be used within a reasonable time to serve permanent loads.

4. Power Quality and Voltage Stability.

Under normal load conditions, PG&E will deliver sustained voltage as close to the nominal service voltages that are economically practical. Any deviations from the normal voltage levels will be no greater than the service voltage ranges specified in PG&E's Electric Rule 2. Exceptions to voltage limits are specified in PG&E's Electric Rule 2. Applicant is responsible for planning, designing, operating and protecting equipment beyond PG&E's delivery point.

5. Rule 16 Service Extensions. Service Extensions will be installed in accordance with PG&E's Electric Rule 16, and special provisions contained herein.

6. Street Lighting Facilities. If any street lighting facilities are to be installed, the installation shall be made in accordance with PG&E's applicable street and highway lighting schedule(s).

7. Overhead to Underground Conversions. In the event there is replacement of existing overhead electric facilities with underground facilities in conjunction with this project, the conversion shall be made in accordance with the applicable provisions of PG&E's Electric Rule 20.

In the event that there is an Electric Rule 20.B or 20.C conversion in conjunction with this project, Applicant shall, at its expense, provide any necessary changes to the existing facilities so as to receive underground electric service at the points specified by PG&E. Underground electric service will not be energized until all affected premises are equipped to receive service in accordance with specifications and inspection has been received from the governing jurisdiction.

Applicant shall not work on facilities owned by PG&E.

8. Allowances and Payments.

Applicant shall pay to PG&E, PG&E's total cost identified in the AG-ICE Billing Letter, less any allowances shown therein, for any PG&E costs associated with the extension for the estimated costs of design, administration and the installation of any additional facilities necessary to complete the extension, including, but not limited to:

- engineering and administrative costs,
- system tie-in work,
- any applicable taxes.

Applicant shall have the following payment options, a) a one time payment in advance of any construction, or b) at the option of the Applicant, for amounts over \$1000, 4 consecutive quarterly payments. Payment option (b) is available only to applicants who meet PG&E's creditworthiness requirements. Except as provided in Provision 20 of this agreement, all payments are non-refundable.

INSPECTION FEES: A payment for PG&E's estimated cost for the inspections by PG&E of work performed by Applicant or Applicant's contractor, shown in Exhibit A, which shall be a fixed amount, not subject to reconciliation. Such inspection costs may be subject to otherwise available allowances, including the Adder, up to the difference between the Applicant's Contract Anticipated Costs and PG&E's estimate for performing the same work. Inspections costs are otherwise non-refundable

NON-REFUNDABLE: A non-refundable payment, shown in the AG-ICE Billing Letter, for costs which may include, but are not limited to:

- re-engineering fees,
- preparation fees for trench composite drawings,
- survey and land rights acquisition costs,
- any applicable taxes.

ALLOWANCES: Allowances for permanent service are provided in accordance with Electric Rule 15 and such deviations thereto as approved by the CPUC in Advice 2679-E, and are included in the AG-ICE Billing Letter, as applicable. In addition to the normal allowances calculated under the rule 15, applicant may be eligible for a 'Line Extension Adder' (Adder) applied as follows:

Kw Rating of Replacement Electric Motor	Maximum Allowable Adder
Up to 124 Kw	\$7,500
125 Kw to 224 Kw	\$15,000
225 Kw and above	\$32,395

Adder will be indicated on the AG-ICE Billing letter.

Allowances only apply to the costs of those facilities normally the responsibility of PG&E to install and not those facilities normally the responsibility of the Applicant under electric Rules 15 and 16. The Adder is only available on a per engine basis, with the submission of Agricultural Application form 79-1023.

LINE EXTENSION ADDER: The adder is derived from the value associated with reduced pollution by elimination of diesel engines, or other fuel defined in Rate Schedule AG-ICE.

ITCC: All contributions and advances by Applicant are taxable and shall include an Income Tax Component of Contributions (ITCC) at the rate provided in PG&E's Preliminary Statement. ITCC will be non-refundable in accordance with the corresponding contribution.

GROUP OF APPLICANTS. The total contribution or advance from a group of applicants will be apportioned among the members of the group in such manner as they mutually agree.

9. Payment Adjustments.

Contract Compliance. If after one (1) year, Applicant fails to take service, Applicant shall pay to PG&E an additional contribution.

Failure to Connect: If the Applicant(s) fails to take service, PG&E may elect to do the following:
 (1) Applicant shall pay PG&E its estimated cost to remove, abandon, alter, or replace the facilities,

including those facilities that PG&E reinforced, enlarged, or replaced in anticipation of Applicant's proposed load, less the estimated salvage for any removed facilities, or (2) Applicant shall pay PG&E any Special Facilities charges in accordance with PG&E's Rule 2 for those facilities, including those facilities that PG&E reinforced, enlarged, or replaced in anticipation of Applicant's proposed load. The total cost of the facilities PG&E reinforced, enlarged, or replaced are shown in 'Failure to Connect Charge' in the AG-ICE Billing Letter.

Departing Load Reimbursement:

AG ICE customers that depart PG&E's electric system, or that switch to any other PG&E rate and subsequently depart load within the ten-year term of this agreement to take service from another entity, are obligated under PG&E's Electric Preliminary Statement BB, for certain non-by-passable charges (NBCs), also know as departing load charges. In addition, such customers will be responsible for repayment of the Adder granted for the installation of facilities, and the difference between the AG-ICE rate and the Otherwise Applicable Schedule for the period of time the customer was served.

Charges for Non-Payment: Applicant shall pay any administrative and processing charges associated with collecting any payment owed by Applicant under this agreement.

10. Non-Refundable Amount.

Applicant shall pay to PG&E a fixed amount as a non-refundable payment, shown in the AG-ICE Billing Letter, for the inspections by PG&E of Distribution System work performed by Applicant or Applicant's contractor, to the extent that such costs are not covered by allowances according to Provision 8 of this document, as well as other non-refundable costs which may include, but are not limited to:

- re-engineering fees,
- preparation fees for trench composite drawings,
- survey and land rights acquisition costs,
- any applicable taxes.

11. Non-Standard Equipment Installation and Removal.

When the situation requires the location, installation, maintenance, repair and replacement of specialized or non-standard utility-owned equipment (Equipment) necessary to provide utility service or perform utility work, Applicant agrees to pay the costs to install PG&E's equipment. Applicant further agrees that, should the Equipment need to be replaced for any reason, it shall be Applicant's responsibility to make arrangements and to pay the cost to have the equipment removed and replacement equipment installed. PG&E shall be responsible for furnishing and delivering any replacement to the site. PG&E hereby agrees to the Equipment location on the following terms and conditions:

- Applicant shall furnish, install, own and maintain the Equipment area within or upon his building at his sole cost. The construction of the area shall comply with all applicable building code requirements. The site, access, location, and arrangement of the facilities shall be subject to PG&E's prior written approval, and any changes or additions thereto shall be made only after PG&E's prior written approval. Except for required area maintenance by Applicant, under PG&E's supervision, Applicant shall not have access to the Equipment area.
- Applicant shall make proper arrangements and pay all the costs associated with the initial and all subsequent installations and removals of PG&E's Equipment into the Equipment area.
- Applicant shall furnish, install, own and maintain all primary and secondary conduits within the property line at his sole cost. The plans for the installation of the secondary service facilities termination details, and other associated facilities installed by Applicant for PG&E use shall be subject to PG&E's prior written approval and shall comply with all applicable code requirements.

- Applicant accepts responsibility for any service interruption that may result from PG&E not having clear access to the Equipment area.

12. General Access.

Where it is necessary for PG&E to install facilities on Applicant's premises, Applicant hereby grants to PG&E: (a) the right to install, own and maintain such facilities on Applicant's premises together with sufficient legal clearance between all structures now or hereafter erected on Applicant's premises; (b) the right to enter and leave Applicant's premises for any purpose connected with the furnishing of electric service (meter reading, inspection, testing, routine repairs, maintenance, replacement, emergency work, etc.) and the exercise of any and all rights secured to it by law, or under PG&E's tariff schedules.

13. Land Rights.

Where formal rights-of-way, easements, land leases, or permits are required by PG&E for the installation of the facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that PG&E shall not be obligated to install the Facilities or accept the facilities installed by Applicant or the approved contractor unless and until any necessary permanent rights-of-way, easements, land leases, or permits, satisfactory to PG&E, are granted to or obtained for PG&E without cost to or condemnation by PG&E; however, if PG&E is unable to obtain such land rights, Applicant shall obtain them. Such easement shall include the right of access and right to trim trees as necessary to maintain required legal clearances from overhead wires.

14. Acceptance and Conveyance.

In accordance with the PG&E's General Terms and Conditions attached, and upon (a) PG&E's receipt of any required formal rights-of-way, easements, leases, and permits, and (b) PG&E's pressurization and energization of facilities installed by Applicant, Applicant hereby grants and conveys to PG&E, its successors and assigns, all rights, title and interest in and to all such work and facilities, free and clear of all liens and encumbrances.

15. Safety Precautions.

Applicant shall ascertain the location of all existing gas and electric facilities of PG&E within the scope of Applicant's construction area and inspect the area initially and periodically during construction to verify the location of all existing and new PG&E facilities. Applicant and PG&E shall perform all work in compliance with applicable federal, state, and local laws, rules and regulations. Applicant shall inform all persons doing work in proximity of the location of PG&E's facilities and ensure that all work of non-PG&E employees is planned and conducted in a manner to safeguard persons and property from injury. Work performed in close proximity to PG&E's energized electric facilities and pressurized gas facilities also shall be performed in accordance with established Cal-OSHA safety rules and practices, and as may be directed by PG&E. Only personnel duly authorized by PG&E are allowed to connect or disconnect conductors from PG&E-owned Service Facilities, or perform any work upon PG&E-owned existing facilities.

16. Delays in Construction.

- **Force Majeure.** PG&E shall not be responsible for any delay in either the performance of Applicant's responsibilities under this Agreement, or the installation or completion of the facilities by PG&E resulting from shortage of labor or materials, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of PG&E.
- **Resources.** PG&E shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of

its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond PG&E's control.

- **Inflation.** In the event that PG&E is prevented from commencing the installation of the facilities for reasons beyond its reasonable control within twelve months following the effective date of this Agreement, PG&E shall have the right to revise the cost figures to reflect any increases in costs since the original costs were determined. PG&E shall notify Applicant of such increased costs and give the option to either terminate this Agreement or pay PG&E the additional charges.

17. Change Orders and Relocations.

All standard design or construction changes made in the field, which impact the charges to Applicant, will be made using PG&E's Agreement Change Order. These field changes, including unforeseen field conditions which may result in additional work or costs by Applicant, the approved contractor or PG&E, may require sketch revisions of Exhibit B. Unforeseen field conditions include, but are not limited to, contaminated soil, obstructions, and weather conditions. The proper execution and attachment of the Agreement Change Order, and any necessary changes to supersede the AG-ICE Billing Letter resulting from the change order, constitutes formal amendment to this Agreement. Applicant shall pay PG&E for any such changes in accordance with the appropriate tariff.

EXCEPTION: If the requested changes are in addition to or substitution for the standard Facilities that PG&E would normally install, then a Special Facilities Agreement shall be required under the provisions of Section I of Rule 2.

18. Termination of Agreement.

In the event Applicant has not fulfilled its obligations under this Agreement within twelve (12) months following the date of this Agreement under any of the provisions of this Agreement or the Application for service, form 79-1023, and PG&E is unable to proceed hereunder, with the exception of delays that may be caused by PG&E, PG&E shall have the right to terminate and/or supersede this Agreement upon thirty (30) days' written notice to Applicant. Upon such notice PG&E will calculate any amounts that may be due based on that portion of the distribution system or service then completed, utilizing the estimated costs developed by PG&E for this Agreement.

The superseding Agreement, if any, shall be in the same form as this Agreement, shall be executed by the parties hereto and shall provide that costs be allocated to the portion of the Distribution System then completed, if any, consistent with those costs estimated by PG&E for this Agreement.

If this Agreement is terminated as set forth above, Applicant further agrees to forfeit that portion of the advance paid to PG&E for its expenses covering any engineering, surveying, right-of-way, removal, acquisition and other associated work incurred by PG&E. If such expenses are greater or less than the payments, Applicant shall pay to PG&E, or PG&E shall refund the balance without interest, to Applicant, as the case may be.

19. Indemnification and Withholding.

INDEMNIFICATION: Applicant shall indemnify, defend and hold harmless PG&E, its officers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs, expenses, and legal liability connected with or resulting from injury to or death of persons, including but not limited to employees of PG&E, Applicant, contractor or subcontractor; injury to property of PG&E, Applicant, or any third party, or to natural resources, or violation of any local, state or federal law or regulation, including but not limited to environmental laws or regulations, or strict liability imposed by any law or regulation; arising out of, related to, or in any way connected with Applicant's performance of this Agreement, however caused, regardless of any strict liability or negligence of PG&E, whether active or passive, excepting only such claims, demands, losses, damages, costs, expenses, liability or violation of law or regulation as may be caused by the active negligence or willful misconduct of PG&E, its officers, agents, or employees.

Applicant acknowledges that any claims, demands, losses, damages, costs, expenses, and legal liability that arise out of, result from, or are in any way connected with the release or spill of any legally designated hazardous material or waste as a result of the work performed under this Agreement are expressly within the scope of this indemnity, and that the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs are expressly within the scope of this indemnity.

Applicant shall, on PG&E's request, defend any action, claim or suit asserting a claim covered by this indemnity. Applicant shall pay all costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorney's fees.

WITHHOLDING: In addition to any other right to withhold, PG&E may withhold from payments due Applicant hereunder such amounts as, in PG&E's opinion, are reasonably necessary to provide security against all loss, damage, expense, and liability covered by the foregoing indemnification provision.

20. Assignment of Contract.

Applicant may assign this Agreement, in whole or in part, only if PG&E consents in writing and the party to whom the Agreement is assigned (Assignee) agrees in writing, to perform the obligations of Applicant hereunder. Such assignment shall be made using PG&E's Assignment Agreement and shall be notarized. Assignment of this Agreement shall not release Applicant from any of the obligations under this Agreement unless otherwise provided therein, shall be deemed to include Applicant's right to any refunds then unpaid or which may thereafter become payable.

21. Joint and Several Liability.

Where two or more individuals or entities are joint applicants under this Agreement, PG&E shall direct all communications, charges and refunds to Applicant designated below, but all applicants shall be jointly and severally liable to comply with all terms and conditions herein.

22. Warranty.

As specified in PG&E's General Terms and Conditions, Applicant shall warrant that all materials and workmanship performed or otherwise provided by Applicant shall be free of all defects and fit for its intended purposes. The warranty begins with the date the facilities are energized or pressurized by PG&E and extends past the date of final acceptance of the Distribution System by PG&E for (a) one year covering equipment furnished and installed by Applicant or the approved contractor, and (b) two years plus, covering the trenching and backfilling. In the event Applicant's work or materials provided under this Agreement fails to conform to the warranty or are damaged as a result of any actions by a third party, Applicant shall reimburse PG&E its costs for the total cost of repair and/or replacement as deemed necessary by PG&E. Such reimbursements shall be non-refundable.

23. Effective Date and Term.

This Agreement shall be binding when: (a) the Agreement is signed by Applicant and delivered together with payment required to PG&E within ninety (90) days of issuance, and (b) the Agreement is accepted and executed by PG&E. If Applicant is a corporation, partnership, joint venture or a group of individuals, the subscriber hereto represents that he or she has the authority to bind said corporation, partners, joint venture or individuals as the case may be.

The term of this Agreement shall commence on the date PG&E's facilities are first ready to supply and serve, as shown in PG&E's records, and shall then continue in force until the AG-ICE rate expires on December 31, 2015, subject to the termination provision of this Agreement, except that in no event shall this Agreement end prior to the end of the warranty period if supplied by the Applicant under the Internal Combustion Engine Conversion Incentive General Terms and Conditions.

24. Commission Jurisdiction.

This Agreement shall be subject to all of PG&E's applicable tariff schedules on file with and authorized by the Commission and shall at all times be subject to such changes or modifications as the Commission may direct from time to time in the exercise of its jurisdiction. These may include, but are not limited to, changes or modifications to Monthly Cost-of-Ownership Charges (higher or lower percentage rates), extension rules, rate schedules, and allowance amounts.



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Original

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

26334-E
23653-E

PACIFIC GAS AND ELECTRIC COMPANY
APPLICATION FOR SERVICE
INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE
AGRICULTURAL SERVICE
FORM NO. 79-1023 (05/2007)
(ATTACHED)

(T)

Advice Letter No. 3051-E
Decision No.

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

Date Filed May 11, 2007
Effective _____
Resolution No. _____

106641



Please fill out this application and submit the completed form to:

PG&E Ag-Ice Processing Office
3185 M Street, 1st Floor
Merced, CA. 95348
FAX (209) 726-6433

**Represents optional fields.*

- This application only applies to *portable or stationary* agricultural Internal Combustion engines for irrigation pumping, excluding those fired with natural gas, as defined in Rate Schedule AG-ICE, of not less than 50 horsepower that have been installed and operational prior to September 1, 2004.
- This application, pertinent load information, and required attachments must be submitted no later than 12/31/07.
- If the Incentive Conversion Applicant has applied for funding under a Carl Moyer Program such as the San Joaquin air district's Agricultural Pump Engine Component Heavy Duty Engine Emission Reduction Incentive Program, then copies of the completed air district form(s) and documentation must accompany this application.
- If the air district in which the project is located does not offer the Carl Moyer or similar Agricultural Engine Emission Reduction Program or if the applicant does not choose to take advantage of this funding, then the applicant must complete the PG&E INTERNAL COMBUSTION ENGINE CONVERSION SECTION found at the end of this application.
- Within 90 days of electrification, the applicant will provide verification of a Motor/Pump efficiency test as required on page 7 below.
- Is the existing engine being replaced purchased with Carl Moyer funds, Yes _____, No _____, if no, Applicant will, within 60 days of the electric service being energized, provide PG&E with documentation of destruction of above engine. Applicant and their engine dealer may permanently disable the engine by punching at least a five (5) inch diameter hole through the engine block above the oil pan and provide photographs detailing same, or Applicant and their engine dealer may also crush the engine and provide written verification such as a receipt from a scrap metal recycling operation. In both instances, Applicant will also include photographs of the engine Serial Number and Data Plate.
If yes, Applicant will follow Air Resources Board or local air district removal procedures.
- PG&E will supply qualifying applicants with service in accordance with PG&E's Internal Combustion Engine Conversion Program.

Project Information

Project Name _____

Project Address/Location _____ City _____ Zip _____

Nearest Cross Street _____

Applicant / Company Name _____

Legal name to appear on contract _____

Name of person authorized to sign contracts _____ Title _____

Who will be responsible for the PG&E bill after the meter is set? _____

Date PG&E facilities needed on site _____ Date Electric meter needed _____

Contact Information

Name of Contact _____

Day Phone (_____) _____ Fax (_____) _____ Email address _____

Mailing Address _____ City _____ State _____ Zip _____

Contractor's name: _____ Contractor's phone (_____) _____

Construction Information

As a new applicant for new electric service, you can choose either PG&E or a qualified contractor to construct all or a portion of any new electric distribution and / or service facilities. Details regarding applicant installation requirements are available through your local PG&E office. You should become familiar with the installation, insurance and warranty requirements before you make your selection – See PG&E's General Terms and Conditions.

In accordance with PG&E's filed tariffs, all electric trenching, conduits, substructures and gas service trenching are the applicant's responsibility. If you select either a qualified contractor or PG&E to perform any or all of the work that is the responsibility of the applicant to install and subsequently change your selection, you will be responsible for any re-engineering charges incurred as a result of that change.

Who will trench, backfill, and provide and install conduit and substructures? Applicant PG&E

Will the electric service be? Overhead Underground

Load Information

Pump Operating Hours

Hours per day _____ Days per week _____ Months per year _____

Typical daily operating hours From _____ AM To _____ AM
 PM PM

What months will this facility operate?
 January February March April
 May June July August
 September October November December

Please describe other operating characteristics _____

Type of crop _____

Electric Load Information

Main Switch Size (Service Termination Can) _____ Amps Motor size _____ hp

Voltage: (select one)

- 240/120, 4 wire, 3Ø 208/120, 4 wire, 480/277, 4-wire, 3Ø
 Primary voltage (> 2,400 volts) Other (specify) _____

Please provide motor codes for motors that have reduced voltage starting or are 25 hp and greater

	Code	hp
	_____	_____

Will a submersible pump be installed? No Yes

Attachments

Please provide two (2) copies of the following:

A. Detailed site plan showing roads, driveways, building structures and pump location.

General Information and Signature

Applicant Design Information

Design by PG&E:

Under this selection, PG&E will provide electric design for the extension in accordance with PG&E's design standards and specifications.

Design by Applicant:

Under this selection, you or your contractor must design the installation of the electric facilities, including trenching, within the PG&E specified project boundaries in accordance with PG&E's design standards and specifications. This selection also requires the design(s) to be stamped and signed by a Registered Professional Engineer (PE). Responsibilities of applicants and PG&E within this selection include:

Applicant's Design Responsibilities

- * Design drawings and provide support documentation
- * Joint trench/pole intent drawings
- * Single line drawings, key sketch
- * Base maps
- * Construction detail drawings
- * Street light design - coordinate with applicable governmental agency
- * Engineering calculations (e.g., voltage drop, flicker, pulling tension, pole sizing, guying, etc.)
- * Substructure information
- * Stub/full/branch service locations (pre-approved by utility)
- * Main locations
- * Meter locations (pre-approved by utility)
- * Identify permits
- * Identify rights-of-way as required by utility
- * Trench cost allocation estimate
- * Coordination with other utilities if joint trench or joint pole
- * Tentative design and construction scheduling
- * Conflict checks
- * Material list
- * Stamped by a Registered Professional Engineer (PE)

Note: THE APPLICANT IS RESPONSIBLE FOR ENSURING THE DESIGNER USES THE MOST CURRENT DESIGN STANDARDS.

PG&E's Design Responsibilities

- * Design format standards
- * Global facilities planning (e.g., size, kind of pipe/conductor, carriers, conduits, ties, pressure/voltage/phase, system isolation requirements and special material specifications)
- * Job accounting and cost estimating
- * Contracts/Agreements.
- * Utility plan check at completion of applicant design
- * Post-design changes by utility at applicant's expense
- * Value analysis
- * Gas service record preparation

Installation Option Information

Installed by PG&E as a competitive bid:

Under this option, PG&E will provide and install electric facilities for the project in accordance with the provisions of the tariffs. Prior to starting construction, you must pay to PG&E any applicable advances. You are responsible for route clearing, land rights acquisition, trenching, conduit, substructures, and inspections.

Construction by applicant's qualified contractor:

Under this option, your qualified contractor must provide all necessary material and installation of the electric facilities for the project. You must select a qualified contractor to perform the work to PG&E's design and construction specifications. Prior to starting construction, you must pay to PG&E any applicable advances including its estimated costs of engineering, administration, tie-ins, and any additional facilities and labor necessary to complete the extension. More details regarding the installation options requirements are available through your local PG&E office.

Rate Information

Pending the approval of this Application and completion of construction, Rate Schedule **AG-ICE** will be applied to this project when energized. Please view the rate for more information.

Emissions Reduction Assignment to PG&E

If the applicant has applied for Carl Moyer or similar funding then the applicant assigns to PG&E all claims for any emission reductions associated with an emission reduction from a Tier III engine to electrification. These reductions include but are not limited to emissions reductions from air pollution species such as criteria pollutants and carbon dioxide.

If the applicant has not applied for Carl Moyer or similar funding then the applicant assigns to PG&E all claims for any emission reductions associated with an emission reduction from the current engine to electrification. These reductions include but are not limited to emissions reductions from air pollution species such as criteria pollutants and carbon dioxide.

Eligibility

This program is open to applicants with stationary or portable agricultural internal combustion engines as defined in Rate Schedule AG-ICE. Qualifying engines must not be less than 25hp, and must be installed and operational prior to September 1, 2004. A new electric account will be established to serve the new load associated with the electric engine(s) replacing internal combustion engine(s) that are removed from service. The new account will qualify for the enhanced line extension allowance and the AG-ICE rate.

Motor/Pump Efficiency Testing

Applicant agrees that, within ninety days (90) after the date that electricity is first supplied to Applicant's electric pump, Applicant will provide verification of a completed efficiency test to be performed on the pump by a qualified agency or contractor.

Tariff Information

Service shall be subject to all of PG&E's applicable tariff schedules on file with and authorized by the California Public Utilities Commission and shall at all times be subject to such changes or modifications as the Commission may direct from time to time in the exercise of its jurisdiction. These may include, but are not limited to changes or modifications to Monthly Cost-of-Ownership Charges (higher or lower percentage rates), extension rules, rate schedules, allowances and refund amounts.

Service will be designed and installed based upon the information provided on this application. Required information not supplied shall not constitute a waiver by PG&E of that information. NOTE: Installation of these facilities may require work by applicant on private property. Local authorities need to be contacted for any necessary permits and inspections.

Payment Information

In conjunction with submitting the application for new electric service, PG&E may require an engineering advance to cover some of its costs for project review, design work and cost development. This advance is based upon current costs and the amount of work anticipated based upon the information submitted in this application for service. This advance may be credited to the amount owed or refunded without interest when PG&E has completed its engineering work. Before PG&E completes the engineering work, the Applicant may request PG&E to stop that work, and PG&E will deduct from the advance the costs which it has incurred, or refund the balance to the Applicant without interest.

Other Terms and Conditions of Service

By signing below, Applicant confirms the following:

Applicant understands that service will be engineered and installed based upon the information provided herein. Applicant agrees to pay PG&E, on demand, for all work PG&E performs and all costs PG&E incurs for this application for service.

If Applicant postpones or cancel this application, Applicant shall pay PG&E for all such work and costs incurred up until the time Applicant notifies PG&E of the postponement or cancellation.

PG&E's costs may include, but are not limited to, labor, material and supplies, (including long lead time materials), transportation, and other direct costs which PG&E allocates to such work.

Incomplete information or any changes made at Applicant's request during the engineering, or after it is completed, will subject Applicant to additional charges and may delay the establishment of service.

Applicant agrees to pay for any damage to new or existing PG&E facilities caused by Applicant or its contractors.

IMPORTANT NOTE: Do NOT install the electric main switch until the location is approved by PG&E.

INDICATE ONE OF THE FOLLOWING IS SUPPLIED:

AIR DISTRICT EQUIVALENT CARL MOYER PROGRAM ATTACHMENT _____

PG&E INTERNAL COMBUSTION ENGINE CONVERSION SECTION _____

This pump is located in the South San Joaquin Irrigation District area, YES _____, NO _____

Payment Selection

For costs of construction, the Applicant must choose a payment option. By signing below, Applicant affirms that the payment option selected is (check one):

The full advanced payment option _____

*The four quarterly payments option _____ (subject to the outcome of a credit worthiness review by PG&E. **Must provide Social Security Number of Tax Payer Identification if this payment option is selected**)*

Social Security Number _____ - _____ - _____

OR, Tax Payer Identification Number _____

As the applicant, I have read the above information and understand the provisions and my responsibilities.

Applicant's Signature _____

Date _____

PG&E INTERNAL COMBUSTION ENGINE CONVERSION INFORMATION SECTION

Completion of this Attachment is mandatory if:

- 1) *The air district in which the project is located does not offer the Carl Moyer or similar Agricultural Engine Emission Reduction Program; or*
- 2) *The applicant opts not to apply for Carl Moyer or similar funding.*

Complete one Attachment per Engine and Associated Replacement Electric Motor

CURRENT ENGINE

Primary function of engine: (crop irrigation, if other please explain) _____

Check one:

Stationary irrigation pump engine _____ Trailer mounted booster pump (portable) _____, other, please explain:

Estimated total annual hours of operation: _____ Is there any seasonality to the use of the engine? YES / NO.
If Yes, please explain: _____

Engine type:

Compression Ignition ____ Spark Ignition ____

Fuel Type _____

Estimated annual fuel usage (in gallons or Therms for natural gas) _____

Engine Make: _____

Engine Model: _____

Engine Model Year _____

Engine Serial Number _____

Manufacturer's maximum brake horsepower _____

Primary fuel: Diesel _____, Natural Gas _____, Other (specify) _____

Estimated engine life: _____

Certified USEPA standardized engine family name if applicable: _____

NEW Electric Motor

Electric Motor Manufacturer: _____

Electric Motor Make: _____

Electric Motor Model: _____

Electric Motor Model Year: _____

Electric Motor Serial Number: _____

Electric Motor kW: _____

Electric Motor Horse Power: _____

Electric Motor Code: _____ (E, F, G, or H)



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