

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 21, 2009

**Advice Letter 2980-G/3380-E**

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

**Subject: 1% Franchise Surcharge for Gas and Electric Customers  
within the City of Bakersfield**

Dear Mr. Cherry:

Advice Letter 2980-G/3380-E is effective January 20, 2009. The advice letter was filed in accordance with California Public Utilities Commission D.89-05-063 dated May 26, 1989, which established advice letter procedures for situations in which a local government entity requires a utility to collect franchise fees exceeding the average franchise fees within the utility's service territory. Kern County Taxpayers Association's protest of Advice Letter 2980-G/3380-E fails to meet any of the legitimate grounds for protesting an advice letter as outlined in California Public Utilities Commission General Order 96-B, Section 7.4.2.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



**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  
Fax: 415.973.7226

December 18, 2008

**Advice 2980-G/3380-E**

(Pacific Gas and Electric Company ID U 39 G/E)

Public Utilities Commission of the State of California

**Subject: 1% Franchise Surcharge For Gas And Electric Customers  
Within The City of Bakersfield**

Pacific Gas and Electric Company (PG&E) hereby requests approval by the California Public Utilities Commission (Commission) to bill and collect from its customers within the City of Bakersfield (City) a one percent (1.0%) electric franchise surcharge and a one percent (1.0%) gas franchise surcharge to be remitted to the City by PG&E, pursuant to PG&E's new franchise agreements with the City.

Representative samples of bills for various rate schedules with the revised bill format(s) are attached (Attachment A) to this advice letter.

**Purpose**

PG&E proposes to add an additional one percent (1.0%) franchise fee surcharge line item on the electric and gas bills of customers within the City pursuant to PG&E's new franchise agreements with the City, which expressly provide for the additional amount to be surcharged to all classes of customers within the City, with the exception of customers participating in PG&E's California Alternative Rates for Energy (CARE) program. Under the terms of the franchise agreements, in order for PG&E to bill and collect the additional franchise surcharge for the City, PG&E must obtain the Commission's approval. Commission Decision (D.) 89-05-063, dated May 26, 1989 (32 CPUC 2d 60),<sup>1</sup> established the procedure for filing an advice letter where the local governmental entity requires the public utility to collect franchise fees exceeding the average franchise fees within the service territory of the utility. PG&E makes this filing pursuant to D.89-05-063.

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<sup>1</sup> Investigation 84-05-002, Guidelines For the Equitable Treatment of Revenue-Producing Mechanisms Imposed By Local Governmental Entities on Public Utilities.

## **Background**

PG&E's previous electric and gas franchises with the City were obtained in 1958 and had a fifty-year term. Due to the expiration of the previous franchises, PG&E entered into negotiations with the City for new electric and gas franchises. During these negotiations the City proposed a franchise fee increase. As a charter city, the City is permitted to negotiate franchise fees in excess of the statutory formulas set forth in the Broughton Act (Pub. Util. Code §§ 6001-6017) or the Franchise Act of 1937 (Pub. Util. Code §§ 6231-35). See D. 89-05-063 (32 CPUC 2d 60, 64) PG&E and the City reached agreement to structure the payment of franchise fees in the new agreements in accordance with the Commission's guidelines in D.89-05-063.

On November 5, 2008, the Bakersfield City Council granted PG&E new indeterminate electric and gas franchise agreements, Ordinance Nos. 4544 and 4545 (Attachment B, attached hereto and incorporated by reference). The franchises require that PG&E pay the City a basic franchise fee based on the greater of two computations, two percent (2.0%) of the gross annual receipts arising from the use, operation and possession of the franchise (known as the Broughton Act formula) or one percent (1.0%) of the gross annual receipts from the sale, transmission or distribution of gas and electricity within the City (the formula established in the Franchise Act of 1937). In addition to the basic franchise fee, the electric and gas franchises provide for the payment of an additional one percent (1.0%) of PG&E's gross annual receipts from its customers within the City, with the exception of CARE customers (referred to as the Recovery Portion in the franchise agreements), subject to the express condition that PG&E obtain Commission approval to collect the Recovery Portion as a surcharge in accordance with D.89-05-063.

In D.89-05-063, the Commission addressed costs imposed on public utilities by local government revenue producing mechanisms and the appropriate ratemaking treatment for increases in franchise fees. As a preliminary matter, the Commission acknowledged that it did not dispute the authority or right of any local governmental entity which as a matter of general law or judicial decision has the jurisdiction to impose, levy or increase taxes and fees on utility customers or on the utility itself. (Id. at 69.) However, the Commission is the sole authority to determine and regulate the rates of a public utility for service furnished by it. (Id.) The Commission recognized that where franchise fees attributable to one city were substantially above the utility's service territory spreading this excess through basic rates to all system ratepayers would result in inequities between classes of ratepayers. (Id. at 72.) The Commission stated:

To continue to incorporate significantly differing levels of new and escalating local entity taxes and fees in basic rates applicable equally to all ratepayers in a utility's service territory, increasingly means that some of these ratepayers would be subsidizing others but are not themselves benefiting from such increased taxes and fees. It is not just or reasonable that the significantly higher levels derived from some entities only should be buried in basic rates applicable to all ratepayers of the utility. Averaging such costs among all ratepayers creates inequities between classes of ratepayers. It is appropriate and reasonable that these significantly higher costs should be identified and borne only by the ratepayers in the local governmental area that originated them.

(Id., 32 CPUC 2d at 69.)

Pursuant to D.89-05-063, the Commission has recently approved electric and gas franchise fee surcharges by other public utilities. See Southern California Edison's Advice Letter No. 1881-E filed March 30, 2005, effective May 9, 2005 (authorizing SCE to bill and collect a 1.0% electric franchise fee on electric customers in the City of Santa Barbara); D.07-10-24 (2007 Cal. PUC LEXIS 560)(granting SoCalGas authorization to bill and collect a 1.0% gas franchise surcharge on gas customers in the City of Ventura). In approving the franchise fee surcharge in D.07-10-24, the Commission recognized that although the benefits of the increased franchise fees are generally localized, the ratepayers of SoCalGas also benefit as the burden of the surcharge will be paid only by customers in the City of Ventura, and not other customers throughout the utility's service territory. (Id., 2007 Cal. PUC LEXIS 560, \*7)

In accordance with D.89-05-063 and Section 6 of the electric and gas franchise agreements with the City which provide for the surcharge, PG&E shall collect, with the Commission's approval, the additional one percent (1.0%) as a surcharge. PG&E will bill and collect the surcharge revenues and pass through the revenues directly to the City. The percentage would be the same for all classes of electric and gas customers located in the City. The electric and gas franchises expressly exclude from the surcharge those customers participating in PG&E's CARE program or successor low income assistance program. The surcharge will only apply to those PG&E customers located in the City. The City has represented that the additional revenues from the franchise surcharge will be earmarked for highway and road projects.

Based on the gross annual gas and electric receipts in the City during 2007, PG&E estimates that the electric and gas surcharge will result in an additional collection of approximately \$3,199,234 annually, and represents an increase of \$1.22 to a typical City residential customer's monthly electric bill and \$0.40 to a typical City residential monthly gas bill.

PG&E shall implement the electric and gas franchise surcharge as soon as possible after Commission approval.

### **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 7, 2009**, 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: [ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

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

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

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

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

**Effective Date**

PG&E requests that this advice filing become effective on regular notice, **January 20, 2009**, which is 33 calendar days after the date of filing.<sup>2</sup>

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list should be directed to Rose de la Torre at (415) 973-4716. Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/>

A handwritten signature in cursive script that reads "Brian K. Cheng / dc".

Vice President, Regulatory Relations

**Attachments**

cc: Stinson, John W., City of Bakersfield  
Sherfy, Robert M., City of Bakersfield

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<sup>2</sup> The 30<sup>th</sup> day after the filing date occurs on a Saturday; therefore PG&E moves the effective date to the following business day.

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

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

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Daren Chan

Phone #: (415) 973-5361

E-mail: D1CT@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) #: **2980-G/3380-E**

**Tier: 2**

Subject of AL: 1% Franchise Surcharge For Gas And Electric Customers Within The City of Bakersfield

Keywords (choose from CPUC listing): Agreements

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.89-05-063

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 AL:

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

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

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

Resolution Required?  Yes  No

Requested effective date: **January 20, 2009**

No. of tariff sheets: N/A

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: N/A

Service affected and changes proposed: N/A

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

**CPUC, Energy Division**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Ave., San Francisco, CA 94102**

**jnj@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**

# **ATTACHMENT A**

**Representative PG&E Sample Bills**



Pacific Gas and Electric Company

WE DELIVER ENERGY.™

Energy Statement

99901234567890100000092226000092226

Account Number	Bill Date	Amount Due	Due Date	Amount Enclosed
1234567890-1	11/01/2008	\$922.26	12/20/2008	

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JANE SAMPLE – A10 Medium General Demand Metered Service  
123 JAMESTOWN  
BAKERSFIELD CA 99999-1000

PG&E  
BOX 997300  
SACRAMENTO CA  
95899-7300

201.1205

Please return this portion with your payment. Thank you.



Telephone Assistance

1-800-743-5000  
Assistance is available by telephone 24 hours per day, 7 days per week.

Local Office Address

123 MAIN STREET  
BAKERSFIELD CA 99999

Account Number

1234567890-1

November 2008

ACCOUNT SUMMARY

Service	Service Dates	Amount
Electric	11/01/2008 – 11/30/2008	\$912.15
Energy Commission Tax		0.99
Bakersfield Franchise Surcharge *see note*		9.12
<b>TOTAL CURRENT CHARGES</b>		<b>\$922.26</b>
Previous Balance		940.38
10/20 Payment – Thank You		940.38-

<b>TOTAL AMOUNT DUE</b>	<b>\$922.26</b>
<b>DUE DATE – 12/20/2008</b>	

\*Information on the Bakersfield Franchise Surcharge is available at [www.bakersfieldcity.us](http://www.bakersfieldcity.us).



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30% Post-Consumer Waste



Pacific Gas and Electric Company

WE DELIVER ENERGY.™

JANE SAMPLE

77 BEALE ST  
SAN FRANCISCO CA 99999

**ELECTRIC ACCOUNT DETAIL**

Service ID# : 1357913579  
Rate Schedule: A10S Medium General Demand-Metered Service  
Billing Days: 30 days

Serial	Rotating Outage Blk	Meter #	Prior Meter Read	Current Meter Read	Difference	Meter Constant	Usage
R	50	1212A1	14,700	19,200	4,500	1.0000	4,500 Kwh

Charges

**11/01/2008 – 11/30/2008**

Electric Charges	\$912.15	
Net Charges		\$912.15

The net charge shown above include the following component(s). Please see definitions on Page 2 of the bill.

Generation	\$268.52
Transmission	202.48
Distribution	336.53
Public Purpose Programs	48.78
Nuclear Decommissioning	1.22
DWR Bond Charge	21.47
Ongoing CTC	18.86
Energy Cost Recovery Amount	14.31

Taxes and Other

Energy Commission Tax	\$0.99
Bakersfield Franchise Surcharge	9.12

Demand Detail

Billing Demand Summer 80

**TOTAL CHARGES**

**922.26**

Usage Comparison	Days Billed	Kwh Billed	Kwh per Day
This Year	30	4,500	150.0
Last Year	30	4,000	133.3

Rotating outage blocks are subject to change without advance notice due to operational conditions.

Generation includes charges for the portion of your energy usage provided by the Department of Water Resources (DWR) and is being collected by PG&E as an agent for DWR. DWR is collecting x.xxx cents per kWh from bundled customers for each kWh it provides plus the Power Charge component of the Cost Responsibility Surcharge from direct access and transitional bundled service customers.

The rates shown above are applicable to bundled service customers. Direct Access and Community Choice Aggregation customers pay only a portion of these rates. Please see the appropriate rate schedule for the charges applicable to direct access.





Pacific Gas and Electric Company

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Energy Statement

99901234567890100000309320000030932

Account Number	Bill Date	Amount Due	Due Date	Amount Enclosed
1234567890-1	11/30/2008	<b>\$309.32</b>	11/21/2008	

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JANE SAMPLE – G1/E1 – Residential Service  
123 JAMESTOWN  
BAKERSFIELD CA 99999-1000

PG&E  
BOX 997300  
SACRAMENTO CA  
95899-7300

201.1205

Please return this portion with your payment. Thank you.



Telephone Assistance

1-800-743-5000  
Assistance is available by  
telephone 24 hours per day,  
7 days per week.

Local Office Address

123 MAIN STREET  
BAKERSFIELD CA 99999

Account Number

1234567890-1

November 2008

ACCOUNT SUMMARY

Service	Service Dates	Amount
Gas	11/01/2008 To 11/30/2008	\$112.57
Electric	11/01/2008 To 11/30/2008	191.47
Gas PPP Surcharge		1.98
Energy Commission Tax		0.27
Bakersfield Franchise Surcharge *see note*		3.03
<b>TOTAL CURRENT CHARGES</b>		<b>\$309.32</b>
Previous Balance		302.83
10/15 Payment – Thank You		302.83-

<b>TOTAL AMOUNT DUE</b>	<b>\$309.32</b>
<b>DUE DATE – 11/21/2008</b>	

\*Information on the Bakersfield Franchise Surcharge is available at [www.bakersfieldcity.us](http://www.bakersfieldcity.us).

Form 01-6630  
Advice 2626-E-B  
Revised February 2005



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Pacific Gas and Electric Company

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JANE SAMPLE

123 MAIN ST  
SAN JOSE CA 99999

**GAS ACCOUNT DETAIL**

Service ID# : 2468024680  
Rate Schedule: G1 T Residential Service  
Billing Days: xx days

Serial	Meter #	Prior Meter Read	Current Meter Read	Difference	Multiplier	Usage
H	1212A1	223	291	68	1.109000	69 Therms

**Charges**

**11/01/2008 – 11/30/2008**

Gas Charges						\$112.57
Baseline Quantity			15.19000 Therms			
Baseline Usage			15.19000 Therms @	\$1.45131		
Over Baseline Usage			53.81000 Therms @	\$1.68248		
Net Charges						\$112.57

PG&E's Gas Procurement Cost (Rate Schedule G-CP) is \$1.07846/therm

**Taxes and Other**

Gas PPP Surcharge (\$0.02868/therm)						1.98
Bakersfield Franchise Surcharge						1.12

**TOTAL CHARGES**

**\$115.67**

Usage Comparison	Days Billed	Therms Billed	Therms per Day
This Year	xx	xxx	x.x
Last Year	xx	xxx	x.x





JANE SAMPLE

**ELECTRIC ACCOUNT DETAIL**

Service ID#: 1357913579  
Rate Schedule: E1 TB Residential Service  
Billing Days: xx days

Serial	Rotating Outage Blk	Meter #	Prior Meter Read	Current Meter Read	Difference	Meter Constant	Usage
H	13H	63L788	10,694	11,907	1,213	1	1,213 Kwh

Charges

**11/01/2008 – 11/30/2008**

Electric Charges		\$191.47
Baseline Quantity	601.4000 Kwh	
Baseline Usage	601.4000 Kwh @ \$0.11559	
101-130% of Baseline	180.4200 Kwh @ \$0.13142	
131-200% of Baseline	420.9800 Kwh @ \$0.22580	
Net Charges		\$191.47

The net charge shown above include the following component(s). Please see definitions on Page 2 of the bill.

Generation	\$85.65
Transmission	11.27
Distribution	66.75
Public Purpose Programs	13.80
Nuclear Decommissioning	0.33
DWR Bond Charge	5.79
Ongoing CTC	4.03
Energy Cost Recovery Amount	3.85

Taxes and Other

Energy Commission Tax	\$ 0.27
Bakersfield Franchise Surcharge	1.91

**TOTAL CHARGES**

**\$193.65**

Usage Comparison	Days Billed	Kwh Billed	Kwh per Day
This Year	31	1,213	39.1
Last Year	31	1,213	39.1

Rotating outage blocks are subject to change without advance notice due to operational conditions.

Generation includes charges for the portion of your energy usage provided by the Department of Water Resources (DWR) and is being collected by PG&E as an agent for DWR. DWR is collecting x.xxx cents per kWh from bundled customers for each kWh it provides plus the Power Charge Indifference Adjustment component of the Cost Responsibility Surcharge from direct access and transitional bundled customers.

The rates shown above are applicable to bundled service customers. Direct Access and Community Choice Aggregation customers pay only a portion of these rates. Please see the appropriate rate schedule for the applicable charges.



Recycled Paper  
30% Post-Consumer Waste



Pacific Gas and Electric Company

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Energy Statement

9990123456789010000956200000956200

Account Number	Bill Date	Amount Due	Due Date	Amount Enclosed
1234567890-1	11/30/2008	\$9,562.00	12/17/2008	

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JANE SAMPLE – E19 Med/Large General Demand Metered TOU Service  
123 JAMESTOWN  
BAKERSFIELD CA 9999-1000

PG&E  
BOX 997300  
SACRAMENTO CA  
95899-7300

200.0037

Please return this portion with your payment. Thank you.



Telephone Assistance

1-800-743-5000  
Assistance is available by telephone 24 hours per day, 7 days per week.

Local Office Address

123 JAMESTOWN  
BAKERSFIELD CA 99999-1000

Account Number

1234567890-1

November 2008

ACCOUNT SUMMARY

Service	Service Dates	Amount
Electric	11/01/2008 – 11/30/2008	\$ 9,446.42
Energy Commission Tax		21.12
Bakersfield Franchise Surcharge *see note*		94.46
<b>TOTAL CURRENT CHARGES</b>		<b>\$9,562.00</b>
Previous Balance		9,182.89
10/22 Payment – Thank You		9,182.89-

<b>TOTAL AMOUNT DUE</b>	<b>\$9,562.00</b>
<b>DUE DATE – 12/17/2008</b>	

\*Information on the Bakersfield Franchise Surcharge is available at [www.bakersfieldcity.us](http://www.bakersfieldcity.us).





JANE SAMPLE
77 BEALE ST
SAN FRANCISCO CA 99999

ELECTRIC ACCOUNT DETAIL

Service ID#: 2468024680
Rate Schedule: E19S Medium General Demand-Metered TOU Service
Billing Days: 30 days

Table with 8 columns: Serial, Rotating Outage Blk, Meter #, Prior Meter Read, Current Meter Read, Difference, Meter Constant, Usage. Rows show data for two meters (R) with usage of 96,000 kWh and 48,000 Reactive.

89.00 % Power Factor = -0.24 % Adjustment

Charges

11/01/2008- 11/30/2008

Table of charges: Electric Charges (\$9,484.82), Power Factor Adjustment (19.20), Net Charges (\$9,446.42).

The net charges shown above include the following component(s). Please see definitions on Page 2 of the bill.

Table of components: Generation (\$4,993.92), Transmission (551.06), Distribution (1,799.99), Public Purpose Programs (981.12), Nuclear Decommissioning (25.92), DWR Bond Charge (457.92), Ongoing CTC (331.20), Energy Cost Recovery Amount (305.28).

Taxes and Other

Table of taxes: Energy Commission Tax (\$21.12), Bakersfield Franchise Surcharge (94.46).

Time of Use Detail

Table for Energy usage: Season: Winter, Partial Peak (38,400 @ \$0.08264), Off-Peak (57,600 @ \$0.07296).

Table for Demand usage: Season: Winter, Partial-Peak (209 @ \$1.92000), Off-Peak (223 @ \$6.32000).

TOTAL CHARGES

\$9,562.00

Usage Comparison table with columns: Usage Comparison, Days Billed, Kwh Billed, Kwh Per Day. Rows: This Year, Last Year.

Rotating outage blocks are subject to change without advance notice due to operational conditions.

Generation includes charges for the portion of your energy usage provided by the Department of Water Resources (DWR) and is being collected by PG&E as an agent for DWR. DWR is collecting x.xxx cents per kWh from bundled customers for each kWh it provides plus the Power Charge component of the Direct Access Cost Responsibility Surcharge from direct access customers.

The rates shown above are applicable to bundled service customers. Direct Access and Community Choice Aggregation customers pay only a portion of these rates. Please see the appropriate rate schedule for the applicable charges.





Pacific Gas and Electric Company

WE DELIVER ENERGY.™

Energy Statement

9990123456789010000004736000004736

Account Number	Bill Date	Amount Due	Due Date	Amount Enclosed
1234567890-1	11/30/2008	<b>\$47.36</b>	12/21/2008	

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JANE SAMPLE – E1-DA-Residential-Continuous  
123 JAMESTOWN  
BAKERSFIELD CA 99999-1000

PG&E  
BOX 997300  
SACRAMENTO CA  
95899-7300

200.0037

Please return this portion with your payment. Thank you.



Telephone Assistance

1-800-743-5000  
Assistance is available by  
telephone 24 hours per day,  
7 days per week.

Local Office Address

123 MAIN STREET  
BAKERSFIELD CA 99999

Account Number

1234567890-1

November 2008

ACCOUNT SUMMARY

Service	Service Dates	Amount
Electric	11/01/2008 – 11/30/2008	\$46.89
Bakersfield Franchise Surcharge *see note*		0.47
<b>TOTAL CURRENT CHARGES</b>		<b>\$47.36</b>
Previous Balance		48.31
10/19 Payment – Thank You		48.31-

<b>TOTAL AMOUNT DUE</b>	<b>\$47.36</b>
<b>DUE DATE – 12/21/2008</b>	

\*Information on the Bakersfield Franchise Surcharge is available at [www.bakersfieldcity.us](http://www.bakersfieldcity.us).



JANE SAMPLE

 123 JAMESTOWN  
 BAKERSFIELD 99999-10000

**ELECTRIC ACCOUNT DETAIL**

 Service ID# : 1357913579  
 Rate Schedule: E1 TB Residential Service  
 Billing Days: 30 days

Serial	Rotating Outage Blk	Meter #	Prior Meter Read	Current Meter Read	Difference	Meter Constant	Usage
M	10	63L788	61,553	62,093	540	1	540 Kwh

**Charges**
**01/01/2007 – 01/30/2007**

Electric Charges		\$42.50
Baseline Quantity	246.00000 Kwh	
Baseline Usage	246.00000 Kwh @ \$0.05550	
101-130% of Baseline	73.80000 Kwh @ \$0.06245	
131-200% of Baseline	172.20000 Kwh @ \$0.10207	
201-300% of Baseline	48.00000 Kwh @ \$0.13870	
Over 300% of Baseline	0.00000 Kwh @ \$0.15789	
DA CRS		4.30
DA CRS Exemption		0.24-
Franchise Fee Surcharge		0.33
<b>Net Charges</b>		<b>\$46.89</b>

The net charge shown above include the following component(s). Please see definitions on Page 2 of the bill.

Transmission	\$4.29
Distribution	31.91
Public Purpose Programs	6.15
Nuclear Decommissioning	0.15
Ongoing CTC	2.35
Energy Cost Recovery Amount	1.71
Franchise Fee Surcharge	0.33

**Taxes and Other**

Bakersfield Franchise Surcharge 0.47

**TOTAL CHARGES**
**\$47.36**

Usage Comparison	Days Billed	Kwh Billed	Kwh per Day
This Year	30	540	18.0
Last Year	30	540	18.0

Rotating outage blocks are subject to change without advance notice due to operational conditions.

Generation includes charges for the portion of your energy usage provided by the Department of Water Resources (DWR) and is being collected by PG&amp;E as an agent for DWR. DWR is collecting x.xxx cents per kWh from bundled customers for each kWh it provides plus the Power Charge component of the Cost Responsibility Surcharge from direct access and transitional bundled service customers.

The rates shown above are applicable to bundled service customers. Direct Access and Community Choice Aggregation customers pay only a portion of these rates. Please see the appropriate rate schedule for the applicable charges.





Pacific Gas and Electric Company

WE DELIVER ENERGY.™

Energy Statement

99901234567890100000047600000004760

Account Number	Bill Date	Amount Due	Due Date	Amount Enclosed
1234567890-1	11/30/2008	<b>\$47.60</b>	12/21/2008	

001:4.90.14462 1 AV 0.238



JANE SAMPLE – E1 – Residential Service – DA – Non-Continuous  
123 JAMESTOWN  
BAKERSFIELD CA 99999-1000

PG&E  
BOX 997300  
SACRAMENTO CA  
95899-7300

200.0037

Please return this portion with your payment. Thank you.



Telephone Assistance

1-800-743-5000  
Assistance is available by telephone 24 hours per day, 7 days per week.

Local Office Address

123 MAIN STREET  
BAKERSFIELD CA 99999

Account Number

1234567890-1

November 2008

ACCOUNT SUMMARY

Service	Service Dates	Amount
Electric	11/01/2008 – 11/30/2008	\$47.13
Bakersfield Franchise Surcharge *see note*		.47
TOTAL CURRENT CHARGES		\$47.60
Previous Balance		48.29
10/20/ Payment – Thank You		48.29-

<b>TOTAL AMOUNT DUE</b>	<b>\$47.60</b>
<b>DUE DATE – 02/21/2008</b>	

\*Information on the Bakersfield Franchise Surcharge is available at [www.bakersfieldcity.us](http://www.bakersfieldcity.us).



JANE SAMPLE

 123 JAMESTOWN  
 BAKERSFIELD CA 99999

**ELECTRIC ACCOUNT DETAIL**

 Service ID# : 1357913579  
 Rate Schedule: E1 TB Residential Service  
 Billing Days: 30 days

Serial	Rotating Outage Blk	Meter #	Prior Meter Read	Current Meter Read	Difference	Meter Constant	Usage
M	10	63L788	61,553	62,093	1,000	1	540 Kwh

**Charges**
**11/01/2008 – 11/30/2008**

Electric Charges		\$42.50
Baseline Quantity	246.00000 Kwh	
Baseline Usage	246.00000 Kwh @ \$0.05550	
101-130% of Baseline	73.80000 Kwh @ \$0.06245	
131-200% of Baseline	172.20000 Kwh @ \$0.10207	
201-300% of Baseline	48.00000 Kwh @ \$0.13870	
Over 300% of Baseline	0.00000 Kwh @ \$0.15789	
DA CRS		4.30
Franchise Fee Surcharge		0.33
<b>Net Charges</b>		<b>\$47.13</b>

The net charge shown above include the following component(s). Please see definitions on Page 2 of the bill.

Transmission	\$ 4.29
Distribution	31.91
Public Purpose Programs	6.15
Nuclear Decommissioning	0.15
DWR Bond Charge	2.57
Power Charge Indifference Adj.	-2.33
Ongoing CTC	2.35
Energy Cost Recovery Amount	1.71
Franchise Fee Surcharge	0.33

**Taxes and Other**

Bakersfield Franchise Surcharge	.47
---------------------------------	-----

**TOTAL CHARGES**
**\$47.60**

Usage Comparison	Days Billed	Kwh Billed	Kwh per Day
This Year	30	540	18.0
Last Year	30	540	18.0

Rotating outage blocks are subject to change without advance notice due to operational conditions.

Generation includes charges for the portion of your energy usage provided by the Department of Water Resources (DWR) and is being collected by PG&amp;E as an agent for DWR. DWR is collecting x.xxx cents per kWh from bundled customers for each kWh it provides plus the Cost Responsibility Surcharge from direct access and transitional bundled service customers.

The rates shown above are applicable to bundled service customers. Direct Access and Community Choice Aggregation customers pay only a portion of these rates. Please see the appropriate rate schedule for the applicable charges.





Pacific Gas and Electric Company

WE DELIVER ENERGY.™

Energy Statement

99901234567890100000722920000072292

Account Number	Bill Date	Amount Due	Due Date	Amount Enclosed
1234567890-1	11/30/2008	<b>\$722.92</b>	12/17/2008	

001:4.90.14462 1 AV 0.238



JANE SAMPLE – GNR1/A1 Small Commercial  
123 JAMESTOWN  
BAKERSFIELD CA 99999-9999

PG&E  
BOX 997300  
SACRAMENTO CA  
95899-7300

200.0485

Please return this portion with your payment. Thank you.



**Telephone Assistance**

1-800-743-5000  
Assistance is available by  
telephone 24 hours per day,  
7 days per week.

**Local Office Address**

123 MAIN STREET  
BAKERSFIELD CA 99999

**Account Number**

1234567890-1

November 2008

**ACCOUNT SUMMARY**

Service	Service Dates	Amount
Gas	11/01/2008 – 11/30/2008	\$586.31
Electric	11/01/2008 – 11/30/2008	111.49
Gas PPP Surcharge		17.98
Energy Commission Tax		0.17
Bakersfield Franchise Surcharge *see note*		6.97
<b>TOTAL CURRENT CHARGES</b>		<b>\$722.92</b>
Previous Balance		759.30
10/20 Payment – Thank You		759.30-

<b>TOTAL AMOUNT DUE</b>	<b>\$722.92</b>
<b>DUE DATE – 12/17/2008</b>	

\*Information on the Bakersfield Franchise Surcharge is available at [www.bakersfieldcity.us](http://www.bakersfieldcity.us).





Pacific Gas and Electric Company

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JANE SAMPLE

123 JAMESTOWN  
BAKERSFIELD 9999-1000

**GAS ACCOUNT DETAIL**

Service ID# : 2468024680  
Rate Schedule: GNR1 Gas Service to Small Commercial Customers  
Billing Days: 30 days

Serial	Meter #	Prior Meter Read	Current Meter Read	Difference	Multiplier	Usage
F	1212A1	42,473	42,673	500	1.001000	500 Therms

Charges

**11/01/2008 – 11/30/2008**

Gas Charges	\$586.31	
Net Charges		\$586.31

*PG&E's Gas Procurement Cost (Rate Schedule G-CP) is \$0.86531/therm*

Taxes and Other

Gas PPP Surcharge (\$0.03595/therm)	\$17.98	
Bakersfield Franchise Surcharge	5.86	

**TOTAL CHARGES**

**\$610.15**

Usage Comparison	Days Billed	Therms Billed	Therms per Day
This Year	30	500	16.7
Last Year	30	500	16.7





JANE SAMPLE

**ELECTRIC ACCOUNT DETAIL**

Service ID#: 2468024680  
Rate Schedule: A1 Small General Service  
Billing Days: 30 days

Serial	Rotating Outage Blk	Meter #	Prior Meter Read	Current Meter Read	Difference	Meter Constant	Usage
X	50	2424A1	72,138	72,931	793	1	793 Kwh

Charges

**11/01/2008 – 11/30/2008**

Electric Charges	\$111.49	
Net Charges		\$111.49

The net charges shown above include the following component(s). Please see definitions on Page 2 of the bill.

Generation	\$49.62
Transmission	6.28
Distribution	35.93
Public Purpose Programs	9.68
Nuclear Decommissioning	0.21
DWR Bond Charge	3.78
Ongoing CTC	3.47
Energy Cost Recovery Amount	2.52

Taxes and Other

Energy Commission Tax	\$0.17
Bakersfield Franchise Surcharge	1.11



**TOTAL CHARGES**

**\$112.77**

Usage Comparison	Days Billed	Kwh Billed	Kwh Per Day
This Year	30	793	26.4
Last Year	30	588	19.6

Rotating outage blocks are subject to change without advance notice due to operational conditions.

Generation includes charges for the portion of your energy usage provided by the Department of Water Resources (DWR) and is being collected by PG&E as an agent for DWR. DWR is collecting x.xxx cents per kWh from bundled customers for each kWh it provides plus the Power Charge component of the Cost Responsibility Surcharge from direct access and transitional bundled service customers.

The rates shown above are applicable to bundled service customers. Direct access and Community Choice Aggregation customers pay only a portion of these rates. Please see the appropriate rate schedule for the applicable charges.



# **ATTACHMENT B**

**Ordinance Nos. 4544 and 4545**

**ORDINANCE GRANTING TO PACIFIC GAS AND ELECTRIC COMPANY, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE TO USE, FOR TRANSMITTING AND DISTRIBUTING ELECTRICITY WITHIN THE CITY OF BAKERSFIELD FOR ANY AND ALL PURPOSES OTHER THAN THOSE AUTHORIZED UNDER SECTION 19 OF ARTICLE XI OF THE CONSTITUTION OF THE STATE OF CALIFORNIA AS SAID SECTION EXISTED PRIOR TO ITS AMENDMENT ON OCTOBER 10, 1911, ALL POLES, WIRES, CONDUITS AND APPURTENANCES WHICH ARE NOW OR MAY HEREAFTER BE LAWFULLY PLACED IN THE PUBLIC STREETS, WAYS AND PLACES WITHIN SAID CITY, AND TO CONSTRUCT AND USE IN SAID PUBLIC STREETS, WAYS AND PLACES ALL POLES, WIRES, CONDUITS AND APPURTENANCES INCLUDING COMMUNICATION CIRCUITS, NECESSARY OR PROPER FOR SAID PURPOSES.**

**BE IT ORDAINED** by the Council of the City of Bakersfield as follows:

**SECTION 1.**

Whenever in this ordinance the words or phrases hereinafter in this section defined are used, they shall have the respective meanings assigned to them in the following definitions (unless, in the given instance, the context wherein they are used shall clearly import a different meaning):

(a) The word "grantee" shall mean Pacific Gas and Electric Company, and its lawful successors or assigns;

(b) The word "City" shall mean the City of Bakersfield, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form;

(c) The word "streets" shall mean the public streets, ways, alleys and places as the same now or may hereafter exist within City, including state highways, now or hereafter established within City, and freeways now or hereafter owned by City;

(d) The phrase "poles, wires, conduits and appurtenances" shall mean poles, towers, supports, wires, conductors, cables, guys, stubs, platforms, crossarms, braces, transformers, insulators, conduits, ducts, vaults, manholes, meters, cut-outs, switches, communication circuits, appliances, attachments, appurtenances and any other property located or to be located in, upon, along, across, under or over the streets of the City, and used or useful in the transmitting and/or distributing of electricity;

(e) The phrase "construct and use" shall mean to construct, erect, install, lay, operate, maintain, use, repair or replace;

(f) The phrase "constitutional franchise" shall mean the right acquired through acceptance by said grantee or its predecessor in estate of the offer contained in the provisions of Section 19 of Article XI of the Constitution of the State of California, as said section existed prior to its amendment on October 10, 1911.

## **SECTION 2.**

The non-exclusive franchise (a) to use, for transmitting and distributing electricity within the City of Bakersfield for any and all purposes other than those authorized under said constitutional franchise, all poles, wires, conduits and appurtenances which now are or may hereafter be lawfully placed in the streets within said City, and (b) to construct and use in said streets all poles, wires, conduits and appurtenances, including communication circuits, necessary or proper for said purposes, is hereby granted to Pacific Gas and Electric Company upon the terms, conditions, reservations, exceptions and provisions set forth in the Charter of the City of Bakersfield, and in that certain act of the Legislature of the State of California, commonly known and designated as the "Franchise Act of 1937."

## **SECTION 3.**

The franchise hereby granted shall be indeterminate and shall continue in full force until, with the consent of the Public Utilities Commission of the State of California, or other lawful authority having jurisdiction in the premises, it shall be voluntarily surrendered or abandoned by the Grantee, or until the City, by agreement, shall purchase, or, under eminent domain, shall condemn and acquire all property actually used or useful in the exercise of such franchise and situate within the territorial limits of the City, or until it shall be forfeited for non-compliance with its terms by the Grantee.

## **SECTION 4.**

The grantee of said franchise shall during the life of such franchise pay to said City a sum annually which shall be equivalent to two per cent of the gross annual receipts of said grantee arising from the use, operation or possession of said franchise; provided, however, that such payment shall in no event be less than a sum which shall be equivalent to one per cent of the gross annual receipts derived by grantee from the sale of electricity within the limits of such City under said franchise and said constitutional franchise.

In the event that the compensation formula to be paid to a general law city as currently set forth in Public Utilities Code section 6231(c) is modified by an act of the Legislature of the State of California, which if applied to the formula set forth in this Section 4 would result in a higher annual fee to be imposed on grantee than set forth in this Section 4, then grantee shall pay the City such higher annual fee as of the effective date of the such act.

## SECTION 5.

This franchise is granted upon the express condition of, and in exchange for, the commitment by grantee that grantee, as consideration therefore and as compensation for use of the streets of the City, as herein authorized and permitted shall pay to the City during the term (in addition to the franchise fees specified in Section 4) an additional one per cent of the gross annual receipts of grantee (the "Recovery Portion") from all electric utility customers served by grantee within the boundaries of the City. The customer collection shall be applied equally to grantee's electric utility customers based on the consumption or use of electricity, including residential, commercial, industrial, government and wholesale customers, excluding those customers participating in grantee's California Alternative Rates for Energy (CARE) Program or successor low-income assistance program. The conditions precedent to the obligation of grantee under this Section 5 to levy, collect and deliver to City the Recovery Portion shall be the conditions set forth in Section 6 below.

## SECTION 6.

### California Public Utilities Commission Approval.

A. Prior to Grantee's payment to City of the Recovery Portion Grantee shall receive approval from the California Public Utilities Commission (CPUC) to collect the Recovery Portion (as described in Section 5 above) in accordance with CPUC Decision 89-05-063, *Guidelines for the Equitable Treatment of Revenue Producing Mechanisms Imposed by Local Government Entities on Public Utilities*, 32 CPUC2d 60, May 29, 1989 (the "CPUC Recovery Guidelines").

B. The City shall cooperate with grantee in the preparation of any filings, data request responses and other submittals required for review for such approval.

C. In the event that the Recovery Portion required is not approved by the CPUC, (i) the term of this franchise set forth in Section 3 shall be fifty (50) years from the effective date hereof; and (ii) the franchise fees set forth in Section 4 shall remain due and owing to the City for each annual period (or portion thereof) during which the franchise remains in effect.

D. If the Recovery Portion is approved by the CPUC, grantee shall implement customer collections of the Recovery Portion as soon as possible following CPUC approval.

E. In the event that any modification or repeal of the Recovery Portion is issued by the CPUC, or in the event that the CPUC issues any order or decision that conflicts with grantee's collection of the Recovery Portion, or in the event that any changes in law or ruling in accordance with law negates the imposition or collection of the Recovery Portion, then grantee shall reduce or eliminate collection of the Recovery Portion in an amount that corresponds to the change resulting from the CPUC's orders, actions, decisions, or as a result of any ruling or change in law. Grantee shall make a

corresponding reduction in the Recovery Portion paid to the City as part of franchise fee due in annual period thereafter.

#### **SECTION 7.**

In the event that the CPUC or any court of competent jurisdiction orders the return to electric utility ratepayer(s) of any amount represented by the franchise payments, which has been collected by grantee and paid to the City, or in the event the parties agree as a result of a challenge and settlement thereof that a refunding will occur, then the City shall be solely responsible for such payment. Grantee shall assist and cooperate with City in processing any such refunds.

#### **SECTION 8.**

The grantee shall file with the Clerk of said City, within three months after the expiration of the calendar year, or fractional calendar year, following the date of the granting hereof, and within three months after the expiration of each and every calendar year thereafter, a duly verified statement showing in detail the total gross receipts of such grantee during the preceding calendar year, or such fractional calendar year, from the sale of electricity within said City. Such grantee shall pay to said City within fifteen days after the time for filing such statement, in lawful money of the United States, the aforesaid percentage of its gross receipts for such calendar year, or such fractional calendar year, covered by such statement. Any neglect, omission or refusal by said grantee to file such verified statement, or to pay said percentage at the time and in the manner specified, shall be grounds for the declaration of a forfeiture of this franchise and of all rights of grantee hereunder. Such statement shall contain such further information as may be required by the City Council concerning the character and amount of business done under said franchise, and the amount of receipts and expenses connected therewith, and also an itemized account of the money expended under said franchise, for new construction, repairs and betterments during the year. The City Council shall have the power to call for special report, at any time covering any specific period.

#### **SECTION 9.**

If the grantee shall fail, neglect or refuse to comply with any of the provisions or conditions prescribed in this ordinance, and shall not, within ten (10) days after written demand for compliance, begin the work of compliance, or after such beginning shall not prosecute the same with due diligence to completion, then the City of Bakersfield may, by action of the City Council, declare this franchise forfeited. The City of Bakersfield may sue in its own name for the forfeiture of this franchise in the event of noncompliance by grantee with any of the conditions hereof.

## **SECTION 10.**

City shall have the right at all reasonable times to examine all books, vouchers, records and other papers of grantee pertinent to the exercise of the franchise granted hereunder. Refusal of grantee to produce such books, vouchers, records and other papers at any reasonable time for examination by the City Clerk, Accountant, or other agent appointed by the City Council shall work a forfeiture of the franchise granted hereunder.

## **SECTION 11.**

The franchise hereby granted shall not in any way or to any extent impair the right of the City of Bakersfield to acquire the property of the grantee, either by purchase or through the exercise of the right of eminent domain and nothing herein contained shall be construed to contract away or to modify or to abridge the City's right to exercise the power of eminent domain. The franchise granted hereby shall never be given any value before any Court or other public authority in any proceeding of any character, in excess of the cost to grantee of the necessary publication, and any other sum paid by said grantee of said City therefor at the time of the acquisition thereof.

## **SECTION 12.**

By acceptance of the franchise hereunder, or upon the renewal of any franchise, the grantee covenants and agrees to perform and be bound by the each and all of the terms and conditions imposed in this ordinance and further agrees to:

(a) Comply with all lawful ordinances, rules and regulations theretofore or thereafter adopted by the City Council in the exercise of its police powers governing the construction, maintenance and operation of its plants, works or equipment;

(b) Pay the City on demand the cost of all repairs to public property made necessary by any of the operations of grantee under such franchise;

(c) That the City, its agents, servants and employees are to be free from liability and claims from damages as the result of injury to any person or persons (including grantee) or of injury to any person of any kind whatsoever or to whomsoever belonging resulting from operations under such franchise so granted or renewed. Grantee shall indemnify and save harmless the City from any and all liability arising out of any such injury. Grantee shall, on the City's request, defend any suit asserting a claim covered by this indemnity; and

(d) Grantee shall remove and relocate in a timely manner and without expense to the City any facilities installed, used and maintained under this franchise if and when made necessary by any lawful change of grade, alignment or width of any public street, way, alley or place, by City or its agents, including the construction of any subway, viaduct, public sewer system, canal, sump, fibre optic or other public communication transmission lines or devices. PG&E's obligation to remove or relocate

facilities without expense to the City shall also include relocations made necessary by all public improvements described in the previous sentence that were previously within the ownership or control of the State or County but which have subsequently been accepted and maintained by the City.

### **SECTION 13.**

#### **Compliance with Local Laws.**

(a) Grantee shall construct, maintain and use all poles, wires, conduits and appurtenances in a good and workmanlike manner and in compliance with all lawful Federal, State and City laws, ordinances, resolutions, regulations, policies, rules, orders, plans and specifications in force at the time this franchise becomes effective or as may be amended or added from time to time during the term of this franchise, except to the extent State or Federal law or regulation preempts any such City laws or regulations;

(b) Upon constructing, maintaining or using any poles, wires, conduits and appurtenances, or any part thereof, Grantee shall expeditiously at its own cost and expense restore to applicable and lawful City standards all public property disturbed or altered as a result of Grantee's actions. As used in this section, "public property" means public streets, rights-of-way and improvements and includes, but is not limited to, all public improvements associated with the public streets that may be affected by Grantee's activities, such as landscaping, irrigation systems, street lights, street furniture, sidewalks and bus shelters. Grantee shall comply with City's terms and conditions concerning the location within the public right of way of the proposed facilities, except to the extent State or Federal law or regulation preempts any such terms and conditions; and

(c) Grantee's activities and each restoration of public property under this franchise shall be performed in a good and workmanlike manner, and in accordance with the lawful standard plans, specifications, orders, rules and regulations of City and each of its applicable departments, and subject to all lawful fees and exactions, except to the extent State or Federal law or regulation preempts any such plans, specifications, orders, rules and regulations.

### **SECTION 14.**

This ordinance shall become effective thirty days after its passage, unless suspended by a referendum petition filed as provided by law.

### **SECTION 15.**

The grantee of said franchise shall pay to the City a sum of money sufficient to reimburse it for all publication expenses incurred by it in connection with the granting thereof; such payment to be made within thirty days after the City shall have furnished such grantee with a written statement of such expenses.

## **SECTION 16.**

The franchise granted hereby shall be in lieu of all other franchises, rights or privileges owned by grantee, or by any successor of grantee to any right under such franchise, for the rendering of utility service within the limits of the City as they now or hereafter exist, except any constitutional franchise. The acceptance of any franchise hereunder, shall operate as an abandonment, with the exception of said constitutional franchise, of all such franchises, rights and privileges within the limits of the City as such limits shall at any time exist, in lieu of which such franchise shall be granted.

The franchise granted hereby shall not become effective until written acceptance thereof shall have been filed by the grantee with the City Clerk; however, the grantee shall accept the franchise hereby granted within thirty (30) days after the adoption of the ordinance granting this franchise or any extension thereof granted by the City Council. When so filed, such acceptance shall constitute a continuing agreement of the grantee that if and when the City shall thereafter annex, or consolidate with, additional territory, all other franchises, rights and privileges owned by the grantee, except a constitutional franchise, shall likewise be deemed to be abandoned within the limits of such territory.

## **SECTION 17.**

The franchise may not be transferred or assigned by grantee without the prior written consent of the City Council evidenced by a duly adopted resolution approving the assignment or transfer and unless the transferee or assignees thereof shall covenant and agree to perform and be bound by each and all of the terms and conditions imposed in this Ordinance and by the City Charter.

## **SECTION 18.**

In the event that grantee or its assignee of this franchise shall cease to carry on its operations under said franchise for a period of sixty (60) days the City Council may, by resolution, declare such franchise to be forfeited. Such resolutions may further provide, at the option of the City Council, that all works, installations, and equipment which have been placed in, on or over the streets of the City shall become the property of the City and all right, title, and interest to said works, installations and equipment shall vest in the City.

## **SECTION 19.**

The City Clerk shall cause this ordinance to be published once within fifteen (15) days after its passage in *The Bakersfield Californian*, a newspaper of general circulation published and circulated in said City.

--oo0oo--

I HEREBY CERTIFY that the foregoing Ordinance was passed and adopted by the Council of the City of Bakersfield at a regular meeting thereof held on NOV 05 2008, by the following vote:

<p><b>AYES:</b></p> <p><b>NOES:</b></p> <p><b>ABSTAIN:</b></p> <p><b>ABSENT:</b></p>	<p>COUNCILMEMBER CARSON, BENHAM, WEIR, GOUGH, HANSON, SULLIVAN, SCRIVNER</p> <p>COUNCILMEMBER <u>none</u></p> <p>COUNCILMEMBER <u>none</u></p> <p>COUNCILMEMBER <u>Couch</u></p>
--	--

*Roberta Safford for*

---

**PAMELA A. McCARTHY, CMC**  
 City Clerk and Ex Officio of the  
 Council of the City of Bakersfield

APPROVED: NOV 05 2008

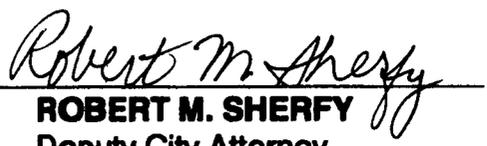
By: 

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**HARVEY L. HALL**  
 Mayor

APPROVED AS TO FORM:

**VIRGINIA GENNARO**  
 City Attorney

By: 

---

**ROBERT M. SHERFY**  
 Deputy City Attorney

RMS:lsc





**ORDINANCE GRANTING TO PACIFIC GAS AND ELECTRIC COMPANY, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE TO USE, FOR TRANSMITTING AND DISTRIBUTING GAS WITHIN THE CITY OF BAKERSFIELD FOR ANY AND ALL PURPOSES OTHER THAN THOSE AUTHORIZED UNDER SECTION 19 OF ARTICLE XI OF THE CONSTITUTION OF THE STATE OF CALIFORNIA AS SAID SECTION EXISTED PRIOR TO ITS AMENDMENT ON OCTOBER 10, 1911, ALL GAS PIPES AND APPURTENANCES WHICH ARE NOW OR MAY HEREAFTER BE LAWFULLY PLACED IN THE PUBLIC STREETS, WAYS AND PLACES WITHIN SAID CITY, AND TO CONSTRUCT AND USE IN SAID PUBLIC STREETS, WAYS AND PLACES ALL PIPES AND APPURTENANCES NECESSARY OR PROPER FOR SAID PURPOSES.**

**BE IT ORDAINED** by the Council of the City of Bakersfield as follows:

**SECTION 1.**

Whenever in this ordinance the words or phrases hereinafter in this section defined are used, they shall have the respective meanings assigned to them in the following definitions (unless, in the given instance, the context wherein they are used shall clearly import a different meaning):

A. The word "grantee" shall mean Pacific Gas and Electric Company and its lawful successors or assigns;

B. The word "City" shall mean the City of Bakersfield, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form;

C. The word "streets" shall mean the public streets, ways, alleys and places as the same now or may hereafter exist within City, including state highways, now or hereafter established within City, and freeways now or hereafter owned by City;

D. The word "gas" shall mean natural or artificial gas, or a mixture of natural and artificial gas;

E. The phrase "pipes and appurtenances" shall mean pipes, pipelines, mains, services, traps, vents, vaults, manholes, meters, gauges, regulators, valves, conduits, appliances, attachments, appurtenances and other property located or to be located in, upon, along, across, under or over the streets of the City, and used or useful in the transmitting and/or distributing of gas;

F. The phrase "lay and use" shall mean to lay, construct, erect, install, operate, maintain, use, repair or replace;



G. The phrase "constitutional franchise" shall mean the right acquired through acceptance by said grantee or its predecessor in estate of the offer contained in the provisions of Section 19 of Article XI of the Constitution of the State of California, as said section existed prior to its amendment on October 10, 1911.

## **SECTION 2.**

The non-exclusive franchise (a) to use, for transmitting and distributing gas within the City of Bakersfield for any and all purposes other than those authorized under said constitutional franchise, all gas pipes and appurtenances which now are or may hereafter be lawfully placed in the streets within said City, and (b) to lay and use in said streets all pipes and appurtenances necessary or proper for said purposes, is hereby granted to Pacific Gas and Electric Company upon the terms, conditions, reservations, exceptions and provisions set forth in the Charter of the City of Bakersfield, and in that certain act of the Legislature of the State of California, commonly known and designated as the "Franchise Act of 1937."

## **SECTION 3.**

The franchise hereby granted shall be indeterminate and shall continue in full force until, with the consent of the Public Utilities Commission of the State of California, or other lawful authority having jurisdiction in the premises, it shall be voluntarily surrendered or abandoned by the Grantee, or until the City, by agreement, shall purchase, or, under eminent domain, shall condemn and acquire all property actually used or useful in the exercise of such franchise and situate within the territorial limits of the City, or until it shall be forfeited for non-compliance with its terms by the Grantee.

## **SECTION 4.**

The grantee of said franchise shall during the life of such franchise pay to said City a sum annually which shall be equivalent to two per cent of the gross annual receipts of said grantee arising from the use, operation or possession of said franchise; provided, however, that such payment shall in no event be less than a sum which shall be equivalent to one per cent of the gross annual receipts derived by grantee from the sale of gas within the limits of such City under said franchise and said constitutional franchise.

In the event that the compensation formula to be paid to a general law city as currently set forth in Public Utilities Code section 6231(c) is modified by an act of the Legislature of the State of California, which if applied to the formula set forth in this Section 4 would result in a higher annual fee to be imposed on grantee than set forth in this Section 4, then grantee shall pay the City such higher annual fee as of the effective date of the such act.

## SECTION 5.

This franchise is granted upon the express condition of, and in exchange for, the commitment by grantee that grantee, as consideration therefore and as compensation for use of the streets of the City, as herein authorized and permitted shall pay to the City during the term (in addition to the franchise fees specified in Section 4) an additional one per cent of the gross annual receipts of grantee (the "Recovery Portion") from all gas utility customers served by grantee within the boundaries of the City. The customer collection shall be applied equally to grantee's gas utility customers based on the consumption or use of gas, including residential, commercial, industrial, government and wholesale customers, excluding those customers participating in grantee's California Alternative Rates for Energy (CARE) Program or successor low-income assistance program. The conditions precedent to the obligation of grantee under this Section 5 to levy, collect and deliver to City the Recovery Portion shall be the conditions set forth in Section 6 below.

## SECTION 6.

### California Public Utilities Commission Approval.

A. Prior to Grantee's payment to City of the Recovery Portion Grantee shall receive approval from the California Public Utilities Commission (CPUC) to collect the Recovery Portion (as described in Section 5 above) in accordance with CPUC Decision 89-05-063, *Guidelines for the Equitable Treatment of Revenue Producing Mechanisms Imposed by Local Government Entities on Public Utilities*, 32 CPUC2d 60, May 29, 1989 (the "CPUC Recovery Guidelines").

B. The City shall cooperate with grantee in the preparation of any filings, data request responses and other submittals required for review for such approval.

C. In the event that the Recovery Portion required is not approved by the CPUC, (i) the term of this franchise set forth in Section 3 shall be fifty (50) years from the effective date hereof; and (ii) the franchise fees set forth in Section 4 shall remain due and owing to the City for each annual period (or portion thereof) during which the franchise remains in effect.

D. If the Recovery Portion is approved by the CPUC, grantee shall implement customer collections of the Recovery Portion as soon as possible following CPUC approval.

E. In the event that any modification or repeal of the Recovery Portion is issued by the CPUC, or in the event that the CPUC issues any order or decision that conflicts with grantee's collection of the Recovery Portion, or in the event that any changes in law or ruling in accordance with law negates the imposition or collection of the Recovery Portion, then grantee shall reduce or eliminate collection of the Recovery Portion in an amount that corresponds to the change resulting from the CPUC's orders, actions, decisions, or as a result of any ruling or change in law. Grantee shall make a

corresponding reduction in the Recovery Portion paid to the City as part of franchise fee due in annual period thereafter.

#### **SECTION 7.**

In the event that the CPUC or any court of competent jurisdiction orders the return to gas utility ratepayer(s) of any amount represented by the franchise payments, which has been collected by grantee and paid to the City, or in the event the parties agree as a result of a challenge and settlement thereof that a refunding will occur, then the City shall be solely responsible for such payment. Grantee shall assist and cooperate with City in processing any such refunds.

#### **SECTION 8.**

The grantee shall file with the Clerk of said City, within three months after the expiration of the calendar year, or fractional calendar year, following the date of the granting hereof, and within three months after the expiration of each and every calendar year thereafter, a duly verified statement showing in detail the total gross receipts of such grantee during the preceding calendar year, or such fractional calendar year, from the sale of gas within said City. Such grantee shall pay to said City within fifteen days after the time for filing such statement, in lawful money of the United States, the aforesaid percentage of its gross receipts for such calendar year, or such fractional calendar year, covered by such statement. Any neglect, omission or refusal by said grantee to file such verified statement, or to pay said percentage at the time and in the manner specified, shall be grounds for the declaration of a forfeiture of this franchise and of all rights of grantee hereunder. Such statement shall contain such further information as may be required by the City Council concerning the character and amount of business done under said franchise, and the amount of receipts and expenses connected therewith, and also an itemized account of the money expended under said franchise, for new construction, repairs and betterments during the year. The City Council shall have the power to call for special report, at any time covering any specific period.

#### **SECTION 9.**

If the grantee shall fail, neglect or refuse to comply with any of the provisions or conditions prescribed in this ordinance, and shall not, within ten (10) days after written demand for compliance, begin the work of compliance, or after such beginning shall not prosecute the same with due diligence to completion, then the City of Bakersfield may, by action of the City Council, declare this franchise forfeited. The City of Bakersfield may sue in its own name for the forfeiture of this franchise in the event of non-compliance by grantee with any of the conditions hereof.

#### **SECTION 10.**

City shall have the right at all reasonable times to examine all books, vouchers, records and other papers of grantee pertinent to the exercise of the franchise granted

hereunder. Refusal of grantee to produce such books, vouchers, records and other papers at any reasonable time for examination by the City Clerk, Accountant, or other agent appointed by the City Council shall work a forfeiture of the franchise granted hereunder.

### **SECTION 11.**

The franchise hereby granted shall not in any way or to any extent impair the right of the City of Bakersfield to acquire the property of the grantee, either by purchase or through the exercise of the right of eminent domain, and nothing herein contained shall be construed to contract away or to modify or to abridge the City's right to exercise the power of eminent domain. The franchise granted hereby shall never be given any value before any Court or other public authority in any proceeding of any character, in excess of the cost to grantee of the necessary publication, and any other sum paid by said grantee to said City therefor at the time of the acquisition thereof.

### **SECTION 12.**

By acceptance of the franchise hereunder, or upon the renewal of any franchise, grantee covenants and agrees to perform and be bound by the each and all of the terms and conditions imposed in this ordinance and further agrees to:

A. Comply with all lawful ordinances, rules and regulations theretofore or thereafter adopted by the City Council in the exercise of its police powers governing the construction, maintenance and operation of its plants, works or equipment;

B. Pay the City on demand the cost of all repairs to public property made necessary by any of the operations of grantee under such franchise;

C.. That the City, its agents, servants and employees shall be free from liability and claims from damages as the result of injury to any person or persons (including grantee) or of injury to any person of any kind whatsoever or to whomsoever belonging resulting from operations under such franchise so granted or renewed. Grantee shall indemnify and save harmless the City from any and all liability arising out of any such injury. Grantee shall, on the City's request, defend any suit asserting a claim covered by this indemnity; and

D. Grantee shall remove and relocate in a timely manner and without expense to the City, any facilities theretofore installed, used and maintained under this franchise, if and when made necessary by any lawful change of grade, alignment or width of any public street, way, alley or place by City or its agents, including the construction of any subway or viaduct, public sewer system, canal, sump, fibre optic or other public communication transmission lines or devices. PG&E's obligation to remove or relocate facilities without expense to the City shall also include relocations made necessary by all public improvements described in the previous sentence that were previously within the ownership or control of the State or County but which have subsequently been accepted and maintained by the City.

## **SECTION 13.**

### **Compliance with Local Laws.**

A. Grantee shall construct, maintain and use all pipes and appurtenances in a good and workmanlike manner and in compliance with all lawful Federal, State and City laws, ordinances, resolutions, regulations, policies, rules, orders, plans and specifications in force at the time this franchise becomes effective or as may be amended or added from time to time during the term of this franchise, except to the extent State or Federal law or regulation preempts any such City laws or regulations;

B. Upon constructing, maintaining or using any pipes and appurtenances, or any part thereof, Grantee shall expeditiously at its own cost and expense restore to applicable and lawful City standards all public property disturbed or altered as a result of Grantee's actions. As used in this section, "public property" means public streets, rights-of-way and improvements and includes, but is not limited to, all public improvements associated with the public streets that may be affected by Grantee's activities, such as landscaping, irrigation systems, street lights, street furniture, sidewalks and bus shelters. Grantee shall comply with City's terms and conditions concerning the location within the public right of way of the proposed facilities, except to the extent State or Federal law or regulation preempts any such terms and conditions; and

C. Grantee's activities and each restoration of public property under this franchise shall be performed in a good and workmanlike manner, and in accordance with the lawful standard plans, specifications, orders, rules and regulations of City and each of its applicable departments, and subject to all lawful fees and exactions, except to the extent State or Federal law or regulation preempts any such plans, specifications, orders, rules and regulations.

## **SECTION 14.**

This ordinance shall become effective thirty days after its passage, unless suspended by a referendum petition filed as provided by law.

## **SECTION 15.**

The grantee of said franchise shall pay to the City a sum of money sufficient to reimburse it for all publication expenses incurred by it in connection with the granting thereof; such payment to be made within thirty days after the City shall have furnished such grantee with a written statement of such expenses.

## **SECTION 16.**

The franchise granted hereby shall be in lieu of all other franchises, rights or privileges owned by grantee, or by any successor of grantee to any right under such franchise, for the rendering of utility service within the limits of the City as they now or hereafter exist, except any constitutional franchise. The acceptance of any franchise hereunder, shall operate as an abandonment, with the exception of said constitutional

franchise, of all such franchises, rights and privileges within the limits of the City as such limits shall at any time exist, in lieu of which such franchise shall be granted.

The franchise granted hereby shall not become effective until written acceptance thereof shall have been filed by the grantee with the City Clerk; however, the grantee shall accept the franchise hereby granted within thirty (30) days after the adoption of the ordinance granting this franchise or any extension thereof granted by the City Council. When so filed, such acceptance shall constitute a continuing agreement of the grantee that if and when the City shall thereafter annex, or consolidate with, additional territory, all other franchises, rights and privileges owned by the grantee, except a constitutional franchise, shall likewise be deemed to be abandoned within the limits of such territory.

#### **SECTION 17.**

The franchise may not be transferred or assigned by grantee without the prior written consent of the City Council evidenced by a duly adopted resolution approving the assignment or transfer and unless the transferee or assignees thereof shall covenant and agree to perform and be bound by each and all of the terms and conditions imposed in this Ordinance and by the City Charter.

#### **SECTION 18.**

In the event that grantee or its assignee of this franchise shall cease to carry on its operations under said franchise for a period of sixty (60) days the City Council may, by resolution, declare such franchise to be forfeited. Such resolutions may further provide, at the option of the City Council, that all works, installations, and equipment which have been placed in, on or over the streets of the City shall become the property of the City and all right, title, and interest to said works, installations and equipment shall vest in the City.

#### **SECTION 19.**

The City Clerk shall cause this ordinance to be published once within fifteen (15) days after its passage in The Bakersfield Californian, a newspaper of general circulation published and circulated in said City.

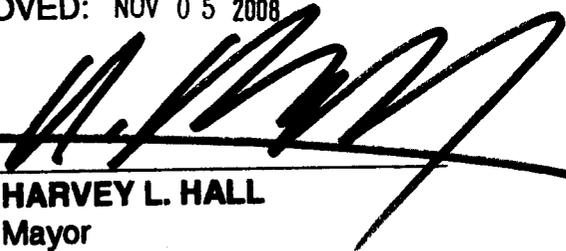
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I HEREBY CERTIFY that the foregoing Ordinance was passed and adopted by the Council of the City of Bakersfield at a regular meeting thereof held on NOV 05 2008, by the following vote:

<u>AYES:</u>	COUNCILMEMBER CARSON, BENHAM, WEIR, <del>GOUCH</del> , HANSON, SULLIVAN, SCRIVNER
NOES:	COUNCILMEMBER <u>none</u>
ABSTAIN:	COUNCILMEMBER <u>none</u>
ABSENT:	COUNCILMEMBER <u>Couch</u>

  
**PAMELA A. McCARTHY, CMC**  
City Clerk and Ex Officio of the  
Council of the City of Bakersfield

APPROVED: NOV 05 2008

  
By: **HARVEY L. HALL**  
Mayor

APPROVED AS TO FORM:

**VIRGINIA GENNARO**  
City Attorney

By:   
**ROBERT M. SHERFY**  
Deputy City Attorney

RMS:jsc



**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

Aglet	Department of the Army	Northern California Power Association
Agnews Developmental Center	Dept of General Services	Occidental Energy Marketing, Inc.
Alcantar & Kahl	Division of Business Advisory Services	OnGrid Solar
Ancillary Services Coalition	Douglas & Liddell	PPL EnergyPlus, LLC
Anderson & Poole	Douglass & Liddell	Pinnacle CNG Company
Arizona Public Service Company	Downey & Brand	Praxair
BART	Duke Energy	R. W. Beck & Associates
BP Energy Company	Duncan, Virgil E.	RCS, Inc.
Barkovich & Yap, Inc.	Dutcher, John	RMC Lonestar
Bartle Wells Associates	Ellison Schneider & Harris LLP	Recon Research
Blue Ridge Gas	Energy Management Services, LLC	SCD Energy Solutions
Braun & Associates	FPL Energy Project Management, Inc.	SCE
C & H Sugar Co.	Foster Farms	SESCO
CA Bldg Industry Association	Foster, Wheeler, Martinez	SMUD
CAISO	Franciscan Mobilehome	SPURR
CLECA Law Office	G. A. Krause & Assoc.	Santa Fe Jets
CSC Energy Services	GLJ Publications	Seattle City Light
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
California Cotton Ginners & Growers Assn	Green Power Institute	Sequoia Union HS Dist
California Energy Commission	Hanna & Morton	Sierra Pacific Power Company
California League of Food Processors	Heeg, Peggy A.	Silicon Valley Power
California Public Utilities Commission	Hitachi	Smurfit Stone Container Corp
Calpine	Hogan Manufacturing, Inc.	Southern California Edison Company
Cameron McKenna	Imperial Irrigation District	St. Paul Assoc.
Cardinal Cogen	Innercite	Sunshine Design
Casner, Steve	International Power Technology	Sutherland, Asbill & Brennan
Cerox	Intestate Gas Services, Inc.	TFS Energy
Chamberlain, Eric	J. R. Wood, Inc.	Tabors Caramanis & Associates
Chevron Company	JTM, Inc.	Tecogen, Inc.
Chris, King	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
City of Glendale	Luce, Forward, Hamilton & Scripps LLP	Tioga Energy
City of Palo Alto	MBMC, Inc.	TransCanada
City of San Jose	MRW & Associates	Turlock Irrigation District
Clean Energy Fuels	Manatt Phelps Phillips	U S Borax, Inc.
Coast Economic Consulting	Matthew V. Brady & Associates	United Cogen
Commerce Energy	McKenzie & Associates	Utility Cost Management
Commercial Energy	Meek, Daniel W.	Utility Resource Network
Constellation	Merced Irrigation District	Utility Specialists
Constellation New Energy	Mirant	Vandenberg Air Force
Consumer Federation of California	Modesto Irrigation District	Verizon
Crossborder Energy	Morgan Stanley	Wellhead Electric Company
Davis Wright Tremaine LLP	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
		White & Case
Day Carter Murphy	New United Motor Mfg., Inc.	eMeter Corporation
Defense Energy Support Center	Norris & Wong Associates	
Department of Water Resources	North Coast SolarResources	