

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 22, 2011

Advice Letter 3783-E

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

**Subject: Submission of Circuit Agreement with Natural Selection Foods, LLC
to Supply Electric Power from a 21 kV Circuit from the San Benito
Substation in Accordance with General Order 96-B, Section 7.1**

Dear Ms. Yura:

Advice Letter 3783-E is effective January 19, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

December 20, 2010

Advice 3783-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Submission of Circuit Agreement with Natural Selection Foods, LLC to Supply Electric Power from a 21 kV Circuit from the San Benito Substation in Accordance with General Order 96-B, Section 7.1.

Pacific Gas and Electric Company (PG&E) hereby submits in accordance with Section 7.1 of General Order 96-B an Agreement Regarding San Benito Substation and San Benito 2103 Circuit (the Circuit Agreement) between PG&E and Natural Selection Foods, LLC, a California limited liability company, regarding the supply of electric power to Natural Selection's processing plant in unincorporated San Benito County, California.

Purpose

The Circuit Agreement with Natural Selection relates to PG&E's acquisition of a portion of Natural Selection's property in unincorporated San Benito County for the construction of an electrical substation, the San Benito Substation. As a material part of the transaction, upon completion of construction of the San Benito Substation, PG&E has agreed to supply electric power to Natural Selection's processing plant on its adjoining property utilizing one of two existing circuits along San Justo Road.

Background

Natural Selection is an organic grower and packager of fruit, vegetables and juice. Natural Selection owns a parcel of land consisting of approximately 54.21 acres in unincorporated San Benito County. Natural Selection operates a processing plant on the property. PG&E provides electric service to Natural Selection's processing plant.

In September, 2010, PG&E and Natural Selection entered into a purchase and sale agreement under which Natural Selection agreed to convey approximately 2.44 acres of land to PG&E. PG&E intends to construct an electric substation on the property to support the portion of the electric grid serving San Benito County and surrounding areas. As the material consideration for Natural Selection's

sale of its property to PG&E, Natural Selection requested, and PG&E has agreed, to supply electric power to Natural Selection's facilities utilizing one of the two existing circuits along San Justo Road. The Circuit Agreement memorializes the agreement to utilize a 21 kV circuit from the San Benito Substation to serve to Natural Selection's facilities on San Justo Road.

The basic elements of the transaction is that upon completion of construction of the San Benito Substation, PG&E will utilize one of the two existing circuits along San Justo Road to supply electric power to Natural Selection's facilities on San Justo Road, known as the San Benito Circuit 2103. San Benito Circuit 2103 will be a looped circuit, so that it will extend beyond Natural Selection's facilities and have the potential to feed other load served by the San Benito Substation. Under normal operating conditions, PG&E will utilize San Benito Circuit 2103 to serve Natural Selection's load. There will be an open switch on San Benito Circuit 2103 beyond Natural Selection's load such that the circuit will not normally supply electric power to customers other than Natural Selection. The Circuit Agreement provides that PG&E has the right to use San Benito Circuit 2103 to serve other customers, or to serve Natural Selection in a different way, when necessary or appropriate to facilitate routine maintenance or for the safe and reliable operation of PG&E's facilities. The Circuit Agreement also provides that the maximum capacity of San Benito Circuit 2103 is twenty megawatts (20 MW), and that any service in excess of 20 MW must be by a separately contracted for by Natural Selection.

The Circuit Agreement contains an express termination provision in Section 4. Natural Selection may terminate at any time upon written notice to PG&E. PG&E may terminate the Circuit Agreement if, at any time after the first fifty years, it elects to cease operation or use of the San Benito Substation, or makes technological upgrades or other changes that eliminate the need for the San Benito Circuit 2103. PG&E may terminate the Circuit Agreement for any reason after 2100, upon payment of One Hundred Thousand Dollars to Natural Selection. PG&E may also terminate if the San Benito Substation is taken out of service due to casualty, and it determines not to put the substation back in service. The Circuit Agreement also provides that it will terminate if the peak load on Natural Selection's land has dropped below 500 kW for 12 consecutive months.

In accordance G.O. 96-B, Section 7.1, the Circuit Agreement provides that it shall at all times be subject to such changes or modifications by the CPUC as the CPUC may, from time to time, direct in the exercise of its jurisdiction.

The electric Lists of Contracts and Deviations have been revised to reflect the Circuit Agreement; the affected tariff sheet is listed on Attachment 1.

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 10, 2011**, which is 21 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: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

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

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

Jane K. Yura
Vice President, Regulations and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective on regular notice, **January 19, 2011**, which is 30 calendar days after the date of filing.

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 and all electronic approvals should be directed to email PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

Jane Yura OB

Vice President, Regulation and Rates

Attachment:

Attachment 1: Tariff Revisions

Attachment 2: Agreement Regarding San Benito Substation and San Benito 2103 Circuit

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

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

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

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3783-E

Tier: 2

Subject of AL: Submission of Circuit Agreement with Natural Selection Foods, LLC to Supply Electric Power from a 21 kV Circuit from the San Benito Substation in Accordance with General Order 96-B, Section 7.1.

Keywords (choose from CPUC listing): Agreement

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 AL: N/A

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

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

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

Resolution Required? Yes No

Requested effective date: January 19, 2011

No. of tariff sheets: 3

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

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

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

Tariff schedules affected: Contracts and Deviations

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

anj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane K. Yura, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1
Advice 3783-E**

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

Title of Sheet

**Cancelling Cal
P.U.C. Sheet No.**

29745-E	LIST OF CONTRACTS AND DEVIATIONS (Continued) Sheet 25	22426-E
29746-E	ELECTRIC TABLE OF CONTENTS Sheet 1	29678-E
29747-E	ELECTRIC TABLE OF CONTENTS MAPS, CONTRACTS AND DEVIATIONS Sheet 11	29671-E



LIST OF CONTRACTS AND DEVIATIONS
 (Continued)

Sheet 25

Name and Location of Customer		Most Comparable Regular Tariff			
PG&E Installation Reference No.	Type or Class of Service	Execution and Expiration Dates	Commission Authorization Number and Date	Schedule or Rule No.	Contract Difference
<u>MISSION TRAIL REGION</u> (Cont'd.)					
<u>Other Customers</u> (Cont'd.)					
Qume Corp. International Business Park in San Jose	Coml	4-10-79 ---	---	Rule 2	Cost of Ownership Charge
Santa Maria Radiology Lab Santa Maria	Coml	5-22-79 ---	---	Rule 2	Cost of Ownership Charge
Peninsula Volunteers, Inc. Menlo Park	Domestic	11-1-79 ---	Res. E-1876 4-2-80	Rule 18	Master Metered
Union Oil Company Santa Maria	General Services	5-5-88 5 Years	D.88-08-056 8-24-88	E-20	Special Rate
Union Oil Company Santa Maria	General Services	12-27-91 ---	D.90-12-128 12-27-90	E-20	Special Rate Amendment
Marilyn Creer Canada Road	Domestic	9-1-92	Res. E-3260 3-31-92	Rule 15 Sect. E7	Uneconomic Line Purchase
TCl Cablevision of California, Inc. Santa Clara, Santa Cruz, and Monterey Counties	New Business	11-27-02 3 Years	Res. E-3819 Advice 2314-E	Rule 15 and Rule 16	Designated Workgroup Agreement
MetroFi, Inc. Mountain View	Coml	9-7-04	Res. E-3899 Advice 2551-E	Schedule A-1	Unmetered Electric Service
Natural Selection Foods, LLC San Benito	Coml/Ind/Ag	8-31-10 Indefinite	GO-96B, Section 7.1	Rule 15	Facility Agreement (N) (N)

*1 to *4 See last page of Electric Contracts and Deviations Section for explanation of footnotes.

(Continued)



ELECTRIC TABLE OF CONTENTS

Sheet 1

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SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.	
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	Rules	29727-E	
	Maps, Contracts and Deviations.....	29747-E	(T)
	Sample Forms	28385,29638,29325,29614,27639,29728,29550,29628-E	

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ELECTRIC TABLE OF CONTENTS
MAPS, CONTRACTS AND DEVIATIONS

Sheet 11

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Maps, Contracts and Deviations	

SERVICE AREA MAPS

Boundary Lines.....	10534-E
Map A Lassen Municipal Utility District/Surprise Valley.....	10423-E
Map B Sacramento Municipal Utility District.....	4524-E
Map C Modesto Irrigation/Turlock Irrigation District.....	4525-E
Map D SoCalEdison.....	4671-E
Map E Palo Alto.....	4672-E
Map F Redding.....	13310-E
Map G Healdsburg.....	13079-E
Map H Lompoc.....	13372-E
Map I Gridley.....	13780-E
Map J Presidio of Monterey, Monterey County.....	21634-E

LIST OF CONTRACTS AND DEVIATIONS

13819, 13794, 21541, 21542, 12000, 12001, 13672, 12003, 19350, 11435, 12004, 20977, 19351,
 12006, 21635, 21636, 29591, 12009, 11191, 12010, 11193, 11194, 11195, 12969, 29745, (T)
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 12023, 12024, 17259, 12026, 13092, 11211, 12027, 12028, 16703, 12030, 12031, 14035,
 29593, 12032, 23621, 11219, 12034, 20831, 12036, 11223, 11986, 11987, 26321, 16898,
 11227-E

(Continued)

Advice Letter No: 3783-E
 Decision No.

Issued by
Jane K. Yura
 Vice President
 Regulation and Rates

Date Filed December 20, 2010
 Effective January 19, 2011
 Resolution No. _____

ADVICE 3783-E

**Attachment 2:
Agreement Regarding San Benito Substation
and San Benito 2103 Circuit**

Agreement Regarding San Benito Substation and San Benito 2103 Circuit

This Agreement Regarding San Benito Substation and San Benito 2103 Circuit (this "Agreement"), is made by and between Pacific Gas and Electric Company, a California corporation ("PG&E") and Natural Selection Foods, LLC, a California limited liability company ("Natural Selection"). This Agreement shall set forth the full agreement covering PG&E's proposed feeder installation to serve Natural Selection from San Benito Substation (as described below) upon completion of substation construction.

RECITALS

A. Natural Selection is the owner of that certain real property consisting of approximately 54.21 gross acres of land located in an unincorporated area of the San Benito County, California ("Owner's Land").

B. Natural Selection and PG&E entered into a purchase and sale agreement dated as of September 2, 2010 under which Natural Selection has sold to PG&E, on the terms and conditions contained in that agreement, a portion of Owner's Land comprising approximately 2.44 acres, together with all rights, easements, licenses, permits, benefits, improvements, crops, betterments, accretions and interests appurtenant thereto (collectively, the "Property").

C. PG&E intends to construct on the Property an electrical substation (the "San Benito Substation") to support the portion of the electrical grid serving San Benito County and surrounding areas.

D. The Moss Landing-Hollister Tap #1 115 kilovolt ("kV") line (referenced in Section 3(a) below) runs along the southern edge of Owner's Land and will serve the proposed substation. This line is approximately 1800 feet south of Natural Selection's processing plant. Natural Selection is an organic grower and packager of fruit, vegetables, and juice. Presently, the maximum load of this plant is 5 megawatts ("MW"). Additions to the plant are projected to bring this load to 8 MW in 2012 and 13 MW in 2013.

E. As material consideration for Natural Selection's agreement to sell the Property to PG&E, Natural Selection has requested, and PG&E has agreed, to supply electrical power to Natural Selection's facilities, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **CPUC Approval**

This Agreement shall not be effective unless and until approved by the California Public Utilities Commission ("CPUC"). PG&E will promptly advise file a copy of this Agreement with the CPUC and request CPUC approval. Natural Selection shall cooperate fully in support PG&E's advice filing, and support CPUC approval of this

Agreement. If PG&E has not received CPUC approval of this Agreement within one (1) year after the later of the dates set forth above each party's signature below, either party may elect to terminate this Agreement upon written notice to the other party. Natural Selection acknowledges and agrees that CPUC approval shall not be deemed to have occurred for purposes of this Agreement unless and until the CPUC approves this Agreement in a form that is final, unconditional and unappealable, including exhaustion of all administrative appeals or remedies before the CPUC, and such CPUC approval is approved by PG&E in its sole and absolute discretion, including PG&E's approval of the proposed accounting and ratemaking treatment of the sale, as applicable. Natural Selection further acknowledges and agrees that PG&E makes no representation or warranty with respect to the likelihood of, or timing of, CPUC approval, and Natural Selection hereby waives all claims against PG&E for losses, expenses or damages suffered or incurred by Natural Selection as a result of the need for CPUC approval, any delay in receipt of CPUC approval or the failure of the CPUC to approve this Agreement.

2. Ongoing CPUC Jurisdiction

This Agreement shall at all times be subject to such changes or modifications by the CPUC as the CPUC may, from time to time, direct in the exercise of its jurisdiction.

3. San Benito Circuit 2103

(a) Upon completion of construction by PG&E or its contractors or agents of the San Benito Substation, which is adjacent to the 115 kV line located along San Justo Road, San Benito County, PG&E shall utilize one of the two existing circuits along San Justo Road to supply electric power to Natural Selection's facilities on San Justo Road, to be known as San Benito Circuit 2103 ("SB 2103"). A single line diagram of the proposed SB 2103 is attached as Exhibit A. Exhibit A is for illustrative purposes only, and PG&E has the right, in its sole discretion, to alter the configuration shown in Exhibit A, provided that PG&E shall utilize a 21 kV circuit from the San Benito Substation to serve Natural Selection's facilities on San Justo Road.

(b) SB 2103 shall be a looped circuit, such that it shall continue past Natural Selection's facilities and shall have the potential to feed other load served by the San Benito Substation besides Natural Selection's load.

(c) Under normal operating conditions, PG&E will utilize SB 2103 to serve Natural Selection's load, and will have an open switch beyond Natural Selection's load, such that SB 2103 will not normally supply electric power to other customers besides Natural Selection.

(d) Notwithstanding subsection (c) above, PG&E has the right to use SB 2103 to serve other customers, or to serve Natural Selection in a different way, when necessary or appropriate to facilitate routine maintenance of PG&E's facilities, or when necessary or appropriate for the safe and reliable operation of PG&E's facilities.

(e) The parties understand the maximum capacity of the SB 2103 Circuit is 20 MW (loads above 20 MW will exceed the maximum normal summer rating of the SB 2103 Circuit). Any demand in excess of 20 MW is not covered by this Agreement and any service in excess of 20 MW must be separately contracted for by Natural Selection.

4. Termination

(a) This Agreement shall terminate upon the first to occur of the following dates:

- (1) the date on which the peak load on Owner's Land has dropped below 500kW for 12 consecutive months;
- (2) the Natural Selection Termination Date set forth in the Termination Notice, as set forth in Section 4(b) below; or
- (3) the date this Agreement is terminated pursuant to Section 4(c) or 4(d) below.

(b) Natural Selection shall have the right to terminate this Agreement at any time during the term of this Agreement by giving PG&E an unconditional and irrevocable written notice ("Termination Notice") of its election to terminate, which shall include the future date on which this Agreement shall terminate (the "Natural Selection Termination Date").

(c) PG&E may terminate this Agreement:

- (1) if, at any time after the first fifty (50) years of the term of this Agreement, PG&E elects, in its sole business judgment, to cease operation or use of the San Benito Substation, or to make technological upgrades or other changes that would eliminate the 2103 Circuit; or
- (2) for any reason, or no reason, at any time after January 1, 2100, upon payment to Natural Selection of a termination fee of One Hundred Thousand and 00/100 Dollars (\$100,000.00).

(d) Notwithstanding anything to the contrary contained in this Agreement, if the San Benito Substation is taken out of service due to casualty (such as fire, earthquake, weather, natural disaster, or accident) and PG&E determines in its sole business judgment not to place the San Benito Substation back into service, this Agreement will automatically terminate.

(e) Nothing in this Section 4 shall negate the obligation of PG&E to supply electric power to Natural Selection pursuant to PG&E's utility obligation to serve Natural Selection under CPUC approved rules and tariffs.

5. **Force Majeure**

PG&E will not be in breach of this Agreement if service is interrupted due to fire, earthquake, weather, natural disaster, accident, or other circumstance beyond PG&E's reasonable control; provided, however, except as provided in Section 4(d) above, PG&E will use commercially reasonable efforts to restore service as soon as reasonably practicable.

6. **Notices**

All notices or other communications required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx or UPS, with charges prepaid for next business day delivery, addressed to the parties as follows:

If to PG&E:

If by registered or certified mail, return receipt requested:

Supervisor, Land Acquisition
Pacific Gas and Electric Company
1850 Gateway Blvd. #8064C
Concord, CA 94520

With a copy to:

Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Attn: Senior Director & Counsel, Contracts Section (Real Estate)

If by personal delivery or overnight courier:

Supervisor, Land Acquisition
Pacific Gas and Electric Company
1850 Gateway Blvd. #8064C
Concord, CA 94520

With a copy to:

Law Department
Pacific Gas and Electric Company
77 Beale Street, Mail Code B30A
San Francisco, CA 94105
Attn: Senior Director & Counsel, Contracts Section (Real Estate)

If to Natural Selection: Natural Selection Foods, LLC
1721 San Juan Highway
San Juan Bautista, CA 95045
Attn: Chief Financial Officer

With a copy to:

De Vries Law Group
Attn: Daniel J. De Vries, Esq.
P.O. Box 996
53 Muckelemi Street
San Juan Bautista, CA 95045

7. General Provisions

(a) Legal Fees. If either party shall bring an action to enforce its rights under this Agreement, or relating to the interpretation hereof, whether for declaratory or other relief, the prevailing party in any such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and all costs, expenses and disbursements that the prevailing party incurred in connection with such proceeding and any appeal thereof (including, but not limited to, the reasonable costs of discovery, investigation, preparation for trial, professional or expert consultation and testimony). A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. The non-prevailing party shall also pay the attorneys' fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. For purposes hereof, the reasonable fees of PG&E's in-house attorneys who perform services in connection with any such action are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by PG&E's Law Department. Any such fees and costs incurred prior to judgment, award, or decree may be included in any judgment, award or decree entered in such proceeding in favor of the prevailing party. Any such fees, costs and expenses incurred by the prevailing party in enforcing a judgment, award or decree in its favor shall be recoverable separately from and in addition to any other amount included in such judgment, award or decree. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

(b) Assignment. PG&E shall have the right to assign its rights and obligations hereunder without the consent of Natural Selection, provided that the assignee shall assume all obligations and liabilities of PG&E hereunder. Said assignee shall be substituted as PG&E hereunder and shall be entitled to the benefit of and may enforce Natural Selection's covenants, representations and warranties hereunder as if such assignee were the original signatory hereunder. Upon notification to Natural Selection of

any such assignment, Natural Selection's representations and warranties hereunder shall be deemed remade as of the date of such assignment. In the case of such an assignment, PG&E shall be fully released of all obligations and liabilities hereunder. This Agreement may not be assigned by Natural Selection, except that, with notice to PG&E (but not the consent of PG&E), Natural Selection may assign this Agreement to a person or entity which is an Affiliate of Natural Selection, or to any entity which is a purchaser or successor by merger, purchase and sale of assets, or reorganization of Natural Selection and which acquires all of Natural Selection's facilities located on Owner's Land.

"Affiliate" means any person or entity that directly or indirectly Controls, is Controlled by, or is under common Control with, Natural Selection. The terms "Control" or "Controlled by" or any derivative thereof, when used with respect to any specified entity or person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such specified entity or person, whether through ownership of voting securities or other ownership interests or by contract.

(c) Negotiation; Mediation. Except as provided in this Section, Natural Selection and PG&E agree to first negotiate and then mediate with respect to any claim or dispute arising out of or relating to this Agreement, before resorting to court action. Either party may initiate settlement negotiations by providing written notice to the other party, setting forth the subject of the claim or dispute. PG&E and Natural Selection agree to cooperate in scheduling negotiations and to participate in the settlement negotiations in good faith. If PG&E and Natural Selection fail to settle such claim or dispute within thirty (30) days after the date of mailing of the notice initiating settlement negotiations or within such additional time period as the parties may agree in writing, the parties agree to submit the matter to JAMS for mediation within thirty (30) days thereafter. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the claim or dispute and the relief requested (the "Mediation Notice"). Except as provided herein or by written agreement of the parties, the mediation shall be conducted in San Francisco pursuant to the JAMS rules. The parties will cooperate in selecting a mediator from the JAMS panel of neutrals, and in scheduling the mediation proceedings. If the parties do not select a mediator within thirty (30) days of the Mediation Notice, the parties agree that either party may request that JAMS in San Francisco, California, facilitate the choice of mediator by applying the "strike and rank" process used for appointment of arbitrators in arbitration proceedings, or to appoint a mediator, if necessary, and both parties agree to the appointment of such mediator as so selected. The parties agree to participate in the mediation in good faith, and to share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by either of the parties, their employees, agents, experts and attorneys, and by the mediator and any other JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, but evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If JAMS should no longer exist at the time the claim or dispute arises, the matter shall be submitted to its successor entity, or if there is no such successor entity, to the American Arbitration Association or other similar organization mutually agreed upon by the parties, and except as provided herein or by mutual agreement of the parties, the mediation rules of such successor or

alternate organization shall apply. Except as may be expressly set forth in any written settlement agreement, should the matter be settled by negotiation or mediation before commencing court action, each party shall pay its own attorneys' fees and costs. Except as provided below, neither party may commence an action arising out of or relating to this Agreement until expiration of the negotiation period and completion of the initial mediation session in accordance with this Section. If either party commences an action with respect to a claim or dispute covered by this Section without first attempting to resolve the matter through negotiation and mediation, or refuses to negotiate or mediate after a request has been made, then that party shall not be entitled to recover attorneys' fees and costs, even if such fees and costs would otherwise be available to that party in such action. Either party may seek equitable relief to preserve the status quo prior to participating in the negotiation and mediation proceedings required pursuant to this Section. In addition, matters that are within the jurisdiction of probate, small claims, or bankruptcy court are excluded from mandatory negotiation and mediation hereunder. The provisions of this Section may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all fees and costs, including reasonable attorneys' fees, to be paid by the party against which enforcement is ordered.

(d) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

(e) Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(f) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

(g) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(h) Applicable Law. This Agreement shall be governed by and construed in accordance with California law.

(i) Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

(j) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, successors and assigns.

(k) Interpretation. This Agreement shall be construed according to the fair meaning of its language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. Unless the context clearly requires otherwise: (a) the plural and singular shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; (e) "include," "includes," and "including" are not intended to be restrictive, and lists following such words shall not be interpreted to be exhaustive or limited to items of the same type as those enumerated; and (f) "days" means calendar days, except if the last day for performance occurs on a Saturday, Sunday, or any legal holiday, then the next succeeding business day shall be the last day for performance.

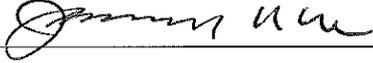
(l) Severability. If any provision of this Agreement shall be held to be unenforceable or invalid for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the fullest extent.

(m) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between PG&E and Natural Selection as to the subject matter hereof. The terms of this Agreement may not be modified or amended, except by a writing executed by both PG&E and Natural Selection.

Signatures Appear on Following Page

Agreed to and accepted this 18th day of August, 2010.

NATURAL SELECTION FOODS, LLC
a California limited liability company

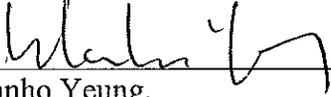
By: 

Name: JEFFREY W COOK

Its: CFO

Agreed to and accepted this 31st day of AUGUST, 2010.

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

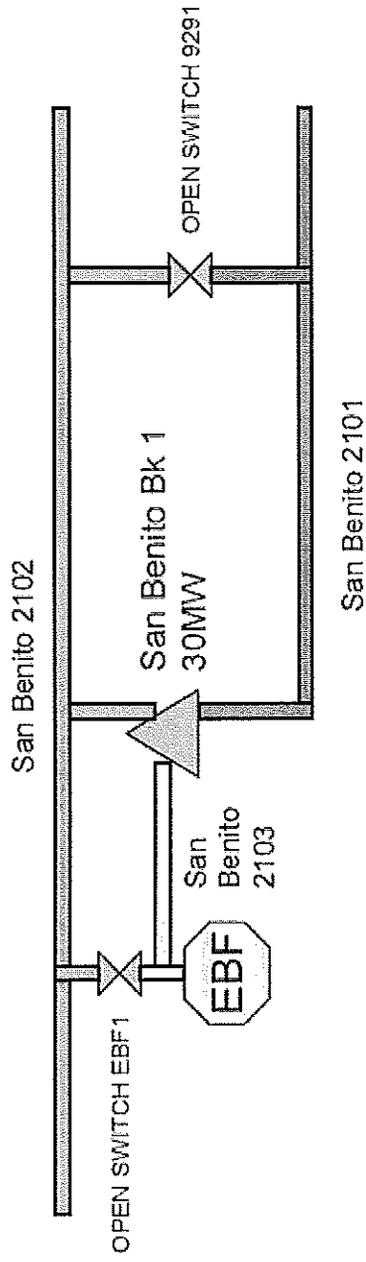
By: 

Manho Yeung,
Director of Electric Planning, Strategy, and Engineering

EXHIBIT A

2103 Circuit

San Benito Substation Single Line



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

Alcantar & Kahl LLP	Dept of General Services	North Coast SolarResources
Ameresco	Division of Business Advisory Services	Northern California Power Association
Anderson & Poole	Douglass & Liddell	Occidental Energy Marketing, Inc.
Arizona Public Service Company	Downey & Brand	OnGrid Solar
BART	Duke Energy	Praxair
Barkovich & Yap, Inc.	Dutcher, John	R. W. Beck & Associates
Bartle Wells Associates	Economic Sciences Corporation	RCS, Inc.
Bloomberg	Ellison Schneider & Harris LLP	Recurrent Energy
Bloomberg New Energy Finance	Foster Farms	SCD Energy Solutions
Boston Properties	G. A. Krause & Assoc.	SCE
Braun Blaising McLaughlin, P.C.	GLJ Publications	SMUD
Brookfield Renewable Power	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CA Bldg Industry Association	Green Power Institute	San Francisco Public Utilities Commission
CLECA Law Office	Hanna & Morton	Santa Fe Jets
CSC Energy Services	Hitachi	Seattle City Light
California Cotton Ginners & Growers Assn	In House Energy	Sempra Utilities
California Energy Commission	International Power Technology	Sierra Pacific Power Company
California League of Food Processors	Intestate Gas Services, Inc.	Silicon Valley Power
California Public Utilities Commission	Lawrence Berkeley National Lab	Silo Energy LLC
Calpine	Los Angeles Dept of Water & Power	Southern California Edison Company
Cardinal Cogen	Luce, Forward, Hamilton & Scripps LLP	Spark Energy, L.P.
Casner, Steve	MAC Lighting Consulting	Sunshine Design
Chris, King	MBMC, Inc.	Sutherland, Asbill & Brennan
City of Palo Alto	MRW & Associates	Tabors Caramanis & Associates
City of Palo Alto Utilities	Manatt Phelps Phillips	Tecogen, Inc.
Clean Energy Fuels	McKenzie & Associates	Tiger Natural Gas, Inc.
Coast Economic Consulting	Merced Irrigation District	TransCanada
Commercial Energy	Modesto Irrigation District	Turlock Irrigation District
Consumer Federation of California	Morgan Stanley	United Cogen
Crossborder Energy	Morrison & Foerster	Utility Cost Management
Davis Wright Tremaine LLP	NLine Energy, Inc.	Utility Specialists
Day Carter Murphy	NRG West	Verizon
Defense Energy Support Center	Navigant Consulting	Wellhead Electric Company
Department of Water Resources	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
	North America Power Partners	eMeter Corporation