



ELECTRIC RULE NO. 22.1
DIRECT ACCESS SERVICE SWITCHING EXEMPTION RULES

Sheet 1

The following terms and conditions apply to both PG&E customers and electric Energy Service Providers (ESP) who participate in Direct Access (DA) as defined in Rule 22.

The following rules implement the Switching Exemption Decision (D.) 03-05-034, which adopted guidelines regarding the rights and obligations of DA customers who return to Bundled Service and subsequently switch back to DA service. D.03-05-034 established provisions for eligible DA customers regarding: (1) Transitional Bundled Service; (2) Bundled Portfolio Service; and (3) Initial Transition Period. Pursuant to D.05-12-041, customers receiving Direct Access Service, Transitional Bundled Service or Bundled Portfolio Service may be automatically enrolled in a Community Choice Aggregation Program as described in Rule 23.

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Customers switching to or from bundled service (with the exception of Transitional Bundled Service described in Section A of this Rule) shall notify PG&E six (6) months in advance of their intent to switch.

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A. Transitional Bundled Service

1. Transitional Bundled Service (TBS) is effective February 19, 2004, and allows DA customers to return to Bundled Service on a transitional basis while switching from one ESP to another, or for similar or related reasons where TBS is needed.
2. The TBS provision is limited to a sixty (60) day period. The sixty (60) day period begins on the day the DA service is disconnected, which is the day PG&E starts supplying power to the service account (Day 1). By no later than the end of the sixty (60) day period (Day 60 of PG&E supplying power), PG&E must be in receipt of a Direct Access Service Request (DASR) from the customer's new ESP to switch the service account to DA service. In addition to meeting the DASR provisions set forth in Rule 22, Section E, DASRs to switch the service account back to DA service must comply with the following special conditions:
 - a. Accepted DASRs that do not require a meter change will be processed based on normal DASR processing timeframes as defined in Rule 22, Section E. PG&E will include the TBS requirements with the DASR status notification that is sent to the customer as provided for in Rule 22, Section E.7. The customer is responsible for providing its new ESP with this information.
 - b. Rejected DASRs must be corrected and resubmitted by the ESP and be acceptable to PG&E no later than twenty (20) days following the conclusion of the TBS period (Day 80 of PG&E supplying power). DASRs not corrected by the ESP within this time period will be cancelled by PG&E.

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Sheet 2

A. Transitional Bundled Service (Cont'd.)

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2. (Cont'd.)

c. For accepted DASRs that require a meter change, the meter change must be completed no later than sixty (60) days following the conclusion of the TBS period, or the corrected DASR timing established in Section A.2.b. If a meter change is not completed within sixty (60) days, PG&E will switch the service account to DA service on the customer's next scheduled meter read date with notification to the ESP and customer at the conclusion of the sixty (60) day period. If special metering services are required, such metering services will be done in accordance with rate Schedules E-ESP and E-EUS.

3. Services accounts failing to meet the time limitations and DASR requirements as set forth in Section A.2, above will be in default of the TBS provisions and returned to Bundled Portfolio Service for a three (3) year minimum period, subject to the conditions set forth in Section B of this tariff. Such a default initiates the six (6) month notice of return to Bundled Portfolio Service, which is not subject to cancellation. During this six (6) month period, the service account will be subject to the pricing conditions established in Section A.4, below. PG&E will notify the customer within ten (10) business days of the default, providing an explanation of the default situation, actions being taken and the customer's new Bundled Portfolio Service requirements.

4. Customers electing the TBS option will: (1) be subject to Transitional Bundled Commodity pricing, as defined in rate Schedule TBCC; (2) be subject to the provisions and applicable charges of the Direct Access Cost Responsibility Surcharge (DA CRS) as defined in rate Schedule DA-CRS; and (3) be ineligible to receive Revenue Cycle Services Credits as defined in rate Schedule E-CREDIT.

5. DA customers electing the TBS option may continue to use the same meter provided it is compatible with the PG&E's meter reading system. Incompatible meters will be replaced by PG&E with a meter that meets the customer's applicable tariff requirements, unless PG&E has the capability to do a special read for a fee or the customer and PG&E can agree on an alternative arrangement. Special metering requirements while receiving TBS will be subject to costs as set forth in rate Schedules E-ESP and E-EUS.

6. Customers returning to DA service at the conclusion of their TBS term will retain their continuous DA status associated with rate Schedule DA-CRS, if applicable.

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Sheet 3

A. Transitional Bundled Service (Cont'd.)

- 7. Customers receiving TBS shall not be permitted to switch to DA service for any additional load beyond that level that was eligible for DA service as of the September 20, 2001, suspension date.

B. Bundled Portfolio Service

- 1. This service option is effective February 19, 2004, and is applicable to all DA eligible customers who return to Bundled Service for a minimum of three (3) years. This three (3) year minimum Bundled Service commitment will be referred to herein as PG&E's Bundled Portfolio Service (BPS). The following conditions will apply:
 - a. Customers electing this service make a three (3) year commitment and will not be allowed to return to DA service until their three (3) year minimum period has been completed. The three (3) year minimum period will begin on the date the customer is switched to BPS after the conclusion of the six (6) month advance notice period as set forth in Section B.1.b of this tariff. No premature departures from the three (3) year commitment will be allowed.
 - b. Customers must provide a six (6) month advance notice to PG&E prior to becoming eligible for BPS so PG&E can adjust its procurement activity to accommodate the additional load. Such notification will be made by the customer submitting the Customer Advance Notification form in writing or electronically. PG&E will provide the customer with written confirmation and the necessary switching process information within ten (10) business days of receipt of the customer's notification. Once received by PG&E, customers will have a three (3) business day rescission period after which advance notifications cannot be canceled. PG&E will process requests to receive BPS in the following manner:
 - 1) Service account transfers to BPS will be switched on the customer's next scheduled meter read date after the completion of the six (6) month advance notice period. For service accounts with meters that are incompatible with PG&E's meter reading system, PG&E will replace the incompatible meter with a meter that is acceptable to PG&E. Such metering service will be done in accordance with rate Schedule E-EUS.
 - 2) PG&E will initiate a DASR to transfer the service account to BPS and will provide notification to the customer and ESP in accordance with Rule 22, Section E.7.

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B. Bundled Portfolio Service (Cont'd.)

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1. (Cont'd.)

- c. During the six (6) month advance notice period, but before they become eligible for BPS, customers may either continue on DA Service or return to Bundled Service and receive TBS pricing as set forth in Section A.4 of this tariff. PG&E will process any DASR returning the customer to Bundled Service during the six (6) month advance notice period in accordance with Rule 22, Section E, and will provide Bundled Service to the customer at the TBS rate for the remainder, if any, of the six (6) month advance notice period. PG&E will initiate the necessary transfer of the service account to BPS at the conclusion of the six (6) month advance notice period with notification to the customer. The metering requirements of Section B.1.b(1) above, will apply during the six (6) month advance notice period. Customers returning to Bundled Service during the six (6) month advance notice period (i.e., before the commencement of BPS), cannot return to DA service.
- d. Customers returning to DA service at the conclusion of their BPS term will retain their continuous DA status associated with rate Schedule DA-CRS, if applicable. DA customers responsible for DA CRS continue to be responsible for DA CRS undercollections and subject to the terms of rate Schedule DA-CRS.

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B. Bundled Portfolio Service (Cont'd.)

- 2. At the end of the customer's three (3) year BPS commitment, customers will have the option of switching back to DA service or remaining on bundled service. PG&E will provide the customer with a courtesy reminder eight (8) months before the expiration of the customer's three (3) year commitment. If for any reason the customer is not sent, or does not receive, a courtesy reminder from PG&E, customer is not relieved of its responsibility for providing PG&E the notice required in Section B.2.a. below.
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- a. Customers may elect to switch to DA service at any time subsequent to the conclusion of the three (3) year BPS commitment period with the required six (6) month advance notice. Customers must provide a six (6) month advance notice to PG&E prior to becoming eligible for DA service so PG&E can adjust its procurement activity to accommodate the change in load. Such notification will be made by the customer submitting a Six Month Notice To Transfer To Direct Access Service form in writing or electronically. Once received by PG&E, customers will have a three (3) business day rescission period after which advance notifications cannot be canceled. PG&E will provide to the customer a written confirmation and necessary switching process information within ten (10) business days of the customer's notification, including the final date for PG&E to be in receipt of a DASR to return to DA Service. The customer is responsible for providing its ESP with this information.
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C. Initial Transition Period (Cont'd.)

(N)

2. A forty-five (45) day Initial Transitional Period (ITP) will be provided to applicable customers identified in Section C.1, above to make an election either to remain on Bundled Service or elect DA service. Only DA-eligible load with written and executed contracts as of September 20, 2001, will be permitted to switch to DA service.
3. Customers electing to return to DA service will be subject to the provisions and applicable charges of rate Schedule DA CRS.
4. Customers electing to remain on Bundled Service are not required to take any action and will be automatically placed on a three (3) year BPS commitment period, effective April 20, 2004, before having the option of returning to DA service as set forth in Section B.2.
5. PG&E will notify the customer of the forty-five (45) day ITP and its requirements by letter by January 5, 2004. The forty-five (45) day ITP will begin from the date of such notification. PG&E will send a reminder notice to customers before February 19, 2004, reminding them that immediate action is necessary to return to DA service.
6. For customers planning to return to DA service, PG&E must be in receipt of a DASR from the customer's ESP on or before April 19, 2004. In addition to meeting the DASR provisions set forth in Rule 22, Section E, ITP DASRs to switch the service account back to DA service must comply with the following special conditions:
 - a. Accepted DASRs that do not require a meter change will be processed based on normal DASR processing timeframes as defined in Rule 22, Section E.
 - b. Rejected DASRs must be corrected and resubmitted by the ESP and accepted by PG&E no later than twenty (20) days following April 19, 2004. DASRs not corrected by the ESP within this time period will be cancelled by PG&E.

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Sheet 8

C. Initial Transition Period (Cont'd.)

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6. (Cont'd.)

c. For accepted DASRs that require a meter change, the meter change must be completed on or before June 18, 2004. For DASRs not completed by this date, PG&E will switch the service account to DA service on the customer's next scheduled meter read date with notification to the ESP and customer. If special metering services are required, such metering services will be done in accordance with rate Schedules E-ESP and E-EUS.

7. Service accounts failing to meet the requirements in Section C.6 will be placed on a three (3) year BPS commitment as set forth in Section B of this tariff effective April 20, 2004.

8. Customers returning to DA service shall not be permitted to switch any additional load to DA service beyond that level that was eligible for DA service as of September 20, 2001, suspension date.

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