



**ELECTRIC SCHEDULE E-CSMART
 COMMERCIAL SMARTRATE PROGRAM**

Sheet 1

APPLICABILITY: The commercial SmartRate program is a voluntary rate supplement to the customer's otherwise applicable rate schedule (OAS). Schedule E-CSMART is available to a PG&E Bundled-Service customer with billed maximum demands less than 200 kW during the past 12 billing months, and served on PG&E electric rate schedules A-1, A-6, A-10, E-19 (including E-19 voluntary) or their successor rate schedules. Each customer must continue to take service under the provisions of their OAS. A customer is not eligible to participate in the commercial SmartRate program if the customer is taking service in the following manner: 1) in conjunction with a net metering or standby rate schedule, 2) in conjunction with direct access service or community choice aggregation service, or 3) as a Transitional Bundled Service under electric Rule 22.1. The commercial SmartRate program only operates during the Summer season (May 1 through October 31).

Customers will receive a bill protection transitional incentive to participate in the commercial SmartRate program subject to meeting the qualification criteria (see Bill Protection section below).

The customer must have a SmartMeter™ system to participate in the commercial SmartRate program. Upon the customer's request to participate and verification of eligibility by PG&E, the customer will be placed on the commercial SmartRate program on the first day of the next Billing Cycle where the Billing Cycle start date occurs at least five business days after the date of the customer's request. A customer's request that is received within five business days of the customer's next Billing Cycle will be placed on the commercial SmartRate program in the following Billing Cycle.

Transfers Off of Schedule E-CSMART: If a customer's billed maximum demand exceeds 199 kilowatts in any of the previous summer months (May 1 through October 31), the customer may: 1) continue on E-CSMART if the customer is eligible to be on one of the rate schedule as defined in the Applicability section, (2) transfer to the voluntary E-CPP service or an applicable successor rate schedule if the customer is on an eligible OAS, or (3) terminate their participation in E-CSMART.

TERRITORY: This schedule is available to customers in PG&E's electric service territory.

RATES: The customer will be billed for all regular charges applicable under the customer's OAS. Additional charges (based on usage during SmartDay High-Price Periods) and SmartRate credits will be determined according to the rates specified in this schedule. See "Definition of Time Periods" section below for specific SmartRate program time periods. The SmartRate program time periods may differ from traditional Time-Of-Use (TOU) periods on the customer's OAS. The additional energy charges applicable during SmartDay High-Price Periods and SmartRate Credits will be determined as follows:

SmartDay High-Price Period Charge: The total effective energy charge on this schedule for usage during the SmartDay High-Price Period will be the SmartDay High-Price Period Charge multiplied by the actual energy usage during the SmartDay High-Price Period. Schedule E-CSMART charges will be applicable only during the Summer season (May 1 through October 31).

SmartRate Credits: The customer taking service under Schedule E-CSMART will pay reduced total effective energy rates, through (1) SmartRate Non-High Price Period credits for usage outside the SmartDay High-Price Period on SmartDays and usage on those days that are not declared as SmartDays during the period from June 1 through September 30, and (2) SmartRate Participation credit for all usage from June 1 through September 30. Schedule E-CSMART charges and credits will not affect winter season rates or bills.

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Sheet 2

RATES:
 (Cont'd.)

Schedule E-CSMART charges and credits vary according to the customer's OAS and are shown in the table below:

Customer's OAS	SmartDay High-Price Period (Charge) * per kilowatt-hour of usage	SmartRate Non-High-Price Period (Credit) ** per kilowatt-hour of usage	SmartRate Participation (Credit)*** per kilowatt-hour of usage
A-1	\$0.75000	\$0.02720	\$0.00500
A-6	\$0.75000	\$0.02720	\$0.00500
A-10	\$0.75000	\$0.02320	\$0.00500
E-19	\$0.75000	\$0.02320	\$0.00500

* Applicable on SmartDays that occur during May 1 through October 31.

** Applicable to SmartRate non High-Price Period usage from June 1 through September 30.

*** Applicable to all usage from June 1 through September 30.

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Sheet 3

**DEFINITION OF
 TIME PERIODS:**

SUMMER (service from May 1 through October 31):
SmartDay Event Days (Monday through Friday, except holidays)
 SmartDay High-Price Period: 2:00 p.m. to 6:00 p.m.

SmartDays will be limited to 15 days during the Summer season. Please refer to the sections of this schedule labeled "Program Operations" and "Notification and Trigger" for a complete description of how SmartDays will be determined, and how customers will be notified of those days when SmartDay High-Price Period charges will be in effect.

HOLIDAYS: The SmartRate program will not operate on holidays. Summer "holidays" are Memorial Day, Independence Day, and Labor Day. The dates will be those on which the holidays are legally observed.

**METERING
 EQUIPMENT:**

Each participating customer account must have a SmartMeter™ system installed that can be remotely read by PG&E. Metering equipment (including remote communication device) must be in operation prior to participating in the program to ensure proper operation of the metering and communication equipment.

**NOTIFICATION
 EQUIPMENT:**

At the customer's option and expense, it is recommended, but not required that the customer provide a telephone number to receive automated notification messages from PG&E. A customer with access to the Internet and an e-mail address may elect to receive their notification messages by e-mail.

If a SmartDay event occurs, the customer will be notified by using one or more of the above-mentioned systems. Receipt of notice is the responsibility of the participating customer. PG&E will make best efforts to notify the customer, however it is the customer's responsibility to receive notice and to check the PG&E website to see if a SmartDay event has been activated and that their SmartRate notification information is accurate and current. PG&E does not guarantee the receipt of notification by the notification system, the e-mail system, or Internet site by which the customer receives notification.

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CONTRACTS: Customer's participation in this schedule will be in accordance with Electric Rule 12.

Customers may terminate their participation in the SmartRate program by providing notice to PG&E. Cancellation of the customer's participation in the SmartRate program will become effective on the next business day. PG&E reserves the right to terminate the SmartRate program upon thirty (30) days written notice and approval by the CPUC.

PROGRAM OPERATIONS: PG&E will notify customers by 3:00 p.m. on a day-ahead basis when a SmartDay event will occur the next business day. A SmartDay event will only be called Monday through Friday, excluding holidays. Notices will be issued on Friday by 3:00 p.m. for a SmartDay event occurring on the following Monday, or for a SmartDay event that is issued for Tuesday following a holiday that falls on Monday.

NOTIFICATION AND TRIGGER: PG&E will activate a SmartDay event primarily based on the average day-ahead maximum temperature forecasts at specific locations within PG&E's service area.

Beginning May 1st of each Summer season, the initial temperature forecast threshold for triggering a SmartDay event will be 96 degrees.

PG&E will adjust the temperature forecast thresholds up or down, over the course of the Summer season as necessary, to achieve the SmartRate program design basis of 15 SmartDay events each Summer season. Customers will be notified of the applicable temperature threshold on PG&E's website.

SmartDay events may also be initiated as warranted by extreme system conditions such as special alerts issued by the California Independent System Operator, or under conditions of high forecasted California spot market power prices or for testing/evaluation purposes.

PG&E will retain the sole discretion NOT to call a SmartDay event even if one or more of the above criteria are met.

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Advice Letter No: 3058-E
 Decision No. 06-07-027

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed May 31, 2007
 Effective May 1, 2008
 Resolution No. _____



**ELECTRIC SCHEDULE E-CSMART
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Sheet 5

PROGRAM TERM: The SmartRate program will remain open until terminated or superceded by action of the Commission.

BILLING: Monthly bills are calculated in accordance with the customer's OAS and the rates contained herein. The amount under the SmartRate program will appear on the customer's bill as an additional charge or credit.

BILL PROTECTION: Bill Protection: A customer will be provided with a bill protection transitional incentive through the first full Summer Season (May 1 through October 31). Under the bill protection transitional incentive, the customer will not pay more under the SmartRate program than it would pay under its OAS for the first full summer and, if applicable, any preceding partial summer during the initial bill protection period. Bill protection benefits will be computed on a cumulative basis at the end of each Summer Season and any applicable credits will be applied to the customer's account on the next regular bill.

If the customer terminates their participation in the SmartRate program before the end of the Summer Season and during the initial bill protection period, the customer will receive bill protection up to the date the customer terminates its participation in the SmartRate program. Any applicable credits will be applied to the customer's account on the next regular bill following the end of their participation in the SmartRate program.

After the customer has completed its first full Summer season, bill protection will no longer apply. The customer will be notified twice that bill protection no longer applies by the following:

60 to 90 days before the customer's first Summer season without bill protection begins, and

During the month of May of the customer's first Summer season without bill protection.

These notices will be prepared in accordance with Ordering Paragraph 6 of Decision 06-07-027.

INTERACTION WITH OTHER DEMAND REDUCTION PROGRAMS: Participants in the SmartRate program may also participate in other applicable demand reduction programs offered by PG&E, but shall not receive energy payment for performance under those programs during the SmartDay High-Price Period.