

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



October 17, 2014

Advice Letter 4483-E

Meredith Allen
Senior Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Sale and Conveyance of Certain Electric Streetlight Facilities
to the City of Bakersfield – Request for Approval Under
Section 851**

Dear Ms. Allen:

Advice Letter 4483-E is effective October 4, 2014.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

September 4, 2014

Advice 4483-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Sale and Conveyance of Certain Electric Streetlight Facilities to the City of Bakersfield – Request for Approval Under Section 851**Purpose**

Pursuant to Section 851 of the California Public Utilities Code ("Section 851"), Pacific Gas and Electric Company ("PG&E") requests the California Public Utilities Commission ("Commission" or "CPUC") to grant PG&E authority to sell and convey to the City of Bakersfield ("City") certain electric streetlight facilities located within the City, on the terms and conditions specified in the Purchase and Sale Agreement ("Agreement") between PG&E and the City attached hereto as Attachment 1.

Background

PG&E currently owns eighteen (18) electric streetlight facilities (collectively, the "Facilities") located in the City, which represents all remaining streetlight facilities owned by PG&E within certain territory that has been annexed to the City. A detailed listing of the Facilities to be transferred and a description of the approximate location of the Facilities is provided in Exhibit A of the Agreement. The streetlights are being sold "as is," with no warranty.

PG&E wishes to sell the Facilities because it has received a fair offer from the City. The City has offered to pay PG&E a price equal to Replacement Cost New Less Depreciation (RCNLD) for the Facilities. By owning and operating its own Facilities, the City will be able to purchase power from PG&E on Electric Rate Schedule LS-2, which will result in significant savings for the City. If an agreement were not reached on the sale of the Facilities, the City could potentially exercise its power of eminent domain to obtain ownership of the Facilities. If the City were successful in establishing its right to take an eminent domain action, a court would set the purchase price. By selling the Facilities through a negotiated sale, PG&E and the City can avoid the costs of litigation and the uncertainty as to the sale price.

In accordance with General Order ("G.O.") 173, PG&E provides the following information related to the proposed transaction:

(a) Identity of All Parties to the Proposed Transaction:

Pacific Gas and Electric Company	Nick Fidler
Darren P. Roach	Public Works Director
Law Department	City of Bakersfield
P.O. Box 7442	1501 Truxtun Avenue
San Francisco, CA 94120	Bakersfield, CA 93309
Telephone: (415) 973-6345	Telephone: (661) 326-3724
Facsimile: (415) 973-5520	PW_GEN@bakersfieldcity.us
Email: DPRC@pge.com	

(b) Complete Description of the Facilities and Property Including Present Location, Condition and Use:

The Facilities consist of eighteen (18) electric streetlight facilities owned by PG&E and located within certain territory that has been annexed to the City. The Facilities include all streetlight facilities beyond the secondary point of connection to PG&E's distribution facilities, including but not limited to luminaries, control facilities, support arms, streetlight only poles or posts, foundations, service wires on or inside poles and/or in the ground and associated conduits and substructures. The description of the Facilities contained in Exhibit A of the Agreement is intended to include all remaining streetlight facilities owned by PG&E within territory previously annexed to the City and all remaining PG&E-owned streetlight facilities beyond the secondary point of connection to PG&E's distribution facilities. This Agreement does not extend to any customer-owned streetlights within the annexed areas.

(c) Intended Use of the Property and Facilities:

The proposed sale represents all remaining streetlight facilities owned by PG&E and located within certain territory that has been annexed to the City. PG&E is informed that the City does not plan any physical changes to the Facilities and no changes have been made to the Facilities.

(d) Complete Description of Financial Terms of the Proposed Transaction:

The purchase price for the streetlights is ten-thousand seven-hundred twenty-three (10,723) dollars (excluding any sales tax legally due) and is based upon the Replacement Cost New Less Depreciation ("RCNLD")

value. Other terms and conditions of the proposed sale are contained in the Agreement.

(e) Description of How Financial Proceeds of the Transaction Will Be Distributed:

PG&E requests that the Commission allocate the proceeds from the sale of the Facilities to PG&E shareholders consistent with Commission Decision (D.) 06-05-041, which adopted a process for allocating gains (and losses) on sale of certain utility assets formerly used to serve utility customers.

In D.06-05-041, the Commission stated that it would continue to apply the principles of the Redding II decision, D.89-01-016, 32 CPUC 2d 233 (1989), in the narrow circumstances to which they were designed to apply. Pursuant to the Redding II decision, the streetlight sale must be under the following conditions: (1) a public utility sells a distribution system to a governmental entity, (2) the distribution system consists of part or all of the utility operating system located within a geographically defined area, (3) the components of the system are or have been included in the rate base of the utility, and (4) the sale of the system is concurrent with the utility being relieved of, and the governmental entity assuming, the public utility obligations to the customers within the area served by the system. After having satisfied the aforementioned conditions, the Redding II decision directs that the gains or losses from the sale of the system should be allocated to utility shareholders, provided that the ratepayers have not contributed capital to the distribution system and remaining ratepayers are not adversely affected by the transfer of the system.

Decisions subsequent to Redding II have held that there is no adverse impact on existing customers when utilities sell streetlights to municipalities because the value of the properties sold and the lost revenues involved do not involve large sums of money, and the lost revenues are offset by reduced operational expenses saved by the sale of the system and the elimination of any return on the utility's investment¹.

The sale of the streetlights to the City satisfies the above conditions. Thus, PG&E requests that the Commission authorize PG&E to accrue any gain realized from the sale of the Facilities to the City to PG&E shareholders. The estimated pre-tax gain that results from this sale is eleven-thousand two-hundred thirty-two (11,232) dollars.

¹ See, e.g., D.02-12-020, Findings of Fact 6 and 8, p. 5.

(f) Statement on the Impact of the Transaction on Ratebase and Any Effect on the Ability of the Utility to Serve Customers and the Public:

The sale of the Facilities does not adversely affect existing ratepayers. It is expected that customers will see neither a decline in service, nor an increase in cost due to the sale. The Facilities sale is to a California Municipal Corporation, the Facilities are located within the geographically-defined area of the City, the streetlights were included in rate base, and, pending Commission approval, PG&E will be relieved of the public utility duty to operate and maintain the Facilities, and the City of Bakersfield will assume those public utility duties.

(g) The Original Cost, Present Book Value, and Present Fair Market Value for Sales of Real Property and Depreciable Assets, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):

A table showing sales price, expenses, and tax effects is attached as Attachment 2. The pre-tax gain-on-sale is estimated to be eleven-thousand two-hundred thirty-two (11,232) dollars, and the after-tax gain-on-sale is estimated to be six-thousand eight-hundred sixty-three (6,863) dollars.

The net book value of the Facilities is negative five-hundred and nine (-509) dollars. The original cost of the Facilities is nine-thousand one-hundred fifty-four (9,154) dollars. Rate base will decrease (reduction to rate base) by ten-thousand seven-hundred twenty-three (10,723) dollars upon Commission approval and close of the sale.

The market valuation (sale price) was based upon the RCNLD method of valuation, using Present-Worth, Remaining Life depreciation whereby Present-Worth is computed using 8.06 percent.

(h) The Fair Market Rental Value for Leases of Real Property, and a Detailed Description of How the Fair Market Rental Value Was Determined:

The Agreement does not involve the lease of real property.

(i) For Fair Market Rental Value of the Easement or Right-of-Way and a Detailed Description of How the Fair Market Rental Value Was Determined:

The Agreement does not involve transfer of an easement or right-of-way.

(j) A Complete Description of any Recent Past (Within the Prior Two Years) or Anticipated Future Transactions that May Appear To Be Related to the Present Transaction:²

To PG&E's knowledge, there are no recent or anticipated future transactions that are related to this sale transaction.

(k) Sufficient Information and Documentation (Including Environmental Review Information) to Indicate that All Criteria Set Forth in Rule 3 of General Order ("GO") 173 are Satisfied:

PG&E has provided information in this Advice Letter to satisfy the eligibility criteria under GO 173 in that:

- The activity proposed in the transaction will not require environmental review by the CPUC as a Lead Agency (see (m) below);
- The transaction will not have an adverse effect on the public interest or on the ability of PG&E to provide safe and reliable service to its customers at reasonable rates;
- The transaction will not materially impact the rate base of PG&E; and
- The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

(l) Additional Information to Assist in the Review of the Advice Letter:

PG&E is not aware of any additional relevant information other than what is included with this advice letter.

(m) Environmental Information

Pursuant to GO 173, the Advice Letter program applies to proposed transactions that will not require environmental review by the CPUC as a lead agency under the California Environmental Quality Act ("CEQA") either because: (a) a statutory or categorical exemption applies (the applicant must provide a notice of exemption from the Lead Agency or explain why an exemption applies), or (b) because the transaction is not a project under CEQA (the applicant must explain the reasons why it believes that the transaction is not a project), or (c) because another public

² During adoption of the Advice Letter pilot program in ALJ-186 (later followed by ALJ-202 and ALJ-244), this category of information was included to enable the CPUC to ensure that utilities were not seeking to circumvent the \$5 million Advice Letter threshold by dividing what is a single asset with a value of more than \$5 million into component parts each valued at less than \$5 million, which is clearly not the case here. (See CPUC Resolution ALJ-186, issued August 25, 2005, mimeo, p.5.)

agency, acting as the Lead Agency under CEQA, has completed environmental review of the project, and the Commission is required to perform environmental review of the project only as a Responsible Agency under CEQA.

Per (b) above, the proposed transaction is not a "project" under CEQA as it only constitutes a change in ownership; therefore, the proposed transaction will not require environmental review.

Protests

Anyone wishing to protest this filing may do so by sending a letter by September 24, 2014, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Meredith Allen
Senior Director, 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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (General Order 96-B, Section 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name,

telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

Pursuant to the review process outlined in General Order 173, PG&E requests that this Tier 2 advice filing become effective on October 4, 2014, which is 30 days from 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/or 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 PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

_____/S/

Meredith Allen
Senior Director, Regulatory Relations

Attachments:

Attachment 1 – Purchase and Sale Agreement

Attachment 2 – Sales Price, Expenses and Tax Effects

***** SERVICE LIST Advice 4483-E *****
APPENDIX A

***** AGENCIES *****

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City of Bakersfield
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Bakersfield, CA 93309
Telephone: (661) 326-3724
PW_GEN@bakersfieldcity.us

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 E)**

Utility type:

☒ ELC

☐ GAS

☐ PLC

☐ HEAT

☐ WATER

Contact Person: **Shirley Wong**

Phone #: **(415) 972-5505**

E-mail: **slwb@pge.com and PGETariffs@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) #: **4483-E**

Tier: 2

Subject of AL: **Sale and Conveyance of Certain Electric Streetlight Facilities to the City of Bakersfield – Request for Approval Under Section 851**

Keywords (choose from CPUC listing): **Compliance, Agreements**

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:

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: **October 4, 2014**

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:

Service affected and changes proposed:

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

ED Tariff Unit

505 Van Ness Ave., 4th Floor

San Francisco, CA 94102

E-mail: **EDTariffUnit@cpuc.ca.gov**

Pacific Gas and Electric Company

Attn: Meredith Allen, Senior Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: **PGETariffs@pge.com**

Attachment 1:
Purchase and Sale Agreement

**PURCHASE AND SALE AGREEMENT
(Sale of Streetlight Facilities)**

By and between

PACIFIC GAS AND ELECTRIC COMPANY

&

**The City of Bakersfield
A Municipal Corporation and a Charter City**

PURCHASE AND SALE AGREEMENT
(Sale of Streetlight Facilities)

TABLE OF CONTENTS

	<u>Page</u>
1. DEFINITIONS	1
2. PURCHASE AND SALE OF FACILITIES	4
3. PURCHASE PRICE AND OTHER COSTS	4
3.1 Purchase Price	4
3.2 Severance Costs	4
3.3 Taxes	5
4. CONDITIONS PRECEDENT	6
4.1 Conditions to Buyer's Obligations	6
4.2 Conditions to PG&E's Obligations	6
4.3 CPUC Approval	7
4.4 Satisfaction or Waiver of Conditions	7
5. CONDITION OF FACILITIES	7
5.1 Prior Inspection	7
5.2 Compliance with Legal Requirements and Governmental Approvals	7
5.3 Disclosure Regarding Hazardous Substances	8
5.4 Disclaimers Regarding the Facilities	8
5.5 "AS IS" SALE	8
5.6 Maintenance of Facilities Pending Closing	9
6. CLOSING	9
6.1 Closing Date	9
6.2 Delivery of Funds and Documents	9
6.3 Assumption of Liabilities	10
6.4 Warranty of Title	10
6.5 Survival	10
7. RELEASE	10
7.1 Release	10
7.2 Statutory Waiver	10
7.3 Survival	11
8. INDEMNITY	11
9. MISCELLANEOUS	11
9.1 Time of Essence	11
9.2 Further Assurances	11
9.3 Binding Effect; Assignment	11
9.4 Severability	12
9.5 Governing Laws	12
9.6 Counterparts	12

9.7	Notices	12
9.8	Attorneys' Fees	12
9.9	Limitation on Liability	13
9.10	Statute of Limitations	13
9.11	Exhibits	13
9.12	Arbitration	13
9.13	Interpretation.....	13
9.14	Survival	13
9.15	Authority.....	14
9.16	Prior Agreements	14

PURCHASE AND SALE AGREEMENT

DISTRIBUTION:

Original Svc Plng
Copy Division
Copy PG&E

REFERENCE:

ORDER NO.
AP NO.
D&C NO.

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of this ____ day of _____, 20____, the ("**Effective Date**") by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("**PG&E**"), and The City of Bakersfield a Municipal Corporation, a Charter City ("**Buyer**").

RECITALS:

A. PG&E currently owns eighteen (18) electric streetlight facilities (collectively, the "**Facilities**") located in the City of Bakersfield, which represents all remaining streetlight facilities owned by PG&E located within certain territory that has been annexed to city. A detailed listing of the Facilities to be transferred and a description of the approximate location of such facilities is provided in **Exhibit A** attached hereto and incorporated by reference.

B. The Facilities are no longer necessary to PG&E in the performance of its duties to the public.

C. Buyer has expressed a desire to purchase the Facilities, and PG&E is willing to sell the Facilities to Buyer on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the respective covenants and agreements contained in this Agreement, PG&E and Buyer each agree as follows:

1. **DEFINITIONS.** The following terms shall have the meanings ascribed to them below for purposes of this Agreement:

1.1 **Agreement.** "**Agreement**" has the meaning given in the preamble paragraph.

1.2 **Bill of Sale.** "**Bill of Sale**" means a document transferring title to the Facilities to Buyer, which document shall be substantially in the form of **Exhibit B** attached hereto.

1.3 **Business Day.** "**Business Day**" means a day other than Saturday, Sunday or a day on which (i) banks are legally closed for business in the State of California; or (ii) PG&E is closed for business.

1.4 **Buyer.** "**Buyer**" has the meaning given in the preamble paragraph.

1.5 **CEQA.** "**CEQA**" has the meaning given in Section 5.2.

1.6 **Claims.** "**Claims**" has the meaning given in Section 7.1.

1.7 Closing. "**Closing**" has the meaning given in Section 6.1.

1.8 Closing Date. "**Closing Date**" means the date PG&E delivers the Bill of Sale to Buyer.

1.9 CPUC. "**CPUC**" means the California Public Utilities Commission, or its regulatory successor, as applicable.

1.10 CPUC Approval. "**CPUC Approval**" means final, unconditional approval (including exhaustion of all administrative and judicial remedies or the running of time periods and statutes of limitation for rehearing and judicial review without rehearing or judicial review being sought) of this Agreement and the transactions contemplated hereby on terms and conditions acceptable to PG&E in its good faith discretion, including approval of PG&E's proposed accounting and ratemaking treatment of the sale.

1.11 CPUC Approval Date. "**CPUC Approval Date**" means the date on which CPUC approval of this Agreement and the transactions contemplated hereby on terms and conditions acceptable to PG&E in its good faith discretion, including approval of PG&E's proposed accounting and ratemaking treatment of the sale, becomes final, unconditional and unappealable (including exhaustion of all administrative and judicial remedies or the running of time periods and statutes of limitation for rehearing and judicial review without rehearing or judicial review being sought).

1.12 Effective Date. "**Effective Date**" has the meaning given in the preamble paragraph.

1.13 Environmental Requirements. "**Environmental Requirements**" means any applicable statutes, regulations or ordinances now in force or that may later be in force relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including laws, requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such substances. Environmental Requirements include: the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) ("**CERCLA**"); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Clean Water Act (33 U.S.C. §§1251 et seq.); the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); the Oil Pollution Act (33 U.S.C. § 2701 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act, (7 U.S.C. §§136 et seq.); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.); the Porter-Cologne Water Quality Control Act (Cal. Wat. Code § 13020 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 et seq.); and the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 et seq.).

1.14 Excluded Taxes. "**Excluded Taxes**" means (a) Taxes (other than any sales, use, gross receipts, transfer or property Taxes, or any Taxes in the nature of sales, use, gross receipts, transfer or property Taxes) imposed on PG&E that are capital gains Taxes,

minimum or alternative minimum Taxes, accumulated earnings Taxes, franchise Taxes or Taxes on or measured by gross or net income, capital or net worth of PG&E; and (b) property Taxes to the extent the payment is addressed in Section 3.4(b), and is not required to be reimbursed to PG&E by Buyer.

1.15 Estimated Closing Date. "**Estimated Closing Date**" has the meaning given in Section 6.1.

1.16 Facilities. "**Facilities**" has the meaning given in Recital Paragraph A.

1.17 Governmental Authority. "**Governmental Authority**" means any federal, state, local or other governmental, regulatory or administrative agency, commission, department, board, subdivision, court, tribunal, or other governmental arbitrator, arbitral body or other authority.

1.18 Hazardous Substances. "**Hazardous Substances**" means any hazardous or toxic material or waste, which is or becomes regulated by Environmental Requirements. Without limiting the generality of the foregoing, Hazardous Substances include any material or substance: (a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable Environmental Requirements; or (b) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by the United States, the State of California, any local governmental authority or any political subdivision thereof, or which cause, or are listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or (c) the presence of which poses or threatens to pose a hazard to the health or safety of persons or to the environment; or (d) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or (e) which contains lead-based paint or other lead contamination, polychlorinated biphenyls ("**PCBs**") or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or (f) which contains radon gas; (g) fuel or chemical storage tanks, energized electrical conductors or equipment, or natural gas transmission or distribution pipelines; and (h) other potentially hazardous substances, materials, products or conditions.

1.19 Land. "**Land**" means the real property described on **Exhibit A** attached hereto.

1.20 Legal Requirements. "**Legal Requirements**" means all laws, statutes, ordinances, rules, regulations, requirements or orders of any Governmental Authority now in force or that may later be in force, and the conditions of any permit, certificate, license or other approval issued by public officers relating to the Facilities, including Environmental Requirements.

1.21 PG&E Parties. "**PG&E Parties**" means PG&E and/or each and all of its past, present and future officers, directors, partners, employees, agents, representatives, shareholders, attorneys, affiliates, parent and subsidiary corporations, divisions, insurance carriers, heirs, legal representatives, beneficiaries, executors, administrators, predecessors, transferees, successors and assigns.

1.22 Potential Environmental Hazards. "**Potential Environmental Hazards**" means electric fields, magnetic fields, electromagnetic fields, electromagnetic

radiation, power frequency fields, and extremely low frequency fields, however designated, and whether emitted by electric transmission lines, other distribution equipment or otherwise.

1.23 Purchase Price. "**Purchase Price**" has the meaning given in Section 3.1.

1.24 Severance Costs. "**Severance Costs**" has the meaning given in Section 3.2.

1.25 Tax Claim. "**Tax Claim**" has the meaning given in Section 3.3(e).

1.26 Taxes. "**Taxes**" mean all federal, state, local or foreign income, ad valorem, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property (including assessments, special assessments, special district assessments, escape assessments, benefit assessments and maintenance assessments, fees or other charges or surcharges of any nature based on the use or ownership of real property), personal property, sales, use, documentary transfer, registration, value added, alternative and add-on minimum, estimated taxes, and all other taxes of any kind whatsoever, including all interest, penalties, fines and additions thereto, whether disputed or not, including all items for which liability arises as a transferee or successor-in-interest.

2. PURCHASE AND SALE OF FACILITIES.

Subject to the terms and conditions of this Agreement, PG&E agrees to sell, convey, assign, transfer and deliver to Buyer, and Buyer agrees to purchase and acquire from PG&E, all of PG&E's right, title and interest in the Facilities.

3. PURCHASE PRICE AND OTHER COSTS.

3.1 Purchase Price. Subject to adjustment as provided in this Section 3.1, the purchase price ("**Purchase Price**") for the Facilities is Ten Thousand Seven Hundred Twenty Three Dollars (\$10,723.00). The Purchase Price is based upon the Facilities existing on the Effective Date. If any additions to or retirements from the Facilities are made after the Effective Date and prior to the Closing Date, the Purchase Price shall be adjusted upward or downward, as the case may be, in accordance with the Reproduction Cost New Less Depreciation method of valuing assets, using eight point zero six percent (8.06%) present worth depreciation. PG&E shall provide Buyer with written notice of the adjusted Purchase Price no later than the ten (10) Business Days after the CPUC Approval Date. If the Purchase Price is adjusted upward by more than ten percent (10%), Buyer may terminate this Agreement without further liability by providing written notice to PG&E within ten (10) Business Days of Buyer's receipt of notice of the adjusted Purchase Price.

3.2 Severance Costs. In addition to the Purchase Price, Buyer shall pay to PG&E the sum of One Thousand Two Hundred Eighty Four Dollars (\$1,284.00) to reimburse PG&E for the cost of physically separating the Facilities from the balance of PG&E's distribution facilities ("**Severance Costs**").

3.3 Taxes.

(a) Except for any Excluded Taxes for which Buyer will have no liability, Buyer shall pay all Taxes arising in connection with the sale and transfer of the Facilities (or any part thereof), this Agreement or the transactions contemplated herein, or the receipt of the Purchase Price or other amounts hereunder, regardless of whether levied or imposed on or with respect to PG&E, Buyer or all or any part of the Facilities or any use thereof, and regardless of when such Taxes are levied or imposed. [Without limiting the generality of the foregoing, Buyer shall pay PG&E a charge to cover PG&E's estimated liability for federal and state income tax on the severance work, calculated at the tax factor approved by the CPUC for the Income Tax Component of Contributions, if applicable.]

(b) State and local personal property Taxes relating to the Facilities for the tax year (ending June 30) will be prorated between Buyer and PG&E on the following basis: PG&E is to be responsible for all such Taxes for the period up to the Closing Date; and Buyer is responsible for all such Taxes for the period on and after the Closing Date. All Taxes assessed on an annual basis will be prorated on the assumption that an equal amount of Taxes applies to each day of the year, regardless of how any installment payments are billed or made, except that Buyer will bear all supplemental or other state and local personal property Taxes which arise out of a change in ownership of the Facilities. In addition, Buyer acknowledges that the Facilities are assessed by the California State Board of Equalization as of January 1 of each year, and, if the Closing occurs between January 1 and June 30, PG&E must pay personal property taxes arising out of the ownership of the Facilities for the subsequent fiscal year. If the Closing occurs between January 1 and June 30, Buyer will deposit with PG&E the full amount to pay personal property taxes for the tax year beginning on July 1, in addition to the prorated amount of personal property taxes for the current tax year (ending June 30), and PG&E will pay the personal property taxes for these tax years before they become delinquent; provided however, that PG&E may pay such taxes in installments as permitted by law. If the personal property taxes for the tax year beginning on July 1 are not available as of the Closing, then the amount due from Buyer to PG&E for such tax year will be estimated on the basis of the prior year's personal property taxes and such amount will be subject to adjustment after the Closing. If the Closing occurs between July 1 and December 31, Buyer will deposit with PG&E the prorated amount of personal property taxes for the tax year in which the Closing occurs and PG&E will pay the personal property taxes for such tax year before they become delinquent; provided however, PG&E may pay such taxes in installments as permitted by law.

(c) PG&E will be entitled to any refunds or credits of Taxes relating to the Facilities that are allocable to the period prior to the Closing Date. Buyer will promptly notify and forward to PG&E the amounts of any such refunds or credits to PG&E within five (5) Business Days after receipt thereof. Buyer will be entitled to a refund of Taxes relating to the Facilities that are allocable to the period on and after the Closing Date. PG&E agrees to reasonably cooperate with Buyer's efforts to obtain such refund.

(d) After the Closing Date, Buyer will notify PG&E in writing, within five (5) Business Days after Buyer's receipt of any correspondence, notice or other communication from a taxing authority or any representative thereof, of any pending or threatened tax audit, or any pending or threatened judicial or administrative proceeding that involves Taxes relating to the Facilities for the period prior to the Closing Date, and furnish PG&E with copies of all correspondence received from any taxing authority in connection with any audit or information request with respect to any such Taxes relating to the Facilities for the period prior to the Closing Date.

(e) Notwithstanding any provision of this Agreement to the contrary, with respect to any claim for refund, audit, examination, notice of deficiency or assessment or any judicial or administrative proceeding that involves Taxes relating to the Facilities for the period either entirely prior to the Closing Date or both prior to and after the Closing Date (collectively, "**Tax Claim**"), the parties will reasonably cooperate with each other in contesting any Tax Claim, including making available original books, records, documents and information for inspection, copying and, if necessary, introduction as evidence at any such Tax Claim contest and making employees available on a mutually convenient basis to provide additional information or explanation of any material provided hereunder with respect to such Tax Claim or to testify at proceedings relating to such Tax Claim. PG&E will control all proceedings taken in connection with any Tax Claim that pertains entirely to the period prior to the Closing Date, and PG&E and Buyer will jointly control all proceedings taken in connection with any Tax Claim pertaining to the period both prior to and after the Closing Date. Buyer has no right to settle or otherwise compromise any Tax Claim which pertains entirely to the period prior to the Closing Date; and neither party has the right to settle or otherwise compromise any Tax Claim which pertains to the period both prior to and after the Closing Date without the other party's prior written consent.

(f) The obligations of the parties pursuant to this Section 3.3 shall survive the Closing.

4. CONDITIONS PRECEDENT.

4.1 Conditions to Buyer's Obligations. Buyer's obligation under this Agreement to purchase the Facilities is subject to the fulfillment or waiver of each of the following conditions precedent:

(a) PG&E shall have performed or complied in all material respects with all covenants, agreements and conditions contained in this Agreement to be performed or complied with by PG&E at or prior to the Closing.

(b) No suit, action or other proceeding shall be pending before any court or Governmental Authority which seeks to restrain or prohibit any of the transactions contemplated by this Agreement or to obtain material damages or other material relief in connection with this Agreement or the transactions contemplated hereby.

4.2 Conditions to PG&E's Obligations. PG&E's obligation under this Agreement to sell the Facilities to Buyer is subject to the fulfillment or waiver of each of the following conditions precedent:

(a) Buyer shall have performed or complied in all material respects with all covenants, agreements and conditions contained in this Agreement to be performed by Buyer at or prior to the Closing.

(b) No suit, action or other proceeding shall be pending before any court or Governmental Authority which seeks to restrain or prohibit any of the transactions contemplated by this Agreement or to obtain material damages or other material relief in connection with this Agreement or the transactions contemplated hereby.

4.3 CPUC Approval. The obligation of each party to close the sale of the Facilities is conditioned upon obtaining CPUC Approval on or prior to the Closing Date. PG&E

shall have the right (but not the obligation) to extend the Estimated Closing Date to obtain CPUC Approval as set forth in Section 6.1. PG&E shall use good faith efforts to obtain CPUC Approval, and Buyer agrees to cooperate with PG&E's efforts to obtain CPUC Approval, including by promptly reviewing and signing the application for CPUC Approval. Buyer acknowledges and agrees that PG&E makes no representation or warranty with respect to the likelihood of obtaining CPUC Approval, and Buyer hereby waives all Claims against PG&E that may arise as a result of the need for CPUC Approval or PG&E's failure to obtain CPUC Approval, unless PG&E did not make a good faith effort to obtain CPUC Approval. If CPUC Approval has not been obtained on or prior to the Estimated Closing Date, as the same may be extended, the provisions of Section 4.4 below shall apply. Nothing in this Section in any way imposes upon PG&E an obligation to accept any term or condition imposed by the CPUC as a condition of its approval which term or condition is not acceptable to PG&E in its sole discretion.

4.4 Satisfaction or Waiver of Conditions. Buyer may waive any of the conditions precedent set forth in Section 4.1, and PG&E may waive any of the conditions precedent set forth in Section 4.2. Neither party shall have the right to waive the condition precedent set forth in Section 4.3. Subject to the foregoing, in the event that any of the conditions precedent set forth in this Section 4 shall not be satisfied or waived on or before the Estimated Closing Date (as the same may be extended), then the party whose obligations are subject to such condition precedent shall have the right to terminate this Agreement upon written notice to the other party, and PG&E and Buyer shall thereupon each be released from all obligations under this Agreement, except those which expressly survive termination.

5. CONDITION OF FACILITIES.

5.1 Prior Inspection. Buyer acknowledges that prior to the execution of this Agreement, Buyer has had ample opportunity to inspect the Facilities and has inspected the Facilities to its satisfaction. Based on Buyer's independent investigation of the Facilities, Buyer has decided to execute this Agreement.

5.2 Compliance with Legal Requirements and Governmental Approvals. Except for (a) CPUC Approval; and (b) PG&E's obligations under Section 6.4; Buyer, at Buyer's sole expense, is responsible for complying with all Legal Requirements and obtaining all authorizations, consents, licenses, permits and approvals of Governmental Authorities and third persons required by applicable Legal Requirements or required by any such third persons in connection with the consummation of the transactions contemplated by this Agreement and with Buyer's operation of the Facilities, whether as a result of the PCB content or otherwise, including all consents to the assignment from PG&E to Buyer of the Facilities (or any portion thereof). Notwithstanding the foregoing, Buyer is responsible for complying with the California Environmental Quality Act ("**CEQA**") to the extent applicable, and satisfying, at Buyer's sole expense, any and all mitigation measures under CEQA that may apply to Buyer's acquisition or operation of the Facilities. Buyer shall promptly notify PG&E of any and all mitigation measures that may affect PG&E. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E, PG&E shall have the right, without liability to Buyer, to terminate this Agreement upon written notice to Buyer. In the event of such termination, PG&E and Buyer shall each be released from all obligations under this Agreement, except those that expressly survive termination. Buyer's obligations under this Section 5.2 shall survive the termination of this Agreement or the Closing.

5.3 Disclosure Regarding Hazardous Substances. PG&E hereby discloses to Buyer that Potential Environmental Hazards and Hazardous Substances, including

PCBs, may be present at, in, on, under, about, contained in, or incorporated in the Facilities or the Land, or portions thereof. Buyer represents that it is purchasing the Facilities for Buyer's own use, and not for resale. Buyer will continue to use the Facilities substantially in the manner in which they are currently being used for distribution purposes. If Buyer sells the Facilities or the Land, or any part thereof, it shall disclose, in writing, to all potential buyers, prior to the sale, that Potential Environmental Hazards and Hazardous Substances, including PCBs, may be present at, in, on, under, about, contained in, or incorporated in the Facilities or the Land, or portions thereof. Further, in the event the Facilities or the Land (or any portion thereof) are sold, conveyed or transferred in any manner to a person other than PG&E, Buyer shall incorporate in the agreement effectuating such transfer, language substantially in the same form as this paragraph. Buyer's obligations under this Section 5.3 shall survive the Closing.

5.4 Disclaimers Regarding the Facilities. BUYER ACKNOWLEDGES THAT IT IS RELYING UPON ITS OWN INDEPENDENT INVESTIGATION IN DECIDING TO PURCHASE THE FACILITIES. BUYER EXPRESSLY DISCLAIMS RELIANCE ON ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES, EITHER EXPRESS OR IMPLIED, BY PG&E, ITS OFFICERS, DIRECTORS, COUNSEL, REPRESENTATIVES OR AGENTS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PG&E EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE FACILITIES, THE PROSPECTS (FINANCIAL AND OTHERWISE) OF THE FACILITIES, THE QUALITY OF WORKMANSHIP OF THE FACILITIES, OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT. PG&E FURTHER SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY REGARDING POTENTIAL ENVIRONMENTAL HAZARDS, THE PRESENCE OF HAZARDOUS SUBSTANCES, COMPLIANCE OF THE FACILITIES WITH ENVIRONMENTAL REQUIREMENTS, OR LIABILITY OR POTENTIAL LIABILITY ARISING UNDER ENVIRONMENTAL REQUIREMENTS. NO SCHEDULE OR EXHIBIT TO THIS AGREEMENT, NOR ANY OTHER MATERIAL OR INFORMATION PROVIDED BY OR COMMUNICATIONS MADE BY PG&E, WILL CAUSE OR CREATE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED.

5.5 "AS IS" SALE. THE FACILITIES ARE BEING TRANSFERRED "AS IS, WHERE IS, AND WITH ALL FAULTS" IN THEIR EXISTING CONDITION ON THE CLOSING DATE, WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND BY PG&E, EXPRESS, IMPLIED OR STATUTORY, AND WITHOUT RECOURSE AGAINST PG&E, EXCEPT AS SET FORTH IN THIS AGREEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PG&E EXPRESSLY DISCLAIMS: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR MATERIALS.

5.6 Maintenance of Facilities Pending Closing. From the Effective Date through the Closing Date, PG&E will, at its expense, operate and maintain the Facilities in a manner consistent with PG&E practices.

6. CLOSING.

6.1 Closing Date. The parties estimate that the closing of this transaction (the "Closing") will take place on **[Insert estimated CPUC Approval Date plus six (6) months]** (the "**Estimated Closing Date**"); provided, however, that if the CPUC Approval Date has not occurred prior to the Estimated Closing Date, PG&E shall have the right (but not the

obligation) to extend the Estimated Closing Date for up to an additional one (1) year to obtain CPUC Approval, in which case the Closing Date shall occur on the date specified by PG&E, which date shall be no later than one hundred eighty (180) days following the CPUC Approval Date. If PG&E fails to obtain CPUC Approval prior to the Estimated Closing Date (as the same may be extended), this Agreement shall automatically terminate and except for agreements that expressly survive the termination of this Agreement, all obligations and liabilities of the parties under this Agreement shall terminate. If the conditions set forth in Section 4 have been satisfied (or waived by the party for whose benefit such condition precedent exists) prior to the Estimated Closing Date, the parties may mutually agree to accelerate the Closing Date. In addition, the parties may mutually agree to extend the Closing Date to take into account the scheduling of the final reading of electrical meters, weather conditions that may delay severance work, and other similar matters. The parties shall reasonably cooperate in modifying the Closing Date to accommodate the requirements of the other party, provided that in the event of any emergency situation or for other good cause, PG&E may unilaterally delay the Closing Date for a maximum of forty-five (45) days by written notice to Buyer. Upon request by PG&E, Buyer shall acknowledge the Closing Date in writing; provided, however, that Buyer's failure to execute such acknowledgement shall not affect the Closing Date.

6.2 Delivery of Funds and Documents. The parties shall take the following actions on the respective dates specified below:

(a) Within ten (10) Business Days after written request, Buyer shall pay to PG&E in U.S. dollars the Purchase Price [, the Severance Costs,] and the Taxes (to the extent the amount owing by Buyer to PG&E is determined as of the date of the request), provided that PG&E shall not request such payment until approximately thirty (30) Business Days prior to the Closing Date.

(b) On the Closing Date, PG&E shall deliver to Buyer an original Bill of Sale duly executed by PG&E. The parties agree that delivery of the Bill of Sale shall be effective upon the earlier of (i) delivery to Buyer by hand of an original Bill of Sale; or (ii) Buyer's receipt of a facsimile transmission of the Bill of Sale as evidenced by electronic confirmation of receipt. If delivery is made by facsimile transmission, PG&E shall concurrently send the original document(s) to Buyer by registered or certified mail or overnight courier.

(c) On the Closing Date or as soon thereafter as reasonably practicable, PG&E shall deliver to buyer copies of its current streetlight maps and maintenance records relating to the Facilities, to the extent the same are readily available to PG&E; provided, however, that PG&E makes no representations or warranties regarding the completeness or accuracy of said maps or maintenance records, and Buyer shall not be entitled to rely upon the information contained therein for any purpose.

6.3 Assumption of Liabilities. Upon the Closing Date, Buyer will assume all obligations and liabilities of any kind or nature whatsoever related to, arising from, or associated with ownership or possession of the Facilities.

6.4 Warranty of Title. PG&E warrants that upon CPUC Approval and execution and delivery of the Bill of Sale, Buyer shall have good title to the Facilities, free and clear of all liens and encumbrances.

6.5 Survival. The covenants, agreements, and obligations of PG&E and Buyer contained in Section 6.3 and Section 6.4 shall survive the Closing.

7. RELEASE.

7.1 Release. Buyer, for itself, and for any future owners or holders of all or a part of the Facilities and/or the Land, and each of their respective predecessors, successors, assigns, licensees, officers, directors, employees, agents, partners, shareholders, transferees, parent and subsidiary corporations, legal representatives, heirs, beneficiaries, executors and administrators hereby fully and forever releases, exonerates, discharges and covenants not to sue PG&E Parties of, from and for any and all losses (including diminution in the value of the Land and other consequential damages), costs, claims, demands, actions, suits, orders, causes of action, obligations, controversies, debts, expenses, accounts, damages, judgments and liabilities of whatever kind or nature (including fines and civil penalties), and by whomsoever asserted, in law, equity or otherwise, whether known or unknown, (each a "**Claim**" and, collectively, "**Claims**") arising from or in any way connected with the Facilities, including Claims relating to PG&E's maintenance of the Facilities prior to the Closing, Claims relating to Potential Environmental Hazards, and Claims relating to the presence of PCBs or any other Hazardous Substances in the Facilities and/or in, on or about the Land.

7.2 Statutory Waiver. Buyer acknowledges that it may hereinafter discover facts different from or in addition to those, which it now knows or believes to be true with respect to the matters that are the subject of this Agreement, and agrees that this Agreement shall remain in effect in all respects, notwithstanding the discovery of such different or additional facts. In addition, Buyer understands and agrees that its agreements and covenants contained in this Agreement extend to all Claims of any nature and kind, known or unknown, suspected or unsuspected, based in whole or in part on facts existing in the past or as of the date hereof, and in that regard, Buyer acknowledges that it has read, considered and understands the provisions of Section 1542 of the California Civil Code which reads as follows:

Section 1542. General Release

A general release does not extend to claims which a creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Based upon the advice of its counsel, Buyer knowingly and voluntarily waives and relinquishes any and all rights that it may have under Section 1542 as well as under the provisions of all comparable, equivalent, or similar statutes and principles of common law or other decisional law of any and all states of the United States or of the United States. Buyer understands and acknowledges the significance and consequences of this waiver and hereby assumes the risk of any injuries, losses or damages which may arise from such waiver.

7.3 Survival. The releases, covenants, agreements, and obligations of Buyer contained in Section 7.1 and Section 7.2 shall survive the termination of this Agreement or the Closing.

8. INDEMNITY. Buyer agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold the PG&E Parties harmless, to the fullest extent permitted by law, from and against any and all Claims (including the payment of damages, both actual and consequential, the payment of penalties and fines, the payment of the actual fees and expenses of experts, attorneys and others, and the payment of the cost of environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work and

other "response costs" under CERCLA or any other Environmental Requirements) arising from or in any way connected with: (a) any inspection of the Facilities, or activities conducted in connection therewith by Buyer, its employees, agents, or contractors prior to the Closing, including Claims arising from the passive or active negligence of PG&E Parties; or (b) the ownership, possession, use or operation of the Facilities from and after the Closing; or (c) Potential Environmental Hazards relating to the Facilities or (d) the presence, disposal, dumping, escape, seepage, leakage, spillage, discharge, emission, pumping, emptying, injecting, leaching, pouring, release or threatened release of PCBs or any other Hazardous Substances which occur on or after the Closing Date in connection with the Facilities; or (e) violation of any Legal Requirements which occur on or after the Closing Date. Notwithstanding anything to the contrary in this Section 8, Buyer shall not be required to indemnify, protect, defend or hold PG&E Parties harmless from or against any Claims that are brought by current or former employees of PG&E, their heirs, beneficiaries, executors or administrators, and which relate to such employees' activities in connection with the Facilities within the scope of their employment by PG&E. If any action or proceeding is brought against any one or more PG&E Parties for any Claim against which Buyer is obligated to indemnify or provide a defense hereunder, Buyer, upon written notice from PG&E, shall defend such action or proceeding at Buyer's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed. Buyer's obligation to defend the PG&E Parties includes the obligation to defend claims and participate in administrative proceedings, even if they are false or fraudulent. The covenants, agreements and obligations of Buyer contained in this Section 8 shall survive the termination of this Agreement or the Closing.

9. MISCELLANEOUS.

9.1 Time of Essence. Time is of the essence of this Agreement and each and every provision hereof.

9.2 Further Assurances. Each party hereto agrees to execute and deliver to the other party such further documents or instruments as may be necessary or appropriate in order to carry out the intentions of the parties as contained in this Agreement.

9.3 Binding Effect; Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, the heirs, successors and assigns of the parties hereto.

9.4 Severability. If any provision of this Agreement shall be unenforceable or invalid, the same shall not affect the remaining provisions of this Agreement and the provisions of this Agreement are intended to be and shall be severable; provided, however, if such unenforceability or invalidity alters the substance of this Agreement (taken as a whole) so as to deny either party, in a material way, the realization of the intended benefit of its bargain, such party may terminate this Agreement by notice to the other within thirty (30) Business Days after the final determination. If such party so elects to terminate this Agreement, PG&E and Buyer shall thereupon each be released from any obligations under this Agreement, except those that expressly survive termination.

9.5 Governing Laws. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

9.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.7 Notices. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be either personally delivered or transmitted by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx or Airborne Express, addressed to the parties as follows:

If to PG&E: Christine Forster
Pacific Gas and Electric Company
1918 H St.
Bakersfield, CA 93301

With a copy to:

Law Department
Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, CA 94120

If to Buyer: Nick Fidler
Public Works Acting Director
The City of Bakersfield
1501 Truxtun Avenue
Bakersfield CA 93309

The date of any notice or communication shall be deemed to be the date of receipt if delivered personally, or the date of the receipt or refusal of delivery if transmitted by mail or overnight courier. Any party may change its address for notice by giving notice to the other party in accordance with this Section 9.7.

9.8 Attorneys' Fees. In the event that either party shall bring an action to enforce its rights under this Agreement, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees, costs and expenses (including accountants', consultants' or other professionals' fees, investigation expenses and any and all other out-of-pocket expenses), including in connection with any appeal thereof. Any such attorneys' fees and expenses incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such attorneys' fees obligation is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment. For purposes hereof, the reasonable fees of in-house attorneys who perform services in connection with any such enforcement action are recoverable. The covenants of PG&E and Buyer contained in this Section 9.8 shall survive the termination of this Agreement or the Closing.

9.9 Limitation on Liability. Buyer expressly agrees that the obligations and liabilities of PG&E under this Agreement and any document referenced herein shall not constitute personal obligations of the officers, directors, employees, agents, affiliates, members, representatives, stockholders or other principals or representatives of PG&E. The limitations contained in this Section 9.9 shall survive the termination of this Agreement or the Closing.

9.10 Statute of Limitations. Any action by Buyer arising out of or in any way connected with the sale contemplated by this Agreement, whether sounding in tort, contract,

strict liability or otherwise, must be commenced within two (2) years after the cause of action therefor has accrued.

9.11 Exhibits. The following Exhibits are attached hereto and incorporated by reference into this Agreement:

Exhibit A	Description of the Facilities
Exhibit B	Form of Bill of Sale

9.12 Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration in accordance with the Commercial Arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction. All arbitration proceedings shall be conducted in San Francisco, California. Each party in any proceeding shall bear its own costs. The substantive law applied in the arbitration shall be the laws of the State of California without regard to its conflict of law principles, unless the claims or defenses raise issues of federal law in which case federal substantive law shall apply to those particular claims or defenses. The arbitrator shall be bound to apply the substantive law, and shall also be empowered to hear and determine dispositive motions, including motions to dismiss and motions for summary judgment. The arbitrator shall not be authorized to award any damages not permitted under Section 9.12.

9.13 Interpretation. The language in all parts of this Agreement shall be construed according to its normal and usual meaning and not strictly for or against either PG&E or Buyer. The headings of the paragraphs of this Agreement are inserted solely for convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any terms or provisions hereof. The words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation."

9.14 Survival. The attorneys' fees provision, the limitation on liability, the waivers of the right of jury trial, the other waivers of claims or rights, the releases and the obligations of Buyer under this Agreement to indemnify, protect, defend and hold harmless PG&E Parties shall survive the termination of this Agreement or the Closing, and so shall all other obligations or agreements of PG&E or Buyer which by their terms survive the termination of this Agreement or the Closing or which by their nature arise or occur following the termination of this Agreement or the Closing.

9.15 Authority. Each party represents and warrants that the execution, delivery and performance of this Agreement has been duly authorized by such party and each person signing this Agreement on its behalf is duly and validly authorized to do so.

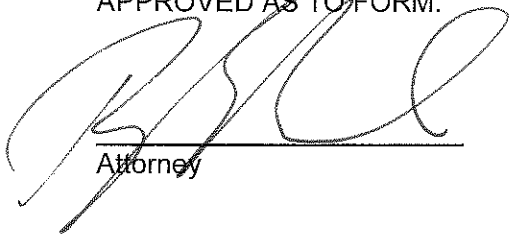
9.16 Prior Agreements. This Agreement and the exhibits hereto contain the entire understanding of the parties relating to the subject matter hereto and shall supersede any prior written or oral agreements or communications between the parties pertaining to such subject matter.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the day and year first above written.

PG&E:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

APPROVED AS TO FORM:



Attorney

By: _____

Name: _____

Its: _____

Date: _____

BUYER:

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT A

DESCRIPTION OF THE FACILITIES

BAKERSFIELD

RAUL M. ROJAS
DIRECTOR - CITY ENGINEER

PUBLIC WORKS DEPARTMENT

NICK FIDLER
GENERAL SERVICES SUPERINTENDENT

January 17, 2012

Pacific Gas & Electric
1918 H Street
Bakersfield, California 93301

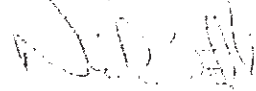
Attention: PGE Billing Team

The following street lights were annexed from the county. The City of Bakersfield requests the following street lights from Annex #593, Kimberly #1, Annex #605 and Hooper #1 be added to our billing.

Street lights are energized.

<u>POLE #</u>	<u>LOCATION</u>	<u>WATTAGE</u>	<u>VOLTAGE</u>
7067	Kimberly Ave. & Umer St. N/W Corner	70W HPS	120
7068	Kimberly Ave. 21' E/O Umer St. N/S	70W HPS	120
7069	Umer St. E/S 220' N/O Hooper Ave.	70W HPS	120
7070	Hooper Ave. E/O Umer St. N/S	70W HPS	120
7071	Hooper Ave. @ Umer St. S/S	70W HPS	120
7072	Hooper Ave. 250' W/O Umer St. S/S	70W HPS	120
7073	Hooper Ave. 424' W/O Umer St. N/S	70W HPS	120
7074	Hooper Ave. 686' W/O Umer St. S/S	70W HPS	120
7075	Hooper Ave. 1125' W/O Umer St. N/S	100W HPS	120
9497	Kimberly Ave. & Sedwick St. N/E Corner	70W HPS	120
9500	Kimberly Ave. W/O Umer St.	70W HPS	120
9664	Kimberly Ave. E/O Sedwick St. S/S	70W HPS	120
9665	Kimberly Ave. 274' Umer St. N/S	70W HPS	120
10179	Hooper Ave. 100' Brooks Ct. & Patton Wy	70W HPS	120
11304	Kimberly Ave. 100' Price Rd. N/E Corner	70W HPS	120
11305	Kimberly Ave. 250' W/O Sedwick St. N/S	70W HPS	120
11306	Hooper Ave. 480' W/O Sedwick St. N/S	70W HPS	120
11307	Hooper Ave. 480' W/O Sedwick St. S/S	70W HPS	120

Sincerely,



Nick Fidler
General Services Superintendent

GENERAL SERVICES DIVISION

FOR OFFICIAL USE ONLY
DO NOT REPRODUCE OR DISTRIBUTE

DATE: 1/17/12
PAGE: 1

Plant to be Retired
30971729(E) - 01/22/13 14:39

Asset Class	Unit of Issue	Quantity	Material Code	Major Material	Year Installed
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PG&E ADE Instructions
30971729(E) - 01/22/13 14:39

Location 1 Descr: STREET LIGHT 11304 -

Location:	1	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPSV,70,POST AE CONV3(35-0337)	2101
65	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104

Location 2 Descr: STREET LIGHT 11305 -

Location:	2	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPSV,70,POST AE CONV3(35-0337)	2101
13	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104

Location 3 Descr: STREET LIGHT 9497 -

Location:	3	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
115	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 4 Descr: STREET LIGHT 9664 -

Location:	4	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPSV,70,POST AE CONV3(35-0337)	2101
55	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104

Location 5 Descr: STREET LIGHT 9665 -

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30971729(E) - 01/22/13 14:39

Location:	5	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
91	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 6 Descr: STREET LIGHT 9500 -

Location:	6	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
56	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 7 Descr: STREET LIGHT 7067 -

Location:	7	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
129	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 8 Descr: STREET LIGHT 7068 -

Location:	8	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
98	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 9 Descr: STREET LIGHT 11306 -

Location:	9	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102

PG&E ADE Instructions
30971729(E) - 01/22/13 14:39

Location:	9	Install	
Quantity		Description	AIN
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPSV,70,POST AE CONV3(35-0337)	2101
95	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104

Location 10 Descr: STREET LIGHT 11307 -

Location:	10	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPSV,70,POST AE CONV3(35-0337)	2101
57	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104

Location 11 Descr: STREET LIGHT 7075 -

Location:	11	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
124	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 12 Descr: STREET LIGHT 7074 -

Location:	12	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
104	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 13 Descr: STREET LIGHT 7073 -

Location:	13	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104

PG&E ADE Instructions
30971729(E) - 01/22/13 14:39

Location:	13	Install	
Quantity		Description	AIN
8	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 14 Descr: STREET LIGHT 7072 -

Location:	14	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
159	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 15 Descr: STREET LIGHT 7069 -

Location:	15	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
248	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 16 Descr: STREET LIGHT 7071 -

Location:	16	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
101	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm:	LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 17 Descr: STREET LIGHT 7070 -

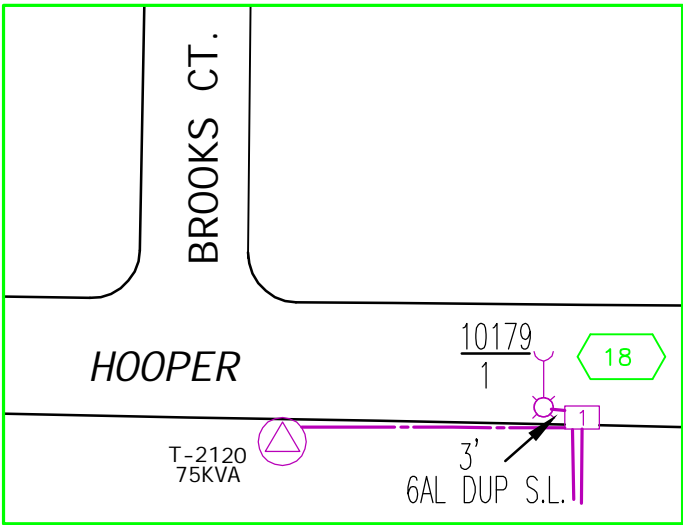
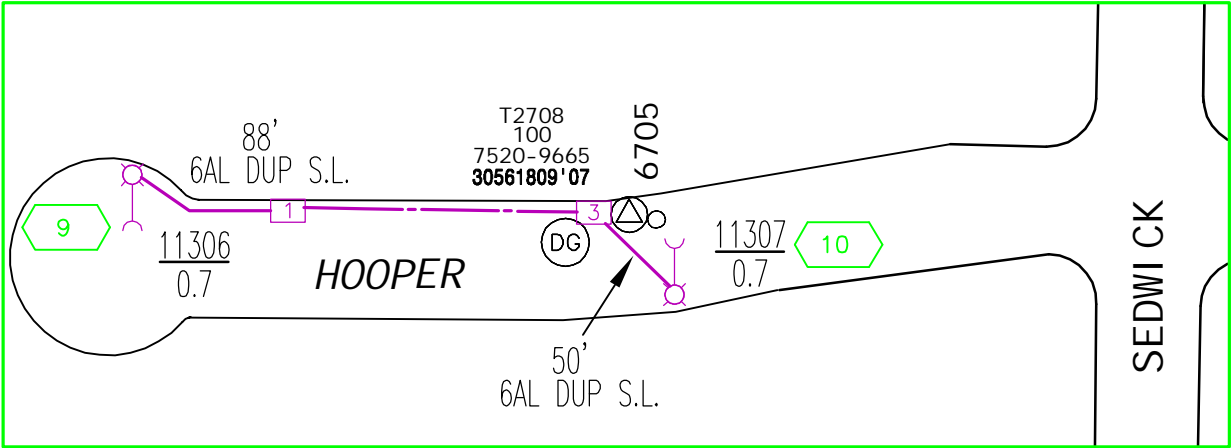
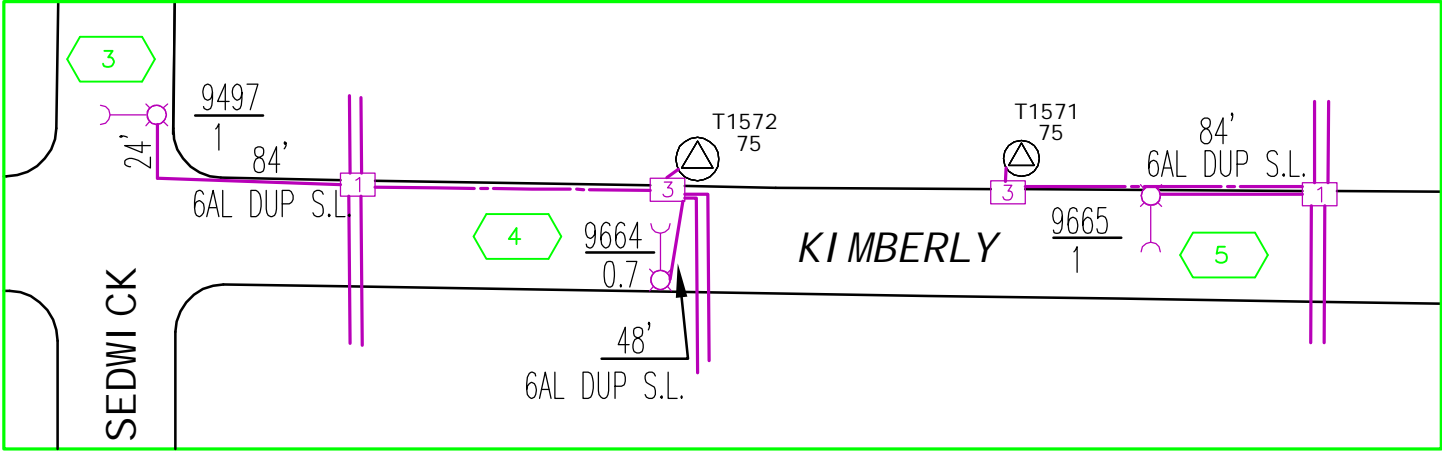
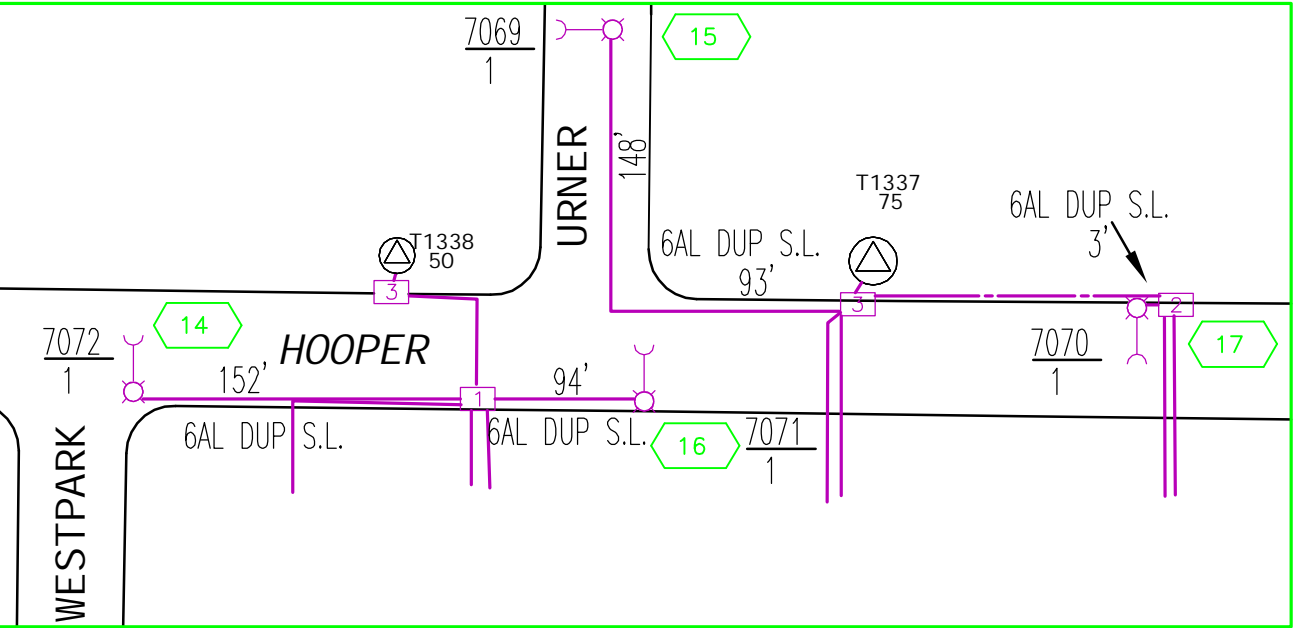
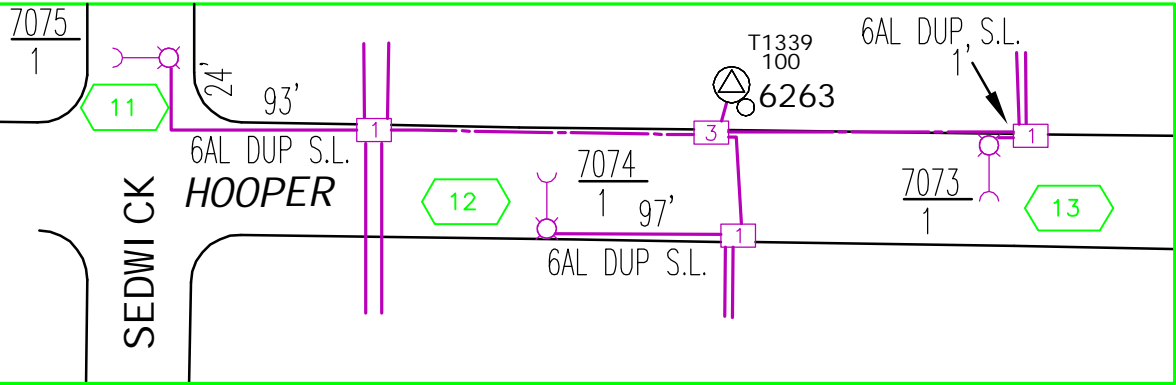
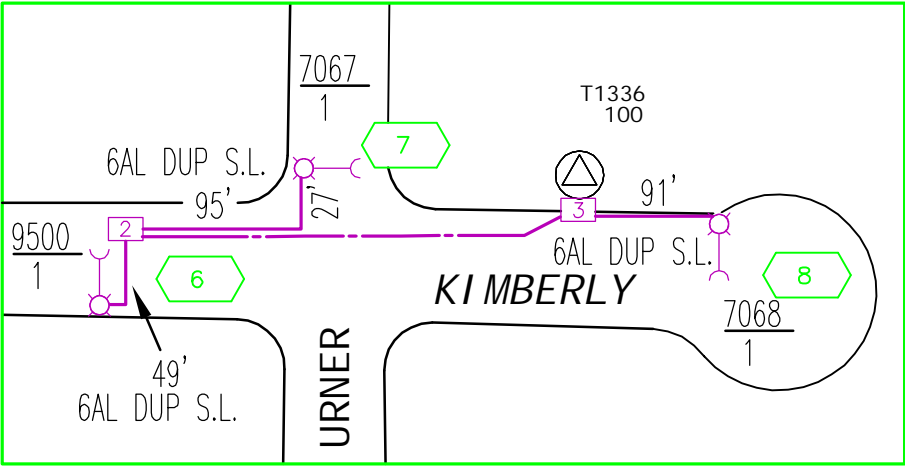
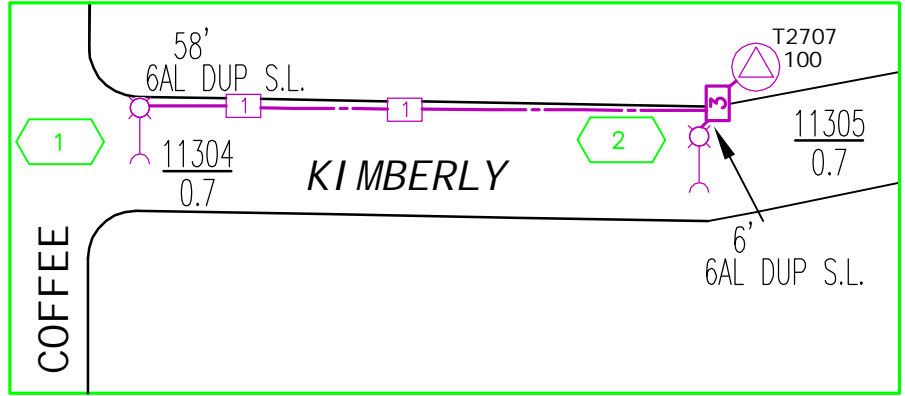
Location:	17	Install	
Quantity		Description	AIN
Cart: INSTALL			
1	Asm:	16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm:	WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm:	CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
10	Asm:	CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm:	PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101

PG&E ADE Instructions
30971729(E) - 01/22/13 14:39

Location: 17	Install	
Quantity	Description	AIN
1	Asm: LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101

Location 18 Descr: STREET LIGHT 10179 -

Location: 18	Install	
Quantity	Description	AIN
Cart: INSTALL		
1	Asm: 16'EMB STL ST LT POST 12'MTG HT(35-7248)	2102
30	Asm: WIRE,ST.LT,1/C #10CU.PVC 600V (29-4991)	2104
1	Asm: CONN,ST.LT.TAP,10CU.TO 6AL,2EA.(30-5926)	2104
10	Asm: CABLE,ST.LITE,CIC XLP DUPLEX,600V,6ALUM	2104
1	Asm: PHOTOCONTROL.T/L 120/277V BLUE (35-0870)	2101
1	Asm: LUMINAIRE,HPS,100.POST AE CONV3(35-0368)	2101



PLAT-2927162
FRUITVALE-1106
REF: 400533
REF: 487622
REF: 481807
REF: 402134
VOLT CLASS: 1
INSUL. DIST: B
LIGHTING DIST: 2

EST: KIM HOPFE		CO:	
ADE: LARRY DIAZ		SD:	
SUPV: JERRY MOORE		NOTIF.: 106580504	
REP: AMANDA CORNEJO		OTHER:	
PLNR:		SHT: SHEETS	
SCALE: 1"=100'	DATE: 1/22/2013	PM: 30971729	REV.
			
PACIFIC GAS AND ELECTRIC COMPANY			
STREETLIGHTS			
KIMBERLY & HOOPER			
BAKERSFIELD			

Severance Cost

Your total Severance cost is \$1284.06

4hrs (To disconnect 18 streetlights at 16 locations) X \$212.20 (Electric Field Services standard rate) = \$848.80

\$848.80 X 24% (A&E cost)= \$203.71 +\$848.80= \$1052.51

\$1052.51 X 22% (ITTC)=\$231.55 + \$1052.51= \$1284.06

EXHIBIT B

FORM OF BILL OF SALE

DISTRIBUTION

Original	Buyer
Copy	Division
Copy	Svc. PIng.

REFERENCE

ORDER NO.
AP NO.
SAP BD NO.
Wire Transfer No.

BILL OF SALE

Pursuant to that certain Purchase and Sale Agreement dated _____, 20____ (the "**Purchase Agreement**"), by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("**PG&E**"), and The City of Bakersfield, ("**Buyer**"), effective on the Closing Date (as defined in the Purchase Agreement), PG&E hereby sells, assigns, transfers, and delivers to Buyer all of PG&E's right, title and interest in and to the property described on **Exhibit A**, attached hereto and incorporated herein by this reference (collectively, "the **Facilities**").

As stated in Section 5.5 of the Purchase Agreement: THE FACILITIES ARE BEING TRANSFERRED "AS IS, WHERE IS, AND WITH ALL FAULTS" IN THEIR EXISTING CONDITION ON THE CLOSING DATE, WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND BY PG&E, EXPRESS, IMPLIED OR STATUTORY, AND WITHOUT RECOURSE AGAINST PG&E. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PG&E EXPRESSLY DISCLAIMS: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR MATERIALS.

Notwithstanding the above paragraph, PG&E warrants that, upon CPUC Approval and execution and delivery of the Bill of Sale, Buyer shall have good title to the Facilities, free and clear of all liens and encumbrances.

This Bill of Sale is executed pursuant to authorization contained in _____, dated _____, and is subject to all the terms and conditions of the Purchase Agreement.

IN WITNESS WHEREOF, PG&E has executed this Bill of Sale as of the date set forth below.

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

Dated: _____

By: _____
Name: _____
Its: _____

Attachment 2:
Sales Price, Expenses and Tax Effects

PACIFIC GAS AND ELECTRIC COMPANY
Streetlights Sale
City of Bakersfield
(DOLLARS)

1 SALES PROCEEDS

Sales Price	10,723
Less: Transaction Costs	0
Net Sale Proceeds	<u>10,723</u>

2 ALLOCATION OF SALES PROCEEDS BASED ON THE HISTORICAL COST OF PROPERTY

	Historical Cost	Proportional %	Valuation Method
Non-Depreciable Property (Land and Land Rights)	0	0.00%	
Depreciable Property	9,154	100.00%	
	<u>9,154</u>	<u>100.00%</u>	

3 GROSS GAIN/(LOSS) ON SALE

	Historical Cost	Net Book Value	Sales Proceeds	Pre-Tax Gain/(Loss)
Non-Depreciable Property (Land and Land Rights)	0	0	0	0
Depreciable Property	9,154	(509)	10,723	11,232
	<u>9,154</u>	<u>(509)</u>	<u>10,723</u>	<u>11,232</u>

4 TAXES ON PROPERTY

	Net Tax Value	Sales Proceeds	Before Tax Gain/ (Loss)	Tax 40.746%
Non-Depreciable Property (Land and Land Rights)	0	0	0	0
Depreciable Property	0	10,723	10,723	4,369
	<u>0</u>	<u>10,723</u>	<u>10,723</u>	
Less Accumulated Deferred Taxes				0
Total Cumulative Tax Liability				<u>4,369</u>
				After-Tax Gain/(Loss)
Pre-Tax Gain/Loss Non-Depreciable Property (Land and Land Rights)				0
Pre-Tax Gain/Loss Depreciable Property				11,232
Less Tax Liability (net of deferred taxes)				4,369
After-Tax Gain				<u>6,863</u>

5 RATE BASE CHANGES

Reduction to Gross Plant	(9,154)
Reduction to Depreciation Reserve (depreciation reserve is reduced by the historical cost of depreciable property)	9,154
Property Sale Proceeds credited to Depreciation Reserve (sales proceeds benefit to customers)	10,723
Reduction to Rate Base	<u>10,723</u>

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

AT&T	Douglass & Liddell	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Downey & Brand	OnGrid Solar
Anderson & Poole	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
BART	G. A. Krause & Assoc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	GenOn Energy, Inc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
CENERGY POWER	Green Power Institute	SDG&E and SoCalGas
California Cotton Ginners & Growers Assn	Hanna & Morton	SPURR
California Energy Commission	In House Energy	San Francisco Public Utilities Commission
California Public Utilities Commission	International Power Technology	Seattle City Light
California State Association of Counties	Intestate Gas Services, Inc.	Sempra Utilities
Calpine	K&L Gates LLP	SoCalGas
Casner, Steve	Kelly Group	Southern California Edison Company
Center for Biological Diversity	Linde	Spark Energy
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
City of San Jose	Los Angeles Dept of Water & Power	Sunshine Design
Clean Power	MRW & Associates	Tecogen, Inc.
Coast Economic Consulting	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Commercial Energy	Marin Energy Authority	TransCanada
Cool Earth Solar, Inc.	McKenna Long & Aldridge LLP	Utility Cost Management
County of Tehama - Department of Public Works	McKenzie & Associates	Utility Power Solutions
Crossborder Energy	Modesto Irrigation District	Utility Specialists
Davis Wright Tremaine LLP	Morgan Stanley	Verizon
Day Carter Murphy	NLine Energy, Inc.	Water and Energy Consulting
Defense Energy Support Center	NRG Solar	Wellhead Electric Company
Dept of General Services	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Division of Ratepayer Advocates	North America Power Partners	