

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 5979E
As of December 10, 2020

Subject: Sales of Sole Customer Facilities to Sonoma Valley Unified School District Request for Approval Under Section 851 and General Order 173

Division Assigned: Energy

Date Filed: 10-20-2020

Date to Calendar: 10-23-2020

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	11-24-2020

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Annie Ho

415-973-8794

PGETariffs@pge.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



October 20, 2020

Advice 5979-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Sales of Sole Customer Facilities to Sonoma Valley Unified School District – Request for Approval Under Section 851 and General Order 173

Purpose

Pacific Gas and Electric Company (PG&E or the Company) requests Public Utilities Commission (Commission) approval under Public Utilities Code (Section 851) and General Order 173 to sell certain electric facilities and associated appurtenances (Facilities) to Sonoma Valley Unified School District (“SVUSD”) on the terms and conditions specified in the Purchase and Sale Agreement (“Agreement”) that is provided in Attachment 1. SVUSD is the only customer served by these electric Facilities. The purchase price for the Facilities of \$20,217 will compensate PG&E for its investment in the Facilities, consistent with the Commission’s treatment of sole customer facility sales.

PG&E files this request pursuant to the authority granted in Decision (D.) 99-12-030, as modified by D.04-08-031, authorizing PG&E to pursue a proposed sale of limited sole-customer public utility facilities, such as the facilities proposed by this transaction. As discussed further below, PG&E requests that this advice letter be approved by December 1, 2020, to ensure that SVUSD’s future project meets the development milestones committed by SVUSD to the California Energy Commission.

PG&E has inspected the Facilities described in the Agreement and has determined that the sale of the Facilities do not interfere with PG&E’s operations or PG&E’s ability to provide safe and reliable utility service to its customers. In addition, the sale of these Facilities will not be adverse to the public interest.

Background

PG&E owns the 75 kilovolt ampere (kVA) pad-mounted transformer and secondary underground cable that currently provide service only to the Sonoma Valley Unified School District operations located at 18751 Railroad Avenue in Sonoma, California. The site consists of El Verano Elementary School, and an adjacent industrial site including the School District’s bus depot and administrative offices of its Transportation Department.

Under the proposed Agreement, SVUSD would purchase these facilities and then later develop, own, and operate a low-carbon community scale microgrid consisting of a new battery energy storage system (BESS) wholesale generating facility, a new retail photovoltaic (PV) array, and an existing retail PV array (collectively the "Bus Barn Microgrid").

The Bus Barn Microgrid is a unique pilot project co-sponsored by the Electric Power Research Institute ("EPRI"). The \$2.4MM project is being funded through a \$1.8MM Electric Program Investment Charge ("EPIC") grant from the California Energy Commission ("CEC") and another \$0.5MM from project participants including the school district. The EPIC grant has an aggressive schedule with hard deadlines as detailed below. PG&E will support the Bus Barn Microgrid with technical assistance and guide the project team through the interconnection process for the new storage and PV assets.

The Bus Barn Microgrid pilot is intended to demonstrate a microgrid solution that integrates front-of-the-meter energy storage with smart PV inverters and satellite-based forecasting to address grid readiness limitations. At the distribution level, the project's goal is to better understand how distributed energy resource (DER) assets can be jointly managed to mitigate adverse PV impacts and increase PV hosting capacity.

The Bus Barn Microgrid is being interconnected under the CPUC jurisdictional tariffs and the BESS will participate in the wholesale electrical markets. As part of the overall project design and on a non-precedential basis for purposes of this pilot, PG&E has agreed to sell the secondary electrical service facilities in order to meet the operational goals of the CEC grant funding. PG&E is only amenable to selling SVUSD the primary service cable, the 75KVA transformer, and the 120/208V secondary service cable as an accommodation to support this CEC funded microgrid research project, which would not otherwise be possible to implement in the short term if SVUSD were required to build its own parallel primary voltage interconnection facilities.

Under the terms of the Purchase and Sale Agreement, SVUSD is purchasing existing PG&E electric primary and secondary distribution and service facilities that currently serve the site, principally a 75 kVA transformer, 190 feet of underground primary cable and 254 feet of 1/0 secondary cable from PG&E.

The proposed transaction is not adverse to the public interest. The Facilities at issue are located entirely on SVUSD owned premises and currently serve only SVUSD loads and do not cross a public right of way. The proposed, non-precedential transfer of the Facilities will not affect PG&E's ability to provide safe and reliable utility service to its customers. Moreover, once the transaction is completed, PG&E will be relieved of liability for maintenance and service related to these sole-customer facilities.

For all the above reasons, PG&E requests that the Commission approve this Section 851 request to sell sole-customer facilities and find that doing so is not adverse to the

public interest because it will not impair PG&E's provision of safe and reliable utility service.

In accordance with General Order 173, Rule 4, PG&E provides the following information related to the proposed transaction:

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

Pacific Gas and Electric Company	Sonoma Valley Unified School District
Steven Frank	Bruce Abbott
Law Department	Associate Superintendent
P.O. Box 7442	17850 Railroad Ave.
San Francisco, CA 94120	Sonoma CA, 95476
Telephone: (415) 973-6976	Telephone: 707-935-4249
Facsimile: (415) 973-5520	Facsimile: 707-939-2236
Email: steven.frank@pge.com	Email: Babbott@sonomaschools.org

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

The facilities subject to this transaction consist of a transformer and secondary underground cables. These facilities are located at 18751 Railroad Avenue in Sonoma, California on property owned by the SVUSD. A complete description of the Facilities to be sold to SVUSD is provided as Exhibit A of the Agreement (Attachment 1).

(c) Intended Use of the Property:

Upon CPUC approval of the sale, the Facilities will be used solely to support SVUSD's community scale microgrid.

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

SVUSD has agreed to purchase the facilities and associated appurtenances subject to this advice letter for the price of \$20,217, which compensates PG&E for its investment in the Facilities. A list of the facilities is attached as Exhibit A to the Agreement (Attachment 1).

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

The facilities for sale consist of secondary electric service assets. Disposition of the proceeds from the sale of the Facilities will be made in accordance with the policy for the allocation of the gains and losses on the sale of electric distribution assets adopted in the Commission's Gain on Sale Rulemaking, in D.06-05-041, as modified in D.06-12-043. Pursuant to the forgoing authority, PG&E will credit the proceeds from the sale to the Depreciation Reserve, consistent with CFR

Title 18, Electric Plant Instruction 10, Paragraph F. accounting and consistent with CPUC treatment of sole customer facility sales in D.04-08-031.

Attachment 2 details PG&E's allocation of the proceeds from the sale.

(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:

Pursuant to the authority granted in D.99-12-030 and D.04-08-031, the purchase price is greater than or equal to replacement cost new less depreciation. (RCNLD). As a result of the sale, PG&E's rate base will be reduced by the proceeds, which will be credited to the depreciation reserve as a net benefit to PG&E ratepayers. This submittal will not increase any other rate or charge, cause the withdrawal of service or conflict with any rate schedule or rule.

The transaction will not have any impact on the ability of PG&E to serve its customers and the public in general.

(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):

The original cost of the facilities was \$18,999 and the net book value of the facilities is \$13,883 (Attachment 2). The fair market value of the facilities was estimated as the RCNLD.

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

Not applicable.

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

Not applicable.

(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:

There are no recent past or anticipated future transactions anticipated by PG&E or SVUSD that are related to the present transactions.

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

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

- The activity proposed in the transaction will not require environmental review by the CPUC as a Lead Agency;
- 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:

No information is readily available other than what has already been included within this advice letter submittal.

(m) Environmental Information

Pursuant to General Order 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 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 the proposed transaction will result only in a change in ownership; therefore, the proposed transaction will not require environmental review. (See *Friends of the Sierra Railroad v. Tuolumne Park and Recreation District* (2007)147 Cal. App. 4th 643, 664 (transfer of property without identifiable future physical changes not a "project").) The facilities are currently – and will continue to be – located on SVUSD-owned property, serving only SVUSD loads. No project is cognizable under CEQA because there is no indication that approval of this advice letter or the asset transfer itself will result in a physical change to the environment. (See Pub. Resources Code, § 21065 (project under CEQA requires a direct or reasonably foreseeable indirect physical change in the environment).) SVUSD's future plans to develop a microgrid, which may or may not result in a physical change to PG&E's facilities, will undergo any required environmental review during approval of that project.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than November 9, 2020 which is 20 days after the date of this submittal. Protests must be submitted 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:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
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 letter become effective on November 19, 2020, which is 30 days from the date of submittal.

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 submittals can also be accessed electronically at: <http://www.pge.com/tariffs>.

_____/S/

Erik Jacobson
Director, Regulatory Relations

Attachment 1: Purchase & Sale Agreement

Attachment 2: PG&E's Valuation and Distribution of Proceeds

***** **SERVICE LIST for Advice 5979-E** *****
APPENDIX A

Jonathan Reiger
Legal Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 355-5596
jzr@cpuc.ca.gov

Mary Jo Borak
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-1333
bor@cpuc.ca.gov

Robert (Mark) Pocta
Public Advocates Office
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703- 2871
robert.pocta@cpuc.ca.gov

Andrew Barnsdale
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-3221
bca@cpuc.ca.gov

*****3rd Parties*****

Sonoma Valley Unified School District
Bruce Abbott
Associate Superintendent
17850 Railroad Ave.
Sonoma CA, 95476
Telephone: 707-935-4249
Facsimile: 707-939-2236
Email: Babbott@sonomaschools.org

Sonoma County Clerk-Recorder
585 Fiscal Dr # 103F,
Santa Rosa, CA 95403
ClerkRecorder@sonoma-county.org



ADVICE LETTER 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 ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: AMHP@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5979-E

Tier Designation: 2

Subject of AL: Sales of Sole Customer Facilities to Sonoma Valley Unified School District – Request for Approval Under Section 851 and General Order 173

Keywords (choose from CPUC listing): Agreements, Section 851

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

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:

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☒ No

Requested effective date:

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 proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

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

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Clear Form

Attachment 1

Purchase & Sale Agreement

**PURCHASE AND SALE AGREEMENT
(Customer Specific Sales)**

By and between

**PACIFIC GAS AND ELECTRIC COMPANY, A CALIFORNIA CORPORATION,
as Seller,**

and

**SONOMA VALLEY UNIFIED SCHOOL DISTRICT,
as Buyer**

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of this 29th day of September, 2020 ("**Execution Date**") by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("**PG&E**"), and **SONOMA VALLEY UNIFIED SCHOOL DISTRICT**, a school district existing under the laws of the State of California ("**Buyer**").

RECITALS:

A. PG&E currently owns the facilities described on **Exhibit A** attached hereto (the "**Facilities**"). The Facilities are located on the real property described on **Exhibit B** attached hereto (the "**Land**"). Buyer has adequate rights and interests in the Land for purposes of owning, operating and maintaining the Facilities.

B. Buyer, with cooperation and financial support from an Electric Program Investment Charge grant from the California Energy Commission, intends to establish a pilot microgrid project and has expressed a desire to purchase the Facilities, and, based upon these unique circumstances, PG&E is willing to sell the Facilities to Buyer on the terms and conditions set forth in this Agreement to support the pilot project.

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 on the terms and conditions set forth in **Exhibit C** 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, and unappealable 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 sole 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 sole 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 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, but are not limited to, the following: 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.).

1.13 Excluded Taxes. "**Excluded Taxes**" means 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.

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

1.15 Execution Date. "**Execution Date**" has the meaning given in the preamble paragraph.

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 is 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; or (g) fuel or chemical storage tanks, energized electrical conductors or equipment, or natural gas transmission or distribution pipelines; or (h) other potentially hazardous substances, materials, products or conditions.

1.19 Land. "**Land**" means the real property described on **Exhibit B** 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 Party and Parties. "**Parties**" means collectively, PG&E and Buyer. "**Party**" means either PG&E or Buyer, individually.

1.22 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, and successors and assigns.

1.23 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.

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

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

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

1.27 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. The purchase price for the Facilities is Twenty Thousand Two Hundred and Seventeen Dollars (\$20,217.00) ("**Purchase Price**").

3.2 Severance Costs. The costs and tax liabilities incurred to physically separate the Facilities from the balance of PG&E's distribution facilities ("**Severance Costs**") shall be addressed in a separate agreement between PG&E and Buyer. Such agreement may take the form of PG&E's "Work At the Request of Others" agreement. As between PG&E and Buyer, payment of all Severance Costs shall be the sole and exclusive responsibility of Buyer. Buyer agrees to pay, and shall pay, for all Severance Costs as provided in such separate agreement with PG&E.

3.3 Taxes.

(a) Except for (i) any Excluded Taxes for which Buyer will have no liability and (ii) those Tax liabilities for which Buyer receives an exemption, Buyer shall pay all Taxes that are levied or imposed 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 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.

(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 shall be responsible for all such Taxes levied or imposed for the period up to the Closing Date; and Buyer shall be responsible for all such Taxes levied or imposed (and not exempt from taxation) 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 are levied or imposed (and not exempt from taxation) in connection with a change in ownership of the Facilities.

(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) Notwithstanding any other provision of this Section 3.3 Buyer shall have no obligation to deposit with PG&E or pay state taxes to which it is exempt as long as it complies with all Legal Requirements necessary to qualify for the exemption.

(g) 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 (by Buyer) 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 (by PG&E) 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.

(c) Buyer shall be a member of USA North 811 and shall provide to PG&E evidence of such membership that is reasonably satisfactory to PG&E.

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. Buyer agrees to cooperate with PG&E's actions to obtain CPUC Approval including, if requested by PG&E, 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. 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 any 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 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, WHERE 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 Execution 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. PG&E estimates that the closing of this transaction (the "Closing") will take place no more than ninety (90) days following the CPUC Approval Date (the "Estimated Closing Date"); provided, however, that PG&E shall have the right (but not the obligation) to extend the Estimated Closing Date for up to an additional one (1) year as PG&E deems necessary in its sole discretion, in which case the Closing Date shall occur on the date specified by PG&E. 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 and other similar matters. The Parties shall reasonably cooperate in modifying the Closing Date to accommodate the requirements of the other Party. 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 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 expected 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 pdf copy of the executed Bill of Sale as evidenced by electronic confirmation of receipt. If delivery is made by electronic mail, PG&E shall concurrently send the original document(s) to Buyer by registered or certified mail, or overnight courier.

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, including responsibility for the timely payment of all Severance Costs as required in the separate agreement with PG&E described in Section 3.2. Buyer also shall maintain a membership with USA North 811 (or its successor) and ensure

compliance with the requirements of USA North 811 (or its successor) for so long as Buyer (or any of its successors or assigns of the Facilities) owns, operates or maintains 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 valid title to the Facilities.

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) the 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 operation or 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 any 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 Right of First Refusal. If, at any time after Closing:

- 1) Buyer wishes to sell or otherwise transfer ownership or transfer control of the Facilities acquired by Buyer pursuant to this Agreement or;
- 2) Sonoma Clean Power ceases to provide electric energy service to Buyer by means of PG&E electric distribution facilities,

then PG&E shall have the first priority option ("Right of First Refusal") to purchase the Facilities.

In either circumstance, Buyer shall offer PG&E the Right of First Refusal by promptly providing written notice to PG&E of the circumstances ("Notice") and, if Option 1, also including a copy of any signed offer to purchase, transfer ownership or transfer control that Buyer has received. PG&E shall have the right to purchase the Facilities or to control the Facilities on the identical terms and conditions set out in the Notice ("Offer Terms") or, in the case of Option 2 above, to

purchase the Facilities for a price based upon Replacement Cost New Less Depreciation; however, PG&E may substitute cash for any non-cash form of payment proposed and PG&E shall have sixty (60) days after the exercise of PG&E's Right of First Refusal to close the purchase or transfer. PG&E will notify Buyer in writing within fifteen (15) days of receipt of the Notice if PG&E plans to exercise its Right of First Refusal. Upon the transmission of notice by PG&E that it plans to exercise the Right of First Refusal, there shall immediately arise between PG&E and Buyer, a binding contract of purchase and sale or transfer at the Offer Terms contained in the Notice previously provided by Buyer or based upon Replacement Cost New Less Depreciation, whichever is appropriate. In the event that PG&E elects not to exercise its rights under this Agreement to purchase or take control of the Facilities, Buyer may sell or transfer the Facilities to the initial offering third party under the Offer Terms. In the event that the initial offering third party does not ultimately purchase or take control of the Facilities on the Offer Terms, then PG&E's Rights of First Refusal pursuant to Agreement shall continue to apply to Facilities.

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 No Third-Party Beneficiary. This Agreement is for the exclusive benefit of the Parties hereto and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person, entity or third party. Nothing in this Agreement shall be deemed to give rise to a partnership or joint venture among the Parties nor establish a fiduciary or similar relationship among the Parties.

9.6 No Precedent. The Parties agree that the terms, conditions and details of this Agreement are unique and are addressed to the specific circumstances of the Parties and shall in no event provide a precedent, policy or practice for the position of either Party or for treatment of third parties in relation to like or unlike matters arising in the future.

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

9.8 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. Delivery of an executed counterpart of this Agreement by electronic mail will

be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by electronic mail also will deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

9.9 Notices. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be (i) personally delivered, (ii) sent by registered or certified mail, return receipt requested, postage prepaid, (iii) sent by a nationally recognized overnight courier, or (iv) transmitted by electronic mail, provided that a copy of the e-mail notice also is sent on the day of transmission by recognized overnight courier for delivery on the immediately succeeding business day, in each case addressed to the Parties as follows:

If to PG&E:

Megan Lawson
Pacific Gas and Electric Company
Regulatory Relations
P.O. Box 770000, Mail Code N10A
San Francisco, CA 94177
MEHr@pge.com

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:

Bruce Abbott
Associate Superintendent – Business Services
Sonoma Valley Unified School District
17850 Railroad Ave
Sonoma, CA 95476

The date of any notice or communication shall be deemed to be the date of receipt if delivered personally, the date of the receipt or refusal of delivery if transmitted by mail or overnight courier, or upon confirmation of successful transmission by electronic mail, provided that the e-mail notice is transmitted on a Business Day and a copy of the email notice also is sent on the day of transmission by recognized overnight carrier for delivery on the immediately succeeding Business Day. Any Party may change the address for notice by giving notice to the other Party in accordance with this Section.

9.10 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 inhouse attorneys who perform services in connection

with any such enforcement action are recoverable. The covenants of PG&E and Buyer contained in this Section shall survive the termination of this Agreement or the Closing.

9.11 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 shall survive the termination of this Agreement or the Closing.

9.12 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 six (6) months after the termination of this Agreement or the Closing Date.

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

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

9.14 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 ("**AAA**"), 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. The prevailing Party in any such proceeding shall be entitled to recover its costs paid to AAA (or other agreed upon tribunal) for presiding over the arbitration. 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 this Agreement.

9.15 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." Except where the context otherwise requires, "or" shall have the inclusive meaning frequently designated by "and/or".

9.16 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.

EXHIBIT A**DESCRIPTION OF THE FACILITIES**

Asset Class	Unit of Issue	Quantity	Material Code	Major Material	Year Installed
EDP3690 2	EA	1	01-65833	Padlock Shackle Stamped PG&E	2011
EDP3680 2	EA	1	26-1405	75 KVA 12/21 208/120 IIE PM MS	2011
EDP3690 2	FT	275	29-0373	Cable 1/0 AL 25KV EPR-CON	2011
EDP3690 2	RE	0.3	29-0373	Cable, 750 AL, 600V, XLP, QPX	2011
EDP3680 2	EA	3	30-0480	Elbow Cable PRMLD Load Break	2011
EDP3680 2	EA	3	30-0481	Bushing Insert Load Break	2011
EDP3680 2	EA	3	30-0486	Bushing Well, 200A, 25KV	2011
EDP3690 2	EA	6	30-3833	Conn. Svc. Cable/Spade, 700/750 AL	2011
EDP3680 2	EA	3	33-2439	Fuse, Expulsion 8 AMP	2011
EDP3690 2	EA	1	N/A	Lubricant Cable Pulling	2011
EDP3690 2	EA	1	N/A	Misc Items	2011

EXHIBIT B

DESCRIPTION OF THE LAND



Applicant to Trench, Install Substructures & Install TX & Cable.

- 1) Call for a Trench Inspection (707-579-6477) 1 week before backfilling. For Greenbook questions visit www.pge.com/greenbook.
- 2) Use manufactured conduit sweep, no heat bends. Total bends in one run not to exceed 330 deg.
- 3) All horizontal secondary & service bends to be 36" radius. All horizontal Primary bends to be 60" radius. All bends entering sec/svc boxes or TX pads to be 36" radius. All vertical primary bends to be 36" radius.
- 4) Spare conduits are not to enter boxes unless specified by drawing. Terminate conduits past curb or behind sidewalk. If driveway exists at termination point, turn conduit 90deg and terminate past driveway.
- 5) Applicant to install all boxes, pads and subsurface equipment enclosures to final grade and meet all requirements of PG&E drawing 051122.
- 6) Install cable protectors on all conduits entering splice boxes (unless duct terminators are used) per PG&E drawing 062288 table 12.
- 7) Primary boxes to be installed per PG&E drawing 062000.
- 8) Secondary boxes to be installed per PG&E drawing 028028.
- 9) Conduits to be installed per PG&E drawing 062288. Temporary end caps to be installed on all conduit.

PROJECT CONDITIONS STAMP	
Type(s) of Work:	
<input checked="" type="checkbox"/> New Business	
<input type="checkbox"/> PG&E Maintenance & Construction	
Project Conditions:	
<input checked="" type="checkbox"/> NONE APPARENT (if project design changes, contact ADE)	
or	
<input type="checkbox"/> CONDITIONS APPLY:	
<input type="checkbox"/> PERMITS	<input type="checkbox"/> TAILBOARD
<input type="checkbox"/> OTHER	
(Provide additional information on line below)	
BY: _____ <div style="text-align: center; font-size: small;">SIGNATURE, NAME, [CORPORATE ID], DATE</div>	

NOTES:

REFER TO ELECTRIC & GAS SERVICE REQUIREMENTS (GREEN BOOK) OR SEPARATE PG&E STANDARD DRAWINGS. CONTACT YOUR PG&E REPRESENTATIVE FOR COPIES

CONDUIT, TRENCHING, AND BACKFILL:

1. ALL DIMENSIONS ARE ESTIMATED AND LOCATIONS ARE APPROXIMATE.
2. APPLICANT IS TO PROVIDE AND INSTALL ALL UNDERGROUND FACILITIES SHOWN ON THIS DRAWING IN ACCORDANCE WITH PG&E ENGINEERING STANDARDS AND THE FOLLOWING.
3. APPLICANT IS TO PROVIDE ALL TRENCHING, SHADING, BACKFILL AND COMPACTION.
4. 4" OF SAND IS REQUIRED ABOVE AND BELOW CONDUIT IF NATIVE SOIL IS NOT FREE OF ROCKS, HARDPAN, ETC. BACKFILL SHALL MEET APPROVAL OF PG&E INSPECTOR.
5. SERVICE CONDUIT: APPENDIX B, 063927, PAGE 2 TBL1 & 2 (RESIDENTIAL). APPENDIX B, 063928, PAGE 3 TBL1 & 2 (COMMERCIAL / INDUSTRIAL).
6. DISTRIBUTION CONDUIT: PG&E DRAWING 062288 PAGES 1-14.
7. PROVIDE LONG CONDUIT SWEEPS WHERE INDICATED. RECOMMENDED SWEEP RADII (10' OF RADIUS PER INCH OF CONDUIT DIAMETER) EXAMPLE: 4" CONDUIT = 40' RADIUS
8. MANUFACTURED BENDS OR APPLICATION OF HEAT SHALL NOT BE USED TO OBTAIN LONG CONDUIT SWEEPS.
9. ALL CONDUITS SHALL BE PROVEN AND A POLYESTER PULLING TAPE INSTALLED.
10. MANUFACTURED BENDS ARE NOT TO BE CUT, SHORTENED, OR ALTERED IN ANY WAY.
11. INSTALL:
 - a.) TEMPORARY CAPS ON CONDUITS STUBBED AT RISER POLES, PADS AND BOXES.
 - b.) PERMANENT CAPS ON BURIED CONDUIT ENDS.
 - c.) END BELL FITTINGS ARE REQUIRED FOR ALL CONDUITS ENTERING AN ENCLOSURE KNOCKOUT OR PAD WINDOW (THEY MUST BE GROUTED)
 - d.) 36" MINIMUM RADIUS VERTICAL BEND FOR PRIMARY CONDUIT. 60" FOR HORIZONTAL BENDS.
 - e.) 36" MINIMUM RADIUS BEND FOR SERVICE AND SECONDARY CONDUIT.
12. IDENTIFY ENDS OF BURIED CONDUIT WITH A VERTICAL CONDUIT SCRAP INSTALLED FROM RIGID CAP TO GROUND LEVEL.
13. CONDUITS ENTERING PRIMARY BOXES SHALL BE AT A RIGHT ANGLE TO THE WINDOW OR WALL.
14. STUB CONDUITS AT RISER POLES IN QUADRANTS AS SHOWN. AT IDENTIFIED POLE LOCATIONS, THE TRENCHING AGENT IS TO EXCAVATE TO TRENCH DEPTH AND INSTALL A 30" DIAMETER CARDBOARD TUBE. THE RISER CONDUIT BEND IS TO BE PLACED OUTSIDE AND ADJACENT TO THE TUBE AT THE POLE QUADRANT INDICATED. BACKFILL AROUND AND INSIDE TUBE WITH CLEAN NATIVE FILL.

PADMOUNTED TRANSFORMERS, SWITCHES, AND JUNCTION BOXES

20. CONCRETE AND PRECAST PADS FOR THREE PHASE TRANSFORMERS: APPENDIX B, 045292 PAGES 1-6.
21. CONCRETE PADS FOR PMH LOAD-BREAK SWITCHES: PG&E DRAWING 053318 PAGES 9-12.
22. CONCRETE PADS FOR PADMOUNTED FUSED SWITCHES PMH 41 & 43: PG&E DRAWING 061043, PAGES 9-12.
23. PRECAST PADS FOR PADMOUNTED CAPACITOR: PG&E DRAWING 066197, PAGE 13-13.
24. PRECAST PADS FOR PADMOUNTED PRIMARY JUNCTION: PG&E DRAWING 066212, PAGE 5-6

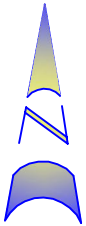
GROUND, BARRIER PROTECTION, AND LANDSCAPE

25. GROUND RODS: APPENDIX B, 013109 PAGES 3-3. (INSTALL 3/4" x 12' IN PRIMARY BOXES)
26. APPLICANT TO INSTALL ALL GROUND RODS AND INTERCONNECTING WIRE BETWEEN GROUNDS.
27. PROTECTION (BARRIER POSTS) FOR PADMOUNTED EQUIPMENT: APPENDIX B, 051122 PAGES 7-24.
28. FINAL DETERMINATION OF BARRIER POST INSTALLATION AND NUMBER WILL BE BY PG&E INSPECTOR
29. LANDSCAPE SCREENING: APPENDIX B, 063422 PAGES 1-12.



FLEXIBLE STEEL MANDREL

ALL CONDUITS WILL BE PROVEN TO BE FREE OF DEFECTS BY SUCCESSFULLY PULLING A MANDREL THROUGH THE ENTIRE CONDUIT SYSTEM. PG&E WILL PROVIDE THE MANDREL, APPLICANT TO PROVIDE LABOR TO PULL MANDREL AND TWO LENGTHS OF MULE TAPE, WHICH WILL BE ATTACHED TO BOTH ENDS OF MANDREL. (PG&E CODE FOR PULLING TAPE--560154). GREENBOOK SECTION 5.3.4



LL-33-20

Sonoma 1104

Thomas Bros: 447, C4






Class 2 Design Voltage

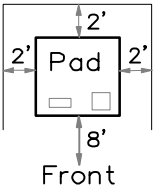
Corrosion District

Insulation Dist: B

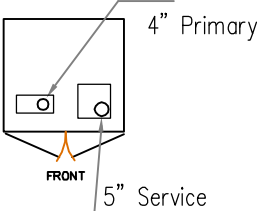
Contact: Juan 916-817-7118

LEGEND

- | | |
|--|---|
|  | Applicant to Install 3-1/0A EPR-Conc-Encap-PE, 25kV Primary Cable (290047) in 4" Conduit. |
|  | Applicant to Install 750AQ Service Cable (290373) in 5" Conduit. |
|  | Applicant to install 75kVA PM TX (261405) on 61"x80" Pad (040291). |
|  | PG&E to Replace "Y" Splices with a 4-Way Load-Break Junction. |
|  | PG&E To Remove 320' of 350AQ Service. |



Transformer Clearance



Conduit Routing

Commercial UG Service
Applicant Install and Trench
18751 Railroad Ave.
Sonoma

PACIFIC GAS AND ELECTRIC COMPANY

PLEASE

EST: Francis Duner

ADE: Eben von Koss

SUPV: Karen Bell-Tonkovich

REP: Francis Duner

PLNR:

SCALE: _____ DATE: _____

FD

AS AND ELECTRIC

○ ○ ○

MPANY

3099802

STAT

EXHIBIT C**FORM OF BILL OF SALE****BILL OF SALE**

Pursuant to that certain Purchase and Sale Agreement dated October 6, 2020 (the "**Purchase Agreement**"), by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("**PG&E**"), and **SONOMA VALLEY UNIFIED SCHOOL DISTRICT**, a school district existing under the laws of the State of California ("**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 facilities described on **Exhibit A**, attached hereto and incorporated herein by this reference (collectively, the "**Facilities**").

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 valid title to the Facilities.

This Bill of Sale is subject to all of the terms and conditions of the Purchase Agreement. As set forth in the Purchase Agreement, Buyer and its successors and assigns to the Facilities represent, warrant and agree to be members, and comply with the requirements, of USA North 811 (or its successor) for so long as Buyer (or any such successor or assign) owns, operates, or maintains the Facilities.

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: 10/6/2020

By: Satvir Nagra
Name: Satvir Nagra
Its: _____

EXHIBIT A TO BILL OF SALE**DESCRIPTION OF THE FACILITIES**

Asset Class	Unit of Issue	Quantity	Material Code	Major Material	Year Installed
EDP3690 2	EA	1	01-65833	Padlock Shackle Stamped PG&E	2011
EDP3680 2	EA	1	26-1405	75 KVA 12/21 208/120 IIE PM MS	2011
EDP3690 2	FT	275	29-0373	Cable 1/0 AL 25KV EPR-CON	2011
EDP3690 2	RE	0.3	29-0373	Cable, 750 AL, 600V, XLP, QPX	2011
EDP3680 2	EA	3	30-0480	Elbow Cable PRMLD Load Break	2011
EDP3680 2	EA	3	30-0481	Bushing Insert Load Break	2011
EDP3680 2	EA	3	30-0486	Bushing Well, 200A, 25KV	2011
EDP3690 2	EA	6	30-3833	Conn. Svc. Cable/Spade, 700/750 AL	2011
EDP3680 2	EA	3	33-2439	Fuse, Expulsion 8 AMP	2011
EDP3690 2	EA	1	N/A	Lubricant Cable Pulling	2011
EDP3690 2	EA	1	N/A	Misc Items	2011

9.17 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.


9.18 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:

DocuSigned by:

DEAC9743FE2B4BE...
Attorney

By: Satvir Nagra
817CB0918B6D43E...

Name: Satvir Nagra

Its: _____

Date: 10/6/2020

BUYER:

Sonoma Valley Unified School District

By: Bruce Abbott
Name: Bruce Abbott

Date: 9-14-2020

Attachment 2

PG&E's Valuation and Distribution of Proceeds

Pacific Gas and Electric
Sonoma Valley Bus Barn Sale to SVUSD
(DOLLARS)

Update Accounts if they're settling elsewhere

1 SALES PROCEEDS

Sales Price	C1	20,217	1080140
Less: Transaction Costs	C2	-	1020001
Net Sale Proceeds		20,217	

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

	Historical Cost	Proportional %
Non-Depreciable Property (Land)	B1 -	0.00%
Depreciable Property	18,999	100.00%
CWIP	-	0.00%
	18,999	100.00%

3 GROSS GAIN/(LOSS) ON SALE

	Historical Cost	Net Book Value	Sales Proceeds	Pre-Tax Gain/(Loss)	Book NBV
Non-Depreciable Property (Land)	-	B1 -	-	- RP/SH	-
Depreciable Property	18,999	13,883	20,217	6,334 RP	13,883
CWIP	-	-	-	- RP	-
	18,999	13,883	20,217	6,334	13,883

Depreciable Net Book

4 TAX GAIN/(LOSS) ON SALE

	Historical Cost	Net Tax Value	Sales Proceeds	Pre-Tax Gain/(Loss)	Depreciable Net Tax
Non-Depreciable Property (Land)	-	C1a -	-	- RP/SH	-
Depreciable Property	18,999	C1a 9,748	20,217	10,469 RP	9,748
CWIP	-	B1 -	-	- RP	-
	18,999	9,748	20,217	10,469	9,748

Depreciable Net Tax
Depr Net Book less Depr Net Tax
Deferred Taxes reversed in Rate Base

- Deferred Taxes Check

5 GAIN/(LOSS) ALLOCATION

	Operating System	Other Depreciable Assets	Land (Non-Depreciable)	Pre-Tax Allocation	Taxes 27.98%	After Tax Gain / (Loss)
Ratepayers	0%	100%	67%	6,334	(1,773) *	4,562
Shareholder	100%	0%	33%	-	-	-
Total Gain/(Loss) Allocation	100%	100%	100%	6,334	(1,773)	4,562

* Taxes Reversed with Gain / (Loss) to Customers

6 TAXES ON PROPERTY

	Net Tax Value	Sales Proceeds	Before Tax Gain/ (Loss)			
Non-Depreciable Property (Land)	-	-	-			
Depreciable Property	9,748	20,217	10,469			
CWIP	-	-	-			
Totals	9,748	20,217	10,469			
			Land		Depreciable Property and CWIP	
Taxable Gain/(Loss)			-	a	10,469	a
Distribution to Ratepayer (Tax Deduction to PG&E)			-	b	(10,469)	b
Net Taxable Gain/(Loss)			-	c=a-b	-	c=a-b
Tax Rate			27.984%	d	27.984%	d
Net Federal and State Income Tax			-	e=c*d	-	e=c*d
Net After Tax Gain/(Loss)			-	f=a-e	10,469	f=a-e
Ratepayers Allocation		67%	-	g=f*67%	10,469	g=f*100%
Shareholder Allocation		33%	-	h=f*33%	-	h=f*0%
Taxing Jurisdiction Allocation			-	i=e	-	i=e
Total Gain/(Loss) Allocation			-	j=g+h+i	10,469	j=g+h+i

7 RATE BASE CHANGES

Beginning NBV	13,883
Reduction to Gross Plant	(18,999)
Reduction to Depreciation Reserve (depreciation reserve is reduced by the historical cost of depreciable property)	18,999
Deferred Taxes	(1,157)
Deferred Taxes reversed upon Sale	1,157
Property Sale Proceeds credited to Depreciation Reserve (Sales proceeds benefit to customers)	(20,217)
Total Rate Base reduction	6,334

8 REGULATORY ASSET CALCULATION

Rate Base Reduction	(6,334)
CWIP Reduction (less assigned sales proceeds)	-
Gain / (Loss) allocated to Shareholders	-
Regulatory Asset to Collect in Rates	(6,334)
Check:	-

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
Carpine

Cameron-Daniel, P.C.
Casner, Steve
Cenergy Power
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

Downey & Brand
East Bay Community Energy
Ellison Schneider & Harris LLP
Energy Management Service
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF
IGS Energy
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Semptra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy