



ELECTRIC SAMPLE FORM NO. 79-1038
APPLICATION FOR ESSENTIAL USE CUSTOMER STATUS

Sheet 1

**Please Refer to Attached
Sample Form**



APPLICATION FOR ESSENTIAL USE CUSTOMER STATUS

| | | | |
|-----------------|--|-------------------------|--------------|
| Billing Name | | Electric Service ID No. | |
| Billing Address | | City | State Zip |
| Service Address | | City | State Zip |
| E-mail Address | | Daytime Phone No. | |

Please complete all four sections of this Application if the facility at the service address above provides one of the public health, safety, or security services described in detail on the attached "Essential Use Customer Classification and Priority System for Rotating Outages".

1. Check the box that most accurately represents the services provided at this facility (choose one):

- | | |
|---|--|
| <input type="checkbox"/> Fire, police, prison services | <input type="checkbox"/> Radio & TV emergency broadcasting station |
| <input type="checkbox"/> Government national defense agencies | <input type="checkbox"/> Rail rapid transit systems as approved by CPUC |
| <input type="checkbox"/> Acute care hospital or licensed skilled nursing facility | <input type="checkbox"/> Transmission-level net generators |
| <input type="checkbox"/> Communication utility | <input type="checkbox"/> Petroleum refineries and vital ancillary facilities |
| <input type="checkbox"/> Air or sea traffic control or navigation | <input type="checkbox"/> Electric utility facilities and fuel transportation |
| <input type="checkbox"/> None of the above | <input type="checkbox"/> Water or sewage treatment facility |

2. The facility (choose one):

- has backup generation that *can* adequately support critical load for up to two hours.
- has backup generation that *cannot* adequately support critical load for up to two hours.
- does *not* have backup generation.

3. Please briefly describe how the electricity supplied to the referenced facility is used to support public health, safety and security. (Attach additional pages if necessary)

4. I certify that the above information accurately describes the facility and Service ID Number referenced above.

Signature _____

Print Name _____

Position/Title _____

Date _____

Please send this form to:
EssentialCustomer@pge.com

Pacific Gas and Electric Company
Rotating Outage Representative
300 Lakeside Drive
Oakland, CA 94612

† Information collected on this form is used in accordance with PG&E's Privacy Policy. The Privacy Policy is available at pge.com/privacy.

Background: Rotating Outages and Essential Use Customers

Rotating outages are controlled power interruptions that are instituted at the direction and under the supervision of state regulators when there is an insufficient supply of electricity to meet customer demand. In Decision 91548 (1978), the California Public Utilities Commission (CPUC) created a priority system in which certain customers who provide essential public health, safety, and security services should normally be exempt from rotating outages. The priority system was modified on April 3, 2001 pursuant to Decision 01-04-006, on May 24, 2001 pursuant to Decision 01-05-089, on June 28, 2001 pursuant to Decision 01-06-085, on September 6, 2001 pursuant to Decision 01-09-020 and on April 22, 2002 pursuant to Decision 02-04-060. The relevant portions of the new modified criteria provide as follows:

- A. Government and other agencies providing essential fire, police, and prison services.
- B. Government agencies essential to the national defense.
- C. Hospitals and skilled nursing facilities.
- D. Communication utilities, as they relate to public health, welfare, and security, including telephone utilities.
- E. Navigation communication, traffic control, and landing and departure facilities for commercial air and sea operations.
- F. Electric utility facilities and supporting fuel and fuel transportation services critical to continuity of electric power system operation.
- G. Radio and television broadcasting stations used for broadcasting emergency messages, instructions, and other public information related to the electric curtailment emergency.
- H. Water and sewage treatment utilities may request partial or complete [rotating outage] exemption from electric utilities in times of emergency identified as requiring their service, such as fire fighting.
- I. Areas served by networks, at utilities' discretion.
- J. Rail transit systems as necessary to protect public safety, to the extent exempted by the Commission.
- K. Customers served at transmission voltages to the extent that (a) they supply power to the grid in excess of their load at the time of the rotating outage, or (b) their inclusion in rotating outages would jeopardize system integrity.
- L. Optional Binding Mandatory Curtailment Program (OBMC): Any customer, or customers, meeting the following criteria.

The customer must file an acceptable binding energy and load curtailment plan with the utility. The customer must agree to curtail electric use on the entire circuit by the amount being achieved via rotating outages. The customer's plan must show how reduction on the entire circuit can be achieved in 5 percent increments to the 15 percent level, and show how compliance can be monitored and enforced. The customer must maintain the required reduction during the entire rotating outage period. The required curtailment level is requested prior to commencement of Stage 3. Several customers on a circuit may file a joint binding plan to guarantee the required curtailment from the entire circuit. Each utility shall facilitate communication between customers on a circuit if any customer expresses interest in enrolling in the OBMC program.

- M. Limited other customers as necessary to protect public health and safety, to the extent exempted by the Commission. Exemptions granted September 6, 2001 by the CPUC under category M had a limited duration of 24 months. Category M customers received a 30-day notice prior to the exemption expiration date of September 6, 2003.
- N. Petroleum refineries, vital ancillary facilities, and other customers in the critical fuels chain of production, to the extent exempted by the Commission. Petroleum refineries are facilities that separate or alter the components in crude oil, and convert the components into usable fuels or feedstock for further processing. Vital ancillary facilities are facilities that, if curtailed during a rotating outage, would cause one or more petroleum refineries to significantly curtail production, initiate a controlled shutdown, or initiate an emergency shutdown. Eligible refineries and vital ancillary facilities must be firm electricity service customers served at transmission level, or served at distribution level in an outage block exempt from rotating outages.

The CPUC noted that even for these customers, "Protection cannot be guaranteed because daily circuit switching may temporarily change a customer's outage block and priority classification."

Backup/Standby Generation

In 1982, the Commission directed the utilities "to evaluate the adequacy of the standby generating equipment of [essential] customers and to consider removing them from the lists of essential use customers." Decision No. 82-06-021 at p. 12. The Commission reasoned that "[essential use] customers that have sufficient standby generating equipment for their essential load should not be routinely protected from rotating outages because this double protection may be jeopardizing other equally essential customers at the higher load reduction levels." For that reason, some essential customers may be "nonexempt" – that is, subject to rotating outages – if they have sufficient and adequate backup generation to support their critical activities for up to two hours, the expected typical upper duration of a rotating outage.

Special Rules for Acute Care Hospitals and Licensed Skilled Nursing Facilities

On March 23, 2001, in an Assigned Commissioner's Ruling, the utilities were ordered to provide an automatic and unqualified exemption for all hospitals with 100 or more beds, whether or not those hospitals have any backup generating facilities. That Ruling was subsequently modified on April 3, 2001, in Decision 01-04-006 to exempt all hospitals from rotating outages regardless of the number of beds. The Ruling was again modified on April 22, 2002, in Decision 02-04-060 to exempt skilled nursing facilities licensed by the California Department of Health Services, regardless of the status of backup or standby generation.

Special Rules for Water and Sewage Treatment Facilities

With regard to water and sewage treatment facilities, the CPUC clarified its position in Decision No. 92315, concluding that such customers would not be automatically exempted from rotating outages. However, water and sewage facilities may request an exemption from a specific rotating outage if an emergency exists [requiring their service]." The CPUC noted that the utilities were expected to grant such requests, but that water and sewage facilities were not to request an exemption "unless absolutely required to ensure the public's health and safety." Decision No. 92315 at p. 4.

Pacific Gas and Electric Company Implementation of the Commission's Priority System

To implement the CPUC's Priority System for Rotating Outages, Pacific Gas and Electric Company ("the Company") has exempted from rotating outages all circuits which serve identified essential use customers (except those who are nonexempt). In the unlikely event an essential use customer is inadvertently interrupted due to a rotating outage, the Company has a toll-free number 1-800-743-5000, which the essential use customer can call to report the outage. If feasible, the Company will restore service to the essential use customer.

Water and sewage treatment facilities are provided with a specific toll-free number to call if an emergency arises which requires their service, such as firefighting. The Company will take all steps necessary to restore service as quickly as possible.

The Company annually reviews its essential use customer list to verify that each customer on the essential use customer list should continue to be included. The Company makes contact with each essential use customer to ensure that (a) its business functions have not changed in a manner which would eliminate it from the Commission-designated categories of essential use customers and (b) there has been no change in the sufficiency or adequacy of its backup generation which would affect whether an essential use customer should be exempt. Any customer who is found to need reclassification (either essential to nonessential or nonessential to essential) receives a notification 15 days in advance of the effective date of reclassification. In addition, the Company contacts new customers to determine if they should be included on the essential use customer list.

This Agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.