JOINT SETTLEMENT

This Joint Settlement, by and between Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), the Office of Ratepayer Advocates, The Utility Reform Network, Agricultural Energy Consumers Association, the California Farm Bureau Federation, and the California Air Resources Board, collectively referred to as the Settlement Parties, resolves all disputed issues in Applications 04-11-007 and 04-11-008 pending before the California Public Utilities Commission (CPUC).

The Settlement Parties agree to support the rate and line extension incentives for conversion of stationary agricultural internal combustion equipment to electric service in A.04-11-007 and A.04-11-008, hereinafter referred to as the ICE Program, under the following conditions:

1. Rates under the ICE Program will reflect an initial average rate of approximately 7.5 cents per kWh. The Settlement Parties have reviewed information provided by the utilities regarding their ability to serve new load resulting from the ICE Program and are satisfied that there is adequate electric supply to serve the anticipated load. In order to encourage the new load served under the ICE Program to use power during off-peak periods, PG&E's incentive rates shall be modified to increase rates for on-peak and partial-peak usage. PG&E's Schedule AG-ICE is attached hereto as Exhibit A; this document replaces Appendix D of PG&E's updated testimony dated March 4, 2005. SCE's Schedule TOU-PA-ICE is attached hereto as Exhibit B.
2. ICE rates will increase by 1.5 percent annually, on January 1 of each year, beginning January 1, 2006, over the 10-year term of the program. Although unbundled rate components may change throughout the year, total ICE rates will change only on January 1 of each year, as set forth in Chapter 2 of PG&E's and SCE's updated testimony, dated March 4, 2005. The Settlement Parties agree that the ICE rates are not exempt from collection of CPUC-approved non-bypassable charges, including the

Nuclear Decommissioning Charge, Public Purpose Program Charge, and DWR Bond Charge, and this treatment is reflected in Exhibits A and B. The Settlement Parties also agree that it is not necessary for the Commission to revisit the contribution to margin or marginal costs of serving customers participating in the ICE Program, and no party shall advocate for such a revisitation.

3. The Settlement Parties agree that the rate and line extension incentives are appropriate for the purpose of encouraging users of internal combustion engines for irrigation pumping to convert to electric use, and that agreement to the Joint Settlement shall not be cited by any party as precedent for any purpose.

4. ICE customers shall receive a line extension "adder" in addition to the normal line extension allowance calculated pursuant to Rules 15 and 16 of the utilities' tariffs, as described in the utilities' applications. (See Chapter 3 of the updated testimony filed by PG&E on March 4, 2005, and Chapter 3 of SCE's testimony filed on November 9, 2004.) The maximum "adder" set forth in Chapter 4 of PG&E's updated testimony and Appendix A of SCE's November 9, 2004, testimony shall be modified to reflect the kilowatt (kW) rating of each electric motor connected to replace a qualifying internal combustion engine, as set forth below:

kW Rating of Replacement Electric Motor	Maximum Adder
up to 124 kW	$7,500
125 kW to 224 kW	$15,000
225 and above kW	$32,395

5. The ICE Program shall commence as of the effective date of CPUC approval of this Joint Settlement. The Program shall be open to new enrollment for a period of two years from the effective date, and rates shall remain in effect until December 31, 2015.

6. The total capital investment (including both standard allowances and line extension adders) shall be limited to $27.5 million for PG&E and $9.17 million for SCE over the

two-year enrollment period. Program participation will be granted on a first-come, first-served basis. When either utility forecasts that it will reach its designated limit on total capital expenditures, no further adders or incentive rates shall be allowed by that utility, and the Program will be closed to any additional customers.

7. The utilities shall be permitted to record costs of connecting electric services under the ICE Program to a balancing account for recovery as set forth in their respective applications. (See Chapter 2(D) of PG&E's updated testimony dated March 4, 2005, and Chapter 2 of SCE's testimony dated November 9, 2004.)
8. The service extension agreement for new ICE customers shall be revised to include the following provisions. If the customer departs from the utility system within ten years from the date of the agreement to take distribution service from another provider, the customer will be required to reimburse the utility for the amount of the adder and the difference between rates paid under the ICE tariff and rates under the otherwise applicable tariff. PG&E's modified Service Extension Agreement is attached hereto as Exhibit C; this document replaces Appendix E of PG&E's updated testimony dated March 4, 2005. SCE's modified Service Extension Agreement is attached hereto as Exhibit D; this document replaces Appendix C of SCE's testimony dated November 9, 2004.
9. The billing letter, general terms and conditions, and application for service forms included in Appendices F, G, and H of PG&E's updated testimony dated March 4, 2005, shall be approved for use in the ICE Program.
10. No more than 100 program participants will be permitted within the boundaries of the South San Joaquin Irrigation District in southern San Joaquin County.
11. All CO_2 or other emission reductions acquired by the utilities through the ICE Program that are not donated to the California Air Resources Board or the applicable air district shall be held for the benefit of ratepayers.

12. The Joint Settlement resolves all disagreements among the Settlement Parties with regard to issues raised in A.04-11-007 and A.04-11-008. The Settlement Parties shall fully support approval by the CPUC of the terms and conditions of the Joint Settlement, which is expressly conditioned upon CPUC approval without modification or condition that is unacceptable to any Settlement Party. The provisions of this Joint Settlement are not severable.

Dated: March 30, 2005

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ _____

Title: _____

Dated: March 30, 2005

SOUTHERN CALIFORNIA EDISON COMPANY

By: /s/ _____

Title: _____

Dated: March 30, 2005

OFFICE OF RATEPAYER ADVOCATES

By: /s/ _____

Title: _____

Dated: March 30, 2005

THE UTILITY REFORM NETWORK

By: /s/ _____

Title: _____

Dated: March 30, 2005

AGRICULTURAL ENERGY CONSUMERS ASSN.

By: /s/ _____

Title: _____

Dated: March 30, 2005

CALIFORNIA FARM BUREAU FEDERATION

By: /s/ _____

Title: _____

Dated: March 30, 2005

CALIFORNIA AIR RESOURCES BOARD

By: /s/ _____

Title: _____

SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE

1. APPLICABILITY: This rate schedule is available to agricultural customers who currently have a stationary or portable internal combustion engine used for agricultural irrigation pumping purposes, which is fired by diesel, gasoline, propane, or butane fuels, and not by natural gas. Only one electric account may be established for each qualifying pump. Direct access accounts are not eligible for service under this rate schedule. The customer must apply to convert from an internal combustion engine to electric service during the period from mm-dd-2005 to mm-dd-2007. However, enrollment shall be closed earlier if total capital investment (including both standard allowances and line extension adders) reaches $27.5 million

   A customer may be served under this rate schedule only if it qualifies for an existing PG&E agricultural tariff. This schedule is not available to service for which a residential or commercial/industrial tariff is applicable.

   This schedule will terminate on 12-31-2015.

2. TERRITORY: This rate schedule applies everywhere PG&E provides electric service.

3. ELIGIBILITY: To be eligible for service under this rate schedule, a customer must meet all of the following conditions: (1) qualify as an agricultural customer; (2) receive bundled electric service from PG&E; (3) demonstrate to PG&E's satisfaction that the customer is currently using an internal combustion engine-driven agricultural irrigation pump that is rated equal to or greater than 50 horsepower and was installed and operational prior to September 1, 2004; (4) receive electric energy from only a utility supply source only, (its premises are not regularly supplied in part or whole by a non-utility source of supply); (5) destroy its existing operational engine on electrification or remove the engine from service as prescribed by the Air Resources Board or applicable air district; (6) agree to sign a statement acknowledging that they are required to have an electric motor/pump efficiency test; (7) agree to give PG&E the relevant air pollutant reductions resulting from the conversion; (8) qualify for electrical connection under PG&E's Internal Combustion Engine Conversion Incentive Distribution and Service Extension Agreement ("Agreement"), Form 79-1020; and (9) submit an Application for Service, Form 79-1023 ("Application") (which identifies the engine serial number of the pump(s)).

4. METERING: The customer must have an appropriate time-of-use meter.

5. INFORMATION REQUIREMENTS: A customer may be required to provide business operation information and engine driven pumping facility plans that are relevant to establishing the incentive rate and line extension adder allowance eligibility.

(Continued)

SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

6. RATES: Total bundled service charges are calculated using the total rates shown below.

TOTAL RATES

Total Customer/Meter Charge Rates	
Customer Charge ($ per meter per day)	$1.31417
TOU Meter Charge ($ per meter per day)	$0.19713
Total Demand Rates ($ per kW)	
Secondary	
Maximum Peak Demand Summer	$0.41
Maximum Demand Summer	$1.43
Maximum Demand Winter	$0.00
Primary	
Maximum Peak Demand Summer	$0.41
Maximum Demand Summer	$1.40
Maximum Demand Winter	$0.00
Transmission	
Maximum Peak Demand Summer	$0.41
Maximum Demand Summer	$0.45
Maximum Demand Winter	$0.00
Total Energy Rates ($ per kWh)	
Peak Summer	$0.12092
Part-Peak Summer	$0.09432
Off-Peak Summer	$0.04837
Part-Peak Winter	$0.09674
Off-Peak Winter	$0.04837

(Continued)

SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

6. RATES: (Cont'd.) Total bundled service charges shown on customers' bills are unbundled according to the component rates shown below.

UNBUNDLING OF TOTAL RATES

Customer/Meter Charge Rates: Customer/Meter charge rates provided in the Total Rate section above are assigned entirely to the unbundled distribution component.

Demand Rates by Component ($ per kW)	
Generation:	
Secondary	
Maximum Peak Demand Summer	$0.00
Maximum Demand Summer	$0.00
Maximum Demand Winter	$0.00
Primary	
Maximum Peak Demand Summer	$0.00
Maximum Demand Summer	$0.00
Maximum Demand Winter	$0.00
Transmission	
Maximum Peak Demand Summer	$0.00
Maximum Demand Summer	$0.00
Maximum Demand Winter	$0.00
Distribution:	
Secondary	
Maximum Peak Demand Summer	$0.41
Maximum Demand Summer	$1.43
Maximum Demand Winter	$0.00
Primary	
Maximum Peak Demand Summer	$0.41
Maximum Demand Summer	$1.40
Maximum Demand Winter	$0.00
Transmission	
Maximum Peak Demand Summer	$0.41
Maximum Demand Summer	$0.45
Maximum Demand Winter	$0.00

SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

Energy Rates by Component ($ per kWh)	
Generation:	
Peak Summer	$0.09042
Part-Peak Summer	$0.06382
Off-Peak Summer	$0.01787
Part-Peak Winter	$0.06624
Off-Peak Winter	$0.01787
Transmission*	$0.00519
Transmission Rate Adjustments*	($0.00007)
Reliability Services*	$0.00454
Public Purpose Programs	$0.00437
Nuclear Decommissioning	$0.00035
Competition Transition Charges	$0.00585
Regulatory Asset	$0.00534
DWR Bond Charge	$0.00493

* Transmission, Transmission Rate Adjustments, and Reliability Services Charges are combined for presentation on customer bills.

(Continued)

SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

7. TIME PERIODS:

SUMMER: Service from May 1 through October 31.

Peak:	12:00 noon to 6:00 p.m.	Monday through Friday*
Partial-Peak:	8:30 a.m. to 12:00 p.m. 6:00 p.m. to 9:30 p.m.	Monday through Friday* Monday through Friday*
Off-Peak:	9:30 p.m. to 8:30 a.m. All day	Monday through Friday Saturday, Sunday, holidays

WINTER: Service from November 1 through April 30.

Partial-Peak:	8:30 a.m. to 9:30 p.m.	Monday through Friday*
Off-Peak:	All other hours All day	Monday through Friday Saturday, Sunday, holidays

"Holidays" for the purpose of this rate schedule are New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day. The dates will be those on which the holidays are legally observed.

*Except holidays.

8. ENERGY CHARGE CALCULATION

When summer and winter proration is required, charges will be based on the average daily use for the full billing periods times the number of days in each period.

9. RATE ADJUSTMENTS AND ESCALATIONS:

Total bundled rates will increase 1.5% per year. The rate increase will be effective on January 1 of each year. Although unbundled component rates may change throughout the year, total rates will change only on January 1 of each year.

(Continued)

SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

10. DEFINITIONS: MAXIMUM DEMAND:

The number of kW the customer is using will be recorded over 15-minute intervals; the highest 15-minute average in any month will be the maximum demand for that month. Where the customer's use of electricity is intermittent or subject to abnormal fluctuation, a 5-minute interval may be used.

In billing periods with use in both the summer season and winter season (April/May, October/November), the total demand charge shall be calculated on a pro rata basis depending upon the demand charge and the number of days in each season. The maximum demand used in determining the demand charge for each season of the billing period will be: (1) the maximum demand created in each season's portion of the billing month as measured by a meter with such capability; or (2) the maximum demand for the billing month where the installed meter is incapable of measuring time-varying demands.

MAXIMUM PEAK-PERIOD DEMAND:

The customer's maximum-peak-period demand will be the highest of all the 15-minute averages for the peak period during the billing month.

SERVICE VOLTAGE:

The following defines the three voltage classes of Schedule AG-5 rates. Standard Service Voltages are listed in Rule 2, Section B.1.

a. Secondary: This is the voltage class if the service voltage is less than 2,400 volts or if the definitions of "primary" and "transmission" do not apply to the service.

b. Primary: This is the voltage class if the customer is served from a "single customer substation" or without transformation from PG&E's serving distribution system at one of the standard primary voltages specified in PG&E's Electric Rule 2, Section B.1.

c. Transmission: This is the voltage class if the customer is served without transformation from PG&E's serving transmission system at one of the standard transmission voltages specified in PG&E's Rule 2, Section B.1.

PG&E retains the right to change its line voltage at any time. Customers receiving voltage discounts will get reasonable notice of any impending change. They will then have the option of taking service at the new voltage (and making whatever changes in their systems are necessary) or taking service without a voltage discount through transformers supplied by PG&E.

STATIONARY ENGINE

An internal combustion engine that is designed to stay in one location, or remain in one location, i.e., an engine affixed to a foundation.

PORTABLE ENGINE

A portable engine is a subcategory of stationary engines, and is an engine that is designed and capable of being carried or moved from one location to another. This engine does not have the capability to move on its own power. Some indicators of portability include skids, carrying handles, or they can be towed. Note, mobile engines that have the capability of moving on their own power, such as a truck engine, do not meet this definition and are not eligible for this rate schedule.

SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

11. DISQUALIFICATION: A customer will be disqualified from this tariff if the customer is found to use an internal combustion engine-driven pump for the same load that originally qualified for this rate schedule.

12. ENROLLMENT PERIOD/ LIMITATIONS: The enrollment period for this rate schedule will expire on mm-dd-2007. However, enrollment shall be closed earlier if total capital investment (including both standard allowances and line extension adders) reaches $27.5 million. No new customers will be allowed to sign-up for this rate or line extension adder beyond this date. Customers must submit an Application on or prior to mm-dd-2007 or the date enrollment closes due to the capital investment limit.

13. COMMENCEMENT DATE: Service under this rate schedule will commence with the customer's first regular scheduled meter read date after the Agreement is fully executed and all the required equipment/facilities for electric service are installed.

14. TERM AND EXPIRATION: This rate schedule shall expire on 12-31-2015. A customer can terminate service under this tariff at anytime after its commencement date, and can switch to service under another tariff, provided the customer meets the eligibility requirements. Once a customer terminates service under this tariff, they will not be eligible again for this tariff in the future.

15. RATES AND RULES: All applicable rates, rules and tariffs shall remain in force. In the event of a conflict, the terms and conditions provided within this tariff and the Agreement shall supersede those set forth in the standard CPUC-approved tariffs.

16. DWR BOND CHARGE: The Department of Water Resources (DWR) Bond Charge was imposed by California Public Utilities Commission Decision 02-10-063, as modified by Decision 02-12-082, and is property of DWR for all purposes under California law. The Bond Charge applies to all retail sales, excluding CARE and Medical Baseline sales. The DWR Bond Charge (where applicable) is included in customers' total billed amounts.

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM

APPLICABILITY

Applicable to Bundled Service Customers who convert from stationary or portable internal combustion engines which are fueled by diesel, gasoline, propane, or butane fuels, and not by natural gas, to electric motors and used to operate water pumps. As determined by SCE, 70% or more of the customer's electrical usage must be for water pumping used for agricultural purposes and none of any remaining electrical usage is for purposes for which a domestic schedule is applicable. In accordance with Schedule TOU-8, a large individual water agency or other large water pumping account with 70% or more of the water pumped used for agricultural purposes must take service on an agricultural class rate schedule. This Schedule requires a Time-of-Use meter and is subject to meter availability.

To qualify for service under this Schedule the internal combustion engine must be rated equal to or greater than 50 horsepower and must have been installed and operational prior to September 1, 2004. Eligible customers must adhere to certain program requirements as specified in Special Condition 10 of this Schedule. This Schedule is open to new qualified customers for a two year enrollment period beginning with the date the California Public Utilities Commission (Commission) approves this Schedule. This Schedule will be closed to new customers after the completion of the two year enrollment period subject to a total capital investment limit (includes standard allowances and Line Extension Adders) of $9.17 million. Upon elimination of this Schedule, customers will be transferred to an otherwise applicable agricultural and pumping tariff. Only one service account may be established for each qualifying pump being converted. This Schedule may only be used to serve the load for the applicable electric motor. This program shall end on 12/31/2015.

TERRITORY

Within the entire territory served.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM

Sheet 2

(Continued)

RATES (Continued)

	Delivery Service							Gen[8]	
	Trans[1]	Distrbtn[2]	NDC[3]	PPPC[4]	PUCRF[5]	DWRBC[6]	Total[7]	URG	DWR
Energy Charge - $/kWh/Meter/Month									
Summer Season – On-Peak	0.00037	0.00731	0.00046	0.00380		0.00547	0.01741	0.10982	0.09245
Mid-Peak	0.00037	0.00731	0.00046	0.00380		0.00547	0.01741	0.04923	0.09245
Off-Peak	0.00037	0.00731	0.00046	0.00380		0.00547	0.01741	(0.00057)	0.09245
Winter Season – On-Peak	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mid-Peak	0.00037	0.00731	0.00046	0.00380		0.00547	0.01741	0.06824	0.09245
Off-Peak	0.00037	0.00731	0.00046	0.00380		0.00547	0.01741	(0.00057)	0.09245
Customer Charge - $/Meter/Month	0.00	47.54					47.54	0.00	
Demand Charge - $/kW of Billing Demand/Meter/Month									
Facilities Related	0.57	2.32					2.89	0.00	
Time Related									
Summer Season – On-Peak	0.00	1.09					1.09	0.00	
Mid-Peak	0.00	0.00					0.00	0.00	
Off-Peak	0.00	0.00					0.00	0.00	
Winter Season – On-Peak	N/A	N/A					N/A	N/A	
Mid-Peak	0.00	0.00					0.00	0.00	
Off-Peak	0.00	0.00					0.00	0.00	
Voltage Discount, Peak Demand - $/kW									
From 2 kV to 50 kV	0.00	(0.10)					(0.10)	0.00	
Above 50 kV	0.00	(2.32)					(2.32)	0.00	
Voltage Discount, Time-Related Demand – $/kV									
From 2kV to 50 kV		(0.18)					(0.18)		
Above 50 kV		(1.09)					(1.09)		
Voltage Discount, Energy - $/kWh									
From 2 kV to 50 kV	0.00	0.0000					0.00	(0.00074)	
Above 50 kV	0.00	0.0000					0.00	(0.00158)	
Power Factor Adjustment - $/kVA									
Greater than 50 kV	0.00	0.17					0.17		
50 kV or less	0.00	0.19					0.19	0.00	

1 Trans = Transmission and the Transmission Owners Tariff Charge Adjustments (TOTCA) which are FERC approved. The TOTCA represents the Transmission Revenue Balancing Account Adjustment (TRBAA) of negative $0.00047per kWh, Reliability Services Balancing Account Adjustment (RSBAA) of $0.00010 per kWh, and Transmission Access Charge Balancing Account Adjustment (TACBAA) of $0.00041 per kWh.
2 Distrbtn = Distribution
3 NDC = Nuclear Decommissioning Charge
4 PPPC = Public Purpose Programs Charge
5 PUCRF = The PUC Reimbursement Fee is described in Schedule RF-E.
6 DWRBC = Department of Water Resources (DWR) Bond Charge. The DWR Bond Charge is not applicable to exempt Bundled Service Customers, as defined in and pursuant to D.02-10-063, D.02-02-051, and D.02-12-082.
7 Total = Total Delivery Service rates applicable to Bundled Service Customers.
8 Gen = Generation – The Gen rates are applicable only to Bundled Service Customers. When calculating the Energy Charge, the Gen portion is calculated as described in the Billing Calculation Special Condition of this Schedule.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM

(Continued)

SPECIAL CONDITIONS

1. Time periods are defined as follows:

On-Peak: Noon to 6:00 p.m. summer weekdays except holidays
Mid-Peak: 8:00 a.m. to noon and 6:00 p.m. to 11:00 p.m. summer weekdays except holidays
8:00 a.m. to 9:00 p.m. winter weekdays except holidays
Off-Peak: All other hours.

Holidays are New Year's Day (January 1), Washington's Birthday (third Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Veterans Day (November 11), Thanksgiving Day (fourth Thursday in November), and Christmas (December 25).

When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

The summer season shall commence at 12:00 a.m. on the first Sunday in June and continue until 12:00 a.m. of the first Sunday in October of each year. The winter season shall commence at 12:00 a.m. on the first Sunday in October of each year and continue until 12:00 a.m. of the first Sunday in June of the following year.

2. Voltage: Service will be supplied at one standard voltage.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE
AGRICULTURAL AND PUMPING INTERNAL
COMBUSTION ENGINE CONVERSION PROGRAM
(Continued)

SPECIAL CONDITIONS (Continued)

3. Maximum Demand: Maximum demands shall be established for the On-Peak, Mid-Peak, and Off-Peak periods. The maximum demand for each period shall be the measured maximum average kilowatt input indicated or recorded by instruments, during any 15-minute metered interval, but, where applicable, not less than the diversified resistance welder load computed in accordance with the section designated Welder Service in Rule 2. Where the demand is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

4. Billing Demand: The Billing Demand shall be the kilowatts of Maximum Demand, determined to the nearest kW. The Demand Charge shall include the following billing components. The Time Related Component shall be for the kilowatts of Maximum Demand recorded during (or established for) the monthly billing period for each of the On-Peak, Mid-Peak, and Off-Peak Time Periods. When SCE determines the customer's meter will record little or no energy use for extended periods of time or when the customer's meter has not recorded a Maximum Demand in the preceding eleven months, the Facilities Related Component of the Demand Charge may be established at 50 percent of the customer's connected load. Separate Demand Charge(s) for the On-Peak, Mid-Peak, and Off-Peak Time Periods shall be established for each monthly billing period. The Demand Charge for each time period shall be based on the Maximum Demand for that time period occurring during the respective monthly billing period.

5. Power Factor Adjustment: When the Maximum Demand has exceeded 200 kW for three consecutive months, kilovar metering will be installed as soon as practical, and, thereafter, until the Maximum Demand has been less than 150 kW for twelve consecutive months, the billing will be adjusted each month for power factor by the amount shown in the Rates section above for service metered and delivered at the applicable voltage level, based on the per kilovar of maximum reactive demand imposed on SCE. The reactive demand will be determined as follows:

   a. Service metered and delivered at voltages of 4 kV or greater and for all Cogeneration and Small Power Production customers:

      The maximum reactive demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15-minute metered interval in the month. The kilovars shall be determined to the nearest unit. A device will be installed on each kilovar meter to prevent reverse operation of the meter.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM
(Continued)

SPECIAL CONDITIONS (Continued)

5. Power Factor Adjustment: (Continued)

b. Service metered and delivered at voltages Less than 4 kV:

(1) For customers with metering used for billing that measures reactive demand.

The maximum reactive demand shall be the highest measured maximum average kilovar demand indicated or recorded by metering during any 15-minute metered interval in the month. The kilovars shall be determined to the nearest unit. A device will be installed on each kilovar meter to prevent reverse operation of the meter.

(2) For customers with metering used for billing that measures kilovar-hours instead of reactive demand.

The kilovars of reactive demand shall be calculated by multiplying the kilowatts of measured maximum demand by the ratio of the kilovar-hours to the kilowatthours. Demands in kilowatts and kilovars shall be determined to the nearest unit. A ratchet device will be installed on the kilovar-hour meter to prevent its reverse operation on leading power factors.

6. Temporary Discontinuance of Service: Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any customer prior to resuming service within twelve months after such service was discontinued will be required to pay all charges which would have been billed if service had not been discontinued.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM

(Continued)

SPECIAL CONDITIONS (Continued)

7. Customer Electrical Generating Facilities:

The use of customer electrical generating facilities used solely for auxiliary, emergency, or standby purposes (auxiliary/emergency generating facilities) to serve the customer's load during a period when SCE's service is unavailable and when such load is isolated from the service of SCE is permitted under this Schedule and not subject to Schedule S. However, upon approval by SCE, momentary parallel operation may be permitted to allow the customer to test the auxiliary/emergency generating facilities. A generation interconnection agreement is required for this type of service.

8. Interconnection with SCE's Electrical System:

To be eligible for service under this Schedule the pumping load receiving service shall not interconnect with any other electric source, except as provided above, for as long as this Schedule is effective.

9. Billing Calculation: A customer's bill is calculated according to the rates and conditions above.

Except for the Energy Charge, the charges listed in the Rates section are calculated by multiplying the Total Delivery Service rates and the Generation rates, when applicable, by the billing determinants (e.g., per kilowatt [kW], kilowatthour [kWh], kilovar [kVa] etc.),

The Energy Charge, however, is determined by multiplying the total kWhs by the Total Delivery Service per kWh rates to calculate the Delivery Service amount of the Charge. To calculate the Generation amount, SCE determines what portion of the total kWhs is supplied by the Utility Retained Generation (URG) and the Department of Water Resources (DWR). The kWhs supplied by the URG are multiplied by the URG per kWh rates and the kWhs supplied by the DWR are multiplied by the DWR per kWh rate and the two products are summed to arrive at the Generation amount. The Energy Charge is the sum of the Delivery Service amount and the Generation amount.

For each billing period, SCE determines the portion of total kWhs supplied by SCE's URG and by the DWR. This determination is made by averaging the daily percentages of energy supplied to SCE's Bundled Service Customers by SCE's URG and by the DWR.

Bundled Service Customers receive Delivery Service from SCE and receive supply (Gen) service from both SCE's URG and the DWR. The customer's bill is the sum of the charges for Delivery Service and Gen determined, as described in this Special Condition, and subject to applicable discounts or adjustments provided under SCE's tariff schedules.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM

(Continued)

SPECIAL CONDITIONS (Continued)

10. Time-of-Use Pumping and Agricultural Internal Combustion Engine Conversion Program.

a. Program Requirements: Customers eligible for the program and service under this Schedule must: (1) not receive their energy to service the electric motor pumps in part or in whole by a non-utility source of supply such as a generator as provided under SCE's Rule 21; (2) destroy their existing operational engine upon electrification or remove the engine from service as prescribed by the California Air Resources Board or applicable air district; (3) agree to give SCE the relevant air pollutant reductions resulting from the conversion (4) agree to sign-up for an electric motor/pump efficiency test; and (5) sign and comply with the Agricultural Water Pumping Conversion Of Internal Combustion Engines to Electric Motors Distribution Line And/Or Service Extension Exception Case Agreement (Form # 14-763).

b. Extension Adder: The customer who signs and complies with Form # 14-763 will receive a dollar amount to be credited towards the costs of the distribution line and/or service extension installed to accomplish the conversion of the internal combustion engine to electric motor to operate the water pump.

c. Internal Combustion Engine: This program applies to stationary and portable internal combustion engine conversions to electric motors as described in the Applicability section of this Schedule. A stationary engine is an internal combustion engine that is designed to stay in one location, or remain in one location, i.e., an engine affixed to a foundation. A portable engine is a subcategory of stationary engines, and is an engine that is designed for and capable of being carried or moved from one location to another. This engine does not have the capability to move on its own power. Some indicators of portability include skids, carrying handles, or they can be towed. Note, mobile engines that have the capability of moving on their own power, such as a truck engine, do not meet this definition and are not eligible for this rate schedule.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM

(Continued)

SPECIAL CONDITIONS (Continued)

11. Customers with Service Metered and Delivered at Voltages above 50 kV (Sub-transmission customers) Included in Rotating Outages.

Sub-transmission customers, except for those customers exempt from rotating outages, are to be included in controlled, rotating outages when required by the Independent System Operator (ISO). To the extent feasible, SCE will coordinate rotating outages applicable to Sub-transmission customers who are fossil fuel producers and pipeline operators and users to minimize disruption to public health and safety. SCE shall not include a Sub-transmission customer in an applicable rotating outage group if the customer's inclusion would jeopardize electric system integrity. Sub-transmission customers who are not exempt from rotating outages, and seek such exemption, may submit an Optional Binding Mandatory Curtailment (OBMC) Plan to SCE in accordance with Schedule OBMC. If SCE approves a customer's OBMC Plan, the customer will become exempt from rotating outages and will be subject to the terms and conditions of Schedule OBMC and its associated contract.

Non-exempt Sub-transmission customers shall be required to drop their entire electrical load during applicable rotating outages by either (1) implementing the load reduction on their own initiative, in accordance with subsection a, below; or (2) having SCE implement the load reduction through remote-controlled load drop equipment (control equipment) in accordance with subsection b, below. A Sub-transmission customer shall normally be subject to the provisions of subsection a. If SCE approves a customer's request to have SCE implement the load reduction or if the customer does not comply with prior required load reductions, as specified in subsection c, the customer will be subject to the provisions of subsection b.

a. Customer-Implemented Load Reduction.

(i) Notification of Required Load Reduction. At the direction of the ISO, SCE shall notify each Sub-transmission customer in an affected rotating outage group to drop its entire load. Within 30 minutes of such notification, the customer must drop its entire load. The customer shall not return the dropped load to service until 90 minutes after SCE sent the notification to the customer to drop its load, unless SCE notifies the customer that it may return its load to service prior to the expiration of the 90 minutes.

(ii) Method of Notification. SCE will notify Sub-transmission customers who are required to implement their own load reduction via telephone, by either an automated calling system or a manual call to a business telephone number or cellular phone number designated by the customer. The designated telephone number will be used for the sole purpose of receiving SCE's rotating outage notification and must be available to receive the notification at all times. When SCE sends the notification to the designated telephone number the customer is responsible for dropping its entire load in accordance with subsection a. (i), above. The customer is responsible for informing SCE, in writing, of the telephone number and contact name for purposes of receiving the notification of a rotating outage.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM

(Continued)

SPECIAL CONDITIONS (Continued)

11. Customers with Service Metered and Delivered at Voltages above 50 kV (Sub-transmission customers) Included in Rotating Outages. (Continued)

a. Customer-Implemented Load Reduction. Continued)

(iii) Excess Energy Charges. If a Sub-transmission customer fails to drop its entire load within 30 minutes of notification by SCE, and/or fails to maintain the entire load drop until 90 minutes after the time notification was sent to the customer, unless SCE otherwise notified the customer that it may return its load to service earlier in accordance with subsection a. (i) above, SCE shall assess Excess Energy Charges of $6 per kWh for all kWh usage in excess of the Authorized Residual Ancillary Load. Such charges will be based on the total kWh usage during the applicable rotating outage penalty period, less the product of Authorized Residual Ancillary Load in kW and the applicable rotating outage penalty period in hours. Excess Energy Charges will be determined and applied by SCE subsequent to the Sub-transmission customer's regularly scheduled meter read date following the applicable rotating outage.

(iv) Authorized Residual Ancillary Load. Authorized Residual Ancillary Load is load that is deemed to be equivalent to five percent of the Sub-transmission customer's prior billing month's recorded Maximum Demand. This minimum load level is used as a proxy to allow for no-load transformer losses and/or load attributed to minimum grid parallel operation for generators connected under Rule 21.

b. SCE-Implemented Load Reduction.

Non-exempt Sub-transmission customers may request, in writing, to have SCE drop the customer's entire load during all applicable rotating outages using SCE's remote-controlled load drop equipment (control equipment). If SCE agrees to such arrangement, SCE will implement the load drop by using one of the following methods:

(i) Control Equipment Installed. For a Sub-transmission customer whose load can be dropped by SCE's existing control equipment, SCE will implement the load drop during a rotating outage applicable to the customer. The customer will not be subject to the Notification and Excess Energy Charge provisions set forth in subsection a, above.

(ii) Control Equipment Pending Installation. For a Sub-transmission customer whose load can not be dropped by SCE's existing control equipment, the customer must request the installation of such equipment at the customer's expense in accordance with SCE's Rule 2, Section H, Added Facilities. Pending the installation of the control equipment, the customer will be responsible for dropping load in accordance with the provisions of subsection a, above, including the Notification and Excess Energy Charge provisions.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE
AGRICULTURAL AND PUMPING INTERNAL
COMBUSTION ENGINE CONVERSION PROGRAM
(Continued)

SPECIAL CONDITIONS (Continued)

11. Customers with Service Metered and Delivered at Voltages above 50 kV (Sub-transmission customers) Included in Rotating Outages. (Continued)

c. Non-compliance: A non-exempt Sub-transmission customer subject to subsection a, above, who fails to drop load during three rotating outages in a three year period to a demand level of 20% or less of the customer's prior billing month's recorded Maximum Demand averaged over the applicable rotating outage period, is not in compliance with this tariff. The three year period shall commence with the first failure to drop load as specified in this subsection. A customer not in compliance with this condition will be placed at the top of the Sub-transmission customer rotating outage group list and will be expected to comply with subsequent applicable rotating outages. In addition, the customer must select one of the two options below within fifteen days after receiving written notice of non-compliance from SCE. A customer failing to make a selection within the specified time frame will be subject to subsection c. (ii) below.

(i) Subject to Schedule OBMC: The customer shall submit an OBMC Plan, in accordance with Schedule OBMC, within 30 calendar days of receiving written notice of non-compliance from SCE. Pending the submittal of the OBMC Plan by the customer and pending the review and acceptance of the OBMC Plan by SCE, the customer will remain responsible for dropping load in accordance with the provisions of subsection a, above, including the Notification and Excess Energy charge provisions. If the customer fails to submit an OBMC Plan within 30 days of receiving notice of non-compliance from SCE, or if the customer's OBMC Plan is not approved by SCE, or if the customer fails to meet the requirements of Schedule OBMC once the OBMC Plan is approved, the customer shall be subject subsection c. (ii), below.

(ii) Installation of Control Equipment. The customer shall be subject to the installation of control equipment at the customer's expense in accordance with SCE's Rule 2, Section H, Added Facilities, if such equipment is not currently installed. If such switching capability is installed, SCE will drop the customer's load for all applicable subsequent rotating outages in accordance with the provisions of subsection b, above. Pending the installation of control equipment, the customer will remain responsible for dropping load in accordance with the provisions of subsection a, above, including the Notification and Excess Energy Charge provisions.

(Continued)

Schedule TOU-PA-ICE TIME-OF-USE AGRICULTURAL AND PUMPING INTERNAL COMBUSTION ENGINE CONVERSION PROGRAM (Continued)

SPECIAL CONDITIONS (Continued)

11. Customers with Service Metered and Delivered at Voltages above 50 kV (Sub-transmission customers) Included in Rotating Outages. (Continued)

d. Net-Generators

Sub-transmission customers who are also net-generators are normally exempt from rotating outages, but they must be net suppliers of power to the grid during all rotating outages. For the purpose of this Special Condition, a net-generator is an SCE customer who operates an electric generating facility as part of its industrial or commercial process, and the generating facility normally produces more electrical power than is consumed in the industrial or commercial process, with the excess power supplied to the grid. Sub-transmission customers whose primary business purpose is to generate power are not included in this Special Condition.

(i) Notification of Rotating Outages. SCE will notify sub-transmission customers who are net-generators of all rotating outages applicable to customers within SCE's service territory. Within 30 minutes of notification, the customer must ensure it is a net supplier of power to the grid throughout the entire rotating outage period. Failure to do so will result in the customer losing its exemption from rotating outages, and the customer will be subject to Excess Energy Charges, as provided below.

(ii) Excess Energy Charges. Net generators who are not net suppliers to the grid during each rotating outage period will be subject to Excess Energy Charges of $6 per kWh for all kWh usage in excess of the Authorized Residual Ancillary Load. Such charges will be based on the total kWh usage during a rotating outage penalty period, less the product of Authorized Residual Ancillary Load in kW and the applicable rotating outage period hours. Excess Energy Charges will be determined and applied by SCE subsequent to the customer's regularly scheduled meter read date following the applicable rotating outage. Excess Energy Charges shall not apply during periods of verifiable scheduled generator maintenance or if the customer's generator suffers a verifiable forced outage. The scheduled maintenance must be approved in advance by either the ISO or SCE, but approval may not be unreasonably withheld.

Pacific Gas and Electric Company
INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE DISTRIBUTION AND SERVICE EXTENSION AGREEMENT*

Reference Section for Company use only

E-PM #	G-PM #
E-Ord #	G-Ord #
Bill Doc #	MLX #
Notification#	

PROVISIONS

1. As indicated in the AG-ICE Billing Letter, Applicant has elected to have competitive bidding and has awarded a qualified Contractor or PG&E the responsibility of designing and or installing electric service, as applicable, to the locations described in Exhibit B. These services shall be installed in accordance with the provisions of PG&E's Rules 2, 15 and 16, General Terms and Conditions, project specific terms and conditions, design, specifications, and the special provisions and requirements of this Agreement.

2. **Construction Responsibilities of Applicant.**
Applicant shall perform or arrange for the performance of the following work required for this project:

Electric Extensions:
- Route clearing, tree trimming, trenching, excavating, backfilling, and compacting;
- Furnishing of imported backfill material as required and disposal of trench spoil as required;
- Performing necessary surface repair and boring as required;
- Furnishing, installing, and transferring ownership to PG&E of any substructures, conduits, and protective structures required other than the conduit portion of cable-in-conduit (Rule 15 only);
- Obtaining any necessary construction permits for all work performed by Applicant under this Agreement.

Electric Underground Extensions:
- Installing primary and secondary distribution conductors, poles, pole risers, switches, transformers, and other distribution facilities required to complete the extension.

Electric Overhead Extensions:
- Installing all facilities required for the pole line extension, including poles, conductors, transformers, switches, and other devices as might be required.

Applicant agrees to secure and pay for all required permits and licenses which may be required to fulfill the construction responsibilities from the governmental authority having jurisdiction.

Applicant shall provide to PG&E, prior to PG&E preparing the line extension contract and within the AG-ICE Billing Letter, the Applicant's Contract Anticipated Costs to perform the work normally provided by PG&E. The Applicant shall submit, on a form provided by PG&E, a verified statement of such costs. If the Applicant elects not to provide such costs to PG&E, the Applicant shall acknowledge its election on the form and PG&E will use its estimate.

If Applicant elects to have PG&E perform this work, Applicant shall pay to PG&E, as specified herein and before the start of construction, PG&E's estimated-installed costs thereof.

Applicant shall also pay to PG&E the costs for substructures and conduits which PG&E had previously installed at its own expense in anticipation of the current extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the line extension shall be paid for by Applicant and shall be installed by PG&E on PG&E owned and maintained facilities.

Upon completion of construction by Applicant and inspection and acceptance by PG&E, title and ownership for the electric facilities installed under this Agreement shall vest in PG&E in accordance with the Acceptance and Conveyance section of this Agreement and as specified in the respective rule.

3. **Construction Responsibilities of PG&E.**
Except as otherwise provided in the rules, PG&E shall be responsible for:
   - Providing inspection service to verify Applicant's performance under this Agreement, as determined by PG&E; and
   - Connecting the applicant-installed facilities to PG&E's energized system (system tie-in work) as applicable.

   PG&E will perform its construction responsibilities for the installation of only those facilities that, in PG&E's judgment, will be used within a reasonable time to serve permanent loads.

4. **Power Quality and Voltage Stability.**
Under normal load conditions, PG&E will deliver sustained voltage as close to the nominal service voltages that are economically practical. Any deviations from the normal voltage levels will be no greater than the service voltage ranges specified in PG&E's Electric Rule 2. Exceptions to voltage limits are specified in PG&E's Electric Rule 2. Applicant is responsible for planning, designing, operating and protecting equipment beyond PG&E's delivery point.

5. **Rule 16 Service Extensions.** Service Extensions will be installed in accordance with PG&E's Electric Rule 16, and special provisions contained herein.

6. **Street Lighting Facilities.** If any street lighting facilities are to be installed, the installation shall be made in accordance with PG&E's applicable street and highway lighting schedule(s).

7. **Overhead to Underground Conversions.** In the event there is replacement of existing overhead electric facilities with underground facilities in conjunction with this project, the conversion shall be made in accordance with the applicable provisions of PG&E's Electric Rule 20.

   In the event that there is an Electric Rule 20.B or 20.C conversion in conjunction with this project, Applicant shall, at its expense, provide any necessary changes to the existing facilities so as to receive underground electric service at the points specified by PG&E. Underground electric service will not be energized until all affected premises are equipped to receive service in accordance with specifications and inspection has been received from the governing jurisdiction.

   Applicant shall not work on facilities owned by PG&E.

8. **Allowances and Payments.**
Applicant shall pay to PG&E, PG&E's total cost identified in the AG-ICE Billing Letter, less any allowances shown therein, for any PG&E costs associated with the extension for the estimated costs of design, administration and the installation of any additional facilities necessary to complete the extension, including, but not limited to:

   - engineering and administrative costs,
   - system tie-in work,
   - any applicable taxes.

   Applicant shall have the following payment options, a) a one time payment in advance of any construction, or b) at the option of the Applicant, for amounts over $1000, 4 consecutive quarterly payments. Payment option (b) is available only to applicants who meet PG&E's creditworthiness

requirements. Pursuant to CPUC decision X, and except as provided in provision 20 of this agreement all payments are non-refundable.
INSPECTION FEES: A payment for PG&E's estimated cost for the inspections by PG&E of work performed by Applicant or Applicant's contractor, shown in Exhibit A, which shall be a fixed amount, not subject to reconciliation. Such inspection costs may be subject to otherwise available allowances, including the Adder, up to the difference between the Applicant's Contract Anticipated Costs and PG&E's estimate for performing the same work. Inspections costs are otherwise non-refundable

NON-REFUNDABLE: A non-refundable payment, shown in the AG-ICE Billing Letter, for costs which may include, but are not limited to:

- re-engineering fees,
- preparation fees for trench composite drawings,
- survey and land rights acquisition costs,
- any applicable taxes.

ALLOWANCES: Allowances for permanent service are provided in accordance with Electric Rule 15 and such deviations thereto as were approved by the CPUC in Decision **xx-xxx-xxx**, and are included in the AG-ICE Billing Letter, as applicable. In addition to the normal allowances calculated under the rule 15, applicant may be eligible for a 'Line Extension Adder' (Adder) applied as follows:

Kw Rating of Replacement Electric Motor	Maximum Allowable Adder
Up to 124kw	$7,500
125kw to 224kw	$15,000
225kw and above Kw	$32, 395

Adder will be indicated on the AG-ICE Billing letter.

Allowances only apply to the costs of those facilities normally the responsibility of PG&E to install and not those facilities normally the responsibility of the Applicant under electric Rules 15 and 16.
The Adder is only available on a per engine basis, with the submission of Agricultural Application form 79-1023.

LINE EXTENSION ADDER: The adder is derived from the value associated with reduced pollution by elimination of diesel engines.

ITCC: All contributions and advances by Applicant are taxable and shall include an Income Tax Component of Contributions (ITCC) at the rate provided in PG&E's Preliminary Statement. ITCC will be non-refundable in accordance with the corresponding contribution.

GROUP OF APPLICANTS. The total contribution or advance from a group of applicants will be apportioned among the members of the group in such manner as they mutually agree.

9. Payment Adjustments.
Contract Compliance. If after one (1) year, Applicant fails to take service, Applicant shall pay to PG&E an additional contribution.

Failure to Connect: If the Applicant(s) fails to take service, PG&E may elect to do the following: (1) Applicant shall pay PG&E its estimated cost to remove, abandon, alter, or replace the facilities, including those facilities that PG&E reinforced, enlarged, or replaced in anticipation of Applicant's proposed load, less the estimated salvage for any removed facilities, or (2) Applicant shall pay PG&E any Special Facilities charges in accordance with PG&E's Rule 2 for those facilities, including those facilities that PG&E reinforced, enlarged, or replaced in anticipation of Applicant's proposed load. The total cost of the facilities PG&E reinforced, enlarged, or replaced are shown in 'Failure to Connect Charge' in the AG-ICE Billing Letter.

Departing Load Reimbursement:
AG ICE customers that depart PG&E's electric system, or that switch to any other PG&E rate and subsequently depart load within the ten-year term of this agreement to take service from another entity, are obligated under PG&E's Electric Preliminary Statement BB, for certain non-by-passable charges (NBCs), also know as departing load charges In addition, such customers will be responsible for repayment of the Adder granted for the installation of facilities, and the difference between the AG-ICE rate and the Otherwise Applicable Schedule for the period of time the customer was served.

Charges for Non-Payment: Applicant shall pay any administrative and processing charges associated with collecting any payment owed by Applicant under this agreement.

10. Non-Refundable Amount.
Applicant shall pay to PG&E a fixed amount as a non-refundable payment, shown in the AG-ICE Billing Letter, for the inspections by PG&E of Distribution System work performed by Applicant or Applicant's contractor, to the extent that such costs are not covered by allowances according to Provision 8 of this document, as well as other non-refundable costs which may include, but are not limited to:

- re-engineering fees,
- preparation fees for trench composite drawings,
- survey and land rights acquisition costs,
- any applicable taxes.

11. Non-Standard Equipment Installation and Removal.
When the situation requires the location, installation, maintenance, repair and replacement of specialized or non-standard utility-owned equipment (Equipment) necessary to provide utility service or perform utility work, Applicant agrees to pay the costs to install PG&E's equipment. Applicant further agrees that, should the Equipment need to be replaced for any reason, it shall be Applicant's responsibility to make arrangements and to pay the cost to have the equipment removed and replacement equipment installed. PG&E shall be responsible for furnishing and delivering any replacement to the site. PG&E hereby agrees to the Equipment location on the following terms and conditions:

- Applicant shall furnish, install, own and maintain the Equipment area within or upon his building at his sole cost. The construction of the area shall comply with all applicable building code requirements. The site, access, location, and arrangement of the facilities shall be subject to PG&E's prior written approval, and any changes or additions thereto shall be made only after PG&E's prior written approval. Except for required area maintenance by Applicant, under PG&E's supervision, Applicant shall not have access to the Equipment area.

- Applicant shall make proper arrangements and pay all the costs associated with the initial and all subsequent installations and removals of PG&E's Equipment into the Equipment area.

- Applicant shall furnish, install, own and maintain all primary and secondary conduits within the property line at his sole cost. The plans for the installation of the secondary service facilities termination details, and other associated facilities installed by Applicant for PG&E use shall be subject to PG&E's prior written approval and shall comply with all applicable code requirements.

- Applicant accepts responsibility for any service interruption that may result from PG&E not having clear access to the Equipment area.

12. General Access.
Where it is necessary for PG&E to install facilities on Applicant's premises, Applicant hereby grants to PG&E: (a) the right to install, own and maintain such facilities on Applicant's premises together with sufficient legal clearance between all structures now or hereafter erected on Applicant's premises; (b) the right to enter and leave Applicant's premises for any purpose connected with the furnishing of electric service (meter reading, inspection, testing, routine repairs, maintenance, replacement, emergency work, etc.) and the exercise of any and all rights secured to it by law, or under PG&E's tariff schedules.

13. Land Rights.
Where formal rights-of-way, easements, land leases, or permits are required by PG&E for the installation of the facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that PG&E shall not be obligated to install the Facilities or accept the facilities installed by Applicant or the approved contractor unless and until any necessary permanent rights-of-way, easements, land leases, or permits, satisfactory to PG&E, are granted to or obtained

for PG&E without cost to or condemnation by PG&E; however, if PG&E is unable to obtain such land rights, Applicant shall obtain them. Such easement shall include the right of access and right to trim trees as necessary to maintain required legal clearances from overhead wires.

14. Acceptance and Conveyance.
In accordance with the PG&E's General Terms and Conditions attached, and upon (a) PG&E's receipt of any required formal rights-of-way, easements, leases, and permits, and (b) PG&E's pressurization and energization of facilities installed by Applicant, Applicant hereby grants and conveys to PG&E, its successors and assigns, all rights, title and interest in and to all such work and facilities, free and clear of all liens and encumbrances.

15. Safety Precautions.
Applicant shall ascertain the location of all existing gas and electric facilities of PG&E within the scope of Applicant's construction area and inspect the area initially and periodically during construction to verify the location of all existing and new PG&E facilities. Applicant and PG&E shall perform all work in compliance with applicable federal, state, and local laws, rules and regulations. Applicant shall inform all persons doing work in proximity of the location of PG&E's facilities and ensure that all work of non-PG&E employees is planned and conducted in a manner to safeguard persons and property from injury. Work performed in close proximity to PG&E's energized electric facilities and pressurized gas facilities also shall be performed in accordance with established Cal-OSHA safety rules and practices, and as may be directed by PG&E. Only personnel duly authorized by PG&E are allowed to connect or disconnect conductors from PG&E-owned Service Facilities, or perform any work upon PG&E-owned existing facilities.

16. Delays in Construction.

- **Force Majeure.** PG&E shall not be responsible for any delay in either the performance of Applicant's responsibilities under this Agreement, or the installation or completion of the facilities by PG&E resulting from shortage of labor or materials, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of PG&E.

- **Resources.** PG&E shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond PG&E's control.

- **Inflation.** In the event that PG&E is prevented from commencing the installation of the facilities for reasons beyond its reasonable control within twelve months following the effective date of this Agreement, PG&E shall have the right to revise the cost figures to reflect any increases in costs since the original costs were determined. PG&E shall notify Applicant of such increased costs and give the option to either terminate this Agreement or pay PG&E the additional charges.

17. Change Orders and Relocations.
All standard design or construction changes made in the field, which impact the charges to Applicant, will be made using PG&E's Agreement Change Order. These field changes, including unforeseen field conditions which may result in additional work or costs by Applicant, the approved contractor or PG&E, may require sketch revisions of Exhibit B. Unforeseen field conditions include, but are not limited to, contaminated soil, obstructions, and weather conditions. The proper execution and attachment of the Agreement Change Order, and any necessary changes to supersede the AG-ICE Billing Letter resulting from the change order, constitutes formal amendment to this Agreement. Applicant shall pay PG&E for any such changes in accordance with the appropriate tariff.

EXCEPTION: If the requested changes are in addition to or substitution for the standard Facilities that PG&E would normally install, then a Special Facilities Agreement shall be required under the provisions of Section I of Rule 2.

18. Termination of Agreement.

In the event Applicant has not fulfilled its obligations under this Agreement within twelve (12) months following the date of this Agreement under any of the provisions of this Agreement or the Application for service, form 79-1023, and PG&E is unable to proceed hereunder, with the exception of delays that may be caused by PG&E, PG&E shall have the right to terminate and/or supersede this Agreement upon thirty (30) days' written notice to Applicant. Upon such notice PG&E will calculate any amounts that may be due based on that portion of the distribution system or service then completed, utilizing the estimated costs developed by PG&E for this Agreement.

The superseding Agreement, if any, shall be in the same form as this Agreement, shall be executed by the parties hereto and shall provide that costs be allocated to the portion of the Distribution System then completed, if any, consistent with those costs estimated by PG&E for this Agreement.

If this Agreement is terminated as set forth above, Applicant further agrees to forfeit that portion of the advance paid to PG&E for its expenses covering any engineering, surveying, right-of-way, removal, acquisition and other associated work incurred by PG&E. If such expenses are greater or less than the payments, Applicant shall pay to PG&E, or PG&E shall refund the balance without interest, to Applicant, as the case may be.

19. Indemnification and Withholding.

INDEMNIFICATION: Applicant shall indemnify, defend and hold harmless PG&E, its officers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs, expenses, and legal liability connected with or resulting from injury to or death of persons, including but not limited to employees of PG&E, Applicant, contractor or subcontractor; injury to property of PG&E, Applicant, or any third party, or to natural resources, or violation of any local, state or federal law or regulation, including but not limited to environmental laws or regulations, or strict liability imposed by any law or regulation; arising out of, related to, or in any way connected with Applicant's performance of this Agreement, however caused, regardless of any strict liability or negligence of PG&E, whether active or passive, excepting only such claims, demands, losses, damages, costs, expenses, liability or violation of law or regulation as may be caused by the active negligence or willful misconduct of PG&E, its officers, agents, or employees.

Applicant acknowledges that any claims, demands, losses, damages, costs, expenses, and legal liability that arise out of, result from, or are in any way connected with the release or spill of any legally designated hazardous material or waste as a result of the work performed under this Agreement are expressly within the scope of this indemnity, and that the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs are expressly within the scope of this indemnity.

Applicant shall, on PG&E's request, defend any action, claim or suit asserting a claim covered by this indemnity. Applicant shall pay all costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorney's fees.

WITHHOLDING: In addition to any other right to withhold, PG&E may withhold from payments due Applicant hereunder such amounts as, in PG&E's opinion, are reasonably necessary to provide security against all loss, damage, expense, and liability covered by the foregoing indemnification provision.

20. Assignment of Contract.
Applicant may assign this Agreement, in whole or in part, only if PG&E consents in writing and the party to whom the Agreement is assigned (Assignee) agrees in writing, to perform the obligations of Applicant hereunder. Such assignment shall be made using PG&E's Assignment Agreement and shall be notarized. Assignment of this Agreement shall not release Applicant from any of the obligations under this Agreement unless otherwise provided therein, shall be deemed to include Applicant's right to any refunds then unpaid or which may thereafter become payable.

21. Joint and Several Liability.
Where two or more individuals or entities are joint applicants under this Agreement, PG&E shall direct all communications, charges and refunds to Applicant designated below, but all applicants shall be jointly and severally liable to comply with all terms and conditions herein.

22. Warranty.
As specified in PG&E's General Terms and Conditions, Applicant shall warrant that all materials and workmanship performed or otherwise provided by Applicant shall be free of all defects and fit for its intended purposes. The warranty begins with the date the facilities are energized or pressurized by PG&E and extends past the date of final acceptance of the Distribution System by PG&E for (a) one year covering equipment furnished and installed by Applicant or the approved contractor, and (b) two years plus, covering the trenching and backfilling. In the event Applicant's work or materials provided under this Agreement fails to conform to the warranty or are damaged as a result of any actions by a third party, Applicant shall reimburse PG&E its costs for the total cost of repair and/or replacement as deemed necessary by PG&E. Such reimbursements shall be non-refundable.

23. Effective Date and Term.
This Agreement shall be binding when: (a) the Agreement is signed by Applicant and delivered together with payment required to PG&E within ninety (90) days of issuance, and (b) the Agreement is accepted and executed by PG&E. If Applicant is a corporation, partnership, joint venture or a group of individuals, the subscriber hereto represents that he or she has the authority to bind said corporation, partners, joint venture or individuals as the case may be.

The term of this Agreement shall commence on the date PG&E's facilities are first ready to supply and serve, as shown in PG&E's records, and shall then continue in force for a period of ten (10) years, subject to the termination provision of this Agreement, except that in no event shall this Agreement end prior to the end of the warranty period if supplied by the Applicant under the Internal Combustion Engine Conversion Incentive General Terms and Conditions.

24. Commission Jurisdiction.
This Agreement shall be subject to all of PG&E's applicable tariff schedules on file with and authorized by the Commission and shall at all times be subject to such changes or modifications as the Commission may direct from time to time in the exercise of its jurisdiction. These may include, but are not limited to changes or modifications to Monthly Cost-of-Ownership Charges (higher or lower percentage rates), extension rules, rate schedules, and allowance amounts.

EXHIBIT D

AGRICULTURAL WATER PUMPING CONVERSION OF INTERNAL COMBUSTION ENGINES TO ELECTRIC MOTORS DISTRIBUTION LINE AND/OR SERVICE EXTENSION EXCEPTIONAL CASE AGREEMENT

This Agreement is entered into between _____, _____ ("Applicant") located at _____, and Southern California Edison Company ("SCE"), located at 2244 Walnut Grove Avenue, Rosemead, California 91770. This Agreement shall become effective as of the date set forth beneath SCE's signature on the signature page of this Agreement.

The purpose of this Agreement is to establish the terms and conditions upon which a distribution line and/or service extension is installed to accomplish the conversion of a Qualifying Internal Combustion (IC) Engine to an Electric Motor to operate water pumps used for agricultural purposes. The terms and conditions of this Agreement are intended to encourage the applicant to destroy or eliminate IC Engines from applicant's premises and to install electric facilities for the operation of water pumps, and to operate such water pumps as designed on SCE's electric system through the term of this Agreement.

This is a filed form tariff agreement authorized by the California Public Utilities Commission ("Commission") for use by SCE. No officer, inspector, solicitor, agent, or employee of SCE has any authority to waive, alter, or amend any part of this Agreement except as provided herein or as authorized by the Commission. This Agreement supplements the terms and conditions of electric service provided under SCE's Commission-approved tariffs.

The Parties agree as follows:

1. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1. Agreement: This document and appendices, as amended from time to time.

1.2. Applicant: Bundled Service Applicant as defined in SCE's Rule 1.

1.3. Electric Equipment: The electric motor and associated equipment including the water pump.

1.4. Extension Adder: A dollar amount to be credited toward the applicable portion of the advance required from the Applicant as determined under SCE's Rule 15 and Rule 16, for the distribution line and/or service extension installed to accomplish the conversion of an IC Engine to an electric motor to operate a water pump.

1.5. Party, Parties: The parties to this Agreement are SCE and Applicant, as defined above.

1.6. Qualifying Internal Combustion Engine (IC Engine): Any Stationary or Portable IC Engine fueled by diesel, gasoline, propane, or butane fuels, and not by natural gas, operating a water pumping used for agricultural purposes that was installed and operational prior to September 1, 2004 and which is rated greater than 50 horsepower.

1.7. Portable IC Engine: A Portable IC Engine is a subcategory of a Stationary IC Engine, and is an IC Engine that is designed for and capable of being carried or moved from one location to another. This engine does not have the capability to move on its own power. Some indicators of portability include skids, carrying handles, or they can be towed. Note, mobile engines that have the capability of moving on their own power, such as a truck engine, do not meet this definition and are not eligible under this Agreement.

1.8. Rule 15: The tariff governing distribution line extensions.

1.9. Rule 16: The tariff governing service extensions.

1.10. Stationary IC Engine: A Stationary IC Engine is designed to stay in one location or remain in one location, i.e., an engine affixed to a foundation.

2. IC ENGINE TO ELECTRIC MOTOR CONVERSION

2.1. Applicant shall destroy the IC Engine and associated equipment (unless the engine was obtained with Carl Moyer Program or similar funding in which case the California Air Resources Board and the air districts will determine the engine disposition of the engine).

2.2. Applicant shall provide to SCE the necessary documentation by showing proof that it has purchased an electric pump and the associated equipment representing that a IC Engine is being replaced by an electric motor. SCE reserves the right to require additional documentation, and reject or accept the Applicant's documentation.

2.3. Applicant shall install, operate and maintain the Electric Equipment in proper working order for the term of the Agreement.

2.4. Applicant shall notify SCE within 30 days from the date SCE energizes the electric service if the Electric Equipment has not been connected.

2.5. Applicant's Electric Equipment shall be subject to an electric motor pump efficiency test.

2.6. Applicant shall provide SCE with access to Applicant's premises at all reasonable hours for periodic inspection and testing of the Electric Equipment.

3. RULE 15 AND RULE 16 EXCEPTIONAL CASE PROVISONS

3.1. Rules 15, Section I.3 and 16.G of SCE's Electric Tariffs provide that SCE can seek a special ruling from the Public Utilities Commission whenever application of the standard tariff provisions "appears impractical or unjust to either party or the ratepayers."

3.2. Certain provisions of Rules 15 and 16 create significant barriers to conversion of an IC Engine to an electric motor for operation of water pumps used for agricultural purposes and the application of these provisions of these Rules for such conversions are impractical.

3.3. Applicant requests electric service from SCE which will be provided pursuant to Rules 15 and 16 as modified herein, in accordance with the Exceptional Case provisions of such rules, as follows:

3.3.1. Rule 15, Section C.4, Non-Residential Allowances is modified to provide that in addition to the non-residential allowance determined by SCE using the formula in Rule 15, Section C.2, the applicant is granted an additional monetary credit referred to as the Extension Adder which shall be applied in the same manner as the allowance. The Extension Adder shall reduce the applicant's applicable cost as determined in Rule 15 and/or Rule 16.

3.3.1.1. The Extension Adder shall not exceed the lesser of the amount remaining due from the applicant after the otherwise applicable allowance is applied or the amount as indicated below based on the size of the electric pump(s) to be served.

KW Rating of Replacement Electric Motor	Maximum Adder
Up to 124 kw	$7,500
125 kw to 224 kw	$15,000
225 kw and higher	$32,395

3.3.1.2. Should Applicant fail to connect the Electric Equipment for which the Extension Adder is provided, the Applicant may be required to repay the Extension Adder and the initial allowance. In addition, should the load receiving service under this Agreement become Departing Load within ten years from the date of this Agreement the customer will be required to reimburse SCE for the amount of the Extension Adder and the difference between rates paid under the TOU-PA-ICE tariff and rates under the otherwise applicable tariff.

3.3.1.3. In no event shall SCE be required to make any cash payment to Applicant as a result of the application of the Extension Adder.

3.3.2. Rule 15, Section D.5. Refundable and Non-Refundable amounts is modified to provide that the Applicant is not required to pay the full advance before the start of construction, but is allowed to pay such advance in four equal payments within the first year, with the first payment due prior to the start of SCE's construction.

3.3.3. Rule 15, Section D.5 a & b, Refundable and Non-Refundable Amounts is modified to provide that Applicant's contribution or advance, which is SCE's total estimated cost, including Income Tax Component of Contribution (ITCC) to complete the distribution line extension that exceeds the amount of the distribution line extension allowance as determined per Section C.2, plus the Extension Adder shall not be refunded at any time during or after the term of this Agreement

3.3.4. Rule 15, Section D.5.c, Refundable Discount Option is modified to provide that Applicant shall not be eligible to select this Option.

3.3.5. Rule 15, Section D.7.a, Payment Adjustments is modified to provide that Applicant shall not be deficit billed for failing to produce revenues based on load/horsepower submitted by Applicant upon application for service except if applicant does not connect the electric service.

3.3.6. Rule 15, Section E.3, Refund Period is modified to provide that Applicant shall not receive any refunds during the term of this Agreement.

3.3.7 Rule 15, Section E.5, Non-Residential Refunds is modified to provide that SCE shall not perform annual reviews to determine if refunds are required.

3.3.8. Rule 15, Section E.6, Unsupported Distribution Line Extension Cost is modified to provide that ownership charges as permitted by Rule 15, Section E.6, shall not be charged to Applicant.

3.3.9. Rule 15, Section E.11, Series of Distribution Line Extensions, is modified to provide that when another distribution line extension connects to Applicant's extension, Applicant shall not qualify for a series refund.

3.3.10. Rule 16, Section E.1, Non-Residential Allowances is modified to provide that the Exceptional Case provisions as listed in this Agreement, with regard to references to Rule 15 are applicable to the pertinent parts of Rule 16, Section E.1. In addition, the Extension Adder will be applied only to these costs as applicable under Rule 16.

3.3.11. Rule 15, Section G.1.b, Applicant Installation Options, Competitive Bidding is modified to provide that the Applicant must provide the Applicant's Contract Anticipated Costs, and such cost shall not be subject to refund, nor will there be a line extension contract.

4. RESPONSIBILITES OF APPLICANT

4.1 Construction

Applicant shall install in accordance with SCE's specifications the Distribution Line Extension to serve the Project, pursuant to Rule 15, and in accordance with the Terms and Conditions Agreement for Installation of Distribution Line Extension by Applicant, when applicable.

Applicant shall, in accordance with SCE's specifications and timing requirements for the project:

- Perform route clearing, tree trimming, trenching, excavating, backfilling and compacting;
- Furnish imported backfill material and dispose of trench spoil as required;
- Furnish, install and transfer ownership to SCE any substructures, conduit, and protective structures required;
- Obtain any necessary construction permits for all work performed by Applicant under this Contract.

If Applicant elects to have SCE perform any part of this work, Applicant shall pay to SCE as specified herein and before the start of construction, SCE's estimated-installed costs thereof.

4.2 Rights of Way

Applicant hereby grants to SCE the rights of way and easements for the Distribution Line Extension over the shortest, most practical, available, and acceptable route within Applicant's property for the purpose of making delivery of electric service hereunder. Such easement shall include the right of access and right to trim trees as necessary. Where formal rights of way, easements, land leases, or permits are required by SCE for installation of facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that SCE shall not be obligated to install the Distribution Line Extension for the Project unless and until any necessary permanent rights of way, easements, land leases, and permits, satisfactory to SCE, are granted to or obtained for SCE without cost to or condemnation by SCE.

4.3 Advances

Applicant shall contribute or advance before the start of construction, the amounts as set forth in Appendix A to this Contract and in the manner stated in Section 3.3.2 of said agreement. This includes the costs for substructures and conduits which SCE had previously installed at its expense in anticipation of the current Distribution Line Extension. Any necessary riser conduit, conduit covering, and

miscellaneous riser material required for the Distribution Line Extension shall be furnished or paid for by Applicant and shall be installed by SCE.

All contributions and advances by Applicant are taxable and shall include an Income Tax Component of Contribution (ITCC) at the rate provided in SCE's Preliminary Statement.

5. RESPONSIBILITIES OF SCE

5.1 Construction

SCE shall own, operate, and maintain the Distribution Line Extension to serve the Project.

5.2 Ownership of Facilities

Title to and ownership of the Distribution Line Extension shall vest in SCE. Applicant does hereby agree that upon completion and acceptance by SCE of any Applicant-installed facilities, title to each and every component part thereof shall immediately pass to SCE free and clear of all liens and encumbrances.

5.3 Reimbursement to Applicant

Where mutually agreed upon by SCE and Applicant, Applicant may perform SCE's work or install facilities normally installed by SCE. Such work shall be in accordance with SCE's specifications and timing requirements. SCE shall reimburse Applicant SCE's estimated installed cost of such facilities and work by applying a credit toward Applicant's advance. Any amount not so credited shall be reimbursed to Applicant upon acceptance of the work and facilities by SCE.

6. DELAYS IN CONSTRUCTION

6.1 Force Majeure

SCE shall not be responsible for any delay in the installation or completion of the facilities by SCE resulting from the late performance of Applicant's responsibilities under this Contract, shortage of labor or material, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of SCE.

6.2 Resources

SCE shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond SCE's control.

7. WARRANTY

Applicant warrants that all work and/or equipment furnished or installed by Applicant or its contractor shall be free of defects in workmanship and material. The warranty period shall begin from the date of final acceptance by SCE and extend for one (1) year. Should the work develop defects during that period, SCE, at its election, shall either (a) repair or replace the defective work and/or equipment, or (b) demand that Applicant repair or replace the defective work and/or equipment and, in either event, Applicant shall be liable for all costs associated with such repair and/or replacement. Applicant upon demand by SCE, shall promptly correct, to SCE's satisfaction and that of any governmental agency having jurisdiction, any breach of any warranty.

8. TERM

This Agreement shall take effect on the date SCE is first ready to serve and shall remain in force for a period of ten years.

This Agreement may not be renewed at the end of its term.

9. WAIVER

The choice of Electric Equipment and technology, selection of contractors, purchase of materials, work performed, and the payments thereof are the Applicant's sole responsibility. Applicant waives any claims against SCE arising out of the installation and use of the Electric Equipment. SCE makes no representations regarding contractors, dealers, equipment, material or workmanship related to the Electric Equipment or technology or regarding the effectiveness of any qualifying environmental compliance with environmental laws or regulations. SCE does not endorse specific products or manufacturers. SCE DOES NOT REPRESENT ANY EXPRESSED, IMPLIED, OR PROSPECTIVE WARRANTY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR APPLICATION.

10. TERMINATION

This Agreement shall terminate (i) upon expiration of the (10) year term, (ii) if Applicant does not connect to SCE's electric system Electric Equipment as specified in this Agreement.

SCE shall provide 10 business days notice of termination to Applicant.

11. ELECTRICITY PURCHASES

Applicants participating in this Agreement must purchase all their electricity from SCE in accordance with the applicable tariff schedule(s) and shall not receive its energy to service the electric motor pumps in part or in whole by a non-utility source of supply such as a generator as, provided under Rule 21.

12. DAMAGE LIMITATION

SCE shall not be liable for any consequential, incidental, indirect, or special damages, whether in contract, tort, or strict liability including, but not limited to, lost profits and loss of power resulting from power outages or other electric service interruptions or from SCE's performance or nonperformance of its obligations under this Agreement or in the event of termination of this Agreement.

13. INDEMNITY

Applicant shall defend, indemnify, and hold harmless SCE from and against any and all actions, claims, liabilities, losses, damages, and reasonable expenses of defense, for injury to or death of any person, and damage to or loss of any property, in connection with Applicant's performance of this Agreement. The provisions of this paragraph shall continue in effect notwithstanding termination of this Agreement.

14. ASSIGNMENT OF AGREEMENT

Applicant shall not assign this Agreement or any part or interest herein, to a third party without the prior, written consent of an authorized representative of SCE. Any assignment made without such consent shall be void and of no effect. Further, any assignment made under this Agreement shall be subject to any applicable Commission authorization or regulation except as waived by the Commission

15. NOTICE

Any notice either Applicant or SCE may wish to provide the other regarding this Agreement must be in writing. Such notice must be either hand-delivered or sent by U.S. registered mail, postage prepaid, to the person designated to receive notice for the other Party below, or to such other address as either may designate by written notice. Notices delivered by hand shall be deemed effective when delivered. Notices delivered by mail shall be deemed effective when received, as acknowledged by the receipt of the certified or registered mailing.

Applicant:

_____
(name)
_____
(title)
_____
(party)
_____
(address)
_____
(city, state, & zip code)

SCE:

Director, Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770

16. NONWAIVER

The failure of either Party to enforce any of the terms and conditions or to exercise any right or privilege in this Agreement shall not be construed as a waiver of any such terms and conditions or rights or privileges and the same shall continue and remain in force and effect as if no such failure to enforce or exercise had occurred.

17. SEVERABILITY

In the event that any of the provisions, or portions hereof, of this Agreement are held to be unenforceable or invalid by the Commission, or any court of competent jurisdiction, the validity and enforceability of the remaining provisions or any portion thereof shall not be affected. However, should either party determine, in good faith, that such unenforceability renders the remaining provisions of this Agreement economically infeasible or disadvantageous, said party may terminate this Agreement upon 15 days notice.

18. APPLICABLE LAWS, RULES A ND REGULATIONS

This Agreement shall be subject to, and interpreted under, the laws, rules, and regulations of the State of California and the Public Utilities Commission, and under SCE's Commission-approved Tariff Schedules and Rules. To the extent there are any inconsistencies between this Agreement and SCE's other tariffs, this Agreement shall control.

19. CALIFORNIA PUBLIC UTILITIES COMMISSION

19.1 This Agreement shall at all times be subject to such changes or modifications made by the Public Utilities Commission in the exercise of its jurisdiction.

19.2 Notwithstanding any other provisions of this Agreement, SCE has the right to unilaterally file with the Commission, pursuant to the Commission's rules and regulations, an application for a change in rates, charges, classification, service, or rule, or any agreement relating thereto.

20. ENTIRE AGREEMENT

This Agreement, including SCE's tariffs as filed with the Public Utilities Commission, constitutes the sole, only, and entire agreement and understanding between the Parties as to the subject matter of this Agreement. Prior agreements, commitments or representations, whether expressed or implied, and discussions between Parties, shall not be construed to be a part of this Agreement.

21. AMENDMENT

Any changes or amendments to this Agreement must be in writing and must be executed by Applicant and SCE and be approved by the Commission, if required.

22. APPLICANT AFFIDAVIT

Applicant certifies and declares under penalty of perjury under the laws of the State of California that statements in the paragraphs below are true and correct:

22.1. Applicant certifies that the new electric load associated with the Electric Equipment, replaces load served by and existing IC Engine.

22.2. Applicant hereby confirms that the operation of the Electric Equipment is in accordance with the information contained in Appendix A of this Agreement.

22.3. Applicant agrees that SCE has the right to inspect Applicant's Electric Equipment to verify that the Electric Equipment is installed and connected to SCE's electric system.

22.4. Applicant acknowledges that SCE has the right to verify any supporting documentation and statements Applicant has made in support of this affidavit.

23. AUTHORIZATION SIGNATURES

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized agents to be effective on the date of SCE's signature below.

By: SOUTHERN CALIFORNIA EDISON COMPANY	By: Applicant
_____	_____
(Signature)	(Signature)
_____	_____
(Name)	(Name)
_____	_____
(Title)	(Title)
Southern California Edison Company	_____
	(Customer)
_____	_____
(Date)	(Date)

APPENDIX A
SCE INTERNAL COMBUSTION ENGINE CONVERSION SECTION TO:
Application for Service
Internal Combustion Engine Conversion Incentive Agricultural Service

Completion of this Attachment is mandatory if:

1) ***The air district in which the project is located does not offer the Carl Moyer or similar Agricultural Engine Emission Reduction Program; or***
2) ***The applicant opts not to apply for Carl Moyer or similar funding.***

Complete one Attachment per Engine and Associated Replacement Electric Motor

CURRENT ENGINE

Primary function of engine: (crop irrigation, if other please explain) _____
_____

Check one:
Stationary irrigation pump engine _____ Trailer mounted booster pump (portable) ____ , other, please explain: _____

*Estimated total annual hours of operation: _____ Is there any seasonality to the use of the engine? YES / NO.
If Yes, please explain:
_____

Current Engine type:
Compression Ignition ___ Spark Ignition ____
*Fuel Type _____
Estimated annual fuel usage (in gallons) _____
Engine Make: _____
Engine Model: _____
*Engine Model Year _____
Engine Serial Number _____
*Manufacturer's maximum brake horsepower _____
Primary fuel: Diesel Other (specify) _____
Estimated engine life: _____
Certified USEPA standardized engine family name if applicable:
_____

Was this engine purchased with Carl Moyer funds, Yes ____, No _____, if no, Applicant will within 60 days of the electric service being energized, provide SCE with documentation of destruction of above engine. Applicant and its engine dealer may permanently disable the engine by punching at least a five (5) inch diameter hole through the engine block above the oil pan and provide photographs detailing same, or Applicant and its engine dealer may also crush the engine and provide written verification such as a receipt from a scrap metal recycling operation.

NEW Electric Motor

Electric Motor Manufacturer: _____
Electric Motor Make: _____
Electric Motor Model: _____
*Electric Motor Model Year: _____
Electric Motor Serial Number: _____
*Electric Motor kW: _____
*Electric Motor Horse Power: _____
Electric Motor Code: _____ (E, F, G, or H)

Form 14-763