



Electric Sample Form No. 62-0982
Distribution and Service Extension Agreement - Provisions

Sheet 1

**Please Refer to Attached
Sample Form**

DISTRIBUTION AND SERVICE EXTENSION AGREEMENT - PROVISIONS

1. As indicated in the Declarations, Applicant has elected to have competitive bidding and has awarded a qualified Contractor or PG&E the responsibility of installing gas and 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 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.

Gas Extensions:

- Installing gas distribution main pipe, valves, and other related distribution equipment, as specified by PG&E, required to complete the extension including all necessary trenching, backfilling, and other digging as required.
- Furnishing, installing and upon acceptance by PG&E, conveying to PG&E the ownership of all necessary installed substructures and protective structures necessary to contain or support PG&E's gas facilities.

Mixed-Fuel New Construction Extensions:

- Pursuant to D.23-12-037, Electric Line Extension Allowances, 10-Year Refundable Payment Option, and 50 Percent Discount Option set forth in Electric Rules 15 and 16 are removed for Mixed-Fuel New Construction projects effective July 1, 2024.
- Effective January 1, 2025, customers of all Mixed-Fuel New Construction projects will pay, at the end of project completion, the final actual costs of an electric line extension instead of estimated costs. For new gas applications submitted on or after July 1, 2023, Customers will pay actual costs.

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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, 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. Applicants who submit a new application for gas Distribution Main or Service Extension(s) on or after July 1, 2023, must pay PG&E its total estimated cost upon contract execution in advance of PG&E commencing its work.

Upon completion of the work and determination of final actual costs, PG&E will provide Applicant with a final invoice or refund to account for a true-up to actual costs (excluding Betterment and Utility Convenience). For Electric Projects, PG&E will collect costs and provide reimbursements based on its estimated costs (excluding Betterment and Utility Convenience),

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 gas and 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 and pressurized supply 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 Gas and Electric Rule 16. Applicant shall be responsible for all service trenching.

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- 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.

Applicants who submit a new application for Gas Distribution Main or Service Extension(s) on or after July 1, 2023, must pay PG&E its total estimated cost upon contract execution in advance of PG&E commencing its work. Upon completion of the work and determination of final actual costs, PG&E will provide Applicant with a final invoice or refund to account for a true-up to actual costs (excluding Betterment and Utility Convenience). For Electric Projects, PG&E will collect costs and provide reimbursements based on its estimated costs (excluding Betterment and Utility Convenience),

Applicant shall pay to PG&E on demand and in advance of any construction, a refundable payment, shown in Exhibit A, 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.

An Applicant's failure to pay a final invoice in a timely manner is a violation of PG&E's Gas Rules 15/16 and may result in discontinuance of service.

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 and refund 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. The total amount subject to refund shall not exceed PG&E's refundable cost estimate. New applications for gas Distribution Main or Service Extensions submitted on or after July 1, 2023, will be subject to an Actual cost true-up or reconciliation of fees as appropriate.

NON-REFUNDABLE: A non-refundable payment, shown in Exhibit A, 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.

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ALLOWANCES: Allowances for permanent residential and non-residential service are provided in accordance with Gas and Electric Rule 15 and are included in Exhibit A, as applicable.

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 either refundable or 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. Amount Subject to Refund.

The total refundable amount set forth in Exhibit A - Cost Summary shall be subject to refund, without interest, on the basis of a new customer's permanent load connected to the line extension that produces additional revenue to PG&E in accordance with the following provisions:

Refunds will be made within ninety (90) days after the date Applicant becomes eligible for a refund except that refunds may be accumulated to a \$50 minimum, or the total refundable balance remaining is less than \$50.

Residential: The refund will be deducted from the total refundable amount. The remaining amount subject to refund represents that portion of the extension cost not supported by revenues.

Non-residential: PG&E shall review Applicant's actual base annual revenue each year for the first three years from the date PG&E is first ready to provide service. Applicant shall be responsible for notifying PG&E if new, permanent load is added the fourth through tenth year from the date PG&E is first ready to provide service. Such review shall determine if additional revenue supports any refunds to Applicant.

Refund Period: The total refundable amount is subject to refund for a period of ten (10) years after PG&E is first ready to provide service. No refund shall be made in excess of the refundable amount nor after a period of (10) years after the date PG&E is first ready to provide service. Any unrefunded amount remaining at the end of the ten-year period shall become the property of PG&E.

Refunds in Series: When there is a series of extensions, beginning with an extension having an outstanding amount subject to refund, and each extension is dependent on the previous extension as a direct source of supply, a series of refunds will be made as follows:

- (1) Additional service connections supplied from an extension on which there is a refundable amount will provide refunds first to the extensions to which they are connected; and,
- (2) When the amount subject to refund on an extension in a series is fully refunded, the excess refundable amount will provide refunds to the extension having the oldest outstanding amount subject to refund in the series.

Gas-only Trenching: If Applicant chooses to perform trenching for PG&E's gas facilities, and qualifies for a gas extension allowance, PG&E will provide Applicant with a reimbursement or credit for the lower of PG&E's project-specific estimated costs or Applicant's Contract Anticipated Costs, as reported on Applicant's Statement of Costs form (Form # 79-1003), upon completion and acceptance by PG&E.

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Outstanding Payments: Applicant or subsequent assignees of this Agreement shall not be eligible for refunds if there are any outstanding payments due PG&E.

10. Unsupported Extension Cost.

When any portion of the refundable amount has not qualified for a refund at the end of twelve (12) months for electric service or thirty-six (36) months for gas service from the date PG&E is first ready to provide service, Applicant will pay to PG&E a cost-of-ownership charge on the remaining refundable balance. Monthly ownership charges are in addition to the refundable amount, and will normally be accumulated and deducted from refunds due to Applicant.

Payment of such cost-of-ownership charges will normally be made by deduction from the payments to be refunded as described in the Amount Subject to Refund section of this Agreement, but such deduction will not thereafter reduce the amount on which the cost-of-ownership charges are determined. If the amount remaining in the original refundable payment is insufficient to offset the cost-of-ownership charge within the 10-year refund period (described in the Amount Subject to Refund section of this Agreement) PG&E shall have the right to separately bill Applicant for this deficiency for the remaining duration of the 10-year refund period. However, the amount subject to cost-of-ownership charges will continue to be reduced by additional connected loads as defined in the Amount Subject to Refund section of this Agreement. Such ownership charges shall initially be determined from the applicable percentage rate established in the Special Facilities section(s) of PG&E's Gas or Electric Rule 2.

The monthly cost-of-ownership charges herein shall automatically increase or decrease without formal amendment to this Agreement if the Commission should subsequently authorize a higher or lower percentage rate for the monthly cost-of-ownership, effective on the date of such authorization.

This provision does not apply to individual residential applicants.

11. Payment Adjustments.

Contract Compliance. If after six (6) months following the date PG&E is first ready to serve residential loads for which allowances were granted, one (1) year for non-residential loads, Applicant fails to take service, or fails to use the service contracted for, Applicant shall pay to PG&E an additional contribution.

Excess Facilities: If the loads provided by Applicant(s) results in Applicant, the approved contractor or PG&E having installed facilities which are in excess of those needed to serve the actual loads, PG&E may elect to do the following:

(a) For new applications for gas Distribution Main or Service Extensions submitted before July 1, 2023 and Electric Projects: (1) Applicant shall pay PG&E its estimated cost to remove, abandon, alter, or replace the excess 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, which are in excess of those facilities needed to serve Applicant's actual load. The total cost of the facilities PG&E reinforced, enlarged, or replaced are shown in Exhibit A.

(b) For new gas applications submitted on or after July 1, 2023, if the loads provided by Applicant(s) results in Applicant, the approved contractor or PG&E having installed facilities which are in excess of those needed to serve the actual loads, PG&E may elect to do the following: (1) Applicant shall pay

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PG&E its actual cost to remove, abandon, alter, or replace the excess facilities, including those facilities that PG&E reinforced, enlarged, or replaced in anticipation of Applicant's proposed load, less the actual salvage for any removed facilities in accordance with Section B.3.a., of Gas Rule No.15 Gas Main Extensions, 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, which are in excess of those facilities needed to serve Applicant's actual load. The total cost of the facilities PG&E reinforced, enlarged, or replaced are shown in Exhibit A.

Deficiency Charges for Non-Payment: Applicant shall pay PG&E for any administrative and processing charges associated with collecting any payment adjustments related to this Agreement.

12. Non-Refundable Amount.

Discount Option: Competitive Bidding - Installation by Applicant. For Approved Gas Eligible Projects, and Electric applications that are not Mixed-Fuel New Construction, in lieu of receiving refunds for the total refundable amount described in the Amount Subject to Refund section, Applicant may elect the Discount Option. Upon completion, acceptance and conveyance of the gas and electric facilities to PG&E, in accordance with the provisions of this Agreement, Applicant may elect to receive a lump sum payment of fifty percent (50%) of the refundable amount as shown in Exhibit A – Cost Summary.

Discount Option: Competitive Bidding – Installation by PG&E. For Approved Gas Eligible Projects, and Electric applications that are not Mixed-Fuel New Construction, in lieu of contributing the total refundable amount described in the Amount Subject to Refund section, Applicant has the option of contributing, on a non-refundable basis, fifty percent (50%) of the refundable amount as shown in Exhibit A - Cost Summary.

Excess Service: PG&E's estimated installed costs for Service Extensions in excess of the allowance, not subject to discount, as defined in PG&E's Gas and Electric Rule 16 as shown in Exhibit A - Cost Summary are non-refundable.

Other Non-refundable Amounts. Applicant shall pay to PG&E a fixed amount as a non-refundable payment, shown in Exhibit A, 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.

13. 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

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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.

14. 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 gas and 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.

15. 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.

16. 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.

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17. 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.

18. 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.

19. 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 Exhibit A 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.

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20. 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, and PG&E is unable to proceed hereunder, 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 refundable or additional non-refundable amounts that may be due based on that portion of the distribution system then completed, utilizing the estimated costs (and Actual cost true-up for Gas-Eligible Projects only) 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 (and Actual cost true-up for Gas-Eligible Projects only) 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 refundable and/or non-refundable payments, Applicant shall pay to PG&E, or PG&E shall refund the balance without interest, to Applicant, as the case may be.

21. 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.

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22. 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.

23. 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.

24. 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.

25. 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 years, subject to the termination provision of this Agreement.

26. 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, allowances and refund amounts.