



Gas Sample Form No. 62-0562
Gas & Electric Facilities Transfer Agreement - Declaration

Sheet 1

**Please Refer to Attached
Sample Form**



DISTRIBUTION

- Transferor
- Division
- Customer Care

REFERENCES

Order #: _____
 SD #: _____
 D&C #: _____
 MLX #: _____
 R/W #: _____

GAS & ELECTRIC FACILITIES TRANSFER AGREEMENT - DECLARATION

Submitted to Transferor By:

Date of Issuance: _____

_____ (TRANSFEROR), has requested **PACIFIC GAS AND ELECTRIC COMPANY (PG&E)**, a California Corporation, to acquire Transferor's Gas; Electric Facilities (Facilities) as summarized on "Exhibit A", and situated at _____, and to deliver Gas; Electric Energy (Energy) to the existing Customers (Customers) served from the Facilities and listed on "Exhibit B" for the operation of the utilization Equipment (Equipment). The Incremental Base Annual Revenue and Economic Analysis and Payment Computation for the gas and electric systems are summarized in "Exhibit C.1." and "Exhibit C.2.", respectively. The Facilities are shown on sketch marked "Exhibit D". All exhibits are attached hereto and made part hereof.

Executed this _____ day of _____, _____

PACIFIC GAS AND ELECTRIC COMPANY

Transferor

Authorized by (Print)

Signature

Title

Date

Authorized by (Print)

Signature

Title

Date

MAILING ADDRESS:

Attachments: (Mark each attachment needed)

- | | |
|--|--|
| <input type="checkbox"/> Exhibit A - Facilities | <input type="checkbox"/> Exhibit E - Additional Terms and Conditions |
| <input type="checkbox"/> Exhibit B - Customers | <input type="checkbox"/> Gas Rule 15 |
| <input type="checkbox"/> Exhibit C.1. - Incremental Base Annual Revenue | <input type="checkbox"/> Gas Rule 16 |
| <input type="checkbox"/> Exhibit C.2. - Economic Analysis and Payment | <input type="checkbox"/> Electric Rule 15 |
| <input type="checkbox"/> Exhibit D - Gas and/or Electric Facilities Sketch | <input type="checkbox"/> Electric Rule 16 |

Transferor: Please initial here to confirm receipt of all attachments: _____

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

GAS AND ELECTRIC FACILITIES TRANSFER AGREEMENT

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As indicated in the Declarations, **TRANSFEROR** has requested **PG&E** to acquire Transferor's gas and electric Facilities. The Facilities, if electric, include but are not limited to: poles, conductors, transformers, substructures, conduits, services, meters, and other associated equipment. Facilities, if gas, include but are not limited to: gas mains, services, valves, meters, regulators, and other associated equipment.

PG&E is willing to acquire and own the Transferor's Facilities, and supply Energy service in accordance with PG&E's applicable rates and rules, subject to the following terms and conditions:

- 1. OWNERSHIP BASIS.** Concurrently with the execution of this Agreement, Transferor agrees to transfer to PG&E the Facilities described herein, along with any associated capital costs, applicable taxes, and cost-of-ownership for that portion of the Facilities not supported by Incremental Base Annual Revenue derived from existing permanent loads served directly from the Facilities. All Facilities conveyed to PG&E under this Agreement shall at all times be and remain the property of PG&E.
- 2. CONDITION OF FACILITIES.** To the best of Transferor's knowledge, the gas and electric distribution Facilities are in reasonably good operating condition and are capable of providing the end users a safe and reliable source of electric and gas service, the Facilities meet the California Public Utilities Commission's (CPUC) General Orders, are compatible, and in the case of new construction, meet PG&E's design standards as they relate to safety and reliability, and are capable of serving the customary expected load, determined in accordance with a site specific study and PG&E's rules as approved by the CPUC. If the facilities do not comply with the above, the Transferor has the following two options, both at the expense of the Transferor:
 - (a) Transferor may elect to have qualified third party perform the necessary work prior to Title Acceptance and Conveyance; or
 - (b) Transferor may elect PG&E to perform necessary work.
- 3. CUSTOMER CONTRIBUTIONS.** Customer charges, if any, are determined in the following manner:
 - (a) **Appraised Value of Transferor's Facilities.** As shown on Exhibit C.2., this is PG&E's estimated capital worth of the Facilities (existing Facilities found used and useful, plus any new replacement Facilities) according to the applicable extension and service rules defining those facilities that are subject to refund and those that are not subject to refund.
 - (b) **Estimated Incremental Base Annual Revenue.** As shown on Exhibit C.1., PG&E will calculate the Estimated Incremental Base Annual Revenue by calculating the difference between the existing annual Energy usage and annual base revenue, and the estimated annual Energy usage and annual base revenue. The Estimated Base Annual Revenue for gas and electric is the distribution "Base Energy Rate" for the applicable PG&E gas or electric rate schedule, plus any customer, meter, and demand charges. For mobilehome parks, it is the annual discount portion of the applicable master-metered mobilehome park rate schedule, for each installed space.
 - (c) **Supported Capital Costs.** As shown on Exhibit C.2., the Supported Capital Cost is the maximum capital investment amount by PG&E that is supported by the Estimated Incremental Base Annual Revenue to be derived by PG&E from the delivery of Energy supplied from the Facilities to the Customers. The Supported Capital Cost is calculated by dividing the Estimated Incremental Base Annual Revenue by the Cost-of-Service Factor as defined in PG&E's Gas and Electric Rule 15 -- Definitions for Rule 15.



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- (d) **Unsupported Capital Contribution.** As shown on Exhibit C.2., this is the amount that the Appraised Value of Transferor's Facilities exceeds the Supported Capital Costs, less any applicable credits for joint facility cost participation by other entities. If Transferor, for any reason, fails to continue using the Equipment in a bona fide manner at the estimated Incremental Base Annual Revenue level listed on Exhibit C.1., within the terms of this Agreement, the Transferor shall pay to PG&E, on demand, an additional refundable payment equal to the difference between, the Unsupported Capital Contribution amount specified above and, the Unsupported Capital Contribution amount that would have been required if recalculated on the basis of Equipment, if any, actually used by Customers.
- (e) **Income Tax Component Of Contribution (ITCC).** As shown on Exhibit C.2., Transferor shall pay to PG&E the State and Federal ITCC on the Unsupported Capital Contribution amount at the rate provided in the Preliminary Statement of PG&E's tariff schedules and approved by the CPUC. The ITCC is refundable or non-refundable as specified in the Contribution Adjustments section of this Agreement.
- (f) **Cost-of-Ownership Annuity Fund.** As shown on Exhibit C.2., Transferor shall also pay to PG&E, in addition to the monthly rates and charges for service, a one-time refundable payment for a Cost-of-Ownership Annuity Fund. This fund represents PG&E's present worth value of its continuing costs, in perpetuity, to own, operate, and maintain that portion of the Facilities not supported by revenue. The fund is determined by multiplying the Unsupported Capital Contribution amount by the annual Cost-of-Ownership percentage rate for customer-financed (contributed) capital, and the present worth factor (at PG&E's current authorized rate of return).

Interest will be added annually to the unused balance of the annuity fund before the current year's cost-of-ownership charges are deducted. This calculation shall be performed on each anniversary of the date ownership of the Facilities was transferred to PG&E, as is established in PG&E's records. The interest rate shall be the 12-month average of the discount interest rate on prime, 3-month commercial paper for each month as reported in the Federal Statistical Release, G-13 or its successor publication.

Adjustments to the Cost-of-Ownership Annuity Fund are described in the paragraph on Cost-of-Ownership Annuity Fund Adjustments.

4. **GENERAL ACCESS.** PG&E shall at all times the have right to enter and leave Transferor's premises for any purpose connected with the furnishing of electric and gas services, including meter reading, inspection, testing, routine repairs, replacement, maintenance, emergency work, etc., and the exercise of any and all rights secured to it by law, or under PG&E's tariff schedules. Transferor hereby grants to PG&E the right to install, own and maintain such Facilities on Transferor's premises together with sufficient safe legal clearances between all structures now or hereafter erected on Transferor's premises.
- (a) **Existing Land Rights.** Transferor warrants that adequate land rights cover all of the Facilities as shown in "Exhibit A". In the absence of such land rights, Transferor shall assume any and all liability in connection therewith. Transferor shall assign to PG&E in whole or in part all of its private grants of rights-of-way and easements satisfactory to PG&E for the operation of the Facilities.
- (b) **New Land Rights.** Where new formal rights-of-way, easements, land leases, or permits are required by PG&E for the acceptance of ownership of the Facilities on or over the Transferor's property, or the property of others, Transferor understands and agrees that PG&E shall not be

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obligated to accept ownership of the Facilities 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, the Transferor shall obtain them for PG&E. Such easements shall include the right of access and the right to trim trees as necessary to maintain required legal clearances from overhead wires.

- (c) **Third Party Consents.** All requisite third party consents to sell, assign, and transfer the Facilities and rights-of-way and easements thereto have been secured.
5. **AD VALOREM TAXES.** Except as disclosed by Transferor, all taxes or other assessments on or concerning the Facilities for the current tax year and earlier, have been paid in full and there are no penalties or delinquency charges owing. PG&E shall not be responsible for prior taxes. The current ad Valorem taxes for the tax year in which the Facilities are conveyed shall be prorated as of the date of conveyance. Transferor shall pay to PG&E on demand such part thereof as is attributable to the portion of the tax year prior to delivery of the Facilities.
6. **ADDITIONS, BETTERMENTS, OR REMOVALS.** This Transfer Agreement does not cover additions, betterments, or removals, if any, made to the Facilities by Transferor subsequent to this Agreement and is limited to those items more fully described in Exhibit A. Additions, betterments, or removals subsequent to this Agreement performed by other than PG&E, if any, will be covered by a supplemental Transfer Agreement or other such Agreement to be prepared by PG&E and delivered to Transferor concurrently with payment of the price thereof, if any. The Transferor shall not be responsible for betterments or improvements to PG&E's gas or electric distribution Facilities or operations that do not benefit the Transferor.
7. **SERVICE CONNECTIONS.** Transferor shall require all Customers to provide metering facilities in meter locations acceptable to PG&E in accordance with PG&E's Electric and Gas Service Requirements (Green Book). The appropriate jurisdiction shall inspect the Customer's metering facilities and determine if it is safe and ready for the meter to be set by PG&E.
8. **GAS DELIVERIES.** Gas deliveries shall be in conformance with the standards specified in CPUC General Order No. 58-A and measured at the outlet side of the meter.

Gas will normally be delivered at PG&E's adopted standard delivery pressure of seven inches of water column. This standard pressure supplied to domestic and commercial customers shall not vary more than fifty percent above or below the adopted pressure. No variation in pressure from the standard pressure, of two inches or more of water column, shall occur in a time less than fifteen minutes, excepting momentary fluctuations on individual services caused by the operations of Customer's appliances or fluctuations caused by reasonable regulator buildups.

9. **POWER QUALITY AND VOLTAGE STABILITY.** PG&E designs and operates its distribution system to deliver sustained voltage as close as economically practical to service voltages required for customer's Facilities and equipment. Under normal circumstances service voltage can vary within a range set by PG&E's Electric Rule 2 on file with the CPUC. Under Electric Rule 2, PG&E's service voltage can also vary outside the specified range for brief periods. If the Transferor's equipment or Facilities require voltages of greater stability than those specified under Electric Rule 2, it is the Transferor's responsibility to take what ever actions are necessary to provide power of such stable voltage, including the design, installation and operation of any necessary protective equipment. PG&E cannot be held liable for any injuries or damages that may occur as the results of voltage variations that are allowable pursuant to Electric Rule 2.

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10. HAZARDOUS SUBSTANCES. Transferor shall be solely responsible for taking and paying for remedial action relating to hazardous substances or materials present in and around the Facilities acquired by PG&E and on lands occupied by the Facilities and in and on structures located on such lands. Transferor shall be solely liable for all costs, losses and damages from such hazardous substances or materials to property or injuries to any person and natural resources including but not limited to costs, damages and injuries arising from, and incident to Transferor's activities related to the gas and electric Facilities. PG&E is not responsible for pre-existing conditions, including but not limited to any costs, claims or delays associated with the remediation of hazardous substances.

"Hazardous Substances" means any chemical, material or substance that is listed or regulated under applicable federal, state and local environmental laws, including but not limited to Comprehensive Environmental Response, Compensation, and Liability Act, and the Resource Conservation and Recovery Act, as a "hazardous" or "toxic" substance or waste, or as a "contaminant", or as is otherwise listed or regulated under applicable environmental laws because it poses a hazard to human health or the environment, including but not limited to asbestos in any form, polychlorinated biphenyls (PCBs), and lead paint and coatings.

11. LITIGATION, PROCEEDINGS, AND CLAIMS. There are no investigations, charges, proceedings, actions, suits, or arbitration proceedings pending, or, to the best of Transferor's knowledge, overtly threatened, involving tax, environmental or land use matters, before any court or governmental agency, or any other public forum, that could affect, encumber or burden the Facilities, or the ability of PG&E to operate the Facilities, or could result in impairment or loss of PG&E's title to the Facilities.

12. GOVERNMENTAL COMPLIANCE. To the best of Transferor's knowledge, the Facilities have been operated by or on behalf of Transferor in full compliance with all applicable laws, rules, and regulations, including ordinances, codes, permits and licenses of all city, county, state, and federal governments, and including, but not limited to, laws, rules, and regulations relating to environmental matters; and no notice from any governmental body has been served upon Transferor or its agents or upon the Facilities, claiming violation of any law, ordinance, code, rule, or regulation or calling attention to the need for any work, repairs, construction, alterations, or installation on or in connection with the Facilities with which the Transferor has not complied and PG&E was not notified.

13. WARRANTY. During the pendency of Transferor's request, Transferor shall be responsible for the continued maintenance to preserve the integrity of the Facilities and for the safe and reliable operation of the Facilities in accordance with applicable laws. During the pendency of Transferor's Transfer request, Transferor shall remain liable for injury and damage resulting from operation of the Facilities. Transferor further warrants that the Facilities, including any new Facilities installed by Transferor or its contractor, shall be free from defects in materials and workmanship. The warranty period shall begin from the date of Transfer of the Facilities to PG&E, and extend for one (1) year. The warranty period for any trench shall extend for two (2) years. Should the Facilities develop defects in materials or workmanship during the warranty period, PG&E, at its election shall either, (a) repair or replace the defective materials or workmanship, or (b) demand that the Transferor repair or replace the defective materials or workmanship. In either event, the Transferor shall be responsible for all costs associated with such repair or replacement. Transferor, upon demand by PG&E, shall promptly correct, to PG&E's satisfaction and that of any governmental agency having jurisdiction, any defect.

14. CONTRIBUTION ADJUSTMENTS. The Unsupported Capital Contribution amount and the associated ITCC Tax amount paid by Transferor under this Agreement shall be subject to refund to Transferor, without interest during the term of this Agreement, as follows:



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- (a) **Facility Charge Adjustments.** At PG&E's option, the Unsupported Capital Contribution amount will be reviewed annually and adjusted if necessary for any difference between the actual Incremental Base Annual Revenue and the previously estimated actual Incremental Base Annual Revenue, derived over the previous 12 billing months. Refunds will be made within 90 days of the date that PG&E performs its review.
- (b) **Refunds for New Extensions.** For refunds on new extensions served directly from these Facilities, refer to PG&E's Gas and Electric Rules 15 on series refunding.
- (c) **Unsupported Capital.** The Unsupported Capital Contribution amount will be reviewed and updated with each adjustment made hereunder.
- (d) **Adjustment Period Limit.** No adjustment or refund will be made by PG&E in excess of the refundable amount advanced by Transferor, nor after a period of ten-years from the date PG&E first assumed ownership. Any unrefunded amount and the associated ITCC remaining at the end of the ten-year period will become the property of PG&E.
- (e) **Cost-of-Ownership Annuity Fund Adjustments.** In the event that PG&E makes refunds or other adjustments as provided in this Agreement, PG&E shall also adjust the Cost-of-Ownership Annuity Fund at the same time. The existing fund is updated by first adding interest to date and then subtracting the actual accrued cost-of-ownership charges to date. This updated fund amount is then compared to the new fund requirement (determined in the same manner as described in the paragraph on Facility Charges). If the updated fund balance is greater than the new fund requirement, the Transferor receives a refund of the difference. Conversely, if the updated fund balance is less than the new fund requirement, the Transferor shall pay an additional cost-of-ownership charge based on the difference between the updated fund amount and the new fund requirement. The adjusted fund amount becomes the new amount subject to future interest payments. Any unrefunded amount remaining at the end of the ten-year refund period will become the property of PG&E.

15. INDEMNIFICATION AND WITHHOLDING.

- (a) **Indemnification:** Transferor shall indemnify, defend and hold harmless PG&E, directly or indirectly, its parent company, any affiliate companies, any subsidiary companies and their respective 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, Transferor, contractor or subcontractor; injury to property of PG&E, Transferor, 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 Transferor'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.

Transferor acknowledges that any and all claims, demands, losses, damages, costs, expenses, and legal liability that arise out of, result from, or are in any way connected with hazardous substances or materials including but not limited to the release or spill of any hazardous substance or material 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

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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.

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

- (b) **Withholding:** In addition to any other right to withhold, PG&E may withhold from payments due Transferor 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.

- 16. ASSIGNMENT OF AGREEMENT.** Transferor 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 Transferor hereunder. Consent will not be unreasonably withheld. Such Assignment shall be made using PG&E's Assignment Agreement and shall be notarized. Assignment of this Agreement shall not release Transferor from any of the obligations under this Agreement unless such a release is agreed to in writing by PG&E and the Assignee. Release will not be unreasonably withheld. Such assignment, unless otherwise provided therein, shall be deemed to include Transferor's right to any refunds then unpaid or which may thereafter become payable.
- 17. AGREEMENT TERMINATION.** During the pendency of Transferor's request, if Transferor or PG&E elects to cancel and terminate the Agreement, PG&E shall return to the Transferor an amount equal to the Transferor's advance, less PG&E's costs. PG&E's costs are defined as the actual costs (including but not limited to labor, materials, and overhead) incurred by PG&E prior to such cancellation and termination in connection with work done in furtherance of Transferor's project, plus the actual costs of removing any of PG&E's installed facilities which PG&E desires to salvage, minus the salvage value of such facilities. In the event PG&E's costs exceed the advance, Transferor agrees to pay PG&E a sum equal to the amount by which PG&E's costs exceed the advance. Upon exercise of its right to cancel and terminate and upon payment to the Transferor, all of PG&E's obligations under the Agreement Documents shall cease.
- 18. COMMISSION JURISDICTION.** This Agreement shall be subject to all of PG&E's applicable tariff schedules on file with and authorized by the California Public Utilities Commission (CPUC) and shall at all times be subject to such changes or modifications as the CPUC 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 and service rules, and rate schedules.
- 19. AUTHORIZED SIGNATURE.** If Transferor is a corporation, partnership, joint venture or a group of individuals, the subscriber hereto represents that he has the authority to bind said corporation, partnership, joint venture or a group of individuals as the case may be.
- 20. EFFECTIVE DATE AND TERM.** This Agreement shall be binding when (a) the Agreement is signed by Transferor 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. The term of this Agreement shall then continue in force, subject to the termination provision of this Agreement.

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- 21. INCORPORATION BY REFERENCE.** All Appendices or other attachments are incorporated by reference. For mobilehome parks, the terms of this Transfer Agreement are subject to the terms of Sections 2791 et. seq. of the Public Utilities Code.
- 22. SURVIVAL.** All representations and warranties by Transferor are ratified and affirmed as of the Transfer Date. Where the context permits, the terms and conditions of this Agreement shall survive termination.
- 23. ADDITIONAL TERMS AND CONDITIONS.** Appended to this Agreement, if applicable, includes additional terms and conditions associated with PG&E's acceptance of the transfer of ownership of the Facilities.
- 24. TITLE CONVEYANCE.** For good and valuable consideration, Transferor hereby transfers, grants, and conveys to PG&E, its successors and assigns, all of Transferor's rights, title, and interest in and to its Facilities, together with all necessary land and property rights for PG&E to own, operate and maintain the Facilities.
- 25. TITLE ACCEPTANCE.** When all of the above terms and conditions are met, to the standards set forth in Section 2 herein, the existing or new Facilities necessary will be accepted by PG&E in writing, for PG&E to own, operate and maintain. Upon PG&E's final acceptance of said installation in accordance with the referenced general conditions, Transferor hereby grants, sells and conveys to PG&E all its rights, title and interest in and to all materials installed.



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Order #: _____
SD #: _____
D&C #: _____
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R/W #: _____

EXHIBIT C.1.

Incremental Base Annual Revenue Calculation Gas and/or Electric Facilities Transfer – Mobile Home Parks

GAS ELECTRIC

I. ESTIMATED INCREMENTAL BASE ANNUAL REVENUE (DISCOUNT RATE)

A. Gas:

Master-Metered Account Number: _____
Master-Metered Rate Schedule: _____
Discount Rate/Day \$ _____ x # of Installed Spaces _____ x
365 Days/Year..... = \$ _____

Master-Metered Account Number: _____
Master-Metered Rate Schedule: _____
Discount Rate/Day \$ _____ x # of Installed Spaces _____ x
365 Days/Year..... = \$ _____

Master-Metered Account Number: _____
Master-Metered Rate Schedule: _____
Discount Rate/Day \$ _____ x # of Installed Spaces _____ x
365 Days/Year..... = \$ _____

Total Gas Incremental Base Annual Revenue From Discount Rate=\$ _____

B. Electric:

Master-Metered Account Number: _____
Master-Metered Rate Schedule: _____
Discount Rate/Day \$ _____ x # of Installed Spaces _____ x
365 Days/Year..... = \$ _____

Master-Metered Account Number: _____
Master-Metered Rate Schedule: _____
Discount Rate/Day \$ _____ x # of Installed Spaces _____ x
365 Days/Year..... = \$ _____

Master-Metered Account Number: _____
Master-Metered Rate Schedule: _____
Discount Rate/Day \$ _____ x # of Installed Spaces _____ x
365 Days/Year..... = \$ _____

Total Electric Incremental Base Annual Revenue From Discount Rate=\$ _____

II. PG&E'S SUPPORTED CAPITAL INVESTMENT

A. Gas:

Total Gas Incremental Base Annual Revenue (\$ _____ [I.A.]
(_____ [Cost-of-Service Factor])..... = \$ _____ ¹

B. Electric:

Total Electric Incremental Base Annual Revenue (\$ _____ [I.B.] /
(_____ [Cost-of-Service Factor])..... = _____ ¹

¹ Enter gas and electric Incremental Base Annual Revenue amounts on Exhibit C.2., Section I.A.



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R/W #: _____

EXHIBIT C.1.

Incremental Base Annual Revenue Calculation Gas and/or Electric Facilities Transfer – Other Than Mobile Home Parks

GAS ELECTRIC

I. ESTIMATED INCREMENTAL BASE ANNUAL REVENUE

A. Gas:

- 1) Rate Schedule: _____
Annual Energy Usage _____ (Therms) :
_____ (Base Energy Rate for Applicable Rate Schedule)..\$ _____
 - 2) Rate Schedule: _____
Annual Energy Usage _____ (Therms) x
_____ (Base Energy Rate for Applicable Rate Schedule)..\$ _____
 - 3) Rate Schedule: _____
Annual Energy Usage _____ (Therms) x
_____ (Base Energy Rate for Applicable Rate Schedule)..\$ _____
 - 4) _____ Mo. Customer Charge x 12 mos.....=\$ _____
- Total Gas Incremental Base Annual Revenue.....=\$ _____**

B. Electric:

- 1) Rate Schedule: _____
Annual Energy Usage _____ (kWh) x
_____ (Base Energy Rate for Applicable Rate Schedule).....\$ _____
 - 2) Rate Schedule: _____
Annual Energy Usage _____ (kWh) x
_____ (Base Energy Rate for Applicable Rate Schedule).....\$ _____
 - 3) Rate Schedule: _____
Annual Energy Usage _____ (kWh) x
_____ (Base Energy Rate for Applicable Rate Schedule).....\$ _____
 - 4) _____ Mo. Customer Charge + _____ Mo. Demand Charge x 12 mos.\$ _____
- Total Electric Incremental Base Annual Revenue.....=\$ _____**

II. PG&E'S SUPPORTED CAPITAL INVESTMENT

A. Gas:

Total Gas Incremental Base Annual Revenue (\$ _____ [I.A.] /
(_____ [Cost-of-Service Factor]).....=\$ _____ ¹

B. Electric:

Total Electric Incremental Base Annual Revenue (\$ _____ [I.B.] /
(_____ [Cost-of-Service Factor]).....=\$ _____

1

¹ Enter gas and electric Incremental Base Annual Revenue amounts on Exhibit C.2., Section I.A.



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EXHIBIT C.2. Economic Analysis and Payment Computations

	<u>GAS</u>	<u>ELECTRIC</u>
I. INVESTMENT AMOUNT AVAILABLE FOR TRANSFER		
A. PG&E's Supported Capital Investment.....	\$ _____	1 _____ 1
B. Less PG&E's Current Investment Costs (if any)	-	-
C. Investment Amount Available for Transfer (I.A. - I.B.).....	=\$ _____	=
II. TRANSFEROR'S REFUNDABLE CASH PAYMENT		
A. Appraised Value of Transferor's Refundable Facilities (Exhibit A.) \$	_____	_____
B. Less Investment Amount Available for Transfer (I.C.).....	-	-
C. Less Contribution by Other Utilities (if any)	-	-
D. Unsupported Capital Contribution (II.A. - II.B. - II.C.).....	=	=
E. ITCC Contribution (II.D. x ITCC % for Gas and ITCC % for Electric).....	_____	_____
F. Cost-of-Ownership Fund Calculation		
Gas:		
(\$ _____ [II.D.] x _____ [Present Worth Factor] x		
_____ % [Monthly Cost-of-Ownership %] x 12).....	+ _____	
Electric:		
(\$ _____ [II.D.] x _____ [Present Worth Factor] x		
_____ % [Monthly Cost-of-Ownership %] x 12).....	+ _____	
G. Total Refundable Cash Payment (II.E + II.F.).....	=\$ _____	=
III. TRANSFEROR'S NON-REFUNDABLE CASH PAYMENT		
A. Removal Costs.....	\$ _____	_____
B. Rearrangement Costs.....	+	_____
C. Inspection Fees.....	+	_____
D. ITCC ((III.A. + III.B. + III.C.) x ITCC %).....	+	_____
E. Value of Electric Distribution Trench.....	\$ _____	_____
F. Value of Electric Distribution Conduit.....	+	_____
G. ITCC on Value of Electric Distribution Trench and Conduit (III.E. + III.F.) x Electric ITCC %.....	_____	_____
H. Total Non-Refundable Cash Payment (III.A. + III.B. + III.C. + III.D. + III.G.).....	=\$ _____	=
IV. PAYMENT SUMMARY		
A. Investment Amount Available for Transfer (Lesser of I.C. or II.A.)\$	_____	_____
B. Less Refundable Cash Payment (II.G.).....	-	-
C. Less Non-Refundable Cash Payment (III.H.).....	-	-
V. TOTAL PAYMENT (IV.A. - IV.B. - IV.C. [Gas] + IV.A. - IV. B. - IV.C. [Electric]).....	\$ _____	
(In Addition to Conveyance), (If Positive, PG&E Pays Transferor)		

¹ Enter gas and electric Incremental Base Annual Revenue amounts from Exhibit C.1., Section II.A. & II.B.