

Pacific Gas & Electric Company

DISTRIBUTION:

REFERENCE:

Agreement for Installation or Allocation of Special Facilities for Parallel Operation of Nonutility-Owned Generation and/or Electrical Standby Service¹ (Electric Rules 2 and 21)

- o Division
- o Applicant
- o Const. Accounting
- o Accounting Ops
- o Tariffs & Compliance

QF Log No. **04 G 365**
GM/WO No. **30320513**
Premises No. _____

At the request of **Napa- Vallejo Waste Management Authority, a Government Agency** _____, (Applicant), **PACIFIC GAS AND ELECTRIC COMPANY (PG&E)** hereby agrees to furnish at Applicant's expense within a reasonable time certain facilities consisting of **Co-Generation Ground Bank** _____ (Special Facilities). Such Special Facilities are expected to be necessary on or about **December 2006** _____ for the interconnection of Applicant's electric generating plant with PG&E's system and/or PG&E's delivery of electrical standby service to Applicant's premises at **151 Mezzeta Court, American Canyon, CA** _____, County of **Napa** _____, State of California.

1. This Agreement includes Appendix A, Detail of Special Facilities Charges, which is attached and incorporated herein by reference. Appendix A may be revised or superseded by mutual written agreement and without formal amendment of the remainder of this agreement.
2. Applicant shall pay PG&E, on demand prior to commencement of any work by PG&E, an initial charge equal to the sum of the amounts which are specified in Appendix A.
3. Applicant also shall pay PG&E any applicable monthly rates and charges for service under PG&E's tariff schedules plus an ownership charge, either (a) or (b) below as specified in Appendix A, namely:
 - (a) COST-OF-OWNERSHIP CHARGE representing PG&E's continuing monthly cost of financing (if applicable), owning and maintaining Special Facilities; or
 - (b) An EQUIVALENT ONE-TIME CHARGE which is equal to the present worth of the monthly COST-OF-OWNERSHIP CHARGE in perpetuity. The COST-OF-OWNERSHIP CHARGE shall commence on the date Special Facilities are first available for Applicant's use, as such date is established in PG&E's records. PG&E will notify Applicant, in writing, of such commencement date. The EQUIVALENT ONE-TIME CHARGE (if applicable) shall be payable by Applicant to PG&E on demand.
4. The ownership charge set forth in paragraphs 3(a) or 3(b) herein is determined in accordance with the applicable percentage rates established in the Special Facilities section of PG&E's electric Rule 2, copy attached. Should the California Public Utilities Commission (Commission) subsequently authorize higher or lower percentage rates, the monthly COST-OF-OWNERSHIP CHARGE shall automatically increase or decrease without formal amendment to Appendix A as of the effective date of the Commission's authorization.
5. Where it is necessary to install Special Facilities on Applicant's premises, Applicant hereby grants to PG&E:
 - (a) the right to make such installation on Applicant's premises along the shortest practical route thereon with sufficient legal clearance from all structures now or hereafter erected on Applicant's premises; and
 - (b) the right of ingress and egress from Applicant's premises at all reasonable hours for any purposes reasonably connected with the operation and maintenance of Special Facilities.
6. Where formal rights of way or easements are required on or over property of Applicant or the property of others for the installation of Special Facilities, Applicant agrees that PG&E shall obtain them at Applicant's expense, or if Applicant and PG&E agree otherwise, Applicant shall obtain any necessary permanent rights of way or easements, satisfactory to and without cost to PG&E.
7. PG&E shall not be responsible for any delay in completion of the installation of Special Facilities 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 regulatory agency, delay in obtaining necessary rights of way and easements, acts of God, or any other cause or condition beyond the control of PG&E, nor shall PG&E be liable for incidental, indirect, special, punitive, or consequential damages for any such delay. PG&E shall have the right, if for one of the above reasons it is unable to obtain 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, and any delay in construction, hereunder resulting from such allocation shall be deemed to be a cause beyond PG&E's control. In any event, PG&E's total liability for any delay in the completion of the installation of Special Facilities shall not exceed the amount of Special Facilities Charges paid by Applicant.

¹ Automated document, Preliminary Statement, Part A.

8. In the event that PG&E is prevented from completing the installation of Special Facilities for reasons beyond its control after twelve (12) months following the date of this Agreement, PG&E shall have the right to supersede this Agreement subject to Applicant's election as provided below upon at least thirty (30) days' written notice to Applicant and adjust any amounts paid or required to be paid by Applicant hereunder that may be due based on that portion of the Special Facilities then completed, if any, utilizing the estimated costs developed by PG&E for this Agreement. Such a superseding agreement, if any, shall be in substantially the same form as this agreement, be executed by both parties hereto, and shall provide that costs be allocated to the portion of the Special Facilities then completed, if any, consistent with those costs estimated by PG&E for this agreement. If Applicant elects not to execute a superseding agreement, this agreement shall be terminated and the provisions of paragraph 11 herein shall be applied to that portion of Special Facilities then completed, if any. Applicant also shall reimburse PG&E for any expenses it may have incurred for engineering, surveying, right of way acquisition and other work associated with that portion of Special Facilities not installed
9. If it becomes necessary for PG&E to alter rearrange or make addition to Special Facilities in order to maintain parallel operation of Applicant's generation or electrical standby service to Applicant's premises, Applicant shall be notified, in writing, of such necessity and shall be given the option to either terminate this Agreement upon thirty (30) days' written notice to PG&E, or to pay to PG&E additional Special Facilities charges consisting of:
 - (a) a facility termination charge for that portion of Special Facilities which is being removed because of alteration, rearrangement or addition to Special Facilities. Such charge to be determined in the same manner as described in paragraph 11 herein; plus,
 - (b) an additional ADVANCE and/or REARRANGEMENT CHARGE, if any for any new Special Facilities which shall be applied in the same manner as prescribed in paragraph 2 herein; plus,
 - (c) a revised monthly COST-OF-OWNERSHIP CHARGE or EQUIVALENT ONE-TIME CHARGE based on the estimated installed costs of all new and remaining Special Facilities. Such revised monthly COST-OF-OWNERSHIP CHARGE or EQUIVALENT ONE-TIME CHARGE shall be applies in the same manner as prescribed in paragraph 3 herein.
10. This Agreement shall become effective when executed by the parties hereto and, except as provided for in paragraphs 8 and 9 herein, shall remain in force until one of the following events occurs:
 - (a) a power purchase, parallel operation, electrical standby service or other form of agreement no longer exists between Applicant and PG&E which would occasion the need for Special Facilities; or
 - (b) the ownership of Special Facilities or any portion thereof is deeded to a public authority; or
 - (c) Applicant fails to pay the monthly COST-OF-OWNERSHIP CHARGE prescribed in the Agreement, if applicable.Either party shall provide the other at least thirty (30) days' written notice of termination pursuant to this paragraph.
11. Upon termination of the Agreement for any reason:
 - (a) Applicant shall pay to PG&E on written demand (in addition to all other monies to which PG&E may be legally entitled by virtue of such termination) a facility termination charge defined as the estimated installed cost, plus the estimated removal cost less the estimated salvage value for any Special Facilities which can be removed, all as determined by PG&E in accordance with its standard accounting practices. PG&E shall deduct from the facility termination charge the ADVANCE plus the unamortized balance of the EQUIVALENT ONE-TIME CHARGE previously paid, if any. If the ADVANCE paid plus the unamortized balance of the EQUIVALENT ONE-TIME CHARGE, if any, is greater than the facility termination charge, PG&E shall refund the difference, without interest to Applicant; and
 - (b) PG&E shall be entitled to remove and shall have a reasonable time in which to remove any portion of the Special Facilities located on the Applicant's premises; and
 - (c) PG&E may, at its option, alter, rearrange, convey or retain in place any portion of the Special Facilities located on other property off Applicant's premises. Where all or any portion of the Special Facilities located off Applicant's premises are retained in place in anticipation of providing permanent service to customers of PG&E, an equitable adjustment shall be made in the facility termination charge.
12. In the event any of the Special Facilities are used during the term of this Agreement to provide permanent service to customers of PG&E, an adjustment shall be made in accordance with PG&E's electric Rule 21, copy attached.
13. Special Facilities shall at all times be the property of PG&E.

14. As provided in PG&E's electric Rule 14, copy attached, PG&E does not guarantee electrical standby service to be free from outages, interruptions or curtailments and the charges for Special Facilities represent PG&E's cost associated with providing Special Facilities rather than for a guaranteed level of service or reliability.

15. Applicant may, with PG&E's written consent, assign this Assignment if the assignee thereof will agree in writing to perform Applicant's obligations hereunder. Such assignment will be deemed to include, unless otherwise specified therein, all of Applicant's rights to any refunds which might become due upon discontinuance of the use of any Special Facilities.

16. This Agreement shall be subject to all of PG&E's applicable tariffs 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.

Dated this _____ day of _____, 20_____.

Applicant

PACIFIC GAS AND ELECTRIC COMPANY

BY: _____
(Signature)

BY: _____
(Signature)

(Type or Print Name)

Arthur K. McAuley
(Type or Print Name)

TITLE: _____

Manager, Generator Interconnection Services

Mailing Address:

Attachments:

Electric Rule 2
Electric Rule 14
Electric Rule 21
Appendix A