ELECTRIC SCHEDULE ED
ECONOMIC DEVELOPMENT RATE

APPLICABILITY: This schedule is available to qualified customers locating, expanding, or retaining load on PG&E's electric transmission and/or distribution system, or to customers who would otherwise close. Customers taking service on Schedule ED must sign an Agreement for Economic Development Incentive on Electric Service (Form No. 79-1122). (T)

Any customer with whom PG&E executes an ED Agreement after November 13, 2009, shall have the option to take service under the terms and conditions applicable to new Schedule ED customers that were approved by the California Public Utilities Commission effective June 3, 2010 if the customer executes this option within sixty (60) days of June 3, 2010. (N)

TERRITORY: This schedule is available to customers within PG&E's electric service territory.

RATES: The ED rate provides an incentive of up to a twelve (12) percent reduction off the customer's otherwise applicable tariff (OAT) for five years (excluding taxes). This reduction shall be calculated on the rate components of the customer's bill that correlate to services PG&E provides the customer. (N)
(D)

Incentive Limiter:

The average rate after application of the incentive under this schedule cannot be less than the Floor Price described below.
(L)

(Continued)

ELECTRIC SCHEDULE ED
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FLOOR PRICE: The sum of the revenues collected by PG&E from the customer, exclusive of any additional applicable taxes, shall not fall below a Floor Price equal to transmission charges, public purpose program (PPP) charges, nuclear decommissioning (ND) charges, DWR Bond charges, Competition Transition Charge (CTC), marginal costs for distribution, and, if a bundled-service customer, marginal costs for generation. The Floor Price shall be based on customer-specific marginal costs, up to the OAT. The California Public Utilities Commission's adopted marginal costs in effect at the time of each contract execution will be used for this calculation, and used throughout the term of the agreement. (L)

The revenues will be reviewed annually to ensure that they equal or exceed the Floor Price, up to the OAT revenues the customer would have paid if it had not received the incentive. Additional lump-sum charges may be due to PG&E or credits due to the customer after each annual review. The charges will be designed to ensure that revenues do not fall below the Floor Price described above each year. Credits, if available after the annual review, will be provided if the customer's incentive rate had been previously reduced from the maximum Incentive Reductions above.

(D)

PROGRAM EXPIRATION AND CAP: This schedule will remain open to new participants until December 31, 2012. This schedule will also remain in effect until such time the last agreement expires or terminates. The total cumulative electric demand contracted under Schedule ED shall not exceed a program cap of 200 MW (megawatts). Agreements executed before June 3, 2010 shall be counted toward the program cap, unless the customer never commenced service under the agreement. If the contract demand of a customer who executed a contract after June 3, 2010, is reduced due to contract termination or other causes, the amount of the load reduction shall no longer count against the program cap. (N)

(L)(N)

(Continued)

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SPECIAL CONDITIONS:

1. **Eligible Customers:** Eligible customers are those on or electing existing Schedule A-10, E-19, or E-20, or their successor rate schedule. New customers with maximum billing demands greater than 200 kW, existing customers who add at least 200 kW of maximum billing demand, or existing customers with at least 200 kW of maximum billing demand that are considering relocating their load outside of California may qualify. Note, Schedule ED is not applicable to customers receiving service under Schedule E-31. (L)

   For existing customers, only the additional demand or that portion deemed likely to relocate or cease operations may qualify for service under Schedule ED. New or additional billing demand does not include billing demand that exist within the State of California at the time eligibility is determined. (T)

   PG&E will consult with the Office of California Business Investment Services (CalBIS), or its successor entity, under the supervision of the California Business Transportation and Housing Agency (BTH), in order to determine qualified customers. Approval by CalBIS is necessary, but not sufficient, for determining eligibility. PG&E reserves the right for final review and determination, and Schedule ED shall be offered at the discretion of PG&E.

   Residential customers and state or local governmental agencies are not qualified customers under this rate schedule.

2. **Contract:** Service under this schedule is provided under a five-year agreement.

3. **Start Date:** The start date of the incentive rate period shall commence within 24 months from the date of execution of the contract for service and shall be designated by the customer within the agreement.

4. **Metering:** Separate electric metering for new or additional load may be required if, in PG&E's sole opinion, it is necessary to provide service under this schedule. The customer will be responsible for any costs associated with providing separate electric metering.

5. **Limitations of Rate Limiters:** Average rate limiters may apply to the customer's bill under Schedule E-19 or E-20. The level of rate limiters will not be reduced by this schedule.

6. **Energy Efficiency:** In order to be eligible for this schedule, customers must allow PG&E to conduct a site inspection for the purpose of making applicable energy efficiency options available to customers. PG&E will advise all customers of a range of cost-effective energy efficiency options on a site-specific basis. (T)

7. **"But For" Test:** In order to be eligible for this schedule, the customer must sign an affidavit, attesting to the fact that "but for" this incentive rate, either on its own or in combination with a package of incentives made available to the customer from other sources, the customer would not have: (i) located operations or added load within the State of California or (ii) retained load within the State of California. (L)