

Pacific Gas and Electric Company  
**2006 AS-DELIVERED CAPACITY PRICES FOR QUALIFYING FACILITIES**

Effective January 1, 2006 <sup>1</sup>  
 Revised December 21, 2006\*

	Capacity <sup>2</sup> Value \$/kw-year (a)	Capacity Allocation Factor <sup>3</sup> year/hr (b)	Capacity Loss Adjustment Factor <sup>4</sup>		As-Delivered Capacity Price <sup>5</sup>	
			Transmission (c)	Primary & Secondary Distribution (d)	Transmission \$/kwh (e) = a * b * c	Primary & Secondary Distribution \$/kwh (f) = a * b * d
<b>With Time-of-Delivery Metering</b>						
<b>Period A - Summer</b> (May through October)						
Peak	68.270	0.0009844	0.989	0.991	<b>0.066466</b>	<b>0.066600</b>
Partial-Peak	68.270	0.0000264	0.989	0.991	<b>0.001783</b>	<b>0.001786</b>
Off-Peak	68.270	0.0000001	0.989	0.991	<b>0.000007</b>	<b>0.000007</b>
Super Off-Peak	68.270	0.0000000	0.989	0.991	<b>0.000000</b>	<b>0.000000</b>
<b>Period B - Winter</b> (January through April, November and December)						
Partial-Peak	68.270	0.0001318	0.989	0.991	<b>0.008899</b>	<b>0.008917</b>
Off-Peak	68.270	0.0000007	0.989	0.991	<b>0.000047</b>	<b>0.000047</b>
Super Off-Peak	68.270	0.0000000	0.989	0.991	<b>0.000000</b>	<b>0.000000</b>
<b>Without Time-of-Delivery Metering</b>						
<b>Period A</b>	34.135	0.0001779	0.989	0.991	<b>0.006006</b>	<b>0.006018</b>
<b>Period B</b>	34.135	0.0000493	0.989	0.991	<b>0.001664</b>	<b>0.001668</b>

\* Revised December 21, 2006 to correct an error in the Period B delivery hours.

- Interested parties are hereby notified that PG&E reserves all its available rights and remedies to obtain a revision to this posting retroactive to January 1, 2006.
- This Capacity Value is the combustion turbine proxy capacity value effective beginning April 1, 1997, as approved in CPUC Decision No. 97-03-017 on March 7, 1997. This value has been adjusted for use in 2006 to reflect inflation. A weighted average of the capacity value is used for meters without time-of-delivery metering.
- Capacity allocation factors (CAF) allocate the capacity value for seasons and time-of-delivery periods. These factors are derived by dividing the allocation percentages effective January 1, 2006, and approved in D. 97-03-017 by the number of hours in each time-of-delivery period. These percentages and hours are summarized, as follows:

	CAFs (%)		2006 Delivery Hours	
	Period A	Period B	Period A	Period B
Peak	76.19%	N/A	774	0
Partial-Peak	2.38%	21.25%	903	1612
Off-Peak	0.02%	0.15%	2003	2008
Super-Off-Peak	N/A	N/A	737	723
Season total	<u>78.59%</u>	<u>21.41%</u>	<u>4417</u>	<u>4343</u>

Example of year/hr CAF for "Period A - Peak:"  
 76.19% divided by 774 hours = 0.0009844

- Capacity prices are adjusted for the effect of deliveries on PG&E's transmission and distribution losses based upon the seller's interconnection voltage level. The loss adjustment factors for non-remote facilities (as defined by the CPUC) are shown here.
- The as-delivered capacity price is the product of three factors: capacity value, allocation factor, and capacity loss adjustment factor.