

Pacific Gas and Electric Company

2007 AS-DELIVERED CAPACITY PRICES FOR QUALIFYING FACILITIES

Effective January 1, 2007¹

	Capacity ² Value \$/kw-year (a)	Capacity Allocation Factor ³ year/hr (b)	Capacity Loss Adjustment Factor ⁴		As-Delivered Capacity Price ⁵	
			Transmission (c)	Primary & Secondary Distribution (d)	Transmission \$/kwh (e) = a * b * c	Primary & Secondary Distribution \$/kwh (f) = a * b * d
With Time-of-Delivery Metering						
Period A - Summer (May through October)						
Peak	69.930	0.0009844	0.989	0.991	0.068082	0.068220
Partial-Peak	69.930	0.0000264	0.989	0.991	0.001826	0.001830
Off-Peak	69.930	0.0000001	0.989	0.991	0.000007	0.000007
Super Off-Peak	69.930	0.0000000	0.989	0.991	0.000000	0.000000
Period B - Winter (January through April, November and December)						
Partial-Peak	69.930	0.0001318	0.989	0.991	0.009115	0.009134
Off-Peak	69.930	0.0000007	0.989	0.991	0.000048	0.000049
Super Off-Peak	69.930	0.0000000	0.989	0.991	0.000000	0.000000
Without Time-of-Delivery Metering						
Period A	34.965	0.0001780	0.989	0.991	0.006155	0.006168
Period B	34.965	0.0000493	0.989	0.991	0.001705	0.001708

- 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, 2007.
- 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 2007 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, 2007, 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 (%)		2007 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	736	724
Season total	<u>78.59%</u>	<u>21.41%</u>	<u>4416</u>	<u>4344</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.