Pacific Gas and Electric Company

2002 AS-DELIVERED CAPACITY PRICES FOR QUALIFYING FACILITIES

Effective January 1, 2002

<table>
<thead>
<tr>
<th>Capacity Value</th>
<th>Capacity Allocation Factor</th>
<th>Capacity Loss Adjustment Factor</th>
<th>Primary &amp; Secondary Transmission</th>
<th>Primary &amp; Secondary Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$/kw-year</td>
<td>year/hr</td>
<td></td>
<td>$/kwh</td>
<td>$/kwh</td>
</tr>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
<td>(d)</td>
<td>(e) = a * b * c</td>
</tr>
</tbody>
</table>

With Time-of-Delivery Metering

**Period A - Summer**
(May through October)
Peak
62.98 0.0009844 0.989 0.991 0.061316 0.061440
Partial-Peak
62.98 0.0000264 0.989 0.991 0.001644 0.001648
Off-Peak
62.98 0.0000001 0.989 0.991 0.000006 0.000006
Super Off-Peak
62.98 0.0000000 0.989 0.991 0.000000 0.000000

**Period B - Winter**
(January through April, November and December)
Partial-Peak
62.98 0.0001318 0.989 0.991 0.008209 0.008226
Off-Peak
62.98 0.0000007 0.989 0.991 0.000044 0.000044
Super Off-Peak
62.98 0.0000000 0.989 0.991 0.000000 0.000000

Without Time-of-Delivery Metering

**Period A**
31.49 0.0001779 0.989 0.991 0.005540 0.005552
**Period B**
31.49 0.0000493 0.989 0.991 0.001535 0.001538

1. 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, 2002.

2. 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 2002 to reflect inflation. A weighted average of the capacity value is used for meters without time-of-delivery metering.

3. 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, 2002, 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:

<table>
<thead>
<tr>
<th>CAFs (%)</th>
<th>2002 Delivery Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Period A</td>
</tr>
<tr>
<td>Peak</td>
<td>76.19%</td>
</tr>
<tr>
<td>Partial-Peak</td>
<td>2.38%</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>0.02%</td>
</tr>
<tr>
<td>Super-Off-Peak</td>
<td>N/A</td>
</tr>
<tr>
<td>Season total</td>
<td>78.59%</td>
</tr>
</tbody>
</table>

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

4. 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.

5. The as-delivered capacity price is the product of three factors: capacity value, allocation factor, and capacity loss adjustment factor.