

Pacific Gas and Electric Company  
**2005 AS-DELIVERED CAPACITY PRICES FOR QUALIFYING FACILITIES**  
 Effective January 1, 2005<sup>1</sup>

	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	66.43	0.0009921	0.989	0.991	<b>0.065180</b>	<b>0.065312</b>
Partial-Peak	66.43	0.0000266	0.989	0.991	<b>0.001748</b>	<b>0.001751</b>
Off-Peak	66.43	0.0000001	0.989	0.991	<b>0.000007</b>	<b>0.000007</b>
Super Off-Peak	66.43	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	66.43	0.0001308	0.989	0.991	<b>0.008593</b>	<b>0.008611</b>
Off-Peak	66.43	0.0000008	0.989	0.991	<b>0.000053</b>	<b>0.000053</b>
Super Off-Peak	66.43	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>	33.22	0.0001779	0.989	0.991	<b>0.005845</b>	<b>0.005857</b>
<b>Period B</b>	33.22	0.0000493	0.989	0.991	<b>0.001620</b>	<b>0.001623</b>

- 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, 2005.
- 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 2005 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, 2005, 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 (%)		2005 Delivery Hours	
	Period A	Period B	Period A	Period B
Peak	76.19%	N/A	768	0
Partial-Peak	2.38%	21.25%	896	1,625
Off-Peak	0.02%	0.15%	2,016	1,995
Super-Off-Peak	N/A	N/A	737	723
Season total	<u>78.59%</u>	<u>21.41%</u>	<u>4,417</u>	<u>4,343</u>

Example of year/hr CAF for "Period A - Peak:"  
 76.19% divided by 768 hours = 0.0009921

- 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.