

Pacific Gas and Electric Company

**2006 AS-DELIVERED CAPACITY PRICES FOR QUALIFYING FACILITIES**

**UNDER D. 06-07-032** <sup>1</sup>

Effective August 21, 2006

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	50.000	0.0009844	0.989	0.991	<b>0.048679</b>	<b>0.048777</b>
Partial-Peak	50.000	0.0000264	0.989	0.991	<b>0.001305</b>	<b>0.001308</b>
Off-Peak	50.000	0.0000001	0.989	0.991	<b>0.000005</b>	<b>0.000005</b>
Super Off-Peak	50.000	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	50.000	0.0001318	0.989	0.991	<b>0.006518</b>	<b>0.006531</b>
Off-Peak	50.000	0.0000007	0.989	0.991	<b>0.000035</b>	<b>0.000035</b>
Super Off-Peak	50.000	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>	25.000	0.0001779	0.989	0.991	<b>0.004399</b>	<b>0.004407</b>
<b>Period B</b>	25.000	0.0000493	0.989	0.991	<b>0.001219</b>	<b>0.001221</b>

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

1. This capacity value is derived solely for the purposes of implementing the as-delivered capacity price under the Settlement Agreement approved in CPUC Decision (D.) 06-07-032.
2. 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, 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

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.