Pacific Gas and Electric Company  
2008 AS-DELIVERED CAPACITY PRICES FOR QUALIFYING FACILITIES  
UNDER D. 06-07-032  
Effective January 1, 2008

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

With Time-of-Delivery Metering

### Period A - Summer
(May through October)

- **Peak**
  - Capacity Value: 50.000
  - Capacity Allocation Factor: 0.0009844
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.048679

- **Partial-Peak**
  - Capacity Value: 50.000
  - Capacity Allocation Factor: 0.0000264
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.001305

- **Off-Peak**
  - Capacity Value: 50.000
  - Capacity Allocation Factor: 0.0000001
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.000005

- **Super Off-Peak**
  - Capacity Value: 50.000
  - Capacity Allocation Factor: 0.0000000
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.000000

### Period B - Winter
(January through April, November and December)

- **Partial-Peak**
  - Capacity Value: 50.000
  - Capacity Allocation Factor: 0.0001308
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.006468

- **Off-Peak**
  - Capacity Value: 50.000
  - Capacity Allocation Factor: 0.0000007
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.000035

- **Super Off-Peak**
  - Capacity Value: 50.000
  - Capacity Allocation Factor: 0.0000000
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.000000

Without Time-of-Delivery Metering

### Period A

- **Period A**
  - Capacity Value: 25.000
  - Capacity Allocation Factor: 0.0001780
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.004401

### Period B

- **Period B**
  - Capacity Value: 25.000
  - Capacity Allocation Factor: 0.0000490
  - Transmission: 0.989
  - Distribution: 0.991
  - As-Delivered Capacity Price: 0.001212

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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, 2008, 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>2008 Delivery Hours</th>
</tr>
</thead>
<tbody>
<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.