

Pacific Gas and Electric Company
1998 AS-DELIVERED CAPACITY PRICES FOR QUALIFYING FACILITIES
 Effective January 1, 1998

	Capacity ¹ Value \$/kw-year (a)	Capacity Allocation Factor ² year/hr (b)	Capacity Loss Adjustment Factor ³		As-Delivered Capacity Price ⁴	
			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	58.79	0.0009844	0.989	0.991	0.057236	0.057352
Partial-Peak	58.79	0.0000264	0.989	0.991	0.001535	0.001538
Off-Peak	58.79	0.0000001	0.989	0.991	0.000006	0.000006
Super Off-Peak	58.79	0.0000000	0.989	0.991	0.000000	0.000000
Period B - Winter (January through April, November, and December)						
Partial-Peak	58.79	0.0001308	0.989	0.991	0.007605	0.007621
Off-Peak	58.79	0.0000008	0.989	0.991	0.000047	0.000047
Super Off-Peak	58.79	0.0000000	0.989	0.991	0.000000	0.000000
Without Time-of-Delivery Metering						
Period A	29.40	0.0001779	0.989	0.991	0.005173	0.005183
Period B	29.40	0.0000493	0.989	0.991	0.001433	0.001436

1. This Capacity Value is the combustion turbine proxy capacity value effective beginning April 1, 1997, and approved in CPUC Decision No. 97-03-017 on March 7, 1997. This value has been adjusted for use in 1998 to reflect inflation.
2. 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, 1998, 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 (%)		1998 Time-of-Delivery Hours	
	Period A	Period B	Period A	Period B
Peak	76.19%	N/A	774 hrs.	0 hrs.
Partial-Peak	2.38	21.25%	903	1,625
Off-Peak	0.02	0.15	2003	1,995
Super-Off-Peak	N/A	N/A	737	723
Season total	<u>78.59%</u>	<u>21.41%</u>	<u>4,417 hrs.</u>	<u>4,343 hrs.</u>

Example of year/hr CAF for "Period A - Peak" :
 76.19% divided by 774 hrs. = 0.0009844

3. Capacity prices are adjusted for the effect of the 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.
4. The as-delivered capacity price is the product of three factors: capacity value, allocation factor, and capacity loss adjustment factor.