

Pacific Gas and Electric Company  
**YEAR 2000 AS-DELIVERED CAPACITY PRICES FOR QUALIFYING FACILITIES**  
 Effective January 1, 2000

|                                                                             | Capacity <sup>1</sup><br>Value<br>\$/kw-year<br>(a) | Capacity<br>Allocation<br>Factor <sup>2</sup><br>year/hr<br>(b) | Capacity Loss<br>Adjustment Factor <sup>3</sup> |                                               | As-Delivered<br>Capacity Price <sup>4</sup> |                                                                     |
|-----------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------|---------------------------------------------|---------------------------------------------------------------------|
|                                                                             |                                                     |                                                                 | Transmission<br>(c)                             | Primary &<br>Secondary<br>Distribution<br>(d) | Transmission<br>\$/kwh<br>(e) = a * b * c   | Primary &<br>Secondary<br>Distribution<br>\$/kwh<br>(f) = a * b * d |
| <b>With Time-of-Delivery Metering</b>                                       |                                                     |                                                                 |                                                 |                                               |                                             |                                                                     |
| <b>Period A - Summer</b><br>(May through October)                           |                                                     |                                                                 |                                                 |                                               |                                             |                                                                     |
| Peak                                                                        | 60.23                                               | 0.0009844                                                       | 0.989                                           | 0.991                                         | <b>0.058638</b>                             | <b>0.058757</b>                                                     |
| Partial-Peak                                                                | 60.23                                               | 0.0000264                                                       | 0.989                                           | 0.991                                         | <b>0.001573</b>                             | <b>0.001576</b>                                                     |
| Off-Peak                                                                    | 60.23                                               | 0.0000001                                                       | 0.989                                           | 0.991                                         | <b>0.000006</b>                             | <b>0.000006</b>                                                     |
| Super Off-Peak                                                              | 60.23                                               | 0.0000000                                                       | 0.989                                           | 0.991                                         | <b>0.000000</b>                             | <b>0.000000</b>                                                     |
| <b>Period B - Winter</b><br>(January through April, November, and December) |                                                     |                                                                 |                                                 |                                               |                                             |                                                                     |
| Partial-Peak                                                                | 60.23                                               | 0.0001308                                                       | 0.989                                           | 0.991                                         | <b>0.007791</b>                             | <b>0.007807</b>                                                     |
| Off-Peak                                                                    | 60.23                                               | 0.0000007                                                       | 0.989                                           | 0.991                                         | <b>0.000042</b>                             | <b>0.000042</b>                                                     |
| Super Off-Peak                                                              | 60.23                                               | 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>                                                             | 30.12                                               | 0.0001779                                                       | 0.989                                           | 0.991                                         | <b>0.005299</b>                             | <b>0.005310</b>                                                     |
| <b>Period B</b>                                                             | 30.12                                               | 0.0000490                                                       | 0.989                                           | 0.991                                         | <b>0.001460</b>                             | <b>0.001463</b>                                                     |

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 2000 to reflect inflation. A weighted average of the capacity value is used for meters without time-of-delivery metering.
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, 2000, 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 (%)      |               | Year 2000 Delivery Hours |              |
|----------------|---------------|---------------|--------------------------|--------------|
|                | Period A      | Period B      | Period A                 | Period B     |
| Peak           | 76.19%        | N/A           | 774                      | 0            |
| Partial-Peak   | 2.38%         | 21.25%        | 903                      | 1,625        |
| Off-Peak       | 0.02%         | 0.15%         | 2,003                    | 2,015        |
| Super-Off-Peak | N/A           | N/A           | 737                      | 727          |
| Season total   | <u>78.59%</u> | <u>21.41%</u> | <u>4,417</u>             | <u>4,367</u> |

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