

**DISTRICT ETIWANDA POWER PLANT  
CAPACITY AND ENERGY SALE CONTRACT**

**BETWEEN**

**THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA**

**AND**

**PACIFIC GAS & ELECTRIC COMPANY**

**MWD AGREEMENT NO. 4273**

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1 THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

2 and

3 PACIFIC GAS & ELECTRIC COMPANY

4  
5 This Contract is entered into the 18th day of  
6 January, 1994, between The Metropolitan Water District  
7 of Southern California ("District"), a governmental entity  
8 organized under the laws of the State of California, and Pacific  
9 Gas and Electric Company ("PG&E"), a California corporation, for  
10 the sale of Capacity and Energy generated at District's Etiwanda  
11 Power Plant.

12 RECITALS

13 Whereas, pursuant to Sections 137 and 138 of the  
14 Metropolitan Water District Act (Stats. 1969, Ch. 209, as  
15 amended), District proposes to construct, operate and maintain  
16 the Project for the purposes set forth therein including  
17 providing, selling, and delivering hydroelectric power therefrom;  
18 and

19 Whereas, PG&E desires to purchase the Capacity and  
20 Energy generated at the Project; and

21 Whereas, District has executed the Interconnection  
22 Agreement with Southern California Edison Company ("Edison") for  
23 the engineering, design, procurement, construction, operation and  
24 maintenance of Interconnection Facilities connecting the Project  
25 with Edison's electrical system; and

1           Whereas, PG&E has made arrangements to enter into the  
2 Generation Exchange Contract with the California Department of  
3 Water Resources ("DWR") for the exchange of power generated by  
4 the Project, which power shall be transmitted through the  
5 electrical system of Edison; and

6           Whereas, PG&E and District have made arrangements to  
7 enter into the Transmission Service Agreement with Edison for the  
8 transmission of power generated at the Project; and

9           Whereas, District's obligation to use its water  
10 distribution system to deliver water to its member public  
11 agencies shall have priority over any entitlement granted herein  
12 for PG&E's use of the Capacity and Energy generated at the  
13 Project;

14           Now, therefore, in consideration of the premises and  
15 the mutual covenants contained herein, District and PG&E desire  
16 to effect such sale of Capacity and Energy in accordance with the  
17 terms and conditions provided herein.

18                           **AGREEMENT**

19           1.   DEFINITIONS.

20           The following terms when initially capitalized and used  
21 herein and in the Exhibits attached hereto, whether in singular  
22 or plural, shall have the following meanings:

23           a.   Authorized Representative: The representative of  
24 a Party designated in accordance with Section 7 hereof.

25           b.   Capacity: Rate of delivery of Energy from the  
26 Project expressed to the nearest megawatt (MW).

1           c.    Commercial Operation Date: The first date  
2 following the In-Service Date by which the Project has passed all  
3 testing procedures and is placed into commercial operation as  
4 confirmed by letter from District to PG&E at least one week in  
5 advance. Said Commercial Operation Date at time of execution of  
6 this Contract is estimated to be April 1, 1994.

7           d.    Contract: This District Etiwanda Power Plant  
8 Capacity and Energy Sale Contract, including Exhibits A, B and C  
9 attached hereto, as it may be amended from time to time by mutual  
10 agreement of District and PG&E. Any amendment must be in writing  
11 and executed by both Parties.

12           e.    Energy: Electric energy generated at the Project  
13 which is measured to the nearest megawatt-hour (MWH).

14           f.    Generation Exchange Contract: The District  
15 Etiwanda Power Plant Generation Exchange Contract between PG&E  
16 and DWR for exchange of the Capacity and Energy generated at the  
17 Project, as such contract may be amended from time to time. Such  
18 contract is hereby incorporated by reference as part of this  
19 Contract.

20           g.    Interconnection Agreement: The District Etiwanda  
21 Power Plant Interconnection Facilities Agreement between  
22 District and Edison for the engineering, design, procurement,  
23 construction, operation and maintenance of Interconnection  
24 Facilities connecting the Project with Edison's electrical  
25 system, as such agreement may be amended from time to time. Such

1 agreement is hereby incorporated by reference as part of this  
2 Contract.

3 h. In-Service Date: The first date by which (1) the  
4 Project begins generating power and (2) the Interconnection  
5 Facilities are energized, as notified by letter from District to  
6 PG&E at least one week in advance. The estimated In-Service Date  
7 at the time of execution of this Contract is March 1, 1994.

8 i. Interconnection Facilities: The equipment and  
9 facilities required to form a connection of the Project with  
10 Edison's electric system and through which District delivers  
11 power to Edison for transmission to PG&E or to DWR on PG&E's  
12 account.

13 j. Operating Procedures: The Operating Procedures  
14 implementing the scheduling and accounting procedures among  
15 District, PG&E, Edison and DWR for the Project Capacity and  
16 Energy, as such Operating Procedures may be amended from time to  
17 time. Such Operating Procedures are hereby incorporated by  
18 reference as part of this Contract.

19 k. Party: District or PG&E, or, when used in the  
20 plural, District and PG&E.

21 l. Point of Interconnection: The point of connection  
22 of the Project with Edison's electrical system located at the  
23 high voltage bus bar of the switching station at the Project.

24 m. Project: District's Etiwanda Power Plant. Its  
25 location is shown in Exhibit C attached hereto.

1 n. Project Capacity and Energy: The capacity and  
2 energy generated at the Project.

3 o. Seasons:

4 (1) Spring: The period within a calendar year  
5 consisting of the first day of April through the last day of  
6 June.

7 (2) Non-Spring: The period within a calendar  
8 year consisting of all days not specifically included in the  
9 definition of Spring.

10 p. Time-of-day Periods:

11 (1) On-peak: For the first day of March through  
12 the last day of October, 08:00 - 18:00, Monday through Friday,  
13 excepting Holidays; for the first day of November through the  
14 last day of February, 07:00 - 12:00 and 17:00 - 22:00, Monday  
15 through Friday, excepting Holidays.

16 (2) Off-peak: All hours not specifically  
17 included in the definition of On-peak.

18 (3) Holidays: Shall consist of New Year's Day,  
19 President's Day, Memorial Day, Independence Day, Labor Day,  
20 Veterans' Day, Thanksgiving Day and Christmas Day. When any  
21 Holiday falls on a Sunday, the following Monday will be  
22 recognized as an Off-Peak period. When a holiday falls on a  
23 Saturday no recognition of an additional Off-Peak day shall be  
24 made.

25 q. Transmission Service Agreement: The District  
26 Etiwanda Power Plant Transmission Service Agreement between



1 PG&E, Edison and District governing transmission and related  
2 services provided by Edison for the Project Capacity and Energy,  
3 as such agreement may be amended from time to time. Such  
4 agreement is hereby incorporated by reference as part of this  
5 Contract.

6 2. EFFECTIVE DATE AND TERM OF THE CONTRACT.

7 a. This Contract shall become effective upon the  
8 first date by which the In-Service Date is achieved and the  
9 Generation Exchange Contract, the Interconnection Agreement, and  
10 the Transmission Service Agreement are all in force and effect.

11 b. This Contract shall remain in full force and  
12 effect for a period of not less than twenty (20) years, unless  
13 terminated earlier pursuant to subsections 2.d. or 2.e. below or  
14 subsection 8.b. If this Contract is not terminated within twenty  
15 (20) years of its effective date, it subsequently may be  
16 terminated by either Party upon six (6) months' prior notice to  
17 the other.

18 c. Subsequent to the fifth year anniversary of the  
19 effective date of this Contract, either Party may initiate  
20 renegotiation of the Contract upon three (3) months' prior notice  
21 to the other, if any of the following conditions has occurred:

22 (1) District may initiate renegotiation of the  
23 Contract if it receives a verifiable offer to purchase the  
24 Project Capacity and Energy, which offer is projected to exceed  
25 by thirty percent (30%) or more of PG&E's then-current payments  
26 to District for its sale of the Project Capacity and Energy.

1 PG&E shall be given reasonable access to all necessary records  
2 and other pertinent material in the custody or control of  
3 District for the purpose of auditing the basis for renegotiation  
4 herein.

5 (2) PG&E may initiate renegotiation of the  
6 Contract under one or more of the following conditions and shall  
7 give District reasonable access to all necessary records and  
8 other pertinent material in the custody or control of PG&E for  
9 the purpose of auditing the basis for renegotiation herein:

10 (i) PG&E's total annual energy sales to its  
11 commercial and industrial customers for the prior twelve months,  
12 as shown in PG&E's Uniform Monthly Fuels and Operations Report  
13 filed with the California Public Utilities Commission ("CPUC"),  
14 or successor report or equivalent source of information, are less  
15 than a benchmark of 43,000 gigawatt-hours.

16 (ii) PG&E's payments for the Project Capacity and  
17 Energy are projected to exceed by thirty percent (30%) or more of  
18 PG&E's then-projected value of an equivalent amount of Capacity  
19 and Energy available from another source, measured against any  
20 of, but not limited to, the following measures of PG&E's capacity  
21 and energy value or avoided cost:

22 (a) Projected cost of any new generation  
23 resource available for the remaining term and capable of a  
24 capacity factor of at least seventy-five percent (75%) that PG&E  
25 represents to be available to PG&E;

1 (b) Forecast of payments that PG&E  
2 represents to be available from PG&E to a similar power facility  
3 providing similar amounts of Project Capacity and Energy for the  
4 remaining term of the Contract;

5 (c) The value of the Project Capacity and  
6 Energy as determined using cost-effectiveness testing that PG&E  
7 represents to be consistent with methods commonly used by PG&E;  
8 or

9 (d) Power production marginal cost  
10 projections for long-term capacity and energy provided by PG&E in  
11 a General Rate Case at the CPUC, or successor proceeding.

12 d. Either Party may terminate the Contract with three  
13 (3) months' prior notice to the other if the conditions for  
14 renegotiation of the Contract under subsection 2.c. are met and a  
15 mutually agreeable amendment of this Contract is not executed  
16 within a year of the commencement of renegotiation.

17 e. The Parties will use good faith efforts to renew or  
18 to replace the Generation Exchange Contract, the Interconnection  
19 Agreement, or the Transmission Service Agreement if for any  
20 reason any of these agreements terminates prior to the  
21 termination of this Contract. If the Parties fail to renew or to  
22 replace the above-referenced contract and/or agreements, then  
23 this Contract will terminate on the date coinciding with the  
24 earliest termination date of any of the referenced contract  
25 and/or agreements.

1           3.    DELIVERY, SCHEDULING AND ESTABLISHING DWR CONTROL  
2                    AREA.

3           a.    District shall deliver Energy to the Point of  
4 Interconnection for transmission by Edison and exchange with DWR  
5 pursuant to the terms and conditions of the Transmission Service  
6 Agreement and the Generation Exchange Contract, respectively.  
7 Subject to the conditions specified in Section 6 hereof, District  
8 shall dedicate to PG&E, and PG&E shall purchase from District,  
9 all scheduled Project Capacity and Energy up to a maximum of 24  
10 MW.

11           b.    District shall schedule the Project Capacity and  
12 Energy with DWR, Edison and PG&E pursuant to the Operating  
13 Procedures.

14           c.    District's schedules of Energy shall not exceed 24  
15 MWH in any one hour.

16           d.    District represents that Exhibit A is a good  
17 estimation of the typical output of the Project over the  
18 long-run. Beginning in calendar year 1995, and each calendar  
19 year thereafter, Exhibit A shall be subject to adjustment  
20 annually based on historical generation from the Project as  
21 follows: The Exhibit A values for each month in such year shall  
22 be adjusted based on the ratio of: (1) the sum of the actual  
23 Energy output for the Non-Spring months during the previous  
24 calendar years of operation (not to exceed five (5) years) and  
25 (2) the corresponding unadjusted sum of Non-Spring months from  
26 the original Exhibit A; provided, however, that the ratio shall

1 not exceed one (1.0). This sequence shall continue until five  
2 (5) years of historical data are available for such adjustment  
3 and then the calculation for the adjustment shall be based on a  
4 rolling five-years of historical data. In all cases, each such  
5 adjusted number shall not exceed the original Exhibit A number  
6 provided by District at the time of the Contract's execution.

7 e. District shall notify PG&E by January 31 of each  
8 year, starting in 1995, of: (1) the actual generation from the  
9 previous calendar years on a monthly basis; (2) the adjustment  
10 calculation for that year, pursuant to Section 3.d; and (3) the  
11 adjusted Exhibit A values to be used for billing purposes in the  
12 Exhibit B calculation for that year. Additionally, District  
13 shall provide PG&E with a ten (10) year forecast of Project  
14 monthly generation solely for PG&E's planning purposes. Such  
15 forecast shall be based upon the best information then available  
16 to District; District's actual generation may vary from that  
17 forecast.

18 f. PG&E's obligations under this Contract shall not  
19 be affected by any schedule adjustments made pursuant to Sections  
20 6.3 through 6.6 of the Generation Exchange Contract.

21 g. In the event DWR wishes to establish its own  
22 control area as that term is defined in the Generation Exchange  
23 Contract, and dynamically schedule the Project Capacity and  
24 Energy as contemplated in Section 10 of the Transmission Service  
25 Agreement, PG&E shall consult with District on the negotiations  
26 with DWR pursuant to Section 5.5 of the Generation Exchange

1 Contract. PG&E shall endeavor to negotiate with DWR all  
2 obligations for regulating services, metering, and operations  
3 similar to the provisions negotiated with Edison under the  
4 Transmission Service Agreement.

5 4. OPERATION AND MAINTENANCE.

6 a. Subject to Section 6, District will make every  
7 reasonable effort in District's judgment and in accordance with  
8 prudent utility practice (1) to meet the estimates of power  
9 generation provided in Exhibit A attached hereto and incorporated  
10 herein, and (2) to maximize the delivery of power to the Point of  
11 Interconnection during all Non-Spring On-peak hours.

12 b. District will operate and maintain the Project in  
13 accordance with prudent utility practice.

14 c. District will, whenever possible, perform all  
15 scheduled maintenance during the Spring. District will use every  
16 reasonable effort, consistent with prudent utility practice, to  
17 limit annual maintenance to less than 500 hours.

18 5. PAYMENTS AND BILLING.

19 a. PG&E shall make monthly lump sum payments to  
20 District for Capacity and Energy in accordance with the formula  
21 contained in Exhibit B attached hereto and incorporated herein.  
22 PG&E shall furnish to District the most recent version of the  
23 "Energy Prices for Qualifying Facilities" as described in  
24 Exhibit B. In addition, by January 1 of each year, PG&E shall  
25 provide District with the most recent version of the "Gross

1 Domestic Product Implicit Price Deflater" as described in Exhibit  
2 B.

3 b. Any equipment modifications required at the  
4 Project due to DWR's establishment of a control area are the  
5 financial obligation of the District.

6 c. Bills for Capacity and Energy charges for each  
7 calendar month shall be mailed to PG&E by District no later than  
8 the tenth (10th) day of the next succeeding calendar month.

9 d. Bills shall be submitted by District to PG&E at  
10 the following address:

11 Pacific Gas & Electric Company  
12 Director of Power Finance, B13D  
13 77 Beale Street, Room 1311  
14 P.O. Box 770000  
15 San Francisco, California 94177

16 e. PG&E shall mail payments for Capacity and Energy  
17 to District at the following address:

18 The Metropolitan Water District of  
19 Southern California  
20 Attention: Reimbursable/Taxes Section  
21 P.O. Box 54153, Terminal Annex  
22 Los Angeles, California 90054-0153

23 f. PG&E's payments for Capacity and Energy shall be  
24 due twenty (20) calendar days after its receipt of the billing  
25 invoice. Amounts not paid when due shall thereafter bear a  
26 charge of eighteen percent (18%) per annum, or the maximum legal  
27 rate of interest, whichever is less, of the unpaid balance  
28 prorated by days until payment is made. Remittances received by  
29 mail will be accepted without assessment of such charge provided

1 the postmark indicates the payment was mailed to the correct  
2 address on or before the due date.

3 6. PRIORITY OF DISTRICT'S WATER REQUIREMENTS.

4 District's obligation to use its water distribution  
5 system to deliver water to its member agencies shall have  
6 priority over electric generation at the Project. However,  
7 subject to the need to make such deliveries, District shall make  
8 every reasonable effort in its judgment and in accordance with  
9 prudent utility practice to operate its water distribution system  
10 to provide maximum power generation at the Project, particularly  
11 during Non-Spring On-peak time periods.

12 7. AUTHORIZED REPRESENTATIVES.

13 a. The Parties shall designate an Authorized  
14 Representative for the purpose of securing effective cooperation  
15 and interchange of information and providing consultation on a  
16 prompt and orderly basis between the Parties in connection with  
17 various administrative and technical problems which may arise  
18 from time to time under this Contract, including all operating  
19 matters respecting the delivery and taking of Capacity and  
20 Energy.

21 b. Upon execution of this Contract, each Party by  
22 notice to the other Party shall designate its Authorized Repre-  
23 sentative. Each Party shall notify the other Party promptly of  
24 any change in the designation of its Authorized Representative.

25 //

26 //



1           8.    REGULATORY REVIEW.

2           a.    If any regulatory entity having jurisdiction over  
3 PG&E determines that this Contract is imprudent, or does not  
4 compare favorably relative to a market benchmark established as  
5 part of a future regulatory mechanism, such as performance-based  
6 ratemaking, or is not in the public interest, the Parties will be  
7 relieved of future obligations hereunder only and to the extent  
8 such relief will eliminate the adverse determination. Relief  
9 from such obligations shall be granted prospectively only  
10 commencing one year from the effective date of the adverse  
11 determination. All other terms and conditions of this Contract  
12 directly affected by such adverse determination shall remain in  
13 full force and effect.

14           b.    In the event of an adverse determination, the  
15 Parties will commence good faith renegotiation of the terms and  
16 conditions of this Contract in an effort to preserve the original  
17 balance of benefits and burdens contemplated by the Parties at  
18 the time of the Contract's execution. If the Parties cannot  
19 successfully complete such renegotiation within one year of the  
20 effective date of the adverse determination, either Party may  
21 terminate the Contract upon three (3) months' prior notice to the  
22 other.

23           9.    NOTICES.

24           a.    Except as otherwise provided in this Contract, any  
25 notice or communication given in connection with the Contract  
26 shall be in writing and shall be effective when deposited,

1 postage prepaid, with the United States Postal Service to the  
2 person specified below:

3 If to District:  
4

5 The Metropolitan Water District  
6 of Southern California  
7 Director of Resources  
8 P.O. Box 54153, Terminal Annex  
9 Los Angeles, California 90054-0153

10

11 If to PG&E:

12

13 Pacific Gas & Electric Company  
14 Manager, Power Contracts Department, B23C  
15 77 Beale Street, Room 2397  
16 P.O. Box 770000  
17 San Francisco, California 94177

18 b. Either Party may change the address or the  
19 individual to which notice or communication is to be sent by  
20 providing advance written notice to the other Party.

21 10. LIABILITY.

22 a. Subject to subsection 10.b. hereof, each Party  
23 agrees to accept to the extent provided or required by law the  
24 legal liability and financial responsibility, including any duty  
25 to indemnify the other Party, for any of its activities and  
26 conduct under this Contract that cause damage or injury to either  
27 Party or to any other person or property. Other than as so  
28 provided or required by law, nothing in this Contract shall be  
29 construed to create any duty to, any standard of care with  
30 reference to, or any liability to either Party or any person or  
31 entity not a Party to this Contract.

1           b.    Except for that resulting from its own fraud,  
2 willful injury to person or property, or violation of law, as  
3 those terms are used in California Civil Code section 1668,  
4 neither Party shall be liable to the other for direct, indirect,  
5 special, incidental or consequential loss or damages suffered by  
6 such Party including, but not limited to, loss of use of a  
7 Party's facilities, loss of revenue, loss of anticipated profits,  
8 cost of replacement power, or for claims of any third party,  
9 including any customer of the other Party.

10           11.   WAIVER.

11           Any waiver at any time by either Party hereto of its  
12 rights with respect to a default or any other matter arising in  
13 connection with this Contract shall not be deemed to be a waiver  
14 with respect to any subsequent default or matter.

15           12.   UNCONTROLLABLE FORCES.

16           Neither Party shall be considered to be in default in  
17 the performance of any of its obligations under this Contract,  
18 other than an existing obligation to pay money, when and to the  
19 extent failure of performance shall be due to an uncontrollable  
20 force. The term "uncontrollable force" means any cause beyond  
21 the control of the Party failing to perform including, but not  
22 restricted to, failure of facilities, flood, earthquake, storm,  
23 lightning, fire, epidemic, war, riot, civil disturbance or  
24 disobedience, labor dispute, labor or material shortage,  
25 sabotage, restraint by court order or public authority, and  
26 action or non-action by or inability to obtain the necessary

1 authorizations or approvals from any governmental agency or  
2 authority, which by the exercise of due diligence such Party  
3 could not reasonably have been expected to avoid and which by  
4 exercise of due diligence it has not overcome. Either Party  
5 rendered unable to fulfill any of its obligations under this  
6 Contract by reason of an uncontrollable force shall give prompt  
7 written notice of such fact to the other Party and shall exercise  
8 due diligence to remove such inability. Nothing contained herein  
9 shall be construed so as to require a Party to settle any strike  
10 or labor dispute in which it may be involved.

11 13. ASSIGNMENT OR TRANSFER OF INTEREST IN CONTRACT.

12 Neither this Contract or any part thereof shall be  
13 assigned or transferred by either Party without the prior written  
14 consent of the other Party.

15 14. NO THIRD-PARTY BENEFICIARIES.

16 This Contract is for the sole benefit of the Parties  
17 and shall not be construed as granting rights to any person or  
18 entity other than the Parties or imposing obligations on either  
19 Party to any person or entity other than the Parties.

20 15. NO DEDICATION OF FACILITIES.

21 The Parties do not intend to dedicate, and nothing in  
22 this Contract and no undertaking under this Contract shall be  
23 construed as constituting a dedication by either Party of, any of  
24 its properties or facilities, or any part thereof, to the other  
25 Party or to the customers of a Party or to the public.

26 //

1           16. RELATIONSHIP OF THE PARTIES.

2           The covenants, obligations, and liabilities of the  
3 Parties are intended to be several and not joint or collective  
4 and nothing contained herein shall ever be construed to create an  
5 association, joint venture, trust, or partnership or to impose a  
6 trust or partnership covenant, obligation, or liability on or  
7 with regard to any Party. Each Party shall be individually  
8 responsible for its own covenants, obligations, and liabilities  
9 as herein provided. No Party shall be under the control of nor  
10 shall be deemed to control the other Party. No Party shall be  
11 the agent of nor have a right or power to bind the other Party  
12 without its express written consent, except as expressly provided  
13 in this Contract.

14           17. JURISDICTION AND VENUE.

15           This Contract shall be deemed a contract under the laws  
16 of the State of California and for all purposes shall be  
17 interpreted in accordance with such laws. Both Parties hereby  
18 agree and consent to the exclusive jurisdiction of the courts of  
19 the State of California and that the venue of any action brought  
20 hereunder shall be Los Angeles County, California.

21           18. DISPUTE RESOLUTION AND ARBITRATION.

22           a. The Parties agree to make best efforts to settle  
23 all disputes arising under this Contract between themselves as a  
24 matter of normal business. Normally the Parties' Authorized  
25 Representatives will settle disputes informally, and memorialize  
26 such settlements in writing.

1           b.    Within twenty (20) calendar days of either Party's  
2 receipt of a written complaint from the other Party that the  
3 dispute cannot be settled pursuant to subsection 18.a., each  
4 Party will prepare and deliver to the other an offer of  
5 settlement of the dispute.

6           c.    The management of each Party will review each  
7 Party's offer of settlement and attempt to settle the dispute as  
8 soon as possible, but in no case later than fifteen (15) calendar  
9 days after the exchange of offers pursuant to subsection 18.b.

10          d.    To the extent the dispute is not resolved by the  
11 Parties pursuant to subsection 18.c., the Parties may commence  
12 arbitration if mutually agreed. If so agreed, each Party shall  
13 appoint one arbitrator and so notify the other Party in writing  
14 of its selection. All arbitrators shall be skilled and  
15 experienced in the field pertaining to the dispute. The two  
16 arbitrators thus selected shall name a third arbitrator within  
17 ninety (90) days from the date the Parties reached agreement to  
18 arbitrate. In the event of the arbitrators' failure to so name  
19 such third arbitrator, that arbitrator shall be named as provided  
20 in the Commercial Arbitration Rules of the American Arbitration  
21 Association ("Rules"), or successor or equivalent. The third  
22 arbitrator shall act as chairperson of the panel. The  
23 arbitration shall be conducted in accordance with the Rules.  
24 Each Party shall bear its own costs incurred in the arbitration.  
25 Costs jointly incurred shall be equally shared.

1 e. The arbitrators will render a decision in writing  
2 within sixty (60) days of commencement of arbitration. It is the  
3 intent of the Parties that the decision of the arbitrators shall  
4 be binding upon both Parties unless otherwise mutually agreed,  
5 and both Parties hereby agree to be bound by the arbitrators'  
6 decision.

7 f. Notwithstanding the foregoing, a Party may pursue  
8 any legal, equitable or regulatory right or remedy available to  
9 it for resolution of the dispute.

10 19. REFERENCED AGREEMENTS.

11 Agreements (including any denominated "Contract" or  
12 "Operating Procedures") incorporated by reference herein shall be  
13 considered a part of this Contract; provided, that such  
14 incorporation is intended to provide District and PG&E with  
15 assurances that an incorporated agreement cannot be amended  
16 without District's and PG&E's knowledge and that such  
17 incorporation shall not be deemed to give District and PG&E any  
18 rights under any such agreement either as a party or as a third  
19 party beneficiary. Copies of the referenced agreements as  
20 executed have been provided to both Parties. Neither Party shall  
21 agree to any modification or amendment of any incorporated  
22 agreement causing adverse financial or operational harm to the  
23 other Party without such Party's consent, which shall not be  
24 withheld unreasonably. If either Party proposes to modify or  
25 amend any of the incorporated agreements, that Party shall  
26 provide the other Party a copy of such proposed modification or

1 amendment for review, in order to determine whether the proposed  
2 modification or amendment will affect this Contract such that  
3 this Contract should be amended to incorporate the favorable or  
4 adverse effects of the proposed amendment.

5 20. EFFECT OF SECTION HEADINGS.

6 Section headings appearing in this Contract are  
7 inserted for convenience only, and shall not be considered as  
8 interpretation of text.

9 21. ENTIRE AGREEMENT.

10 It is mutually understood and agreed that this Contract  
11 represents the complete agreement of the Parties, and that no  
12 alteration or variation of the terms of this Contract shall be  
13 valid and binding unless made in writing and signed by the  
14 Parties thereto.

15 22. EXECUTION BY COUNTERPART.

16 This Contract may be executed in any number of  
17 counterparts, and upon execution by the Parties, each executed  
18 counterpart shall have the same force and effect as an original  
19 and as if each Party had signed the same instrument. Any  
20 signature page of the Contract may be detached from any  
21 counterpart of this Contract without impairing the legal effect  
22 of any signatures thereon, and may be attached to another  
23 counterpart of this Contract identical in form hereto but having  
24 attached it to one or more signature pages.

25 //  
26 //




1           23. SIGNATURE.

2           The signatories hereto represent that they have been  
3 authorized to enter into this District Etiwanda Power Plant  
4 Capacity and Energy Sale Contract on behalf of the Party for whom  
5 they sign.

6           IN WITNESS WHEREOF, the Parties hereto have caused this  
7 Contract to be executed as of the day and year first above  
8 written.

PACIFIC GAS AND ELECTRIC  
COMPANY

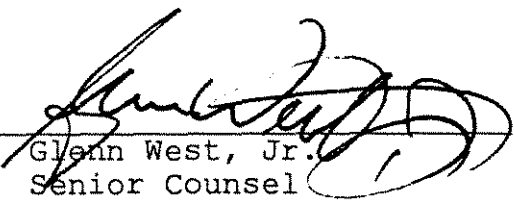
THE METROPOLITAN WATER  
DISTRICT OF SOUTHERN  
CALIFORNIA

By   
Robert J. Heywood  
Vice-President

By \_\_\_\_\_  
John R. Wodraska  
General Manager

Approved as to Form:

Approved as to Form:  
N. Gregory Taylor  
General Counsel

By   
Glenn West, Jr.  
Senior Counsel

By \_\_\_\_\_  
Diana Mahmud  
Deputy General Counsel

1           23. SIGNATURE.

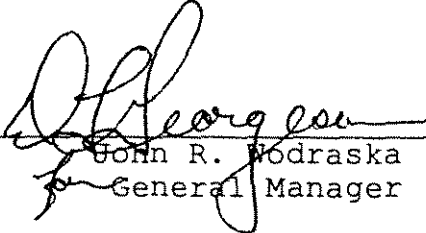
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3 authorized to enter into this District Etiwanda Power Plant  
4 Capacity and Energy Sale Contract on behalf of the Party for whom  
5 they sign.

6           IN WITNESS WHEREOF, the Parties hereto have caused this  
7 Contract to be executed as of the day and year first above  
8 written.

PACIFIC GAS AND ELECTRIC  
COMPANY

THE METROPOLITAN WATER  
DISTRICT OF SOUTHERN  
CALIFORNIA

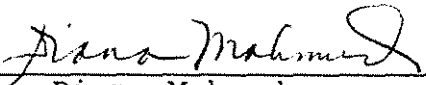
By \_\_\_\_\_  
Robert J. Haywood  
Vice-President

By  \_\_\_\_\_  
John R. Wodraska  
General Manager

Approved as to Form:

Approved as to Form:  
N. Gregory Taylor  
General Counsel

By \_\_\_\_\_  
Glenn West, Jr.  
Senior Counsel

By  \_\_\_\_\_  
Diana Mahmud  
Deputy General Counsel

## EXHIBIT A

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
1994-2013 ESTIMATED GENERATION AT ETIWANDA POWER PLANT  
(Megawatt-hours)

<u>Year</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
1994	0	0	0	200	4,300	7,100	6,100	700	200	500	1,400	1,600	22,100
1995	7,400	9,000	100	300	4,600	7,300	6,100	900	500	1,500	2,700	2,300	42,700
1996	7,400	9,300	1,900	1,100	6,700	8,300	7,200	2,100	1,800	2,800	4,400	4,500	57,500
1997	7,500	9,500	3,700	2,000	8,900	9,300	8,200	3,400	3,100	4,000	6,100	6,700	72,400
1998	7,500	9,800	5,500	2,800	11,100	10,200	9,300	4,600	4,300	5,300	7,800	8,900	87,100
1999	7,500	10,000	7,300	3,600	13,300	11,200	10,400	5,900	5,600	6,600	9,400	11,100	101,900
2000	7,500	10,300	9,200	4,400	15,400	12,200	11,500	7,200	6,900	7,800	11,100	13,400	116,900
2001 and thereafter	7,500	10,300	9,200	4,400	15,400	12,200	11,500	7,200	6,900	7,800	11,100	13,400	116,900

MONTHLY PAYMENT FORMULA

EXHIBIT B

Every month PG&E will pay District a lump sum payment for the previous month's deliveries based on the following formula:

$$P = \left[ \left\{ Q_{ON} \times [(HR_{ON} \times GP) \div 1000 + (PF \times CRP_{ON})] + Q_{OFF} \times [(HR_{OFF} \times GP) \div 1000 + (PF \times CRP_{OFF})] \right\} \times TLM \right] - WC$$

where

P = Monthly payment (to the nearest cent) from PG&E to District.

$Q_{ON}$   
 $Q_{OFF}$  = Quantity of Energy from the Project in megawatt-hours that District schedules pursuant to Section 3 subject to modification for real-time events or unplanned circumstances by DWR pursuant to the Operating Procedures.

$HR_{ON}$   
 $HR_{OFF}$  = The contractual heat rates in BTU/kWh by respective Time-of-day Periods of the months, defined as follows:

- 9,100 in the Non-Spring On-peak hours;
- 7,700 in the Spring On-peak hours;
- 6,700 in the Non-Spring Off-peak hours; and
- 5,000 in the Spring Off-peak hours.

GP = The "Average UEG Gas Rate" in \$/MMBtu shown in "Energy Prices for Qualifying Facilities", or successor, which is provided monthly by PG&E for setting payments to qualifying facilities. A single GP will be used for determining any month's bill. This GP will be the Average UEG Gas Rate taken from the Energy Prices for Qualifying Facilities publication that covers over half the days in that month. For example, if this Contract would have been effective for November of 1992, the GP for November would have been set equal to the Average UEG Gas Rate published in "Energy Prices for Qualifying Facilities Effective November 9, 1992 through December 13, 1992," shown in Exhibit B-1.

PF = Performance Factor, calculated every month as follows:

- In calendar year 1994 or prior to the Commercial Operation Date, whichever is later: 0.
- In calendar year 1995 and each month thereafter, in the Non-Spring during Commercial Operation: equal to the ratio of (1) Energy deliveries expected for that month, where expected Energy deliveries are set equal to the estimated monthly generation shown in Exhibit A as adjusted pursuant to Section 3.d of this Contract, to (2) Energy scheduled to Edison in that month. If this ratio exceeds 1, PF is set equal to 1.
- In Spring: 0.

$CRP_{ON}$   
 $CRP_{OFF}$  = Capital Related Price to be paid for Energy scheduled at a rate of up to 24 MW, defined by respective Time-of-day Periods of the months as follows:

- In the Non-Spring On-peak : \$19.000/MWH in 1994.
- In the Non-Spring Off-peak: \$17.000/MWH in 1994.
- In Spring: \$ 0.000/MWH.

The CRP will escalate each January using the Gross Domestic Product Implicit Price Deflator (GDP IPD) Index for the Third Quarter, published by the U.S. Department of Commerce in its "Survey of Current Business", or successor. The new year's CRP will equal the previous year's CRP times the ratio between the third quarter indexes for the previous two years. For example, in January of 1995 the new  $CRP_{ON}$  for 1995 will be calculated as the  $CRP_{ON}$  for 1994 times the GDP IPD Index for the third quarter of 1994 divided by the GDP IPD Index for the third quarter of 1993. An example of the GDP IPD is attached as Exhibit B-2.

TLM = Transmission Loss Multiplier which is equal to  $(1 - LF_{pg\&e}) \times (1 - LF_{sce}) \times (1 - LF_{dwr})$ . Where:  $LF_{pg\&e}$  is PG&E's transmission loss factor set at 0.0120;  $LF_{sce}$  is Edison's transmission loss factor initially set at 0.0273 per Section 8 of the Transmission Service Agreement; and  $LF_{dwr}$  is DWR's exchange factor, EF, initially set at 0.0113 in Section 5.4.1 of the Generation Exchange Contract.

WC = Fees paid by PG&E to DWR pursuant to Sections 5.5.1(b) and 7.1 of the Generation Exchange Contract.

Pacific Gas and Electric Company

77 Beale Street  
San Francisco, CA  
415/973-6980  
Telecopier 415/973-9271John T. Guardalabene  
Attorney at Law

November 9, 1992

Mailing Address  
P.O. Box 7442  
San Francisco, CA 94120

[REDACTED]  
Docket Office  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Re: I. 89-07-004

Dear [REDACTED]

Pursuant to Decision 91-10-039, enclosed are an original and thirteen copies of Pacific Gas and Electric Company's (PG&E) "Energy Prices for Qualifying Facilities Effective November 9, 1992 through December 13, 1992." The components used to derive the effective prices for the period are those currently approved by the California Public Utilities Commission (CPUC).

These prices differ from those filed in PG&E's announcement for prices effective October 12, 1992 through November 8, 1992, in that the commodity component of the average utility electric generation (UEG) rate has been modified to reflect: 1) the adoption of Decision (D.) 92-10-051 in PG&E's 1992 Biennial Cost Allocation Proceeding (BCAP), which contains a new gas throughput forecast, including a monthly allocation of UEG volumes between core-subscription and self-procured gas, revised core-subscription rates, and a new shrinkage factor; and 2) UEG self-procured gas price resulting from changes in the published price indices.

PG&E is receiving a discount for interruptible transport service on the Transwestern interstate pipeline. Pursuant to D. 91-10-039, PG&E is using the Federal Energy Regulatory Commission (FERC) interruptible tariff for El Paso from the Permian Basin as a proxy for the discount received from Transwestern.

For several months, PG&E has forecast purchases from the Station 8 receipt point on the Transwestern interstate pipeline. However, for the month of November, there are no forecast purchases from Station 8.

PG&E has included in the posting its preliminary recorded gas purchases from the various supply basins for the month of October. Prior month basin volumes are based on the best available information at the time of posting.

Energy prices to Qualifying Facilities are available on PG&E's QF Hotline at (415) 972-5789. Questions regarding this should be addressed to Janice Frazier-Hampton at (415) 972-4553. PG&E is mailing copies of this filing to all parties of record in I. 89-07-004.

Sincerely,


 A handwritten signature in cursive script, appearing to read "John T. Guardalabene".
   
JOHN T. GUARDALABENE
RECEIVED  
POWER CONTRACTS

NOV 13 1992

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Investigation on )  
the Commission's Own Motion to )  
Implement the Biennial Resource ) 1.89-07-004  
Plan Update Following the ) (Filed July 6, 1989)  
California Energy Commission's )  
Seventh Electricity Report )  
)  
(U 39 E) )  
\_\_\_\_\_ )

PACIFIC GAS AND ELECTRIC COMPANY

ENERGY PRICES FOR QUALIFYING FACILITIES  
EFFECTIVE NOVEMBER 9, 1992 THROUGH DECEMBER 13, 1992

SHIRLEY A. WOO  
JOHN T. GUARDALABENE  
PETER OUBORG

Law Department  
PACIFIC GAS AND ELECTRIC COMPANY  
77 Beale Street, P.O. BOX 77000  
San Francisco, CA 94177  
Telephone: (415) 973-6980

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

November 9, 1992

**ENERGY PRICES FOR QUALIFYING FACILITIES  
NOVEMBER 9, 1992 - DECEMBER 13, 1992**

The energy prices applicable to purchases by PG&E from qualifying facilities are shown below. They are the product of the weighted-average utility electric generation (UEG) rate and the Incremental Energy Rate (IER) plus an adjustment for the revenue requirement for Cash Working Capital (CWC), the Geothermal Adder (GEO) and the Variable O&M Adder. The IER and the Variable O&M Adder were adopted by the California Public Utilities Commission in D. 91-11-056. The GEO was adopted in Resolution No. E-3267 dated May 8, 1992 and effective May 1, 1992. The CWC is calculated in accordance with D. 89-12-057. The average UEG rate is based on the methodology established in D. 91-10-039, D. 92-05-022 and D. 92-08-040.



	<u>IER**</u> Btu/kWh [1]	<u>Avg. UEG</u> \$/MMBtu [2]	<u>CWC</u> \$/kWh [3]	<u>GEO</u> \$/kWh [4]	<u>Var. O&amp;M</u> \$/kWh [5]	<u>Energy***</u> Purchase Price \$/kWh [6]=1x2+3+4+5
<b>With Time-of Delivery Metering*</b>						
Partial Peak	10,803	3.1001	0.00013	0.000578	0.00280	<b>0.036998</b>
Off-Peak	10,033	3.1001	0.00012	0.000578	0.00280	<b>0.034601</b>
Super Off-Peak	9,731	3.1001	0.00012	0.000578	0.00280	<b>0.033665</b>
<b>Without Time-of Delivery Metering*</b>						
Seasonal Avg. (Period B)	10,281	3.1001	0.00012	0.000578	0.00280	<b>0.035370</b>

Footnotes:

* TIME PERIOD	MAY 1 - OCTOBER 31 (Period A)	NOVEMBER 1 - APRIL 30 (Period B)	
PEAK:	Noon - 6:00 p.m.	None	Weekdays except Holidays
PARTIAL-PEAK:	8:30 a.m. - Noon		Weekdays except Holidays
	6:00 p.m. - 9:30 p.m.	8:30 a.m. - 9:30 p.m.	Weekdays except Holidays
OFF-PEAK:	9:30 p.m. - 1:00 a.m.	9:30 p.m. - 1:00 a.m.	Weekdays except Holidays
	5:00 a.m. - 8:30 a.m.	5:00 a.m. - 8:30 a.m.	Weekdays except Holidays
	5:00 a.m. - 1:00 a.m.	5:00 a.m. - 1:00 a.m.	Weekends and Holidays
SUPER OFF-PEAK:	1:00 a.m. - 5:00 a.m.	1:00 a.m. - 5:00 a.m.	All days

Holidays include New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

\*\*Incremental Energy Rates are derived from PG&E's marginal energy costs.

\*\*\*The Energy Purchase Prices exclude the applicable energy line loss adjustment factors. As ordered by Ordering Paragraph 12(j) of Decision 82-12-120, this figure is currently 1.0 for transmission and primary interconnection voltage levels and for secondary distribution as follows:

	<u>Period A</u>	<u>Period B</u>
Peak	1.0148	-
Partial-Peak	1.0131	1.0119
Off-Peak	1.0093	1.0087
Super Off-Peak	1.0093	1.0087

**Pacific Gas and Electric Company**  
**ENERGY PRICES FOR QUALIFYING FACILITIES**  
**NOVEMBER 9, 1992 - DECEMBER 13, 1992**

**DERIVATION OF AVERAGE UEG RATE**

**Transportation**

Winter Transport Revenues (\$1,000) <sup>1</sup>	\$74,181
Winter Forecast Deliveries (Mth) <sup>1</sup>	796,230
Average Transportation Rate (per Dth)	\$0.9317

**Commodity**

Core Subscription Price to Noncore Customers (per Dth) <sup>2</sup>	\$1.9181
Transportation Shrinkage Charge (per Dth) <sup>3</sup>	\$0.0609
Total Core Subscription Price (per Dth)	\$1.9790
UEG Self-Procured Gas Price (per Dth) <sup>4</sup>	\$2.5200
Total Adopted Throughput Volume (Mth) <sup>5</sup>	247,140
UEG Volumes at Core Subscription (Mth) <sup>5</sup>	160,640
UEG Volumes at Self-Procured Price (Mth) <sup>5</sup>	86,500
Average UEG Commodity Rate (per Dth)	2.1684

**Average UEG Gas Rate (per Dth)**  
(Sum of Transportation and Commodity Rates) 3.1001

<sup>1</sup> Rates and volumes adopted by the CPUC in Decision 92-10-051, dated October 21, 1992.

<sup>2</sup> Effective November 1, 1992, per Advice 1728-G, dated October 28, 1992.

<sup>3</sup> Effective November 1, 1992, customers taking core subscription service will pay an additional 3.2 percent of the core subscription commodity price (excluding brokerage fee) to reflect shrinkage.

<sup>4</sup> Per most recent estimate of UEG gas procurement, consistent with Decision 91-10-039.

<sup>5</sup> Consistent with Decision 92-05-022, the throughput volumes adopted in PG&E's Biennial Cost Allocation Proceeding (BCAP) Decision 92-10-051 are used.



**Pacific Gas and Electric Company**  
**ENERGY PRICES FOR QUALIFYING FACILITIES**  
 NOVEMBER 9, 1992 - DECEMBER 13, 1992

**INTERIM METHOD FOR DERIVATION OF UEG SELF-PROCURED GAS COMMODITY PRICE**

<u>Basin</u>	<u>Publication</u> [1]	<u>Published Price</u> <sup>1</sup> (By Pipeline If Applicable) (per Dth)		<u>Interstate</u> <sup>2</sup> <u>Pipeline And</u>	<u>Transport</u> <sup>3</sup> <u>Rate</u> (per Dth)	<u>Burnertip</u> <u>Price</u> (per Dth)	<u>Forecasted</u> <sup>4</sup> <u>November</u> <u>Purchases</u> (MDth/day)	<u>Actual</u> <sup>5</sup> <u>October</u> <u>Purchases</u> (MDth/day)
		[2]	[2]	<u>Type Of Service</u> [3]	[4]	[5]=[2]+[4]	[6]	[7]
<u>Anadarko</u>		<u>El Paso</u>						
Inside F.E.R.C		\$2.10		El Paso Firm	\$0.38	\$2.46	0	8
NGW		\$2.05						
NGI		\$2.10						
Average		\$2.08						
<u>Permian</u>		<u>El Paso</u>						
Inside F.E.R.C		\$2.12		El Paso Firm	\$0.37	\$2.48	92	122
NGW		\$2.09						
NGI		\$2.13						
Average		\$2.11						
<u>San Juan</u>		<u>El Paso</u>	<u>Transwestern</u>					
Inside F.E.R.C		\$2.11	\$2.11	El Paso Firm	\$0.35	\$2.46	74	178
NGW		\$2.09	\$2.09	Transwestern Firm	\$0.68	\$2.79	9	25
NGI		\$2.14	\$2.13	T.W. Inter./EPNG <sup>7</sup>	\$0.60	\$2.71	28	0
Average		\$2.11	\$2.11					
<u>Station 8</u>			<u>Transwestern</u>					
Inside F.E.R.C			\$2.15	Transwestern Firm	\$0.55	\$2.68	0	20
NGI			\$2.11					
Average			\$2.13					
<u>Canadian</u> <sup>6</sup>		<u>NW/PGT</u>						
Inside F.E.R.C		\$1.50		NW/PGT Interrup	\$0.38	\$2.09	0	35
NGI		\$1.91		NW/PGT Firm	\$0.31	\$2.01	0	0

**UEG Self Procured Gas Price            \$2.52**

**Pacific Gas and Electric Company**  
**ENERGY PRICES FOR QUALIFYING FACILITIES**

NOVEMBER 9, 1992 - DECEMBER 13, 1992

**INTERIM METHOD FOR DERIVATION OF UEG SELF-PROCURED GAS COMMODITY PRICE  
(FOOTNOTES)**

Footnotes

- 1) Inside F.E.R.C.'s GAS MARKET REPORT: "PRICES OF SPOT GAS DELIVERED TO PIPELINES NOVEMBER 1, 1992", Index Prices. NATURAL GAS WEEK, dated November 2, 1992: "SPOT PRICES ON INTERSTATE PIPELINE SYSTEMS" (pg. 20). NATURAL GAS INTELLIGENCE GAS PRICE INDEX, dated November 2, 1992. "Spot Gas Prices" (pg. 2) and "CANADIAN MARKETS" (pg.5).  
In the absence of a published price for Transwestern from the San Juan basin, the listed El Paso price was used.
- 2) Assumes PG&E uses firm transportation on the El Paso pipeline, and both firm and interruptible transportation on the Transwestern and PGT pipelines. Interruptible transport is assumed on Northwest Pipeline.
- 3) El Paso Firm Transportation Rate Schedule T-3, effective October 1, 1992. Includes GRI, ACA, and surcharge. Transwestern Firm Transportation Rate Schedule, FTS-1, Second Revised Vol No. 1, effective 4-14-92 and 10-1-92. PGT Transportation Rate Schedules ITS and FTS, effective October 1, 1992. Include GRI, ACA, and surcharge. Transport rates account for interstate shrinkage on the respective pipelines and intrastate shrinkage to the burnertip. Northwest Transportation rate schedule TI-1 effective July 1, 1992, includes ACA, and surcharge.
- 4) Forecasted basin volumes are based on PG&E's most recent planning forecast of least expensive available supplies with acceptable reliability and flexibility. Does not include August imbalance which was assumed to be traded. In addition to the volumes shown, zero MMM Btu/day is forecast to be purchased from California. This forecast was filed with the CACD on October 23, 1992, and as noted, these volumes include no gas purchases for the pilot banking program.
- 5) Prior month's basin volumes are based on the best available information at the time of posting. In addition to the volumes shown zero MMM Btu/day of California gas was purchased and a small amount (0.1 MMMBtu/day) was received at Daggett, CA transported over the Kern River. UEG actual self procurement for October was 388 MMMBtu/day. It included 22 MMMBtu/day of July imbalance underdelivery. This compares to the 300 MMMBtu/day forecast in the October posting.
- 6) Per Decision 92-08-040, the Canadian gas index from "NATURAL GAS WEEK" will no longer be used, and the Canadian index from "INSIDE F.E.R.C." has been modified to reflect interruptible transport over the Northwest Pipeline from Sumas to Stanfield. For Canadian burnertip price, see "Sample Canadian Gas Index Calculation" on the next page.
- 7) T.W. Inter./EPNG = Transwestern Interruptible/El Paso Natural Gas. Per Decision 91-10-039 Section 4.5 at page 16, the El Paso interruptible rate from the Permian basin is used as a proxy for discounted Transwestern interruptible service.

**Pacific Gas and Electric Company**  
**ENERGY PRICES FOR QUALIFYING FACILITIES**  
 NOVEMBER 9, 1992 - DECEMBER 13, 1992

**Sample Canadian Gas Index Calculation**

**Transportation Cost Calculations**

1. Inside FERC index plus interruptible Northwest Pipeline transport to Stanfield, Oregon plus shrinkage, plus either firm or interruptible PGT transport to Malin, Oregon plus California intrastate shrinkage to the burnertip equals Inside FERC burnertip cost.

**For Interruptible PGT Transport**

$$(((1.50)/(1-.014) + (.2145+.0024+.0398))*(1+.0266)+(.0023+.0147+.000212*335.09))*1.032 = 1.9746$$

**For Firm PGT Transport**

$$(((1.50)/(1-.014)+(.2145+.0024+.0398))*(1+.0266)+(.0023+.0147+.000053*335.09))*1.032 = 1.9195$$

**Identification of Components**

- 1.50 -- Inside FERC Index
- (1-.014) -- Shrinkage term for Northwest
- (.2145 + .0024 + .0398) -- Northwest tariff (interruptible) + ACA + SSP (Surcharge). Note that GRI is charged
- (1+.0266) -- Shrinkage term for PGT (Stanfield to Malin)
- (.0024 + .0147 + .000212 \* 335.09) -- PGT (ACA + GRI + interruptible delivery rate \* Stanfield to Malin mileage)
- (.0024 + .0147 + .000053 \* 335.09) -- PGT (ACA + GRI + firm delivery rate \* Stanfield to Malin mileage)
- 1.032 -- Intrastate shrinkage factor

2. Natural Gas Intelligence index plus either firm or interruptible PGT transport to Malin, Oregon plus California intrastate shrinkage to the burnertip equals Natural Gas Intelligence burnertip cost.

**For Interruptible PGT Transport**

$$((1.91)*(1+.0398) + (.0023 + .0147+ .000212*612.46))*1.032 = 2.2011$$

**For Firm PGT Transport**

$$((1.91)*(1+.0398) + (.0023 + .0147+ .000053*612.46))*1.032 = 2.1006$$

**Identification of Components**

- 1.91 -- Natural Gas Intelligence Index
- (1+.0398) -- Shrinkage term for PGT (Kingsgate to Malin)
- (.0024 + .0147 + .000212\*612.46) -- PGT (ACA + GRI + Interruptible Delivery Rate\*Kingsgate to Malin mileage)
- (.0024 + .0147 + .000053\*612.46) -- PGT (ACA + GRI + firm Delivery Rate\*Kingsgate to Malin mileage)
- 1.032-- Intrastate shrinkage factor

3. Using interruptible or firm PGT rates and averaging 1 and 2 provides the respective Canadian burnertip prices.

**Interruptible Transport Burnertip Price**

**Firm Transport Burnertip Price**

1.9746  
 2.2011  
 4.1757 / 2 = 2.0879 = 2.09

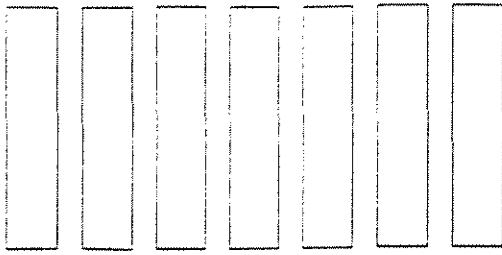
1.9195  
 2.1006  
 4.0201 / 2 = 2.0101 = 2.01

CERTIFICATE OF SERVICE BY MAIL

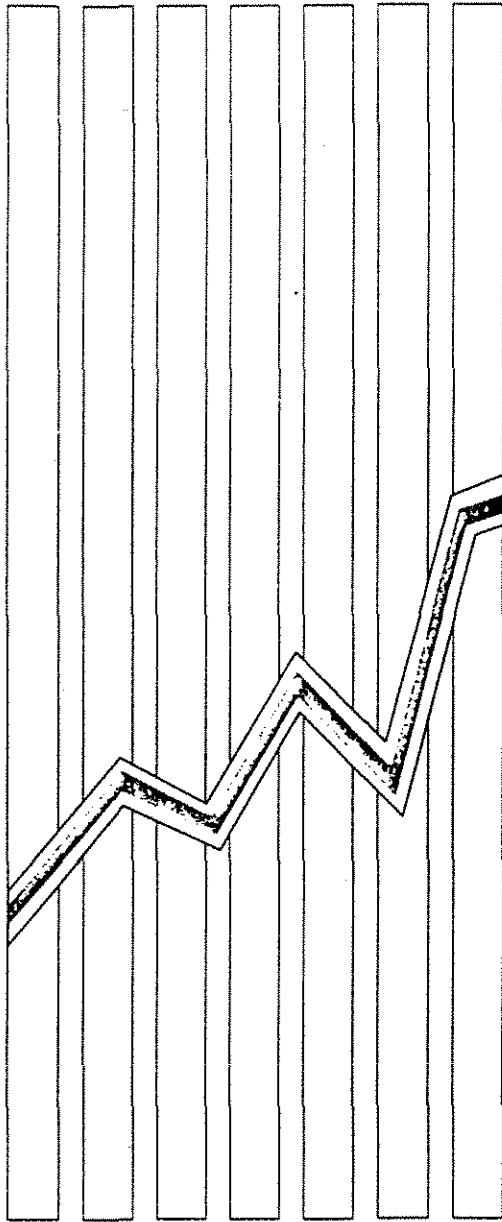
I hereby certify under penalty of perjury that I have this day caused a copy of **ENERGY PRICES FOR QUALIFYING FACILITIES EFFECTIVE NOVEMBER 9, 1992 THROUGH DECEMBER 13, 1992** to be mailed by first-class mail to each of the parties of record in this proceeding.

Executed at San Francisco, California, this 9th day of November 1992.

  
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Irene F. Rice



# SURVEY of CURRENT BUSINESS





# SURVEY of CURRENT BUSINESS

U.S. Department of Commerce  
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Economics and Statistics  
Administration



Bureau of Economic Analysis  
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*Editor-in-Chief:* Douglas R. Fox  
*Managing Editor:* Leland L. Scott

*Publication Staff:* W. Ronnie Foster,  
M. Gretchen Gibson, Eric B. Manning,  
Donald J. Parschalk

**SURVEY OF CURRENT BUSINESS.** Published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, SURVEY OF CURRENT BUSINESS, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Annual subscription: *Second-class mail*—\$29.00 domestic, \$36.25 foreign; *first-class mail*—\$76.00. Single copy—\$8.00 domestic, \$10.00 foreign.

Mail subscription orders and address changes to the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Make checks payable to the Superintendent of Documents.

Second-class postage paid at Washington, DC and at additional mailing offices. (usps 337-790).

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department.

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**C-pages: Business Cycle Indicators**  
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**S-pages: Current Business Statistics**  
(See page S-36 for contents and subject index)

**Inside back cover: BEA Information**

**NOTE.**—This issue of the SURVEY went to the printer on January 5, 1993. It incorporates data from the following monthly BEA news releases: Gross Domestic Product (Dec. 22), Personal Income and Outlays (Dec. 23), and Composite Indexes of Leading, Coincident, and Lagging Indicators (Dec. 30).

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For information, call (202) 523-0777, Bureau of Economic Analysis, U.S. Department of Commerce.







1170-2.26

7. Quantity and Price Indexes

Table 7.1.—Fixed-Weighted and Alternative Quantity and Price Indexes for Gross Domestic Product [Index numbers, 1987=100]

Main data table with columns for years (1992, 1993, 1994) and categories (Gross domestic product, Personal consumption expenditures, Durable goods, Nondurable goods, Services, Gross private domestic investment, Imports of goods and services). Includes handwritten annotations '123.7' and '126.5'.

Post-It™ brand fax transmittal memo 7671 # of pages > 1. From Mike Tanenbaum. Co. YG & C. Phone # (415) 973-1569. Fax #

