

Table 1
Price of Natural Gas Delivered to Pipeline in San Juan Basin

1994 Dollars/MMBtu

<u>Calendar Year</u>	<u>BPA</u>	<u>WEFA</u>
1995	1.13	1.17
1996	1.15	1.17
1997	1.17	1.17
1998	1.18	1.32
1999	1.19	1.49
2000	1.20	1.67
2001	1.21	1.72

Table 2
Forecast of Natural Gas Price in California

Nominal Dollars/MMBtu

<u>Mon-Yr</u>	<u>Pipeline at Ignacio, CO</u>	<u>Pipeline at Topock, CA</u>
Oct-1995	1.20	1.52
Nov-1995	1.25	1.64
Dec-1995	1.28	1.48
Jan-1996	1.20	1.39
Feb-1996	1.22	1.42
Mar-1996	1.17	1.36
Apr-1996	1.15	1.30
May-1996	1.13	1.33
Jun-1996	1.14	1.34
Jul-1996	1.11	1.31
Aug-1996	1.17	1.37
Sep-1996	1.24	1.44
Oct-1996	1.27	1.47
Nov-1996	1.31	1.51
Dec-1996	1.37	1.57
Jan-1997	1.38	1.58
Feb-1997	1.24	1.44
Mar-1997	1.18	1.38
Apr-1997	1.17	1.37
May-1997	1.18	1.38
Jun-1997	1.18	1.38
Jul-1997	1.16	1.36
Aug-1997	1.22	1.42
Sep-1997	1.29	1.49
Oct-1997	1.32	1.52
Nov-1997	1.37	1.57
Dec-1997	1.43	1.63
Jan-1998	1.44	1.64
Feb-1998	1.29	1.49
Mar-1998	1.22	1.42
Apr-1998	1.21	1.41
May-1998	1.23	1.43
Jun-1998	1.23	1.43
Jul-1998	1.20	1.40
Aug-1998	1.27	1.47
Sep-1998	1.34	1.54
Oct-1998	1.37	1.57
Nov-1998	1.42	1.62

<u>Mon-Yr</u>	<u>Pipeline at Ignacio, CO</u>	<u>Pipeline at Topock, CA</u>
Dec-1998	1.48	1.68
Jan-1999	1.49	1.69
Feb-1999	1.34	1.54
Mar-1999	1.27	1.47
Apr-1999	1.26	1.46
May-1999	1.28	1.48
Jun-1999	1.28	1.48
Jul-1999	1.25	1.45
Aug-1999	1.32	1.52
Sep-1999	1.39	1.59
Oct-1999	1.42	1.62
Nov-1999	1.47	1.67
Dec-1999	1.54	1.74
Jan-2000	1.55	1.75
Feb-2000	1.39	1.59
Mar-2000	1.32	1.52
Apr-2000	1.31	1.51
May-2000	1.32	1.52
Jun-2000	1.33	1.53
Jul-2000	1.30	1.50
Aug-2000	1.37	1.57
Sep-2000	1.45	1.65
Oct-2000	1.47	1.67
Nov-2000	1.53	1.73
Dec-2000	1.59	1.79
Jan-2001	1.61	1.81
Feb-2001	1.45	1.65
Mar-2001	1.37	1.57
Apr-2001	1.36	1.56
May-2001	1.37	1.57
Jun-2001	1.38	1.58
Jul-2001	1.34	1.54
Aug-2001	1.42	1.62
Sep-2001	1.50	1.70

Example of Spot Gas Rate Calculations

Rate Parameters		Net Present Value		Comparison of Net Revenues: Spot Gas Rate and IP Rate												
Energy Multiplier (MWh/MMBtu)	10.25	Rate (\$/MWh)	20.26	Target	Energy		Spot Gas Rate					Target Rate				
Other (\$/MWh)	0.00	Rev (\$000)	7,329	Result	(aMW)	(MWh)	Monthly Gas Price (\$/MMBtu)	Rolling Avg. Gas Price (\$/MMBtu)	Energy Multiplier	Variable Component (\$/MWh)	Fixed Component (\$/MWh)	Total Rate (\$/MWh)	Nominal Revenue (\$000)	Total Rate (\$/MWh)	Nominal Revenue (\$000)	
Readiness Charge (\$/MWh)	4.75	NPV calculated from Oct. 1996 through Sep. 2001			(1)	(2)=(1)*hours	(3)	(4)	(5)	(6)=4*5	(7)	(8)=6+7	(9)=2*8	(10)	(11)=2*10	
Discount Rate (%)	0.65%				Date											
Load (aMW)	10															
					Oct-96	10	7,440	1.47	1.43	10.25	14.62	4.75	19.37	144	20.3	151
					Nov-96	10	7,200	1.51	1.42	10.25	14.57	4.75	19.32	139	20.3	146
					Dec-96	10	7,440	1.57	1.42	10.25	14.50	4.75	19.25	143	20.3	151
					Jan-97	10	7,440	1.58	1.41	10.25	14.42	4.75	19.17	143	20.3	151
					Feb-97	10	6,720	1.44	1.41	10.25	14.48	4.75	19.23	129	20.3	136
					Mar-97	10	7,440	1.38	1.42	10.25	14.52	4.75	19.27	143	20.3	151
					Apr-97	10	7,200	1.37	1.42	10.25	14.57	4.75	19.32	139	20.3	146
					May-97	10	7,440	1.38	1.43	10.25	14.61	4.75	19.36	144	20.3	151
					Jun-97	10	7,200	1.38	1.43	10.25	14.65	4.75	19.40	140	20.3	146
					Jul-97	10	7,440	1.36	1.43	10.25	14.69	4.75	19.44	145	20.3	151
					Aug-97	10	7,440	1.42	1.44	10.25	14.73	4.75	19.48	145	20.3	151
					Sep-97	10	7,200	1.49	1.44	10.25	14.78	4.75	19.53	141	20.3	146
					Oct-97	10	7,440	1.52	1.45	10.25	14.82	4.75	19.57	146	20.3	151
					Nov-97	10	7,200	1.57	1.45	10.25	14.87	4.75	19.62	141	20.3	146
					Dec-97	10	7,440	1.63	1.46	10.25	14.91	4.75	19.66	146	20.3	151
					Jan-98	10	7,440	1.64	1.46	10.25	14.96	4.75	19.71	147	20.3	151
					Feb-98	10	6,720	1.49	1.46	10.25	15.01	4.75	19.76	133	20.3	136
					Mar-98	10	7,440	1.42	1.47	10.25	15.05	4.75	19.80	147	20.3	151
					Apr-98	10	7,200	1.41	1.47	10.25	15.09	4.75	19.84	143	20.3	146
					May-98	10	7,440	1.43	1.48	10.25	15.13	4.75	19.88	148	20.3	151
					Jun-98	10	7,200	1.43	1.48	10.25	15.17	4.75	19.92	143	20.3	146
					Jul-98	10	7,440	1.40	1.48	10.25	15.21	4.75	19.96	149	20.3	151
					Aug-98	10	7,440	1.47	1.49	10.25	15.25	4.75	20.00	149	20.3	151
					Sep-98	10	7,200	1.54	1.49	10.25	15.29	4.75	20.04	144	20.3	146
					Oct-98	10	7,440	1.57	1.50	10.25	15.33	4.75	20.08	149	20.3	151
					Nov-98	10	7,200	1.62	1.50	10.25	15.37	4.75	20.12	145	20.3	146
					Dec-98	10	7,440	1.68	1.50	10.25	15.42	4.75	20.17	150	20.3	151
					Jan-99	10	7,440	1.69	1.51	10.25	15.46	4.75	20.21	150	20.3	151
					Feb-99	10	6,720	1.54	1.51	10.25	15.51	4.75	20.26	136	20.3	136
					Mar-99	10	7,440	1.47	1.52	10.25	15.55	4.75	20.30	151	20.3	151
					Apr-99	10	7,200	1.46	1.52	10.25	15.60	4.75	20.35	146	20.3	146
					May-99	10	7,440	1.48	1.53	10.25	15.64	4.75	20.39	152	20.3	151
					Jun-99	10	7,200	1.48	1.53	10.25	15.68	4.75	20.43	147	20.3	146
					Jul-99	10	7,440	1.45	1.53	10.25	15.72	4.75	20.47	152	20.3	151
					Aug-99	10	7,440	1.52	1.54	10.25	15.76	4.75	20.51	153	20.3	151
					Sep-99	10	7,200	1.59	1.54	10.25	15.80	4.75	20.55	148	20.3	146
					Oct-99	10	7,440	1.62	1.55	10.25	15.85	4.75	20.60	153	20.3	151
					Nov-99	10	7,200	1.67	1.55	10.25	15.89	4.75	20.64	149	20.3	146
					Dec-99	10	7,440	1.74	1.55	10.25	15.94	4.75	20.69	154	20.3	151
					Jan-00	10	7,440	1.75	1.56	10.25	15.99	4.75	20.74	154	20.3	151
					Feb-00	10	6,720	1.59	1.56	10.25	16.03	4.75	20.78	140	20.3	136
					Mar-00	10	7,440	1.52	1.57	10.25	16.08	4.75	20.83	155	20.3	151
					Apr-00	10	7,200	1.51	1.57	10.25	16.12	4.75	20.87	150	20.3	146
					May-00	10	7,440	1.52	1.58	10.25	16.16	4.75	20.91	156	20.3	151
					Jun-00	10	7,200	1.53	1.58	10.25	16.20	4.75	20.95	151	20.3	146
					Jul-00	10	7,440	1.50	1.58	10.25	16.24	4.75	20.99	156	20.3	151
					Aug-00	10	7,440	1.57	1.59	10.25	16.28	4.75	21.03	156	20.3	151
					Sep-00	10	7,200	1.65	1.59	10.25	16.32	4.75	21.07	152	20.3	146
					Oct-00	10	7,440	1.67	1.60	10.25	16.37	4.75	21.12	157	20.3	151
					Nov-00	10	7,200	1.73	1.60	10.25	16.41	4.75	21.16	152	20.3	146
					Dec-00	10	7,440	1.79	1.61	10.25	16.46	4.75	21.21	158	20.3	151
					Jan-01	10	7,440	1.81	1.61	10.25	16.51	4.75	21.26	158	20.3	151
					Feb-01	10	6,720	1.65	1.62	10.25	16.56	4.75	21.31	143	20.3	136
					Mar-01	10	7,440	1.57	1.62	10.25	16.60	4.75	21.35	159	20.3	151
					Apr-01	10	7,200	1.56	1.62	10.25	16.64	4.75	21.39	154	20.3	146
					May-01	10	7,440	1.57	1.63	10.25	16.69	4.75	21.44	159	20.3	151
					Jun-01	10	7,200	1.58	1.63	10.25	16.73	4.75	21.48	155	20.3	146
					Jul-01	10	7,440	1.54	1.64	10.25	16.77	4.75	21.52	160	20.3	151
					Aug-01	10	7,440	1.62	1.64	10.25	16.81	4.75	21.56	160	20.3	151
					Sep-01	10	7,200	1.70	1.64	10.25	16.86	4.75	21.61	156	20.3	146
					Net Present Value										7,327	7,329