

Questions from the City of Redding presented at Western's Public Comment Forum on May 9, 2007

- 1) Does Western plan to use the Central Valley Project (CVP) transmission system to deliver Pacific Gas and Electric Company purchases to meet RA Capacity? **Western's response: Western is not anticipating the use of the CVP transmission system for deliveries under any RA Capacity purchases, including RA Capacity purchases from PG&E.**
  
- 2) For RA Capacity purchases using the COTP and the PACI, how does Western plan to meet the Ancillary Service requirements with those purchases? Is Western planning to use CVP generation to meet the Ancillary Service requirements? **Western's response: For any purchases that Western makes for RA Capacity requirements using Liquidated Damages (LD) contracts for which Western is proposing to use its rights on the COTP and/or the PACI, Western notes that such LD Contracts are backed by reserves in the originating Balancing Authority Area and are therefore, considered firm. Western is not planning to use CVP generation to provide Ancillary Services for such RA Capacity purchases.**