

MINUTE ITEM

This Calendar Item No. 32
 was submitted for information
 only, no action thereon
 being necessary.

INFORMATIVE
 CALENDAR ITEM

32

3/81
 PRC 4596
 PRC 4597
 Priddy

SALES PRICE FOR GEOTHERMAL RESOURCES
 GEYSERS AREA 1981

Pacific Gas and Electric Co. has set the Sales Price for electricity produced during the calendar year 1981 in the Geysers area at 27.26 mills per kilowatt hour of net output. Pursuant to terms of the sales contract Pacific Gas and Electric Co. redetermines the price of steam annually based on the average price of electricity generated from fossil fuels and nuclear fuel (nuclear fuel use was 0 in 1980). The agreement for the sale of geothermal steam from Union Oil Company of California, Magma Power Company and Thermal Power Company to Pacific Gas and Electric Company was approved by the Commission in June of 1972. At that time the rate was 2.4 mills per kilowatt hour.

The rate, kilowatt hours generated, and royalty from State lands are tabulated below:

<u>Year</u>	<u>Rate in Mills</u>	<u>KHW</u>	<u>Royalty</u>
1972	2.40	237,240,000	\$ 56,938
1973	2.65	820,305,000	\$ 217,381
1974	3.23	1,451,882,000	\$ 468,957
1975	6.89	2,004,442,000	\$1,381,061
1976	10.85	2,246,039,000	\$2,436,952
1977	13.68	2,305,002,000	\$3,153,243
1978	15.52	1,806,000,000	\$2,802,525
1979	16.58	2,381,442,000	\$3,977,957
1980	18.13	2,545,212,000(est)	\$4,614,470
1981	27.26	2,680,000,000(est)	\$7,300,000(est)

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