STATE OF CALIFORNIA ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION

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April 2, 2004 Advice Letter 2510-G/2460-E, 2460-E-A

Ms Anita Smith, Rate Analyst
Pacific Gas and Electric Company
77 Beale Street, Mail Code 10B
San Francisco, CA 94177

Subject: Implementation of the Ratemaking Provisions Supporting the Settlement Agreement Adopted in D.03-12-035

Dear Ms Smith:

Advice Letter 2510-G/2460-E, 2460-E-A is effective January 1, 2004 by Resolution E-3862. A copy of the advice letter and resolution returned herewith for your records.

Sincerely,

Paul Clanon

Paul Clanon, Director
Energy Division

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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-3862
April 1, 2004

RESOLUTION

Resolution E-3862. Pacific Gas & Electric (PG&E) Company requests authority to revise electric and gas tariffs and establish various balancing and memorandum accounts to implement Modified Settlement Agreement (MSA) adopted by Decision (D.) 03-12-035 and comply with D04-02-062. PG&E's request is approved with modifications.

Advice Letter 2510-G/2460-E Filed on December 31, 2003 and Supplemental Advice 2460-E-A filed March 1, 2004.

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SUMMARY

This Resolution approves with modifications PG&E's proposed tariff revisions, its request to establish various revenue adjustment mechanisms (RAM) balancing accounts, to modify certain regulatory accounts, and withdraw several electric regulatory accounts that are no longer applicable or needed.

The Office of Ratepayer Advocates (ORA) and The Utility Reform Network (TURN) protest the AL. ORA believes that the approval of the AL would implement the Modified Settlement Agreement (MSA) prematurely if rehearing issues are not resolved, seeks a reduction of $125 million to the approved Regulatory asset amount of $2.21 billion, requests that PG&E's gas business not share in the Commission's professional fees and expenses as a result of PG&E's voluntary bankruptcy. TURN protests PG&E's recovery of the funding of the Environmental Enhancement Corporation in the distribution ratemaking mechanism, and PG&E's proposal to eliminate Utility Retained Generation Income Tax Memo Account (URGITMA).

ORA's protest issues are denied. TURN's protest issues are partially granted by not allowing the URGITMA elimination.

BACKGROUND

PG&E filed Advice Letter 2510-G/2460-E on December 31, 2003, pursuant to Ordering Paragraph (OP) 7 of D.03-12-035. OP 7 approved Appendix C, the MSA attached to D.03-12-035.

Paragraphs 2e and 4 ("Implementation of Ratemaking") of the MSA state that:

> [2e.] Balances in PG&E's [Transition Cost Balancing Account] TCBA, determined in accordance with Commission Decision No. 01-03-082, as of January 1, 2004 shall have no further impact on PG&E's Retail Electric Rates ... and PG&E's current Retail Electric Rates will be replaced by the Retail Electric Rates resulting from this Agreement, the Settlement Plan, and the Confirmation Order as of January 1, 2004.[1]
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> [4] To ensure that all conditions to the Effective Date are met as soon as practicable after the Commission decision approving this Agreement, PG&E shall file an advice letter to implement all the rate and tariff changes necessary to implement the Settlement Plan.[2]

PG&E's proposed new ratemaking mechanisms include revenue adjustment mechanisms (RAMs) and balancing accounts to ensure cost recovery post-Chapter 11. It also provides for the existing mechanisms to be modified and others eliminated because they are no longer applicable or needed. PG&E claims that the tariff changes it proposed in the filing are consistent with Chapter 10 of its testimony in Investigation (I.) 02-04-026 filed April 22, 2002.

PG&E proposes to establish the following RAMs for recovery of its authorized distribution, public purpose program, nuclear decommissioning and retained generation revenue requirements after eliminating the Transition Revenue

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[1] See page 12 of the MSA.

[2] See page 15 of the MSA.

Account (TRA) on December 31, 2003. These accounts are effective January 1, 2004 pursuant to the MSA.

- Distribution Revenue Adjustment Mechanism[3] (DRAM) –Electric Preliminary Statement Part CZ;
- Public Purpose Program Revenue Adjustment[4] (PPPRAM)– Electric Preliminary Statement Part DA;
- Nuclear Decommissioning Adjustment Mechanism (NDAM) – Electric Preliminary Statement Part DB; and
- Utility Generation Balancing Account[5] (UGBA) – Electric Preliminary Statement CG.

PG&E proposes additional new ratemaking mechanisms to implement the other provisions of the MSA as follows:

1. Regulatory Asset Revenue Adjustment Mechanism (RARAM) – Electric Preliminary Statement Part DC

The monthly revenues from a component of electric rates and one-twelfth of the annual revenue requirement associated with the amortization of the Regulatory Asset as determined in Appendix A, Technical Appendix of the MSA are recorded in the RARAM, beginning January 1, 2004. Consistent with Paragraph 2d of the MSA, the outstanding balance of the Regulatory Asset will be adjusted, as necessary, dollar for dollar, to reflect the net after-tax amount of any refunds, claim offsets, and other credits from generators or other energy suppliers relating to PG&E's Power Exchange (PX), Independent System Operator (ISO), Qualifying Facilities (QF), and Energy Service Provider (ESP) costs it receives in its Chapter 11 case in 2003 and thereafter. The Commission shall determine how PG&E shall refund or credit to the

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[3] Costs associated with funding the PG&E Environmental Enhancement Corporation pursuant to the MSA (#17c) will be recorded in this account.

[4] D.99-10-057 approved PPPRAM and NDAM.

[5] Approved by Resolution E-3822 and AL 2240-E-B effective 1/1/03.

benefit of its ratepayers, any refunds, claim offsets or any other credits not yet allowed to reduce the Regulatory Asset prior to being securitized by a Dedicated Rate Component (DRC) or after the DRC is established.

2. Regulatory Asset Tax Balancing Account (RATBA) – Electric Preliminary Statement Part DD

The carrying costs due to any timing difference between: 1) the actual MSA Regulatory Asset-related income tax payments made by PG&E; and 2) the income taxes based on the amortization of the Regulatory Asset defined in the MSA paragraph 2a and Appendix A, Technical Appendix, as adjusted for net-after-tax amounts of refunds and other credits pursuant to MSA paragraph 2d, are recorded in the RATBA for recovery. Any interest imposed by the federal and state-taxing authorities is also recorded in the account. PG&E shall amortize RATBA balance in retail electric rates over the greater remaining life of the Regulatory Asset or five years.

3. Headroom Account (HA) – Electric Preliminary Statement Part DE

The HA tracks the headroom collected in 2003 consistent with Definition 1z and Paragraph 8a of the MSA and D.03-12-035. In the event the 2003 actual headroom exceeds $875 million or less than $775 million, PG&E will amortize through this account the amount in excess of $875 million or the difference between the 2003 actual headroom and $775 million in customer's future electric rates. The litigation costs, bankruptcy-related costs, bankruptcy-related retention bonuses and any other costs of PG&E Corporation or any other PG&E affiliate will not be included in the determination of the 2003 headroom as indicated by OP 4 of D.03-12-035.

4. Electric Reimbursable Fees Balancing Account (ERFBA) and Gas Reimbursable Fees Balancing Account (GRFBA) – Electric and Gas Preliminary Statements DF and BF

The professional fees incurred by the California Public Utilities Commission (CPUC) pursuant to Paragraph 15 of the MSA are to be recorded in ERFBA and GRFBA for recovery. PG&E proposes that the ERFBA be reviewed for recovery in a new Electric Annual True-up Proceeding or other authorized

proceeding over a period not to exceed four years while the GRFBA will be reviewed in the Biennial Cost Allocation Proceeding (BCAP) or other authorized proceeding.

5. PG&E Proposed other Accounts

PG&E proposes other new accounts not directly related to the MSA. They are the Department of Water Resources (DWR) Power Charge Balancing Account (PCBA) and Electric and Gas Facilities Fees Tracking Accounts.

OP 7 of D.04-01-028 states that"PG&E may establish power charge balancing account" in response to PG&E's request to record the difference between the amounts remitted to DWR pursuant to the Commission adopted remittance formula and the amounts collected from bundled electric customers' DWR power charge rate component. PG&E proposes to rename this account the "Power Charge Collection Balancing Account" in response to DWR's protest of AL 2465-E, which implements PCBA rate. DWR raised concerns regarding the initial PCBA preliminary statement language proposed by PG&E. DWR is concerned that PG&E collects funds due to DWR at one rate from customers and remits them at another, Commission- adopted rate. DWR believes this is in violation of Water Code and Commission decisions. It is also concerned that the collection rate used by PG&E for DWR funds is subsumed in PG&E's costs or "Generation Charge." PG&E and DWR worked together to resolve these concerns.

a. Power Charge Collection Balancing Account (PCCBA)–Electric Preliminary Statement Part DG

The PCCBA will "track the difference between (1) the amounts collected by PG&E on behalf of Department of Water Resources (DWR) as DWR's agent and remitted to DWR pursuant to the remittance formula under PG&E's applicable Servicing Order, using the Remittance Rate established in the relevant Commission decisions, and (2) the portion of total amounts collected from bundled customers attributable to the Power Charge Collection Balancing Account rate component." In addition, "[t]he PCCBA is a customer

balancing account and not intended to change the remittance formula or Commission decisions in any way or change PG&E's obligations to segregate and hold Power Charges from customers in trust for the benefit of DWR pursuant to Water Code Section 80112. To the extent that the amount derived from bundled customers under the PCCBA rate components is greater or lesser than the amount of DWR Power Charges remitted to the DWR from bundled customers, that difference is reflected in setting a bundled customer future PCCBA rate component."

b. Electric Credit Facilities Fees Tracking Account (ECFFTA) and Gas Credit Facilities Fees Tracking Account (GCFFTA)- Electric and Gas Preliminary Statements DH and BG

The ECFFTA and GCFFTA will record electric and gas portions, respectively, of incremental costs associated with obtaining working capital from banks and/or other institutions upon emergence from Chapter 11 due to a lower credit rating than PG&E's historic high investment grade rating. Costs will include fees associated with obtaining and maintaining credit and working capital facilities. PG&E proposes that the balance in the ECFFTA be reviewed for recovery in its newly proposed Electric Annual True-up Proceeding or other authorized proceeding, while the GCFFTA will be reviewed for recovery in the BCAP or other approved proceeding.

In addition to the new regulatory accounts, PG&E also proposed to modify certain existing ratemaking mechanisms. These are:

- Modified Transition Balancing Account (MTCBA): The MTCBA currently holds ongoing transition costs associated with qualifying facility (QF), other purchased power agreements, employees' transition costs, and other authorized above-market generation costs. PG&E proposes to modify the MTCBA and record ongoing competition transition charge (CTC) revenue and costs from bundled, Direct Access (DA), and Departing Load (DL) customers.

- Energy Resource Recovery Account (ERRA): The ERRA holds and recovers fuel and purchased power costs associated with PG&E's

authorized procurement plan. PG&E wants to modify ERRA to establish a rate, to record rate revenues to implement bottoms-up ratemaking, and to credit the ERRA for the portion of procurement costs that are recorded and recovered in the MTCBA.

- Rate Reduction Bond Memorandum Account (RRBMA): The RRBMA currently records the difference between the Rate Reduction Bond Savings Amount and the 10 percent Rate Reduction Amount provided to residential and small commercial customers in accordance with Assembly Bill (AB) 1890. PG&E proposes to modify the RRBMA to include a RRBMA rate, and record revenues in order to amortize the over-collection balance in the account.

- Gas Supply Portfolio (GSP): The GSP includes the cost of gas procured by PG&E for its Core Procurement customers. The costs are recovered through the procurement revenue requirement. PG&E proposes to modify the GSP section of the Gas Accounting Terms and Definitions, Gas Preliminary Statement Part C, to state that costs associated with pre-payments, credit, and collateral payments, including associated fees for gas procurement, transportation, and related services, should be included in the GSP costs.

PG&E further proposes to eliminate several ratemaking mechanisms that are no longer necessary or needed because these are being replaced by other ratemaking mechanisms as result of a return to cost of service ratemaking. The accounts proposed by PG&E for elimination used to be associated with AB 1890 framework when a rate freeze was in effect and PG&E had to buy and sell through the PX.

The proposed accounts to be eliminated are the TRA, generation memorandum accounts (GMA),[6] the generation asset balancing account

[6] The GMAs (Preliminary Statements Part AX, AY, AZ, and BE) were eliminated by compliance Advice 2240-E-B E as authorized by E-3822.

(GABA),[7] the transition cost balancing account (TCBA), and the following accounts:

1. Block Forward Market Memorandum Account (BFMMA): The BFMMA tracked costs incurred by PG&E to participate in the PX's Block-Forward Market that are not billed to PG&E by PX or the ISO. PG&E indicates that the balance in this account is zero and the PX is longer operating.

2. PX Credit Audit Memo Account (PXCAMA): The PXCAMA tracks costs associated or related to the monthly audit of the PX Energy Credit calculations. The account balance is zero, the PX is no longer operating, and no further audit of direct access customers' PX Energy Credit is needed, pursuant to D.03-08-061, Finding of Fact No. 12.

3. Power Exchange Memorandum Account (PXMA): The PXMA tracked PX start-up and development costs incurred on or after July 17, 1996 by PG&E that were rejected by Federal Energy Regulatory Commission (FERC). PG&E indicates that the balance in the account is zero and no new activity is expected in the future.

4. Power Exchange Bilateral Option Memorandum Account (PXBOMA): The PXBOMA tracked costs associated with procuring energy, ancillary services, capacity products, and transmission-related services in connection to the bilateral option services offered by the California Trading Services Division of the PX. The balance in the account is zero and the PX is no longer operative.

5. Reduced Return on Equity Memo Account (RROEMA): The RROEMA tracked the difference between the return on equity adopted in D.96-11-060 and the reduced return on equity adopted in D.95-12-063, as modified by D.96-01-009 and affirmed by D.96-12-089, applicable to the investment-related assets for which PG&E sought eligibility for

[7] PG&E proposed to establish GABA through AL 2048 filed June 23, 2000 that has not been approved the Commission.

transition cost recovery. The balance in this account is zero and PG&E expects no future activity.

6. Rate Group Transition Cost Obligation Memo Account (RGRCOMA): The RGRCOMA tracked the transition cost obligations by rate group for determining the end of the rate freeze date for each rate group. D.00-06-034, OP 15, eliminated the account.

7. Competition Transition Charge Exemptions Memo Account (CTCEMA) and PU Code Section 381(d) – Renewable Program Costs Tracking Account (RPCTA): The CTCEMA tracked transition costs that would have been recovered if not for the exemption during the period from January 1998 and December 2001 as set forth in AB 1890. The RPCTA tracked renewable program revenues collected through rates from January 1, 1998 through December 31, 2001. PG&E claims that if the rate freeze had extended beyond December 31, 2001, the account balances at that time would have been used to calculate the transition costs for recovery through March 31, 2002. PG&E wants to eliminate the accounts since the March 31, 2002 date is past and the MSA provides that the balance in the TCBA as of January 1, 2004, shall have no further impact on PG&E's retail electric rates.

8. Helms Adjustment Account (HAA): The HAA tracked the cost of owning, operating, and maintaining the Helms Pumped Storage Project as adopted in D.91-11-056. PG&E indicates that the balance in the account is zero and no new activity is expected in the future.

9. Arbitration Memo Account (AMA): Costs of arbitrating Standard Offer 4 (SO4) contract bids are recorded in the AMA. PG&E expects no future activity and the balance in the account is zero.

10. Applicant Installation Trench Inspection Memorandum Account (AITIMA) and Applicant Installation Trench Inspection Deferred Account (AITIDA): The AITIMA tracked the amounts to be recovered from electric and gas customers for the first inspection of each section of trench on applicant-installed projects while the AITIDA tracked amounts collected from a line extension applicant for the first inspection

of each section of trench on applicant-installed projects. D.03-03-032[8] eliminated these accounts.

11. Interruptible Load Curtailment Penalty Account (ILCPMA): The ILCPMA tracks noncompliance penalties under PG&E's interruptible tariffs for applicable non-firm service customers failing to curtail the use of electricity when requested to do so. In D.02-04-060, the Commission determined that the penalties are billed to customers in accordance to the provisions of the applicable tariff. The balance in the account is zero and no future activity is expected.

12. Emergency Surcharge Procurement Memo Account (ESPMA) and Surcharge Amortization Revenue Memo Account (SARMA): The ESPMA tracks the one cent and three cents emergency procurement surcharges established by D.01-01-018 and D.01-03-082, and the SARMA tracks the one-half cent emergency procurement established by D.01-05-064. PG&E claims that the MSA makes these accounts moot since electric rates are to be established bottoms-up as a result of the approval of the MSA.

13. Diablo Canyon Property Tax Balancing Account (DCPTBA): The DCPTBA tracks the difference between actual and authorized costs associated with Diablo Property taxes. In AL 2240-E-A, PG&E requested that the balance in the DCPTBA be transferred to the Utility Generation Balancing Account (UGBA) and to eliminate DCPTBA. Resolution E-3822 approved PG&E's request.

14. Schedule E-BID Memo Account (E-BIDMA): The E-BIDMA tracked costs incurred by PG&E to implement and administer Schedule E-BID, Price Responsiveness Load Program, pursuant to Resolution E-3650. PG&E wants to eliminate the account because the program has been discontinued, and no costs are being recorded into the account.

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[8] PG&E requested elimination of these accounts in AL 2458-G/2379-E filed May 12, 2003, pending approval of the Commission.

15. Electric Deferred Refund Account (EDRA): The credits for monies subject to direct refund to electric customers pursuant to D.96-12-025, upon Commission approval of refund plans submitted by PG&E on or before January 31 each year, are recorded in the EDRA. PG&E claims that the account is no longer needed because refunds and disallowances can now be passed through to customers through other balancing account mechanisms and return to ratepayers under the approved rate design for those costs. By AL 2542-E filed December 17, 2003 PG&E requested that the $172, 463 balance in EDRA be transferred to the DRAM because it would more cost effective than making direct refunds to customers. The Energy Division approved the AL on January 20, 2004.
16. Utility Retained Generation Income Tax Memo Account (URGITMA): The URGITMA tracks the time value of money related to income tax. The account tracks the difference between income tax revenue requirements for the income tax recorded in the URG balancing accounts and the actual URG related income tax payments, in a manner that does not violate the Internal Revenue Code normalization requirements. OP 7 of D.02-04-016 required the creation of the account. Resolution E-3822 approved the account as proposed by PG&E. PG&E claims that the MSA resolves the TCBA and that the URGITMA tax timing differences are a result of the generation related write-offs associated with costs and revenues recorded in the TCBA. Consequently, this account no longer serves a purpose.

Pursuant to OP 2 of D.04-02-062, PG&E filed Supplemental AL 2460-E-A, which modifies its ratemaking mechanisms proposed in AL 2460-E to ensure that PG&E's authorized 2004 revenue requirements are "trued up" in future rates. PG&E proposed in Attachment A to the AL calculations and formulas to impute revenue collected from customers to avoid over and under collections in certain regulatory accounts as it implements the directives required by D.04-02-062.

NOTICE

Notice of Advice Letter 2510-G/2240-E was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A and the service list of parties in the Order Instituting Investigation (OII.) 02-04-026).

PROTESTS

ORA filed a timely protest to AL 2510-G/2460-E on January 16, 2004. ORA asserts that the Commission should not adopt AL 2510-G/2460-E until after any and all applications for rehearing of D.03-12-035 are resolved because it believes the implementation of the MSA could be premature. ORA also alleges that the initial balance of $2.21 billion of the Regulatory Asset approved by the MSA should have been reduced by the $125 million amount incurred by PG&E Corporation but disallowed by D.03-12-035. ORA concludes its protest by asserting that the gas side of PG&E's business should not share in the Commission's professional fees and expenses related to PG&E's voluntary bankruptcy.

PG&E responds that ORA's request to delay the effective date of D.03-12-035 is unlawful because the decision has not been stayed. PG&E believes that a reduction to the approved Regulatory Asset amount would be a modification of D.03-12-035. It argues that the $125 million in professional fees incurred by PG&E Corporation and not reimbursed by PG&E would provide additional cash to pay creditors upon emergence from bankruptcy therefore, reducing the amount it has to borrow. PG&E states that the whole company was in bankruptcy, not just the electric side of the business and as such the gas business should share part of the costs incurred by the CPUC. In addition, Paragraph 15 of the MSA allows recovery of these costs "in retail rates" and not only electric rates.

TURN filed a timely protest on January 20, 2004. TURN states that it filed testimony in the I.02-04-026, opposing PG&E's proposal in that proceeding to use DRAM for the recovery of its funding of Environmental Enhancement Corporation. TURN claims that D.03-12-035 did not resolve the issue. TURN believes that the DRAM is not the correct tracking

mechanism, but rather the PPPRAM or UGBA. TURN also alleges that it opposed the elimination of URGITMA in I.02-04-026 as proposed by PG&E. It asserts that PG&E has not demonstrated that the MSA required the account's elimination. It recommends the retention of the account until the Commission directs its elimination.

PG&E responds that it included the Environmental Enhancement Corporation funding resulting from the MSA in the DRAM because all customers pay for distribution service as well as for the funding of environmental enhancement programs while public purpose program costs are recovered through different programs from customers. PG&E argues that URGITMA is intended to track any tax timing differences arising from the financial impacts related to the writing-off of generation-related costs for financial accounting purposes that are included in the TCBA, compared to tax liabilities incurred if such costs were to be recovered in subsequent rates. It further asserts that Paragraph 2e of the MSA resolves PG&E's TCBA and waives any recovery of its past under-collections in return for the benefits received under Paragraphs 9 and 10 of the MSA including tax benefits and liabilities.

DISCUSSION

The Energy Division has reviewed AL 2510-G/2460-E, to evaluate the reasonableness of PG&E's request to establish new accounts, modify existing regulatory accounts, and eliminate several accounts that are no longer necessary as a result of approval of the MSA by D.03-12-035.

The Energy Division finds it reasonable to establish the Distribution Revenue Adjustment Mechanism (DRAM) as proposed by PG&E. It is also now appropriate to create the Public Purpose Program Revenue Adjustment (PPPRAM) and the Nuclear Decommissioning Adjustment Mechanism (NDAM) as anticipated by D.99-10-057, to modify the existing Utility Generation Balancing Account (UGBA), and to eliminate the TRA/TCBA accounting structure effective January 1, 2004. As was the case for the TRA and TCBA, PG&E shall report monthly 30 days after the end of each month to the Energy Division director the activity in the DRAM, PPPRAM, NDAM, ERRA, UGBA, and URGITMA, with their year-to-date balances since the

accounts have been established. Any credit amount authorized by Commission for the TRA or TCBA after December 31, 2003 shall be credited to the Headroom Account by advice letter filing unless specifically authorized otherwise by the Commission.

The Regulatory Asset Revenue Adjustment Mechanism (RARAM), Regulatory Asset Tax Balancing Account (RATBA), Headroom Account (HA), Electric Reimbursable Fees Balancing Account (ERFBA), and Gas Reimbursable Fees Balancing Account (GRFBA) should be established pursuant to the MSA. It is reasonable to review the ERFBA and GRFBA in the Annual True-UP proceeding proposed by PG&E.

The protest issues regarding AL 2465-E were resolved by D.04-02-062. Conclusion of Law (COL) No. 15 of that decision granted the request of DWR concerning Power Charge Collection Balancing Account (PCCBA). AL 2460-E-A reflects PG&E's compliance.

It is reasonable for PG&E to establish the Electric Credit Facilities Fees Tracking Account and Gas Credit Facilities Fees Tracking Account at this time to record incremental credit facilities costs as a result of PG&E's lower credit ratings compared to its historic high investment grade. The amount in this account shall be reviewed in the next general rate case instead of the Annual True-UP proceeding. The account shall earn the three-month commercial paper interest rate or the rate of its successor index.

It is reasonable and appropriate to modify the following existing accounts: Modified Transition Balancing Account (MTCBA), Energy Resource Recovery Account (ERRA), Rate Reduction Bond Memorandum Account (RRBMA), and Gas Supply Portfolio (GSP) as proposed by PG&E.

In view of the approved MSA, it is reasonable to eliminate all the proposed accounts except for the Utility Retained Generation Income Tax Memorandum Account (URGITMA), Preliminary Statement, CH and Electric Refund Deferred Account (EDRA).

The purpose of URGITMA as stated in the preliminary statement is not in agreement with PG&E's assertion in its response to TURN's protest. "The

purpose of the URGITMA is to track the consequences of the timing differences between (1) income tax revenue requirements for current income tax recorded in PG&E's URG-related balancing accounts; (2) actual URG-related income tax payments made by PG&E." D.02-04-016 established 2002 revenue requirements for PG&E and required PG&E to create several balancing accounts to record authorized revenue requirements against actual revenues received until PG&E's GRC. TURN's protest is granted.

The EDRA was established by D.96-12-025 during cost of service regulation and the purpose of the account back then is still relevant today. PG&E's request is denied. It is, however, reasonable to transfer the amount in the account to the DRAM.

The Commission never authorized[9] GABA by advice letters PG&E filed to establish the account, therefore there is no issue of account elimination.

TURN's protest regarding the Environmental Enhancement funding is denied. It is reasonable to recover the environmental enhancement funding program amount through the DRAM since all customers are to pay for it.

ORA protest issues are denied because they conflict the approved MSA.

The tariff revisions proposed by Supplement AL 2460-E-A are reasonable including the attached Attachment A.

COMMENTS

Public Utilities Code § 311(g)(1) provides that this Resolution be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311 (g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the

[9] PG&E filed ALs 2048-E and 2049-E on October 26, 2000 upon imminent action by the Commission to reject AL 2010-E/E-A filed June 19, 2000 and September 15, 2000 respectively, to establish the GABA. PG&E later withdrew AL 2010-E/E-A through AL 2049-E.

proceeding. The 30-day comment period for the draft of this Resolution was neither waived nor reduced. According, the Draft Resolution was mailed to parties for public review and comment and will be placed on the Commission's Agenda no earlier than 30 days from today.

Natural Resources Defense Council (NRDC) and PG&E timely filed comments on the Draft Resolution. NRDC is in full support of the RAMs recommended for adoption because it would further the goal of Public Utilities (PU) Code Section 739.10. NRDC recommendation has been incorporated.

PG&E would like the adopted Resolution reflect the elimination of EDRA and URGITMA, and for the review of incremental costs associated with its emerging from bankruptcy at a lower investment grade credit rating than it is reflected in its 2003 GRC be resolved in the proposed annual true-up proceeding instead of the GRC recommended by the Energy Division. We disagree.

PG&E asserts "The EDRA was a mechanism created during PG&E's transition from cost of service regulation to what was intended to be competitive market and ...to ensure that customer's receive refunds during the period in which PG&E's rates were frozen and to ensure that these refunds and disallowances were not used to offset transition costs by including them in the TCBA." Retaining the EDRA provides better transparency of refunds or disallowances and gives the Commission more flexibility in its disposal of refunds or disallowances. A separate accounting of refunds or disallowances is part of Commission's oversight responsibility.

PG&E repeated the same argument it offered in its response to TURN's protest to the elimination of the URGITMA. It is true that the issue of income taxes was raised in the context of the timing when expenses were incurred and revenues received in rates in connection with transition cost recovery but the Commission adopted a broader view than it started with in its discussion of the issue and this is reflected in the conclusion of law and the ordering paragraph of the decision. OP 7 adopts the policy permeating the decision that PG&E and Southern California Edison Company (SCE) should not recover more than the actual recorded costs. Finding of Fact (FOF) 73 and Conclusion of Law (COL) 34 of D.02-04-016 reflect this policy.

As to where the incremental costs associated with PG&E's cost of doing business as it emerges from bankruptcy at a lower investment grade credit rating than reflected in its 2003 GRC should be reviewed, the GRC proceeding provides an appropriate forum for a more comprehensive review of these costs rather than the annual true-up proceeding. Any seemingly delay justifies the means. If PG&E needs relief for these costs, it can request recovery subject to refund.

FINDINGS

1. PG&E filed Advice Letter 2510-G/2460-E requesting to establish various revenue adjustment mechanisms (RAM) and balancing accounts, to modify certain regulatory accounts, and withdraw or delete several electric regulatory accounts that are no longer applicable or needed.

2. PG&E filed Supplemental Advice Letter 2460-E-A pursuant to OP 2 of D.04-02-062, modifying its ratemaking mechanisms proposed in AL 2460-E to ensure that PG&E's authorized 2004 revenue requirements are "trued up" in future rates.

3. It is reasonable to establish the Distribution Revenue Adjustment Mechanism (DRAM) as proposed by PG&E.

4. It is appropriate to create the Public Purpose Program Revenue Adjustment Mechanism (PPPRAM) and Nuclear Decommissioning Adjustment Mechanism (NDAM) as anticipated by D.99-10-057, to modify the existing Utility Generation Balancing Account (UGBA), and to eliminate the TRA accounting structure effective January 1, 2004.

5. The revenue adjustment mechanisms comply with PU Code Section 739.10 by ensuring that errors in estimates of sales do not result in material over or undercollections.

6. It is reasonable for PG&E to report monthly 30 days after the end of each month to the Commission Energy Division director the activity in the DRAM, PPPRAM, NDAM, ERRA, UGBA, and URGITMA, with their year-to-date balances since the accounts have been established. Any credit amount authorized by Commission for the TRA or TCBA after December 31, 2003 shall be credited to the Headroom Account by advice

letter filing, unless specifically authorized otherwise by the Commission.

7. The Regulatory Asset Revenue Adjustment Mechanism (RARAM), Regulatory Asset Tax Balancing Account (RATBA), Headroom Account (HA), Electric Reimbursable Fee Balancing Account (ERFBA), and Gas Reimbursable Fee Balancing Account (GRFBA) should be established pursuant to the MSA.

8. PG&E should establish the Electric Credit Facilities Fees Tracking Account and Gas Credit Facilities Fees Tracking Account at this time to record incremental credit facilities costs incurred as a result of PG&E's lower credit ratings compared to its historic high investment grade.

9. PG&E is in compliance with D.04-02-062 respecting the Power Charge Collection Balancing Account (PCCBA) as worked out between PG&E and DWR.

10. It is appropriate to modify these existing accounts: Modified Transition Balancing Account (MTCBA), Energy Resource Recovery Account (ERRA), Rate Reduction Bond Memorandum Account (RRBMA), and Gas Supply Portfolio (GSP) proposed by PG&E.

11. In view of the approved MSA, it is reasonable to eliminate all the proposed accounts except the Utility Retained Generation Income Tax Memorandum Account (URGITMA), Preliminary Statement – CH and Electric Deferred Refund Account (EDRA).

12. TURN's protest is denied as to where to record Environmental Enhancement funding and granted with respect to URMITMA.

13. ORA's protest issues are denied because of lack of merits.

14. It is reasonable for PG&E to file a compliance advice letter in view of its proposal to withdraw or delete several regulatory accounts.

THEREFORE IT IS ORDERED THAT:

1. PG&E's Advice Letter 2510-G/2460-E is approved with modifications as indicated herein.

2. PG&E shall report monthly 30 days after the end of each month to the Commission Energy Division director the activity in the Distribution Revenue Adjustment Mechanism (DRAM), Public Purpose Program Revenue Adjustment Mechanism (PPPRAM), Nuclear Decommission Adjustment Account (NDAM), Energy Resource Revenue Account (ERRA), and Utility Generation Balancing Account (UGBA), and Utility Retained Generation Income Tax Memorandum Account (URGITMA), with their year-to-date balances since the accounts have been established.

3. PG&E shall credit any amount authorized by the Commission for the Transition Revenue Account (TRA) or Transition Cost Balancing Account (TCBA) after December 31, 2003 to the Headroom Account by advice letter filing unless specifically authorized otherwise.

4. TURN's protest is partially denied.

5. ORA's protest is denied.

6. PG&E shall file a compliance advice letter to withdraw or delete the regulatory accounts approved for such action by this Resolution.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on April 1, 2004, the following Commissioners voting favorably thereon:

WILLIAM AHERN
Executive Director

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners

I abstain,
/s/ CARL W. WOOD
Commissioner

I abstain,
/s/ LORETTA M. LYNCH
Commissioner

Pacific Gas and
Electric Company

Karen A. Tomcala
Vice President
Regulatory Relations

77 Beale Street, Room 1065
San Francisco, CA 94105

Mailing Address
Mail Code B10A
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415.972.5209
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Internet: KAT5@pge.com

December 31, 2003

Advice 2510-G/2460-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: **Implementation of the Ratemaking Provisions Supporting the Settlement Agreement Adopted in Decision 03-12-035**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas and electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.[1]

Purpose

The purpose of this filing is to submit the tariff changes necessary to implement the Settlement Agreement[2] (SA) in compliance with paragraphs 2e, 3a and 4 of the SA, as adopted and clarified in Decision (D.) 03-12-035. The SA provides for the termination of PG&E's Assembly Bill 1890 rate freeze ratemaking mechanisms and replaces those and related balancing accounts with traditional "bottoms-up" cost of service ratemaking, which reflects changes in PG&E's costs-of-service on a timely and simplified basis, consistent with traditional ratemaking policies employed by the Commission before enactment of AB 1890. Tariff revisions to implement the rates resulting from the SA will be filed in a subsequent advice letter.

PRELIMINARY STATEMENT REVISIONS

This section describes PG&E's new ratemaking mechanisms, including revenue adjustment mechanisms (RAMs) and balancing accounts consistent with the

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[1] PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

[2] D.03-12-035 adopted with modifications the proposed settlement agreement between PG&E, PG&E Corp. and the Commission staff and refers in the decision to the approved settlement agreement as the modified settlement agreement. This advice letter refers to the approved modified settlement agreement as the SA.

terms of the SA and D.03-12-035 that must be implemented to ensure cost recovery in a post-Chapter 11 environment. Other existing mechanisms and balancing accounts also must be modified; and others eliminated because they are no longer needed. The proposed preliminary statements are consistent with the SA as adopted by D.03-12-035 and ratemaking mechanisms and balancing account modifications presented in Chapter 10 of PG&E's testimony (I.02-04-026) in support of the SA.[3]

Ratemaking Mechanisms to be Added

Upon elimination of the Transition Revenue Account (TRA) on December 31, 2003, pursuant to the SA, PG&E will implement RAMs for recovery of its authorized Distribution, Public Purpose Program, Nuclear Decommissioning, and Retained Generation revenue requirements:

- Distribution Revenue Adjustment Mechanism[4] (DRAM) (Electric Preliminary Statement Part CZ);
- Public Purpose Program Revenue Adjustment Mechanism (PPPRAM) (Electric Preliminary Statement Part DA);
- Nuclear Decommissioning Adjustment Mechanism (NDAM) (Electric Preliminary Statement Part DB); and
- Utility Generation Balancing Account (UGBA) (Electric Preliminary Statement Part CG).[5]

These sales adjustment mechanisms will essentially ensure recovery of PG&E's authorized electric revenue requirements by recording the revenue from electric rates and the authorized revenue requirements in the balancing accounts. Any over- or under-collection in the balancing accounts will be reflected in future electric rates.

In addition to the RAMs proposed here and in PG&E's 2003 GRC filing, implementation of the SA and emergence from Chapter 11 requires additional ratemaking mechanisms. The move to bottoms-up cost of service ratemaking also requires that a balancing account be established for Department of Water Resources (DWR) remittances.

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[3] PG&E has proposed the same revenue adjustment mechanisms that would be adopted by the pending 2003 General Rate Case (GRC) settlement agreement in Application (A.). 02-11-017. PG&E's utilization of RAMs is consistent with past mechanisms approved by the Commission and Public Utility Code Section 739.10 as well as the RAMs authorized for Southern California Edison in D.03-07-029. Additionally, the Commission has already authorized the PPPRAM and NDAM in D.99-10-057.

[4] Costs associated with funding the PG&E Environmental Enhancement Corporation pursuant to the SA, Paragraph 17c. will be recovered through the DRAM ratemaking mechanism.

[5] The UGBA was filed in Advice 2240-E-B, and approved effective 1/1/03 and records and recovers costs for PG&E's retained generation consistent with D.02-04-016. PG&E is modifying this balancing account to be consistent with PG&E's proposals in the 2003 GRC settlement agreement.

PG&E proposes the following new mechanisms and associated balancing accounts to implement the SA and emergence from Chapter 11.

1. Regulatory Asset Revenue Adjustment Mechanism (RARAM)

A primary new component of PG&E's revenue requirement resulting from the SA is the revenue requirement associated with the Regulatory Asset.[6] The RARAM (Electric Preliminary Statement Part DC) will record monthly revenues from a component of electric rates and 1/12 of the annual revenue requirement associated with the amortization of the Regulatory Asset as determined in Appendix A, Technical Appendix of the SA, for nine years beginning on January 1, 2004. Consistent with paragraph 2d of the SA, the outstanding balance of the Regulatory Asset will be adjusted, as necessary, dollar for dollar, to reflect the net after-tax amount of any refunds, claim offsets or other credits from generators or other energy suppliers relating to PG&E's PX, ISO, QF or ESP costs that PG&E actually receives in cash or by offset of other creditor claims in its Chapter 11 case in 2003 or thereafter.

2. Regulatory Asset Tax Balancing Account (RATBA)

In the event PG&E is required to pay income taxes on the Regulatory Asset earlier than taxes based on the amortization of the Regulatory Asset according to the SA, the RATBA (Electric Preliminary Statement Part DD) will record and recover the rate of return on timing differences between any income taxes paid and income taxes associated with amortization of the Regulatory Asset.[7] On an annual basis, the accumulated return will be amortized over the remaining life of the Regulatory Asset or five years, whichever is longer.

3. Headroom Account (HA)

Consistent with paragraphs 1z and 8b of the SA and D.03-12-035, the HA (Electric Preliminary Statement Part DE) will track headroom collected in 2003. In the event headroom accrued in 2003 exceeds $875 million or headroom accrued is less than $775 million, PG&E will amortize through this account the amount in excess of $875 million or the difference between the accrued headroom and $775 million in customer's future electric rates. As provided by D.03-12-035 (p.53), refunds, claim offsets or other credits from generators or other energy suppliers received in 2003 are not "headroom" and will be applied solely to reduce the Regulatory Asset. In addition, as provided by Ordering Paragraph 4 of D.03-12-035, the litigation costs, bankruptcy-related costs, bankruptcy-related retention bonuses and any other costs of PG&E Corporation or any other PG&E affiliate that are not otherwise included in PG&E's Commission-authorized revenue requirements will not be included in the determination of headroom.

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[6] Settlement Agreement, Paragraph 2

[7] Settlement Agreement, Paragraphs 2b and 2c.

4. Electric Reimbursable Fees Balancing Account (ERFBA) and Gas Reimbursable Fees Balancing Account (GRFBA)

The ERFBA (Electric Preliminary Statement Part DF) and GRFBA (Gas Preliminary Statement Part BF) will record fees incurred by the CPUC pursuant to the SA.[8] The balance in the ERFBA will be reviewed and authorized for recovery in the newly proposed Electric Annual True-up Proceeding, or other proceeding as authorized by the Commission, over a period not to exceed four years. Recovery of the balance in the GRFBA will be be determined in the Biennial Cost Allocation Proceeding, or other proceeding as authorized by the Commission.

5. DWR Power Charge Balancing Account (DWRPCBA)

The DWRPCBA[9] (Electric Preliminary Statement Part DG) will record the difference between the amounts remitted to DWR pursuant to the Commission-adopted remittance formula, and the amounts actually collected from bundled electric customers' DWR power charge rate component. Under the currently adopted remittance approach, the amount PG&E remits to DWR from funds collected from bundled customers is not based on a DWR rate component. Instead, the remittance amount is tied to a remittance rate applied to the energy provided by DWR (on a per kWh basis). Therefore, under bottoms-up cost of service ratemaking bundled customers' DWR power charge rate will not be the same as the power charge established by the remittance formula. A balancing account is necessary to track the difference between the amount remitted to DWR and the amount collected from customers on behalf of DWR. The balance in this account will be reflected in customers' DWR rate component in the future.

6. Electric Credit Facilities Fees Tracking Account (ECFFTA) and Gas Credit Facilities Fees Tracking Account (GCFFTA)

The ECFFTA (Electric Preliminary Statement Part DH) and GCFFTA (Gas Preliminary Statement Part BG) will record the electric and gas portions, respectively, of incremental costs associated with obtaining working capital from banks and/or other institutions upon emergence from Chapter 11 due to a lower credit rating than PG&E's historic high investment grade credit rating. Costs include, but are not limited to, all fees associated with obtaining and maintaining credit and working capital facilities. The balance in the ECFFTA will be reviewed and recovery of the balance determined in the newly proposed Electric Annual True-up Proceeding, or other proceeding as authorized by the Commission. Recovery of the balance in the GCFFTA will be determined in the Biennial Cost Allocation Proceeding, or other proceeding as authorized by the Commission.

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[8] Settlement Agreement, Paragraph 15.

[9] PG&E proposed this account in its 2004 DWR Revenue Requirement proceeding (Application 00-11-056 et al) as the PCBA.

Additionally, the cost of interest rate hedging activities[10] and fees paid to advisors[11] pursuant to the SA will be included as part of the approved Financial Hedging Memorandum Account (FHMA)[12] and included for recovery in the Annual Cost of Capital Proceeding (ACCP), similar to PG&E's current treatment of these costs.[13]

Finally, to facilitate the Commission's review of the new balancing accounts, PG&E will incorporate the reporting of these new balancing accounts into its existing monthly Recorded Balancing Account Activity report.

Ratemaking Mechanisms to be Modified or Reconfigured

The following existing ratemaking mechanisms are being modified or reconfigured.

1. Modified Transition Cost Balancing Account (MTCBA)

The MTCBA records ongoing transition costs associated with Qualifying Facility, other purchased power agreements, employee transition costs and other above market generation costs.[14] The MTCBA is modified to record ongoing CTC revenue and costs from bundled, Direct Access (DA) and Departed Load (DL) customers.

2. Energy Resource Recovery Account (ERRA)

The ERRA records and recovers power costs, excluding DWR costs, associated with PG&E's authorized procurement plan.[15] The ERRA is modified to establish a rate and record revenues to implement bottoms-up ratemaking, and to credit the account for the portion of procurement costs that are recorded and recovered in the MTCBA.

3. Rate Reduction Bond Memorandum Account (RRBMA)

The RRBMA records the difference between the Rate Reduction Bond (RRB) Savings Amount and the 10 percent Rate Reduction Amount provided to residential and small commercial customers in accordance with AB 1890. The

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[10] Settlement Agreement, Paragraph 12
[11] Settlement Agreement, Paragraphs 13d, 13f and SA Statement of Intent item (7)
[12] Pursuant to D.03-09-020, PG&E filed Advice Letter 2482-G/2420-E establishing the FHMA to record costs associated with interest rate hedges to mitigate costs associated with financing PG&E's emergence from bankruptcy, That decision authorized PG&E to enter into interest rate hedges, but only with the concurrence of the duly authorized Commission's Bankruptcy Financing Team.
[13] The costs of these financial hedges will be capitalized.
[14] The MTCBA was authorized in D.99-10-057 and approved in Advice 2327-E.
[15] The ERRA was authorized in D.02-12-074 and approved in Advice 2327-E.

RRBMA is modified to include a RRBMA rate and record revenues in order to amortize the balance in the account, as adjusted periodically by the Commission.

4. Gas Accounting Terms and Definitions

The Gas Supply Portfolio (Gas Preliminary Statement Part C.7) is being modified to include costs associated with pre-payments and credit and collateral payments, including all associated fees, for gas procurement purchases, transportation, and related services from gas procurement customers. Gas supply portfolio costs are recorded in the Purchased Gas Account (PGA) and the balance in the PGA is recovered in core procurement monthly prices. The language added to the Gas Supply Portfolio is similar to entry 5.t in electric Preliminary Statement Part CP - Energy Resource Recovery Account (ERRA).

Ratemaking Mechanisms to be Eliminated

Implementation of the SA, return to cost of service ratemaking, and bottoms-up billing requires a change to the current transition cost ratemaking framework. The ratemaking mechanisms described below are being eliminated in this filing either because: (1) they are superceded by the new ratemaking mechanisms proposed herein; (2) the end of the transition period ratemaking and the return to bottoms-up billing makes them unnecessary; or (3) because their purpose is no longer applicable.

The TRA, Transition Cost Balancing Account (TCBA), Generation Memorandum Accounts (GMAs)[16], and Generation Asset Balancing Account (GABA) are superceded by various new ratemaking mechanisms previously described and, therefore, are being eliminated.

In addition, the following accounts no longer have a valid purpose and should be eliminated:

1. Block Forward Market Memorandum Account (BFMMA)

The BFMMA recorded costs incurred by PG&E to participate in the Power Exchange's (PX's) Block-Forward Market that are not billed to PG&E by the PX or the Independent System Operator (ISO). This account contains a zero balance and should be eliminated because the California Power Exchange (PX) is no longer operating.

[16] The GMAs (Preliminary Statements Part AX, AY, AZ, and BE) were eliminated in Advice 2240-E-B, which was approved effective 1/1/03.

2. Arbitration Memo Account (AMA)

The AMA records costs of arbitrating Standard Offer 4 (SO4) contract bids. This account contains a zero balance and is being eliminated because PG&E does not anticipate recording future costs.

3. PX Credit Audit Memo Account (PXCAMA)

The PXCAMA recorded the costs associated with or related to the monthly audit of the PX Energy Credit calculations. The PXCAMA is being eliminated because the PX is no longer operating, the account balance is zero, and no further audit of direct access customers' PX Energy Credit is needed, pursuant to D.03-08-061, Finding of Fact 12.

4. Reduced Return on Equity Memo Account (RROEMA)

The RROEMA recorded the difference in authorized revenue requirements stemming from the difference in the return on equity adopted in D.96-11-060, and the reduced return on equity adopted in D.95-12-063, as modified by D.96-01-009, and affirmed in D.96-12-088, and applied to the investment-related assets for which PG&E is seeking eligibility for transition cost recovery. The balance in this account was is zero and no new activity is expected.

5. Applicant Installation Trench Inspection Memo Account (AITIMA)

The electric and gas AITIMA, which recorded the amounts to be recovered from customers for the first inspection of each section of trench on applicant-installed projects was terminated in D.03-03-032. PG&E has requested elimination of these accounts in Advice 2458-G/2379-E filed May 12, 2003.[17]

6. Applicant Installation Trench Inspection Deferred Account (AITIDA)

The electric and gas AITIDA, which recorded amounts collected from a line extension applicant for the first inspection of each section of trench on applicant-installed projects were terminated in D.03-03-032. PG&E has requested elimination of these accounts in Advice 2458-G/2379-E filed May 12, 2003.[18]

7. Helms Adjustment Account (HAA)

The HAA records the cost of owning, operating and maintaining the Helms Pumped Storage Project as adopted in D.91-11-056. The balance in this account is zero and no new activity is expected.

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[17] As of the date of this advice filing, Advice 2458-G/2379-E is still pending at the Commission.
[18] As of the date of this advice filing, Advice 2458-G/2379-E is still pending at the Commission.

8. Interruptible Load Curtailment Penalty Account (ILCPMA)

The ILCPMA tracks noncompliance penalties under PG&E's interruptible tariffs for applicable non-firm service customers failing to curtail the use of electricity when requested to do so. The Commission has now determined in D.02-04-060 that the penalties will be simply billed to customers in accordance with the provisions of their applicable tariff. Consequently, the account balance is zero and no new activity is expected.

9. Power Exchange Memorandum Account (PXMA)

The PXMA records the PX start-up and development costs incurred by PG&E on and after July 17, 1996, that have been rejected for recovery by FERC. The balance in this account is zero and no new activity is expected.

10. Emergency Procurement Surcharge Memorandum Account (EPSMA)

The EPSMA tracks the one-cent and three-cent emergency procurement surcharges established in Decisions 01-01-018 and 01-03-082. The SA makes this account moot, as PG&E's current retail electric rates are being replaced by the rates resulting from the SA.

11. Surcharge Amortization Revenue Memorandum Account (SARMA)

The SARMA tracks the one-half cent emergency procurement surcharge established in D.01-05-064. The SA makes this account moot, as PG&E's current retail electric rates will be replaced by the rates resulting from the SA.

12. Power Exchange Bilateral Option Memorandum Account (PXBOMA)

The PXBOMA recorded the costs of procuring energy, ancillary services, capacity products, and transmission related services needed to use the bilateral option offered by the California Trading Services Division of the California PX. The account is being eliminated as the account balance is zero and the PX is no longer operative.

13. Rate Group Transition Cost Obligation Memorandum Account (RGTCOMA)

This RGTCOMA tracked the transition cost obligations by rate group for determining the end of freeze date for each rate group. This account is no longer needed as the Commission in D.00-06-034, Ordering Paragraph 15, determined that the RGTCOMA shall be eliminated for each utility.

14. PU Code Section 381(d)—Renewable Program Costs Tracking Account

This account recorded renewable program revenues collected through rates during the period from January 1, 1998, through December 31, 2001. If the rate freeze extended beyond December 31, 2001, the account balance at that time could have been used to calculate the amount of displaced transition costs for transfer to the TCBA for recovery through March 31, 2002. This account can be eliminated since the March 31, 2002, date has past and under the SA the balance in the TCBA as of January 1, 2004, will have no further impact on PG&E's retail electric rates.

15. Diablo Canyon Property Tax Balancing Account (DCPTBA)

The DCPTBA recorded the difference between actual and authorized costs associated with Diablo Property taxes. This account was eliminated pursuant to Resolution E-3822. However, if the 2003 General Rate Case Generation Settlement Agreement is approved, a similar account will be established when the 2003 GRC is implemented.[19]

16. Competition Transition Charge Exemptions Memorandum Account (CTCEMA)

The CTCEMA records the transition costs that would have been recovered if not for exemptions, during the period from January 1, 1998, through December 31, 2001, as set forth in AB 1890. Had the rate freeze extended beyond December 31, 2001, the account balance at that time could have been used to calculate the amount of displaced transition costs for recovery through March 31, 2002. This account can be eliminated as the March 31, 2002, date has past and under the SA the balance in the TCBA as of January 1, 2004, will have no further impact on PG&E's retail electric rates.

17. Schedule E-BID Memorandum Account (E-BIDMA)

The E-BIDMA recorded the costs incurred by PG&E to implement and administer Schedule E-BID, pursuant to Resolution E-3650. This account is being eliminated because the program has been discontinued, and amounts are no longer recorded to this account.

18. Electric Deferred Refund Account (EDRA)

The EDRA records credits for monies subject to direct refund to electric customers pursuant to D.96-12-025 upon CPUC approval of refund plans to be

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[19] Pursuant to the 2003 General Rate Case Settlement Agreement, this account or a similar account will be established as part of implementing the 2003 GRC to ensure PG&E recovers the actual amount of property taxes paid in 2003, 2004, 2005 and, if applicable, 2006.

submitted by PG&E on or before January 31 each year. This account is being eliminated because refunds and disallowances can now be passed through to customers through other balancing account mechanisms. Refunds would then be returned to ratepayers under the approved rate design for those costs.

19. Utility Retained Generation Income Tax Memorandum Account (URGITMA)

The URGITMA tracks the time value of money related to income tax timing differences associated with PG&E's financial impacts related to the energy crisis. Because the SA resolves PG&E's TCBA, and the URGITMA tax timing differences are a result of the generation related write-offs associated with the costs and revenues recorded in the TCBA, this account no longer serves a purpose.

Effective Date

Pursuant to the terms of the Settlement Plan, PG&E requests that this advice filing become effective **January 1, 2004**.

Protest

Anyone wishing to protest this filing should do so by sending a letter via postal mail and facsimile by **January 20, 2004,** which is 20 days after the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Brian K. Cherry
Director, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000 Mail Code B10C
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and to parties on the list for Investigation (I.) 02-04-026. Address changes should be directed to Sandra Ciach (415) 973-7572. Advice letter filings can also be accessed electronically at:

http://www.pge.comtariffs/

Vice President - Regulatory Relations

Attachments

cc: Service List – I. 02-04-026

Advice 2510-G

Cal P.U.C Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
22094-G	Preliminary Statement Part C - Gas Accounting Terms and Definitions	21698-G
22095-G	Preliminary Statement Part BF – Gas Reimbursable Fees Balancing Account (GRFBA)	New
22096-G	Preliminary Statement Part BG – Gas Credit Facilities Fees Tracking Account (GCFTTA)	New
22097-G	Table of Contents (Cont'd.)– Preliminary Statements	22091-G
22098-G	Table of Contents (Cont'd) – Preliminary Statements	21381-G
22099-G	Table of Contents	22093-G

Advice 2460-E

Cal P.U.C Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
Delete	Preliminary Statement Part F - Helms Adjustment Account (HAA)	11995-E
Delete	Preliminary Statement Part N - Transition Revenue Account (TRA)	20485, 20486, 20980, 20488-E
Delete	Preliminary Statement Part V - Arbitration Memorandum Account (AMA)	13360-E
Delete	Preliminary Statement Part W - Interruptible Load Curtailment Penalty Memorandum Account (ILCPMA)	17896-E
Delete	Preliminary Statement Part AA - Electric Deferred Refund Account (EDRA)	14274-E
Delete	Preliminary Statement Part AC - Power Exchange Memorandum Account (PXMA)	14260-E
Delete	Preliminary Statement Part AF - Block-Forward Market Memorandum Account (BFMMA)	17028-E
Delete	Preliminary Statement Part AG - Competition Transition Charge Exemptions Memorandum Account	14277, 14278-E
Delete	Preliminary Statement Part AL - Generation Asset Balancing Account (GABA)	17340-E

Cal P.U.C Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
Delete	Preliminary Statement Part AM - Emergency Procurement Surcharge Memorandum Account (EPSMA)	19378-E
Delete	Preliminary Statement Part AQ - Reduced Return on Equity Memorandum Account (RROEMA)	14449-E
21108-E	Preliminary Statement Part AT - Rate Reduction Bond Memorandum Account (RRBMA)	14796-E
21109-E	Preliminary Statement Part AT (Cont'd.)	14797-E
Delete	Preliminary Statement Part AV - Transition Cost Balancing Account (TCBA)	20489 through 20493, 20981, 20495, 20496, 20497, 20498, 20499-E
Delete	Preliminary Statement Part AW - Rate Group Transition Cost Obligation Memorandum Account (RGTCOMA)	16635, 15005, 18715, 18716-E
Delete	Preliminary Statement Part BD – PU Code Section 381(d)-Renewable Program Costs Tracking Account	15018-E
Delete	Preliminary Statement Part BP - PX Credit Audit Memorandum Account (PXCAMA)	16647-E
Delete	Preliminary Statement Part BS - Schedule E-BID Memorandum Account (E-BIDMA)	16991, 16992-E
Delete	Preliminary Statement Part BW - Power Exchange Bilateral Option Memorandum Account (PXBOMA)	17843-E
21110-E	Preliminary Statement Part CG - Utility Generation Balancing Account (UGBA)	20501-E
Delete	Preliminary Statement Part CH - Utility Retained Generation Income Tax Memorandum Account (URGITMA)	20502-E
Delete	Preliminary Statement Part CJ - Surcharge Amortization Revenue Memorandum Account (SARMA)	18937-E
21111-E	Preliminary Statement Part CP - Energy Resource Recovery Account	20861-E
21112-E	Preliminary Statement Part CP (Cont'd)	20862-E
21113-E	Preliminary Statement Part CP (Cont'd)	20862-E

Cal P.U.C Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21114-E	Preliminary Statement Part CQ - Modified Transition Cost Balancing Account (MTCBA)	19381-E
21115-E	Preliminary Statement Part CQ (Cont'd.)	19381-E
21116-E	Preliminary Statement Part CZ – Distribution Revenue Adjustment Mechanism (DRAM)	New
21117-E	Preliminary Statement Part CZ (Cont'd.)	New
21118-E	Preliminary Statement Part DA - Public Purpose Program Revenue Adjustment Mechanism (PPPRAM)	New
21119-E	Preliminary Statement Part DB - Nuclear Decommissioning Adjustment Mechanism (NDAM)	New
21120-E	Preliminary Statement Part DC - Regulatory Asset Revenue Adjustment Mechanism (RARAM)	New
21121-E	Preliminary Statement Part DD - Regulatory Asset Tax Balancing Account (RATBA)	New
21122-E	Preliminary Statement Part DE - Headroom Account (HA)	New
21123-E	Preliminary Statement Part DF – Electric Reimbursable Fees Balancing Account (ERFBA)	New
21124-E	Preliminary Statement Part DG - DWR's Power Charge Balancing Account (PCBA)	New
21125-E	Preliminary Statement Part DH – Electric Credit Facilities Fees Tracking Account (ECFFTA)	New
21126-E	Table of Contents (Cont'd.) – Preliminary Statements	20088-E
21127-E	Table of Contents (Cont'd.) – Preliminary Statements (Cont'd.)	19373-E
21128-E	Table of Contents (Cont'd.) – Preliminary Statements (Cont'd.)	20625-E
21129-E	Table of Contents	20983-E

PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

6. FRANCHISE FEES AND UNCOLLECTIBLE ACCOUNTS EXPENSE (F&U): F&U refers to that portion of rates designed to recover PG&E's authorized expenses for both the use of public rights-of-way (franchise fees) and bad debts (uncollectible accounts expense). Rates for retail customers include a component for F&U, as determined in PG&E's 1999 General Rate Case, Decisions 00-02-046 and 01-10-031. Rates for wholesale customers include a component for the franchise fees only, per Decision 87-12-039. Rates for UEG and cogeneration include uncollectibles expense and a reduced component for franchise fees. Since UEG is exempt from franchise fees, the franchise fee rate for UEG and cogeneration is reduced to account for the UEG franchise fee exemption while maintaining UEG/cogeneration parity in accordance with Public Utility Code 454.4.

   The F&U factor is equal to.....1.01771

7. GAS SUPPLY PORTFOLIO: This portfolio includes the cost of gas procured by PG&E for its Core Portfolio (Core Procurement) customers. Gas Supply Portfolio costs are recovered through the Procurement Revenue Requirement described in Section C.10.d.

   Costs incurred for the portfolio include the cost of volumetric transportation, incremental pipeline capacity costs, imbalance transactions, hub services, incremental storage services, voluntary diversions, and emergency flow order (EFO) and operational flow order (OFO) charges. These costs may be offset by revenue or gains from risk management tools such as derivative financial instruments (net of transaction costs), and out-of-state sales. Other transactions such as net revenue from imbalance transactions and byproducts extraction; expenses/losses from risk management tools; and pre-payments and credit and collateral payments, including all associated (T)
   fees for gas procurement purchases, transportation, and related services are included in the (T)
   portfolio.

   Effective January 1, 1998, this portfolio will include the cost of Transwestern capacity forecast to be used for Core Portfolio customers. For the Schedule G-BAL Transition Period, purchases under Schedule G-BAL will be included in the Gas Supply Portfolio.

   The net cost of the "flowing supply" is the result of the transactions listed above. This portfolio also includes gas withdrawn from storage and excludes gas injected into storage for Core Procurement customers using the core storage reservation.

(Continued)

PRELIMINARY STATEMENT
(Continued)

BF. GAS REIMBURSABLE FEES BALANCING ACCOUNT (GRFBA) (N)

1. PURPOSE: The purpose of the GRFBA is to record and recover the gas portion of the amounts paid to the Commission for reimbursement of their professional fees and expenses incurred to be recovered within four years, pursuant to the Chapter 11 Settlement Agreement (SA) Paragraph 15 adopted in Decision 03-12-035.

2. APPLICABILITY: This GRFBA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Biennial Cost Allocation Proceeding, or any other proceeding as authorized by the Commission.

4. RATES: The GRFBA does not currently have a rate component.

5. ACCOUNTING PROCEDURE: PG&E shall maintain the GRFBA by making entries to this account at the end of each month as follows:

   a. A debit entry equal to the gas portion of the amounts paid to the Commission for reimbursement of their professional fees and expenses incurred, pursuant to the SA Paragraph 15.

   b. An debit entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

PRELIMINARY STATEMENT
(Continued)

BG. GAS CREDIT FACILITIES FEES TRACKING ACCOUNT (GCFFTA) (N)

1. PURPOSE: The purpose of the GCFFTA is to track the gas portion of incremental costs associated with obtaining working capital from banks and/or other institutions upon emergence from Chapter 11 due to a lower credit rating than PG&E's historic high investment grade credit rating, pursuant to Chapter 11 Settlement Agreement (SA) Paragraphs 13d and 13f and SA Statement of Intent item (7).

2. APPLICABILITY: This GCFFTA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Biennial Cost Allocation Proceeding, or any other proceeding as authorized by the Commission.

4. RATES: The GCFFTA does not currently have a rate component.

5. ACCOUNTING PROCEDURE: PG&E shall maintain the GCFFTA by making entries to this account at the end of each month as follows:

   a. A debit entry equal to the gas portion of the costs including, but not limited to, all fees associated with obtaining and maintaining credit and working capital facilities.

   b. An debit entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entry, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

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PRELIMINARY STATEMENT
(Continued)

AT RATE REDUCTION BOND MEMORANDUM ACCOUNT (RRBMA)

1. Purpose: The purpose of the RRBMA is to record the difference between the Rate Reduction Bond (RRB) Savings Amount and the 10 Percent Rate Reduction Amount provided to the residential and small commercial customers in accordance with AB 1890. This account will determine whether it is necessary for PG&E to issue additional RRBs or to provide a credit to residential and small commercial customers over the remaining life of the RRBs. The RRBMA will also track other credits that may be given to residential and small commercial customers, as defined in Part AS of this Preliminary Statement. (T) (T)

2. Applicability: The RRBMA shall apply to all rate schedules as identified in Part AS of this Preliminary Statement.

3. RRBMA RATES: The RRBMA rate, as set forth in each application rate schedule, shall be established to amortize the balance in this account, and adjusted periodically by the Commission. (T) (T)

4. DEFINITIONS:

   a. Rate Reduction Bonds: RRBs are authorized by the Commission in Decision 97-09-055 to provide the funds necessary to allow for the 10 percent rate reduction in accordance with AB 1890.

   b. RRB Savings Amount: The RRB Savings Amount is equal to the difference between the Fixed Transition Amount (FTA) revenue requirement and the revenue requirements associated with the portion of the transition costs that are recovered through the issuance of the RRBs, as defined in Item 4.a.

   c. 10 Percent Rate Reduction Amount: The 10 Percent Rate Reduction Amount is the difference between the residential and small commercial customer revenues actually billed and the residential and small commercial customer revenues that would have been billed, based on frozen rates as of June 10, 1996.

5. Time Period: The RRBMA will become effective January 1, 1998, and will expire after the RRBs are fully repaid.

6. Accounting PROCEDURES: The RRBMA consists of several memorandum subaccounts. These memorandum subaccounts and the entries made to these subaccounts are identified below:

   a. RRB Proceeds Adjustment Memorandum Subaccount

      The following entries shall be made to this subaccount:

      1. A monthly debit equal to 10 Percent Rate Reduction Amount.

      2. A monthly credit equal to the RRB Savings Amount.

(Continued)

PRELIMINARY STATEMENT
(Continued)

AT RATE REDUCTION BOND MEMORANDUM ACCOUNT (RRBMA)

6. Accounting Procedures: (Cont'd.)

b. Servicing Fees Memorandum Subaccount

A monthly credit, beginning on the date the Commission approves and implements new rates or on the date funding is exhausted, equal to the amount of monthly servicing fees associated with the RRBs that are refundable to residential and small commercial customers. (T) | (T)

c. Carrying Cost Memorandum Subaccount

A monthly credit equal to the interest earned on FTA revenues held by PG&E.

d. SPE Investment Earnings Memorandum Subaccount

A monthly credit equal to the amount received by PG&E, from SPE dividends or due to an increase in PG&E's ownership interest in the SPE, due to the investment earnings on the funds held by the Bond Trustee in the general, overcollateralization, and reserve subaccounts of the collection account between distribution dates, net of any taxes or other expenses incurred by the SPE.

e. Overcollateralization Memorandum Subaccount

A credit equal to the amount received by PG&E, from SPE dividends or due to an increase in PG&E's ownership interest in the SPE, due to the FTA charge revenues remitted to the Bond Trustee and returned to the SPE in excess of the amount needed to pay the total debt service and other costs associated with the RRBs.

f. Financed Tax Memorandum Subaccount (T)

A monthly credit, beginning on the date the Commission approves and implements new rates or on the date funding is exhausted, equal to the benefits due to the carrying cost savings of the financed taxes that occur because of the RRB financing. (T) | (T)

(D)

g. RRBMA Rate Revenues Subaccount (N)

A monthly credit, beginning on the date the Commission approves and implements new rates or on the date funding is exhausted, equal to the revenues received from the RRBMA rates, excluding an allowance for franchise fees and uncollectible accounts expenses at the rates authorized in PG&E's most recent General Rate Case (GRC). (N)

7. INTEREST: Interest shall accrue on the average of the beginning and ending month balance in this RRBMA, at a rate equal to one-twelfth of the interest rate, based on the three-month commercial paper rate, for the previous month as reported in the Federal Reserve Statistical Release, H.15. Should publication of the interest rate on the three-month commercial paper be discontinued, interest will so accrue at the rate of the one-twelfth of the previous month's interest rate on commercial paper which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, H.15, or its successor publication. (T) (T)

Pursuant to Decision 97-09-055, the interest rate for the RRB Proceeds Adjustment Memorandum Subaccount, Item 6.a above, shall be adjusted to PG&E's authorized rate of return when PG&E calculates the credit due residential and eligible small commercial customers. (T)

PRELIMINARY STATEMENT
(Continued)

CG. UTILITY GENERATION BALANCING ACCOUNT (UGBA)

1. PURPOSE: The purpose of the Utility Generation Balancing Account (UGBA) is to record and recover the authorized revenue requirements associated with PG&E-owned generation, including capital and related non-fuel operating and maintenance expenses. (T)

2. APPLICABILITY: The Utility Generation Balancing Account (UGBA) shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATES: Disposition of amounts in the UGBA shall be as determined in the Electric Annual True-up Proceeding or any other proceedings authorized by the Commission. (T)

4. GENERATION RATES: The generation rates are included in the effective rates set forth in each rate schedule. (T)

5. ACCOUNTING PROCEDURES: The CPUC jurisdictional portion of all entries shall be made at the end of each month as follows: (T)

   a. A credit entry equal to the revenue from the generation rates less the recorded revenues from the: 1) Energy Resource Recovery Account (as defined in Part I of PG&E's electric Preliminary Statement (PS)), 2) DWR Power Charge Balancing Account (as defined in Part I of PG&E's electric PS), 3) Regulatory Asset Revenue Adjustment Mechanism (as defined in Part I of PG&E's electric PS), and 4) Modified Transition Cost Balancing Account (as defined in Part I of PG&E's electric PS); (N)

   b. A debit entry equal to the annual authorized revenue requirements associated with PG&E's owned generation divided by twelve; (T)

   c. A credit entry equal to one-twelfth of the adopted annual on going CTC portion of PG&E's revenue requirement associated with PG&E's owned generation for serving the Western Area Power Authority (WAPA) load; and (T)

   d. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H-15 or its successor. (D)

PRELIMINARY STATEMENT
(Continued)

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA)

1. PURPOSE: The purpose of the Energy Resource Recovery Account (ERRA) is to record and recover power costs, excluding California Department of Water Resources (DWR) contract costs, associated with PG&E's authorized procurement plan, pursuant to Decision 02-10-062, Decision 02-12-074 and California Public Utilities Code § 454.5(d)(3). Power costs recorded in ERRA include, but are not limited to, utility retained generation fuels, Qualifying Facility (QF) contracts, inter-utility contracts, California Independent System Operator (ISO) charges, irrigation district contracts and other Power Purchase Agreements (PPA), bilateral contracts, forward hedges, pre-payments and collateral requirements associated with procurement (including disposition of surplus power), and ancillary services. These costs are offset by reliability-must-run revenues (RMR), PG&E's allocation of surplus sales revenues and the ERRA revenue. (T)

   California Public Utilities Code § 454.5(d)(3) mandates a trigger mechanism to ensure that an undercollection or overcollection in the ERRA does not exceed 5 percent of a utility's recorded generation revenues for the prior year excluding revenues collected for the Department of Water Resources.

   Pursuant to Decision 02-12-074, Conclusion of Law 23 and Ordering Paragraph (O.P. 15, PG&E is authorized to file an expedited trigger application at any time that its forecast indicates the undercollection in the ERRA will be in excess of the 5 percent threshold or 5 percent of the prior calendar year generation revenues including surcharge revenues used as authorized in Decision 02-11-026 for utility retained generation and power procurement costs incurred during that year, less revenues collected for DWR during that year. An ERRA Trigger Application for overcollections will not filed until the ERRA has been in operation for a full twelve months.

   (D)

2. APPLICABILITY: The ERRA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATES: The revision dates applicable to the ERRA shall be the (i) February 1 and August 1 filing dates establish in Decision 02-12-074, and (ii) as determined in Section 1 above in the case of an ERRA Trigger Application.

4. RATES: The ERRA rate is set forth in electric Preliminary Statement Part I. (T)

5. ACCOUNTING PROCEDURES: The CPUC-jurisdictional portion of all entries shall be made at the end of each month as follows:

   a) A credit entry equal to the revenue from the ERRA rate component from bundled customers during the month, excluding the allowance for Franchise Fees and Uncollectible (FF&U) Accounts expense; (T) | (T)

   b) A credit entry equal to RMR and ancillary services revenues from PG&E-owned generation facilities;

   c) A credit entry equal to surplus sales revenues allocated to PG&E per the Operating Agreement between PG&E and the DWR, if applicable;

   (L)

(Continued)

PRELIMINARY STATEMENT
(Continued)

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

d) A credit entry equal to revenue associated with designated sales; (N)

The following entries reflect the ongoing Competition Transition Charge (CTC) portion of procurement costs for serving the Western Area Power Authority (WAPA) load included in the Modified Transition Cost Balancing Account for recovery:

e) A credit entry equal to one-twelfth of the adopted annual ongoing CTC portion of Qualifying Facilities (QF) and Purchase Power Agreement (PPA) costs for serving the Western Area Power Authority (WAPA) load;

f) A credit entry equal to one-twelfth of the adopted annual ongoing CTC portion of post–2002 power purchase contract costs for serving the WAPA load;

g) A credit entry equal to one-twelfth of the adopted annual fuel costs associated with the ongoing CTC portion of PG&E owned generation serving the WAPA load;

The following entry reflects the ongoing CTC portion of procurement costs included in the Modified Transition Cost Balancing Account for recovery:

h) A credit entry equal to the sum of the costs for ongoing CTC associated with QF obligations, PPA obligations (excluding WAPA), and for PG&E owned generation fuel costs above the market benchmark currently adopted by the Commission, net of the costs to serve WAPA included in entries d and f above;

The following entries reflect the total costs associated with procuring electricity for customers and other related costs: (N) (L)

i) A debit entry equal to the amount paid for ISO-related charges; (T)

j) A debit entry equal to the sum for the month of the product of: (1) the Millions of British Thermal Units (MMBtu) of natural gas burned daily for all purposes at PG&E's fossil plants; and (2) that day's weighted-average cost of gas on a Utility Electric Generation (UEG) portfolio basis ($/MMBtu); (T)

k) A debit entry equal to the sum for the month of the product of: (1) the barrels of distillate and heavy fuel oil burned daily for all purposes at the fossil plants; and (2) that day's weighted-average cost of distillate or fuel oil per barrel on a "last-in-first-out" (LIFO) basis; (T)

l) A debit entry equal to the hydroelectric fuel expenses. The fuel expenses include water purchase costs for the hydroelectric plants; (T)

m) A debit entry equal to fuel expenses for the Diablo Canyon Nuclear Power Plant; (T)

n) A debit entry equal to total costs associated with QF obligations; (T) (D)

o) A debit entry equal to bilateral contract obligations; (T) (L)

(Continued)

PRELIMINARY STATEMENT
(Continued)

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

p) A debit entry equal to hedging contract obligations; (T) (L)

q) A debit entry equal to renewable contract obligations; (T)

r) A debit entry equal to costs associated with irrigation district contracts and other purchase power obligations, excluding WAPA but including capacity contract obligations; (T) (T)

s) A debit entry equal to spot market purchases; (T)

t) A debit entry equal to system tolling or capacity contract obligations; (T)

u) A debit or credit entry equal to pre-payments and credit and collateral payments, including all associated fees, for procurement purchase and, if applicable, reimbursements of pre-payments, credit and collateral payments; (T)

v) A debit entry equal to incentive payments authorized in the Phase 1 decision of the Advanced Metering, Demand Response, and Dynamic Pricing Proceeding pursuant to Decision 03-03-036; (T)

w) A debit entry equal to any other power costs associated with procurement; and (T)

x) A monthly entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (T) (L)

PRELIMINARY STATEMENT
(Continued)

CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA)

1. PURPOSE: The purpose of the MTCBA is to record ongoing transition costs associated with procurement (D.02-11-022, D.03-04-030, D.03-07-028), employee transition costs, and other costs as authorized by the Commission. (T) (T)

2. APPLICABILITY: The MTCBA shall apply to all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those schedule and contracts specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding or any other proceeding authorized by the Commission. (T)

4. RATE: The MTCBA rates are included in the effective rates set forth in each rate schedule for direct access customers and in Preliminary Statement Part I for bundled service and departing load customers. (T)

5. ACCOUNTING PROCEDURE: The following entries shall be made each month:

   a. A credit entry equal to the revenue from the ongoing CTC rate component from bundled, direct access, and departing load customers during the month; excluding the allowance for Franchise Fees and Uncollectible (FF&U) Accounts expense. (N)

   b. A credit entry equal to the revenue from Western Area Power Authority (WAPA) contract transactions. (N)

   c. A debit entry equal to costs associated with any buy-out, buy-down, renegotiation, or termination of Qualifying Facility (QF) contracts and settlements or judgments related to QF power purchase agreements. (T) (T)

   d. A debit entry, at the time the restructured contract is signed, equal to ten percent of the total net-present-value of the ratepayer benefits from a restructured QF contract. (N) (N)

   e. A debit or credit entry upon Commission approval of a restructured contract to true-up for any difference between the initial net present value (Item 5.d. above), and the final Commission-approved net present value of the restructured QF contract and to adjust the interest computation in Item 5.n. below for the effect of the true-up. (N) (N) (D)

   f. A credit entry equal to the revenue received from the sale of excess sulfur dioxide emission credits, less reasonably incurred sales costs not already recovered in rates (D.97-11-074, section 11.7.3). (N)

   The following entry reflects the ongoing CTC costs associated with PG&E's procurement portfolio from the Energy Resource Recovery Account (ERRA) for recovery in this account:

   g. A debit entry equal to the sum of the costs for ongoing CTC associated with QF obligations, PPA obligations (excluding WAPA), and for PG&E owned generation above the market benchmark currently adopted by the Commission, net of the costs to serve WAPA. (N) (L)

(Continued)

PRELIMINARY STATEMENT
(Continued)

CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA) (Cont'd.)

The following entries reflect the ongoing CTC portion of procurement costs for serving the WAPA load from the ERRA, Utility Generation Balancing Account and DWR Power Charge Balancing Account for recovery in this account: (N)

h. A debit entry equal to one-twelfth of the adopted annual ongoing CTC portion of Qualifying Facilities (QF) and other Power Purchase Agreements (PPA) costs for serving the WAPA load.

i. A debit entry equal to one-twelfth of the adopted annual ongoing CTC portion of post-2002 power purchase contract costs for serving the WAPA load.

j. A debit entry equal to one-twelfth of the adopted annual ongoing CTC portion of PG&E's revenue requirement associated with PG&E's owned generation for serving the WAPA load.

k. A debit entry equal to one-twelfth of the adopted annual ongoing CTC portion of PG&E owned generation fuel costs for serving the WAPA load.

l. A debit entry equal to one-twelfth of the adopted annual ongoing CTC portion of the Department of Water Resources (DWR) cost component of the total net cost of serving the WAPA load.

The following entry reflects other ongoing transition costs:

m. A debit entry equal to PG&E's recorded employee transition costs for utility personnel affected by electric industry restructuring. These costs may be recovered through December 2006, pursuant to Decision 97-06-060, FOF 4, 24, COL 4, and 17. (N)

n. An entry equal to the interest on the average balance of the account at the beginning of the month and the balance after the entries above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (T) (L) (L)

PRELIMINARY STATEMENT
(Continued)

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (N)

1. PURPOSE: The purpose of the DRAM is to record and recover the authorized distribution revenue requirements and certain other distribution-related authorized costs. The DRAM will ensure dollar-for-dollar recovery of these Commission-authorized distribution amounts.

2. APPLICABILITY: The DRAM shall apply to all customer bills for service under all rate schedules and contracts for electric distribution service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding or any other proceeding authorized by the Commission.

4. DISTRIBUTION RATES: The distribution rates are included in the effective rates set forth in each rate schedule.

5. ACCOUNTING PROCEDURES: The following entries shall be made each month:

   a. A debit entry equal to the annual authorized distribution revenue requirements divided by twelve.

   b. A debit or credit entry equal to the total of the distribution-related regulatory account balances, including an allowance for franchise fees and uncollectibles (FF&U) accounts expense at the rates authorized in PG&E's most recent GRC, transferred to the DRAM, as authorized in the Electric Annual True-up Proceeding or other proceeding expressly authorized by the Commission.

   c. A debit entry equal to the costs of the remaining customer education efforts associated with the Electric Education Trust (EET) per Decision 01-05-091, up to the amount authorized for PG&E by the Commission, plus an allowance for FF&U accounts expense at the rates authorized in PG&E's most recent GRC.

   d. A credit entry equal to the revenue from the distribution rates less the recorded California Public Utilities Commission Reimbursement Fee revenue (defined in Part E of PG&E's electric Preliminary Statement) and the Customer Energy Efficiency Incentive revenue (defined in Part P of PG&E's electric Preliminary Statement).

   e. A credit entry equal to the debit entry in the California Alternative Rates for Energy Account (CARE) that corresponds to the actual CARE revenue shortfall. The corresponding debit entry is defined in PG&E's electric Preliminary Statement Part M.

   f. A credit entry equal to the recorded amount of revenue cycle services credits given to customers for revenue cycle services provided by entities other than PG&E.

   g. A credit entry equal to the amount of Shareholder Participation, as defined in Section 6 below.

   h. A debit entry equal to the payment to fund PG&E Environmental Enhancement Corporation plus an allowance for FF&U, pursuant to the Chapter 11 Settlement Agreement Paragraph 17c adopted in Decision 03-12-035.

   i. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H. 15 or its successor. (N)

(Continued)

PRELIMINARY STATEMENT
(Continued)

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.) (N)

6. SHAREHOLDER PARTICIPATION: PG&E's shareholders bear some responsibility for economic risks and rewards associated with, but not limited to, Commission-approved economic discounts and credits to certain PG&E customers. This section ensures that ratepayers will not assume shareholders' obligations.

Shareholder Participation will be calculated monthly as follows:

The amount of the Shareholder Participation Mechanism for Schedule ED, in accordance with Resolution E-3654. (N)

(Continued)

PRELIMINARY STATEMENT
(Continued)

DA. PUBLIC PURPOSE PROGRAMS REVENUE ADJUSTMENT MECHANISM (PPPRAM) (N)

1. PURPOSE: The purpose of the PPPRAM is to record the authorized Public Purpose Programs (PPP) revenue requirements and to provide full recovery of those costs. The PPP revenue requirements are composed of funding for electric Energy Efficiency (EE) programs, Low-Income Energy Efficiency (LIEE) programs, Research, Development and Demonstration (RD&D) programs, and Renewables programs.

2. APPLICABILITY: The PPPRAM shall apply to all customer bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.

3 REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding, or any other proceeding authorized by the Commission.

4 RATES: The PPP rates equal the PPP rates included in the effective rates set forth in each rate schedule as a separate non-bypassable charge less the California Alternate Rates for Energy Account (CAREA) surcharge rate shown in Preliminary Statement Part I.

5 ACCOUNTING PROCEDURES: The following entries shall be made each month:

a. A debit entry equal to the annual Commission-authorized PPP revenue requirements divided by twelve.

b. A credit entry equal to the revenue from the PPP rates less the recorded revenue from the CAREA rate shown in Preliminary Statement Part I.

c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

PRELIMINARY STATEMENT
(Continued)

DB. NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM (NDAM) (N)

1. PURPOSE: The purpose of the NDAM is to record the authorized Diablo Canyon Nuclear Power Plant (Diablo Canyon) and Humboldt Power Plant Nuclear Unit 3 (Humboldt) nuclear decommissioning revenue requirements and Humboldt SAFSTOR operating and maintenance (O&M) revenue requirements, and to provide full recovery of those costs.

2. APPLICABILITY: The NDAM balance shall apply to all customer bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.

REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding or any other proceeding authorized by the Commission.

4. RATES: The NDAM rates are included in the effective rates set forth in each rate schedule as a separate non-bypassable charge.

5. ACCOUNTING PROCEDURES: The following entries shall be made each month:

a. A debit entry equal to the annual authorized nuclear decommissioning and Humboldt SAFSTOR O&M revenue requirements divided by twelve.

b. A credit entry equal to the revenue from the NDAM rates.

c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

PRELIMINARY STATEMENT
(Continued)

DC. REGULATORY ASSET REVENUE ADJUSTMENT MECHANISM (RARAM) (N)

1. PURPOSE: The purpose of the RARAM is to record and recover the revenue requirements resulting from the nine year amortization, beginning January 1, 2004, of the Regulatory Asset, as specified in the Chapter 11 Settlement Agreement (SA) Paragraph 2 and Appendix A, Technical Appendix pursuant to Decision 03-12-035. The Regulatory Asset and resulting revenue requirements will be adjusted, as necessary, to reflect the net after-tax amount of any refunds, claim offsets or other credits from generators or other energy suppliers as specified in the SA Paragraph 2d. Changes in the annual revenue requirement shall be implemented by advice filing, subject to review by the CPUC Energy Division.

2. APPLICABILITY: This RARAM shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding, or any other proceeding as authorized by the Commission.

4. RATES: The RARAM rates are set forth in electric Preliminary Statement Part I for bundled service customers and on the rate schedules for direct access customers.

5. ACCOUNTING PROCEDURE: PG&E shall maintain the RARAM by making entries to this account at the end of each month as follows:

   a. A credit entry equal to the revenue from the RARAM rate components.

   b. A debit entry equal to one-twelfth of the Regulatory Asset annual revenue requirement.

   c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

PRELIMINARY STATEMENT
(Continued)

DD. REGULATORY ASSET TAX BALANCING ACCOUNT (RATBA) (N)

1. PURPOSE: In the event that it is finally determined that PG&E is required to pay income taxes on the Regulatory Asset any earlier than taxes due based on the Regulatory Asset amortization pursuant to the Chapter 11 Settlement Agreement (SA) Paragraph 2a, the RATBA will record and recover the carrying cost due to any timing differences between: 1) the actual SA Regulatory Asset-related income tax payments made by PG&E; and 2) the income taxes based on the amortization of the Regulatory Asset as defined in SA Paragraph 2a and Appendix A, Technical Appendix, as adjusted for net-after-tax amounts of refunds and other credits pursuant to SA Paragraph 2d. Further, the RATBA records and recovers any interest imposed by the federal or state taxing authorities with respect to recognition of taxable income earlier than that based on the scheduled amortization of the Regulatory Asset. PG&E shall amortize any RATBA balance in retail electric rates over the greater of the remaining life of the Regulatory Asset or five years. The RATBA is established pursuant to the SA Paragraph 2c adopted in Decision 03-12-035.

2. APPLICABILITY: This RATBA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding, or any other proceeding as authorized by the Commission.

4. RATE: The RATBA rate is set forth in electric Preliminary Statement Part I.

5. ACCOUNTING PROCEDURE: PG&E shall make entries to this account at the end of each month as follows:

   a. A debit entry equal to one-twelfth PG&E's authorized rate of return (as tax-effected pursuant to the SA Paragraph 2c), excluding Franchise Fees and Uncollectible Accounts (FF&U) expense, on the difference between:

      1) The actual income taxes paid on the Regulatory Asset; and

      2) The cumulative income taxes due based on the Regulatory Asset nine-year amortization period.

   b. A debit entry equal to any interest imposed by the federal or state taxing authorities with respect to earlier recognition of taxable income than the scheduled amortization of the Regulatory Asset.

   c. A credit entry equal to the revenue from the RATBA rate component, excluding FF&U account expense.

   d. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

PRELIMINARY STATEMENT
(Continued)

DE. HEADROOM ACCOUNT (HA) (N)

1. PURPOSE: The purpose of the HA is to record and recover an adjustment, if necessary, to the 2003 headroom revenues, as defined in the Chapter 11 Settlement Agreement (SA), Paragraph 8b as clarified by Decision 03-12-035 for purposes of calculating the headroom for 2003.

2. APPLICABILITY: The HA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding, or any other proceeding as authorized by the Commission.

4. RATES: The HA rate is set forth in electric Preliminary Statement Part I.

5. ACCOUNTING PROCEDURE: PG&E shall maintain the HA by making entries to this account at the end of each month as follows:

   a. A credit or debit entry equal to an adjustment, if necessary, to the 2003 headroom revenues, as defined in the SA Paragraph 8b. (i.e., If the 2003 headroom revenue is greater than $875 million the difference (adjustment) will be a credit to this account; and if the headroom revenue is less than $775 million the difference (adjustment) will be a debit to this account.)

   b. An entry equal to the revenue from the HA amortization rate component.

   c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

PRELIMINARY STATEMENT
(Continued)

DF. ELECTRIC REIMBURSABLE FEES BALANCING ACCOUNT (ERFBA) (N)

1. PURPOSE: The purpose of the ERFBA is to record and recover the electric portion of the amounts paid to the Commission for reimbursement of their professional fees and expenses incurred to be recovered within four years, pursuant to the Chapter 11 Settlement Agreement (SA) Paragraph 15 adopted in Decision 03-12-035.

2. APPLICABILITY: This ERFBA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding, or any other proceeding as authorized by the Commission.

4. RATE: The ERFBA rate is set forth in electric Preliminary Statement Part I.

5. ACCOUNTING PROCEDURE: PG&E shall maintain the ERFBA by making entries to this account at the end of each month as follows:

   a. A debit entry equal to the electric portion of the amounts paid to the Commission for reimbursement of their professional fees and expenses incurred, pursuant to the SA Paragraph 15.

   b. A credit entry equal to the revenue from the rate component, excluding Franchise, Fees and Uncollectible Accounts expense from bundled customers.

   c. An debit entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

PRELIMINARY STATEMENT
(Continued)

DG. DWR POWER CHARGE BALANCING ACCOUNT (DWRPCBA) (N)

1. PURPOSE: The purpose of the DWRPCBA is to track the difference between the amount collected from bundled customers through the DWRPCBA rate and the amount remitted to the Department of Water Resources (DWR) through the power charge remittance rate.

2. APPLICABILITY: The DWRPCBA shall apply to all bundled customers subject to the jurisdiction of the Commission, except for those specifically excluded by the Commission from DWR power charges.

3. REVISION DATES: The balance of this account shall be determined in the Electric Annual True-up Proceeding, or any other proceeding authorized by the Commission.

4. RATE: The DWRPCBA rate is set forth in electric Preliminary Statement Part I.

5. ACCOUNTING PROCEDURES: The following entries shall be made each month:

   a. A debit entry equal to the obligation to DWR excluding Bond Charges and Direct Access DWR power charges.

   b. A credit entry equal to the revenue from bundled customers through the DWRPCBA rate component.

   c. A credit entry equal to one-twelfth of the adopted annual on going CTC portion of the DWR cost component of the total net cost of serving the Western Area Power Authority (WAPA) load.

   d. An entry equal to the interest on the average of the balance at the beginning of the month and the balance after the above entries at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

PRELIMINARY STATEMENT
(Continued)

DH. ELECTRIC CREDIT FACILITIES FEES TRACKING ACCOUNT (ECFFTA) (N)

1. PURPOSE: The purpose of the ECFFTA is to track the electric portion of incremental costs associated with obtaining working capital from banks and/or other institutions upon emergence from Chapter 11 due to a lower credit rating than PG&E's historic high investment grade credit rating, pursuant to Chapter 11 Settlement Agreement (SA) Paragraphs 13d and 13f and SA Statement of Intent item (7).

2. APPLICABILITY: This ECFFTA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding, or any other proceeding as authorized by the Commission.

4. RATES: The ECFFTA does not currently have a rate component.

5. ACCOUNTING PROCEDURE: PG&E shall maintain the ECFFTA by making entries to this account at the end of each month as follows:

   a. A debit entry equal to the electric portion of the costs including, but not limited to, all fees associated with obtaining and maintaining credit and working capital facilities.

   b. An debit entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entry, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)

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Part G	Catastrophic Event Memorandum Account	18998,11740-E	
Part H	Interest	10579-E	
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Part J	Income Tax Component of Contributions Provision	18915,11503-E	
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Part M	California Alternate Rates for Energy Account	18601-E	
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PG&E Electric Advice Filing List
General Order 96-A, Section III(G)

ABAG Power Pool
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
CPUC
Creative Technology
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
Dept of the Air Force
DGS Natural Gas Services
DMM Customer Services
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Enron Energy Services
Exeter Associates
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Grueneich Resource Advocates
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Meyer, Joseph
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
PG&E National Energy Group
Pinnacle CNG Company
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
Provost Pritchard
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
TJ Cross Engineers
Transwestern Pipeline Co
Turlock Irrigation District
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA