



ELECTRIC PRELIMINARY STATEMENT PART AD
TRANSITION COST AUDIT MEMO ACCOUNT

Sheet 1

AD. TRANSITION COST AUDIT MEMORANDUM ACCOUNT (TCAMA)

1. PURPOSE: The purpose of the TCAMA is to record all invoiced auditor costs incurred by PG&E associated with independent audits of PG&E's recorded transition costs and revenues as authorized by the Commission. (T)
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 (T)
2. APPLICABILITY: The TCAMA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. TCAMA RATES: The TCAMA does not currently have a rate component.
4. ACCOUNTING PROCEDURE: PG&E shall maintain the TCAMA by making entries at the end of each month as follows:
 - a. A debit entry equal to PG&E's share of the invoiced audit costs associated with any independent audit of PG&E's transition costs and revenues. (T)
 (T)
 - b. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after entry 4.a, 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, G.13 or its successor.

Once an audit report is completed, PG&E may request recovery of the balance in the TCAMA through the Transition Cost Balancing Account (TCBA), Part AV of PG&E's Preliminary Statement. (T)
 (T)