



ELECTRIC PRELIMINARY STATEMENT PART AU Sheet 1
DIRECT ACCESS DISCRETIONARY COST/REVENUE MEMO ACCOUNT

AU. DIRECT ACCESS DISCRETIONARY COST/REVENUE MEMORANDUM ACCOUNT (DADCRMA)

1. PURPOSE: The purpose of the DADCRMA is to record the incremental costs and interim fees associated with discretionary metering and billing services, pursuant to Decision 97-10-087. (N)
2. APPLICABILITY: The DADCRMA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. DADCRMA RATES: The DADCRMA does not have a rate component.
4. ACCOUNTING PROCEDURE: PG&E shall maintain the DADCRMA by making entries to this account at the end of each month as follows:
 - a. A debit entry equal to the incremental amounts recorded in PG&E's Operations and Maintenance, and Administration and General Expense Accounts that were incurred as a result of Direct Access discretionary services costs.
 - b. A debit entry equal to:
 - 1) depreciation expense on the average of the beginning and the end-of-month balance of any plant installed for Direct Access discretionary services costs at one-twelfth the annual depreciation rates approved by the CPUC for these plant accounts; plus
 - 2) the return on investment on the average of the beginning and the end-of-month balance of any plant installed for Direct Access discretionary services costs, at one-twelfth of the annual rate of return on investment last adopted for PG&E's Electric Department by the CPUC; less
 - 3) the return on the average of beginning and end-of-month accumulated depreciation, and on average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, at one-twelfth the annual rate of return on investment last adopted for PG&E's Electric Department by the CPUC.
 - c. A debit entry equal to federal and state taxes based on income associated with Item 4.b. above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

 For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the percentage of net investment last adopted by the CPUC with respect to PG&E.
 - d. A debit entry equal to the monthly property taxes on any plant installed for Direct Access discretionary services costs.
 - e. A credit entry equal to any revenues from interim fees billed to customers associated with Direct Access discretionary services costs.
 - f. An entry equal to interest on the average balance, only if the average balance is a credit balance, in this one-way memorandum account at the beginning of the month and the balance after the entries from 4.a. through 4.e. above, 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. (N)

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 Decision No. 97-10-087

Issued by
Thomas E. Bottorff
 Vice President
 Rates Account Services

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