



ELECTRIC PRELIMINARY STATEMENT PART BO
REAL PROPERTY GAIN/LOSS ON SALE MEMORANDUM ACCOUNT

Sheet 1

BO. REAL PROPERTY GAIN/LOSS ON SALE MEMORANDUM ACCOUNT (RPGLSMA)

(N)

1. PURPOSE:

The purpose of the RPGLSMA is to record the net-of-tax proceeds (gains or losses) from the sales of non-generation-related real property approved by the Commission. The net-of-tax proceeds will be recorded in the RPGLSMA as soon as practicable after close of escrow and accumulated to earn interest at the three-month commercial paper rate. The ratemaking and disposition of RPGLSMA accumulated funds, along with all accumulated interest, will be addressed in PG&E's Distribution Performance Based Ratemaking (PBR) proceeding (Application 98-11-023), or any other proceeding expressly authorized by the Commission.

2. APPLICABILITY:

The RPGLSMA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. RPGLSMA RATES:

The RPGLSMA does not currently have a rate component.

4. ACCOUNTING PROCEDURE:

PG&E shall maintain the RPGLSMA by making entries to this account at the end of each month as follows:

- a. An entry equal to the net-of-tax proceeds (gains or losses) from the sale of non-generation-related real property.
- b. An entry equal to 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.

As authorized by the Commission in Decision 99-10-001, the ratemaking treatment of the balance in the RPGLSMA will be addressed in PG&E's Distribution PBR proceeding, or any other proceeding expressly authorized by the Commission.

(N)