



**ELECTRIC PRELIMINARY STATEMENT PART CH** Sheet 1  
**UTILITY RETAINED GENERATION INCOME TAX MEMORANDUM ACCOUNT**

- CH. UTILITY RETAINED GENERATION INCOME TAX MEMORANDUM ACCOUNT (URGITMA) (N)
1. **PURPOSE:** The Utility Retained Generation (URG) Income Tax Memorandum Account (URGITMA) is established pursuant to Ordering Paragraph No. 7 of Decision 02-04-016. The purpose of the URGITMA is to track the consequences of timing differences between: (1) income tax revenue requirements for current income tax recorded in PG&E's URG-related balancing accounts; and (2) actual URG-related income tax payments made by PG&E.
  2. **APPLICABILITY:** The URGITMA shall apply to all customer classes, except for those specifically excluded by the Commission.
  3. **RATES:** This memorandum account does not currently have a rate component.
  4. **REVISION DATE:** Disposition of amounts tracked in the URGITMA shall be determined in a General Rate Case or other proceeding expressly authorized by the Commission.
  5. **ACCOUNTING PROCEDURES:**
    - a. A monthly debit or credit entry equal to interest (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) on the average monthly balance of the Cumulative difference between:
      - 1) Income tax revenue requirements for current income tax as recorded in Commission-authorized URG-related balancing accounts; and
      - 2) Actual such URG-related income tax payments made by PG&E.
    - b. A one-time entry to implement Decision 02-04-016 and Resolution E-3822, as described in Advice 2240-E-B.
    - c. A debit or credit 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 on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.
    - d. Pursuant to Decision 02-04-016, entries to the URGITMA shall be made in a manner that is consistent with the tax code, and does not violate income tax "normalization" rules. (N)