



ELECTRIC PRELIMINARY STATEMENT PART R
AFFILIATE TRANSFER FEES ACCOUNT

Sheet 1

R. AFFILIATE TRANSFER FEES ACCOUNT (ATFA)

1. PURPOSE: The purpose of the ATFA is to record employee transfer fees paid to PG&E by its holding company and affiliates for future ratemaking treatment to ensure that PG&E's customers receive the fees. Decision 96-11-017 requires that "[w]hen a PG&E employee is transferred from PG&E to either the holding company or an affiliate, that entity shall make a one-time payment to PG&E in an amount equivalent to 25% of the employee's base annual compensation, unless PG&E can demonstrate that some lesser percentage (equal to at least 15%) is appropriate for the class of employee involved."
2. APPLICABILITY: The ATFA shall apply to all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balance in this account shall be determined through the Annual Electric True-Up (AET) advice letter process. (T)
(T)
4. ATFA RATES: The ATFA does not currently have a rate component.
5. ACCOUNTING PROCEDURE: PG&E shall maintain the ATFA by making entries to this account at the end of each month as follows:
 - a. A credit entry equal to the amount of employee transfer fees allocated to PG&E's electric ratepayers;
 - b. An entry to transfer the balance in the account to another regulatory account as appropriate for rate recovery, upon approval by the CPUC; and (T)
(T)
 - c. A 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, G.13 or its successor.