



ELECTRIC PRELIMINARY STATEMENT PART U
CAPITAL AUDIT CONSULTANT COST MEMORANDUM ACCOUNT

Sheet 1

U. CAPITAL AUDIT CONSULTANT COST MEMORANDUM ACCOUNT (CACOMA) (N)

1. PURPOSE:

The purpose of the CACOMA is to record payments made by PG&E to the California Public Utilities Commission to reimburse the Commission for the costs of an Energy Division contract with a consultant required by Ordering Paragraph 12 of PG&E's 1999 General Rate Case decision (Decision 00-02-046). The Energy Division consultant study required by Ordering Paragraph 12 will assess the contribution of distribution capital spending in 1999 to system reliability, capacity and adequacy of service.

2. APPLICABILITY:

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

3. REVISION DATE:

Disposition of amounts in the CACOMA shall be determined in the annual Revenue Adjustment Proceeding or at other times as authorized by the Commission.

4. CACOMA RATES:

The CACOMA does not currently have a rate component.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the CACOMA A by making entries to this account as follows:

- a. A debit entry equal to the recorded costs associated with or related to Energy Division's contract with the capital audit consultant. Prior Energy Division approval must be received for all costs invoiced by the auditors.
- b. A credit entry to transfer all or a portion of the balance in the CACOMA to other balancing accounts for future rate recovery, as may be approved by the CPUC.
- c. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after Item 5.a., 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)