



**GAS PRELIMINARY STATEMENT PART Q
AFFILIATE TRANSFER FEES ACCOUNT**

Sheet 1

Q. 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 gas 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 in the Annual Gas True-up of Balancing Accounts advice filing or as otherwise authorized by the Commission.
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 gas ratepayers;
 - b. a debit or credit entry, as appropriate, to transfer the balance to another regulatory account for rate recovery, upon approval by the Commission; and
 - 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, H.15, or its successor.

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