

ANNEX A TO ATTACHMENT B Pacific
Gas and Electric Company Collections
Curve Description May 2, 2001

BACKGROUND

The purpose of the Collections Curve is to display the rate at which billed energy revenues are collected from PG&E's five retail customer classes. Collections performance is expressed as a percentage of the total amount billed to the sample customer population. Collections have been adjusted for write-off using the applicable factor authorized by the California Public Utilities Commission in PG&E's most recent (1999) General Rate Case.

PG&E reads its meters and bills approximately 4.8 million customers once each month on a sequential 21-serial schedule, customers likewise remit payments on a sequential basis.

KEY PARAMETERS AND ASSUMPTIONS

The tabulation of historical daily collections receipts used to generate the Collections Curve was derived from a sample of customer accounts billed during July 2000.

Collections performance is assumed not to vary materially over the course of a year.

- Bills are issued on one of PG&E's 21 billing serials.

The sample customer population represents a revenue-weighted average of PG&E's five customer classes and includes a total of 26,253 accounts. Sample size characteristics:

Customer Class	Sample Size as % of Total Class Size	Number of Accounts in Sample	Revenue Class Contribution as % of Total Revenue
Residential	0.5%	23,221	46%
Small Commercial	0.5%	1,803	13%
Medium Commercial	1.0%	493	28%
Agricultural	1.0%	470	6%
Large Commercial	25.0%	266	8%

- The write-off factor (i.e., uncollectibles) as approved in the 1999 General Rate Case is 0.00267.

In order to produce aggregated monthly collection data, the daily collection pattern is assumed to be the same for each day of the month and that the billed amounts for a given month are spread evenly over each day of the month.

Credit and collection policies are approved by the CPUC. Generally, customer's charges not collected within 180 days are written off.

The methodology used to produce the collection curve and the above parameters and assumptions are consistent with the methodology, parameters and assumptions approved for use in remitting the Trust Transfer Amount (TTA) to the Bond Trustee.

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DATA EXTRACTION AND PROCESSING

Applying the foregoing sample sizes, PG&E randomly extracts customer billing and payment data from PG&E's customer information system. A PC-based software application is then used to select customer billing dates and billing amounts for a specific calendar month.

Program logic enables the application to search the record for an exact match between the amount billed and a subsequent payment amount. Where an exact match is found, the number of days between the billing date and payment date is recorded along with the payment amount. If an exact payment match is not found, the application records the number of days between the billing date and the date of each subsequent partial payment along with the partial payment amount. The application will repeat this process until the sum of the partial payments equals or exceeds the original amount billed. The number of days between each the billing date and the date of each partial payment, along with the amount of each partial payment, are recorded separately.

Any difference between the total amount billed and the amount of the accumulative collections on "day 180" is considered uncollected.

Application output data is written to a text file containing two columns; one lists days 1 through 180, the other shows the sum total of payments collected for each day.

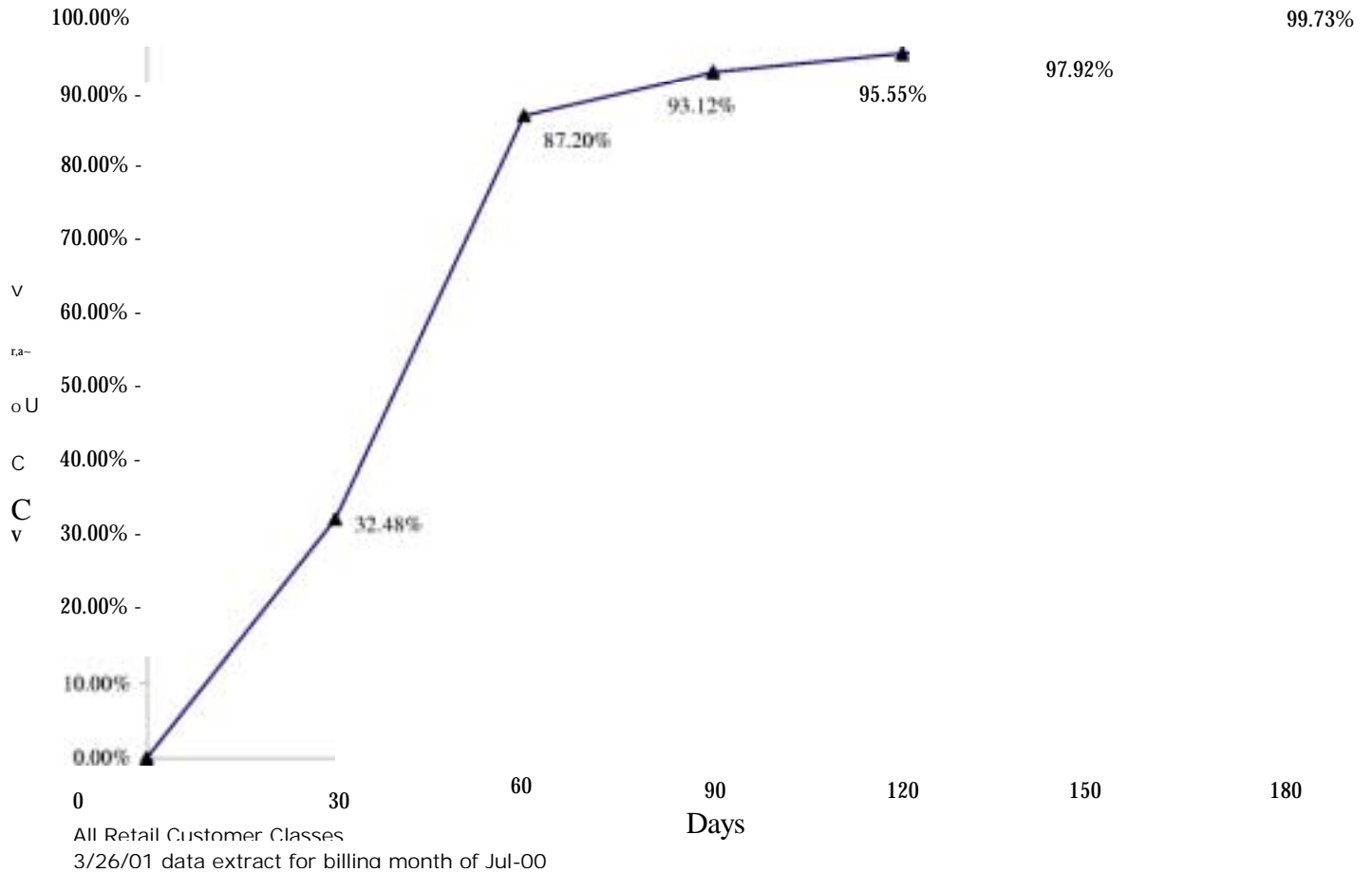
COLLECTIONS CURVE

The Collections Curve plots data points at each of six 30-day intervals. For each day during the collection cycle, the total of daily revenue collections associated with bills issued to customers in the sample size is tabulated. In the sample population, a discrepancy was observed between the level of collections at the conclusion of the 180-day period and the expected level of collections that would result according to the Commission-approved uncollectibles factor. To address this discrepancy, the difference between expected and observed collections has been uniformly distributed over the 180 day period. To reflect PG&E's serial billing process, the percent of the amount billed is divided by 30 to simulate a daily average collection performance.

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Day	Collections Percentage	Net
0	0.00%	
30	32.48%	32.48%
60	87.20%	54.72%
90	93.12%	5.92%
120	95.55%	2.44%
150	97.92%	2.37%
180	99.73%	1.81

Pacific Gas and Electric
Company Composite
Collections Curve



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Elapsed Calendar Days	Daily Collections Percentage	Elapsed Calendar Days	Daily Collections Percentage	Elapsed Calendar Days	Daily Collections Percentage
1	0.03%	61	87.62%	121	95.63%
2	0.07%	62	87.98%	122	95.66%
3	0.14%	63	88.31%	123	95.68%
4	0.21%	64	88.63%	124	95.71
5	0.30%	65	88.93%	125	95.73%
6	0.40%	66	89.20%	126	95.75%
7	0.52%	67	89.46%	127	95.78%
8	0.69%	68	89.71%	128	95.80%
9	0.90%	69	89.96%	129	95.82%
10	1.13%	70	90.20%	130	95.84%
11	1.44%	71	90.44%	131	95.87%
12	1.80%	72	90.67%	132	95.89%
13	2.27%	73	90.89%	133	95.91
14	2.87%	74	91.11%	134	96.03%
15	3.68%	75	91.31%	135	96.15%
16	4.62%	76	91.50%	136	96.27%
17	5.74%	77	91.68%	137	96.39%
18	6.97%	78	91.84%	138	96.51
19	8.31%	79	91.99%	139	96.63%
20	9.82%	80	92.13%	140	96.75%
21	11.58%	81	92.27%	141	96.87%
22	13.53%	82	92.39%	142	96.99%
23	15.54%	83	92.51%	143	97.10%
24	17.70%	84	92.62%	144	97.21
25	19.97%	85	92.72%	145	97.32%
26	22.31%	86	92.81%	146	97.44%
27	24.75%	87	92.90%	147	97.56%
28	27.26%	88	92.99%	148	97.68%
29	29.85%	89	93.06%	149	97.80%
30	32.48%	90	93.12%	150	97.92%
31	35.11%	91	93.17%	151	98.04%
32	37.78%	92	93.26%	152	98.16%
33	40.46%	93	93.35%	153	98.28%
34	43.15%	94	93.44%	154	98.40%
35	45.86%	95	93.53%	155	98.52%
36	48.58%	96	93.62%	156	98.64%
37	51.28%	97	93.71%	157	98.76%
38	53.95%	98	93.80%	158	98.89%
39	56.60%	99	93.89%	159	99.01
40	59.21%	100	93.97%	160	99.13%
41	61.77%	101	94.05%	161	99.25%
42	64.28%	102	94.13%	162	99.37%
43	66.70%	103	94.20%	163	99.49%
44	68.98%	104	94.28%	164	99.51
45	71.08%	105	94.35%	165	99.53%
46	73.06%	106	94.43%	166	99.55%
47	74.87%	107	94.50%	167	99.56%
48	76.58%	108	94.58%	168	99.57%
49	78.21%	109	94.66%	169	99.59%
50	79.66%	110	94.74%	170	99.60%
51	80.89%	111	94.82%	171	99.62%
52	81.93%	112	94.90%	172	99.63%
53	82.91%	113	94.99%	173	99.64%
54	83.75%	114	95.07%	174	99.66%
55	84.49%	115	95.16%	175	99.67%
56	85.18%	116	95.24%	176	99.67%
57	85.77%	117	95.32%	177	99.68%
58	86.30%	118	95.40%	178	99.68%
59	86.76%	119	95.48%	179	99.68%
60	87.20%	120	95.55%	180	99.73%

ANNEX A TO ATTACHMENT
B Pacific Gas and Electric
Company Collections Curve
Description May 2, 2001

Attachment C
SAMPLE DAILY AND MONTHLY REPORTS
Daily Remittance Report

Pursuant to Attachment B of the Servicing Agreement No. [DWR Assigned Number] dated as of [to be completed] (the "Agreement") between the State of California Department of Water Resources and Pacific Gas and Electric Company (PG&E), PG&E does hereby certify as follows:

Capitalized terms used in the Daily Remittance Report have their respective meanings as set forth in the Agreement.
References herein to certain sections and subsections are references to the respective sections of the Agreement.

Forecast Period: July 2002 (Draft)

EXAMPLE FOR ILLUSTRATIVE PURPOSES ONLY

Line No.	<u>FORECAST COLLECTIONS & DAILY SEGREGATION</u>		
1	Collection period start	01-Jul-02	
2	Collection period stop	31-Jul-02	
3	Forecast Collection	\$95,000,000.00	
4	Remaining business days in collection period	23	
5	Daily Remittance Amount	\$4,130,434.78	(Ln. 3/Ln. 4)

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Daily Remittance Report this
day of ,

PACIFIC GAS AND ELECTRIC COMPANY, as Servicer

by:

Kent Harvey

Monthly Reconciliation Report

Pursuant to Attachment B of the Servicing Agreement No. [DWR Assigned Number] dated as of [to be completed] (the "Agreement") between the State of California Department of Water Resources and Pacific Gas and Electric Company (PG&E), PG&E does hereby certify as follows:

Capitalized terms used in the Monthly Reconciliation Report have their respective meanings as set forth in the Agreement. References herein to certain sections and subsections are references to the respective sections of the Agreement.

Collection Period: July 2002 (Draft)

EXAMPLE FOR ILLUSTRATIVE PURPOSES ONLY

Line No.	<u>BILLED REVENUE SUMMARY</u>		
1	Current monthly billing period	Jul-02	
2	DWR KWh billed (prior period)	50,000,000	
3	DWR KWh billed (current period)	50,000,000	
4	DWR charge per Kwh (prior period)	\$1.50	
5	DWR charge per Kwh (current period)	\$0.50	
6	<i>Current period billed DWR charges</i>	<i>\$100,000,000</i>	<i>(Ln.2 *Ln.4) + (Ln.3*Ln.5)</i>
7	DWR charges not accounted for in prior periods	\$0	
8	G&E net write-offs as % of G&E billed revenues	0.0500	
9	Adjustments based on settlement data	\$100,000	
10	20/20 Program Deductions	-\$200,000	
11	Deductions otherwise permitted under the Agreement	-50,000	

Line No.	Monthly Remittance Percentages							Total	
	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days			
1	Billed DWR Charges	32.48%	54.72%	5.92%	2.44%	2.37%	1.81%	99.73%	Collection Curve
2	July \$100,000,000 \$32,480,000								
3	June \$90,000,000		\$49,248,000						
4	May \$110,000,000			\$6,512,000					
5	April \$105,000,000				\$2,562,000				
6	March \$95,000,000					\$2,251,500			
7	Feb \$100,000,000						\$1,810,000		
8	Total							\$94,863,500	
Reconciliation Process									
9	Feb. Billed DWR Charges							\$100,000,000	La. 7 (Billed DWR Charge Col.)
10	Feb. DWR net write-offs							\$50,000	La. 9*Ln.8(p.1)
11	Feb. net billed DWR Charges							\$99,950,000	La. 9-Ln.10
12	Amount previously remitted to DWR							\$99,730,000	La. 9*Ln.1 (Total Col.)
13	Write-off adjustment							\$220,000	La. 11-Ln.12
14	Aggregate remittance amount							\$95,083,500	Ln.8+Ln.13
15	Adjustments and deductions							-\$150,000	From p. 1: Ln.7 + Ln. 9 + Ln. 10 + Ln. 11
16	Estimated DWR Collections for July							\$94,933,500	La. 14 + Ln.15
17	Forecast Collections for July							\$95,000,000	Total from Daily Remittance Reports
18	Reconciliation Amount							\$66,500	La. 17-La.16

IN WITNESS HEREOF, the undersigned has duly executed and delivered this Monthly Reconciliation Report this day of ,

PACIFIC GAS AND ELECTRIC COMPANY, as Servicer

by:

Kent Harvey