February 27, 2004

MEMORANDUM TO: Jesse L. Funches
Chief Financial Officer

FROM: Carl F. Dolinka, Acting Director ***/RA/***
Division of Financial Management
Office of the Chief Financial Officer

SUBJECT: REQUEST FOR APPROVAL TO WRITE-OFF
DELINQUENT DEBTS (WRITE-OFF NO. FY 2004-07)

Pacific Gas & Electric Co. (PG&E) filed for Chapter 11 bankruptcy on April 6, 2001. The NRC filed a proof of claim in the amount of $543,657.25 on September 28, 2001, for 12 invoices. The amount of the claim was subsequently reduced to $520,071.05 based on actual billings. In addition, PG&E paid two invoices further reducing the claim to $515,519.25. Since these accounts were over two years old as of July 31, 2003, you are requested to approve the write-off of the debts listed in the attachment. These accounts will be removed from our active receivables and will be placed in a "Currently Not Collectible" category. They will remain classified as Currently Not Collectible until either it has been determined that these debts will not be paid, in whole or in part, or the bankruptcy court has approved payment for all or some of the claims. If payment is received, the debts will be reestablished as active receivables in the amount disbursed by the bankruptcy court.

This action is in compliance with the revised write-off procedures and policy implemented on March 6, 1999, which established procedures to remove uncollectible accounts from the active portfolio through write-off although collection action may continue, and in accordance with revised OMB Circular No. A-129 which states that generally write-off is mandatory for debt older than two years. These debts will be reported on the Report on Receivables Due from the Public (TROR) under Debt Disposition, Written Off and Not Closed Out. These debts will not be closed out until the bankruptcy court dismisses the bankruptcy case. The amount recommended to be written off is $515,519.25.

APPROVED:

/RA/ 3/5/04
Jesse L. Funches Date
Chief Financial Officer

Attachment: List of Debts

February 27, 2004

MEMORANDUM TO: Jesse L. Funches
Chief Financial Officer

FROM: Carl F. Dolinka, Acting Director ***/RA/***
Division of Financial Management
Office of the Chief Financial Officer

SUBJECT: REQUEST FOR APPROVAL TO WRITE-OFF A DELINQUENT DEBT (WRITE-OFF NO. FY 2004-07)

Pacific Gas & Electric Co. (PG&E) filed for Chapter 11 bankruptcy on April 6, 2001. The NRC filed a proof of claim in the amount of $543,657.25 on September 28, 2001, for 12 invoices. The amount of the claim was subsequently reduced to $520,071.05 based on actual billings. In addition, PG&E paid two invoices further reducing the claim to $515,519.25. Since these accounts were over two years old as of July 31, 2003, you are requested to approve the write-off of the debts listed in the attachment. These accounts will be removed from our active receivables and will be placed in a "Currently Not Collectible" category. They will remain classified as Currently Not Collectible until either it has been determined that these debts will not be paid, in whole or in part, or the bankruptcy court has approved payment for all or some of the claims. If payment is received, the debts will be reestablished as active receivables in the amount disbursed by the bankruptcy court.

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APPROVED:

/RA/ March 5, 2004
Jesse L. Funches Date
Chief Financial Officer

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