

November 18, 2002

Advice 2423-G/2305-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Notification of the Creation of Two New Affiliates

Purpose

In accordance with Decision 97-12-088, Appendix A, Rule VI. B--New Affiliate Compliance Plans, Pacific Gas and Electric Company hereby notifies the Commission of the formation of two new affiliates, as defined by the Affiliate Transaction Rules.¹

Rule VI. B. Specifically requires that:

Upon creation of a new affiliate, which is addressed by these Rules, the utility shall immediately notify the Commission of the creation of the new affiliate, as well as posting notice on its electronic bulletin board. No later than 60 days after the creation of this affiliate, the utility shall file an advice letter with the Energy Division of the Commission, served on parties to this proceeding. The advice letter shall demonstrate how the utility will implement these Rules with respect to the new affiliate.

Cannelton Hydroelectric Project, L.P.

Cannelton Hydroelectric Project, L.P. is a hydroelectric generation project located at Cannelton Locks and Dam in Hawesville, Kentucky. A partnership interest in this entity was acquired on September 20, 2002. The mailing address for Cannelton Hydroelectric Project, L.P. is: 7500 Old Georgetown Road, 13th Floor, Bethesda, MD 20814-6161. There are no officers or Board of Control. All actions are done through the General Partner, Kentucky Hydro Holdings, LLC.

¹ PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

Smithland Hydroelectric Partners, LTD

Smithland Hydroelectric Partners, LTD is a hydroelectric generation project located at Smithland Locks and Dam in Smithland, Kentucky. A partnership interest in this entity was acquired on September 20, 2002. The mailing address for Smithland Hydroelectric Partners, LTD is: 7500 Old Georgetown Road, 13th Floor, Bethesda, MD 20814-6161. There are no officers or Board of Control. All actions are done through the General Partner, Kentucky Hydro Holdings, LLC.

Questions regarding this affiliate should be addressed to Elsia Galawish, Pacific Gas and Electric Company's Manager of Affiliate Rules and Regulatory Compliance at (415) 973-4741.

Pacific Gas and Electric Company has previously posted notice of the formation of this affiliate on its affiliate transaction World Wide Web site and notified Commission staff.

No unusual or unique circumstances exist that would require affiliate transactions rule implementation measures for the affiliates listed above beyond those identified for other Rule II. B. Affiliates as listed in Attachment D to Pacific Gas and Electric Company's most recently filed Affiliate Rules Compliance Plan (Advice 2358-G/2179-E). The affiliate rules will apply to these affiliates. Therefore, Pacific Gas and Electric Company will apply all the provisions of its Affiliate Rules Compliance Plan to all transactions with these new affiliates.

This filing will not increase any other rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **December 8, 2002**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief – Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

Effective Date

Pacific Gas and Electric Company requests that this filing become effective on **November 18, 2002** which is the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list, and the parties on the list for OIR 97-04-011/OII 97-04-012. Address change requests should be directed to Rose Abao at (415) 973-2218. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

Attachments

cc: Service List – OIR 97-04-011/OII 97-04-012