

February 25, 2003

Advice 2444-G/2348-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.

Moss Landing Mutual Water Company

Moss Landing Mutual Water Company was formed on April 1, 1998, as a non-profit public mutual benefit corporation to sell, distribute, supply and deliver water to members of the corporation only for domestic uses, irrigation uses, and fire protection uses. The mailing address for Moss Landing Mutual Water Company

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.

is: P.O. Box 690, Moss Landing, CA 95039-0690. Following are the directors and officers:

Elton E. McCrillis	Director
Segundo M. Timiraos	Director
Louis R. Calcagno	Director
Janet Peters	Treasurer
Frank Slykas	Secretary

Morro Bay Mutual Water Company

Morro Bay Mutual Water Company was formed on April 15, 1998, as a non-profit public mutual benefit corporation to sell, distribute, supply and deliver water to members of the corporation only for domestic uses, irrigation uses, and fire protection uses. The mailing address for Morro Bay Mutual Water Company is: 1290 Embarcadero Road, Morro Bay, CA 93442. Following are the directors and officers:

Steve Goschke	Director and President
Segundo M. Timiraos	Director
Brigetta Zimmeran	Treasurer
Ervin Poteat	Secretary

Pacific Gas and Electric Company described the formation of the two mutual water companies in Application 96-11-020 which the Commission subsequently approved in Decision 97-09-046. At the time these entities were formed, Pacific Gas and Electric Company was not aware that these non-profit entities could be considered "affiliates", the formation of which might trigger notification requirements under the then newly-adopted Commission Affiliate Rules.

Moss Landing Mutual Water Company and Morro Bay Mutual Water Company will not provide an energy related good or service, therefore the affiliate rules will not apply to these affiliates. Pacific Gas and Electric Company will not apply all the provisions of its Affiliate Rules Compliance Plan to transactions with these Non-Rule II.B. affiliates and will treat them in the same manner as it does PG&E Corporation and other Non-Rule II.B. affiliates.

Questions regarding these affiliates 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 these affiliates on its affiliate transaction World Wide Web site and notified Commission staff.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **March 17, 2003**, 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: Brian Cherry
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 **February 25, 2003**, 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 Sandra Ciach at (415) 973-7572. 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