



Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

October 2, 2006

Advice 2767-G/2909-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Notification of the Reclassification of Two 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 a new affiliate, as defined by the Affiliate Transaction Rules.

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.

Effective August 8, 2006, PG&E Corporation changed the affiliate classification of two existing affiliates, Fuelco LLC and Pacific Energy Fuels Company (PEFCO) to Rule II.B status.

Fuelco LLC (Fuelco)

Fuelco LLC is jointly owned by Pacific Gas and Electric Company through PEFCO along with Union Electric Company, d/b/a Ameren UE; and TXU (Texas Utilities) Generation Company LP. Fuelco was formed to assist in transactions to secure nuclear products and services, including nuclear fuel, for use at the member utilities' nuclear power generators. The mailing address for Fuelco is: One Ameren Plaza, St. Louis, MO 63103. Following are the Officers for Fuelco:

Gary L. Randolph	Chairman of the Board of Managers
Ausaf Husain	President
William B. Bobnar	Vice President, Legal Counsel and Secretary
Walter L. Campbell	Vice President and Chief Financial Officer
Randall J. Irwin	Vice President
Linda Y.H. Cheng	Assistant Secretary
Bill W. Coss	Assistant Secretary

Pacific Energy Fuels Company (PEFCO)

Pacific Energy Fuels Company is a 33.3% partner in Fuelco LLC and was originally formed on February 18, 1988 to own and finance nuclear fuel inventory. The mailing address for Pacific Energy Fuels Company is: One Market, Spear Tower, Suite 2400, San Francisco, CA 94105. Following are the Board of Directors and Officers:

Thomas B. King	Board of Director, President and Chief Executive Officer
John S. Keenan	Board of Director and Vice President – Nuclear Fuel Management
G. Robert Powell	Controller
Christopher P. Johns	Treasurer
Linda Y.H. Cheng	Secretary
Eileen O. Chan	Assistant Secretary
Wondy S. Lee	Assistant Secretary
Eric Montizambert	Assistant Secretary
Nicholas M. Bijur	Assistant Treasurer

Additional Information

On August 8, 2003, Pacific Gas and Electric Company, through PEFCO, together with Union Electric Company d/b/a Ameren UE and TXU Generation (Texas Utilities) Company LP, formed Fuelco. At that time, Pacific Gas and Electric Company held a 4% interest in Fuelco through PEFCO. As of August

8, 2006, Pacific Gas and Electric Company owns a one-third interest in Fuelco through PEFCO; therefore, it is now a Rule II.B affiliate.

PEFCO was originally formed on February 18, 1988 to own and finance nuclear fuel inventory. As noted above, PEFCO now owns a one-third interest in Fuelco; therefore, it is now a Rule II.B affiliate.

No unusual or unique circumstances exist that would require affiliate transactions rule implementation measures for the affiliates listed above. The affiliate rules will apply to these affiliates other than those stated in Decision 05-09-006 dated September 8, 2005. Therefore, Pacific Gas and Electric Company will apply all the provisions of its Affiliate Rules Compliance Plan to all transactions with these Rule II.B affiliates.

Questions regarding these affiliates should be addressed to Elizabeth Collier, Director in Pacific Gas and Electric Company's Compliance and Ethics Department at (415) 973-4620.

Pacific Gas and Electric Company has previously notified Commission staff and posted notice of the formation of these affiliates on its affiliate transaction World Wide Web site at:

http://www.pge.com/rates_regulations/affiliate_transactions/index.html

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 **October 23, 2006**, which is 21 days from the date of this filing¹. 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

¹ The 20 day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

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 October 2, 2006, 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 I.97-04-012. Address change requests should be directed to Rose de la Torre at (415) 973-4716. 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 I.97-04-012

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. Pacific Gas and Electric Company U39M

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: David Poster

Phone #: (415) 973-1082

E-mail: dxpu@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2767-G/2909-E**

Subject of AL: Notification of the Reclassification of Two Affiliates

Keywords (choose from CPUC listing): Affiliate

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.97-12-088:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Resolution Required? Yes No

Requested effective date: 10/2/2006

No. of tariff sheets: 0

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Utility Info (including e-mail)

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Elsesser	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Stanford University
California ISO	International Power Technology	Sutherland, Asbill & Brennan
Calpine	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Calpine Corp	IUCG/Sunshine Design LLC	Tecogen, Inc
Calpine Gilroy Cogen	J. R. Wood, Inc	TFS Energy
Cambridge Energy Research Assoc	JTM, Inc	Transcanada
Cameron McKenna	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
Cardinal Cogen	Manatt, Phelps & Phillips	U S Borax, Inc
Cellnet Data Systems	Marcus, David	United Cogen Inc.
Chevron Texaco	Matthew V. Brady & Associates	URM Groups
Chevron USA Production Co.	Maynor, Donald H.	Utility Cost Management LLC
City of Glendale	MBMC, Inc.	Utility Resource Network
City of Healdsburg	McKenzie & Assoc	Wellhead Electric Company
City of Palo Alto	McKenzie & Associates	Western Hub Properties, LLC
City of Redding	Meek, Daniel W.	White & Case
CLECA Law Office	Mirant California, LLC	WMA
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	