Notice of Preparation (NOP)

To: _____   From: Mr. Bruce Kaneshiro, and Ms. Judith Iklé
                                            CPUC EIR Co-Project Managers
                                            (Lead Agency)

                                            c/o Public Affairs Management
                                            101 The Embarcadero, Suite 210
                                            San Francisco, CA 94105

Subject: **Notice of Preparation of a Draft Environmental Impact Report**

The California Public Utilities Commission will be the Lead Agency and will prepare an environmental impact report for the proposed valuation and divestiture of hydroelectric generation and related assets by Pacific Gas and Electric Company. The EIR will disclose all potential significant physical environmental effects of the proposed transfer of ownership. We need to know the views of your agency or organization as to the scope and content of the environmental information, which is germane to your responsibilities or interests in connection with the proposed divestiture, and transfer of ownership. Your agency or organization may need to use the EIR prepared by our agency when considering your permit or other approval for the project.

The project description, location, and the potential environmental effects are contained in this NOP. An Initial Study is not attached.

In order to ensure the EIR addresses all appropriate environmental concerns, this NOP is intended to seek all relevant comments pertaining to the scope of analysis in the EIR. Comments in response to this NOP are required to be submitted no later than June 1, 2000.

Please send your response to Mr. Bruce Kaneshiro at the address (c/o Public Affairs Management) above. We will need the name of a contact person in your agency.

Project Title: Application to Market Value Hydroelectric Generating Plants and Related Assets
                        Pursuant to Public Utilities Code Sections 367(b) and 851. Application No. 99-
                        09-053

Project Applicant: Pacific Gas and Electric Company

Date __April 27, 2000_____   Signature _____
                                                   Bruce Kaneshiro
                                       Title   EIR Project Manager
                                       Telephone   (877) 779-2782