

BANK OF MONTREAL /CAN/

Form 424B2

October 16, 2014

The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Registration Statement No. 333-196387

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Subject to Completion, dated October 16, 2014

Pricing Supplement to the Prospectus dated June 27, 2014, the Prospectus Supplement dated June 27, 2014 and the Product Supplement dated June 30, 2014

US\$

Senior Medium-Term Notes, Series C

Contingent Risk Absolute Return Notes due October 29, 2021

Linked to the S&P 500® Index

· The notes are designed for investors who seek a 111% leveraged return based on any appreciation in the level of the S&P 500® Index (the “Underlying Asset”). In addition, if the Final Level of the Underlying Asset is less than its Initial Level but is greater than or equal to the Barrier Level, you will receive a positive return on your notes equal to the percentage by which that level declines up to the Maximum Downside Redemption Amount (as defined below) of \$1,300 per \$1,000 in principal amount of the notes.

· If the Final Level is less than the Barrier Level, investors will lose 1% of their principal amount for each 1% decrease in the level of the Underlying Asset from the pricing date to the valuation date.

· An investor in the notes may lose all or a portion of their principal amount at maturity.

· The notes will not bear interest. The notes will not be listed on any securities exchange.

· Any payment at maturity is subject to the credit risk of Bank of Montreal.

· The offering is expected to price on or about October 28, 2014, and the notes are expected to settle through the facilities of The Depository Trust Company on or about October 31, 2014.

· The notes are scheduled to mature on or about October 29, 2021.

· The notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000.

· The CUSIP number of the notes is 06366RXL4.

· Our subsidiary, BMO Capital Markets Corp. (“BMOCM”), is the agent for this offering. See “Supplemental Plan of Distribution (Conflicts of Interest)” below.

Investing in the notes involves risks, including those described in the “Selected Risk Considerations” section beginning on page P-4 of this pricing supplement, “Additional Risk Factors Relating to the Notes” section beginning on page PS-5 of the product supplement, and “Risk Factors” section beginning on page S-1 of the prospectus supplement and on page 7 of the prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or passed upon the accuracy of this pricing supplement, the product supplement, the prospectus supplement or the prospectus. Any representation to the contrary is a criminal

offense.

The notes will be our unsecured obligations and will not be savings accounts or deposits that are insured by the United States Federal Deposit Insurance Corporation, the Bank Insurance Fund, the Canada Deposit Insurance Corporation or any other governmental agency or instrumentality or other entity. On the date of this preliminary pricing supplement, the estimated initial value of the notes is \$910.00 per \$1,000 in principal amount, based on the terms set forth above. The estimated initial value of the notes on the pricing date may differ from this value but will not be less than \$895.00 per \$1,000 in principal amount. However, as discussed in more detail in this pricing supplement, the actual value of the notes at any time will reflect many factors and cannot be predicted with accuracy.

	Price to Public(1)	Agent's Commission(1)(2)	Proceeds to Bank of Montreal
Per Note	US\$1,000	US\$	US\$
Total	US\$	US\$	US\$

- (1) Certain dealers who purchase the notes for sale to certain fee-based advisory accounts may forego some or all of their selling concessions, fees or commissions. The public offering price for investors purchasing the notes in these accounts may be between \$965 and \$1,000 per \$1,000 in principal amount.
- (2) The actual agent's commission for each of the notes will be set forth in the final pricing supplement.

BMO CAPITAL MARKETS

Key Terms of the Notes:

Underlying Asset: S&P 500® Index (Bloomberg symbol: SPX). See the section below entitled “The Underlying Asset” for additional information about the Underlying Asset.

Payment at Maturity: If the Percentage Change is positive, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will equal:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change} \times \text{Upside Leverage Factor})$$

If the Percentage Change is less than or equal to zero, but is not less than the Barrier Percentage, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will equal:

$$\text{Principal Amount} + (-1 \times \text{Principal Amount} \times \text{Percentage Change})$$

In this case, subject to our credit risk, investors will receive a positive return on the notes up to the Maximum Downside Redemption Amount (as defined below), even though the level of the Underlying Asset has declined since the pricing date.

If the Percentage Change is less than the Barrier Percentage, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will equal:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change})$$

In this case, investors will lose all or a portion of the principal amount of the notes.

Initial Level: The closing level of the Underlying Asset on the pricing date. The Initial Level will be set forth in the final pricing supplement for the notes.

Final Level: The closing level of the Underlying Asset on the valuation date.

Percentage Change: 
$$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$$

Barrier Level: 70% of the Initial Level (to be determined on the pricing date).

Barrier Percentage: -30%

Upside Leverage Factor: 111%

Maximum Downside \$1,300

Redemption Amount:

Pricing Date: On or about October 28, 2014.

Settlement Date: On or about October 31, 2014, as determined on the Pricing Date.

Valuation Date: On or about October 26, 2021, subject to adjustment.

Maturity Date: On or about October 29, 2021, subject to adjustment, resulting in a term to maturity of approximately seven years.

CUSIP Number: 06366RXL4

Calculation Agent: BMO Capital Markets Corp.

Selling Agent: BMO Capital Markets Corp.

The pricing date and settlement date are subject to change. The actual pricing date, settlement date, valuation date, maturity date, Initial Level and Barrier Level will be set forth in the final pricing supplement.

We may use this pricing supplement in the initial sale of the notes. In addition, BMOCM or another of our affiliates may use this pricing supplement in market-making transactions in any notes after their initial sale. Unless our agent or we inform you otherwise in the confirmation of sale, this pricing supplement is being used in a market-making transaction.

#### Additional Terms of the Notes

You should read this pricing supplement together with the product supplement dated June 30, 2014, the prospectus supplement dated June 27, 2014 and the prospectus dated June 27, 2014. This pricing supplement, together with the documents listed below, contains the terms of the notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours or the agent. You should carefully consider, among other things, the matters set forth in “Additional Risk Factors Relating to the Notes” in the product supplement, as the notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the notes.

You may access these documents on the SEC website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Product supplement dated June 30, 2014:  
<https://www.sec.gov/Archives/edgar/data/927971/000121465914004751/f626140424b5.htm>
- Prospectus supplement dated June 27, 2014:  
<https://www.sec.gov/Archives/edgar/data/927971/000119312514254915/d750935d424b5.htm>
- Prospectus dated June 27, 2014:  
<http://www.sec.gov/Archives/edgar/data/927971/000119312514254905/d749601d424b2.htm>

Our Central Index Key, or CIK, on the SEC website is 927971. As used in this pricing supplement, the “Company,” “we,” “us” or “our” refers to Bank of Montreal.

## Selected Risk Considerations

An investment in the notes involves significant risks. Investing in the notes is not equivalent to investing directly in the Underlying Asset. These risks are explained in more detail in the “Additional Risk Factors Relating to the Notes” section of the product supplement.

- Your investment in the notes may result in a loss. — You may lose some or all of your investment in the notes. The payment at maturity will be based on the Final Level. If the Percentage Change is less than the Barrier Percentage, you will lose 1% of the principal amount for each 1% decrease in the level of the Underlying Asset. Accordingly, you could lose some or all of the principal amount of your notes.
- Your investment is subject to the credit risk of Bank of Montreal. — Our credit ratings and credit spreads may adversely affect the market value of the notes. Investors are dependent on our ability to pay the amount due at maturity, and therefore investors are subject to our credit risk and to changes in the market’s view of our creditworthiness. Any decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the notes.
- Potential conflicts. — We and our affiliates play a variety of roles in connection with the issuance of the notes, including acting as calculation agent. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the notes. We or one or more of our affiliates may also engage in trading securities included in the Underlying Asset on a regular basis as part of our general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for our customers. Any of these activities could adversely affect the level of the Underlying Asset and, therefore, the market value of the notes. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the Underlying Asset. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the market value of the notes.
  - Our initial estimated value of the notes will be lower than the price to public. — Our initial estimated value of the notes is only an estimate, and is based on a number of factors. The price to public of the notes will exceed our initial estimated value, because costs associated with offering, structuring and hedging the notes are included in the price to public, but are not included in the estimated value. These costs include the agent’s commission, and the profits that we and our affiliates expect to realize for assuming the risks in hedging our obligations under the notes and the estimated cost of hedging these obligations. The initial estimated value may be as low as the amount indicated on the cover page of this pricing supplement.
- Our initial estimated value does not represent any future value of the notes, and may also differ from the estimated value of any other party. — Our initial estimated value of the notes as of the date of this preliminary pricing supplement is, and our estimated value as determined on the pricing date will be, derived using our internal pricing models. This value is based on market conditions and other relevant factors, which include volatility of the Underlying Asset, dividend rates and interest rates. Different pricing models and assumptions could provide values for the notes that are greater than or less than our initial estimated value. In addition, market conditions and other relevant factors after the pricing date are expected to change, possibly rapidly, and our assumptions may prove to be incorrect. After the pricing date, the value of the notes could change dramatically due to changes in market conditions, our creditworthiness, and the other factors set forth in this pricing supplement and the product supplement. These changes are likely to impact the price, if any, at which we or BMOCM would be willing to purchase the notes from you in any secondary market transactions. Our initial estimated value does not represent a minimum price at which we or our affiliates would be willing to buy your notes in any secondary market at any

time.

- The terms of the notes are not determined by reference to the credit spreads for our conventional fixed-rate debt. — To determine the terms of the notes, we will use an internal funding rate that represents a discount from the credit spreads for our conventional fixed-rate debt. As a result, the terms of the notes are less favorable to you than if we had used a higher funding rate.
- Certain costs are likely to adversely affect the value of the notes. — Absent any changes in market conditions, any secondary market prices of the notes will likely be lower than the price to public. This is because any secondary market prices will likely take into account our then-current market credit spreads, and because any secondary market prices are likely to exclude all or a portion of the agent's commission and the hedging profits and estimated hedging costs that are included in the price to public of the notes and that may be reflected on your account statements. In addition, any such price is also likely to reflect a discount to account for costs associated with establishing or unwinding any related hedge transaction, such as dealer discounts, mark-ups and other transaction costs. As a result, the price, if any, at which BMOCM or any other party may be willing to purchase the notes from you in secondary market transactions, if at all, will likely be lower than the price to public. Any sale that you make prior to the maturity date could result in a substantial loss to you.

- You will not have any shareholder rights and will have no right to receive any shares of any company included in the Underlying Asset at maturity. — Investing in your notes will not make you a holder of any shares of any company included in the Underlying Asset. Neither you nor any other holder or owner of the notes will have any voting rights, any right to receive dividends or other distributions, or any other rights with respect to those securities.
- Changes that affect the Underlying Asset will affect the market value of the notes and the amount you will receive at maturity. — The policies of S&P Dow Jones Indices LLC (“S&P”), the sponsor of the Underlying Asset, concerning the calculation of the Underlying Asset, additions, deletions or substitutions of the components of the Underlying Asset and the manner in which changes affecting those components, such as stock dividends, reorganizations or mergers, may be reflected in the Underlying Asset and, therefore, could affect the level of the Underlying Asset, the amount payable on the notes at maturity, and the market value of the notes prior to maturity. The amount payable on the notes and their market value could also be affected if S&P changes these policies, for example, by changing the manner in which it calculates the Underlying Asset, or if S&P discontinues or suspends the calculation or publication of the Underlying Asset. None of our proceeds from the issuance of the notes will be delivered to S&P.
- We have no affiliation with S&P and will not be responsible for any actions taken by S&P. S&P is not an affiliate of ours and will not be involved in the offering of the notes in any way. Consequently, we have no control over the actions of S&P, including any actions of the type that would require the calculation agent to adjust the payment to you at maturity. S&P has no obligation of any sort with respect to the notes. Thus, S&P has no obligation to take your interests into consideration for any reason, including in taking any actions that might affect the value of the notes.
- Lack of liquidity. — The notes will not be listed on any securities exchange. BMOCM may offer to purchase the notes in the secondary market, but is not required to do so. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the notes easily. Because other dealers are not likely to make a secondary market for the notes, the price at which you may be able to trade your notes is likely to depend on the price, if any, at which BMOCM is willing to buy the notes.
- Hedging and trading activities. — We or any of our affiliates may carry out hedging activities related to the notes, including purchasing or selling securities included in the Underlying Asset, or futures or options relating to the Underlying Asset, or other derivative instruments with returns linked or related to changes in the performance of the Underlying Asset. We or our affiliates may also engage in trading relating to the Underlying Asset from time to time. Any of these hedging or trading activities on or prior to the pricing date and during the term of the notes could adversely affect our payment to you at maturity.
- Many economic and market factors will influence the value of the notes. — In addition to the level of the Underlying Asset and interest rates on any trading day, the value of the notes will be affected by a number of economic and market factors that may either offset or magnify each other, and which are described in more detail in the product supplement.
- You must rely on your own evaluation of the merits of an investment linked to the Underlying Asset. — In the ordinary course of their businesses, our affiliates from time to time may express views on expected movements in the level of the Underlying Asset or the prices of the securities included in the Underlying Asset. One or more of our affiliates have published, and in the future may publish, research reports that express views on the Underlying Asset or these securities. However, these views are subject to change from time to time. Moreover, other professionals who deal in the markets relating to the Underlying Asset at any time may have significantly different views from those of our affiliates. You are encouraged to derive information concerning the Underlying Asset from multiple sources, and you should not rely on the views expressed by our affiliates.



Neither the offering of the notes nor any views which our affiliates from time to time may express in the ordinary course of their businesses constitutes a recommendation as to the merits of an investment in the notes.

- Significant aspects of the tax treatment of the notes are uncertain. The tax treatment of the notes is uncertain. We do not plan to request a ruling from the Internal Revenue Service or from any Canadian authorities regarding the tax treatment of the notes, and the Internal Revenue Service or a court may not agree with the tax treatment described in this pricing supplement.

The Internal Revenue Service has issued a notice indicating that it and the Treasury Department are actively considering whether, among other issues, a holder should be required to accrue interest over the term of an instrument such as the notes even though that holder will not receive any payments with respect to the notes until maturity and whether all or part of the gain a holder may recognize upon sale or maturity of an instrument such as the notes could be treated as ordinary income. The outcome of this process is uncertain and could apply on a retroactive basis.

Please read carefully the section entitled “U.S. Federal Tax Information” in this pricing supplement, the section entitled “Supplemental Tax Considerations—Supplemental U.S. Federal Income Tax Considerations” in the accompanying product supplement, the section “United States Federal Income Taxation” in the accompanying prospectus and the section entitled “Certain Income Tax Consequences” in the accompanying prospectus supplement. You should consult your tax advisor about your own tax situation.

## Hypothetical Return on the Notes at Maturity

The following table and examples illustrate the hypothetical return at maturity on a \$1,000 investment in the notes. The “return,” as used in this section is the number, expressed as a percentage, which results from comparing the payment at maturity per \$1,000 in principal amount of the notes to \$1,000. The hypothetical total returns set forth below are based on a hypothetical Initial Level of 1,968.89, a hypothetical Barrier Level of 1,378.22 and the Upside Leverage Factor of 111%. The hypothetical returns set forth below are for illustrative purposes only and may not be the actual returns applicable to investors in the notes. The numbers appearing in the following table and in the examples below have been rounded for ease of analysis.

Hypothetical Final Level	Percentage Change	Return on the Notes	Payment at Maturity
196.89	-90.00%	-90.00%	\$100.00
393.78	-80.00%	-80.00%	\$200.00
590.67	-70.00%	-70.00%	\$300.00
787.56	-60.00%	-60.00%	\$400.00
984.45	-50.00%	-50.00%	\$500.00
1,181.33	-40.00%	-40.00%	\$600.00
1,378.22	-30.00%	+30.00%	\$1,300.00
1,575.11	-20.00%	+20.00%	\$1,200.00
1,673.56	-15.00%	+15.00%	\$1,150.00
1,772.00	-10.00%	+10.00%	\$1,100.00
1,968.89	0.00%	0.00%	\$1,000.00
2,165.78	10.00%	10.00%	\$1,100.00
2,264.22	15.00%	15.00%	\$1,150.00
2,362.67	20.00%	20.00%	\$1,200.00
2,559.56	30.00%	30.00%	\$1,300.00
2,756.45	40.00%	40.00%	\$1,400.00
2,953.34	50.00%	50.00%	\$1,500.00

## Hypothetical Examples of Amounts Payable at Maturity

The following examples illustrate how the returns set forth in the table above are calculated.

Example 1: The level of the Underlying Asset decreases from the hypothetical Initial Level of 1,968.89 to a hypothetical Final Level of 1,181.33, representing a Percentage Change of -40%. Because the Percentage Change is negative and the hypothetical Final Level of 1,181.33 is less than the hypothetical Barrier Level, the investor receives a payment at maturity of \$600 per \$1,000 in principal amount of the notes, calculated as follows:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change}) = \text{Payment at Maturity}$$

$$\$1,000 + (\$1,000 \times -40\%) = \$600$$

Example 2: The level of the Underlying Asset decreases from the hypothetical Initial Level of 1,968.89 to a hypothetical Final Level of 1,772.00, representing a Percentage Change of -10%. Because the Percentage Change is less than zero but is not less than the hypothetical Barrier Level, the investor receives a payment at maturity of \$1,100 per \$1,000 in principal amount of the notes, calculated as follows:

Principal Amount + [Principal Amount x (-1 x Percentage Change)] = Payment at Maturity

$$\$1,000 + [\$1,000 \times (-1 \times -10\%)] = \$1,100$$

Example 3: The level of the Underlying Asset increases from the hypothetical Initial Level of 1,968.89 to a hypothetical Final Level of 2,165.78, representing a Percentage Change of 10%. Because the Percentage Change is positive, the investor receives a payment at maturity of \$1,111 per \$1,000 in principal amount of the notes, calculated as follows:

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Principal Amount + [Principal Amount x (Percentage Change x Upside Leverage Factor)] = Payment at Maturity

$$\$1,000 + [\$1,000 \times (10\% \times 111\%)] = \$1,111$$

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## U.S. Federal Tax Information

By purchasing the notes, each holder agrees (in the absence of a change in law, an administrative determination or a judicial ruling to the contrary) to treat each note as a pre-paid cash-settled derivative contract for U.S. federal income tax purposes. However, the U.S. federal income tax consequences of your investment in the notes are uncertain and the Internal Revenue Service could assert that the notes should be taxed in a manner that is different from that described in the preceding sentence. Please see the discussion (including the opinion of our counsel Morrison & Foerster LLP) in the product supplement under “Supplemental Tax Considerations—Supplemental U.S. Federal Income Tax Considerations,” which applies to the notes.

## Supplemental Plan of Distribution (Conflicts of Interest)

BMOCM will purchase the notes from us at a purchase price reflecting the commission set forth on the cover page of this pricing supplement. BMOCM has informed us that, as part of its distribution of the notes, it will reoffer the notes to other dealers who will sell them. Each such dealer, or additional dealer engaged by a dealer to whom BMOCM reoffers the notes, will purchase the notes at an agreed discount to the initial price to public.

Certain dealers who purchase the notes for sale to certain fee-based advisory accounts may forego some or all of their selling concessions, fees or commissions. The public offering price for investors purchasing the notes in these accounts may be less than 100% of the principal amount, as set forth on the cover page of this document. Investors that hold their notes in these accounts may be charged fees by the investment advisor or manager of that account based on the amount of assets held in those accounts, including the notes.

We own, directly or indirectly, all of the outstanding equity securities of BMOCM, the agent for this offering. In accordance with FINRA Rule 5121, BMOCM may not make sales in this offering to any of its discretionary accounts without the prior written approval of the customer.

We reserve the right to withdraw, cancel or modify the offering of the notes and to reject orders in whole or in part. You may cancel any order for the notes prior to its acceptance.

You should not construe the offering of the notes as a recommendation of the merits of acquiring an investment linked to the Underlying Asset, or as to the suitability of an investment in the notes.

BMOCM may, but is not obligated to, make a market in the notes. BMOCM will determine any secondary market prices that it is prepared to offer in its sole discretion.

We may use this pricing supplement in the initial sale of the notes. In addition, BMOCM or another of our affiliates may use this pricing supplement in market-making transactions in any notes after their initial sale. Unless BMOCM or we inform you otherwise in the confirmation of sale, this pricing supplement is being used by BMOCM in a market-making transaction.

For a period of approximately three months following issuance of the notes, the price, if any, at which we or our affiliates would be willing to buy the notes from investors, and the value that BMOCM may also publish for the notes through one or more financial information vendors and which could be indicated for the notes on any brokerage account statements, will reflect a temporary upward adjustment from our estimated value of the notes that would otherwise be determined and applicable at that time. This temporary upward adjustment represents a portion of (a) the hedging profit that we or our affiliates expect to realize over the term of the notes and (b) the selling concessions paid in connection with this offering. The amount of this temporary upward adjustment will decline to zero on a straight-line basis over the three-month period.

Additional Information Relating to the Estimated Initial Value of the Notes

Our estimated initial value of the notes on the date of this preliminary pricing supplement, and that will be set forth on the cover page of the final pricing supplement relating to the notes, equals the sum of the values of the following hypothetical components:

- a fixed-income debt component with the same tenor as the notes, valued using our internal funding rate for structured notes; and
  - one or more derivative transactions relating to the economic terms of the notes.

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The internal funding rate used in the determination of the initial estimated value generally represents a discount from the credit spreads for our conventional fixed-rate debt. The value of these derivative transactions are derived from our internal pricing models. These models are based on factors such as the traded market prices of comparable derivative instruments and on other inputs, which include volatility, dividend rates, interest rates and other factors. As a result, the estimated initial value of the notes on the pricing date will be determined based on market conditions at that time.

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## The Underlying Asset

All disclosures contained in this pricing supplement regarding the Underlying Asset, including, without limitation, its make-up, method of calculation, and changes in its components, have been derived from publicly available sources. The information reflects the policies of, and is subject to change by, S&P. S&P, which owns the copyright and all other rights to the Underlying Asset, has no obligation to continue to publish, and may discontinue publication of, the Underlying Asset. The consequences of S&P discontinuing publication of the Underlying Asset are discussed in the section of the product prospectus supplement entitled “General Terms of the Notes—Unavailability of the Level of the Underlying Asset on a Valuation Date.” Neither we nor BMOCM accepts any responsibility for the calculation, maintenance or publication of the Underlying Asset or any successor index.

The Underlying Asset is intended to provide an indication of the pattern of common stock price movement. The calculation of the level of the Underlying Asset is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. On September 30, 2014, the average market capitalization of the companies included in the Underlying Asset was \$36.87 billion. As of that date, the largest component of the Underlying Asset had a market capitalization of \$603.28 billion, and the smallest component of the Underlying Asset had a market capitalization of \$3.80 billion.

S&P chooses companies for inclusion in the Underlying Asset with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its Stock Guide Database of over 10,000 companies, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock generally is responsive to changes in the affairs of the respective industry, and the market value and trading activity of the common stock of that company. Ten main groups of companies comprise the Underlying Asset, with the approximate percentage of the market capitalization of the Underlying Asset included in each group as of September 30, 2014 indicated in parentheses: Information Technology (19.7%); Financials (16.3%); Health Care (13.9%); Consumer Discretionary (11.7%); Industrials (10.3%); Energy (9.7%); Consumer Staples (9.5%); Materials (3.5%); Utilities (3.0%); and Telecommunication Services (2.4%). S&P from time to time, in its sole discretion, may add companies to, or delete companies from, the Underlying Asset to achieve the objectives stated above.

S&P calculates the Underlying Asset by reference to the prices of the constituent stocks of the Underlying Asset without taking account of the value of dividends paid on those stocks. As a result, the return on the notes will not reflect the return you would realize if you actually owned the Underlying Asset constituent stocks and received the dividends paid on those stocks.

## Computation of the Underlying Asset

While S&P currently employs the following methodology to calculate the Underlying Asset, no assurance can be given that S&P will not modify or change this methodology in a manner that may affect the Payment at Maturity.

Historically, the market value of any component stock of the Underlying Asset was calculated as the product of the market price per share and the number of then outstanding shares of such component stock. In March 2005, S&P began shifting the Underlying Asset halfway from a market capitalization weighted formula to a float-adjusted formula, before moving the Underlying Asset to full float adjustment on September 16, 2005. S&P's criteria for selecting stocks for the Underlying Asset did not change with the shift to float adjustment. However, the adjustment affects each company's weight in the Underlying Asset.

Under float adjustment, the share counts used in calculating the Underlying Asset reflect only those shares that are available to investors, not all of a company's outstanding shares. Float adjustment excludes shares that are closely held by control groups, other publicly traded companies or government agencies.

In September 2012, all shareholdings representing more than 5% of a stock's outstanding shares, other than holdings by "block owners," were removed from the float for purposes of calculating the Underlying Asset. Generally, these "control holders" will include officers and directors, private equity, venture capital and special equity firms, other publicly traded companies that hold shares for control, strategic partners, holders of restricted shares, ESOPs, employee and family trusts, foundations associated with the company, holders of unlisted share classes of stock, government entities at all levels (other than government retirement/pension funds) and any individual person who controls a 5% or greater stake in a company as reported in regulatory filings. However, holdings by block owners, such as depository banks, pension funds, mutual funds and ETF providers, 401(k) plans of the company, government retirement/pension funds, investment funds of insurance companies, asset managers and investment funds, independent foundations and savings and investment plans, will ordinarily be considered part of the float.

Treasury stock, stock options, restricted shares, equity participation units, warrants, preferred stock, convertible stock, and rights are not part of the float. Shares held in a trust to allow investors in countries outside the country of domicile, such as depositary shares and Canadian exchangeable shares are normally part of the float unless those shares form a control block. If a company has multiple classes of stock outstanding, shares in an unlisted or non-traded class are treated as a control block.

For each stock, an investable weight factor (“IWF”) is calculated by dividing the available float shares by the total shares outstanding. As of September 21, 2012, available float shares are defined as the total shares outstanding less shares held by control holders. This calculation is subject to a 5% minimum threshold for control blocks. For example, if a company’s officers and directors hold 3% of the company’s shares, and no other control group holds 5% of the company’s shares, S&P would assign that company an IWF of 1.00, as no control group meets the 5% threshold. However, if a company’s officers and directors hold 3% of the company’s shares and another control group holds 20% of the company’s shares, S&P would assign an IWF of 0.77, reflecting the fact that 23% of the company’s outstanding shares are considered to be held for control. For companies with multiple classes of stock, S&P calculates the weighted average IWF for each stock using the proportion of the total company market capitalization of each share class as weights.

The Underlying Asset is calculated using a base-weighted aggregate methodology. The level of the Underlying Asset reflects the total market value of all 500 component stocks relative to the base period of the years 1941 through 1943. An indexed number is used to represent the results of this calculation in order to make the level easier to use and track over time. The actual total market value of the component stocks during the base period of the years 1941 through 1943 has been set to an indexed level of 10. This is often indicated by the notation 1941-43 = 10. In practice, the daily calculation of the Underlying Asset is computed by dividing the total market value of the component stocks by the “index divisor.” By itself, the index divisor is an arbitrary number. However, in the context of the calculation of the Underlying Asset, it serves as a link to the original base period level of the Underlying Asset. The index divisor keeps the Underlying Asset comparable over time and is the manipulation point for all adjustments to the Underlying Asset, which is index maintenance.

#### Index Maintenance

Index maintenance includes monitoring and completing the adjustments for company additions and deletions, share changes, stock splits, stock dividends, and stock price adjustments due to company restructuring or spinoffs. Some corporate actions, such as stock splits and stock dividends, require changes in the common shares outstanding and the stock prices of the companies in the Underlying Asset, and do not require index divisor adjustments.

To prevent the level of the Underlying Asset from changing due to corporate actions, corporate actions which affect the total market value of the Underlying Asset require an index divisor adjustment. By adjusting the index divisor for the change in market value, the level of the Underlying Asset remains constant and does not reflect the corporate actions of individual companies in the Underlying Asset. Index divisor adjustments are made after the close of trading and after the calculation of the Underlying Asset closing level.

Changes in a company’s shares outstanding of 5.00% or more due to mergers, acquisitions, public offerings, tender offers, Dutch auctions, or exchange offers are made as soon as reasonably possible. All other changes of 5.00% or more (due to, for example, company stock repurchases, private placements, redemptions, exercise of options, warrants, conversion of preferred stock, notes, debt, equity participation units, at the market offerings, or other recapitalizations) are made weekly and are announced on Wednesdays for implementation after the close of trading on the following Wednesday. Changes of less than 5.00% due to a company’s acquisition of another company in the Underlying Asset are made as soon as reasonably possible. All other changes of less than 5.00% are accumulated and made quarterly on the third Friday of March, June, September, and December, and are usually announced two to five

days prior.

Changes in IWFs of more than five percentage points caused by corporate actions (such as merger and acquisition activity, restructurings, or spinoffs) will be made as soon as reasonably possible. Other changes in IWFs will be made annually when IWFs are reviewed.

#### License Agreement

We and S&P have entered into a non-exclusive license agreement providing for the license to us and certain of our affiliates, in exchange for a fee, of the right to use the Underlying Asset, in connection with certain securities, including the notes. The Underlying Asset is owned and published by S&P.

The license agreement between S&P and us provides that the following language must be set forth in this pricing supplement:

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## Historical Information of the Underlying Asset

The following table sets forth the quarter-end high and low closing levels for the Underlying Asset from the first quarter of 2010 through October 10, 2014.

The historical levels of the Underlying Asset are provided for informational purposes only. You should not take the historical levels of the Underlying Asset as an indication of its future performance, which may be better or worse than the levels set forth below.

## Closing Levels of the Underlying Asset

		High (\$)	Low (\$)
2010	First Quarter	1,174.17	1,056.75
	Second Quarter	1,217.28	1,030.71
	Third Quarter	1,148.67	1,022.58
	Fourth Quarter	1,259.78	1,137.03
2011	First Quarter	1,343.01	1,256.88
	Second Quarter	1,363.61	1,265.42
	Third Quarter	1,353.22	1,119.46
	Fourth Quarter	1,285.09	1,099.23
2012	First Quarter	1,416.51	1,277.06
	Second Quarter	1,419.04	1,278.05
	Third Quarter	1,465.77	1,334.76
	Fourth Quarter	1,461.40	1,353.33
2013	First Quarter	1,569.19	1,457.15
	Second Quarter	1,669.16	1,541.61
	Third Quarter	1,725.52	1,614.08
	Fourth Quarter	1,848.36	1,655.45
2014	First Quarter	1,878.04	1,741.89
	Second Quarter	1,962.87	1,815.69
	Third Quarter	2,011.36	1,909.57
	Fourth Quarter (through October 10, 2014)	1,968.89	1,906.13

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&gt;

An 85.71% owned subsidiary of Pacific Gas and Electric Company engaged in the transportation of natural gas in California.

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7.

Pacific California Gas System, Inc.

California Corporation

77 Beale Street

San Francisco, CA 94105

A subsidiary of Pacific Gas and Electric Company, which holds the intrastate segment of the PGT-PG&E Pipeline Expansion project.

1.

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8.

Pacific Energy Fuels Company

California Corporation

77 Beale Street

San Francisco, CA 94105

A Pacific Gas and Electric Company subsidiary created to own and finance nuclear fuel inventory previously owned by Pacific Energy Trust. Currently inactive.

1.

2.

2.

8.

1.

Fuelco LLC

Delaware Corporation

One Ameren Plaza

St. Louis, MO 63103

Joint Venture limited liability company formed between AmerenUE, TXU Generation Company LP and Pacific Gas and Electric Company for the purpose of sharing costs and reducing fuel acquisition costs.

1.

2.

2.

9.

Pacific Gas Properties Company

California Corporation

77 Beale Street

San Francisco, CA 94105

A subsidiary of Pacific Gas and Electric Company, which holds Alaskan and Californian properties, previously intended for Liquefied Natural Gas (LNG) purposes, for sale or development.

1.

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9.

1.

Pacific Properties

California General Partnership

77 Beale Street

San Francisco, CA 94105

Pacific Properties is 50% owned by Pacific Gas Properties Company. Formerly held Alaskan and Californian properties, intended for LNG purposes.

1.

2.

2.



10.

PG&E Funding, LLC

Delaware Limited Liability Company

245 Market Street, Rm 424

San Francisco, CA 94105

A subsidiary of Pacific Gas and Electric Company; formed to retain ownership of transition property and the issuance of securities.

1.

2.

2.

11.

Chico Commons, a California Limited Partnership

California Limited Partnership

77 Beale Street

San Francisco, CA 94105

Chico Commons, L.P. is 40.8% owned by Pacific Gas and Electric Company as a limited partner. Chico Commons, L.P. was created to construct and own low-income housing.

1.

2.

2.

12.

201 Turk Street, L.P.

California Limited Partnership

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

201 Turk Street, L.P. is 33% owned by Pacific Gas and Electric Company as a limited partner. 201 Turk Street, L.P. was created to construct and own a low-income housing project.

1.

2.

2.

13.

1989 Oakland Housing Partnership Associates, L.P.

California Limited Partnership

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

1989 Oakland Housing Partnership Associates, L.P. is 40.2% owned by Pacific Gas and Electric Company as a limited partner. 1989 Oakland Housing Partnership Associates, L.P. was created to construct and own low-income housing.

1.

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2.

14.

1992 Oakland Regional Housing Partnership Associates, a California Limited Partnership

California Limited Partnership

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

1992 Oakland Regional Housing Partnership Associates, L.P. is 17% owned by Pacific Gas and Electric Company as a limited partner. 1992 Oakland Housing Partnership Associates, L.P. was created to construct and own low-income housing.

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2.

2.

15.

1994 Oakland Regional Housing Partnership Associates, a California Limited Partnership

California Limited Partnership

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

1994 Oakland Regional Housing Partnership Associates, L.P. is 11.6% owned by Pacific Gas and Electric Company as a limited partner. 1994 Oakland Regional Housing Partnership Associates, L.P. was created to construct and own low-income housing.

1.

2.

2.

16.

Pacific Gas and Electric Housing Fund Partnership, L.P.

California Limited Partnership

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

Pacific Gas and Electric Housing Fund Partnership, L.P. is 99.9% owned by Pacific Gas and Electric Company as a limited partner. Pacific Gas and Electric Housing Fund Partnership, L.P., invests in projects that construct and own low-income housing.

1.

2.

2.

17.

Merritt Community Capital Fund V, L.P.

California Limited Partnership

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

Merritt Community Capital Fund V, L.P. is 2.4% owned by Pacific Gas and Electric Company as a limited partner. Merritt Community Capital Fund V, L.P., was created to construct and own low-income housing.

1.

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2.

18.

Schoolhouse Lane Apartments L.P.

California Limited Partnership

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

Schoolhouse Lane Apartments, L.P. is 99.9% owned by Pacific Gas and Electric Company as a limited partner. Schoolhouse Lane Apartments, L.P., was created to construct and own low-income housing.

1.

2.

2.

19.

PG&E Holdings, LLC

Delaware Limited Liability Company

77 Beale Street, 32<sup>nd</sup> Floor

San Francisco, CA 94105

A subsidiary of Pacific Gas and Electric Company which holds common shares of Pacific Gas and Electric Company.

1.

2.

2.

20.

PG&E CalHydro, LLC

California Limited Liability Company

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

A subsidiary of Pacific Gas and Electric Company formed for the purpose of owning and operating a system of hydroelectric facilities and related watershed.

1.

2.

2.

21.

Morro Bay Mutual Water Company

California Corporation

1290 Embarcadero

Morro Bay, CA 93442

A non-profit mutual benefit corporation, 50% owned by Pacific Gas and Electric Company. Formed to sell, distribute, supply and deliver water to its members for domestic irrigation and fire protection uses.

1.

2.

2.

22.

Moss Landing Mutual Water Company

California Corporation

Dolan Road and California State Highway 1

Moss Landing, CA 95039

A non-profit mutual benefit corporation, 33.33% owned by Pacific Gas and Electric Company. Formed to sell, distribute, supply and deliver water to its members for domestic irrigation and fire protection uses.

1.

2.

3.

PG&E National Energy Group, LLC

Delaware Limited Liability Company

One Market, Spear Tower

San Francisco, CA 94105

A subsidiary of PG&E Corporation formed for the purpose of holding stock of National Energy Gas Transmission, Inc.

- 1.
- 2.
- 3.
- 1.

National Energy & Gas Transmission, Inc.

(formerly PG&E National Energy Group, Inc.)

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

A subsidiary of PG&E National Energy Group, LLC formed for the purpose of owning, both directly and indirectly, PG&E Corporation's unregulated subsidiaries.

- 1.
- 2.
- 3.
- 1.
- 1.

NEGT Enterprises, Inc.

(formerly PG&E Enterprises, Inc.)

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for National Energy & Gas Transmission, Inc. subsidiaries.

- 1.
- 2.
- 3.

1.

1.

1.

National Energy Holdings Corporation

(formerly PG&E National Energy Group Holdings Corporation)

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for National Energy & Gas Transmission, Inc. generating and energy trading subsidiaries.

1.

2.

3.

1.

1.

1.

1.

Properties Holdings, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for PG&E Properties entities.

1.

2.

3.

1.

1.

1.

1.

1.

Gilia Enterprises  
California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Real estate investment company; general partner in Marengo Ranch Joint Venture and Oat Creek Associates Joint Venture.

1.

2.

3.

1.

1.

1.

1.

1.

1.

Oat Creek Associates Joint Venture  
California Partnership

4615 Cowell Blvd.  
Davis, CA 95616

Land development company in Yolo County, California.

1.

2.

3.

1.

1.



1.

1.

2.

DPR, Inc.

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Real estate investment company.

1.

2.

3.

1.

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1.

1.

3.

The Conaway Ranch Company

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Partner in the Conaway Conservancy Group.

1.

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3.

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3.

1.

Conaway Conservancy Group Joint Venture California Partnership

4615 Cowell Blvd.

Davis, CA 95616

Owns property in Yolo County, California.

1.

2.

3.

1.

1.

1.

1.

4.

BPS I, Inc.

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Limited partner in Alhambra Pacific Joint Venture.

1.

2.

3.

1.

1.

1.

1.

5.

Marengo Ranch Joint Venture  
California Partnership

4615 Cowell Blvd.  
Davis, CA 95616

Land development in Sacramento County, California.

1.

2.

3.

1.

1.

1.

1.

6.

Alhambra Pacific Joint Venture  
California Partnership

4615 Cowell Blvd.

Davis, CA 95616

Owns property in Yolo County, California.

1.

2.

3.

1.

1.

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1.

7.

Valley Real Estate, Inc.  
California Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Real estate investment company.

1.

2.

3.

1.

1.

1.

2.

NEGT Energy Company, LLC  
(formerly PG&E Generating Company, LLC)  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Holding company for independent power producers and merchant energy activities.

1.

2.

3.

1.

1.

1.

2.

1.

National Energy Generating Company, LLC  
(formerly PG&E Generating Energy Group, LLC)  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Holding company for NEGT merchant projects and USGen New England, Inc.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 1.

National Energy Generating Holdings, Inc.  
(formerly PG&E Generating Energy Holdings, Inc.)  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to be the holding company for the 1% membership interests in some of the limited liability companies under National Energy Generating Company, LLC.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.

1.

2.

Spencer Station Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Limited partner in Spencer Station Generating Company, L.P.

1.

2.

3.

1.

1.

1.

2.

1.

3.

Badger Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Badger Generating Company, LLC.

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2.

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1.

1.

1.

2.

1.

4.

MidColumbia Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in MidColumbia Generating Company, LLC.

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4.

1.

MidColumbia Generating Company, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

2.

1.

5.

Black Hawk III Power Corporation  
California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General and limited partner in Lake Road Generating Company, L.P.; holds membership interest in Lake Road Power I, LLC.

1.

2.

3.

1.

1.

1.

2.

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5.

1.

Lake Road Power I, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.



1.

1.

1.

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1.

6.

Harlan Power Corporation  
California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General and limited partner in Umatilla Generating Company, L.P.

1.

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1.

Umatilla Generating Company, L.P.  
Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

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2.

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7.

Morrow Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Morrow Generating Company, LLC.

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1.

Morrow Generating Company, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 8.

Peach IV Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General partner in Lake Road Generating Company, L.P.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 8.
- 1.

Lake Road Power II, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

2.

1.

9.

Juniper Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Umatilla Generating Company, L.P.

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2.

1.

10.

Plover Power Corporation  
California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General and limited partner in Mantua Creek Generating Company, L.P. and Mantua Creek Urban Renewal, L.P.

1.

2.

3.

1.

1.

1.

2.

1.

11.

Beech Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Mantua Creek Generating Company, L.P. and Mantua Creek Urban Renewal, L.P.

1.

2.

3.

1.

1.

1.

2.

1.

11.

1.

Mantua Creek Urban Renewal, L.P.  
Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Special purpose partnership formed for the Mantua Creek Project.

1.

2.

3.

1.

1.

1.

2.

1.

12.

First Arizona Land Corporation

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed to enter into real estate options in the State of Arizona for the Harquahala Project.

1.

2.

3.

1.

1.

1.

2.

1.

13.

First California Land Corporation

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed to enter into real estate options and/or leases in the State of California.

1.

2.

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2.

1.

14.

NEGT Generating New England, Inc.

(formerly PG&E Generating New England, Inc.)

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed to own a 100% membership interest in NEGT Generating New England, LLC.

1.

2.

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1.

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1.

2.

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14.

1.

NEGT Generating New England, LLC

(formerly PG&E Generating New England, LLC)

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

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15.

Attala Power Corporation

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814



Owns 100% membership interest in Attala Generating Company, LLC.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 16.

Kentucky Hydro Holdings, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 17.

San Gorgonio Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Holding company for wind projects.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 18.

GenHoldings I, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to serve as borrower for construction financing for Athens, Covert and Harquahala (Millennium is included as equity) projects.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 18.
- 1.

Osprey Power Corporation  
California Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General and limited partner in Millennium Power Partners, L.P.; owns Magnolia Power Corporation.

1.

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3.

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1.

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1.

Magnolia Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General partner in Millennium Power Partners, L.P.

1.

2.

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1.

1.

2.

1.

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2.

Black Hawk Power Corporation  
California Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General and limited partner in Athens Generating Company, L.P.

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2.

1.

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3.

Peach I Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General partner in Athens Generating Company, L.P.

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Harquahala Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Harquahala Generating Company, LLC.

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2.

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5.

Covert Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Covert Generating Company, LLC.

1.

2.

3.

1.

- 1.
- 1.
- 2.
- 1.
- 19.

Long Creek Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Long Creek Generating Company, LLC.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 19.
- 1.

Long Creek Generating Company, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

- 1.
- 2.
- 3.

- 1.
- 1
- 1
- 2.
- 1.
- 20.

La Paloma Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in La Paloma Generating Company, LLC.

- 1.
- 2.
- 3.
- 1.
- 1
- 1
- 2.
- 1.
- 21.

Liberty Generating Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Liberty Generating Company, LLC.

- 1.
- 2.
- 3.

1.

1

1

2.

1.

21.

1.

Liberty Urban Renewal, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Special purpose limited liability company formed for the Liberty project.

1.

2.

3.

1.

1

1

2.

1.

22.

Otay Mesa Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

1.

2.



- 3.
- 1.
- 1
- 1
- 2.
- 1.
- 23.

Bluebonnet Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Bluebonnet Generating Company, LLC.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 23.
- 1.

Bluebonnet Generating Company, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 24.

Meadow Valley Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Meadow Valley Generating Company, LLC.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 24.
- 1.

Meadow Valley Generating Company, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 25.

Madison Wind Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive; originally formed to own a membership interest in Madison Windpower, LLC.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 1.
- 26.

Okeechobee Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Okeechobee Generating Company, LLC.

1.

2.

3.

1.

1.

1.

2.

1.

27.

Dispersed Power Corporation  
(formerly PG&E Dispersed Power Corporation)  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Holding company for dispersed generating projects.

1.

2.

3.

1.

1.

1.

2.

1.

27.

1.

Dispersed Gen Properties, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own real estate previously owned by Dispersed Generating Company, LLC.

1.

2.

3.

1.

1.

1.

2.

1.

27.

2.

Peak Power Generating Company, Inc.  
California Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Acquired for dispersed generation development efforts in California.

1.

2.

3.

1.

1.

1.

2.

1.

28.

Goose Lake Power Corporation  
Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to own a membership interest in Goose Lake Generating Company, LLC.

1.

2.

3.

1.

1.

1.

2.

1.

28.

1.

Goose Lake Generating Company, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

2.

1.

29.

Attala Energy Company, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Special purpose entity formed for the tolling portion of the Attala Project.

1.

2.

3.

1.

1.

1.

2.

1.

30.

White Pine Generating Company, LLC  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

2.

1.

31.

USG Services Company, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed to perform payroll services on behalf of US Gen New England, Inc.

1.

2.

3.

1.

1.

1.

2.

2.

National Energy Power Company, LLC

(formerly PG&E Generating Power Group, LLC)

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for NEGT operating projects.

1.

2.

3.

1.

1.

1.



2.

2.

1.

Aplomado Power Corporation

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Investment company for the Panther Creek Project.

1.

2.

3.

1.

1.

1.

2.

2.

2.

Beale Generating Company

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company.

1.

2.

3.

1.

1.

1.

2.

2.

2.

1.

Indian Orchard Generating Company, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed to hold a 49% membership interest in MASSPOWER, LLC.

1.

2.

3.

1.

1.

1.

2.

2.

2.

1.

1.

MASSPOWER, L.L.C.

Delaware Limited Liability Company

1001 Louisiana Street

Room 2904A

Houston, Texas 77002

Formed to hold a 30% General partnership interest in MASSPOWER.

1.

2.

3.

1.

1.

1.

2.

2.

2.

2.

JMC Altresco, Inc.

Colorado Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for subsidiaries/projects acquired through acquisition of Altresco Financial, Inc.

1.

2.

3.

1.

1.

1.

2.

2.

2.

2.

1.

Altresco, Inc.

Colorado Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General Partner - Pittsfield Generating Company, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

2.

2.

2.

Berkshire Pittsfield, Inc.

Colorado Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General Partner - Berkshire Feedline Acquisition Limited Partnership.

1.

2.

3.

1.

- 1.
- 1.
- 2.
- 2.
- 2.
- 2.

- 2.
- 1.

Berkshire Feedline Acquisition Limited Partnership

Massachusetts Limited Partnership

235 Merrill Road

Pittsfield, MA 01201

Owner of pipeline connecting Pittsfield Generating Company, L.P. facility and El Paso Energy facilities.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 2.
- 2.

3.

Pittsfield Partners, Inc.

Colorado Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Limited Partner - Pittsfield Generating Company, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

2.

3.

JMC Iroquois, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

4.57% General Partner and .36% Limited Partner in Iroquois Gas Transmission System, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

2.

3.

1.

Iroquois Gas Transmission System, L.P.

Delaware Limited Partnership

One Corporate Drive, Suite 600  
Shelton, Connecticut 06484

Owner of a 375-mile natural gas pipeline extending through New York State and Connecticut providing services to markets in New York, New Jersey and New England.

1.

2.

3.

1.

1.

1.

2.

2.

2.

4.

JMC Selkirk Holdings, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

100% ownership of JMC Selkirk, Inc. and JMCS I Holdings, Inc.

1.

2.

3.

- 1.
- 1.
- 1.
- 2.
- 2.
- 2.
- 4.
- 1.

JMC Selkirk, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Managing General Partner and Limited Partner of Selkirk Cogen Partners, L.P. Limited Partner interest (46.57%) in PentaGen Investors, L.P.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 2.
- 4.
- 1.

1.



PentaGen Investors, L.P.

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Limited partner (5.2502% preferred percentage interest) in Selkirk Cogen Partners, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

2.

4.

2.

JMCS I Holdings, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General Partner (.50%) and Limited Partner (2.93%) interests in PentaGen Investors, L.P.

1.

2.

3.

1.

1.

- 1.
- 2.
- 2.
- 2.
- 5.

Orchard Gas Corporation

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Administration and monitoring of gas supply for MASSPOWER project.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 3.

Mason Generating Company

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for J. Makowski Associates, Inc.

- 1.
- 2.

3.

1.

1.

1.

2.

2.

3.

1.

J. Makowski Associates, Inc.

Massachusetts Corporation

50 Congress St., Suite 310

Boston, MA 02109

Inactive.

1.

2.

3.

1.

1.

1.

2.

2.

4.

Eagle Power Corporation

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General and limited partner in Logan Generating Company, L.P., Granite Generating Company, L.P., and Keystone Cogeneration Company, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

4.

1.

Granite Generating Company, L.P.

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Limited partner in Keystone Urban Renewal Limited Partnership.

1.

2.

3.

1.

1.

1.

2.

2.

4.

1.

1.

Granite Water Supply Company, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Supplies water for the Logan Project.

1.

2.

3.

1.

1.

1.

2.

2.

4.

2.

Keystone Cogeneration Company, L.P.

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Keystone Urban Renewal Limited Partnership.

1.

2.

3.

1.

1.

1.

2.

2.

4.

2.

1.

Keystone Urban Renewal Limited Partnership  
Delaware Limited Partnership

7600 Wisconsin Avenue Bethesda, MD 20814

Special purpose partnership for the Logan Project.

1.

2.

3.

1.

1.

1.

2.

2.

5.

Larkspur Power Corporation

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner and limited partner in Hermiston Generating Company, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

6.

Buckeye Power Corporation

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

2.

2.

7.

Raptor Holdings Company

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for Cedar Bay project entities; owns NEGT Management Services Company.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 7.
- 1.

Gray Hawk Power Corporation

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Investment company for Cedar Bay project.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 7.
- 1.



1.

Cedar Bay Cogeneration, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General and limited partner in Cedar Bay Generating Company, Limited Partnership.

1.

2.

3.

1.

1.

1.

2.

2.

7.

2.

NEGT Management Services Company

(formerly PG&E Management Services Company)

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

2.

2.

8.

Toyran Enterprises

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Limited partner in Indiantown Cogeneration, L.P.; general partner in Indiantown Project Investment Partnership, L. P.

1.

2.

3.

1.

1.

1.

2.

2.

8.

1.

Indiantown Project Investment Partnership, L.P.

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Indiantown Cogeneration, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

9.

Spruce Power Corporation

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Spruce Limited Partnership.

1.

2.

3.

1.

1.

1.

2.

2.

9.

1.

Spruce Limited Partnership

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Limited partner in Colstrip Energy Limited Partnership.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 9.
- 1.

1.

Colstrip Energy Limited Partnership

Montana Limited Partnership

Diamond Block Building #210  
44 W 6

Helena, MT 59624

Owns and operates an electric generating facility in Colstrip, Montana.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.

2.

10.

Merlin Power Corporation

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General and limited partner in Fellows Generating Company, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

10.

1.

Fellows Generating Company, L.P.

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

- 1.
- 1.
- 2.
- 2.
- 11.

Pelican Power Corporation

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Okeelanta Power Limited Partnership.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 11.
- 1.

Okeelanta Power Limited Partnership

Florida Limited Partnership

316 Royal Poinciana Plaza

Palm Beach, FL 33480

Formed to develop, own and operate an electric generating facility in Okeelanta, Florida. Voluntarily filed a petition for relief under Chapter 11 on May 14, 1997.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 12.

Peregrine Power Corporation

California Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General partner in Chambers Cogeneration Limited Partnership.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 12.
- 1.

Chambers Cogeneration, Limited Partnership

Delaware Limited Partnership

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to lease, manage and operate an electric generating facility in Carneys Point, New Jersey.

1.

2.

3.

1.

1.

1.

2.

2.

13.

Heron Power Corporation

California Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General and limited partner in Gator Generating Company, L.P. (Osceola Project).

1.

2.

3.

1.

1.

1.

2.

2.

13.

1.



Gator Generating Company, L.P.

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed to develop, own, operate and lease (as lessor) a cogeneration facility (Osceola) in Palm Beach County, Florida. Filed a voluntary petition for bankruptcy protection under Chapter 11 on May 14, 1997.

1.

2.

3.

1.

1.

1.

2.

2.

14.

Jaeger Power Corporation

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General and limited partner in Northampton Generating Company, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

15.

Falcon Power Corporation

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General and limited partner in Scrubgrass Generating Company, L.P.; owner of Scrubgrass Power Corp.

1.

2.

3.

1.

1.

1.

2.

2.

15.

1.

Scrubgrass Power Corp.

Pennsylvania Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Scrubgrass Generating Company, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

16.

Eucalyptus Power Corporation

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Citrus Generating, Company, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

16.

1.

Citrus Generating Company, L.P.

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 17.

Cooper's Hawk Power Corporation

California Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General partner in Citrus Generating Company, L.P.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 18.

Loon Power Corporation

Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 19.

Iroquois Pipeline Investment, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Iroquois Gas Transmission System, L.P.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.

20.

J. Makowski Pittsfield, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Administrative Agent - Pittsfield Generating Company, L. P.

1.

2.

3.

1.

1.

1.

2.

2.

21.

J. Makowski Services, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Administrative Agent for MASSPOWER.

1.

2.

3.

1.

1.

1.

2.

2.

22.

JMCS I Management, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Administrative Agent for Selkirk Cogen Partners, L.P.

1.

2.

3.

1.

1.

1.

2.

2.

23.

U.S. Operating Services Holdings, Inc.

(formerly PG&E Operating Services Holdings, Inc.)

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Power Services Company and U.S. Operating Services Company; sole member of NEGTE National Energy Group Acquisition Company, LLC.

1.

2.

3.

1.

1.

1.

2.

2.

23.

1.

USOSC Holdings, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in U.S. Operating Services Company.

1.

2.

3.

1.

1.

1.

2.

2.

23.

1.

1.

U.S. Operating Services Company

(formerly PG&E Operating Services Company)

California General Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed to enter into operations and maintenance activities.



- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 23.
- 2.

USGen Holdings, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

General partner in Power Services Company.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 23.

3.

NEGT Acquisition Company, LLC

(formerly PG&E National Energy Group Acquisition Company, LLC)

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

2.

2.

23.

4.

Power Services Company

(formerly PG&E National Energy Group Company)

California General Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Manages electric generation facilities.

1.

2.

3.

1.

1.

- 1.
- 2.
- 2.
- 23.

4.

1.

First Oregon Land Corporation

Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to enter into real estate options in the State of Oregon.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 23.

4.

2.

Topaz Power Corporation

Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General partner in Carneys Point Generating Company.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 23.

4.

- 2.
- 1.

Carneys Point Generating Company

Delaware General Partnership

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to lease, manage, operate and maintain a cogeneration facility in Carneys Point, New Jersey.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 2.
- 2.
- 23.

4.

3.

Garnet Power Corporation

Delaware Corporation

7600 Wisconsin Avenue  
Bethesda, MD 20814

General partner in Carneys Point Generating Company.

1.

2.

3.

1.

1.

1.

3.

National Energy Generating Services, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for NEGT service entities.

1.

2.

3.

1.

1.

1.

3.

1.

NEGT Construction Agency Services I, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

3.

2.

NEGT Construction Agency Services II, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive; formed to act as construction agent under the Master Turbine Trust with Mitsubishi.

1.

2.

3.

1.

1.

1.

3.

3.

National Energy Group Construction Company, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

3.

4.

NEGT Construction Finance Company, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

3.

5.

PTP Services, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed to file federal trademark applications.

1.

2.

3.

1.

1.

1.

4.

NEGT Energy Trading Holdings, LLC

(formerly PG&E Energy Trading Holdings, LLC)

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed for the sole purpose of holding stock in NEGTEnergy Trading Holdings Corporation.

1.

2.

3.

1.

1.

1.

4.



1.

NEGT Energy Trading Holdings Corporation  
(formerly PG&E Energy Trading Holdings Corporation)

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for energy trading and overseas entities.

1.

2.

3.

1.

1.

1.

4.

1.

1.

NEGT ET Investments Corporation  
(formerly PG&E ET Investments Corporation)

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Limited partner in NEGTEnergy Trading - Power, L.P.

1.

2.

3.

1.

- 1.
- 1.
- 4.
- 1.
- 1.

1.

NEGT Energy Trading-Power, L.P.

(formerly PG&E Energy Trading-Power, L.P.)

Delaware Limited Partnership

7600 Wisconsin Avenue

Bethesda, MD 20814

Engaged in electric power marketing and trading; owns a 100% membership interest in NEGTE Synfuel 166, LLC and NEGTE Synfuel #2, LLC.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 4.
- 1.
- 1.

1.

1.

NEGT ET Synfuel 166, LLC  
(formerly PG&E ET Synfuel 166, LLC)  
Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to acquire a synthetic fuel production facility located in South Carolina.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 4.
- 1.
- 1.

1.

2.

NEGT ET Synfuel #2, LLC  
(formerly PG&E ET Synfuel #2, LLC)  
Delaware Limited Liability Company  
7600 Wisconsin Avenue  
Bethesda, MD 20814

Formed to acquire a synthetic fuel production facility located in Kentucky.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.

4.

1.

2.

NEGT International, Inc.

California Corporation

7600 Wisconsin Avenue Bethesda, MD 20814

Holding company for overseas project companies.

1.

2.

3.

1.

1.

1.

4.

1.

2.

1.

NEGT International Development Holdings, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue  
Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

4.

1.

2.

2.

Gannet Power Corporation

California Corporation

7600 Wisconsin Avenue Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

4.

1.

2.

3.

PG&E Overseas Holdings I, Ltd.

Cayman Islands Corporation

P.O. Box 309, George Town

Grand Cayman, Cayman Islands, BWI

Holding company for PG&E Overseas Holdings II, Ltd.

1.

2.

3.

1.

1.

1.

4.

1.

2.

3.

1.

PG&E Overseas Holdings II, Ltd.

Labuan, Malaysia Corporation

Unit Level 9 (A2), Main Office Tower

Financial Park Labuan, Jalan Merdeka

87000 W.P. Labuan

Malaysia

Holding company for PG&E Corporation Australian Holdings Pty Ltd.

1.

2.

3.

1.

1.

1.

4.

1.

2.

3.

1.

1.

PG&E Corporation Australian Holdings Pty Ltd.

Australian Corporation

Level 33, Waterfront Place

One Eagle Street

Brisbane, Queensland

Australia

Holding company for PG&E Energy Trading Australia Pty Ltd and PG&E Corporation Australia Pty Ltd.

1.

2.

3.

1.

1.

1.

4.

1.

2.

3.

1.

1.

1.

PG&E Energy Trading Australia Pty Ltd.

Australian Corporation

Level 33, Waterfront Place

One Eagle Street

Brisbane, Queensland

Australia

Inactive; in the process of liquidation.

1.

2.

3.

1.

1.

1.

4.

1.

2.

3.

1.

1.

2.

PG&E Corporation Australia Pty Ltd.

Australian Corporation

Level 33, Waterfront Place

One Eagle Street

Brisbane, Queensland 4000

Australia

Inactive; in the process of liquidation.

1.

2.



3.

1.

1.

1.

4.

1.

2.

4.

Rocksavage Services I, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

1.

4.

1.

3.

NEGT Energy Trading - Gas Corporation

(formerly PG&E Energy Trading - Gas Corporation)

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Engaged in natural gas marketing and trading in the United States; purchases and resells energy commodities and related financial instruments.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 4.
- 1.
- 3.
- 1.

Parkhill Energy Management, Ltd.

Alberta Corporation

335 - 8<sup>th</sup> Avenue SW, Suite 1740  
Calgary, Alberta T2P 1C9  
Canada

Inactive.

- 1.
- 2.
- 3.
- 1.
- 1.
- 1.
- 4.
- 1.

3.

2.

Virtual Credit Services, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive.

1.

2.

3.

1.

1.

2.

NEGT Overseas, Inc.

(formerly PG&E Overseas, Inc.)

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

United States shareholder of NEGOT Overseas, Ltd.

1.

2.

3.

1.

1.

3.

Quantum Ventures

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Holding company for Energy Services entities.

1.

2.

3.

1.

1.

3.

1.

Energy Services Ventures, Inc.

Delaware Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Provides energy-related goods and services.

1.

2.

3.

1.

1.

3.

2.

Barakat & Chamberlin, Inc.

California Corporation

7600 Wisconsin Avenue

Bethesda, MD 20814

Inactive; provided consulting services.

1.

2.

3.

1.

2.

Gas Transmission Corporation

(formerly PG&E Gas Transmission Corporation)

Delaware Corporation

1400 SW Fifth Avenue, Suite 900

Portland, OR 97201

Holding company for gas transmission entities.

1.

2.

3.

1.

2.

1.

Gas Transmission Holdings Corporation

(formerly PG&E Gas Transmission Holdings Corporation)

California Corporation

1400 SW Fifth Avenue, Suite 900

Portland, OR 97201

Inactive.

1.

2.

3.

1.

2.

2.

GTN Holdings LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Formed for the purpose of holding stock in Gas Transmission, Northwest Corporation.

1.

2.

3.

1.

2.

2.

1.

Gas Transmission Northwest Corporation

(formerly PG&E Gas Transmission, Northwest Corporation)

California Corporation

1400 SW Fifth Avenue, Suite 900

Portland, OR 97201

Owns and operates gas transmission pipelines and associated facilities capable of transporting natural gas from the Canadian-U.S. border to the Oregon-California border.

1.

2.

3.

- 1.
- 2.
- 2.
- 1.
- 1.

Pacific Gas Transmission International, Inc.

California Corporation

1400 SW Fifth Avenue, Suite 900

Portland, OR 97201

Inactive.

- 1.
- 2.
- 3.
- 1.
- 2.
- 2.
- 1.
- 2.

Pacific Gas Transmission Company

California Corporation

1400 SW Fifth Avenue, Suite 900

Portland, OR 97201

Formed to pursue business opportunities in the natural gas business in the United States.

- 1.
- 2.
- 3.

- 1.
- 2.
- 2.
- 1.
- 3.

Stanfield Hub Services, LLC

Washington Limited Liability Company

1400 SW Fifth Avenue, Suite 900

Portland, OR 97201

Formed to pursue opportunities for construction and operation of natural gas storage facilities.

- 1.
- 2.
- 3.
- 1.
- 2.
- 2.
- 1.
- 4.

Gas Transmission Service Company LLC  
(formerly PG&E Gas Transmission Service Company LLC)  
Delaware Limited Liability Company

1400 SW Fifth Avenue, Suite 900

Portland, OR 97201

Formed to provide interstate pipeline management services.

- 1.
- 2.
- 3.



1.

2.

2.

1.

5.

North Baja Pipeline, LLC  
Delaware Limited Liability Company

1400 SW Fifth Avenue, Suite 900  
Portland, OR 97201

Formed for the construction and operation of a natural gas pipeline capable of transporting natural gas from Arizona to the Mexico border.

1.

2.

3.

1.

3.

NEGT Services Company, LLC

Delaware Limited Liability Company

7600 Wisconsin Avenue

Bethesda, MD 20814

Service company for NEGTE corporate headquarters.

1.

2.

4.

PG&E Strategic Capital, Inc.

Delaware Corporation

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

A subsidiary of PG&E Corporation; formed for general business purposes, including possibly holding ownership of shares and investments.

1.

2.

5.

PG&E Corporation Support Services, Inc.

Delaware Corporation

2711 Centerville Road, Suite 400

Wilmington, DE 19808

A subsidiary of PG&E Corporation that provides general corporate support services to the PG&E Corporation family outside the State of California.

1.

2.

6.

PG&E Ventures, LLC

Delaware Limited Liability Company

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

Formed for the purpose of holding interest in other businesses, financing and other transactions.

1.

2.

6.

1.

Pacific Venture Capital, LLC

Delaware Limited Liability Company

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

Inactive.

1.

2.

6.

1.

1.

PG&E Ventures ePro, LLC

Delaware Limited Liability Company

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

Formed to make and hold an investment in an e-procurement exchange.

1.

2.

6.

2.

PG&E Telecom, LLC

Delaware Limited Liability Company

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

Formed for the purpose of engaging in telecommunications and related business activities.

1.

2.

6.

2.

1.

PG&E Capital, LLC

Delaware Limited Liability Company

One Market, Spear Tower, Suite 2400

San Francisco, CA 94105

An indirect subsidiary of PG&E Corporation; formed for financing and other transactions related to the energy industry.

1.

2.

6.

2.

2.

PG&E Telecom Holdings, LLC

Delaware Limited Liability Company

3301 Crow Canyon Road, Suite A211

San Ramon, CA 94583

Formed for the purpose of engaging in telecommunications and related business activities. Currently inactive.

1.

2.

7.

PTTP Services LLC

California Limited Liability Company

345 California Street

San Francisco, CA 94104

Inactive.

2. A brief description of the properties of Claimant and each of its subsidiary public utility companies used for the generation, transmission, and distribution of electric energy for sale, or for the production, transmission, and distribution of natural or manufactured gas, indicating the producing fields, gas manufacturing plants, and electric and gas distribution facilities, including all such properties which are outside the State in which Claimant and its subsidiaries are organized and all transmission or pipelines which deliver or receive electric energy or gas at the borders of such State.

2.1 Claimant and its subsidiaries, other than Pacific Gas and Electric Company, are not public utility companies for the purposes of the Public Utility Holding company Act of 1935 and do not own any such properties.

2.2 Pacific Gas and Electric Company is a public utility company. Pacific Gas and Electric Company owns and operates the following generation plants, all located in California:

<u>Generation Type</u>	<u>County Location</u>	<u>Number of Units</u>	<u>Net Operating Capacity (MW)</u>
Nuclear:			
Diablo Canyon	San Luis Obispo	2	2,174
Hydroelectric:			
Conventional	16 counties in northern and central California	107	2,684
Helms pumped storage	Fresno	3	1,212
Hydro electric subtotal		110	3,896
Fossil fuel:			
Humboldt Bay <sup>(1)</sup>	Humboldt	2	105
Hunters Point <sup>(2)</sup>	San Francisco	2	215
Mobile turbines	Humboldt	2	30
Fossil fuel subtotal		6	350
<b>Total</b>		<b>118</b>	<b>6,420</b>

(1) The Humboldt Bay facilities consist of a retired nuclear generation unit, or Humboldt Bay Unit 3, and two operating fossil fuel-fired plants.

(2) In July 1998, Pacific Gas & Electric Company reached an agreement with the City and County of San Francisco regarding the Hunters Point fossil fuel-fired plant, which has been designated as a "must run" facility by the California Independent System Operator to support system reliability. The agreement expresses Pacific Gas & Electric Company's intention to retire the plant when it is no longer needed.

Pacific Gas & Electric Company's electric transmission system consists of 18,612 circuit miles of interconnected transmission lines operated at voltages of 500 kilovolt, or kV, to 60 kV and transmission substations with a capacity of 42,798 megavolt, or MVA. Electricity is transmitted across these lines and substations and is then distributed to customers through 120,428 circuit miles of distribution lines and substations with a capacity of 24,218 MVA. In 2003, Pacific Gas & Electric Company delivered 80,156 Gigawatt hour, or GWh, to its customers, including 8,979 GWh

delivered to direct access customers. Pacific Gas & Electric Company is interconnected with electric power systems in the Western Electricity Coordinating Council, which includes 14 western states, Alberta and British Columbia, Canada, and parts of Mexico.

In connection with electricity industry restructuring, the California investor-owned electric utilities relinquished control, but not ownership, of their transmission facilities to the Independent System Operator, or ISO, in 1998. The FERC has jurisdiction over these transmission facilities, and the revenue requirements and rates for transmission service are set by the FERC. The ISO, which is regulated by the FERC, controls the operation of the transmission system and provides open access transmission service on a nondiscriminatory basis. The ISO also is responsible for maintaining the reliability of the transmission system.

Pacific Gas and Electric Company owns and operates an integrated gas transmission, storage, and distribution system in California that extends throughout all or a part of 38 of California's 58 counties and includes most of northern and central California. Pacific Gas & Electric Company's system consisted of 6,350 miles of transportation pipelines, three gas storage facilities, and 39,510 miles of distribution pipelines.

3. The following information for the year ending December 31, 2002 with respect to claimant and each of its subsidiary public utility companies:

- a) Number of kilowatt-hours (kWh) of electric energy sold (at retail or wholesale) and thousand cubic feet (Mcf) of natural or manufactured gas distributed at retail.
- b) Number of kWh of electric energy and Mcf of natural or manufactured gas distributed at retail outside the State in which each such company is organized.
- c) Number of kWh of electric energy and Mcf of natural or manufactured gas sold at wholesale outside the State in which each such company is organized, or at the State line.
- d) Number of kWh of electric energy and Mcf of natural or manufactured gas purchased outside the State in which each such company is organized, or at the State line.

3.1 Claimant and its subsidiaries, other than Pacific Gas and Electric Company, are not public utility companies for the purposes of the Public Utility Holding company Act of 1935.

3.2 Pacific Gas and Electric Company is a public utility company located in the State of California.

Pacific Gas and Electric Company (in millions)	Year ending 12/31/03
<hr/>	<hr/>
Number of GWh of electric energy sold at retail or wholesale <sup>(1)</sup>	47,835
Number of Mcf of natural or manufactured gas distributed at retail	279
Number of kWh of electric energy distributed at retail outside the State the State	0
Number of Mcf of natural or manufactured gas distributed at retail outside the State	0
Number of kWh of electric energy sold at wholesale outside the State or at the State	0

line <sup>(2)</sup>

Number of Mcf of natural or manufactured gas sold at wholesale outside the State or at the State line	45
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Number of kWh of electric energy purchased outside the State or at the State line <sup>(2)</sup>	0
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Number of Mcf of natural or manufactured gas purchased outside the State or at the State line	299
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- 
- (1) Excludes 23,342 GWh of electric energy provided by the California Department of Water Resources and 8,979 GWh of electric energy delivered to direct access customers.
- (2) All electric energy sold at wholesale and purchased outside the State or at the State line is transacted by the California Independent System Operator.

4. The following information for the reporting period with respect to claimant and each interest it holds directly or indirectly in an EWG or a foreign utility holding company, stating monetary amounts in United States dollars:

- a) Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas.
- b) Name of each system company that holds an interest in such EWG or foreign utility company and description of the interest held.
- c) Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company other than the EWG or foreign utility company.
- d) Capitalization and earnings of the EWG or foreign utility company during the reporting period.
- e) Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreements.

On July 8, 2003, the National Energy & Gas Transmission, Inc., or NEGT, formerly known as PG&E National Energy Group, Inc., a subsidiary of PG&E Corporation, filed a voluntary petition for relief under the provisions of Chapter 11 in the U.S. Bankruptcy Court for the District of Maryland, Greenbelt Division. In anticipation of NEGT's Chapter 11 filing, PG&E Corporation's representatives, who previously served as directors of NEGT, resigned on July 7, 2003 and were replaced with directors who are not affiliated with PG&E Corporation. As a result, PG&E Corporation no longer retains significant influence over NEGT. Effective July 8, 2003, NEGT's results are no longer consolidated with those of PG&E Corporation. Accordingly, NEGT's total equity at December 31, 2003 and Net Income for the twelve months ended December 31, 2003, as well as the information required under item c, is not disclosed for the EWGs listed below.

4.1. PITTSFIELD GENERATING COMPANY, L.P. (EWG)

- a) Pittsfield Generating Company, L.P.  
235 Merrill Road  
Pittsfield, MA 01202

Pittsfield Generating Company, L.P. is a 165 megawatt (MW) combined cycle, natural gas-fired cogeneration facility (the "Facility") selling power to Commonwealth Electric Company and Cambridge Electric Company, and selling steam to General Electric Company.

- b) NEGT Enterprises, Inc. (Enterprises) owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 89% of Beale Generating Company (formerly J. Makowski Company, Inc.), which owns 100% of JMC Altresco, Inc., which through its subsidiaries, Altresco, Inc. (99% LP) and Pittsfield Partners, Inc. (1% LP), owns 100% of Pittsfield Generating Company, L.P.

- c) Not Available (N/A)

- d) Not Available (N/A)

- e) U.S. Operating Services Company provides operations and maintenance services to Pittsfield Generating Company, L.P. U.S. Operating Services Company earns a base fee of \$400,000 per annum plus performance bonuses, together with reimbursement of its direct costs.

Pittsfield Generating Company, L.P. has gas enabling agreements with Selkirk Cogen Partners, and MASSPOWER pursuant to which it may enter into non-firm/interruptible gas purchase and sales transactions at market pricing, from time to time.

Pittsfield Generating Company, L.P. has a fuel transportation agreement with Berkshire Gas Company, an unaffiliated entity, which leases a section of pipeline serving the Facility from Berkshire Feedline Acquisition Limited Partnership. Berkshire Feedline Acquisition Limited Partnership receives lease payments of approximately \$1.8 million per annum on this section of pipeline.

4.2. SELKIRK COGEN PARTNERS, L.P. (EWG)

- a) Selkirk Cogen Partners, L.P.  
24 Power Park Drive  
Selkirk, NY 12158

Selkirk Cogen Partners, L.P. Unit I is an 80 MW natural gas fired dispatchable cogeneration facility selling power to Niagara Mohawk Power Corporation and to the New York Independent System Operator. Selkirk Cogen Partners, L.P. Unit II is a 265 MW natural gas fired dispatchable cogeneration facility (Unit I and Unit II together, the "Facility") selling power to Consolidated Edison Company of New York, Inc.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 89% of Beale Generating Company, which owns 100% of JMC Selkirk Holdings, Inc., which owns 100% of JMC Selkirk, Inc. and 100% of JMCS I Holdings, Inc. JMC Selkirk, Inc. directly holds .0911% and 1.9506% general partner and limited partner interests, respectively, in Selkirk Cogen Partners, L.P. JMC Selkirk, Inc also holds



a 46.57% limited partnership interest in PentaGen Investors, L.P., and JMCS I Holdings, Inc. holds a .50% general partner interest and 2.93% limited partner interest in PentaGen Investors, L.P. PentaGen Investors, L.P. holds a 5.2502% limited partner interest in Selkirk Cogen Partners, L.P.

c) N/A

d) N/A

e) JMCS I Management, Inc. provides administrative services to Selkirk Cogen Partners, L.P. JMCS I Management, Inc. charges a contractually established hourly rate which covers its labor costs (including salary and benefits), overhead, and profit.

Selkirk Cogen Partners, L.P. has gas-enabling agreements with NEGTEnergy Trading-Gas Corporation, Pittsfield Generating Company, and MASSPOWER pursuant to which it may enter into non-firm/interruptible gas purchase and sales transactions at market pricing, from time to time.

4.3.

**LOGAN GENERATING COMPANY, L.P. (EWG)**

a) Logan Generating Company, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Logan Generating Company, L.P. is a 225 MW pulverized coal fired dispatchable generation facility (the "Facility") selling power to Conectiv.

b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGTEnergy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of Eagle Power Corporation. Eagle Power Corporation is a 49% general and 1% limited partner in Logan Generating Company, L.P.

c) N/A

d) N/A

e) Power Services Company provides management services to Logan Generating Company, L.P. Power Services Company earns a base fee of \$400,000 per annum.

U.S. Operating Services Company provides operations and maintenance services to Logan Generating Company, L.P. U.S. Operating Services Company charges a contractual amount for their services.

4.4.

**HERMISTON GENERATING COMPANY, L.P. (EWG)**

- a) Hermiston Generating Company, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Hermiston Generating Company, L.P. is a 474 MW natural gas-fired dispatchable cogeneration facility (the "Facility") selling power to PacifiCorp. PacifiCorp owns a 50% undivided interest in the Facility.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of Larkspur Power Corporation. Larkspur Power Corporation is a 49% general and 1.1% limited partner, in Hermiston Generating Company, L.P.

c) N/A

d) N/A

- e) Power Services Company provides management services to Hermiston Generating Company, L.P. Power Services Company earns a base fee of \$250,000 per annum.

U.S. Operating Services Company provides operations and maintenance services to Hermiston Generating Company, L.P. U.S. Operating Services Company earns a base fee of \$900,000 per annum plus performance bonuses.

4.5.

**MASSPOWER (EWG)**

- a) MASSPOWER  
750 Worcester Street  
Indian Orchard, MA 01151

MASSPOWER is a 240 MW natural gas-fired combined cycle cogeneration facility located in Springfield, MA, selling power to Boston Edison Company, Commonwealth Electric Company and Massachusetts Municipal Wholesale Electric Company, and selling steam to Monsanto Company.

- b) Enterprises owns 100% of National Energy Group Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 89.1% of Beale Generating Company, which owns 100% of Indian Orchard Generating Company, Inc., which holds a 49% membership interest in MASSPOWER, LLC, which holds a 30% general partner interest in MASSPOWER.

c) N/A

d) N/A

- e) J. Makowski Services, Inc. provides administrative services to MASSPOWER. J. Makowski Services, Inc. charges a contractually established hourly rate that covers its labor costs (including salary and benefits), overhead and profit.

MASSPOWER has gas enabling agreements with Selkirk Cogen Partners, L.P. and Pittsfield Generating Company, L.P. pursuant to which it may enter into non firm/interruptible gas purchase and sales transactions at market pricing, from time to time.

4.6.

**MILLENNIUM POWER PARTNERS, L.P. (EWG)**

- a) Millennium Power Partners, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Millennium Power Partners, L.P. is a nominal 360 MW natural gas-fired combined cycle merchant power facility that sells power into the New England Power Pool on a spot basis as well as under short- to medium-term bilateral contracts.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of GenHoldings I, LLC, which owns 100% of Osprey Power Corporation, which owns 100% of Magnolia Power Corporation. Magnolia Power Corporation is a 50% general partner and Osprey Power Corporation is a 49.5% general partner and 0.5% limited partner in Millennium Power Partners, L.P.

c) N/A

d) N/A

- e) Power Services Company provides operation, maintenance, and management services to Millennium Power Partners, L.P. Power Services Company is reimbursed for expenses incurred for services rendered to Millennium Power Partners, L.P.

4.7.

**CEDAR BAY GENERATING COMPANY, LIMITED PARTNERSHIP (EWG)**

- a) Cedar Bay Generating Company, Limited Partnership  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Cedar Bay Generating Company, Limited Partnership owns and operates a 250 MW coal-fired electric generating facility in Jacksonville, Florida, selling power to Florida Power & Light Company, and selling steam to Smurfit Stone Container Corporation.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of Raptor Holdings Company, which owns 80.12% of Gray Hawk Power Corporation, which owns 100% of Cedar Bay Cogeneration, Inc. Cedar Bay Cogeneration, Inc. is a 78% general partner and a 2% limited partner in Cedar Bay Generating Company, Limited Partnership.

c) N/A

d) N/A

e) Power Services Company provides management services to Cedar Bay Generating Company, Limited Partnership. Power Services Company charges a contractual rate for management services.

U.S. Operating Services Company provides operations and maintenance services to Cedar Bay Generating Company, Limited Partnership. U.S. Operating Services Company charges a contractual amount for their services.

4.8.

**NORTHAMPTON GENERATING COMPANY, L.P. (EWG)**

a) Northampton Generating Company, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Northampton Generating Company, L.P. owns and operates an approximately 98 MW anthracite waste coal-fired electric generating facility in Northampton, Pennsylvania, selling power to Metropolitan Edison Company, and selling steam to unrelated industrial operations.

b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of Jaeger Power Corporation. Jaeger Power Corporation is a 48% general partner and a 2% limited partner in Northampton Generating Company, L.P.

c) N/A

d) N/A

e) Power Services Company provides management services to Northampton Generating Company, L.P. Power Services Company charges a contractual rate for management services.

U.S. Operating Services Company provides operations and maintenance services to Northampton Generating Company, L.P. U.S. Operating Services Company charges a contractual amount for their services.

4.9.

**SCRUBGRASS GENERATING COMPANY, L.P. (EWG)**

a) Scrubgrass Generating Company, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Scrubgrass Generating Company, L.P. leases an 87 MW waste coal-fired electric generating facility in Venango County, Pennsylvania, to Buzzard Power Corporation.

b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGTEnergy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of Falcon Power Corporation, which owns 100% of Scrubgrass Power Corp. Falcon Power Corporation is a 24.63% general partner and a .5% limited partner, and Scrubgrass Power Corp. is a 24.87% general partner, in Scrubgrass Generating Company, L.P.

c) N/A

d) N/A

e) Power Services Company provides management services to Scrubgrass Generating Company, L.P. Power Services Company charges a contractual rate for management services.

U.S. Operating Services Company provides operations and maintenance services to Scrubgrass Generating Company, L.P. U.S. Operating Services Company charges a contractual amount for their services.

4.10.

**INDIANTOWN COGENERATION, L.P. (EWG)**

a) Indiantown Cogeneration, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Indiantown Cogeneration, L.P. owns and operates a 330 MW coal-fired electric generating facility in Indiantown, Florida, selling power to Florida Power & Light Company, and selling steam to Louis Dreyfus Citrus, Inc.

b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGTEnergy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of Toyan Enterprises. Toyan Enterprises is a 30.05% limited partner in Indiantown Cogeneration, L.P. and a 24.81% general partner in Indiantown Project Investment Partnership, L.P., which is a 19.95% general partner in Indiantown Cogeneration, L.P.

c) N/A

d) N/A

e) Power Services Company provides management services to Indiantown Cogeneration, L.P. Power Services Company charges a contractual rate for management services.

U.S. Operating Services Company provides operations and maintenance services to Indiantown Cogeneration, L.P. U.S. Operating Services Company charges a contractual rate for their services.

4.11.

**ATHENS GENERATING COMPANY, L.P. (EWG)**

- a) Athens Generating Company, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Athens Generating Company, L.P. is currently constructing a 1,080 MW natural gas-fired electric generating merchant power facility in Athens, New York, with commercial operation expected in the second quarter of 2004.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGTEnergy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of GenHoldings I, LLC, which owns 100% each of Black Hawk Power Corporation and Peach I Power Corporation. Black Hawk Power Corporation is a 49% general partner and 2% limited partner, and Peach I Power Corporation is a 49% general partner, in Athens Generating Company, L.P.
- c) N/A
- d) N/A
- e) Power Services Company provides operation, maintenance and management services to Athens Generating Company, L.P. Power Services Company charges a contractual rate for their services.

4.12.

**LA PALOMA GENERATING COMPANY, LLC (EWG)**

- a) La Paloma Generating Company, LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

La Paloma Generating Company, LLC is currently operating a 1,020 MW gas-fired electric generating merchant power facility in Kern County, California. It sells power into the California market on a spot basis as well as under short-to-medium term bilateral contracts.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGTEnergy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% each of La Paloma Power Corporation and owns a 1% membership interest and La Paloma Power Corporation owns a 99% membership interest in La Paloma Generating Company, LLC.
- c) N/A
- d) N/A
- e) Power Services Company provides operation, maintenance and management services to La Paloma Generating Company, LLC. Power Services Company charges a contractual rate for their services.

La Paloma Generating Company, LLC has entered into an interconnection agreement with Pacific Gas and Electric Company whereby La Paloma Generating Company, LLC interconnects the facility with the electric transmission grid in Pacific Gas and Electric Company's franchise territory.

4.13.

**LAKE ROAD GENERATING COMPANY, L.P. (EWG)**

- a) Lake Road Generating Company, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Lake Road Generating Company, L.P. is a nominal 792 MW natural gas-fired combined cycle merchant power facility, which sells power into the New England Power Pool on a spot basis as well as under short-to medium-term bilateral contracts.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGTE Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% of both Peach IV Power Corporation and Black Hawk III Power Corporation. Peach IV Power Corporation is a 49% general partner and Black Hawk III Power Corporation is a 49% general partner and 2% limited partner in Lake Road Generating Company, L.P.

c) N/A

d) N/A

- e) Power Services Company provides operations, management, and maintenance services to Lake Road Generating Company, L.P. Power Services Company is reimbursed for expenses incurred for services rendered to Lake Road Generating Company, L.P.

4.14.

**MANTUA CREEK GENERATING COMPANY, L.P. (EWG)**

- a) Mantua Creek Generating Company, L.P.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Mantua Creek Generating Company, L.P. has suspended construction of an 800 MW natural gas-fired electric generating merchant power facility in West Deptford, New Jersey.

- b) Enterprises owns 100% of National Energy Holding Corporation, which owns 100% of NEGTE Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% each of Plover Power Corporation and Beech Power Corporation. Plover Power Corporation is a 49% general partner and 2% limited partner, and Beech Power Corporation is a 49% general partner, in Mantua Creek Generating Company, L.P.

- c) N/A
- d) N/A
- e) N/A

4.15.

**OKEECHOBEE GENERATING COMPANY, LLC (EWG)**

- a) Okeechobee Generating Company, LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Okeechobee Generating Company, LLC has terminated development of a 550 MW natural gas-fired electric generating merchant power facility in Okeechobee, Florida.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Power Company, LLC, which owns 100% each of Okeechobee Power Corporation and National Energy Generating Holdings, Inc. National Energy Generating Holdings, Inc owns a 1% membership interest and Okeechobee Power Corporation owns a 99% membership interest in Okeechobee Generating Company, LLC.

- c) N/A
- d) N/A
- e) N/A

4.16.

**USGEN NEW ENGLAND, INC. (EWG)**

- a) USGen New England, Inc.  
7600 Wisconsin Ave.  
Bethesda, MD 20814

USGen New England, Inc. owns and operates 17 generating facilities comprising of approximately 3,962 megawatts of generation, selling power in the New England area markets.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% of USGen New England, Inc.

- c) N/A
- d) N/A



e) USG Services Company, LLC provides management services to USGen New England, Inc. USG Services Company, LLC charges a contractual rate for management services.

4.17.

**DISPERSED GENERATING COMPANY, LLC (EWG)**

a) Dispersed Generating Company, LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Dispersed Generating Company, LLC currently owns operational small peaker facilities in California.

b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% each of Dispersed Power Corporation and National Energy Generating Holdings, Inc. National Energy Generating Holdings, Inc owns a 1% membership interest and Dispersed Power Corporation owns a 99% membership interest in Dispersed Generating Company, LLC.

c) N/A

d) N/A

e) Power Services Company provides operation, maintenance and management services to Dispersed Generating Company, LLC. Power Services Company charges a contractual rate for their services.

4.18.

**LIBERTY GENERATING COMPANY, LLC (EWG)**

a) Liberty Generating Company, LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Liberty Generating Company, LLC has suspended development of a 1,100 MW natural gas-fired electric generating merchant power facility in Linden, New Jersey.

b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% each of Liberty Generating Corporation and National Energy Generating Holdings, Inc. National Energy Generating Holdings, Inc owns a 1% membership interest and Liberty Generating Corporation owns a 99% membership interest in Liberty Generating Company, LLC.

c) N/A

d) N/A

e) N/A

4.19.

**BADGER GENERATING COMPANY, LLC (EWG)**

a) Badger Generating Company, LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Badger Generating Company, LLC has terminated development of a 1,100 MW natural gas-fired electric generating merchant power facility in Pleasant Prairie, Wisconsin.

b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% each of Badger Power Corporation and National Energy Generating Holdings, Inc. National Energy Generating Holdings, Inc owns a 1% membership interest and Badger Power Corporation owns a 99% membership interest in Badger Generating Company, LLC.

c) N/A

d) N/A

e) N/A

4.20.

**MADISON WINDPOWER LLC (EWG)**

a) Madison Windpower LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Madison Windpower LLC is currently operating a 12 MW wind-powered merchant power facility in Madison, New York.

b) Enterprises owns 100% of National Energy Corporation, LLC, which owns 100% of National Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% of San Gorgonio Power Corporation, which owns a 100% membership interest in Madison Windpower LLC.

c) N/A

d) N/A

e) Power Services Company provides operation, maintenance and management services to Madison Windpower LLC. Power Services Company charges a contractual rate for their services.

4.21.

**COVERT GENERATING COMPANY, LLC (EWG)**

- a) Covert Generating Company, LLC  
7600 Wisconsin Avenue  
Bethesda, MD 20814

Covert Generating Company, LLC is currently operating a 1,170 MW natural gas-fired electric generating merchant power facility in Covert Township, Michigan.

- b) Enterprises owns 100% of National Energy Holdings Corporation which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% of GenHoldings I, LLC, which owns 100% of Covert Power Corporation. GenHoldings I, LLC owns a 1% membership interest and Covert Power Corporation owns a 99% membership interest in Covert Generating Company, LLC.

- c) N/A

- d) N/A

- e) Power Services Company provides operation, maintenance and management services to Covert Generating Company, LLC. Power Services Company charges a contractual rate for their services.

**4.22. ATTALA GENERATING COMPANY, LLC**

- a) Attala Generating Company, LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Attala Generating Company, LLC leases a 526 MW natural gas-fired electric generating merchant power facility in Sallis, Mississippi.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGT Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% of Attala Power Corporation, which owns 100% of Attala Generating Company, LLC.

- c) N/A

- d) N/A

- e) Power Services Company provides operation, maintenance and management services to Attala Generating Company, LLC. Power Services Company charges a contractual rate for their services.

**4.23. HARQUAHALA GENERATING COMPANY, LLC**

- a) Harquahala Generating Company, LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Harquahala Generating Company, LLC is currently constructing a 1,092 MW natural gas-fired electric generating merchant power facility in Tonopah, Arizona, with commercial operation expected in the second quarter of 2004.

- b) Enterprises owns 100% of National Energy Holding Corporation, which owns 100% of NEGTE Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% of GenHoldings I, LLC, which owns 100% of Harquahala Power Corporation. GenHoldings I, LLC owns a 1% membership interest and Harquahala Power Corporation owns a 99% membership interest in Harquahala Generating Company, LLC.

c) N/A

d) N/A

- e) Power Services Company provides operation, maintenance and management services to Harquahala Generating Company, LLC. Power Services Company charges a contractual rate for their services.

#### 4.24. PLAINS END, LLC

- a) Plains End, LLC  
7600 Wisconsin Ave.  
Bethesda, MD 20814

Plains End, LLC is currently operating a 111 MW small peaker facility in Arvada, Colorado.

- b) Enterprises owns 100% of National Energy Holdings Corporation, which owns 100% of NEGTE Energy Company, LLC, which owns 100% of National Energy Generating Company, LLC, which owns 100% of Dispersed Power Corporation. Dispersed Power Corporation owns a 100% membership interest in Plains End, LLC.

c) N/A

d) N/A

- e) Dispersed Generating Company, LLC provides operation, maintenance and management services to Plains End, LLC. Dispersed Generating Company, LLC charges a contractual rate for their services.

#### PG&E CORPORATION

The above-named claimant has caused this statement to be duly executed on its behalf by its authorized officer on this twenty-seventh day of February 2004.

PG&E Corporation

By **CHRISTOPHER P. JOHNS**

Christopher P. Johns  
Senior Vice President and  
Controller

Corporate Seal

Attest:

**LINDA Y. H. CHENG**

Linda Y. H. Cheng  
Corporate Secretary

Name, title, and address of officer to whom notices and correspondence concerning this statement should be addressed.

Christopher P. Johns  
Senior Vice President and Controller  
PG&E Corporation  
One Market, Spear Tower, Suite 2400  
San Francisco, CA 94105

Exhibit Index

<b><u>Exhibit No.</u></b>	<b><u>Description of Exhibit</u></b>
Exhibit A	A consolidating statement of income and surplus of the claimant and its subsidiary companies for the last calendar year, together with a consolidating balance sheet of claimant and its subsidiary companies as of the close of such calendar year.
Exhibit C	An organizational chart showing the relationship of each EWG or foreign utility company to associate companies in the holding-company system.