

June 18, 2001

**ADVICE 2127-E
(Pacific Gas and Electric Company U 39 E)**

Public Utilities Commission of the State of California

Subject: Supplemental Testimony for Route Selected in D.01-05-059

Purpose

This Advice Letter provides notice of the Supplemental Testimony (Cost Estimate) of Pacific Gas and Electric Company (The Company) Responding to Ordering Paragraph 4 of Decision (D.) 01-05-059, issued May 14, 2001, and mailed May 17, 2001, as required by that paragraph.

Background

In accordance with Ordering Paragraph 4 of (D.) 01-05-059, the Final Decision granting a Certificate of Public Convenience and Necessity for the Northeast San Jose Transmission Reinforcement Project (the "Final Decision"), the Company hereby submits this Advice Letter providing notice of availability of its Supplemental Testimony containing its cost estimate for the route selected by the Final Decision. the Company prepared this cost estimate using substantially the same methods and assumptions as it used in preparing the estimates it previously submitted to the Commission in this proceeding Application (A.) 99-09-029 for its proposed route and the routes analyzed in the Draft Environmental Impact Report, with one notable exception. As the Final Decision directs, the Company's land cost estimates are supported by a current, expert appraisal that was prepared during May and June 2001. the Company's Project Manager, Tom Marki, who testified in the hearings in this proceeding, is the sponsor of this Supplemental Testimony.

As the Final Decision directs, the Company is serving the Supplemental Testimony on the Appearance and State service lists in A.99-09-029. Consistent with that direction, and due to the specific nature of this filing and the number of non-parties on the Advice Letter service list, the Company is not providing the Supplemental Testimony to non-parties receiving this Advice Letter. However, non-parties wishing to obtain the Supplemental Testimony may do so by contacting:

Joe Douangphayvan
Morrison & Foerster, LLP
425 Market Street
San Francisco, California 94105

(415) 268-6963

As the Final Decision also directs, the Company has accompanied the Supplemental Testimony with a Motion for Leave to File Confidential Information Under Seal, pursuant to CPUC Rules 2.1(b) and 45, and California Rule of Court 243.1.

Effective Date

The Company requests that this advice filing become effective on **June 18, 2001**, which is the day the Final Decision required it to be submitted and served on the parties to A.99-09-029.

Comments

Pursuant to Ordering Paragraph 4 of D.01-05-059, parties to A.99-09-029 wishing to comment on the Company's cost estimates may do so by filing comments with the CPUC, and serving all parties, by **July 3, 2001**, at the following address:

Docket Office
California Public Utilities Commission
505 Van Ness Avenue, Room 2001
San Francisco, California 94102

In addition, comments and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile to the attention of:

David T. Kraska
Attorney, Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, California 94120
Facsimile (415) 973-0516

Les Guliasi,
Director, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000, Mail Code B10C
San Francisco, California 94177
Facsimile (415) 973-7226

Notice

In accordance with CPUC General Order (G.O.) 96-A, Section III, Paragraph G, the Company is electronically and postal mailing copies of this Advice Letter, without attachments, to the utilities and interested parties shown on the attached list. Please contact Joe Douangphayvan at (415) 268-6963, if you would like to receive a copy of the Supplemental Testimony. Address change requests should be directed to Nelia Avendano at (415) 973-3529.

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

Vice President -- Regulatory Relations

Attachments: Supplemental Testimony (Cost Estimate) of Pacific Gas and Electric Company Responding to Ordering Paragraph 4 of D.01-05-059 (parties to A.99-09-029 only)
Motion of Pacific Gas and Electric Company for Leave to File Confidential Material Under Seal (parties to A.99-09-029 only)

cc: G.O. 96-A, §III (G) Service List (without attachments)
Parties listed in G.O. 131-D, Paragraphs B.1 and B.2 (without attachments)
Appearance and State service lists in A.99-09-029 (with attachments)
Administrative Law Judge Thomas (with attachments)
Assigned Commissioner Henry M. Duque (with attachments)

bcc: Shan Battacharya (with attachments)
Kevin Dasso (with attachments)
Tom Marki (with attachments)
John Clarke (with attachments)
Paul Storz (with attachments)
Michelle Wilson, Esq. (with attachments)
David Kraska, Esq. (with attachments)
Michael Zischke, Esq. (with attachments)
David Levy, Esq. (with attachments)