

May 3, 2000

ADVICE 2232-G

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits in accordance with Section I.E. and X.B. of General Order 96-A, a third extension to an Agreement between PG&E and the City of Alameda, California (City) regarding the provision of gas service to present and future occupants within the former Naval Air Station - Alameda (NAS) (hereafter referred to as Agreement). PG&E submitted the original Agreement by Advice Letter 2035-G, effective September 9, 1997; the first 90-day extension effective through December 31, 1999, in Advice Letter 2187-G; and a second 90-day extension effective through March 31, 2000, in Advice Letter 2201-G.

The original Agreement was the result of extensive negotiations among PG&E, the City of Alameda, and the Navy. The NAS was closed by the Navy in April 1997, and on April 23, 1998, the State of California accepted retrocession of concurrent legislative jurisdiction of the NAS from the Federal Government.

Although the Navy ceased operating the gas distribution system at NAS, the Navy still retains ownership of the distribution system and the real property at the base. To provide utility services at the base, the Navy entered into a Caretaker Agreement with the City for the City to provide service, including sewer, water, gas, electric services and police and fire protection at the NAS. The Caretaker Agreement was for a period of two years, ending September 30, 1999, while the Navy completed its environmental studies, remediation efforts and decided the best way to dispose of the base and its facilities. The Navy is not yet in a position to transfer NAS to the City, and, accordingly, the City has informed PG&E that the Navy and the City have extended their Caretaker Agreement until September 30, 2000.

Under the Caretaker Agreement, the City subcontracted, with the Navy's knowledge and permission, with PG&E to provide operation and maintenance services for the Navy's existing gas distribution system, and for PG&E to serve present and future occupants of the base under the same rules and conditions of service as PG&E's other customers, i.e., under PG&E's tariffs.

The City has requested that PG&E again amend the original Agreement by extending the expiration date approximately an additional six months. Therefore, the amended Agreement will now expire concurrently with the Caretaker Agreement on September 30, 2000.

This filing will not affect any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Page 2
Public Utilities Commission
Advice 2232-G
May 3, 2000

In accordance with Section X.B. of general Order 96-A, PG&E requests that this filing be approved effective **March 31, 2000**.

Anyone wishing to protest this advice letter may do so by sending a letter within twenty (20) days after the date of this filing. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, California 94102
Facsimile: (415) 703-2200

Copies should also be mailed to the attention of Director, Energy Division, and to Jerry Royer of the Energy Division at the address above. A copy of the protest should be sent by U.S. mail and via facsimile to:

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

The protest shall set forth the grounds upon which it is based, and shall be submitted expeditiously. There is no restriction on who may file a protest.

In accordance with Section 111, Paragraph G, of General Order 96-A, PG&E is electronically and postal mailing copies of this advice letter to the utilities and interested parties shown on the attached list. For mailing list changes, please telephone Nelia Avendano at (415) 973-3529.

Vice President -- Regulatory Relations

Attachments

ID U39G