July 1, 2004

Ms Anita Smith, Rate Analyst
Pacific Gas and Electric Company
77 Beale Street, Mail Code 10B
San Francisco, CA 94177

Subject: Construction of the Tesla-Newark #2 230 kilovolt reinforcement project in the County of Alameda

Dear Ms Smith:

Advice Letter 2508-E is effective June 27, 2004. A copy of the advice letter is returned herewith for your records.

Sincerely,

[Signature]

Paul Clanon, Director
Energy Division
May 18, 2004

Advice 2508-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Submits Notice of Construction, Pursuant to General Order 131-D, for the Construction of the Tesla – Newark #2 230 Kilovolt (kV) Reinforcement Project in the County of Alameda.

Pacific Gas and Electric Company (the Company) hereby submits notice pursuant to General Order (G.O.) 131-D, Section XI, Subsection B.4, of the construction of facilities that are exempt from a Certificate of Public Convenience and Necessity.

Purpose

This advice letter provides a copy of the Notice of Proposed Construction (Attachment I) and the Notice Distribution List, which comply with the noticing requirements found in G.O. 131-D, Section XI.

Background

Pacific Gas and Electric Company (PG&E) is proposing to replace existing wires (conductor) with new wires (reconductor) on approximately 11.5 miles of the Tesla-Newark #2 230 kilovolt (kV) Transmission Line in Alameda County in order to improve electric system reliability and meet the California Independent System Operator’s (CAISO) Greater Bay Area Reliability Must Run requirements. Two sections of the line will be reconducted; an 8-mile section from Tesla Substation located at the intersection of Patterson Pass Road and Midway Road to Greenville Road, and a 3.5-mile section from Sunol Junction located west of Andrade Road to Ohlone College in Fremont. In order to accommodate the new conductor, 49 towers in the section between Tesla Substation and Greenville Road will be reinforced, one tubular steel pole adjacent to Tesla Substation will be replaced with a new tubular steel pole, and one wood pole at Greenville Road will be replaced with a tubular steel pole. The new tubular steel pole at Tesla Substation will be relocated approximately 75 feet to the southwest of its current location. Construction is expected to begin in the fall of 2004, or as soon possible thereafter, and to be completed by May 2005, or as soon as possible thereafter.
This project qualifies as exempt from Certificate of Public Convenience and Necessity filing requirements, pursuant to G.O. 131-D, Section III, Subsection A, which exempts, "the replacement of existing power line facilities or supporting structures with equivalent facilities or structures", "the placing of new or additional conductors, insulators, or their accessories on supporting structures already built", and "the minor relocation of existing power line facilities."

Additionally, G.O. 131-D requires utilities to employ "no cost" and specified "low cost" measures to reduce public exposure to electric and magnetic fields (EMFs). The following measures are proposed for this project:

- Because there are no EMF mitigation measures available on this project that would meet the CPUC's benchmark of 4% or less of the total project cost, no "no cost" or "low cost" measures will be employed.

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

**Protests**

Anyone wishing to protest this filing may do so by filing a protest with the CPUC and the Company by June 7, 2004, at the following address:

Director, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Fourth Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200

In addition, protests 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

Brian K. Cherry  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
P.O. Box 770000, Mail Code B10C  
San Francisco, California 94177  
Facsimile (415) 973-7226  
E-Mail: RXDd@pge.com
Persons or groups may protest the proposed construction if they believe that the Company has incorrectly applied for an exemption or that the conditions set out in G.O. 131-D, Section III.B.2 exist.

Effective Date

PG&E requests that this advice filing become effective on June 27, 2004, which is 40 days after the date of filing. (In accordance with G.O. 131-D, construction will not begin until 45 days after notice is first published.)

Notice

In accordance with G.O. 96-A, Section III, Paragraph G, PG&E is electronically and postal mailing copies of this advice letter to the utilities and interested parties shown on the attached list, including the parties listed in G.O. 131-D, Section XI, Paragraphs B.1 and B.2. These parties are identified in the "Notice Distribution List" included in Attachment I. Address change requests should be directed to Sharon K. Tatai (415) 973-2788. Advice letter filings can also be accessed electronically at

http://www.pge.com/tariffs/

Karen L. Ormaka / SG
Vice President -- Regulatory Relations

Attachments

cc: Parties Listed in G.O. 131-D, Paragraphs B.1 and B.2
NOTICE OF PROPOSED CONSTRUCTION

PROJECT NAME: TESLA-NEWARK #2 230 KILOVOLT (KV) TRANSMISSION REINFORCEMENT PROJECT
ADVICE LETTER NUMBER: 2508-E

Proposed Project: Pacific Gas and Electric Company (PG&E) is proposing to replace existing wires (conductor) with new wires (reconductor) on approximately 11.5 miles of the Tesla-Newark #2 230 kilovolt (kv) Transmission Line in Alameda County in order to improve electric system reliability and meet the California Independent System Operator’s (CAISO) Greater Bay Area Reliability Must Run requirements. Two sections of the line will be reconducted; an 8 mile section from Tesla Substation located at the intersection of Patterson Pass Road and Midway Road to Greenville Road, and a 3.5 mile section from Sunol Junction located west of Andrade Road to Chione College in Fremont. In order to accommodate the new conductor, 49 towers in the section between Tesla Substation and Greenville Road will be reinforced, one tubular steel pole adjacent to Tesla Substation will be replaced with a new tubular steel pole, and one wood pole at Greenville Road will be replaced with a tubular steel pole. The new tubular steel pole at Tesla Substation will be relocated approximately 75 feet to the southwest of its current location. Construction is expected to begin in the fall of 2004, or as soon possible thereafter, and to be completed by May 2005, or as soon as possible thereafter.

Electric and Magnetic Fields (EMF): Pacific Gas and Electric Company will employ "no cost" and specified "low cost" measures to reduce public exposure to EMF in accordance with California Public Utilities Commission (CPUC) Decision 93-11-013 and Pacific Gas and Electric Company’s "EMF Design Guidelines of New Electrical Facilities: Transmission, Substation, and Distribution." The following measure(s) is proposed for this project:

- Because there are no EMF mitigation measures available on this project that would meet the CPUC’s benchmark of 4% or less of the total project cost, no "no cost" or "low cost" measures will be employed.

Exemption from CPUC Authority: CPUC General Order 131-D, Section III, A exempts projects meeting specific conditions from the CPUC’s requirement to file an application requesting authority to construct. Pacific Gas and Electric Company believes this project qualifies for the following exemption(s):

- the replacement of existing power line facilities or supporting structures with equivalent facilities or structures,
- the minor relocation of existing power line facilities,
- the placing of new or additional conductors, insulators, or their accessories on or replacement of supporting structures already built

Public Review Process: Persons or groups may protest the proposed construction if they believe that Pacific Gas and Electric Company has incorrectly applied for an exemption or that the conditions set out in Section III.B.2 of General Order 131-D exist;

a. There is reasonable possibility that the activity may have an impact on an environmental resource of hazardous or critical concern where designated, precisely mapped and officially adopted pursuant to law by federal, state, or local agencies; or
b. The cumulative impact of successive projects of the same type in the same place, over time, is significant; or
c. There is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

Protests should include the following:

1. Your name, mailing address and daytime telephone number.
2. Reference to the CPUC Advice Letter Number and Project Name.
3. A clear description of the reason for the protest.
4. Whether you believe that evidentiary hearings are necessary to resolve factual disputes.

Protests for this project must be filed by JUNE 7, 2004, at the following address:

Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Fourth Floor
San Francisco, California 94102

With a copy mailed to:

David Kraska, Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, California 94120

Pacific Gas and Electric Company must respond within five business days of receipt and serve copies of its response on each protestant and the Energy Division. Within 30 days after Pacific Gas and Electric Company has submitted its response, the Executive Director of the CPUC will send you a copy of an Executive Resolution granting or denying the request and stating the reasons for the decision.

Assistance in Filing a Protest: For assistance in filing a protest, contact the CPUC Public Advisor in San Francisco at (415) 703-2074 or 1-888-849-8390 (toll-free) or TTY (415) 703.5258 or public.advisor@cpuc.ca.gov

Additional Project Information: To obtain further information on the proposed project, please call Pacific Gas and Electric Company’s Project Information Line at (415) 973-5530.
Notice Distribution List

TESLA-NEWARK #2 230 KILOVOLT (kV) TRANSMISSION REINFORCEMENT
PROJECT
COUNTY OF ALAMEDA

Advice 2508-E

Energy Commission

Mr. Bob Therleksen, Executive Director
California Energy Commission
1516 Ninth Street, Mail Stop 39
Sacramento, California 95814

Mr. Terry O'Brien, Deputy Director
California Energy Commission
1516 Ninth Street, Mail Stop 39
Sacramento, California 95814

County of Alameda

Chris Bazar, Planning Director
Alameda County
Planning Department
224 W. Winton, Room 111
Hayward, California 94544

William Meeker, Planning Director
City of Fremont
39550 Liberty Street
Fremont, California 94538

Newspaper
The Tri-Valley Herald
ABAG Power Pool
Agiet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elaseoor
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
CPUC
Creative Technology
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
Dept of the Air Force
DGS Natural Gas Services
DMM Customer Services
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Enron Energy Services
Exeter Associates
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Grueneich Resource Advocates
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
PG&E National Energy Group
Pinnacle CNG Company
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
Provoest Pritchard
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
TJ Cross Engineers
Transwestern Pipeline Co
Turlock Irrigation District
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA