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August 16, 2010

Mr. Jensen Uchida
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Mr. Uchida:

Thank you for your comments on the Proponent's Environmental Assessment (PEA) for the South Bay Substation Relocation Project. San Diego Gas & Electric Company (SDG&E) has worked diligently to respond to each of the questions you posed in your July 16, 2010 Completeness Review letter. The original text for each item of the completeness review is included in bold, followed by SDG&E's response in plain text.

ADMINISTRATIVE

1. **Please provide a statement regarding any areas of controversy or whether any opposition to the proposed South Bay Substation Relocation Project (Proposed Project) has been expressed.**

   Response: To date, SDG&E has not received any opposition to the Proposed Project and is unaware of any areas of controversy. It is noted that the City of Chula Vista believes that consideration be given to undergrounding the existing 69kV transmission lines as part of this proposed project. SDG&E does not believe the cost of undergrounding should be part of this proposed project and has informed the City of Chula Vista. A few letters of support were included in Attachment 1-A: Letters of Support to the PEA. An additional letter from the City of Chula Vista, dated May 11, 2010, along with SDG&E's response, dated June 6, 2010 is provided in Attachment A: Correspondence to this letter.

2. **Please provide all agency and public involvement contacts and correspondence to date, including names, addresses, phone numbers, and e-mail addresses. In addition to property owners within and adjacent to the project, please list all other contacts.**

   Response: Chapter 1 - PEA Summary provides a list of all agency and public representatives that have been contacted about the Proposed Project. The list includes:

   The San Diego Unified Port
   Chris Hargett, Area Real Estate Manager
   3165 Pacific Highway
   PO Box 120488
   San Diego, CA 92112
   Phone: 619-686-6295
   Email: chargett@portofsandiego.org

City of Chula Vista
Michael Meacham, Department of Conservation and Environmental Services
276 Fourth Avenue
Chula Vista, CA 91910
Phone: 619-409-5870
Email: mmeacham@ci.chula-vista.ca.us

Additional correspondence is included in Attachment A: Correspondence to this letter.

Additional Contact: On April 5, 2010, SDG&E Project Manager Mary Turley met with Laura Hunter, Associate Director for Programs at the Environmental Health Coalition to discuss the project. On April 16, Ms. Hunter sent a letter to Mary Turley offering support for the project. Laura Hunter's contact information is provided below.

The Environmental Health Coalition.
Laura Hunter, Associate Director for Programs
401 Mile of Cars Way, Suite 310
National City, CA 91950
Phone: 619-474-0220
Email: Laura@environmentalhealth.org

A joint meeting with the Port of San Diego, Army Corps of Engineers and Regional Water Quality Control Board on site of the proposed project occurred on May 5, 2010.

Robert Smith
Army Corps of Engineers
6010 Hidden Valley Rd., Suite 105
Carlsbad, CA 92011
760-602-4831
Robert R. Smith@usace.army.mil

Jody Ebsen
Regional Water Quality Control Board
9174 Sky Park Court, Suite 100
San Diego, CA 92123
jebsen@waterboards.ca.gov

Eileen Maher
Port of San Diego
3165 Pacific Highway,
San Diego, CA 92101
(619) 686-6254
emaher@portofsandiego.org

SDG&E has had numerous meetings with various departments of the City of Chula Vista and Port of San Diego and will continue to closely coordinate with these two agencies as the project moves forward and subsequent permit applications are submitted. SDG&E is currently working with Chula Vista to start the Coastal Development Permit (CDP) review

process. It is anticipated that the CPUC will coordinate with the City of Chula Vista as a Responsible Agency on the environmental document so that it can be used by the City to cover off on their environmental review for the CDP.

Attachment C: List of Property Owners to the application provides a list of adjacent property owners.

CALIFORNIA ENVIRONMENTAL QUALITY ACT CONSIDERATIONS – "WHOLE OF THE ACTION"

1. **As drafted, the Proponent's Environmental Assessment (PEA) is insufficient for the California Public Utilities Commission (CPUC) to determine why the analysis has been exclusively limited to the Proposed Project. Insufficient information exists within the PEA to accurately distinguish the factors related to decommissioning of the South Bay Power Plant (SBPP) and the Reliability Must Run (RMR) Termination from the Proposed Project. Please provide information to distinguish the Proposed Project from other potential projects (SBPP decommissioning, Otay Mesa Energy Center, Sunrise Powerlink Project, and a peaker generation facility) to sufficiently support within the record why the PEA should not consider these actions as part of the "whole of the action" in the environmental review.**

   Please provide the following information in order to make a determination as to whether other projects mentioned in the PEA are sufficiently separate and distinct projects:

   - **Is the Proposed Project a reasonably foreseeable consequence of the decommissioning of the SBPP and the RMR Termination or any other projects mentioned in the PEA?**

   Response: The four objectives of the Proposed Project are placed in order of priority as follows:

   - Objective 1: Replace aging and obsolete substation equipment.
   - Objective 2: Design a flexible transmission system that would accommodate regional energy needs subsequent to the retirement of the SBPP.
   - Objective 3: Facilitate the City of Chula Vista's Bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E-City of Chula Vista Memorandum of Understanding (MOU).
   - Objective 4: Provide for future transmission and distribution load growth for the South Bay region.

   The Proposed Project is not a consequence of the decommissioning of the SBPP and RMR Termination or the other projects identified in the PEA. To achieve Objective 1 and to some extent Objective 2 as outlined in the PEA Purpose and Need discussion, the South Bay Substation would need to be rebuilt and modified regardless of the status of the SBPP or the removal of RMR status. The question as to the location of the rebuilt substation is motivated by other factors that are driven by programs and land use plans already contemplated. The driver to relocate the substation is outside of SDG&E's purview or control except where

SDG&E is identified as responsible in the City of Chula Vista MOU. The drivers of the MOU and the relocation of the substation is the Chula Vista Bay Front Master Plan (Master Plan), which is the product of an extensive planning and development effort between the City of Chula Vista and San Diego Unified Port District. After more than 10 years of planning and public input, the City and Port certified an Environmental Impact Report (EIR) and approved the Master Plan on May 18, 2010. The Master Plan and EIR contemplate the decommissioning of the SBPP and the necessary removal of RMR status to facilitate the SBPP's ultimate demolition and removal from service. The location for the Proposed Project was selected in cooperation with the City of Chula Vista and the Port to advance local planning goals and policies of the Master Plan.

It is important to note that an environmental document must include an analysis of the environmental effects of future expansion or other action if: (1) it is a reasonably foreseeable consequence of the *initial* [emp. ad.] project; and (2) the future expansion or action will be significant in that it will likely change the scope or nature of the initial project or its environmental effects.

The relocation of the South Bay Substation is by no means the initial project; the initial and overarching project is the Chula Vista Bay Front Master Plan (Master Plan), which has already been adopted. A necessary component of the Master Plan is the removal of RMR status for the SBPP, its decommissioning and demolition, and the relocation of the South Bay Substation. The replacement of the substation is due to aging and obsolete equipment and not dependent on RMR. However, to fit in to the overall Master Plan project, the timing of the construction for the new substation is planned to be in conjunction with removal of RMR. .

- **Would any other project mentioned in the PEA including removal of the RMR Termination and decommissioning of the SBPP happen regardless of the approval of the Proposed Project?**

Response: The removal of RMR status and the ultimate demolition of the SBPP will or will not happen regardless of the replacement of aging and obsolete equipment at the South Bay Substation. Any changes that would need to be made as result of the elimination of the SBPP can and would be accommodated within the existing substation footprint, including the installation of reactive power capacitors to substitute for the reactive power loss of the SBPP.

The Sunrise Powerlink and the in-operation Calpine Otay Mesa Generating Center (OMGS) can move forward without the replacement of aging and obsolete equipment. The relocation of the South Bay Substation does not affect whether any of the aforementioned projects can move forward.

The environmental documents for the Sunrise Powerlink Project or OMGS fully considered changes required to implement them, including some minor equipment additions. For the Sunrise Powerlink Project, the addition of a 69 kilovolt (kV), 50 megavolt-ampere reactive shunt capacitor at the existing South Bay Substation was identified. A Notice to Proceed for this work was obtained from the CPUC on April 29, 2010 and the equipment would be installed at the existing substation and moved to the relocated site once the South Bay Substation relocation is approved. The OMGS stimulated the CPUC-approved and constructed Otay Mesa Powerloop to ensure for full dispatch of that facility, which entailed 230 kV facilities and did not require any substantive improvements to the 138 kV system. It

should also be noted that the 138 kV system will remain regardless of whether the SBPP is operational. This is because even though the SBPP generates power at this voltage, the 138 kV system supports several area substations and SDG&E is maintaining it to support this part of its system even when the SBPP is retired from service.

- **Is construction of the Proposed Project a required action as a result of any other projects mentioned in the PEA, such as decommissioning of the SSPP and the RMR Termination?**

Response: The Proposed Project does not facilitate nor is it required to remove RMR status or decommission and demolish the SBPP.

- **Would implementation of the Proposed Project result in later activities not considered in the environmental review presented in the PEA?**

Response: As of this writing, SDG&E is not aware of any later projects or actions that would result from the project as proposed.

- **Please identify whether in absence of the SSPP decommissioning, the existing South Bay substation would be able to accommodate existing and projected energy requirements for the South Bay region.**

Response: The existing South Bay Substation could have its equipment replaced as needed and could be modified to accommodate the retirement of the SBPP and the requirements of the Sunrise Powerlink Project in its current configuration and location. However, the Proposed Project would not be able to meet Objective 4, which is to "Provide for future transmission and distribution load growth for the South Bay region" if it is not relocated. Scenarios that describe this have been included in the Alternatives discussion of the PEA beginning on page 8 of section 5 (Significant Impacts). This includes how the various scenarios would meet each of the four Proposed Project objectives.

CHAPTER 1.0 PEA SUMMARY

1. **Attachment A-1, Letter from the City of Chula Vista (May 11, 2010); Please clarify as to whether SDG&E has coordinated with the City of Chula Vista regarding the various components of the Proposed Project presented in the PEA. The City of Chula Vista provided several statements in the letter dated May 11, 2010, that seem to be inconsistent with the components being proposed as part of the Proposed Project. Some of the statements from the May 11, 2010, letter that seem to be inconsistent with the Proposed Project include:**

   a. **The removal of this infrastructure along with the remaining transmission and distribution towers and utility poles are a critical component of maximizing the opportunity for the Bay Front Master Plan.**

   b. **The City appreciates SDG&E's and the San Diego Unified Port District 's cooperation in moving forward another component of the SDG&E/City MOU, the**

development of a new, smaller, and lower profile substation at the southern edge of the existing South Bay Power Plant.

c. The construction of a new substation with adequate buffer and screening, including solid walls, the removal of the remaining utility poles and enhanced landscaping softening will allow the proposed facility to co-exist in harmony.

d. We strongly encourage the City and Port to incorporate the screening and removal of the remaining wooden utility and transmission poles and undergrounding from J Street to the Substation in its application to CPUC.

Response: SDG&E has had several meetings with the City of Chula Vista regarding the various components of the Proposed Project. The City of Chula Vista, in its May 11, 2010 letter to SDG&E, included several statements that are inconsistent with the components being proposed as part of the Proposed Project. SDG&E has responded to the City of Chula Vista indicating that the components listed above in a, c, and d are outside of the scope of the Proposed Project as well as outside the scope of the MOU the City and SDG&E entered into on October 12, 2004. Please see the July 6, 2010 letter from SDG&E to the City, which has been included in Attachment A: Correspondence to this letter.

Regarding, item c, the design for the Proposed Project already includes a solid exterior wall, and SDG&E will continue to work with the City as well as the San Diego Unified Port District regarding landscaping concerns.

Regarding item b, SDG&E is building a new substation that would be located at the southern edge of the existing SBPP. However, the substation footprint is not smaller than the existing substation nor has it ever been proposed as such. This is because of the additional components associated with the new substation. Additionally, the footprint of the site will not allow the new substation to be low profile.

CHAPTER 2.0 PROJECT PURPOSE AND NEED

Attachment 2-A: SDG&E-City of Chula Vista Memorandum of Understanding (MOU)

1. **Section 1.7 identifies that upon relocation of the South Bay Substation, the 138-kilovolt (kV) circuit located between Tower 281763 and Tower 188701 will be undergrounded once the City of Chula Vista has designated funding. Please clarify whether the 138 kV circuit referenced in the memorandum of understanding (MOU) will be undergrounded as part of the Proposed Project. In the event that the 138 kV line referenced in the MOU is not being undergrounded, please provide an anticipated schedule as to when the 138 kV line will be undergrounded.**

   Response: The 138 KV line located between Tower 281763 and up to but not including Tower 188701 will be undergrounded as a part of thee Proposed Project.

CHAPTER 3.0 PROJECT DESCRIPTION

1. **Section 3.4.4, South Bay Substation Demolition: Please identify how construction methods will differ in the event Dynegy completes decommissioning of the SBPP and/or components within the existing South Bay Substation concurrently with SDG&E proposed construction activities.**

   Response: Construction methods should not change if Dynegy decommissions their equipment in the existing substation concurrently with SDG&E decommissioning the existing substation. Once the equipment has been de-energized and electrically isolated, SDG&E would remove the remaining equipment, remove structural steel and foundations, and return the substation pad to the agreed upon condition. If Dynegy work is being performed at the same time, synergies may be gained by using the same contractor under separate contracts.

2. **Section 3.6.0, H&B Staging Area: Please clarify whether any screening material will be provided along the eastern limits of the staging area during construction.**

   Response: SDG&E would screen the eastern limits of the H & Bay Yard during construction as it has done for past projects when utilizing this same yard.

3. **Section 3.6.2, Work Areas: Table 3-6 identifies the required temporary work space for pole work areas, underground work areas, pull sites, jack-and-bore pit construction work spaces, etc. Please provide a map with the required temporary work spaces.**

   Response: The temporary work space for all transmission construction shall occur within the 300-ft wide linear right-of-way (ROW) and triangular area as depicted in Figure 3-2: Project Overview Map in Chapter 3 - Project Description.

4. **Section 3.6.5, Methods: Please describe the assumptions that were used to generate Table 3-7, Construction Truck Trip Summary.**

   Response: Truck trips for the construction of the proposed Bay Boulevard Substation were composed of four types of trips—material delivery, import and export of material during site development, import and export of material during duct bank installation, and delivery of asphalt during paving. Approximately six trips per day during the approximately 472-day-long construction period were attributed to substation material delivery. The site development activities were assumed to require approximately 9,335 truck trips. An additional 313 truck trips—at a rate of approximately one per day—were included to allow for the import and export of material during underground duct bank installation. Lastly, 40 truck trips were included for the delivery of asphalt to the substation site to pave the access roads and driveways.

   The demolition of the existing South Bay Substation was assumed to require approximately six truck trips per day throughout the approximately 209-day-long demolition period. As a result, approximately 1,254 trips were allocated to this component of the Proposed Project.

   Truck trips for the construction of the 230 kV loop-in, 69 kV relocation, and 138 kV extensions were based upon their relative lengths, amount of import and export that would be required during construction of their underground segments, and their proximity to staging areas. Based upon this information and SDG&E's prior construction projects of similar size and scope, an average number of truck trips per week was developed for each

Proposed Project component. The following table summarizes the methodology behind the truck trip calculations prepared for construction of the transmission line components.

Project Component	Approximate Truck Use (months)	Average Trips per Week	Total
230 kV Loop-in	4	5	80
69 kV Relocation	2.75	15	165
138 kV Extension	5	15	300

5. **Section 3.6.5: Please clarify whether steel or wood pole construction, jack-and-bore operations, and/or construction of underground duck banks would require any dewatering.**

   Response: Steel pole foundations, jack-and-bore and underground duct banks installation may require dewatering. Dewatering for wood pole installations is not anticipated. Dewatering methods and contingencies are described on pages 3-52 to 3-53 in Chapter 3 – Project Description of the PEA.

6. **Section 3.6.5, Underground Transmission Construction: Please indicate whether the soil excavated for open-cut trench operations will be hauled off site and/or used as fill within the project limits.**

   Response: SDG&E expects the excavated materials would be hauled off site as stated on page 3-60 in Chapter 3 – Project Description of the PEA.

CHAPTER 4.0 ENVIRONMENTAL IMPACT ASSESSMENT

1. **Please clarify the baseline methods that were used to complete the environmental review provided in the PEA for the various environmental categories. It appears some sections of the PEA assume the SBPP has been decommissioned and other sections include the presence of the SBPP.**

   Response: It was assumed that the SBPP would be present during construction of the Bay Boulevard Substation. Decommissioning and demolition of the SBPP is expected to occur at the same time as the demolition of the South Bay Substation although it is possible that may not coincide. Thus, the construction impact analyses assume the presence of the SBPP, while the long-term impact analyses for Proposed Project operations, such as that conducted for aesthetics, assumes that the SBPP would no longer be present.

Section 4.1 Aesthetics

1. **Visual Simulation: The PEA provides a visual simulation of the completed demolition of the South Bay Substation site from the L Street/Bay Boulevard intersection looking west; however, the main project component (Bay Boulevard Substation) cannot be**

seen in this visual simulation. Please provide a new visual simulation of the Bay Boulevard Substation from the L Street/Bay Boulevard intersection looking south.

Response: SDG&E will respond to this question on or before August 24, 2010.

2. **Figure 4.1.3, Visual Simulation: Please provide a visual simulation that includes proposed landscaping per the conceptual landscape plan, which is provided in Figure 4.1.6.**

   Response: A visual simulation that includes proposed landscaping per the Preliminary Landscape Concept has been prepared and included in Attachment B: Visual Sumulation to this letter.

3. **Section 4.1.3 Impacts: Please identify whether any lighting will be required on the top of proposed structures for Federal Aviation Administration purposes.**

   Response: At this time, it is expected that only one pole would require noticing to the Federal Aviation Administration (FAA). It is unknown at this time if any lighting would be required on this one pole. Once the FAA receives the noticing and makes the determination, SDG&E will notify the CPUC as to the outcome of this review.

Section 4.3 Air Quality and Greenhouse Gas Emissions

1. **Section 4.3.2, Existing Conditions, and Section 4.3.3, Impacts: Please provide a summary of the requirements associated with San Diego Air Pollution Control District (APCD) Regulation XI, Subpart M (Asbestos), and indicate how the project would comply with these requirements.**

   Response: San Diego APCD's's Regulation XI, Subpart M, Rule 361.145 requires that the APCD be notified in writing at least 10 days before the start of any demolition or renovation activities involving the presence of asbestos-containing material. SDG&E will comply with this regulation by notifying the APCD in writing at least 10 days prior to the start of the demolition of the existing South Bay Substation.

2. **Attachment 4.3-A: Please provide the source of the emissions factors that were used to determine the on-road vehicles emissions. A brief discussion should be provided that identifies how the emission factors were derived for use in the URBEMIS modeling.**

   Response: On-road vehicle emissions were calculated using two separate approaches. Emissions from the import of soil and export of spoil during the grading and site development phases, as well as the delivery of concrete during foundation installation activities, were calculated using the default emission rates contained within the URBEMIS model. The remainder of the on-road emissions—including material deliveries, excavated material removal during duct bank installation, and worker trips—were calculated using emission rates obtained from version 2.3 of the EMFAC2007 model. The San Diego County burden rates were examined for a composite fleet of light-, medium-, and heavy-duty vehicle classes between 1990 and 2011.

3. **Attachment 4.3 -A: Provide a discussion that identifies why a customized equipment list was generated for the Proposed Project air emissions modeling (e.g., engine build/rebuild date of 2005) in place of standard URBEMIS equipment. Please identify**

whether SDG&E has committed to use of off-road equipment that is 2005 model year or newer, per the assumptions included in the air emissions modeling.

Response: During the development of Chapter 3 – Project Description, a detailed list of the anticipated construction equipment (and their operating hours) was generated. In order to accurately capture the anticipated air emissions from construction, the default construction equipment lists provided by the URBEMIS model were deemed to be inadequate. Construction of the Proposed Project would require multiple pieces of equipment that use differently sized diesel engines and operate a different number of hours each day. The URBEMIS model only allows for one engine size per equipment type and forces that piece of equipment to operate for eight hours per day. Creating a custom list of equipment allowed for a more accurate compilation of equipment through customization of engine sizes and operating hours. SDG&E has committed to using off-road equipment that is from the 2005 model year or newer during construction of the Proposed Project.

4. **Attachment 4.3-A: Provide a discussion that identifies the rationale explaining why different assumptions were used for on-road trucks. The air emissions modeling indicates the use of "other material handling equipment" and "off-highway trucks" for on-road trucks (e.g., concrete trucks, relay/telecommunications van).**

   Response: Some pieces of equipment that may traditionally be considered on-road vehicles were categorized as off-road emission sources in order to be more conservative. On-road vehicle emissions are generally calculated using an emission factor and the vehicle's daily mileage. In situations where trucks would spend more time stationary or idling on the construction site than driving, average daily operating hours were estimated and these vehicles were simulated as off-road vehicles. This approach was used to simulate that despite the low mileage accrued by these vehicles, the engines were running and operating for long periods of time.

5. **Attachment 4.3-A. Greenhouse Gas Emissions from Auxiliary Power Consumption: The emission calculations for N2O and CH4 appear to be overestimated by a factor of 1,000. Please provide a discussion of the emission assumptions and revise the calculations if needed.**

   Response: The emissions for N_2O and CH_4 contained within Attachment 4.3-A: Proposed Project Emissions Calculation Methodology have been overestimated by a factor of 1,000. The corrected values have been included in the following tables:

Facility	CO_2 Emissions (metric tons/year)	N_2O Emissions (metric tons/year)	CH_4 Emissions (metric tons/year)
Bay Boulevard Substation	164.23	0.0018	0.0068
South Bay Substation	82.11	0.0009	0.0034
Annual Change	**82.11**	**0.0009**	**0.0034**

Facility	CO_2 Emissions (metric tons/year)	N_2O CO_2E Emissions (metric tons/year)	CH_4 CO_2E Emissions (metric tons/year)	Total CO_2E (metric tons/year)
Bay Boulevard Substation	164.23	0.57	0.14	164.94
South Bay Substation	82.11	0.28	0.7	82.47
Annual Change	**82.11**	**0.28**	**0.7**	**82.47**

Table 4.3 10: GHG Emission Changes from Operation and Maintenance from Section 4.3 Air Quality of the PEA should also be revised as follows:

Project Component	CO_2 Emissions (metric tons)	CH_4 Emissions (CO_2E metric tons)	N_2O Emissions (CO_2E metric tons)	SF_6 Emissions (CO_2E metric tons)	Total CO_2E Emissions (metric tons)
Electrical Consumption					
Bay Boulevard Substation	164.23	0.14	0.57	– –	164.94
South Bay Substation	82.11	0.7	0.28	– –	82.47
Change in Emissions	**82.11**	**0.7**	**0.28**	**– –**	**82.47**
Fugitive SF_6 Emissions					
Bay Boulevard Substation	– –	– –	– –	104.06	104.06
South Bay Substation	– –	– –	– –	5.06	5.06
Change in Emissions	**– –**	**– –**	**– –**	**99.00**	**99.00**
Total Change	**82.11**	**0.7**	**0.28**	**99.00**	**181.47**

6. Climate Change Sea Level Rise: Please provide a discussion of the potential impacts related to climate change and sea level rise. Identify whether the proposed graded pad site would be elevated above the projected sea level rise in the area.

Response: The International Panel on Climate Change predicts that the global average sea level will rise between 12 inches and 2 feet in the next century. In that same time period, the California Climate Change Center[1] estimates that, under a medium to high greenhouse emissions scenario, the sea level along the California Coast will rise approximately 1.4 meters (4.6 feet). Lastly, the National Oceanic and Atmospheric Administration (NOAA) monitors the sea level in San Diego and predicts an annual rise in

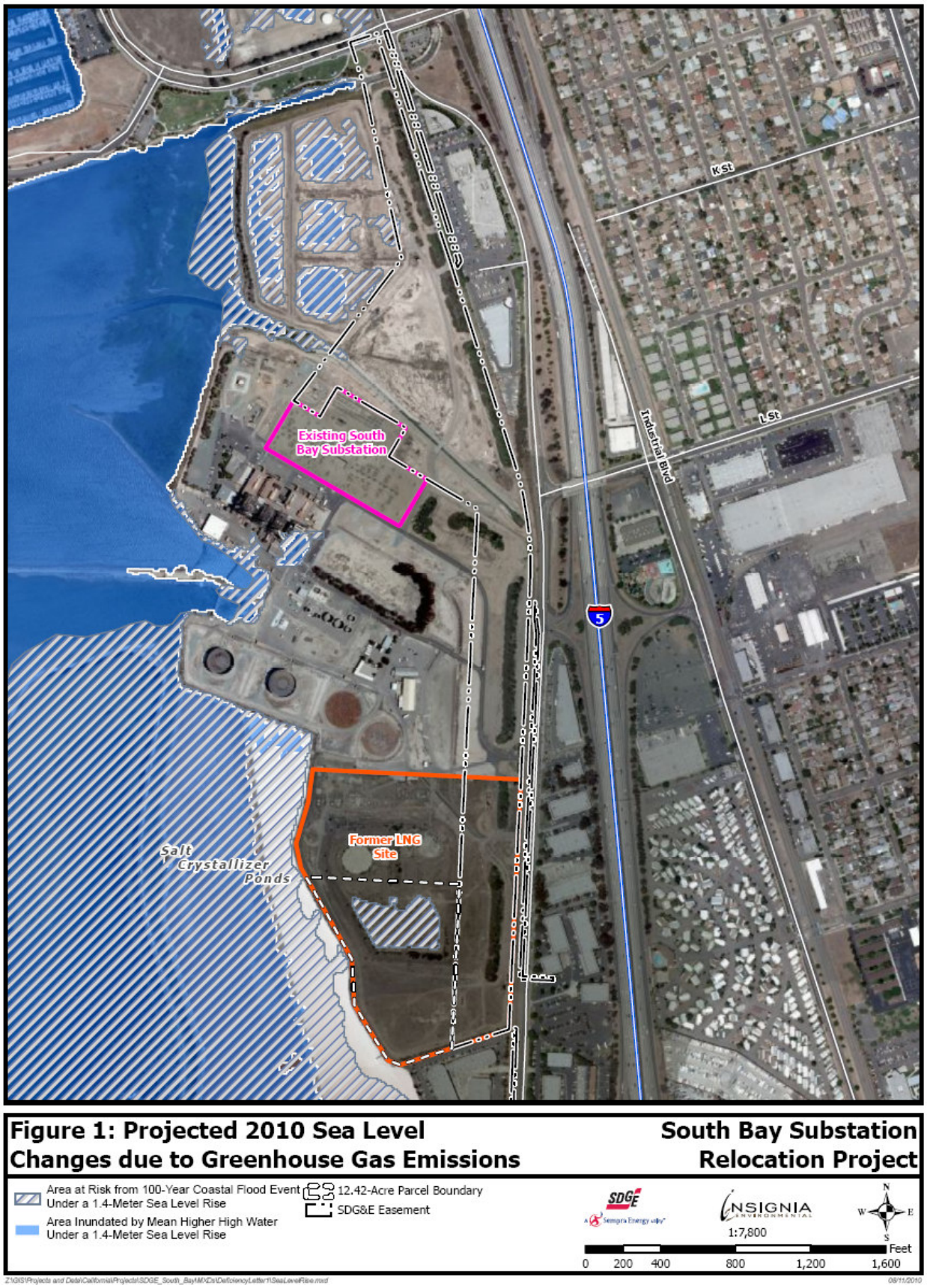
[1] Pacific Institute. Pacific Institute: Sea-Level Rise. Online. http://www.pacinst.org/reports/sea_level_rise/. Site Visited August 11, 2010.

sea level of approximately 0.08 inch per year. This rise corresponds to approximately 8.2 inches in the next century. NOAA also predicts daily high and low tides for the San Diego area. According to the projected 2010 data, the maximum high tide—approximately 7.4 feet—is anticipated to occur on November 6, 2010.

Geographic information system data depicting the area at risk from a 100-year coastal flood event and the area inundated by mean higher high water under the projected 2100 sea level rise of approximately 1.4 meters.[2] The extents of these areas are depicted on Figure 1: Projected 2100 Sea Level Changes due to Greenhouse Gas Emissions. As shown on this map, a portion of the former LNG site is designated as being at risk from a 100-year coastal flood event. This designation assumes that this portion of the former LNG site will remain at its current elevation—approximately nine feet—through 2100. As described in Section 3.6.5 of Chapter 3 – Project Description, the proposed Bay Boulevard Substation, including the portion of the former LNG site designated at risk from a 100-year coastal flood event, would be graded to an elevation of approximately 16 to 21 feet above mean sea level during site development activities. If the most aggressive prediction of sea level rise at approximately 4.6 feet and the anticipated high tide in the Proposed Project area at approximately 7.4 feet are combined, the Bay Boulevard Substation would still be approximately four feet above the projected sea level in 2100.

[2] Pacific Institute. Pacific Institute: Sea-Level Rise. Online. http://www.pacinst.org/reports/sea_level_rise/data/index.htm. Site visited August 11, 2010.

Figure 1: Projected 2100 Sea Level Changes Due to Greenhouse Gas Emissions



Section 4.4 Biological Resources

1. **Section 4.4.1, Methodology: Please provide a schedule of site visits that were completed to determine the biological conditions. The schedule should include the date, time of visit, observer, and weather conditions.**

   Response: The following table presents the schedule of site visits that were completed to determine the biological conditions:

Date	Time	Observer(s)	Weather
3/8/2010	9 a.m. - 4 p.m.	Kristi Bischel and Kyle Ince	Cool/Windy/Drizzle/Partly Cloudy
3/9/2010	8 a.m. - 5 p.m.	Lauren Brudney and Jeff Coward	Cool/Windy/Partly Cloudy
3/9/2010	8:30 a.m. - 5 p.m.	Kristi Bischel and Kyle Ince	Cool/Windy/Partly Cloudy
3/10/2010	8 a.m. - 5 p.m.	Kristi Bischel and Kyle Ince	Cool/Partly Cloudy
3/11/2010	8 a.m. - 5 p.m.	Kristi Bischel and Kyle Ince	Fair Weather
5/3/2010	9 a.m. - 5 p.m.	Kristi Bischel, Kyle Ince, and Joe Thompson	Fair Weather
5/4/2010	8:30 a.m. - 6 p.m.	Kristi Bischel, Kyle Ince, and Joe Thompson	Fair Weather
5/5/2010	8:30 a.m. - 5 p.m.	Kristi Bischel and Joe Thompson	Fair Weather

2. **Figure 4.4-2: Vegetation Communities Map. Please revise the exhibit to include the true Holland type and codes.**

   Response: Figure 4.4-2: Vegetation Communities Map has been revised to include the following vegetation communities and associated Holland codes:

   - Disturbed Coyote brush scrub (32110)
   - Non-native grassland (42200)
   - Eucalyptus woodland (79100)
   - Emergent wetland (52440)
   - Disturbed habitat (11300)

- Urban/developed (12000)
- Ornamental vegetation (No Holland code)
- Seasonal pond (No Holland code)

Ornamental vegetation is a type of non-native vegetation community that is usually planted for groundcover or as a windbreak; therefore, it would be considered a sub-type of Holland code 10000 non-native vegetation, developed areas, or unvegetated habitat. Ornamental vegetation consists of non-native trees, such as peppertree (*Schinus* spp.), acacia (*Acacia* spp.), and oleander (*Nerium oleander*). There is no Holland code for the specific sub-type of vegetation found in the Ornamental vegetation community. Because ornamental vegetation provides both foraging and nesting habitat for common wildlife species, it is considered a sub-type of Holland code 10000 in the Proposed Project area.

A seasonal pond is a shallow depression that appears to regularly pond. At the Bay Boulevard Substation site, the seasonal ponds occur in the northern and southern portions of the site, as well as within the industrial stormwater- and spill-containment basin. The dominant species in these depressions is grass-poly (*Lythrum hysoppifolia*). The presence of brackish water species in the ponds is indicative of the evaporative nature of the pond waters, while the lack of highly saline conditions is indicative of the lack of groundwater infiltration in these areas. Soils in the areas consist of sandy clay loam and sandy clay. The depth of the ponds ranges from three to five inches. These ponds are constricted and, therefore, trap and retain inorganic sediments and/or chemical substances transported by sheet flow over the site. However, the capacity of these areas for sediment/toxicant retention and nutrient transformation is limited given their relatively small size and shallow depth. Additionally, wildlife use is likely limited to the disturbed grassland fields that surround these depressions. Currently, there is no Holland classification code that accurately describes water features similar to the seasonal ponds found in the Proposed Project area.

3. **Section 4.4.2, Existing Conditions: Clarification needs to be provided regarding the statement that no rare plants were observed during site observations completed in March 2010. A rare plant survey may be required prior to construction. Please identify what *Lepidium* species was observed during the site observation and the potential for this *Lepidium* species to be Robinson's peppergrass.**

Response: Insignia biologists conducted a reconnaissance-level biological survey of the Proposed Project area on March 9, 2010. The biologists documented the dominant vegetation communities and plant species that were observed in the Proposed Project area. The potential for sensitive plant species was determined by the presence of vegetation communities in the area. The vegetation communities within the Proposed Project area were highly degraded by previous development and disturbance; therefore, it is unlikely there would be rare plant species in the Proposed Project area.

The Proposed Project area is dominated by non-native grassland, disturbed coyote brush scrub, and disturbed habitat. The *Lepidium* species most likely to occur include, but are not limited to, broadleaved pepperweed (*Lepidium latifolium*), shining pepperweed (*Lepidium natidum*), and manybranched pepperweed (*Lepidium ramosissimum*). These species often occur in disturbed habitat.

Robinson's peppergrass (*Lepidium virginicum* var. *robinsonii*) grows in openings in chaparral and sage scrub habitats. This species is generally found away from the coast in

Southern California in foothill elevations. The Proposed Project area is at sea level elevations adjacent to the San Diego Bay and does not contain chaparral or sage scrub habitat. Therefore, it is unlikely that Robinson's peppergrass occurs in this area.

4. **Section 4.4.2, Existing Condit ions: Please provide rationale as to why the homed lark would not likely nest on site. Identify whether routine maintenance of tile area occurs that would potentially prevent horned lark nesting on site.**

   Response: Horned lark (*Eremophila alpestris*) breeding distribution in San Diego County is patchy due to the fragmentation of its habitat. One type of habitat where the horned lark can be found breeding is the coastal strand, including the salt flats around the lagoons and fills in Mission Bay and San Diego Bay. At these sites, the horned larks are likely to share their nesting sites with the least tern (*Sterna antillarum*) and snowy plover (*Charadrius alexandrinus*) on dikes and dredge spoils within the San Diego Bay National Wildlife Refuge Complex; however, horned larks are generally uncommon along the coastal strand. According to the San Diego County Bird Atlas (Unitt 2004), counts of horned larks at the southeast corner of Mission Bay were about 30 in 1998.

   The Proposed Project area is highly disturbed and does not contain dikes or dredge spoil habitat for least terns or snowy plovers. Horned larks will nest in areas that are disturbed and where vegetation is thin. Breeding habitat for the least tern and snowy plover exists outside of and adjacent to the Proposed Project area. The Proposed Project area contains habitat that is disturbed and has thin vegetation; therefore, there is a potential for the horned lark to nest within the Proposed Project area. However, horned larks are uncommon in the coastal strand areas; therefore, the potential for them to breed within the Proposed Project area is low. Additionally, higher-quality breeding habitat exists outside and adjacent to the Proposed Project area than within it; therefore, horned larks are more likely to breed outside of the Proposed Project area. SDG&E would conduct nesting bird surveys prior to any construction or vegetation removal to ensure that Proposed Project activities would not disturb nesting birds.

   After the Bay Boulevard Substation has been constructed, there would be no suitable nesting habitat within the substation because it would be graded, compacted, and covered with gravel. Therefore, routine maintenance activities at the substation would not prevent horned lark nesting.

5. **Section 4.4.2, Existing Conditions: Please provide additional discussion of the potential for nesting birds within the project area. Given the known occurrence of least tern and snowy plover in the area; further discussion is needed to determine the potential likelihood for nesting birds to be present, especially special-status species.**

   Response: The Proposed Project area has been disturbed by previous industrial land uses; as a result, the vegetation communities within the area are highly degraded. Eight vegetation communities—seasonal pond, emergent wetland, non-native grassland, disturbed coyote bush scrub, eucalyptus woodland, ornamental vegetation, disturbed habitat, and urban/developed land—exist within the Proposed Project area. Because the Proposed Project area is highly degraded, avian species that are likely to nest in this area are common avian species that are adapted to urban landscapes, such as northern mockingbird (*Mimus polyglottos*), Anna's hummingbird (*Calypte anna*), European starling (*Sturnus vulgaris*), black phoebe (*Sayornis nigricans semiatra*), house finch (*Carpodacus mexicanus*), California towhee (*Pipilo crissalis*), and bushtit (*Psaltriparis minimus*).

Additionally, some sensitive species, such as the American peregrine falcon, osprey, and Cooper's hawk have low to moderate potential to nest within or near the Proposed Project area. SDG&E would conduct nesting bird surveys prior to any construction or vegetation removal to ensure that Proposed Project activities would not disturb nesting birds.

Special-status species that are known to occur within five miles of the Proposed Project area, their associated breeding habitat, and the likelihood for them to occur within the Proposed Project area are summarized as follows:

- Shorebirds and waterbirds, such as the least tern, snowy plover, elegant tern (*Sterna elegans*), gull-billed tern (*Gelochelidon nilotica*), and black skimmer (*Rynchops niger*), nest on dikes and dredge spoils within the San Diego Bay National Wildlife Refuge Complex, which is adjacent to the Proposed Project area. California Natural Diversity Database (CNDDB) records for the snowy plover and least tern do occur less than one mile away from the Proposed Project area. CNDDB records for the elegant tern, gull-billed tern, and black skimmer occur between one and five miles from the Proposed Project area. No dikes or dredge spoils exist within the Proposed Project area; therefore, none of these species are likely to nest within the area.

- Rails, such as the light-footed clapper rail (*Rallus longirostris levipes*) and black rail (*Laterallus jamaicensis*), build nests in coastal saltmarshes and marshes. CNDBB records for the light-footed clapper rail do occur less than one mile from the Proposed Project area. CNDBB records for the black rail occur between one and five miles from the Proposed Project area. There are no marshes or associated marsh vegetation within the Proposed Project area; therefore, rails are unlikely to nest within the area.

- The yellow-billed cuckoo (*Coccyzus americanus*), least Bell's vireo (*Vireo bellii pusillus*), and white-tailed kite (*Elanus leucurus*) nest within extensive stands of mature riparian woodland. CNDBB records for the yellow-billed cuckoo and least Bell's vireo occur between one and five miles from the Proposed Project area. Additionally, there are no areas of mature riparian woodland habitat within the Proposed Project area; therefore, the yellow-billed cuckoo, least Bell's vireo, and white-tailed kite are unlikely to nest within the area.

- The short-eared owl (*Asio flammeus*), northern harrier (*Circus cyaneus*), and Belding's savannah sparrow (*Passerculus sandwichensis beldingi*) nest within marsh vegetation or in grassland habitat with suitable cover. CNDBB records for the Belding's savannah sparrow do occur less than one mile from the Proposed Project area. CNDBB records for the short-eared owl and northern harrier occur between one and five miles from the Proposed Project area. The Proposed Project area does not contain marsh habitat and the grassland habitat in the area is highly disturbed and does not provide suitable nesting cover; therefore, these species are unlikely to nest within the Proposed Project area.

- The San Diego cactus wren (*Campylorhynchus brunneicapillus sandiegense*) is dependent on cactus thickets of cholla (*Cylindropuntia* spp.) or prickly pear (*Opuntia* spp). CNDDB records for the San Diego cactus wren occur between one and five miles from the Proposed Project area. Additionally, there is no cactus within the Proposed Project area; therefore, the San Diego cactus wren is unlikely to nest within the area.

- The California gnatcatcher (*Polioptila californica californica*) and rufous-crowned sparrow (*Aimophilia ruficeps*) nest within coastal sage scrub habitat and avoid nesting in or near developed areas. CNDDB records for California gnatcatcher and rufous-crowned sparrow occur between one and five miles of the Proposed Project area. Additionally, there is no coastal sage scrub habitat within the Proposed Project area and the site is highly disturbed and developed; therefore, these species are unlikely to nest within the Proposed Project area.

- The California brown pelican (*Pelecanus occidentalis californicus*) does not nest within San Diego County. The closest nesting colony of California brown pelican is on the Los Coronados Islands off Tijuana, Mexico. CNDBB records for the California brown pelican occur between one and five miles of the Project area. Additionally, the Proposed Project is located in San Diego County; therefore, it is not likely that California brown pelican will nest within the area.

- The burrowing owl (*Speotyto cunicularia hypugea*) nests in small mammal burrows in grassland and open scrub habitat. Some suitable nesting habitat exists in the Proposed Project area; however, no historical nesting records for burrowing owls exist in or near the area and no small mammal burrows were observed during the 2010 field survey within or around the site. Therefore, it is unlikely that burrowing owl will nest in the Proposed Project area. Additionally, CNDDB records for burrowing owls occur between one and five miles of the Proposed Project area.

- The American peregrine falcon (*Falco peregrines*) often nests on cliff ledges or manmade structures. There are many transmission poles and buildings within the Proposed Project area that could provide suitable nesting habitat for the American peregrine falcon; however, CNDDB records for this species are between one and five miles away from the Proposed Project area. Because some suitable habitat exists within the Proposed Project area, there is a low potential for the American peregrine falcon to nest within the area.

- The Cooper's hawk (*Accipiter cooperii*) typically nests within oak (*Querus* spp.) groves and mature riparian woodland; however, it can sometimes be found nesting in eucalyptus (*Eucalyptus* spp.) woodland. CNDDB records for Cooper's hawk occur between one and five miles away from the Proposed Project area. However, there are small patches of eucalyptus woodland present within the Proposed Project area; therefore, there is a low potential for Cooper's hawk to nest in the vicinity of the Proposed Project.

- The osprey (Pandion haliaetus) nests on manmade structures near water. There are many transmission poles and buildings in the Proposed Project area and the Proposed Project is adjacent to the San Diego Bay. Additionally, ospreys have been observed nesting in manmade structures in close proximity to the Proposed Project area; therefore, there is moderate potential for osprey to nest in the area.

6. **Section 4.4.2, Existing Conditions: Please discuss the potential for fairy shrimp and other vernal pool species to be present within the seasonal ponds located on site. If there is no potential for these species, please provide a discussion as to the size, depth, and duration of ponding where seasonal ponds are present.**

   Response: There are two sensitive vernal pool species—western spadefoot toad and the San Diego fairy shrimp—that could potentially be present within the seasonal ponds located on the Bay Boulevard site. The western spadefoot toad (*Spea hammonii*) lays its eggs in a variety of permanent and temporary wetlands, including rivers, creeks, pools in intermittent streams, vernal pools, temporary rain pools, and stock ponds. Optimal habitat in vernal pools and other temporary wetlands used for reproduction is free of native and non-native predators, including fish, bullfrogs, and crayfish. Western spadefoot toads typically inhabit lowland habitats, such as washes, floodplains of rivers, alluvial fans, playas, and alkali flats. The species selects areas with sandy or gravelly soil with open vegetation and short grasses. Vegetation communities where this species may occur include valley and foothill grasslands, coastal sage scrub, open chaparral, and pine-oak woodlands. This species is found from near sea level to 4,500 feet in elevation in the San Diego area.

   The San Diego fairy shrimp (*Branchinecta sandiegonensis*) often appear in freshwater or saltwater vernal pools, pot holes, and other ephemeral pools that range in depth from 5 to 30 centimeters. Vegetation communities where these species are found often include chaparral-covered mesas. They can also be found in ditches or road ruts that can support suitable conditions. They are well-adapted to living in arid areas where water is present only part of the year.

   The seasonal ponds located in the Proposed Project area are shallow ephemeral pools that are free of native and non-native predators. Therefore, the Proposed Project area contains some suitable habitat for the San Diego fairy shrimp and western spadefoot toad. However, there are no CNDDB records of San Diego fairy shrimp or western spadefoot toad within four miles of the Proposed Project area; therefore, it is unlikely that the western spadefoot toad or San Diego fairy shrimp will occur within the area. In addition, the wetland biologist who conducted some of the surveys is certified by United States (U.S.) Fish and Wildlife Service to conduct surveys for fairy shrimp. Although protocol-level surveys were not conducted during the 2010 site visits, no fairy shrimp were observed within the seasonal ponds during these visits.

7. **Section 4.4.2, Existing Conditions: The document states that mulefat scrub is present in the seasonal pond. Please document why the presence of mulefat scrub would not be considered riparian habitat.**

   Response: Typical mule fat scrub communities occur within intermittently flooded stream courses with fairly course substrate and moderate water table depth in Southern California. This vegetation is characterized by a low-diversity assemblage of riparian shrubs dominated by mule fat (*Baccharis salicifolia*) and other shrubby willows. This early seral community is maintained by frequent flooding. Without frequent flooding, most stands would succeed to cottonwood (*Populus deltoides*)- or sycamore (*Platanus occidentalis*)-dominated riparian forests and woodlands. In Southern California, this vegetation type can be found in riparian areas where the water supply is insufficient to support a larger-saturated and more diverse riparian community.

Within the Bay Boulevard Substation site, patches of mule fat scrub occur within the southern half of the site's industrial stormwater- and spill-containment basin. Seasonal storm events result in drainage within the stormwater- and spill-containment basin to a low point where ponding of water occurs on the clay-lined floor of the basin. This seasonal pooling of water promotes the growth of shallow rooted and water-rooted hydrophytic vegetation, such as mule fat, tamarisk (*Tamarix parviflora*), and coyote bush (*Baccharis pilularis*).

Riparian habitats are considered sensitive because they serve a particular ecosystem function. They provide seasonal nutrient transformation and filtration of pollutants from surface runoff within a larger watershed, provide wildlife nesting and foraging habitat, and stabilize soil. The mule fat within the drainage basin is not linked to a watershed; therefore, it does not provide seasonal nutrient transformation, soil stabilization, or filtration of pollutants from surface runoff for a larger watershed. Additionally, due to the predominance of non-native plant species, including tamarisk shrub, the sparseness of the mule fat, and the lack of natural habitats surrounding the basin, the mule fat scrub habitat at the substation site is not expected to provide quality foraging or nesting habitat for wildlife species. Therefore, the mule fat vegetation community at the Proposed Project site is not considered riparian habitat.

8. **Wetlands delineation report: There appears to be species identified in the report that seem unlikely to occur in this region. Examples include ruby-throated hummingbird.**

   Response: Several wildlife species, including house finch (*Carpodacus mexicanus*), goldfinch (*Carduelis psaltria*), northern mockingbird (*Mimus polyglottos*), Botta's pocket gophers (*Thomomys bottae*), ground squirrels (*Spermophilus beecheyi*), and Virginia opossum (*Didelphis virginiana*), were mentioned in the Wetland Delineation Report. The Proposed Project area is within the range of each of these species. Ruby-throated hummingbird (*Archilochus colubris*) was not mentioned in the Wetland Delineation Report, but was discussed in Section 4.4 Biological Resources of the Proponent's Environmental Assessment, along with a number of observed wildlife species. Ruby-throated hummingbird is not known to occur in the Proposed Project area. Thus, it is more likely that the observed species was actually Anna's hummingbird (*Calypte anna*), which has similar coloring and characteristics. The Proposed Project area is located within the known range of all of the other observed species mentioned in the report.

9. **Wetlands delineation report: There appears to be discrepancies with the habitat mapping and descriptions provided in the wetland delineation report and Section 4.4 of the PEA. Some discrepancies identified include mapping the large wetland feature in the delineation report as predominately disturbed wetland scrub, while the PEA maps this as seasonal pond. Please clarify why the PEA is not consistent with the wetland delineation report in both acreage and vegetation community mapping.**

   Response: The Wetland Delineation Report involved a focused study of the wetlands at the Proposed Project site, whereas Section 4.4 Biological Resources of the Proponent's Environmental Assessment assessed the vegetation communities in the entire Proposed Project area. The large wetland feature is correctly identified as a seasonal pond in Section 4.4 Biological Resources because the area is one feature that is periodically inundated. In Figure 4b of the Wetland Delineation Report, this feature is separated into several wetland features, including seasonal pond, disturbed wetland scrub, and mulefat scrub. Although the wetland features within the bermed area were identified to a finer scale in the Wetland

Delineation Report, most are still a part of the one larger wetland feature. The disturbed wetland scrub is identified as such in the Wetland Delineation Report because it was not inundated with water at the time of the surveys. However, the disturbed wetland scrub is a continuous part of the associated seasonal pond feature. Thus, the disturbed wetland scrub and the mulefat scrub, as described in the Wetland Delineation Report, were included within the category of seasonal pond in Section 4.4 Biological Resources. In addition, the vegetation that distinguishes the disturbed wetland scrub—tamarisk (*Tamarix parviflora*) and mulefat (*Baccharis salicifolia*)—were included in the description of the seasonal pond in Section 4.4 Biological Resources. The language from the seasonal pond description in Section 4.4 Biological Resources is as follows:

"Within the bermed area, hydrophytic shrub species—mule fat (*Baccharis salicifolia*) and small-flower tamarisk (*Tamarix parviflora*)—were present in the area surrounding the ponded water."

Therefore, although the maps in the Wetland Delineation Report and Section 4.4 Biological Resources of the Proponent's Environmental Assessment do not categorize the wetland features in exactly the same manner, they are consistent.

10. Section 4.4.3, Impacts: Coyote brush scrub is considered a sensitive habitat by the City of Chula Vista and California Department of Fish and Game (CDFG) since it is considered a subtype of coastal sage scrub. Please provide further discussion of this vegetation community located on site and indicate why the determination was made that this vegetation is not considered a sensitive habitat.

Response: Coastal sage scrub is considered a sensitive habitat by the City of Chula Vista and CDFG. Coyote brush scrub habitat is considered a sub-type of the coastal sage scrub vegetation community. Section 4.4 Biological Resources of the Proponent's Environmental Assessment discusses coastal sage scrub and coyote brush scrub habitat types and provides details of the coyote brush scrub habitat found in the Proposed Project area.

Coastal sage scrub is a lowland scrubland plant community found in the California chaparral and woodlands ecoregion of coastal California. It is characterized by low-growing aromatic and drought-deciduous shrubs. Characteristic plants of this community include California sagebrush (*Artemisia californica*), black sage (*Salvia mellifera*), white sage (*Salvia apiana*), California buckwheat (*Eriogonum fasciculatum*), coyote bush, coast brittle-bush (*Encelia californica*), golden yarrow (*Eriophyllum confertifolium*), and lemonadeberry (*Rhus integrifolia*).

Coyote brush scrub is a sub-type of the coastal sage scrub habitat; however, as its name implies, is dominated by coyote bush. Coyote brush scrub habitat is typically composed of a more open shrub canopy than the coastal sage scrub community. The typical species that are associated with coyote brush scrub habitat are similar to those of the coastal sage scrub community.

The coyote brush scrub habitat in the Proposed Project area is not associated with any of the typical plants found in a coastal sage scrub community. Instead, the coyote brush scrub habitat contains a number of non-native and ornamental plants, including crystalline ice plant (*Mesembryanthemum crystallinum*), slender-leaved ice plant (*Mesembryanthemum nodiflorum*), bank catclaw (*Acacia redolens*), acacia cyclops (*Acacia cyclops*), tamarisk, and tree tobacco (*Nicotiana glauca*). Because the coyote brush scrub habitat in the Proposed

Project area contains so many non-native plant species and does not contain other typical plants found within a coastal sage scrub community, it was not considered sensitive habitat.

11. **Section 4.4.4, Applicant Proposed Measures: Please clarify whether the Applicant Proposed Measures are in addition to the SDG&E protocols and whether the measures are in addition to the requirements of the Natural Community Conservation Plan (NCCP).**

    Response: Yes, the applicant-proposed measures (APMs) identified in the PEA would be implemented by SDG&E, as would the NCCP Operational Protocols, to avoid and minimize potential impacts to biological resources.

12. **Section 4.4.4, Applicant Proposed Measures: Please provide further discussion regarding the success criteria that would be used for determining the location and required mitigation for impacts to wet land and upland vegetation communities.**

    Response: SDG&E is working with the U.S. Army Corps of Engineers, CDFG, California Coastal Commission, and Regional Water Quality Control Board to determine the location and amount of mitigation that would be required to mitigate for wetland impacts. To address wetland mitigation to the extent possible, SDG&E has designed an on-site wetland that would mitigate for impacts at a ratio of two to one. If additional mitigation is required by the jurisdictional agencies, SDG&E will work with the agencies to identify potential mitigation options and obtain their approval before securing such mitigation.

Section 4.5 Cultural Resources

1. **Section 4.5.3, Impacts: Please provide any responses from the Native American scoping letters and any correspondence with the Native American groups. In the event responses have not been received From the Native American groups, please indicate so.**

   Response: No responses have been received from the Native American scoping letters that were sent to Native American representatives on April 26, 2010. Follow-up phone calls were placed to representatives from the tribes on May 10, 2010. Only one representative—Carmen Lucas from the Kwaaymii Laguna Band of Mission Indians—responded to the phone call. Carmen Lucas inquired as to whether a Native American monitor was involved in the cultural survey that was conducted for the Proposed Project. She stated that she would like a Native American monitor to be present if any further survey work is planned. She was informed that no Native American monitor was present when the survey was conducted. There is no Federal, State or local requirement for Native American monitoring with regards to this particular project.

Section 4.7 Hazards and Hazardous Materials

1. **General: Please provide information regarding the remediation activities that will be required for the Liquefied Natural Gas (LNG) site. The discussion should identify how the tanks located on site will be remediated.**

   Response: No remediation is necessary at the LNG site beyond excavating to remove the existing fill. The tank foundations discussed in the PEA are not in the area to be affected by the Proposed Project, but rather, are located in an adjacent area just north of the substation

site. The foundations are visible in the area labeled Former LNG Site on Figure 3-2: Project Overview Map in Chapter 3 – Project Description of the PEA.

2. **Section 4.7.1, Methodology: Please verify whether a Phase 1 report was completed for all utility corridors in addition to the proposed substation site.**

   Response: As stated in Section 4.7.1 in Section 4.7 Hazards and Hazardous Materials of the PEA, Phase I Environmental Site Assessments were conducted for the existing South Bay Substation site and the Bay Boulevard Substation site. A database search encompassing a one-mile radius (with the exception of the State and Tribal Institutional Controls/Engineering Controls database and the California Hazardous Material Incident Report System (CHMIRS) database, which only searched the actual sites) was conducted of the following databases for the new transmission line components:

   - National Priorities List (NPL)
   - Delisted NPL Sites
   - Comprehensive, Environmental Response, Compensation, and Liability Act Information System (CERCLIS)
   - CERCLIS No Further Response Actions Planned
   - Federal Emergency Response Notification System
   - Resource Conservation and Recovery Act (RCRA) Corrective Action Report (CORRACTS) Treatment, Storage, Disposal Facilities (TSD) facilities
   - RCRA non-CORRACTS TSD facilities
   - RCRA Generators
   - Federal Institutional Controls/Engineering Controls
   - State and Tribal Equivalent NPL/CERCLIS sites
   - State and Tribal Registered Storage Tanks
   - State and Tribal Landfills and Solid Waste Disposal sites
   - State and Tribal Leaking Storage Tanks
   - State and Tribal Institutional Controls/Engineering Controls
   - State and Tribal Voluntary Cleanup sites
   - State and Tribal Brownfield sites
   - Spills, Leaks, Investigations, and Cleanup
   - Annual Workplan Sites
   - Cortese List
   - Notify 65
   - CHMIRS
   - No Further Action sites
   - Referred to Another Agency sites
   - School Property Evaluation Program
   - Needing Further Evaluation sites

   This review identified hazardous materials and chemicals use, generation, storage, treatment, or disposal, and release incidents of such materials that may be encountered by the Proposed Project.

3. **Section 4.7.3, Hazardous Material Transport, Use or Disposal: Please provide a discussion as to how substation equipment will be refueled and maintained during operation of the Bay Boulevard Substation. Provide information regarding the location and capacity of gas storage containers on site.**

   Response: Hazardous material would not be stored onsite outside of equipment. Both oil and SF_6 gas would be brought to the substation as required for routine maintenance. For SF_6SF_6 gas-filled equipment (circuit breakers), refill bottles would be brought to the site and used to maintain pressure in the circuit breakers, then returned to Kearny Electrical Construction and Maintenance Yard. Transformer oil would be brought on site to fill the transformers; any extra oil would be returned to the oil storage tanks at Kearny Electrical Construction and Maintenance Yard.

4. **Section 4.7.3, Hazardous Material Transport, Use or Disposal: Please provide haul routes that will be used for transportation of hazardous materials to and from the project site.**

   Response: Hazardous materials would be transported to and from the Proposed Project area from Interstate 5 to Bay Boulevard and then to the access roads identified to reach the various Proposed Project components.

5. **Section 4.7.3, Hazardous Material Transport, Use or Disposal: Please provide project-specific features that will be included as part of the Spill Prevention, Control, and Countermeasure (SPCC) for the proposed Bay Boulevard Substation.**

   Response: Oil containment would be installed around any equipment with oil capacity greater than 50 gallons. A SPCC Plan would be created for the substation, as have been written and instituted at all SDG&E substations. At this time, it is too early to prepare specific measures for the SPCC Plan until SDG&E is further in the design process. Nevertheless, SDG&E would comply with all SDG&E, local, state, and federal standards as applicable. Further, there are no known conditions at this site or proposed facilities that would require extraordinary measures beyond what is already required and accounted for in the regulations and applicable SDG&E standards.

6. **Section 4.7d, Groundwater Plume: Please provide further discussion of the specific measures that will be implemented in the event a groundwater plume is encountered during construction.**

   Response: Because it is highly unlikely that the groundwater plume would be encountered and due to the nature of the contaminants, only one measure has been included to protect workers from exposure. The measure involves developing a Hazardous Substance Management and Emergency Response Plan, which includes appropriate measures to minimize impacts, in the unlikely event a groundwater plume is encountered. The main measure that is recommended to be implemented involves wearing personal protection equipment (i.e., gloves) to ensure that any direct skin contact is avoided.

7. **Section 4.7.4, APM-HAZ-01: Please provide specific performance criteria that will be used to determine measures and/or procedures that will be required as part of the project-specific hazardous substance management and emergency response plan.**

   Response: The "performance criteria" is found in California Health & Safety Code §25503.4, §25503.5, and §25504 and specifically addressed for the County of San Diego in the County of San Diego Department of Environmental Health, Hazardous Material Division guidance on Hazardous Materials Business Plans.

Section 4.8 Hydrology and Water Quality

1. **Section 4.8.3, Impacts: Please indicate whether the water quality basins were sized to accommodate a certain storm water event (i.e., 100 year). Provide hydrologic studies/documentation showing that the flow rates would be maintained at existing conditions.**

   Response: Though preliminary hydrologic and drainage calculations have been performed for the concept grading plan, a formal hydrology and drainage study has not yet been prepared. The hydrology and drainage study will be prepared for submittal to the City of Chula Vista as a required part of the Grading Permit submittal. For this phase of the Proposed Project, SDG&E has evaluated the existing and proposed conditions based on the Concept Grading Plan.

   On-site hydrologic calculations for the Proposed Project, based on the Concept Grading Plan, were performed using the Rational Method as specified in Section 3-200 (Hydrology/Drainage/Urban Runoff) of the City of Chula Vista Subdivision Manual (dated July 1, 2002). These calculations determined the 100-year peak discharge rates that are tributary to the three proposed on-site retention basins. These retention basins, labeled A, B, and C have available storage volumes of 41,500 ft^3, 20,500 ft^3, and 57,000 ft^3, respectively. Using the appropriate hydrologic values from the Rational Method results, 100-year, 6-hour hydrographs were generated following the guidelines presented within the County of San Diego Hydrology Manual (dated June 2003). The available storage volumes of the retention basins were then compared to the incoming hydrograph runoff volumes. Based on this comparison, it was determined that each proposed retention basin has adequate volume to store the proposed conditions incoming 100-year storm volume. Thus, it can be concluded that the peak 100-year flow rates from the Proposed Project would be less than the existing conditions. This conservative method does not take into account infiltration rates.

2. **Section 4.8.3, Operation and Maintenance: Please identify whether the City of Chula Vista or Port of San Diego will be responsible for maintaining and determining whether connections to existing drainage facilities will be permitted.**

   Response: The City of Chula Vista would be responsible for maintaining public storm drainage improvements, and for determining whether connection to existing drainage facilities would be permitted.

3. **Section 4.8.4, Applicant Proposed Measures: Please provide site-specific best management practices (BMPs) that will be implemented to ensure impacts 'to water quality will be minimized both during operation and construction of the Proposed Project.**

   Response: A Stormwater Pollution Prevention Plan (SWPPP) would be prepared for the Proposed Project. The SWPPP would include an Erosion Control Plan identifying construction-period BMPs that may be used for prevention of storm water pollution. Construction-period BMPs may include silt fence, fiber rolls, street sweeping and vacuuming, storm drain inlet protection, stockpile management, solid waste management, stabilized construction entrance/exit, vehicle and equipment maintenance, desilting basin, gravel bag berm, sandbag barrier, material delivery and storage, spill prevention and control, concrete waste management, or other BMPs as contained in the latest edition of the California Stormwater Quality Association (CASQA) BMP handbook. Additionally, slopes created by grading would have vegetative cover established within 180 days of slope completion.

   A Water Quality Management Plan identifying operation period BMPs and maintenance schedules would be prepared according to the requirements of the City of Chula Vista. Operation period BMPs would include minimized impervious area, site management, detention/retention and infiltration basins.

Section 4.10 Noise

1. **Section 4.10.2, Existing Noise Measurements: Please provide the ambient noise level at the closest residence(s) and noise sensitive receptors (i.e., recreational users within Marina View Park).**

   Response: This response will be provided on or before August 20, 2010.

2. **Existing Noise Measurements, Table 4.10-3: Please identify the primary noise source(s) that occurred while the noise measurements were completed.**

   Response: This response will be provided on or before August 20, 2010

3. **Existing Noise Measurements, Table 4.10-3: Measurement duration of only 10 minutes does not appear to be an accurate reflection of the existing ambient noise conditions in the project area because it does not capture the normal 24-hour variation in noise levels for the area. Please provide noise measurement data that more accurately reflect the daily variation in the ambient noise level in order to determine the change in the ambient noise that would result with project implementation.**

   Response: This response will be provided on or before August 20, 2010

4. **Existing Noise Measurements, Table 4.10-4: Marina View Park is located immediately adjacent to the right of way. Please address potential noise impacts from construction-related activities to recreational users located at Marina View Park.**

   Response: This response will be provided on or before August 20, 2010.

5. **Section 4.10.3, Impacts: Please quantify the construction noise level at the adjacent properties and closest noise sensitive receptors (i.e., Marina View Park and San**

Diego National Wildlife Refuge) and evaluate the noise impact at these locations. A construction noise impact can be significant even though the City of Chula Vista may not have a quantified threshold limit for construct ion noise.

Response: This response will be provided on or before August 20, 2010.

6. **Section 4.10.3, Impacts: Please indicate whether the operational noise of the substation will comply with the City's 45 dB Leq(h) noise level limit at the closest sensitive receptors.**

   Response: This response will be provided on or before August 20, 2010.

7. **Section 4.10.3, Impacts: Please calculate the Corona transmission line noise level assuming Corona noise attenuates as a linear source rather than a point source.**

   Response: This response will be provided on or before August 20, 2010.

8. **Section 4.10.3, Impacts: Please evaluate the potential impacts associated with the use of a helicopter for construction in relation to commercial uses, recreational users, and sensitive wildlife species.**

   Response: This response will be provided on or before August 20, 2010.

9. **Section 4.10.3, Impacts: Please provide the limits of the 60 Community Noise Equivalent Level (CNEL) contour that would result during construct ion. The 60 CNEL contour location is needed to evaluate whether sensitive wildlife would be impacted during construction.**

   Response: This response will be provided on or before August 20, 2010.

Section 4.12 Public Services

1. **Section 4.12.4, Applicant Proposed Measures: Please indicate whether SDG&E will be required to pay fees to public service providers.**

   Response: SDG&E would not be required to pay fees to public service providers for the Proposed Project.

Section 4.14 Transportation

2. **Section 4.14.3, Impacts: Please provide the number of construction trips and duration that are anticipated during each const ruction phase and the average daily traffic (ADT) increase that would result at nearby intersections, including the Bay Boulevard/L Street intersection that is currently operating below an acceptable level of service (LOS).**

Response: The following table provides the average daily traffic rates that are associated with each of the Proposed Project's components:

Proposed Project Component/Activity	Average Daily Traffic	Total Trips
Bay Boulevard Substation		
Material Delivery/Removal	6	2,832
Site Development	63	9,335
Underground Duct Bank	1	313
Asphalt	8	40
230 kV Loop-In		
Material Delivery/Removal	1	80
69 kV Relocation		
Material Delivery/Removal	3	165
138 kV Extension		
Material Delivery/Removal	3	300
South Bay Substation Demolition		
Material Delivery/Removal	6	1,254

As described in Section 4.14 Transportation and Traffic, approximately 60 personal trips to the work site are also expected during peak construction activities. When the truck trips provided in the preceding table are applied to the construction schedule provided in Table 3-16: Proposed Construction Schedule and combined with the anticipated number of personal trips, the maximum number of trips, approximately 130 per day, would occur during site development and below-grade construction activities at the Bay Boulevard Substation from March 2011 through August 2011.

The workforce is expected to arrive at the Proposed Project site in the morning and then leave in the evening at the end of the day's construction activities. The truck trips,, however, are anticipated to be generally evenly distributed throughout the day. When these assumptions are considered, the maximum number of vehicles traveling to the site in the morning or from the site in the evening would be approximately 78. The following table compares the anticipated increase in average daily traffic to the existing traffic conditions near the Proposed Project:

Roadway	Cross Street	Average Weekday Traffic Volume	LOS a.m./p.m. Peak*	Maximum Average Daily Traffic from the Proposed Project	Percent Increase from the Proposed Project
Walnut Avenue	H Street and I Street	Not Available	Not Available	130	Not Available
H Street	Walnut Avenue and Bay Boulevard	8,000	A/B	130	1.6
Bay Boulevard	H Street and I Street	2,100	A/B	130	6.2
	Marina Parkway/ West J Street and L Street	3,100	B/B	130	4.2
	L Street and Palomar Street	17,000	Not Available	130	0.8
L Street	Bay Boulevard and Industrial Boulevard	15,100	C/F	130	0.9

* The a.m. peak is between 7:00 a.m. and 9:00 a.m. The p.m. peak is between 4:00 p.m. and 6:00 p.m.

Because L Street between Bay Boulevard and Industrial Boulevard is currently operating below an acceptable LOS, SDG&E has proposed APM-TRA-01, which restricts traffic along L Street during evening weekday peak hours, in order to minimize traffic-related impacts at this intersection.

Section 4.15 Utilities

1. **Section 4.15.2, Existing Conditions: Please provide a map identifying the location of existing public utilities within the right of way and near the proposed Bay Boulevard and South Bay substations.**

   Response: Exhibit U-01 provides a map identifying the location of existing public utilities within the ROW and near the proposed Bay Boulevard and existing South Bay substations.

2. **Section 4.15.3, Impacts: Please provide the location and construction methods that will be used to provide a water pipeline connection to the project site.**

   Response: The use of a potential water pipeline would be for landscape irrigation and on-site wetlands creation. SDG&E is still working with the Port District and the City on landscapinging issues, and with the water resource permitting agencies with regards to whether on-site or off-site creation or preservation or other form of compensatory mitigation

would be appropriate. At this time, it is unknown exactly how irrigation would be provided to the site. SDG&E would potentially either bring a water truck on site to water landscapinging and/or wetland vegetation, or access water located on Bay Boulevard via an irrigation pipe that would be placed in the access driveway at the same time that the conduit is placed in the access driveway. As soon as the landscapinging and wetlands mitigation issues are resolved, SDG&E can determine the exact construction methods that would be used.

CHAPTER 5.0 SIGNIFICANT IMPACTS

1. **Section 5.2, Alternatives, Study Area: Please provide the rationale as to why alternatives were not considered north of J Street.**

   Response: Areas north of J Street were not reviewed for alternative sites for the following three reasons:

   - Vacant parcel or consolidated parcels that are planned for industrial use were not large enough to accommodate the substation north of J Street and south of the Sweetwater Marsh, particularly when taking into account the wetland buffer areas proposed by the Master Plan.

   - Other potentially suitable parcels are known to contain serious subsurface and groundwater hazardous substance contamination and high groundwater based on our work on Otay Metro Power Loop (OMPL) and the Silvergate 138kV undergrounding transmission elements.

   - The City of Chula and Port provided direction that they wanted the substation located on the periphery of the Master Plan, and since the northern periphery is the Sweetwater Marsh, SDG&E was directed towards the southern portion of the the Master Plan south of J Street.

2. **Section 5.2, Alternatives, Utility Connections: Please provide a discussion of the general location for utility tie-in 's that would be required for each substation site alternative.**

   Response:

   Broadway and Palomar Site: This alternative site is located within the 230 kV, 138 kV, and 69 kV transmission ROW. The transmission lines would be accessed from within the SDG&E transmission corridor.

   Cima NV Site: This alternative site is approximately 300 feet from the 230 kV, 138 kV, and 69 kV transmission ROW. The transmission lines would be accessed from the south-west side of the SDG&E transmission corridor and extended along Industrial Boulevard and Palomar Street to the alternative site.

   Southbay Blvd Site: This alternative site is approximately 1,500 feet from the 230kV, 138 kV, and 69 kV transmission ROW. The transmission lines would be accessed from the south and west side of the SDG&E transmission corridor and extended along various city streets to the alternative site.

Toy Storage Site: This alternative site is within the 230 kV, 138 kV, and 69 kV transmission ROW. The transmission lines would be accessed from within the SDG&E transmission corridor.

L & G Site (Preferred): This alternative site is just adjacent to the 230 kV, 138 kV, and 69 kV transmission ROW. The transmission lines would be accessed from the west side of the SDG&E transmission corridor.

Existing Southbay Site: This alternative site is just adjacent to the 230 kV, 138 kV, and 69 kV transmission ROW. The transmission lines would be accessed from the west side of the SDG&E transmission corridor.

Tank Farm Site: This alternative site is just adjacent to the 230 kV, 138 kV, and 69 kV transmission ROW. The transmission lines would be accessed from the west side of the SDG&E transmission corridor.

Power Plant: This alternative site is just adjacent to the 230 kV, 138 kV, and 69 kV transmission ROW. The transmission lines would be accessed from the west side of the SDG&E transmission corridor.

GEOGRAPHIC INFORMATION SYSTEM (GIS) DATA REQUESTS

1. **The "transmission line data" file appears to be corrupted. Please provide a new "transmission line data" file that includes all utility lines that will connect to the proposed Boulevard Substation.**

   Another version of the transmission line data file has been attached in response to this question Attachment C.

2. **Please provide the GIS files or CAD files that contain the conceptual site plan provided on Figure 3-3.**

   A zip file named "Bay Boulevard.zip" has been loaded to Dudek's FTP site in response to this question. This zip file contains the CAD files that were used to develop Figure 3-3: Bay Boulevard Substation Conceptual Site Plan.

We greatly appreciate the CPUC's efforts to review the PEA and ensure its completeness. Should you have any questions, please do not hesitate to contact me at (858) 654-1749 or Chris Terzich at (858) 637-3713.

Sincerely,

Mary A. Turley

Mary Turley
Project Manager

CITY OF
CHULA VISTA
OFFICE OF THE CITY COUNCIL

May 11, 2010

Ms. Mary Turley, Project Manager
Bay Blvd Substation Relocation
San Diego Gas & Electric
8315 Century Park Ct., CP21C
San Diego, CA 92123
mturley@semprautilities.com

Dear Ms. Turley:

The Chula Vista City Council offers its strong support for the project to develop a new state of the art substation on the Chula Vista Bayfront to replace the fifty year old substation that constrains development of public access, enhanced wildlife corridors, substantial economic development and public serving infrastructure opportunities for the region. The City is eager to have the new substation built and the old substation removed immediately following the decommissioning and dismantling of the South Bay Power Plant.

The decommissioning and removal of the South Bay Power Plant (SBPP) and existing substation/switchyard were the primary purposes behind the State's facilitation of the acquisition of the SBPP by the Port of San Diego in 1997. Dismantling should have begun between November 2009 and February 28, 2010. The removal of infrastructure constraints: the existing substation, transmission and distribution lattice towers and utility poles, are a primary component of the 2004 Memorandum of Understanding between the City and SDG&E. The removal of this infrastructure along with the remaining transmission and distribution towers and utility poles are a critical component of maximizing the opportunity for the Bay Front Master Plan to realize its full potential and create the wildlife habitat

protection and quality public amenities that Chula Vista and the South Bay community have been planning for over a decade.

With SDG&E and the California Public Utilities Commission assistance we took the first major steps in restoring this invaluable Bayfront site and returning it to the people of South Bay. The Otay Metro Loop project undergrounded three miles of 230kv transmission lines along the Bayfront in 2006 to 2008 and the City invested over $20,000,000 in 20a funds to underground the existing 138kv transmission lines to facilitate the removal of the lattice towers from the Bay Front. The results of the first phase of the tower removal that occurred north of J Street last December have amazed all project participants.

The City appreciates SDG&E's and the San Diego Unified Port District's cooperation in moving forward another component of the SDG&E/City MOU, the development of a new, smaller and lower profile substation at the southern edge of the existing South Bay Power Plant (SBPP) site. The construction of a new substation with adequate buffer and screening, including solid walls, the removal of the remaining utility poles and enhanced landscaping softening, will allow the proposed facility to co-exist in harmony with the adjacent wildlife habitat and conforms with the high expectations established by the Bay Front Master Plan that the community has invested so much in bringing to fruition over this past decade. We strongly encourage SDG&E to work with the City and Port to incorporate the screening and removal of the remaining wooden utility and transmission poles and undergrounding from J Street to the Substation in its application to the CPUC.

The City asks that the CPUC staff and Commissioners recognize the major financial commitment and investment that Chula Vista has made in this project to date and urges the Commission to support this

important next step in updating the regional transmission and distribution system and improving local energy reliability through a strong investment in the Bay Boulevard Substation project.

Thank you very much for your efforts and generous consideration. The City of Chula Vista looks forward to working with SDG&E and the CPUC on implementing a project in which we can all take great pride for the next several decades.

Sincerely,

Cheryl Cox, Mayor

Dep. Mayor Rudy Ramirez

Steve Castaneda, Pamela Bensoussan

Mayor and Council

CC: David Geier, VP Distribution & Transmission Infrastructure

SDGE
A Sempra Energy utility℠

David L. Geier
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dgeier@SempraUtilities.com

July 6, 2010

Honorable Mayor Cheryl Cox
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910

Dear Mayor Cox:

First congratulations on winning a second term as Mayor of Chula Vista. We look forward to continuing our progress on the bay front so that the vision you have established can become a reality for everyone in Chula Vista to enjoy. The intent of this communication is to respond to your letter dated May 11, 2010 that was sent to Ms. Mary Turley regarding the proposed relocation of our substation located on the City of Chula Vista's Bayfront. We sincerely appreciate the City's positive support of SDG&E's proposed substation relocation project. As stated in your letter, SDG&E is continuing to work with the City and the California Public Utilities Commission (CPUC) on several projects that will facilitate the City's development plan for the bay front. However, I would like to clarify several misstatements that were listed in your letter that are tied to changes planned along the bay front.

First, Section 1.7 on pages 6 and 7 of the 2004 Memorandum of Understanding (MOU) does not contain any requirement that the demolition of the existing substation must occur between November 2009 and February 28, 2010 as your letter states. Moreover, pursuant to SDG&E's agreements with the California State Lands Commission (SLC) and the San Diego Unified Port District (Port), the decommissioning and removal of SDG&E's existing South Bay substation is contingent upon the satisfaction of several conditions precedent, including, among other things, the termination by the California Independent System Operator (ISO) of the Must-Run Service Agreement with respect to all of the individual electricity generating units at the South Bay Power Plant (SBPP), the issuance of all regulatory and other governmental permits and approvals required for the substation relocation and the associated land exchange, the successful consummation of such land exchange, and the completion of construction of the proposed Bay Boulevard Substation which would replace the existing South Bay substation. SDG&E does not have any control over when the Reliability Must-Run Service Agreement will be terminated which would enable the SBPP to shut down. Also, we are not responsible for the dismantling of the SBPP. Additionally, as noted above, SDG&E cannot even begin construction of the new

Bay Boulevard Substation until all permits and approvals are received and the land exchange with the Port District takes place. Therefore, it isn't feasible for demolition of the existing substation to have occurred between November 2009 and February 28, 2010 as your letter states.

The City's letter further states that "The removal of this infrastructure along with the remaining transmission and distribution towers and utility poles are a critical component of maximizing the opportunity for the Bay Front Master Plan to realize its full potential..." Per the MOU, in section 1.7 page 7, "Upon relocation of the Switchyard... the 138kV circuit located from Tower 281763 to approximately Tower 188701 will be undergrounded once the City has designated the 20A funds or other alternative funding the City may have (with tower 188700 remaining above ground)." The proposed South Bay Substation Relocation Project includes continuing the undergrounding of the 138kV TL13815 until just north of Tower 188701. Although technically the allocation of any associated cost of undergrounding this portion of the Transmission line is covered under section 1.7 of the MOU; a limited scope of undergrounding at SDG&E expense was included in the South Bay Substation Relocation Project for SDG&E's convenience to complete a previous alteration of the circuit performed under the Silvergate Substation project. If the City can designate 20A funds or other alternative funding to SDG&E, undergrounding of TL13815 beyond Tower 188701 could occur. SDG&E then, at our expense, would remove the necessary tower(s) associated with that section in accordance with the MOU.

Additionally, in a meeting with Mr. Scott Tulloch on June 15, 2010 it was apparent that the City would also like to underground the existing 69kV tie lines that run parallel along Bay Boulevard. The undergrounding of those 69kV tie lines is not part of the proposed South Bay Substation Relocation Project. Therefore we did not consider this as part of our negotiations with the Port on this project.

In accordance with MOU Section 1.6 on p. 6, SDG&E is willing to work cooperatively with the City in the future to also underground these 69kV tie lines if, per the MOU, the City can fund the undergrounding of these lines with any of its 20A allocations or any other alternative funding the City may have. SDG&E has developed a conceptual preliminary estimate of the cost of undergrounding these 69kV tie lines. The conceptual preliminary estimate to underground the 69kV lines starting at approximately E Street and continuing south to the location of the new Bay Boulevard substation ranges from approximately $60 million to $90 million. Please note that these cost figures are very conceptual estimates based on preliminary engineering. Complete engineering and a final design would be necessary to develop a detailed cost estimate.

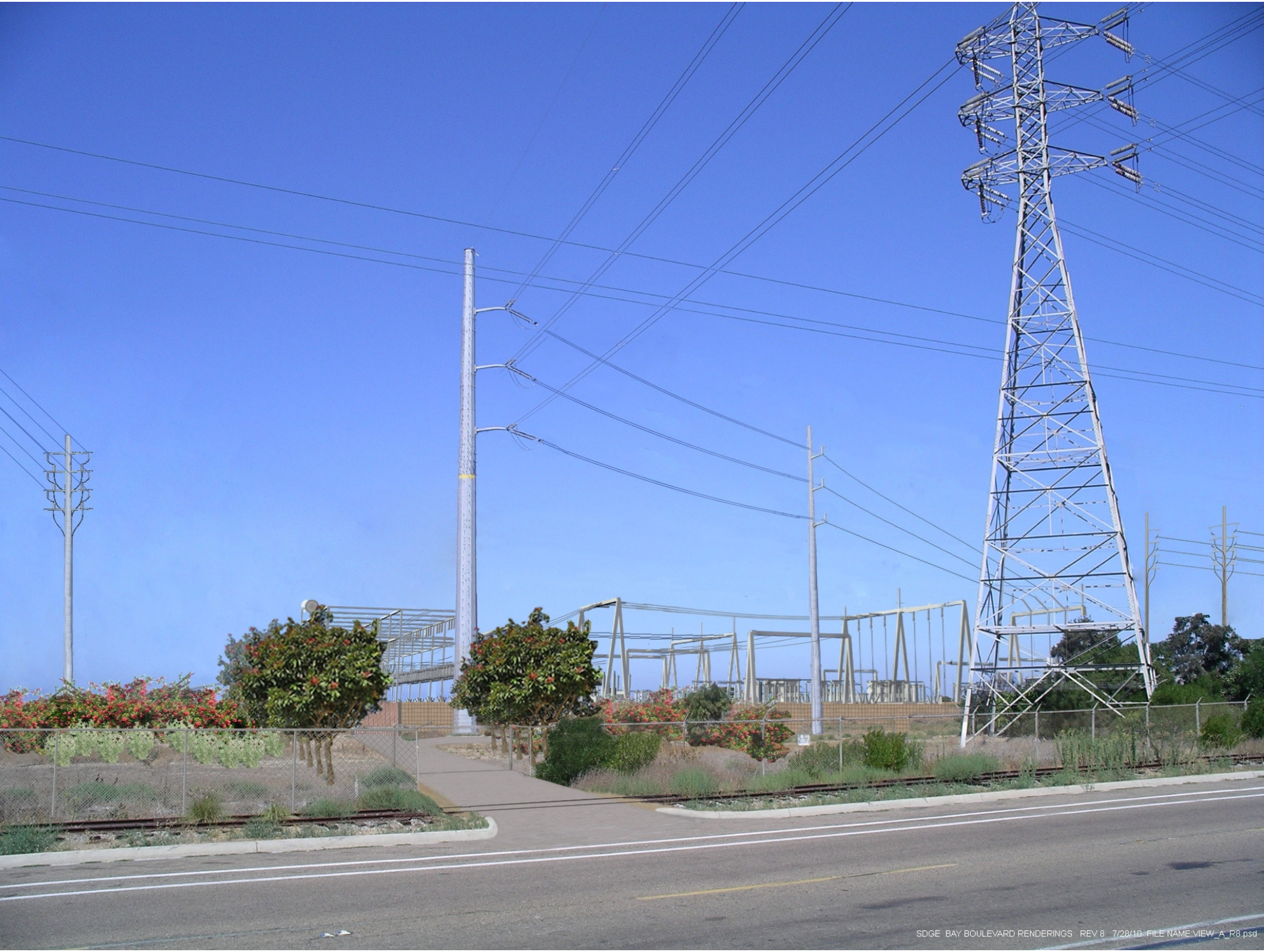
The City's letter also references construction of the new substation with adequate buffering and screening including solid walls. Please note that the proposed Bay Boulevard Substation includes a solid masonry wall to provide suitable screening.

We look forward to continued discussions with the City on this project and as noted above we will continue to work cooperatively with the City to achieve additional undergrounding upon the City identifying the funding that can be utilized.

Sincerely,

David L. Geier

cc: Pamela Bensoussan
Steve Casteneda
Mitch Thompsan
Rudy Ramirez
Mary Turley, SDG&E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