

505 VAN NESS AVENUE
SAN FRANCISCO, CALIFORNIA 94102-3298



September 2010

To: All Interested Parties

The California Public Utilities Commission (CPUC) has prepared a Final Mitigated Negative Declaration and Initial Study (MND/IS) for consideration of Pacific Gas & Electric Company's application (A.09-02-023) for the proposed Palermo–East Nicolaus 115-kV Transmission Line Reconstruction Project. The Final MND/IS has been prepared in compliance with the California Environmental Quality Act (CEQA) and incorporates changes resulting from comments submitted during the public review period (August 5, 2010 through September 3, 2010).

Description of the Proposed Project. The project route would follow the existing Palermo–East Nicolaus 115-kV Transmission Line between PG&E's Palermo and East Nicolaus substations within unincorporated areas of Butte, Sutter, and Yuba counties, in northern California. The project route would also cross land within the City of Oroville. The project would include the reconductoring of both spans of the double-circuit transmission line with approximately 45 miles of new conductor. The new conductor would enable an increase in the rating of the lines and eliminate forecasted line overloads.

To accommodate reconductoring, replacement of the existing lattice steel towers would be required. The existing Milliken towers, originally constructed in the early 1900s, would not support the new conductor because of higher tension loads. The towers would be replaced with a combination of hybrid tubular steel poles, tubular steel poles, and lattice steel poles. In addition, a limited number of towers on a single-circuit line, the Palermo–Pease 115-kV Transmission Line, which runs parallel to the Palermo–East Nicolaus 115-kV Transmission Line, would be replaced for consistency with the spans on the Palermo–East Nicolaus 115-kV Transmission Line. Construction would take 12 to 18 months.

Contents of the Final MND/IS. The Final MND/IS consists of a single volume with the Mitigated Negative Declaration statement to be adopted by the CPUC, and the Initial Study, which evaluates the potential significance of project impacts. The Initial Study also contains the Mitigation, Monitoring, Reporting, and Compliance Plan to be approved by the CPUC. A new chapter (Chapter 6) has been added to the Initial Study that presents the written comments received during the public review period, a summary of comments from the public meeting on the Draft MND/IS, and written responses to the comments.

Changes Made to the MND/IS. In response to comments on the Draft MND/IS that was circulated for public review, various changes or additions have been made to the document. Other than the new Chapter 6, any text inserted into the Final MND/IS is underlined and **bold**, and deleted text is shown in ~~strikeout~~.

Information has been added or revised in the Final MND/IS as follows:

- Minor revisions were made to the Aesthetics, Geology and Soils, Hazards and Hazardous Materials, and Land Use and Planning Sections.
- Minor revisions were made to Mitigation Measure BIO-1.

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- Revisions were made to the analysis regarding levees in the Hydrology and Water Quality Section.
 - Table 3.2-2, Farmland in Project Regional Area (2006–2008), in the Agriculture and Forestry Resources Section was updated.
 - Comment letters received during the public review period and a summary of comments made during the public meeting were included with responses in Chapter 6, Responses to Comments.

CPUC Actions After Final MND/IS Circulation and Public Involvement in CPUC General Proceeding. There is no comment period for the Final MND/IS. Following the publication of the MND/IS the assigned Administrative Law Judge (ALJ) may seek further briefings or testimony on issues associated with the project. The ALJ may seek further information on the legal validity of the MND/IS or any other topic pertaining to the issuance of the Permit to Construct.

If the ALJ intends to take further evidence relating to the project then she will convene a pre-hearing conference to allow parties to set out their issues and to establish a timetable for briefing on these issues. Upon completion of briefs the ALJ will then write the proposed decision which may include the recommendation that the Commission adopt and certify the MND/IS.

The Commissioners will then evaluate the proposed decision, and may propose alternative decisions. The Commissioners will then vote on whether to issue a Permit to Construct for the Triton Substation. The decision will be announced and published concurrent with a scheduled CPUC Meeting. Within 30 days after the Decision is issued by the CPUC, parties can apply for rehearing.

If the CPUC approves the proposed project, the CPUC will implement a Mitigation, Monitoring, Reporting, and Compliance Plan. This plan will ensure that the approved project is constructed as defined, and that all adopted mitigation measures and project design features the applicant committed to are implemented to ensure that effects on the environment do not exceed those described in the MND/IS.

Availability of the Final MND/IS. The Final MND/IS is available on the CPUC's project website at: http://www.cpuc.ca.gov/Environment/info/ene/palermo/Palermo_East_Nicolaus.html. The Final MND/IS is also available at the following libraries:

Butte County Library
1820 Mitchell Avenue
Oroville, CA 95966
(530) 538-7641

Sutter County Library (Main)
750 Forbes Avenue
Yuba City, CA 95991
(530) 822-7137

Sutter County Library
Browns Branch
1248 Pacific Avenue
Rio Oso, CA 95674
(530) 633-2170

Yuba County Library
303 2nd Street
Marysville, CA 95901
(530) 749-7380

Copies of the Final MND/IS on CD may be requested by e-mail at palermo@ene.com or by calling Nick Figone at (415) 981-2811. Further information about this document is available from Iain Fisher, CPUC Project Manager, at AEI@cpuc.ca.gov or (415) 355-5580.

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Mitigated Negative Declaration

Pacific Gas & Electric Company's
Palermo–East Nicolaus 115-kV Transmission Line Reconstruction Project
No. A.09-02-023

Introduction

Pursuant to California Public Utilities Commission's (CPUC) General Order 131-D, Pacific Gas & Electric Company (PG&E) has filed an application (A. 09-02-023) with the CPUC for a Permit to Construct the Palermo–East Nicolaus 115-kV Transmission Line Reconstruction Project (the project). The application, filed on March 2, 2009 and deemed complete on March 27, 2009, included the Proponent's Environmental Assessment (PEA) prepared by PG&E pursuant to Rules 17.1 and 17.3 of CPUC's Rules of Practice and Procedure. In accordance with the CPUC's General Order 131-D, approval of the project must comply with the California Environmental Quality Act (CEQA).

Pursuant to CEQA, the CPUC prepares an Initial Study (IS) for the project to determine whether significant adverse effects on the environment would result from project implementation. The IS uses significance criteria based on the checklist items provided in Appendix G of the CEQA Guidelines as a basis for analysis. If the IS indicates that a significant adverse impact could occur, the CPUC would be required to prepare an Environmental Impact Report.

According to Article 6 (Negative Declaration Process) and Section 15070 (Decision to Prepare a Negative Declaration or Mitigated Negative Declaration) of the CEQA Guidelines, a public agency shall prepare or have prepared a proposed negative declaration or mitigated negative declaration (MND) for a project subject to CEQA when:

- (a) *The initial study shows that there is no substantial evidence, in light of the whole record before the agency, that the project may have a significant effect on the environment, or*
- (b) *The initial study identifies potentially significant effects, but:*
 - (1) *Revisions in the project plans or proposals made by, or agreed to by the applicant before a proposed mitigated negative declaration and initial study are released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur, and*
 - (2) *There is no substantial evidence, in light of the whole record before the agency, that the project as revised may have a significant effect on the environment.*

Based on the analysis in the IS, it has been determined that all project-related environmental impacts could be reduced to less than significant levels with the incorporation of mitigation measures. Therefore, adoption of an MND will satisfy the requirements of CEQA. The mitigation measures included in this

MND are designed to reduce or eliminate the potentially significant environmental impacts described in the IS.

Public Review Period and Comments

On August 3, 2010, the CPUC circulated the Draft MND/IS for the Palermo–East Nicolaus 115-kV Transmission Line Reconstruction Project for public review in compliance with CEQA and CPUC Rule 17.1. The Draft MND/IS was filed with the State Clearinghouse on August 4, 2010, initiating a 30-day public review period. A public meeting about the project and Draft MND/IS was held on August 19, 2010. Five people attended the public meeting and three made comments. Issues and concerns raised during the meeting included those about the heights of the new and replaced structures; disturbance to farmland; agricultural airstrip and aircraft operations; clean up and restoration; and levees.

Written comments from four public agencies, two individuals, and the applicant were received during the public review period. In addition to the issues and concerns raised at the public meeting, the written comments included requests for further information and statements about the location of the Milliken towers to be replaced, permanent disturbance acreages, potential impacts on riparian habitat, public notification and involvement, and electromagnetic fields. Following closure of the public review period on September 3, 2010, the CPUC prepared written responses to comments received, and the MND/IS was revised, as appropriate, to reflect these comments. The comments and associated responses are presented in Chapter 6 of this document.

Project Location, Description, and Purpose

The project route would follow the existing Palermo–East Nicolaus 115-kV Transmission Line between PG&E’s Palermo and East Nicolaus substations within unincorporated areas of Butte, Sutter, and Yuba counties, in northern California. The project route would also cross land within the City of Oroville. The project would include the reconductoring of both spans of the double-circuit transmission line with approximately 45 miles of new conductor. To accommodate reconductoring, replacement of the existing lattice steel towers would be required. The existing Milliken towers, originally constructed in the early 1900s, would not support the new conductor because of higher tension loads. The towers would be replaced with a combination of hybrid tubular steel poles, tubular steel poles, and lattice steel poles.

A capacity increase to the system would result from the replacement of existing copper conductor with 1113 All Aluminum conductors for each circuit from the Palermo Substation south to Rio Oso Junction and with either 1113 all-aluminum or 457 steel-supported aluminum cable conductor from Rio Oso Junction to East Nicolaus Substation. The new conductor would enable an increase in the existing rating of the lines and eliminate forecasted line overloads. In addition, a limited number of towers on a single-circuit line, the Palermo–Pease 115-kV Transmission Line, which runs parallel to the Palermo–East Nicolaus 115-kV Transmission Line, would be replaced for consistency with the spans on the Palermo–East Nicolaus 115-kV Transmission Line. Construction would take 12 to 18 months.

Environmental Analysis

The IS was prepared to identify the potential environmental effects resulting from project implementation and evaluate the level of significance of these effects. The IS was based on PG&E’s PEA, project site reconnaissance by the CPUC environmental team, and other environmental analyses for the project. Measures to address potentially significant impacts, proposed in PG&E’s PEA, are referred to as

applicant proposed measures (APMs) and have been incorporated into the analysis presented in the IS. A complete listing of APMs is provided in Table 1.8-15 of the IS.

Based on the analysis presented in the IS, additional mitigation measures are recommended to ensure that project impacts are less than significant. The additional mitigation measures either supplement or supersede the APMs. Implementation of the following mitigation measures (MMs) would avoid potentially significant impacts identified in the IS or reduce them to less than significant levels.

Aesthetics

No mitigation measures were identified in the IS for this resource area.

Agriculture and Forest Resources

No mitigation measures were identified in the IS for this resource area.

Air Quality

No mitigation measures were identified in the IS for this resource area.

Biological Resources

MM BIO-1: Rice field fallowing activities, berm construction and removal, and habitat restoration.

The applicant will implement measures, including payment of reasonable compensation where appropriate, designed to insure the restoration of fallowed fields. Prior to, during, and/or after berm construction and dewatering of potential giant garter snake rice field habitat, the applicant will adhere to measures within the Biological Opinion issued by the US Fish and Wildlife Service and any Incidental Take Permit/Consistency Determination issued by the California Department of Fish and Game.

MM BIO-2: Reduce construction night lighting impacts on sensitive habitats. The applicant will implement measures to insure the reduction of construction night lighting impacts on sensitive habitats and special status wildlife. Exterior night lighting along the project route adjacent to aquatic and riparian habitat will be the lowest illumination allowed for human safety and selectively placed a minimum of 50 feet from those habitats except where workplace safety prevents this minimum distance. All construction night lighting will be shielded with cutoffs and/or shades. Vehicle traffic associated with nighttime project activities will be kept to a minimum volume and 15 mph on all non-public roads to prevent mortality of nocturnal wildlife species.

MM BIO-3: Riparian habitat impact minimization measures. The applicant will implement measures to insure the reduction of construction impacts on riparian habitats. No riparian trees or shrubs will be removed during construction outside of the existing ROW in PG&E-maintained areas unless required by CPUC General Order 95 and applicable safety codes. Herbaceous riparian vegetation will be restored to pre-construction conditions within 30 days of the end of construction. The applicant will contact the DFG prior to construction to determine whether a 1600 Streambed Alteration Agreement is necessary for the project.

MM BIO-4: Adherence to Policy 116-OSCP through Policy 118-OSCP under Goal 7-OSCG of the Yuba County General Plan, provisions for Valley oak. Yuba County policies concerning Valley oak, if these species would be impacted by project activities, shall be followed. Specific mitigation measures

should be designated and implemented by the applicant regarding Valley oak to adhere to the following Yuba County policies:

- **Policy 116-OSCP:** Project proponent shall identify and map the location of all Valley oaks within the project area. Identification need not include individual trees where groves of Valley oaks are present, and need not include trees less than 6 inches in diameter at breast height.
- **Policy 117-OSCP:** The following guidelines shall be implemented by the project proponent:
 - During any construction, fill should not be placed within an area which is 1.5 times the distance from the trunk to the dripline (the perimeter of the crown) of Valley oaks and no closer than 10 feet from the trunk. The dripline of the tree should be fenced during grading and construction.
 - Soil compaction, which could damage root systems and interfere with vital gas and nutrient exchanges in the roots, should be prevented by not operating or storing heavy equipment within oak driplines.
 - Excavations around trees should be minimized. Depth of excavations should be the minimum required. Utility lines should be combined in single trenches whenever possible.
 - If roots need to be removed, they should be cut rather than torn and immediately covered with mulch or soil to prevent desiccation.
 - Submit a Tree Protection Plan to Yuba County along with grading and erosion control plans when Valley oaks are present [within construction work areas]. The Tree Protection Plan should include a planting replacement program for all Valley oaks removed, including maintenance and monitoring program, and should also show how any snags present on the site would be retained where feasible when they do not pose a threat to public safety.
- **Policy 118-OSCP:** Based on the amount of existing Valley oak canopy area on the project site, the determined amount of canopy must be retained [unless required by CPUC General Order 95 and applicable safety codes].

Cultural Resources

MM CR-1: Paleontological Resources Treatment Plan. Prior to construction, a Paleontological Resources Treatment Plan will be prepared that addresses the treatment of paleontological resources that may be discovered during construction. This Plan, prepared by a qualified paleontologist, will include procedures for paleontological onsite monitoring, significance testing, and data recovery. Paleontological monitor(s) must be present during all ground disturbing activities where the underlying geology has high sensitivity for fossil resources unless the vertical disturbance will not impact the underlying geology or is located in a highly disturbed area as identified by a qualified paleontologist.

Geology and Soils

No mitigation measures were identified in the IS for this resource area.

Greenhouse Gases

No mitigation measures were identified in the IS for this resource area.

Greenhouse Gas Emissions

No mitigation measures were identified in the IS for this resource area.

Hazards and Hazardous Materials

MM HAZ-1: Contaminated Soil and Groundwater Contingency Plan. The applicant shall integrate the proposed sampling protocols described in APM HAZ-2 and APM HAZ-3 into a project construction-specific contingency plan to address potential for unearthing or exposing buried hazardous materials or contamination or shallow contaminated groundwater during construction activities. The plan shall detail the preventive actions that the applicant or its contractor would take to prevent the migration of contaminated soils or other materials offsite and the remedial action that would be undertaken. Site-specific plans should be developed for the areas where there is a high probability of encountering shallow contaminated soil or groundwater within 20 feet of the ground surface and the depth of construction.

Hydrology and Water Quality

No mitigation measures were identified in the IS for this resource area.

Land Use and Planning

No mitigation measures were identified in the IS for this resource area.

Mineral Resources

No mitigation measures were identified in the IS for this resource area.

Noise

No mitigation measures were identified in the IS for this resource area.

Population and Housing

No mitigation measures were identified in the IS for this resource area.

Public Services

No mitigation measures were identified in the IS for this resource area.

Recreation

No mitigation measures were identified in the IS for this resource area.

Transportation and Traffic

MM TRAN-1: Construction Notification. PG&E will provide advance notice to nearby airports, railroads, and schools in the project vicinity regarding construction activities.

Utilities and Service Systems

No mitigation measures were identified in the IS for this resource area.

Mitigation Monitoring, Reporting, and Compliance

A Mitigation Monitoring, Reporting, and Compliance Plan has been prepared to ensure that the mitigation measures presented above and APMs listed in Table 1.8-15 of the IS are properly implemented. The plan is presented in Chapter 5 of the IS.