

505 VAN NESS AVENUE  
SAN FRANCISCO, CALIFORNIA 94102-3298



September 21, 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.
- 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](http://www.cpuc.ca.gov/Environment/info/ene/palermo/Palermo_East_Nicolaus.html). The Final MND/IS is also available at the following libraries:

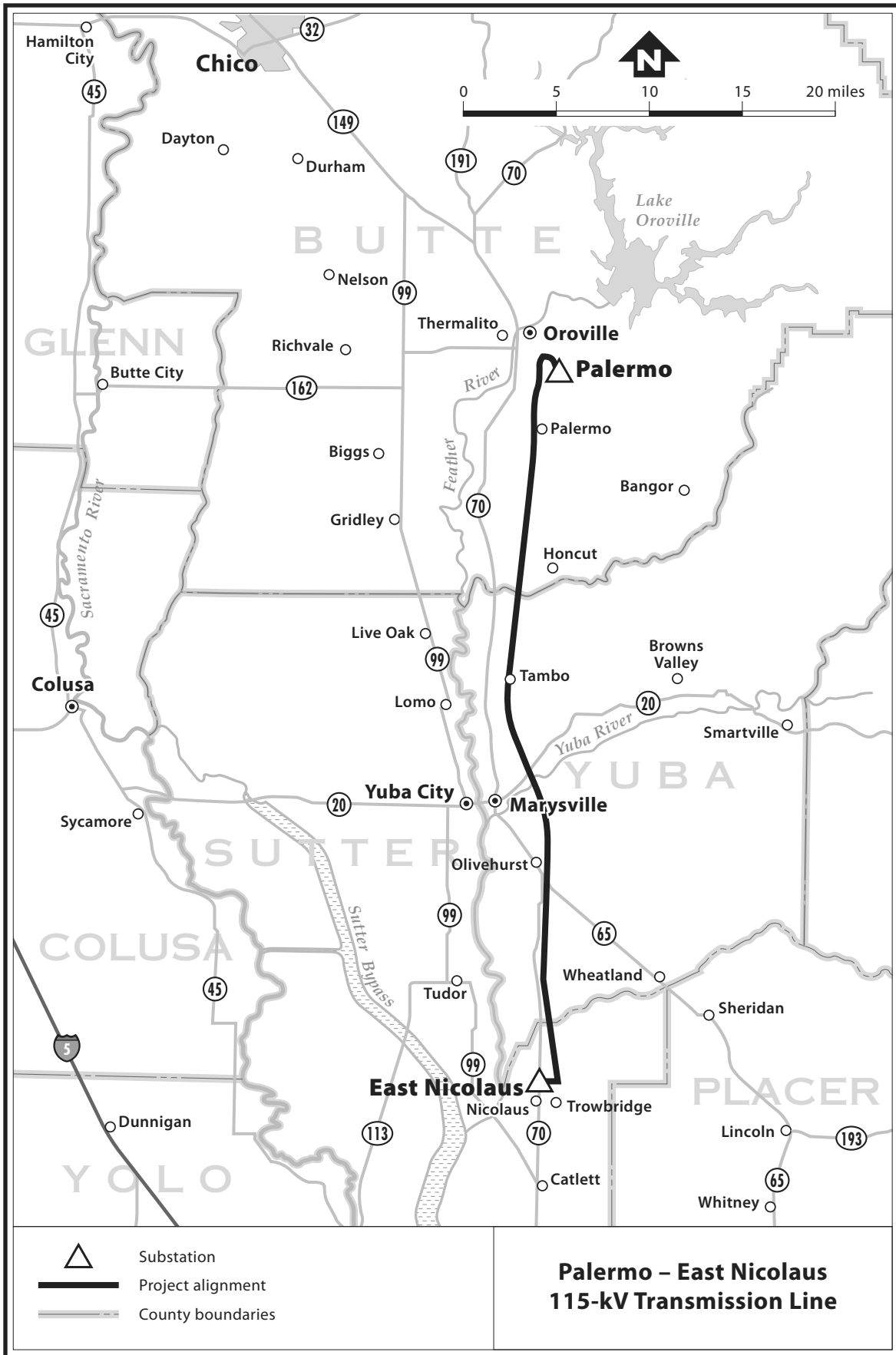
Butte County Library  
1820 Mitchell Avenue  
Oroville, CA 95966  
(530) 538-7641

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](mailto: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](mailto:AEI@cpuc.ca.gov) or (415) 355-5580.



California Public Utilities Commission  
c/o Ecology and Environment, Inc.  
130 Battery Street, Suite 400  
San Francisco, CA 94111