

January 14, 2013

BY HAND DELIVERY

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

Re: Saratoga-Vasona 230 kV Transmission Line – Town of Los Gatos; and the Monta Vista-Hicks 230 kV Transmission Line – Cities of Saratoga and Cupertino
Supplemental Advice Letter 4066-E
Protest from the Division of Ratepayer Advocates

Dear Mr. Randolph:

I. INTRODUCTION

I am writing regarding the protest to Pacific Gas and Electric Company's ("PG&E") Supplemental Advice Letter 4066-E submitted by the Division of Ratepayer Advocates ("protestant" or "DRA") dated and received on January 7, 2013.^{1/}

PG&E filed its original Advice Letter 4066-E with the California Public Utilities Commission ("CPUC" or "Commission") on June 19, 2012 regarding plans to raise the height of four lattice steel towers in Santa Clara County that carry two transmission line circuits: the Saratoga-Vasona 230 kilovolt (kV) Transmission Line and the Monta Vista-Hicks 230 kV Transmission Line (the "Project"). DRA filed a protest to the Advice Letter on July 9, 2012, and PG&E responded on July 16, 2012. In response to questions from Energy Division, PG&E filed Supplemental Advice Letter 4066-E on December 14, 2012 for the sole purpose of clarifying the reasons the project is needed. In accordance with the Commission's General Order 131-D ("GO 131-D"), Section III, Subsection A, the Project is exempt from permitting requirements as a "replacement of existing power line facilities or supporting structures with equivalent facilities or structures," among other reasons. (GO 131-D, § III.A.)

^{1/} Under General Order 131-D, Section XIII, protests to claimed exemptions are due within twenty days. PG&E mailed the Supplemental Advice Letter on December 14, 2012, making any protests due no later than January 3, 2013. As such, DRA's protest is untimely and should be rejected for that reason alone. Nonetheless, PG&E provides this substantive response in hopes of addressing DRA's concerns.

DRA's protest repeats its assertion from its original protest dated July 9, 2012 that PG&E must file an application for a Certificate of Public Convenience and Necessity ("CPCN") because modifying the four towers constitutes "major modifications to the existing transmission line" requiring tower engineering, and because a Federal Aviation Administration ("FAA") evaluation may be necessary. (*See DRA's Protest*, at 2.) For the reasons set forth in PG&E's July 16, 2012 Response to Protests, DRA is incorrect on both counts. (A copy of the response is attached as Exhibit A).

In addition, DRA now argues that a CPCN should be required because PG&E allegedly failed to consider alternatives to the Project, such as de-rating the existing lines, and because the Project is one of several tower modification projects that are expected to result from PG&E's assessment in response to the North American Electric Reliability Council's ("NERC") 2010 "Recommendation to Industry" (the "NERC Alert"). In fact, de-rating the existing Saratoga-Vasona line is infeasible, and the work proposed in Advice Letter 4066 is needed. In any event, GO 131-D does not require any showing of need or an alternatives analysis for projects that fall within one or more exemptions under GO 131-D, Section III.A. or III.B. DRA's concerns about potential future projects are likewise beyond the scope of a GO 131-D advice letter filing, which is limited to whether a particular individual project is properly exempt from permitting requirements under GO 131-D.

CPUC Executive Director resolutions have repeatedly found that there are only two circumstances in which a protest to a claim of exemption under GO 131-D may be sustained: (1) where the protest establishes that the utility has incorrectly applied an exemption or (2) when one of three special conditions listed in GO 131-D Section III.B.2 exist such that the proposed project could result in significant environmental impacts, thereby rendering the claimed exemption inapplicable. (*See, e.g.*, Res. E-3460 (July 1, 1996); Res. E-3789 (October 30, 2002); Res. E-4243 (November 20, 2009); Res. E-4360 (August 13, 2010).) Protestant fails to raise a meritable claim that either of these circumstances exists.

As such, PG&E requests that the Executive Director of the Commission issue an Executive Resolution finding that the protest be dismissed for "failure to state a valid reason" under Section XIII of GO 131-D. (*See id.*)

II. ARGUMENT

A. PG&E's Project is Exempt from CPCN Permitting Requirements Under GO 131-D.

Section III.A of GO 131-D requires utilities to obtain a CPCN for construction of "major electric transmission line facilities which are designed for immediate or eventual operation at 200 kV or more." Section III.A provides exceptions to the CPCN requirement for construction involving "the replacement of existing power line facilities or supporting structures with equivalent facilities or structures, the minor relocation of existing power line facilities, the conversion of existing overhead lines to underground, or the placing of new or additional conductors,

insulators, or their accessories on or replacement of supporting structures already built.” (GO 131-D, § III.A). Thus, construction of electrical facilities that are not “major” transmission line facilities over 200 kV or that fall within the exceptions do not require a CPCN. Even projects that propose to construct “major electric transmission line facilities,” which this project does not, are exempt from the CPCN requirement if they constitute replacement of existing structures with equivalent structures or the placing of new accessories on supporting structures already built. In addition, the California Environmental Quality Act^{2/} (“CEQA”) categorically exempts the minor alteration of existing electric facilities with negligible or no expansion of capacity or use.

The Project involves minor modifications to four existing lattice steel towers that carry two transmission line circuits in Santa Clara County. PG&E plans to raise the height of three towers by approximately 15 to 16 feet by replacing structural members, placing tower extensions that include replacement crossarms, and relocating the conductors to the replacement crossarms. On the fourth tower, PG&E modified its design in response to nearby residents’ concerns about the height of the tower. Specifically, PG&E will perform a “dead-end conversion” and raise the peak of this fourth tower by seven feet to maintain a safe distance between the two highest wires on the tower. A dead end conversion consists of modifications to an existing tower to raise the height of the connection points of the conductors. The conductors will not be replaced and the Project will not increase the voltage or capacity of the transmission line. This is, in sum, minor maintenance work that – if CEQA applied – would be considered categorically exempt under Section 15301 or 15302 of the CEQA Guidelines.^{3/} In keeping with PG&E’s conservative practice of voluntarily noticing projects when GO 131-D might not technically require it, PG&E has provided notice of this project to provide the Commission and the public with information about work on structures in or near urban areas. The proposed construction is a clear replacement of existing power line facilities with equivalent facilities and does not constitute the construction of major electric transmission line facilities. As such, the exemption has been correctly applied to this Project and a CPCN is not required.

GO 131-D Section III.B does list several conditions that, if present, would prevent PG&E from claiming an exemption to CPUC permitting requirements:

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

^{2/} Pub. Resources Code, §§ 21000 et seq.

^{3/} Guidelines for Implementation of the California Environmental Quality Act, Cal. Code Regs., Tit. 14, §§ 15000.

(GO 131-D, § III.B.2.) While these exceptions expressly apply only to Section III.B exemptions, PG&E routinely confirms that none of the exceptions apply to Section III.A exemptions as well. In accordance with that practice, PG&E has done so here. DRA has not provided any evidence that the Project will create one of the special conditions described above, and none exists. As referenced above, the Commission found in Resolution E-3789 (October 30, 2002) that there are “*only* two valid reasons for sustaining a protest” (Res. E-3789 at 5 (emphasis added)), and protestant has failed to sustain their burden on either of them. Accordingly, there is no basis upon which the Commission can sustain DRA’s protest.

B. A CPCN and FAA Approvals Are Not Required For This Project.

1. This Project Does Not Involve the Construction of Major Electric Transmission Line Facilities, and Even if it Did, Several Exemptions Would Apply.

As stated above in Part A, a CPCN is required only for the construction of major electric transmission line facilities over 200 kV, and even then, only if the construction does not fall within one of the specified exemptions. (GO 131-D, § III.A.) This Project is not close to being “major” transmission line construction. Recent Commission precedent has clarified that an entirely new 500 kV looped line over 3,000 feet in length and connecting into a new electric substation is not the construction of “major” transmission line facilities “in view of the relatively short length of the new transmission line segments and in the context of the overall project.” (Assigned Commissioner’s Scoping Memo and Ruling, East County Substation Project, dated March 15, 2011, at 4; *see also* Assigned Commissioner’s Scoping Memo and Ruling, Red Bluff Substation Project, dated February 25, 2011, at 6 (finding that two *sets* of new parallel 500 kV transmission lines 2,500 to 3,500 feet in length were not “major” facilities that required a CPCN).)

DRA suggests that PG&E is proposing “major” modifications to its towers (DRA’s Protest, at 1). As proof that the construction is “major,” DRA points out that “significant structural analysis” is needed to design the tower extensions. While it is true that each tower modification is carefully designed, engineering analysis itself has never been a factor in determining whether there is major construction of the sort that would require a CPCN. On the contrary, the determining factors on the projects mentioned above were the size of the projects (relatively short lines) and the overall context of the improvements. In the Project at issue, four tower modifications on an existing 13-mile, 230 kV line do not constitute construction of major facilities that would require a CPCN.

Even if the Project somehow was considered “major” construction for purposes of Section III.A, the replacement of certain elements on four towers on a 13-mile transmission line clearly falls within the exemption for replacement of existing facilities with “equivalent” facilities. While the modified structures must be taller in order to raise the existing conductors further from the ground, there is no change in the purpose of the structure or in the use of the transmission line itself. Moreover, the replaced elements also constitute exempt “placement of accessories on

supporting structures already built.” Finally, none of the exceptions to the exemptions applies to this Project: Visual studies have indicated that tower raises of this type are not readily noticeable to area viewers, and no cultural or biological impacts are anticipated. In fact, if CEQA were applicable to this Project, it would likely be categorically exempt under the CEQA Guidelines, Section 15301 (minor alteration of existing structures involving no or negligible expansion of an existing use) or 15302 (replacement of existing facilities on the same site with substantially the same purpose and capacity). This work is minor, with little impact, and clearly exempt from CPCN permitting requirements.

2. FAA Requirements Do Not Apply To This Project.

DRA again incorrectly asserts that the taller towers “may require evaluation by the FAA in accordance with the requirements of Federal Aviation Regulations (FAR) Title 14, Part 77” due to proximity to a claimed but unnamed airport. (*See* DRA’s Protest, at 2.) The requirements for filing notices with the FAA for proposed structures vary based on several factors, including height, proximity to any airport, location, and frequencies emitted from the structure. (*See* 14 C.F.R. 77.9.) PG&E has confirmed, through use of the FAA’s “Notice Criteria Tool” that allows entry of exact structure coordinates and heights to determine FAA requirements, that none of the tower raises that are part of this Project require a filing with the FAA. Nothing further is required under the FAA regulations.

C. DRA’s New Arguments Concerning Potential Alternatives to the Proposed Project and Potential Future Projects on Unrelated Transmission Lines Are Factually Unfounded and Beyond the Scope of the GO 131-D Advice Letter Process.

1. While the Exemptions Set Forth Under GO 131-D, Section III.A. Do Not Require An Alternatives Analysis, De-Rating of the Saratoga-Vasona 230 kV Transmission Line Is Not Feasible.

DRA’s suggestion that PG&E could simply de-rate these lines, resulting in less power flowing over the lines and therefore less line sag, is not feasible. An engineering assessment of the Saratoga-Vasona and Monta Vista-Hicks 230 kV lines was conducted to determine if the lines could be de-rated in response to the NERC Alert. The assessment evaluated the impact of various power flows through the lines on the height of the line from the ground and concluded that the work in Advice Letter 4066 was necessary. The other option would be to take the Saratoga-Vasona line out of service and to de-rate the Monte Vista-Hicks line. Removing the Saratoga-Vasona 230 kV line from service would have a significant impact on the reliability of customers in the Metcalf area, given that the two substations serving the area would as a result be single sourced. Therefore, loss of a single line could result in decreased service for either 15,000 or 45,000 customers depending on which substation was impacted.

Furthermore, as discussed above, we respectfully note that neither the need for, nor alternatives to, this Project is relevant to the Commission’s decision on DRA’s protest.

2. DRA's Concerns About the Costs of Potential Future Projects to Address Potential Discrepancies on Lines Other Than the Saratoga-Vasona and Monta Vista-Hicks Lines Do Not Provide a Valid Basis for Concluding That This Minor Maintenance Project is Exempt from GO 131-D Permit Requirements.

DRA next argues that the Project "should not be evaluated in isolation," and asks the Commission to take the unprecedented step of requiring PG&E to submit a single CPCN application for all projects that might be identified in response to the NERC Alert. This approach is not consistent with the Commission adopted process for such projects. Every project PG&E or the other utilities might identify as needed in response to the NERC Alert should undergo the appropriate process under GO 131-D -- with individual, project-specific analysis to determine whether the project, based on its scope, physical setting, and potential environmental impacts, requires a CPCN, PTC, Notice of Exempt Construction/Advice Letter, or is categorically exempt.

There is simply no basis under GO 131-D to require a CPCN for this Project, especially where doing so could only delay needed work on these existing facilities.

IV. CONCLUSION

Protestant DRA fails to provide a valid reason why PG&E should be required to file a CPCN application for the modification of four existing structures on the Saratoga-Vasona and Monta Vista-Hicks 230 kV Transmission Lines. For the reasons stated above, PG&E respectfully requests that the Executive Director issue an Executive Resolution dismissing the protests pursuant to Section XIII of GO 131-D.

Very truly yours,

/s/

David T. Kraska

DTK/kp

Enclosures

cc: Brian K. Cherry, PG&E Vice President of Regulation and Rates
Molly Sterkel, Program Manager, Infrastructure Planning and Permitting, Energy Division
Mary Jo Borak, Supervisor, Infrastructure Permitting and CEQA, Energy Division
Michael Rosauer, Project Manager, Energy Division
Joseph Abhulimen, DRA, Supervisor, EPP Branch, Infrastructure Section

Exhibit A

David T. Kraska

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July 16, 2012

BY HAND DELIVERY

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Re: Saratoga-Vasona 230 kV Transmission Line—Town of Los Gatos; and the Monta Vista-Hicks 230 kV Transmission Line—Cities of Saratoga and Cupertino
Advice Letter 4066-E
Protest from the Division of Ratepayer Advocates

Dear Mr. Randolph:

I. INTRODUCTION

I am writing regarding the protest to Pacific Gas and Electric's ("PG&E") Advice Letter 4066-E submitted by the Division of Ratepayer Advocates ("DRA") dated and received July 9, 2012. (A copy of the protest is attached as Exhibit A.)

PG&E filed Advice Letter 4066-E with the California Public Utilities Commission ("CPUC" or "Commission") on June 19, 2012 regarding plans to raise the height of four lattice steel towers in Santa Clara County that carry two transmission line circuits: the Saratoga-Vasona 230 kilovolt (kV) Transmission Line and the Monta Vista-Hicks 230 kV Transmission Line (the "Project"). PG&E intends to replace top-cage extensions on the existing 116 to 136-foot towers, increasing their height by approximately 15 to 16 feet. The Project is necessary to comply with CPUC General Order 95 and to accommodate new Federal Energy Regulatory Commission ("FERC") ground-to-conductor clearance requirements. (A copy of the Advice Letter is attached as Exhibit B.) In accordance with the Commission's General Order 131-D ("GO 131-D"), Section III, Subsection A, the Project is exempt from permitting requirements as a "replacement of existing power line facilities or supporting structures with equivalent facilities or structures." (GO 131-D, § III.A.)

DRA's protest asserts that PG&E must file an application for a Certificate of Public Convenience and Necessity ("CPCN") because modifying four existing towers and replacing top-cage extensions constitutes "major modifications to the existing transmission line" requiring tower engineering that somehow triggers a CPCN under Section III.A of GO 131-D, and because a Federal Aviation Administration ("FAA") evaluation may be necessary. (See Exhibit A, at 1-2.) For the reasons set forth below, DRA is incorrect on both counts.

PG&E will continue to work with the DRA to resolve all factual concerns that have been raised. However, as discussed further below, the issues raised by the protest have no merit: the Project qualifies for the GO 131-D exemption cited in the Notice; the Project does not require FAA evaluation; and the Project is not construction of "major electric transmission line facilities" under Section III.A of GO 131-D. In short, the protest fails to establish any issue that may properly be raised in a protest under GO 131-D.

CPUC Executive Director resolutions have repeatedly found that there are only two circumstances in which a protest to a claim of exemption under GO 131-D may be sustained: (1) where the protest establishes that the utility has incorrectly applied an exemption or (2) when one of three special conditions listed in GO 131-D Section III.B.2 exist such that the proposed project could result in significant environmental impacts, thereby rendering the claimed exemption inapplicable. (See, e.g., Res. E-3460 (July 1, 1996); Res. E-3789 (October 30, 2002); Res. E-4243 (November 20, 2009); Res. E-4360 (August 13, 2010).) DRA fails to raise a meritable claim that either of these circumstances exists.

DRA does not request evidentiary hearings, and none are justified by the concerns raised. As such, PG&E requests that the Executive Director of the Commission promptly issue an Executive Resolution finding that the protest be dismissed for "failure to state a valid reason" under Section XIII of GO 131-D. (See *id.*) Under GO 131-D, the Executive Director's decision must be issued no later than August 15, 2012. (GO 131-D, § XIII.)

II. BACKGROUND

To comply with CPUC General Order 95 and to accommodate new FERC ground-to-conductor clearance requirements, which are regulated by the North American Electric Reliability Corporation ("NERC"), PG&E filed a Notice of Construction to raise the height of four lattice steel towers in Santa Clara County that carry two transmission line circuits: the Saratoga-Vasona 230 kV Transmission line and the Monta Vista-Hicks 230 kV Transmission Line. PG&E will replace top-cage extensions on the existing 116 to 136-foot towers, increasing their height by approximately 15 to 16 feet. (See Exhibit B, at 1.) The first tower is located in the Town of Los Gatos Redacted

Redacted The second two towers are located in the City of Saratoga

Redacted

Redacted The last tower is

located in the City of Cupertino
Redacted

Redacted

Construction activities are scheduled to begin in August 2012 or as soon thereafter as possible, with completion in September 2012 or as soon thereafter as possible.

III. ARGUMENT

A. PG&E's Project is Exempt from CPCN Permitting Requirements Under GO 131-D.

Section III.A of GO 131-D requires utilities to obtain a CPCN for construction of “major electric transmission line facilities which are designed for immediate or eventual operation at 200 kV or more.” Section III.A provides exemptions from the CPCN requirement for construction involving “the replacement of existing power line facilities or supporting structures with equivalent facilities or structures, the minor relocation of existing power line facilities, the conversion of existing overhead lines to underground, or the placing of new or additional conductors, insulators, or their accessories on or replacement of supporting structures already built.” (GO 131-D, § III.A). Thus, construction of electrical facilities that are not “major” transmission line facilities over 200 kV or that fall within one of the exemptions do not require a CPCN.

The Project involves modifications to four existing lattice steel towers that carry two transmission line circuits in Santa Clara County. In order to meet necessary safety clearance requirements, PG&E simply proposes to replace top-cage extensions to the existing 116 to 136-foot towers, increasing their height by approximately 15 to 16 feet. The conductors will not be replaced and the Project will not increase the voltage or capacity of the transmission line. This is, in sum, minor maintenance work that – if the California Environmental Quality Act¹ (“CEQA”) applied – would be considered categorically exempt under Section 15301 or 15302 of the CEQA Guidelines.² In keeping with PG&E’s conservative practice of voluntarily noticing projects when GO 131-D might not technically require it, PG&E has provided notice of this project to provide the Commission and the public with information about work on structures in or near urban areas. The proposed construction is a clear replacement of existing power line facilities with equivalent facilities and does not constitute the construction of major electric transmission line facilities. As such, the exemption has been correctly applied to this Project and a CPCN is not required.

¹ Pub. Resources Code, §§ 21000 et seq.

² Guidelines for Implementation of the California Environmental Quality Act, Cal. Code Regs., Tit. 14, §§ 15000.

GO 131-D Section III.B does list several conditions that, if present, would prevent PG&E from claiming an exemption to CPUC permitting requirements:

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

(GO 131-D, § III.B.2.) While these exceptions expressly apply only to Section III.B exemptions, PG&E routinely confirms that none of the exceptions apply to Section III.A exemptions as well. In accordance with that practice, PG&E has done so here. The only claim remotely close to asserting a reasonable possibility of a significant environmental impact – DRA’s claim that FAA requirements might apply – is factually inapplicable under FAA regulations.

In short, the DRA has not provided any evidence that the Project will create one of the special conditions described above, and none exists. As referenced above, the Commission found in Resolution E-3789 (October 30, 2002) that there are “*only* two valid reasons for sustaining a protest” (Res. E-3789 at 5 (emphasis added)), and DRA has failed to sustain its burden on either of them. Accordingly, there is no basis upon which the Commission can sustain the protest.

B. DRA Has Failed To – And Cannot – Establish That A CPCN and FAA Approvals Are Required For This Project.

1. This Project Does Not Involve The Construction Of Major Electric Transmission Line Facilities.

As stated above in Part A, a CPCN is required only for the construction of major electric transmission line facilities over 200 kV, and even then, only if the construction does not fall within one of the specified exemptions. (GO 131-D, § III.A.) Notwithstanding DRA’s contrary assertions, this Project does not come close to being “major” transmission line construction. Recent Commission precedent has clarified that an entirely new 500 kV looped line over 3,000 feet in length and connecting into a new electric substation is not the construction of “major” transmission line facilities “in view of the relatively short length of the new transmission line segments and in the context of the overall project.” (Assigned Commissioner’s Scoping Memo and Ruling, East County Substation Project, dated March 15, 2011, at 4; *see also* Assigned

Commissioner's Scoping Memo and Ruling, Red Bluff Substation Project, dated February 25, 2011, at 6 (finding that two *sets* of new parallel 500 kV transmission lines 2,500 to 3,500 feet in length were not "major" facilities that required a CPCN.)

DRA suggests that PG&E is proposing "major" modifications to its four transmission towers (*See Exhibit A*, at 1-2), apparently hoping that this use of the term "major" will catapult the Project into the category of "major" transmission line construction that would require a CPCN. As proof that the construction is "major," DRA points out that "significant structural analysis" is needed to design the top-cage extensions. While it is true that each tower modification is carefully designed, engineering analysis itself has never been a factor in determining whether there is major construction of the sort that would require a CPCN. On the contrary, the determining factors on the projects mentioned above were the size of the projects (relatively short lines) and the overall context of the improvements (smaller parts of larger projects). In the Project at issue, four tower modifications on an existing 13-mile, 230 kV line do not constitute construction of major facilities that would require a CPCN.

Indeed, even if the Project somehow were considered "major" construction for purposes of Section III.A, the replacement of top-cage extensions on four towers on a 13-mile transmission line clearly falls within the exemption for replacement of existing facilities with "equivalent" facilities. While the new top-cage extensions will make the towers taller and raise the existing conductors further from the ground, there is no change in the purpose of the structure or in the use of the transmission line itself. Visual studies have indicated that tower raises of this type are not readily noticeable to area viewers; no cultural or biological impacts are anticipated. If CEQA were applicable to this Project, it would likely be categorically exempt under the CEQA Guidelines, Section 15301 (minor alteration of existing structures involving no or negligible expansion of an existing use) or 15302 (replacement of existing facilities on the same site with substantially the same purpose and capacity). This work is minor, with little impact, and clearly exempt from CPCN permitting requirements.

2. FAA Requirements Do Not Apply To This Project.

DRA incorrectly asserts that the taller towers "could affect aircraft navigation" and therefore "may require evaluation by the Federal Aviation Administration in accordance with the requirements of Federal Aviation Regulations (FAR) Title 14, Part 77." (*See Exhibit A*, at 2.) The requirements for filing notices with the FAA for proposed structures vary based on several factors, including height, proximity to any airport, location, and frequencies emitted from the structure. (*See* 14 C.F.R. 77.9.) PG&E has confirmed, through use of the FAA's "Notice Criteria Tool" that allows entry of exact structure coordinates and heights to determine FAA requirements, that none of the tower raises that are part of this Project require a filing with the FAA. Nothing further is required under the FAA regulations.

Edward Randolph
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IV. CONCLUSION

DRA fails to provide a valid reason why PG&E should be required to file a CPCN application for the modification of four existing structures on the Saratoga-Vasona and Monta Vista-Hicks 230 kV Transmission Lines. For the reasons stated above, PG&E respectfully requests that the Executive Director issue an Executive Resolution dismissing the protests pursuant to Section XIII of GO 131-D.

Very truly yours,

/s/ David T. Kraska

David T. Kraska

DTK/dl

Enclosures

cc: Cynthia Walker, Program Manager, EP&P Branch, Division of Ratepayer Advocates
Brian K. Cherry, PG&E Vice President of Regulations and Rates

Exhibit A



DRA

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July 9, 2012

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Subject: DRA Protest, PG&E Advice Letter 4066-E, Notice of Construction, Saratoga-Vasona 230 kV Transmission Line – Town of Los Gatos; and the Monta Vista-Hicks 230 kV 230 kV Transmission Line – Cities of Saratoga and Cupertino, Towers Modifications

INTRODUCTION

The Division of Ratepayer Advocates (DRA) hereby protests PG&E's Advice Letter 4066-E submitted on June 19, 2012 for authority to extend four lattice steel towers heights by 15 feet to 16 feet higher than the existing towers on 230 kV transmission lines in Santa Clara County. PG&E submitted this Advice Letter under exception to the California Public Utilities Commission's (CPUC's) General Order 131-D, III.A. PG&E claims that the project will replace an existing power line supporting structures with equivalent structures. PG&E therefore requests exemption from filing a certificate of public convenience and necessity (CPCN) for this project based on the premise that CPUC General Order 131-D, Section III, Subsection A exempts projects meeting specific conditions from filing a CPCN application to construct. PG&E asserts that this project qualifies for this exemption because the propose structures are equivalent to the existing structures. DRA disagrees.

SUMMARY OF DRA RECOMMENDATIONS

DRA recommends that: 1) PG&E's request be denied by rejecting AL 4066-E, and 2) PG&E be required to file a CPCN application for this project.

BASIS OF DRA'S RECOMMENDATIONS

PG&E proposes to perform major modifications on four transmission towers by designing and inserting top-cap extensions to the existing towers. Each tower design will have to be structurally analyzed to assure that the modified towers meet the structural requirements necessary to support the conductors. PG&E's assertion that the modified towers are equivalent to the existing towers

is incorrect. Specifically, DRA believes PG&E's proposed project requires a CPCN application because:

1. The system operating voltage of 230kV exceeds the 200kV threshold which requires a CPCN application pursuant to G.O. 131-D. Additionally, the proposed project requires major modifications to the existing transmission line. Consistent with G.O. 131-D Section III.A, this project requires a CPCN application, not an advice letter.
2. PG&E is proposing to increase the tower heights by 15 to 16 feet. As a result, the design of the top-cage extensions will require significant structural analysis to verify tower adequacy to support the conductors.
3. The taller towers may require evaluation by Federal Aviation Administration in accordance with the requirements of Federal Aviation Regulations (FAR) Title 14, Part 77. The project could affect aircraft navigation; therefore, the project requires FAA evaluation.

CONCLUSION

PG&E's Saratoga-Vasona and Monta Vista-Hicks transmission line project does not qualify for exemption under G.O. 131-D, Section III. Subsection A. DRA recommends that the Commission deny this advice letter. At 230kV, the line voltage for this project is above the 200 kV threshold requiring a CPCN. Therefore, the Commission should require PG&E to file a CPCN application for this project.

Please contact Hank Pielage at 415-703-1147 or at hhp@cpuc.ca.gov with any questions about this protest.

/s/ Cynthia Walker

Cynthia Walker
Program Manager
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California Public Utilities Commission

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Exhibit B



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June 19, 2012

Advice 4066-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Submits Notice of Construction, Pursuant to General Order 131-D, for the Construction of the Saratoga-Vasona 230 kV Transmission Line – Town of Los Gatos; and the Monta Vista-Hicks 230 kV Transmission Line – Cities of Saratoga and Cupertino

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

Purpose

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

Background

To comply with CPUC General Order 95 and accommodate new Federal Energy Regulatory Commission (FERC) ground-to-conductor clearance requirements, which are regulated by the North American Electric Reliability Corporation (NERC), Pacific Gas and Electric Company (PG&E) plans to raise the height of four lattice steel towers in Santa Clara County that carry two transmission line circuits: the Saratoga-Vasona 230 kilovolt (kV) Transmission Line and the Monta Vista-Hicks 230 kV Transmission Line. PG&E will replace top-cage extensions on the existing 116 to 136-foot tall towers, increasing their height by approximately 15 to 16 feet (replacement of existing facilities). The first tower is located in the Town of Los Gatos [Redacted]

[Redacted] The second two towers are located in the City of Saratoga [Redacted]

[Redacted] The last tower is located in the City of [Redacted]

Cupertino

Redacted

Redacted

Construction activities are scheduled to begin in August 2012, or as soon thereafter as possible, with completion in September 2012 or as soon thereafter as possible.

CPUC General Order 131-D, Section III, Subsection A, exempts projects meeting specific conditions from the CPUC's requirement to file an application requesting authority to construct. The Company believes these projects qualify for the following exemption:

- b. The replacement of existing power line facilities or supporting structures with equivalent facilities or structures.

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

Protests

Anyone wishing to protest this filing may do so by filing a protest with the CPUC and the Company by **July 9, 2012**, which is 20 days after the date of this filing. Protests should be mailed to the following address:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-Mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address show above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

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

Facsimile: (415) 973-0516

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
P.O. Box 770000, Mail Code B10C
San Francisco, California 94177

Facsimile: (415) 973-6520
E-Mail: PGETariffs@pge.com

Persons or groups may protest the proposed construction if they believe that the Company has incorrectly applied for an exemption or that the conditions set out in Section III.B.2 of G.O. 131-D exist.

Effective Date

The Company requests that this advice filing become effective on **July 19, 2012**, which is 30 days after the date of filing. (In accordance with G.O. 131-D, construction will not begin until 45 days after notice is first published.)

Notice

A copy of this advice letter is being sent electronically and via U.S. Mail to parties shown on the attached list, including the parties listed in G.O. 131-D, Section XI, Paragraphs B.1 and B.2. These parties are identified in the "Notice Distribution List" included in Attachment I. All electronic approvals should be sent to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs/>.



Vice President - Regulation and Rates

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

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Igor Grinberg

Phone #: 415-973-8580

E-mail: ixg8@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **4066-E**

Tier: N/A

Subject of AL: **Submits Notice of Construction, Pursuant to General Order 131-D, for the Construction of the Saratoga-Vasona 230 kV Transmission Line – Town of Los Gatos; and the Monta Vista-Hicks 230 kV Transmission Line – Cities of Saratoga and Cupertino**

Keywords (choose from CPUC listing): Power Lines

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: N/A

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? Yes No

Requested effective date: **July 19, 2012**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

NOTICE OF PROPOSED CONSTRUCTION

**PROJECT NAME: Saratoga-Vasona 230kV Transmission Line – Town of Los Gatos
Monta Vista-Hicks 230 kV Transmission Line – Cities of Saratoga and Cupertino**

ADVICE LETTER NUMBER: 4066-E

Proposed Projects:

To comply with CPUC General Order 95 and accommodate new Federal Energy Regulatory Commission (FERC) ground-to-conductor clearance requirements, which are regulated by the North American Electric Reliability Corporation (NERC), Pacific Gas and Electric Company (PG&E) plans to raise the height of four lattice steel towers in Santa Clara County that carry two transmission line circuits: the Saratoga-Vasona 230 kilovolt (kV) Transmission Line and the Monta Vista-Hicks 230 kV Transmission Line. PG&E will replace top-cage extensions on the existing 116 to 136-foot tall towers, increasing their height by approximately 15 to 16 feet (replacement of existing facilities). The first tower is located in the Town of Los Gatos. Redacted

Redacted The second two towers are located in the City of Saratoga. Redacted

Redacted

Redacted The last tower is located in the City of Cupertino. Redacted

Redacted Construction activities are scheduled to begin in August 2012, or as soon thereafter as possible, with completion in September 2012 or as soon thereafter as possible.

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

- the replacement of existing power line facilities or supporting structures with equivalent facilities or structures.

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

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

Protests should include the following:

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

Protests for this project must be filed by July 9, 2012 at the following address:

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

With a copy mailed to:

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

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

Assistance in Filing a Protest: For assistance in filing a protest, contact the CPUC Public Advisor in San Francisco at (415) 703-2074 or 1-866-849-8390 (toll-free) or TTY (415) 703-5258 or public.advisor@cpuc.ca.gov.

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

Notice Distribution List

NERC Compliance Projects: Saratoga-Vasona 230kV Power Line – Town of Los Gatos Monta Vista-Hicks 230KV Power Line – Cities of Saratoga and Cupertino

Advice 4066-E

Energy Commission

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

Mr. Roger Johnson, Deputy Director
California Energy Commission
1516 Ninth Street, Mail Stop 39
Sacramento, California 95814

Town of Los Gatos

Wendie Rooney, Community Development Director
Town of Los Gatos Community Development Department
110 East Main Street
Los Gatos, CA 95030

City of Saratoga

James Lindsay, Community Development Director
City of Saratoga Community Development Department
13777 Fruitvale Avenue
Saratoga, CA 95070

City of Cupertino

Aarti Shrivastava, Community Development Director
City of Cupertino Community Development Department
103000 Torre Avenue
Cupertino, CA 95014

Newspapers

San Jose Mercury News
Los Gatos Weekly Times
Saratoga News
Cupertino Courier

**PG&E Gas and Electric
Advice Filing List**

AT&T	Department of Water Resources	North Coast SolarResources
Alcantar & Kahl LLP	Dept of General Services	Northern California Power Association
Ameresco	Douglass & Liddell	Occidental Energy Marketing, Inc.
Anderson & Poole	Downey & Brand	OnGrid Solar
BART	Duke Energy	Praxair
Barkovich & Yap, Inc.	Economic Sciences Corporation	R. W. Beck & Associates
Bartle Wells Associates	Ellison Schneider & Harris LLP	RCS, Inc.
Bloomberg	Foster Farms	Recurrent Energy
Bloomberg New Energy Finance	G. A. Krause & Assoc.	SCD Energy Solutions
Boston Properties	GLJ Publications	SCE
Braun Blaising McLaughlin, P.C.	GenOn Energy, Inc.	SMUD
Brookfield Renewable Power	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CA Bldg Industry Association	Green Power Institute	San Francisco Public Utilities Commission
CLECA Law Office	Hanna & Morton	Seattle City Light
CSC Energy Services	Hitachi	Sempra Utilities
California Cotton Ginners & Growers Assn	In House Energy	Sierra Pacific Power Company
California Energy Commission	International Power Technology	Silicon Valley Power
California League of Food Processors	Intestate Gas Services, Inc.	Silo Energy LLC
California Public Utilities Commission	Lawrence Berkeley National Lab	Southern California Edison Company
Calpine	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Cardinal Cogen	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Casner, Steve	MAC Lighting Consulting	Sunrun Inc.
Center for Biological Diversity	MBMC, Inc.	Sunshine Design
Chris, King	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto Utilities	Marin Energy Authority	Tiger Natural Gas, Inc.
City of San Jose	McKenzie & Associates	TransCanada
City of Santa Rosa	Merced Irrigation District	Turlock Irrigation District
Clean Energy Fuels	Modesto Irrigation District	United Cogen
Clean Power	Morgan Stanley	Utility Cost Management
Coast Economic Consulting	Morrison & Foerster	Utility Specialists
Commercial Energy	Morrison & Foerster LLP	Verizon
Consumer Federation of California	NLine Energy, Inc.	Wellhead Electric Company
Crossborder Energy	NRG West	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	NaturEner	eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	
Defense Energy Support Center	North America Power Partners	