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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In The Matter of the Application of San Diego Gas & Electric Company (U902E) for a Permit to Construct the South Bay Substation Relocation Project.

Application 10-06-007
(Filed June 16, 2010)

ADMINISTRATIVE LAW JUDGE'S RULING SETTING PREHEARING CONFERENCE AND LAW AND MOTION HEARING

This ruling sets a prehearing conference (PHC) in the above-entitled matter for Tuesday, July 17, 2012, at 10:00 a.m., in the Commission's Hearing Rooms, 505 Van Ness Avenue, San Francisco, California.

The purpose of the PHC is to determine the parties, positions of the parties, issues, schedule of evidentiary hearings and legal briefing, and other procedural matters.

Background

San Diego Gas & Electric Company (SDG&E) proposes to replace the existing 138/69 kilovolt (kV) South Bay Substation with a new 230/69 kV substation facility on an undeveloped site just to the south of the existing substation and South Bay Power Plant, within the City of Chula Vista.

SDG&E's goal is to have the new substation in service by December 2012.

As proposed by SDG&E, the Proposed Project consists of the following major components:

1. Construction of the Bay Boulevard Substation, a new, approximately 9.7-acre 230/69/12 kV substation and

related fixtures, facilities, and equipment in the City of Chula Vista.

2. Construction of a 230 kV loop-in, an approximately 1,000-foot-long underground interconnection and an approximately 300-foot-long overhead interconnection of the existing 230 kV tie-line, located east of the proposed Bay Boulevard Substation.
3. Relocation of six 69 kV overhead transmission lines and associated communication cables to the proposed new substation, requiring the relocation of approximately 7,500 feet of overhead line and the construction of approximately 4,100 feet of underground line.
4. A 138 kV extension of an approximately 3,800-foot-long underground duct bank and an approximately 200-foot-long overhead span from one new steel cable pole to an existing steel lattice structure.
5. Demolition of the existing South Bay Substation and related fixtures, facilities, and equipment.

SDG&E states that the purpose of the Proposed Project is to relocate and replace the existing South Bay Substation in preparation for the retirement of the South Bay Power Plant. SDG&E proposes that the new substation be in service such that the existing substation can be decommissioned and demolished after the South Bay Power Plant is retired.

SDG&E also maintains that the Project will increase reliability to electric customers in the South Bay region, because the Project will replace an aging substation that was originally constructed in 1961 and does not meet modern seismic standards. SDG&E contends that the 138/69 kV load is undersized and contributes to outages at the substation. As described by SDG&E, the existing substation is now over 48 years old and beyond its useful life. SDG&E also states that the existing substation was not designed to meet modern seismic standards,

and that the existing substation is undersized in terms of meeting loads and properly connecting to and optimizing the use of existing transmission lines.

Environmental Review

Pursuant to General Order 131-D, in order to issue a permit to construct, the Commission must find that the project complies with the California Environmental Quality Act (CEQA).¹ CEQA requires the lead agency (the Commission in this case) to conduct a review to identify environmental impacts of the project, and ways to avoid or reduce environmental damage, for consideration in the determination of whether to approve the project or a project alternative. These issues are properly addressed in the course of the CEQA environmental review process. On June 18, 2012, the Commission, as lead agency for this project, issued the Draft Environmental Impact Report (DEIR) for public review and comment. The comment period on the DEIR will end on August 2, 2012. Upon completion, the Final Environmental Impact Report (FEIR), as well as the DEIR, will be admitted into the evidentiary record of this proceeding. The DEIR identifies the No Project alternative to be environmentally superior to the Proposed Project on the basis of minimization or avoidance of physical impacts. CEQA Guidelines, § 15126.6(e)(2), require the DEIR to identify an environmentally superior alternative among other alternatives, if the No Project Alternative is found to be environmentally superior. Consistent with this requirement, the DEIR identifies the Existing South Bay Substation Site Alternative, which would replace the existing

¹ Public Resources Code Section 21000 et seq.

138/69 kV South Bay Substation with a rebuilt 230/69 kV substation, as the Environmentally Superior Alternative.

As will be further explained at the PHC, I do not anticipate taking further evidence regarding environmental impacts and ways to avoid or reduce them, beyond the DEIR and FEIR. Parties who wish to present evidence on these issues should do so through written comments on the DEIR, which must be received no later than August 2, 2012, and submitted to:

Jensen Uchida, California Public Utilities Commission
c/o Dudek
605 Third Street
Encinitas, CA 92024
e-mail: southbaysub@dudek.com

CEQA precludes the lead agency from approving a proposed project unless it requires the project proponent to eliminate or substantially lessen all significant effects on the environment where feasible, and determines that any unavoidable remaining significant effects are acceptable due to overriding considerations. The PHC will explore the parties' positions and need for evidentiary hearing on these issues, particularly with regard to the No Project Alternative and the Existing South Bay Substation Site Alternative.

CEQA requires that, prior to approving the project or a project alternative, the lead agency certify that the environmental review was conducted in compliance with CEQA, that it reviewed and considered the environmental impact report (EIR) prior to approving the project or a project alternative, and that the EIR reflects its independent judgment. (Pub. Res. Code § 21082.1(c)(3), CEQA Guidelines § 15090.) As will be further explained at the PHC, I do not anticipate taking evidence regarding these issues, beyond the DEIR and FEIR.

In addition, General Order 131-D requires that project design be in compliance with the Commission's policies governing the mitigation of electromagnetic field effects using low-cost and no-cost measures. The PHC will explore the parties' positions and need for evidentiary hearing on these issues.

Whether or not further evidence is taken on them, all issues within the scope of the proceeding (as determined by the Assigned Commissioner's Scoping Memo Ruling) are appropriate subjects for legal briefing.

Concurrent with its Application, SDG&E filed and served a Motion for leave to submit certain materials under seal. These materials include: "geographic information system (or equivalent) data layers for the Proposed Project, Figure 3-6, Map of Existing and Proposed System, Attachment 4.5-A, the Cultural Resources Technical Report, and Table 3-1, Proposed Project Cost Estimate." Before I consider whether SDG&E's Motion should be granted or not, I will convene a Law and Motion Hearing immediately following the PHC schedule. I am not convinced that these materials should be confidential. I am particularly concerned with SDG&E's desire to file cost information under seal. While I note that GO 131-D, § IX.B.1.f. states that "an application for a permit to construct need not include either a detailed analysis of purpose and necessity, a detailed estimate of cost and economic analysis, a detailed schedule, or a detailed description of construction methods beyond that required for CEQA compliance," general cost information should be publically-available, in my view.

Parties desiring expedited or daily transcripts should advise the Chief Hearing Reporter by telephone at (415) 703-2288, no later than three days prior to the first day of hearing. If you have questions about the hearing date, time, or place, call the Calendar Clerk at (415) 703-1203.

Finally, this Ruling affirms the e-mail sent to parties on July 27, 2011 by then-assigned Administrative Law Judge Weatherford, denying the late-filed protest by Inland Industries and granting Inland Industries party status in this proceeding.

IT IS SO RULED.

Dated June 28, 2012, at San Francisco, California.

/s/ ANGELA K. MINKIN

Angela K. Minkin

Administrative Law Judge