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October 4, 2007

John Boccio /George Farra
CPUC/Angeles Forest Service
c/o Aspen Environmental Group
30423 Canwood Street, Suite 215
Agoura Hills, CA 91301

RE: Notice of Preparation for a Joint Environmental Impact Report/ Environmental Impact Statement for the Tehachapi Renewable Transmission Project, Application No. A.07-06-031

Dear Mr. Boccio and Mr. Farra:

Thank you for the opportunity to provide input on the above referenced project.

After review of the Notice of Preparation and the fact sheets obtained at the scoping meeting held in Palmdale on September 10, 2007, it is our understanding that all proposed work within Segment 2 is to be located within the existing Southern California Edison right-of-way. This is contradicted by a letter we have received (attached) from the developer of the Quail Valley master planned development, Armada, LLC, to Southern California Edison regarding the expansion of the easement within Assessor's Parcel Numbers 3054-004-016, 3054-025-031, 3054-026-024, -050 and -053. As the City is currently processing entitlements for this development and is about to commence with the preparation of an Environmental Impact Report, the issue as to whether the easement is to be expanded, and in which direction, is vital to both environmental documents.

If you have any questions regarding this matter, please contact Susan Koleda or me at (661) 276-5200.

Sincerely

Asoka Herath
Director of Planning

Enclosure

Auxiliary aids provided for communication accessibility upon 72 hours' notice and request.

ARMADA

September 24, 2007

Mr. Richard Triggiani
Southern California Edison
Corporate Real Estate
14799 Chestnut Street
Westminster, CA 92683

Reference: **SCE Expansion into Palmdale 1000 Associates TTM 65813, parcels 3054-004-016, 3054-025-031, and 3054-026-024, 050 & 053**

Dear Mr. Triggiani:

We received the letter from Mason & Mason, dated August 23, 2007, regarding the Notice of Appraisal Information. I met with Bob Waters of Mason & Mason onsite on August 30, 2007. At that meeting, I provided Mr. Waters with several exhibits. The exhibits were generated by our Engineer of Record, Stantec Consulting, Inc. based on the SCE online environmental documentation for the proposed SCE expansion and the recently received correspondence pertaining to the proposed expansion areas. The exhibits delineated various potential expansion scenarios and the potential impact to our proposed development.

Subsequently, I spoke with Don Johnson on August 31, 2007. Our engineer has spoken several times with various SCE representatives and sent correspondence specific to the location issue to you, dated September 7, 2007. I received a voicemail from Mr. Johnson on September 12, 2007, indicating that SCE is plotting the potential expansion area and that the information should have been available to us by the end of that week (Friday of that week was September 12th). I'm sure none of this is a surprise to you, as the communication seems to be flowing well, though somewhat slowly. We are still waiting to hear the specific location of the proposed expansion of the SCE right-of-way easement as it transverses our property near the City of Palmdale and what impact it may have on our development.

As discussed with Mr. Waters and with Mr. Johnson, I previously attended several open house information meetings with SCE regarding the proposed expansion location, and our engineer also investigated the proposed expansion location. For the last two-plus years, we have been in the process of obtaining project approvals for the development of the property. We are well along in the process (we have been through two Design Advisory Board meetings and CEQA work is underway). We have recently come to understand that there is conflicting information within the published documentation on the specific location of the proposed expansion. Even the most recent exhibits provided by SCE are inconsistent with some of the published documentation.

As discussed with Mr. Johnson and Mr. Waters, ours is certainly not an adversarial position to SCE. We have met with SCE multiple times and have designed our project to accommodate

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what we understood, by virtue of the previous discussions and documentation, what we thought would be entirely compatible with the proposed expansion. Depending upon which information supplied by SCE is used, the project may still be compatible. However, until SCE is able to clearly define the location within our property, it is impossible to know.

Because we are in the process of developing our property, we need to clearly understand where on our property SCE is proposing to expand its facilities and right of way. Our engineer has already definitively established the locations of all of the various existing easements in the area of concern. The existing easement documentation has been supplied by First American Title Company. We have also attempted to plot the expansion area utilizing several sources. Unfortunately, the documentation is inconsistent.

We continue to spend many thousands of dollars in carrying costs and design costs related to the project and are concerned about minimizing the potential damage to the extent we can. As such, the quickest way that I am aware of to slow down the bleeding is to define clearly where SCE plans to expand. At that point we will know what the parameters of our ability to use our land are going to be, and we can move forward with further discussions as to appraised value and damages. Again, we're not adversarial; we are just in limbo not being informed of what will be happening.

Another fundamental issue that will substantially determine the impact to our development program is SCE's determination of the improvements that will be allowed within the proposed easement location. Our engineer indicates that construction of a small storm water detention basin within the proposed expansion area will reduce the amount of impacted land and will therefore reduce the number of lots that will be lost. Due to the topography of the site, the inability to locate the detention within the easement area would shift the basin downstream into a much more difficult position requiring substantially more land to accommodate. As such, the impact to us would be far greater. I do not purport to understand the engineering details nor SCE's easement requirements, but defer to SCE and our engineer for that. I think a discussion specific to that issue between our engineer and SCE would be beneficial, particularly to mitigate potential damage to our development.

Again, we remain open to all discussion and look forward to a rapid resolution. Should you wish to call me, please don't hesitate to do so. My direct line is 949-723-2020 x 106.

Regards,

Steve Jenkins
Vice President

SPJ/kl

cc: Colin Nemeroff, Stantec Consulting, Inc (by FAX)
Susan Koleda, Planning Department, City of Palmdale (by FAX)