

Decision 11-06-011 June 9, 2011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company, a California corporation, for a Permit to Construct the Crazy Horse Canyon Switching Station Project Pursuant to General Order 131-D. (U39E)

Application 10-04-031
(Filed April 30, 2010)

**DECISION GRANTING THE APPLICATION OF
PACIFIC GAS AND ELECTRIC COMPANY FOR A PERMIT TO CONSTRUCT
THE CRAZY HORSE CANYON SWITCHING STATION PROJECT**

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1. Summary

This decision grants Application 10-04-031 by Pacific Gas and Electric Company (PG&E) for a permit to construct the proposed project known as the Crazy Horse Canyon Switching Station Project (Proposed Project), pursuant to General Order 131-D. The Proposed Project is located north of the City of Salinas, northeast of the intersection of Crazy Horse Canyon Road and San Juan Grade Road, in Monterey County, California. Approval of this Application allows PG&E to replace the existing Lagunitas Switch that is located about 850 feet west of the Proposed Project site. The 115 kilovolt lines that enter and leave the new switching station are to be sectionalized and renamed. The Proposed Project involves power line modifications, not the construction of new power lines.

As the Lead Agency for environmental review, we find the Final Mitigated Negative Declaration prepared for the Proposed Project meets the requirements of the California Environmental Quality Act.¹

This proceeding is closed.

2. Background

Pacific Gas and Electric Company (PG&E), a California corporation, is an investor-owned public utility that provides natural gas and electric service to about 15 million people in a 70,000 square mile service area in northern and central California. PG&E's principal place of business is 77 Beale Street, San Francisco, California 94105.

The Proposed Project relates to electric power generated at PG&E's Moss Landing Power Plant, the primary electrical generation source for the region. Electric power is transmitted regionally from the plant at voltages of 500 kilovolt (kV), 230 kV, 115 kV, and 60 kV. The power is then stepped down at substations and distributed to customers using overhead or underground distribution lines. Within this electrical transmission system, switching stations act as "network stations," which connect together several different power lines into a common bus, enabling more "source" lines to supply local distribution substations. A switching station allows PG&E to use an automated control system to switch load from one power line to another in the event of scheduled maintenance or an unanticipated outage on one of the lines. The station "sectionalizes" long power lines into shorter sections. By sectionalizing lines, potential impacts from outages are experienced by fewer customers, and some outages will not impact any customers.

The location of the proposed switching station is near the Lagunitas Switch, where the existing Moss Landing-Salinas-Soledad 115 kV Power Lines come from Moss Landing Power Plant and split north and south as two, double-circuit 115 kV lines. These 115 kV power lines (including the Hollister Nos. 1 and 2 Power Lines that tap off of the northern Moss Landing-Salinas-Soledad segment) provide power to central and northern Monterey County and northern San Benito County. The existing Moss Landing-Salinas-Soledad Nos. 1 and 2 115 kV Power Lines extend to the project area from the Moss Landing Power Plant, and split at the existing Lagunitas Switch, located about 850 feet west of the proposed switching station.

¹ Public Resources Code Section 21000, *et seq.*

The Moss Landing-Salinas-Soledad Nos. 1 and 2 115 kV Power Lines extend north from Lagunitas Switch to serve San Jan Bautista and Hollister (feeding the Hollister Nos. 1 and 2 115 kV Power Lines) and south from Lagunitas Switch to serve Salinas and Soledad. These power lines span more than 55 miles and are the primary sources of power for the communities of Hollister, San Juan Bautista, Prunedale, and Soledad and sections of the City of Salinas. These power lines have had reliability issues due to their long length and the terrain over which the lines are located. Currently, when an outage occurs on one circuit, the entire 55-mile line must be de-energized.

The Crazy Horse Canyon Switching Station Project proposes to ameliorate this situation by constructing a new switching station and associated power line modifications. Construction of a switching station gives PG&E a more reliable and effective transmission system configuration in the region, and provides system operators more speed and flexibility by simplifying switching through automation. This capability does not currently exist along the power lines that serve this area of Monterey and San Benito counties. The proposed switching station site is located approximately 0.5 miles northeast of the intersection of Crazy Horse Canyon Road and San Juan Grade Road, north of the City of Salinas in Monterey County.

3. The Proposed Project

PG&E proposes to construct and operate the Crazy Horse Canyon Switching Station and associated power line modifications.

Major elements of the switching station include:

- Four 115 kV dead-end structures;
- Four 115 kV double dead-end structures;
- Twenty capacitor couple voltage transformers and structures;

- Twenty-four 115 kV disconnect switches;
- Sixteen 115 kV bus structures;
- Nine 115 kV circuit breakers;
- One Modular Protection Automation and Control (MPAC) building (to house the protection and control systems);
- One battery building (to provide back-up station power); and
- One permanent paved access road from San Juan Grade Road to the switching station (approximately 750 feet long).

The associated power line modifications include:

- Constructing temporary shoo-fly structures that support the power conductors during project construction; and
- Rearranging the existing 115 kV electric power circuits by removing four existing lattice steel towers and installing six new lattice steel tower structures and five new tubular steel poles.

The original one and one-half-year construction period was scheduled to begin in July, 2011 and the originally planned operating date for the Proposed Project was December 31, 2012. However, this schedule was subsequently revised. Construction is now scheduled to begin in August, 2011 and PG&E plans to begin operating the Proposed Project in January, 2013.

The Proposed Project will meet the objectives of serving electrical demand requirements more reliably by sectionalizing power lines and more effectively reducing the impacts of outages on customers by enhancing operational flexibility. It will do so while minimizing environmental impact. The Application includes a

list of governmental agencies that have reviewed the Proposed Project.² These agencies include the United States Fish and Wildlife Service regarding the California Tiger Salamander and the Endangered Species Act; United States Army Corps of Engineers regarding wetlands and drainages; California Department of Fish and Game regarding the California Tiger Salamander and incidental take permit requirements; County of Monterey regarding site location, visual impacts, access and setbacks; and the California Native American Heritage Commission regarding efforts to identify Native American cultural resources.

4. Notice and Procedural Issues

Due process requires that affected parties be provided adequate notice and opportunity to be heard, such that they can timely protest and participate in the Commission's environmental review and analysis of the Proposed Project. For permits to construct (PTCs), the utility must comply with notice requirements described in General Order (GO) 131-D, Section XI.A. In pertinent part, Section XI.A requires the following forms of notice:

1. By direct mail to:
 - a. The planning commission and the legislative body for each county or city in which the proposed facility would be located, the California Energy Commission, the State Department of Transportation and its Division of Aeronautics, the Secretary of the Resources Agency, the Department of Fish and Game, the State Department of Health Services, the State Water Resources Control Board, the Air Resources Board, and other interested parties having requested such notification. The utility shall also give notice to the following agencies and subdivisions in

² Application at 10.

whose jurisdiction the proposed facility would be located: the Air Pollution Control District, the California Regional Water Quality Control Board, the State Department of Transportation's District Office, and any other State or Federal agency which would have jurisdiction over the proposed construction; and

- b. All owners of land on which the proposed facility would be located and owners of property within 300 feet of the right-of-way as determined by the most recent local assessor's parcel roll available to the utility at the time notice is sent; and
2. By advertisement not less than once a week, two weeks successively, in a newspaper or newspapers of general circulation in the county or counties in which the proposed facilities will be located, the first publication to be not later than ten days after filing of the application; and
3. By posting a notice on-site and off-site where the project would be located.

PG&E represents that it has complied with all applicable notice requirements.³ The Application itself was noticed in the Commission's Daily Calendar on May 3, 2010. No party filed a protest.

5. Requirements for a Permit To Construct

GO 131-D defines an electric "power line" as one designed to operate between 50 kV and 200 kV,⁴ and Section III.B requires utilities to first obtain Commission authorization, in the form of a PTC, before beginning construction of a power line. PTC applications for power lines need not include a detailed analysis of purpose and necessity, a detailed estimate of cost and economic analysis, a

³ PG&E's Declarations of Mailing and Posting of Notice of an Application for a Permit to Construct, filed May 14, 2010.

⁴ Section I.

detailed schedule, or a detailed description of construction methods (beyond that required for California Environmental Quality Act (CEQA) compliance).⁵

However, GO 131-D requires PTC applications to:

1. Include a description of the proposed facilities and related costs, a map, reasons the route was selected, positions of the government agencies having undertaken review of the project, and a Proponent's Environmental Assessment (PEA);⁶
2. Show compliance with the provisions of CEQA related to the Proposed Project, including the requirement to meet various public notice provisions;⁷ and
3. Describe the measures to be taken or proposed by the utility to reduce the potential for exposure to electric and magnetic fields (EMF) generated by the Proposed Project.⁸

These requirements are discussed separately below.

6. Procedural History

The proceeding was assigned to President Michael R. Peevey on January 25, 2011, and reassigned to Commissioner Michel Peter Florio on April 13, 2011. It was assigned to Administrative Law Judge Gary Weatherford on May 7, 2010.

PG&E filed this application on April 30, 2010. On May 14, 2010, PG&E filed a declaration of advertising, posting, and mailing to affected governmental bodies and property owners notice of the application, as required by GO 131-D, Section XI.A. No protests were filed.

⁵ Section IX.B.1.f.

⁶ Section IX.B.1.

⁷ Section IX.B.1.e.

⁸ Section X.

7. Environmental Review

CEQA requires that the Commission consider the environmental consequences before acting upon or approving the Proposed Project.⁹ Under CEQA, the Commission must act as either the Lead Agency or a Responsible Agency for project approval. The Lead Agency is the public agency with the greatest responsibility for supervising or approving the Proposed Project as a whole.¹⁰ Here, the Commission is the Lead Agency. The actions and steps taken for environmental review of the Proposed Project, in accordance with GO 131-D and CEQA, are discussed below.

7.1. Proponent's Environmental Assessment

PG&E included its PEA with the Application, pursuant to GO 131-D, Section IX.B.1.e. The PEA identifies the environmental impacts that may result from the construction and operation of the Proposed Project. The PEA states that the Proposed Project will have a less than significant, or no impact, to all environmental resource categories. Although PG&E does not anticipate significant impacts to any resource category, PG&E incorporates specific procedures into the project construction plans as an added measure of protection to environmental resources that occur in the area (Applicant's Proposed Measures).

We adopt the Applicant's Proposed Measures (APMs) as part of our approval of the Proposed Project, and require PG&E to comply with the APMs and other mitigation measures contained in the Mitigation, Monitoring, Reporting and Compliance Plan discussed below.

⁹ CEQA Guidelines, Section 15050(b).

¹⁰ CEQA Guidelines, Section 15051(b).

7.2. Draft Initial Study/Mitigated Negative Declaration

As the next step in the environmental review, the Commission's Energy Division (Energy Division) reviewed the PEA. The Initial Study (IS) determined the Proposed Project will not have a significant adverse impact on the environment, conditioned on certain mitigation measures.

On March 8, 2011, the Energy Division circulated a Notice of Intent (NOI) to adopt a Mitigated Negative Declaration (MND) for the project to agencies, elected officials, organizations, residents, and other interested persons and entities, and released the Draft IS/MND for a 30-day public review and comment period. The availability of the Draft IS/MND was also announced in the local newspaper. Written comments were received from the applicant raising fairly minor issues, all of which were addressed in the Final IS/MND.

The MND found that, with the incorporation of mitigation measures identified in the Mitigation Monitoring, Reporting, and Compliance Plan included therein, all project-related environmental impacts can be reduced to less than significant levels.

7.3. Mitigation, Monitoring, Reporting and Compliance Plan

As required by CEQA, the Draft IS/MND included a Mitigation, Monitoring, Reporting and Compliance Plan (MMRCP). The MMRCP describes the mitigation measures, specifically details how each mitigation measure will be implemented, and includes information on the timing of implementation and monitoring requirements. The Commission also uses the MMRCP as a guide and record of monitoring the utility's compliance with its provisions. PG&E has agreed to and

shall comply with each measure and provision of the MMRCPP. The Commission adopts the MMRCPP as part of its approval of the Proposed Project.¹¹

7.4. Electric and Magnetic Fields (EMF)

The Commission has examined EMF impacts in several previous proceedings.¹² We found the scientific evidence presented in those proceedings was uncertain as to the possible health effects of EMFs and we did not find it appropriate to adopt any related numerical standards. Because there is no agreement among scientists that exposure to EMF creates any potential health risk, and because CEQA does not define or adopt any standards to address the potential health risk impacts of possible exposure to EMFs, the Commission does not consider magnetic fields in the context of CEQA and determination of environmental impacts.

However, recognizing that public concern remains, we do require, pursuant to GO 131-D, Section X.A, that all requests for a PTC include a description of the measures taken or proposed by the utility to reduce the potential for exposure to EMFs generated by the Proposed Project. We developed an interim policy that requires utilities, among other things, to identify the no-cost measures undertaken, and the low-cost measures implemented, to reduce the potential EMF impacts. The benchmark established for low-cost measures is four percent of the total budgeted project cost that results in an EMF reduction of at least 15 percent (as measured at the edge of the utility right-of-way).

¹¹ CEQA Guideline Section 15074(d).

¹² See D.06-01-042 and D.93-11-013.

The proposed project will arrange the phases of the power lines for minimum magnetic field level at the edge of the right-of-way. This design complies with PG&E's EMF Design Guidelines prepared in accordance with the Commission's EMF decisions.

7.5. Final Mitigated Negative Declaration

Energy Division issued the Final MND on May 19, 2011.¹³ Although a few revisions were made to clarify and revise certain mitigation measures described in the Draft IS/MND, the Final MND does not identify any new significant environmental impacts, and does not omit any existing mitigation measures, from those identified in the Draft MND/IS. The Final MND concludes that the Proposed Project will not have a significant adverse impact on the environment, because the mitigation measures described therein, and agreed to and incorporated by PG&E into the Proposed Project, will ensure that any potentially significant impacts that have been identified with the Proposed Project will remain at less than significant levels.

Before granting the Application, we must consider the Final MND.¹⁴ We have done so and find that the Final MND (which incorporates the Draft IS/MND) was prepared in compliance with and meets the requirements of CEQA. We further find that on the basis of the whole record, there is no substantial evidence that the Proposed Project will have a significant effect on the environment and that

¹³ The Final MND is hereby identified as reference Exhibit A and received into the record of this proceeding. The Final MND, which incorporates by reference the Draft IS/MND, presently is available for inspection on the Commission's website at: http://www.cpuc.ca.gov/Environment/info/rmt/Crazyhorse/images/CrazyHorse_FMND.pdf.

¹⁴ CEQA Guideline Section 15004(a).

the Final MND reflects the Commission's independent judgments and analysis.¹⁵ We adopt the Final MND in its entirety, and incorporate it by reference in this decision approving the Proposed Project.

8. Conclusion

Based on the analysis of the Initial Study, the Draft and Final MNDs, and the mitigation measures identified therein and incorporated into the Proposed Project, the Commission finds that the Proposed Project will not have a significant impact on the environment. We have reviewed the Application and, after considering all of the above requirements, find it complete and in compliance with GO 131-D.

We conclude that granting this PTC is in the public interest and the Application should be approved. Our order today adopts the Final MND (which incorporates the Draft IS/MND), subject to the conditions therein, and authorizes work on the Proposed Project to begin. Before commencing construction of the Proposed Project, PG&E must have in place all required permits, easements or other legal authority for the project site.

9. Waiver of Comment Period

No protests were filed to the Application and no hearing was held. Today's decision grants the relief requested in an uncontested matter. Accordingly, pursuant to Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

10. Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner and Gary Weatherford is the assigned Administrative Law Judge in this proceeding.

¹⁵ CEQA Guideline Section 15074(b).

Findings of Fact

1. PG&E's Application for a PTC conforms to GO 131-D.

2. The Proposed Project involves the construction and operation of the Crazy Horse Canyon Switching Station and associated power line modifications. Major elements of the switching station include:

- Four 115 kV dead-end structures;
- Four 115 kV double dead-end structures;
- Twenty capacitor couple voltage transformers and structures;
- Twenty-four 115 kV disconnect switches;
- Sixteen 115 kV bus structures;
- Nine 115 kV circuit breakers;
- One MPAC building (to house the protection and control systems);
- One battery building (to provide back-up station power); and
- One permanent paved access road from San Juan Grade Road to the switching station (approximately 750 feet long).

The associated power line modifications include:

- Constructing temporary shoo-fly structures that support the power conductors during project construction; and
- Rearranging the existing 115 kV electric power circuits by removing four existing lattice steel towers and installing six new lattice steel tower structures and five new tubular steel poles.

3. The existing lines to be modified are located in either PG&E-owned rights-of-way or public street rights-of-way, and the Proposed Project will rearrange the

existing 115 kV electric power circuits by removing four existing lattice steel towers and installing six new lattice steel tower structures and five new tubular steel poles.

4. The Proposed Project will improve the reliability of PG&E's electric system concerning power generated at PG&E's Moss Landing Power Plant, the primary electrical generation source for the region. The Proposed Project will allow PG&E to use an automated control system to switch load from one power line to another in the event of scheduled maintenance or an unanticipated outage on one of the lines. By sectionalizing lines into shorter sections, potential impacts from outages are experienced by fewer customers, and some outages will not impact any customers.

5. No protests were filed to the Application.

6. The Final MND (which incorporates the Draft IS/MND) related to the Proposed Project conforms to the requirements of CEQA.

7. The Final MND identified no significant environmental impacts of the Proposed Project that could not be avoided or reduced to non-significant levels with the mitigation measures described therein. On the basis of the whole record, there is no substantial evidence that the project will have a significant effect on the environment.

8. The MMRCP, included as part of the Final MND, specifically describes the mitigation measures to be taken.

9. PG&E agrees to comply with the mitigation measures described in the Final MND.

10. The Commission considered the Final MND in deciding to approve the Proposed Project.

11. The Final MND reflects the Commission's independent judgment.

12. Based on the mitigation measures included in the Final MND, the Proposed Project will not have a significant impact upon the environment.

13. The Proposed Project includes no-cost and low-cost measures (within the meaning of D.93-11-013, and D.06-01-042) to reduce possible exposure to EMF.

Conclusions of Law

1. PG&E represents that it has complied with the notice requirements for PTCs described in GO 131-D, Section XI.

2. The Application is uncontested and evidentiary hearings are not necessary.

3. The Commission is the Lead Agency for compliance with the provisions of CEQA.

4. A Draft IS/MND analyzing the environmental impacts of the Proposed Project was processed in compliance with CEQA.

5. A Final MND on the Proposed Project was processed and completed in compliance with the requirements of CEQA.

6. The Draft IS/MND and the Final MND (which includes the MMRCP and EMF Field Management Plan) should be adopted in their entirety.

7. Possible exposure to EMF has been reduced by the no-cost and low-cost measures PG&E will include in the Proposed Project, pursuant to D.93-11-013, and D.06-01-042.

8. PG&E should obtain all necessary permits, easement rights or other legal authority for the project site prior to commencing construction.

9. PG&E's Application for a PTC should be approved, subject to the mitigation measures set forth in the Final MND.

10. The requirement for a 30-day period for public review and comment should be waived, pursuant to Rule 14.6(c)(2).

11. A.10-04-031 should be closed.

12. This order should be effective immediately so that construction of the Proposed Project can begin.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company is granted a Permit to Construct the Crazy Horse Canyon Switching Station Project, including (1) four 115 kilovolt (kV) dead-end structures; (2) four 115 kV double dead-end structures; (3) 20 capacitor couple voltage transformers and structures; (4) 24 115 kV disconnect switches; (5) 16 115 kV bus structures; (6) nine 115 kV circuit breakers; (7) one Modular Protection Automation and Control building (to house the protection and control systems); (8) one battery building (to provide back-up station power); and (9) one permanent paved access road from San Juan Grade Road to the switching station (approximately 750 feet long). This grant includes the following associated power line modifications: (1) construction of temporary shoo-fly structures that support the power conductors during project construction; and (2) re-arrangement of the existing 115 kV electric power circuits by removing four existing lattice steel towers and installing six new lattice steel tower structures and five new tubular steel poles.

2. The Final Mitigated Negative Declaration (which incorporates the Draft Initial Study/Mitigated Negative Declaration) identified as Reference Exhibit A and received into the record of this proceeding, is adopted pursuant to the requirements of the California Environmental Quality Act, Public Resources Code §§ 21000 *et seq.*

3. The Mitigation Monitoring, Reporting and Compliance Plan, included as part of the Final Mitigated Negative Declaration, is adopted.

4. The Permit to Construct is subject to Pacific Gas and Electric Company's compliance with the mitigation measures set forth in the Final Mitigated Negative Declaration and Mitigation Monitoring, Reporting and Compliance Plan.

5. Pacific Gas and Electric Company shall have in place, prior to commencing construction, all of the necessary easements rights, or other legal authority, to the Crazy Horse Canyon Switching Station Project sites.

6. The comment period for today's decision is waived.

7. Application 10-04-031 is closed.

This order is effective today.

Dated June 9, 2011, at San Francisco, California.

MICHAEL R. PEEVEY

President

TIMOTHY ALAN SIMON

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

MARK J. FERRON

Commissioners