

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 8, 2011

Mr. Kevin O' Beirne
Regulatory Case Administrator
San Diego Gas & Electric
8330 Century Park Court,
San Diego, California 92123-1530

Subject: Data Request No. 6 – San Diego Gas & Electric (“Applicant”), South Bay Substation Relocation Project (CPCN Application No. 10.06.007)

Dear Mr. O' Beirne:

The California Public Utilities Commission (CPUC) has identified additional information required to complete our analysis of the South Bay Substation Relocation Project. Please provide the information requested in *Attachment A*. We would appreciate your response to this data request no later than June 22, 2011. This will help us maintain our schedule for analysis and processing of your application.

If you have any questions regarding this letter or need additional information, please contact me at 415.703.5484 or jensen.uchida@cpuc.ca.gov.

Sincerely,

Jensen Uchida
Energy Division, Room 4A

Att: Attachment A – Data Request No. 6

ATTACHMENT A

Data Request No. 6

ATTACHMENT A
Data Request No. 6
South Bay Substation Relocation Project

1. **Initial Outreach Efforts:** The CPUC has been contacted by Inland Industries Group, which owns three parcels along Bay Boulevard, located between 1011 and 1161 Bay Boulevard (see *Attachment 1*). Please identify whether SDG&E contacted the Inland Industries Group as part of initial outreach efforts. In the event there have been previous discussions with Inland Industries Group, please provide an overview of discussions to date.
2. **Biological Studies:** Please provide all biological studies that have been completed for the proposed project, since submittal of the PEA in June 2010. Provide a memorandum prepared by a biologist that includes the methods and results of the biological studies.
3. **Visual Simulations:** SDG&E has provided three visual simulations to represent the change in views for passing motorists along Bay Boulevard. Please provide two additional visual simulations for both the proposed project and the Gas Insulated Substation Alternative at the following locations:
 - Location 1
 - Latitude - 32°36'28.84"N
 - Longitude - 117° 5'31.99"W
 - Location 2
 - Latitude - 32°36'21.02"N
 - Longitude - 117° 5'32.27"W

Please ensure the 69 kV steel riser poles and 138 kV steel riser pole are included in the visual simulations.



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May 24, 2011

Jenson Uchida, CPUC Project Manager
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

**RE: San Diego Gas & Electric South Bay Substation Relocation Project
Application A-10-06-007**

Dear Mr. Uchida:

Our firm has been retained by Inland Industries Group, L.P. ("Inland Industries") to assist them in the analysis of San Diego Gas & Electric South Bay Substation Relocation Project. Inland Industries, a retained consultant and I have had an opportunity to do an initial review of the Application and Proponent's Environmental Assessment ("PEA"). Unfortunately, Inland Industries was not given notice of the public meeting on December 15, 2010 when the outlines of the proposed South Bay Substation Relocation was presented.

1) Inland Industries' Property

Inland Industries owns three parcels of land consisting of approximately 20.16 acres on Bay Boulevard, located at 1011 to 1161 Bay Boulevard. 2,356 linear feet of this property fronts on Bay Boulevard. Inland Industries' property is east of the proposed relocated substation and directly across the street.

An analysis of the PEA reveals that Inland Industries Group will be substantially negatively impacted by the proposed relocation project. The proposed substation will be 30 feet high with additional structures as high as 75 feet. It will be located directly on the Chula Vista's Bayfront, adjacent to potential wetlands and will be a dominant visual structure in an area which currently has unobstructed views from Bay Boulevard across the bay to Coronado and the Pacific Ocean. There are other property owners directly adjacent and south of the proposed relocated substation who will also be substantially negatively impacted by the relocated substation. These properties, including the ones owned by Inland Industries, because of their location on Chula Vista's Bayfront are among those most likely and best suited for redevelopment. All the necessary infrastructure such as roads and sewer are already in place and the property is close to the Palomar trolley stop and public transportation.



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Jenson Uchida, CPUC Project Manager
California Public Utilities Commission
May 24, 2011
Page 2

2) Impacts on Inland Industries' Property

Based on our review of the PEA, Inland Industries has several concerns and questions regarding what appears to be a serious lack of evidence supporting the need for the proposed South Bay Substation Relocation Project including the need for converting the existing 138/69 kV substation to a 230/69 kV substation and other proposed upgrades. They have come to this view after examining SDG&E's proponent's Environmental Assessment (PEA) for the South Bay Substation Relocation Project and found that the premise that the substation needs to be relocated any time soon, if ever, is not supported by any hard facts. Inland Industries' consultant has also looked at the CAISO Management's memo to its board which was assumed to be the basis of the board's approval to allow recovery of costs of the South Bay Substation Relocation Project in transmission rates. The CAISO board's approval appears to have been made on a basis of evidence that is not very compelling based on either reliability need or cost effectiveness. Our questions at this point, however, focus on the proposed relocation project's impacts on the property owners directly adjacent to the proposed relocation site.

Our consultant has gone through and plotted the size and location not only of the proposed new substation itself, but the seven new steel power poles that will be directly west and within 350-400 feet of Inland Industries' property. These seven new power poles range from 160 feet high to 121 feet high to 85 feet high and are located in close proximity to each other. Not only will these new steel poles have a daunting visual impact on the bayfront, the proposed 10-foot wall around the substation will do little to screen the substation itself due to its height and profile. First and foremost, was any consideration given to an alternative low-profile substation and more detailed and effective ways of screening the substation itself? These alternatives are not outlined in the PEA nor are the direct visual impacts of the existing design on the property owners located so close to the new structures.

3) Inconsistencies in the PEA

One of the four objectives outlined in the PEA that articulates the project purpose and need is Objective No. 3 which is to "facilitate the City of Chula Vista's Bayfront redevelopment goals by relocating the South Bay Substation and furthering the goals of the SDG&E-City of Chula Vista MOU." In the Environmental Impact Assessment section (Chapter 4), the PEA notes that the City of Chula Vista's General Plan contained several policy elements, including land use, and scenic resources which are addressed in their General Plan. One of the objectives of the General Plan is to "require undergrounding of utilities on private property and develop a priority based



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Jenson Uchida, CPUC Project Manager
California Public Utilities Commission
May 24, 2011
Page 3

program of utility undergrounding along public right of ways.” The Chula Vista’s Bayfront Specific Plan and approved Local Coastal Program also has as an objective to plan and develop the bayfront to ensure provisions of important views to, from and within the project area. There is also a policy for preserving and establishing views from the freeway and major entry ways and roadways within the site perimeters. In this regard, Inland Industries has questions as to why the plan includes seven new large steel power poles in addition to a high profile substation west of Bay Boulevard which fronts a scenic, unobstructed view of the bayfront. Such a plan appears inconsistent with the objective and policies of Chula Vista’s General Plan and Bayfront Specific Plan.

The proposed undergrounding of power poles and lines, based on the current design, does appear to be proposed for north of the proposed site, but not adjacent to the properties south and east, including Inland Industries’ property, where the proposed seven new poles are shown to be above ground. These new power poles are directly in the sight line of any redevelopment project whose value would in large measure be derived from its views of the bay and ocean. When the proposed new steel power poles were plotted on a map, six of them are lined up in very close proximity and within several hundred feet of Inland Industries’ property. Because Inland Industries was unaware of the December 15, 2010 public meeting, it did not have the opportunity at that time to question this aspect of the proposed design which is inconsistent with Project Objective No. 3 and would detract from, and certainly not facilitate the redevelopment of Inland Industries’ property, as well as its neighbors to the south and west.

4) The SDG&E and Chula Vista MOU

Objective No. 3 also stresses furthering the goals of SDG&E-City of Chula Vista Memorandum of Understanding (“MOU”). The number of new large power poles being proposed appears inconsistent with the MOU. The MOU anticipates that the major visual impacts of the power poles on the bayfront will be eliminated by undergrounding. For example, in section 1.7, page 7 of the MOU it states

“SDG&E will work with the City to minimize overhead structures once the location of the new switch yard is determined. SDG&E will include the removal of the other 138 kV circuit and Supporting Structures, including tower 188701, with its application for the relocation of the switch yard. This removal of said 138 kV supporting structures and tower 188701 will be done and paid for by SDG&E consistent with its rules and regulations.”

This specific section of the MOU is not consistent with the proposed location of the new steel



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Jenson Uchida, CPUC Project Manager
California Public Utilities Commission
May 24, 2011
Page 4

poles and the proposed plan. In so far as we can tell, the proposed plan does not include the removal of tower 188701.

Several sections of the City of Chula Vista's MOU also discuss the undergrounding of the 230 kV lines (1.3 - 1.3.B) and also 138 kV line which were anticipated to occur in conjunction with SDG&E application with the CPUC for what appears to be this anticipated relocation of the substation (see sections 1.4A-D; section 1.5). Another of Inland Industries' concerns and questions is why a more detailed analysis in the PEA of Chula Vista MOU with SDG&E and what is actually being proposed to be built was not done. The seven new steel poles that are proposed and the failure of the PEA to show that the 138 kV Supporting Structures and tower 188701 being under grounded do not appear consistent with the Chula Vista MOU whose goal was to underground transmission lines and power poles as part of "relocating of the switch yard."

5) Site Alternatives

While our analysis of the proposed PEA is preliminary at this point in time, the discussion of project alternatives and the impact analysis in section 5.2, and specifically those concerning System and Substation Site Alternatives would appear conclusory in nature without a detailed discussion of facts supporting the conclusions. By way of example, the discussions concerning the Tank Farm Site, existing South Bay Substation Site, Power Plant Site, and LNG site would suggest they are viable alternatives which meet objective 1, 2 and 4 and which would not as significantly impact Inland Industries's property or those of the other adjacent property owners. Specifically, with respect to the Tank Farm Site, the PEA states that SDG&E's ability to secure this site is unknown and the cost associated with purchasing it would greatly exceed that of the proposed project no-cost land exchange. No detail is given as to who owns the Tank Farm Site, why SDG&E may not be able to secure it and there is no cost analysis of relocating the substation from at or near its current site to this site. This analysis would appear to be necessary, especially when considering the alternatives of the Existing South Bay Substation Site and the Power Plant Site directly adjacent to it. Since it is the rate payers who are ultimately bearing the cost of relocating the substation from its current location, a comparison of costs to achieve objectives 1, 2 and 4 at the site alternatives compared with relocating it to the proposed new location would be important to know.

Analytically, the discussions of these site alternatives appear to conclude that "building the Bay Boulevard substation at this site[s] would not help facilitate the City of Chula Vista's Bayfront redevelopment goals nor further SDG&E-City of Chula Vista MOU." The PEA does not, however, explain why this would be the case and what the proposed redevelopment would be impacted if these sites were chosen. Our analysis of the PEA would certainly indicate that the



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Jenson Uchida, CPUC Project Manager
California Public Utilities Commission
May 24, 2011
Page 5

exact same statement can be made about the relocated site as not only is Inland Industries' property a valuable site for redevelopment, there are known visual and aesthetic impacts which would have a negative impact on the ability to redevelop the southern portion on the City of Chula Vista's Bayfront if the substation were relocated. It would seem that the PEA needs to be more specific and objective in citing the specific redevelopment goals or project which would be hindered or impacted at the alternative sites. For example, building the new substation on the Power Plant Site or closely adjacent to it, might be a better alternative when considering the anticipated clean-up and time table for uses of these sites due to potential contamination. It would appear that some of the alternative sites and the directly impacted land nearby might not be available for redevelopment for quite some time, if at all, and it would be helpful to know what redevelopment would actually be effected at or near these site alternatives.

Lastly, with respect to System and Substation Site Alternatives, there is a site not on the Chula Vista's Bayfront which is owned by San Diego Gas & Electric which Inland Industries believes is worthy of further discussion in the PEA. As previously indicated, Inland Industries does have some concerns and questions with respect to the actual need for a 230/69 kV substation based on applicable reliability criteria and acceptable mitigation standards as set by the National Electric Reliability Counsel ("NERC") and the Western Electrical Coordinating Counsel ("WECC") and the CIASO. While Inland Industries has not yet studied the needs justification for a 230/69 kV substation in depth, an analysis of whether the Toy Storage site, which is not on the bayfront, could accommodate a new 138 kV / 69 kV substation would be an important alternative to consider. Bayfront property with its associated biological resource and value as a public resource is at a premium as there is little, if any, property like it left in Southern California. If from a reliability need and cost justification a 230/69 kV substation is not required, the toy storage site should at least be examined to see whether it can accommodate a 138 kV / 69 kV substation due to the fact that it is not on the bayfront and is already owned by SDG&E.

6) Conclusion

Since our analysis of the PEA is still in its preliminary stages and because of the several questions Inland Industries has, possibly a meeting with you or a designated representative of the PUC and the designers of the proposed relocated site may be helpful in giving us a greater understanding of why the proposed design and site were selected and indeed whether Inland Industries' concerns could be addressed and mitigated. If you could help facilitate such a meeting and discussion, Inland Industries Group's comments on the PEA could be refined or modified following such a meeting.

In this respect, while I submitted to the DUDECK website a request that I be notified of any



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Jenson Uchida, CPUC Project Manager
California Public Utilities Commission
May 24, 2011
Page 6

notices relating to the proposed relocated substation, I have not yet received any such notices. It would be helpful also to know what the current time table is for the proposed environmental review as well as any related proceedings before the PUC regarding the proposed relocation of the substation.

Inland Industries Group desires to be a proactive and constructive participant in the project so that all concerned parties can maximize the goals and objectives of a reliable transmission and distribution system which also furthers the goal of City of Chula Vista's redevelopment of its very valuable property on bayfront property.

Sincerely,

John S. Moot
of

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JSM/jlh