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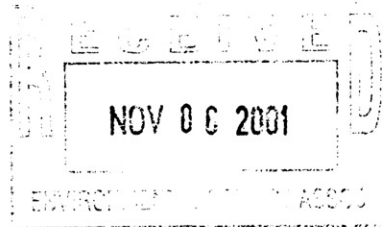
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November 5, 2001

James D. Squeri

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HAND-DELIVERED

Ms. Billie C. Blanchard
California Public Utilities Commission
505 Van Ness Avenue, Room 4-A
San Francisco, CA 94102

**Re: PG&E Application Nos. 00-05-035 and 00-12-008; Mitigated
Negative Declaration**

Dear Ms. Blanchard:

I am writing on behalf of SCS Development Co. ("SCS") to express concern about obvious and significant deficiencies which appear in the Mitigated Negative Declaration ("MND") prepared in conjunction with the above-referenced applications and recently published by the Commission staff for comment. SCS, a real estate developer with secured approved plans to construct a residential subdivision in the City of Hercules, has filed its protest to Application No. 00-12-008 and has a direct and immediate interest in the accuracy of the environmental documentation that is under review in conjunction with A. 00-12-008.

While recognizing that comments on the draft MND are not due until the end of the month, SCS feels compelled to provide notice to you as early as possible of serious deficiencies and omissions in the draft that has been circulated for comment. These errors and omissions include the following:

(1) While the "Project Description" indicates that the "CPUC has concluded that all potential impacts can be mitigated to less than significant levels," the project description fails to describe the ultimate use(s) to which the subject facilities will or may be put. Without delineating and considering the various potential "actual" uses that are at issue, it is impossible for the CPUC to determine what might be the potential impacts of such uses, much less define the necessary level of mitigation required with respect to each such use.

(2) At p. XII-2, the draft states as follows: "While use of the pipeline would likely transport fuel oil, the end use of the fuel oil has not been determined." It is obvious that fuel oil storage

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and transportation is not the only anticipated use for which approval is sought under the pending application. Without identifying and analyzing the other potential uses, it is impossible to adequately review the impacts upon SCS's housing development.

(3) At p. IX-1, the document, in describing the Project "Setting," reads as follows: "The Hercules Pump Station is located on 44.2 acres of land...and undeveloped lands to the north." The referenced lands to the north are not "undeveloped." They are entitled with Vesting Tentative Map 8455 granted by the City of Hercules.

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Further the draft document states: "The city proposes to amend the general plan so that the land can be used for residential and commercial users, as well as construction of a new school. The city has completed an EIR on the proposed specific plan but has not yet adopted it into the general plan." This statement is erroneous. SCS has a vesting tentative Map as does Catellus - information which was conveyed to the applicant in A. 00-12-008 as well as the Commission's environmental consultant when SCS protested the proposed project in January, 2001 as a map owner. The General Plan, specific plan and other entitlements are all recorded on the land and substantial grading has begun. The plan is for more than 800 homes, a school, and a commercial site - all of which are entitled.

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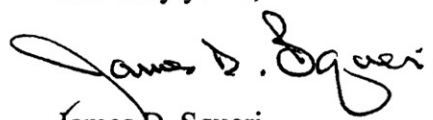
(4) At Section 1.0 "Description of the Proposed Project," 1.1 INTRODUCTION, the document reads: "Two parties, West Contra Costa Unified School District and SCS development company, filed protests to SPBPC's application on January 16th, 2001, raising various issues. SPBPC filed a reply to those protests on January 26th, 2001." There is, however, no explanation of the nature of the protests that have been lodged set forth in the MND.

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While SCS has every intention of participating in any scheduled public meetings held to address the MND and of filing timely comments on the draft document, SCS nevertheless has thought it prudent to bring to your attention as quickly as possible any obvious deficiencies in the referenced document. In that regard, SCS looks forward to working through the process to ensure the adequacy of the subject environmental documentation.

Should you have any questions regarding the concerns set forth herein, please contact me.

Sincerely yours,


James D. Squeri

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cc: ~~Tim~~ Morgan - ESA

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