NOTICE OF INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION

To All Interested Parties:

On December 19, 2003, Sierra Pacific Power Company (SPPCo.) filed Application No. 03-12-023 pursuant to the California Public Utilities Commission (CPUC) General Order No. 131-D requesting authority for a Permit To Construct and Operate the Hobart Substation Rebuild project. The Proposed Project would expand, upgrade, and replace the existing substation with newer and more reliable electrical equipment and provide standard three-phase electrical service to an existing customer in the Hobart Mills area. The existing Hobart Substation and expansion site are located on private property in eastern Nevada County, approximately five miles north of the Town of Truckee and two miles east of the Hobart Mills area. Upon completion, the Proposed Project would increase substation capacity to 5,000 kilovolt amperes (kVA), provide standard three-phase electrical service, and increase the voltage of the existing transmission line from 12.5 kV to 14.4 kV. An 8-foot chain-link fence will enclose the 4,500 square foot substation area

The CPUC has prepared an Initial Study and Mitigated Negative Declaration (IS/MND) for the proposed project and determined that it would not have any significant effects on the environment. The IS/MND is available for review at the following locations:

| CPUC 505 Van Ness Avenue San Francisco. CA 94102 | Placer County Planning Dept. 11414 B Avenue Auburn, CA 95603 | Town of Truckee Community Development 10183 Truckee Airport Road Truckee, CA 96161 |
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| Nevada County Planning Department 950 Maidu Ave. Nevada City, CA 95959 | Madelyn Helling Library 980 Helling Way Nevada City, CA 95959 | Truckee Library 10031 Levone Ave. Truckee, CA 96161 |
| | Placer County Library 350 Nevada Street Auburn, CA 95603 | |

Electronic access to the IS/MND and other project information is available on the CPUC web site at: www.cpuc.ca.gov

For questions or information about the CPUC process, please contact the CPUC Project Manager, John Boccio, at (415) 703-2641 or E-mail at JBX@cpuc.ca.gov

Public Review Period:

The public review and comment period will extend from July 6, 2004 through August 6, 2004. Written comments on the Mitigated Negative Declaration must be received via e-mail or by U.S. postal mail no later than 5 P.M. August 6, 2004. Please be sure to include your name, address, and telephone number. Written comments should be sent to:

John Boccio, CPUC c/o Pacific Municipal Consultants 10461 Old Placerville Road, Suite 110 Rancho Cordova, California 95827