

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4556

RESOLUTION

Resolution E-4556 Pacific Gas and Electric Company

By Advice Letter 4066-E Filed on June 19, 2012

By Advice Letter 4066-E-A Filed on December 14, 2012

SUMMARY

This Resolution dismisses as invalid, protests from the Division of Ratepayer Advocates (DRA), William and Rita Witmer (Witmers' Protest), John Kipp and Kathryn Woodburn (Kipp, Woodburn Protest) and approves PG&E's Advice Letter 4066-E with an effective date of today. Pursuant to this advice letter, Pacific Gas & Electric Company (PG&E) proposes to raise the height of four lattice steel towers in Santa Clara County that carry two transmission line circuits: the Saratoga-Vasona 230 kilovolt (kV) Transmission Line and the Monta Vista-Hicks 230 kV Transmission Line.

The Commission's General Order (GO) 131-D governs the planning and construction of electric generation, transmission/power/distribution line facilities and substations. This project falls within and qualifies for the exemption cited by PG&E in their Advice Letters 4066-E and 4066-E-A¹. None of the concerns raised by the protestant fits within the specific exceptions to the exemptions of GO 131-D, nor do the protestant's claims support a claim of

¹ General Order (GO) 131-D Section III.A provides exemptions from the CPCN requirement for construction involving "the replacement of existing power line facilities or supporting structures with equivalent facilities or structures, the minor relocation of existing power line facilities, the conversion of existing overhead lines to underground, or the placing of new or additional conductors, insulators, or their accessories on or replacement of supporting structures already built."

misapplication of an exemption by PG&E. Therefore, the protest is denied for failure to state a valid reason.

BACKGROUND

PG&E filed Advice Letter 4066-E with the California Public Utilities Commission (CPUC) on June 19, 2012 regarding plans to raise the height of four lattice steel towers in Santa Clara County that carry two transmission line circuits: the Saratoga-Vasona 230 kilovolt Transmission Line and the Monta Vista-Hicks 230 kV Transmission Line ("Project"). PG&E intends to replace top-cage extensions on the existing 116 to 136-foot towers, increasing their height by approximately 15-16 feet. The Project is necessary to comply with CPUC General Order 95 and to accommodate new Federal Energy Regulatory Commission (FERC) ground-to-conductor requirements. PG&E identified the Project as being exempt from permitting requirements under 131-D, Section III, Subsection A, as a "replacement of existing power line facilities or supporting structures with equivalent facilities or structures."

DRA's protest asserts that PG&E must file an application for a Certificate of Public Convenience and Necessity (CPCN) because system operating voltage exceeds the 200kV threshold and argues modifying four existing towers and replacing top cage extension constitutes "major modifications to the existing transmission line" requiring tower engineering. Finally, the Project could affect aircraft navigation, and a Federal Aviation Administration (FAA) evaluation may be necessary.

The Witmers' Protest asserts that they are against increasing the height of the transmission tower located near the intersection of Guava Court and Lido Way. The Witmers believe that the additional height will impact home values, affect earthquake safety, and will detract from the current environment of the neighborhood. The Witmers suggest that as an alternative, additional height instead be added to the tower located at Azule Crossing (Sunnyvale Saratoga Road/Seagull Way).

John Kipp and Kathryn Woodburn Protest asserts that PG&E's proposal to raise the height of the four towers does not qualify for an exemption from CPUC GO 131-D, Section III.A. The protest states that PG&E's proposal represents a significant alteration of the existing structure, and not the replacement of existing

power line facilities or supporting structures with equivalent facilities or structures specified in the CPUC General Order as a basis for an exemption.

After receiving the Kipp, Woodburn, Witmer protests, PG&E reviewed the alternatives suggested by Kipp, Woodburn, and Witmer and determined that modifying nearby towers would create substantial impacts and costs. Instead, PG&E proposed a modification that would not require the height of the Guava/Lido tower to be raised. As a result, the Protestants Kipp, Woodburn, and Witmer withdrew protests on July 11 and 12, 2012, respectively.

Following final design review of the project, PG&E determined that while the top cage structures would not be needed, the peak of the tower would have to be raised approximately 7 feet to ensure safe clearance between the top optical ground wire and the existing conductor. In response to PG&E's need to raise the optical ground wire to comply with the CPUC's General Order (GO) 95 requirements, Protestants Witmers, Kipp and Woodburn reinstated their original protests.

On December 14, 2012, in response to a request from Energy Division staff for PG&E to clarify the information provided in Advice Letter 4066-E, and specifically, to better explain why a NERC Alert necessitated raising the height of the towers, PG&E filed Advice Letter 4066-E-A. Advice Letter 4066-E-A provided additional information regarding the North American Electric Reliability Corporation (NERC) Alert recommending that transmission utilities: 1) perform an assessment, over a three-year period, of all applicable transmission facilities; 2) report to NERC on any findings; and 3) take prompt corrective action to mitigate any identified discrepancies. NERC Reliability Standards FAC-008-1 and FAC-009-1 require each transmission owner to have a documented Facility Rating Methodology (FRM) and to establish ratings for its transmission facilities consistent with its rating methodology. PG&E's FRM is contained in PG&E Utility Standards TD1004S, TD1004P-01 as well as Utility Work Procedure WP1004-04. In part, PG&E's FRM requires conductor clearances to "meet General Order (GO) 95 clearance requirements".

On January 7, 2012 DRA filed a protest to PG&E's supplemental filing. Again, DRA recommended that Energy Division deny PG&E's request by rejecting AL 4066-E and AL 4066-E-A on the basis that PG&E's proposed project requires a CPCN application pursuant to G.O. 131-D.

NOTICE

Notice of AL 4066-E was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

Advice Letter AL 4066-E was protested.

PG&E's Advice Letter AL 4066-E was timely protested by Division of Ratepayer Advocates, William and Rita Witmer, John Kipp, and Kathryn Woodburn.

PG&E responded to the protests of DRA, on July 16, 2012. PG&E responded to the protests of Kipp, Witmer, and Woodburn on October 5, 2012

The following is a more detailed summary of the major issues raised in the protest.

DISCUSSION

PG&E argues that the Project is exempt from CPCN permitting requirements under GO 131 D. Section III. A. of GO 131-D requires utilities to obtain a CPCN for construction of "major electric transmission line facilities which are designed for immediate or eventual operation at 200kV or more." Section III. A provides exemptions from the CPCN requirement for construction involving "the replacement of existing power line facilities or supporting structures with equivalent facilities or structures, the minor relocation of existing power line facilities, the conversion of existing overhead lines to underground, or the placing of new or additional structures already built". (GO 131-D, Section III.A). Thus, construction of electrical facilities that are not "major" transmission line facilities over 200 kV or that fall within one of the exemptions do not require a CPCN.

Energy Division has reviewed the protest and concludes that PG&E's proposed actions will be limited to replacing top-cage extensions to three existing towers in order to meet necessary safety clearance requirements. PG&E will not replace the top cage of the Guava/Lido tower which is the tower of concern to the Protestants. Instead, the tower peak would be raised approximately 7 feet to

ensure safe clearance between the top optical ground wire and the existing conductor. The conductors will not be replaced and the Project will not increase Voltage or capacity of the transmission line. The proposed construction is a clear replacement of existing power line facilities with equivalent facilities and does not constitute the construction of major electric transmission line facilities.

Energy Division staff finds that the exemption has been correctly applied to this Project and a CPCN is not required.

Regarding DRA's assertion that the project could affect aircraft navigation, PG&E has confirmed, through use of the FAA's "Notice Criteria Tool" that allows entry of exact structure coordinates and heights to determine FAA requirements, that none of the tower raises that are part of this Project require a filing with the FAA.

Energy Division staff finds that nothing further is required under FAA regulations.

FINDINGS

1. PG&E filed Advice Letter 4066-E on June 19, 2012
2. PG&E proposes to extend three lattice steel towers heights by 15 to 16 feet higher than existing towers on 230 kV transmission lines in Santa Clara County.
3. A third Tower located approximately 150 feet south of the intersection of Guava Court and Lido Way will have the peak raised by approximately 7 feet to accommodate an optical ground wire. No top cage extension will be added to the lattice steel structure.
4. PG&E distributed Notice of Proposed Construction in accordance with General Order 131-D, Section XI. Paragraphs B.1 and B.2
5. A protest to Advice Letter 4066-E was received on July 9, 2012 from the Division of Ratepayer Advocates. A protest was received from William and Rita Witmer on June 29, 2012. Protests were received from John Kipp and Kathryn Woodburn on July 6, 2012.
6. The Protestants raised concern regarding the exemption from filing a CPCN for the Project, and additional concerns of diminished property values, earthquake safety, and environmental changes to their neighborhood.
7. Protestants Kipp, Woodburn, and the Witmers withdrew, but later reinstated their protests.

8. PG&E responded to the protest to Advice Letter 4066-E on July 16, 2012, via a letter to the Director of the Energy Division. PG&E contends that the protests should be denied because they fail to provide valid reason why PG&E should be required to apply for a CPCN or why PG&E has incorrectly applied the exemptions from the CPCN application requirement provided for in GO 131-D.
9. PG&E responded to the reinstated protests of Kipp, Woodburn and the Witmers on October 5, 2012.
10. PG&E Filed Supplemental Advice Letter 4066-E-A on December 14, 2012 in response to a request from Energy Division staff for additional information.
11. PG&E correctly followed the notification procedures required in GO 131-D for this project.
12. DRA protested PG&E's Supplemental Advice Letter on January 7, 2013.
13. GO 131-D provides that any person or entity may protest a claim of exemption for one of three reasons: 1) that the utility failed to provide proper notice, 2) that the utility incorrectly applied a GO 131-D exemption, or 3) that any of the conditions exist which are specified in the GO to render the exemption inapplicable.
14. The Protestants have not shown PG&E failed to provide notice or incorrectly applied a GO 131-D exemption. Also, the protestants have not shown that any of the conditions specified in GO 131-D Section III. B.2 exists to invalidate the claimed exemption.
15. PG&E correctly applied for a GO 131-D exemption in Advice Letter 4066-E.
16. FAA requirements do not apply to this project.

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PG&E AL 4066-E, 4066-E-A/FLY

THEREFORE IT IS ORDERED THAT:

1. Energy Division correctly found that this project met the General Order 131-D exemption criteria.
2. The protests of the Division of Ratepayer Advocates, William and Rita Witmer, John Kipp, and Kathryn Woodburn are denied.

This Executive Director Resolution is effective today.

Signed on March 19, 2013, at San Francisco, California

/s/ Paul Clanon
Paul Clanon
Executive Director

December 14, 2012

Advice 4066-E-A
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Supplemental: Notice of Construction, Pursuant to General Order 131-D, for the Construction of the Saratoga-Vasona 230 kV Transmission Line – Town of Los Gatos; and the Monta Vista-Hicks 230 kV Transmission Line – Cities of Saratoga and Cupertino

Pacific Gas and Electric Company (“PG&E” or “the Company”) hereby submits to the California Public Utilities Commission (“CPUC”) a supplement to Advice 4066-E “Advice Letter”, dated June 19, 2012.

Purpose

The purpose of this supplement is to clarify the information provided in Advice Letter 4066-E filed in June 2012. The Advice Letter explained that the proposed projects covered by the Advice Letter are needed to comply with CPUC General Order 95 “and accommodate new Federal Energy Regulatory Commission (FERC) ground-to-conductor clearance requirements, which are regulated by the North American Electric Reliability Corporation (NERC)...”. This supplement provides a clarification of what was meant by PG&E’s reference to “new” FERC/NERC requirements and a fuller explanation of the genesis of and methodology used for these projects as set forth below.

In October 2010, NERC issued an alert to all transmission entities (“NERC Alert”). The NERC Alert identified a reliability concern associated with what NERC characterized as possible “significant and widespread” discrepancies between the design and actual field conditions of transmission facilities nationwide. The NERC Alert recommended that transmission entities: 1) perform an assessment, over a three-year period, of all applicable transmission facilities; 2) report to NERC on any findings; and 3) take prompt corrective action to mitigate any identified discrepancies. Transmission entities all across the country are in the midst of doing the requested assessments, reporting on identified discrepancies and performing mitigations. This is the “new”

FERC/NERC requirement to which the Advice Letters were referring.

NERC Reliability Standards FAC-008-1 and FAC-009-1 require each transmission owner to have a documented Facility Rating Methodology (FRM) and to establish ratings for its transmission facilities consistent with its rating methodology. PG&E's FRM is contained in PG&E Utility Standards TD1004S and TD1004P-01 as well as Utility Work Procedure WP1004-04. In part, PG&E's FRM requires conductor clearances to "meet General Order (GO) 95 clearance requirements". (WP1004-04, p.1.)

In response to the NERC Alert, PG&E has been assessing its transmission facilities to determine whether actual field conditions conform to design criteria (including conductor clearance requirements) in accordance with its FRM. Following its ratings methodology, PG&E uses current¹ GO 95 minimum clearance requirements based on GO 95, Table 1 (as further explained in GO 95, Rules 37 and 43) to assess its transmission facilities for correct ratings. If PG&E discovers a discrepancy, PG&E will review the facility further for appropriate mitigation. Its findings and planned mitigations for any identified discrepancies are reported to NERC. NERC expects that the discrepancies will be remediated within one year or on a schedule approved by the Regional Entity if longer than a year. In addition, consistent with NERC's expectations, PG&E is consulting with its regional Reliability Coordinator (WECC RC) and Transmission Operator (CAISO) to coordinate any mitigation plans while maintaining the bulk electric system stability and reliability.

As to AL 4066-E, PG&E has also identified discrepancies along the Saratoga-Vasona 230 kV Transmission Line in the Town of Los Gatos and the Monta Vista-Hicks 230 kV Transmission Line in the Cities of Saratoga and Cupertino. PG&E plans to raise four lattice steel towers along these Transmission Lines to address these discrepancies.

Protests

Pursuant to General Order 96-B, Section 7.5.1, due to the limited nature of this supplemental advice letter, PG&E is requesting the protest period not be re-opened by the filing of this supplement.

Effective Date

The Company requests that this advice filing become effective concurrent with Advice Letter 4066-E on July 19, 2012.

¹ The use of current GO 95 minimum clearance requirements when assessing facilities for correct ratings is consistent with industry and good engineering practices.

Notice

A copy of this advice letter is being sent electronically and via U.S. Mail to parties shown on the attached list, including the parties listed in G.O. 131-D, Section XI, Paragraphs B.1 and B.2. These parties are identified in the "Notice Distribution List" included in Attachment I. All electronic approvals should be sent to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs/>.

Handwritten signature of Brian Cherry / IG in cursive script.

Vice President – Regulatory Relations

cc: Parties Listed in G.O. 131-D, Paragraphs B.1 and B.2

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: **Igor Grinberg**

Phone #: **415-973-8580**

E-mail: **ixg8@pge.com**

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **4066-E-A**

Tier: **N/A**

Subject of AL: **Supplemental: Submits Notice of Construction, Pursuant to General Order 131-D, for the Construction of the Saratoga-Vasona 230 kV Transmission Line - Town of Los Gatos; and the Monta Vista-Hicks 230 kV Transmission Line - Cities of Saratoga and Cupertino**

Keywords (choose from CPUC listing): **Power Lines**

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: **No**

Summarize differences between the AL and the prior withdrawn or rejected AL: **N/A**

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: **N/A**

Confidential information will be made available to those who have executed a nondisclosure agreement: **N/A**

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: **N/A**

Resolution Required? Yes No

Requested effective date: **July 19, 2012 (concurrent with 4066-E)** No. of tariff sheets: **N/A**

Estimated system annual revenue effect (%): **N/A**

Estimated system average rate effect (%): **N/A**

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: **N/A**

Service affected and changes proposed: **N/A**

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

Notice Distribution List

NERC Compliance Projects:
Saratoga-Vasona 230kV Power Line – Town of Los Gatos
Monta Vista-Hicks 230KV Power Line – Cities of Saratoga and Cupertino

Advice 4066-E-A

Energy Commission

Mr. Robert Oglesby, Executive Director
California Energy Commission
1516 Ninth Street, Mail Stop 39
Sacramento, California 95814

Mr. Roger Johnson, Deputy Director
California Energy Commission
1516 Ninth Street, Mail Stop 39
Sacramento, California 95814

Town of Los Gatos

Wendie Rooney, Community Development Director
Town of Los Gatos Community Development Department
110 East Main Street
Los Gatos, CA 95030

City of Saratoga

James Lindsay, Community Development Director
City of Saratoga Community Development Department
13777 Fruitvale Avenue
Saratoga, CA 95070

City of Cupertino

Aarti Shrivastava, Community Development Director
City of Cupertino Community Development Department
103000 Torre Avenue
Cupertino, CA 95014

PG&E Gas and Electric Advice Filing List

1st Light Energy	Department of General Services	North America Power Partners
AT&T	Department of Water Resources	North Coast SolarResources
Alcantar & Kahl LLP	Dept of General Services	Northern California Power Association
Ameresco	Douglass & Liddell	Occidental Energy Marketing, Inc.
Anderson & Poole	Downey & Brand	OnGrid Solar
BART	Duke Energy	PG&E
Barkovich & Yap, Inc.	Economic Sciences Corporation	Praxair
Bartle Wells Associates	Ellison Schneider & Harris LLP	R. W. Beck & Associates
Bloomberg	Foster Farms	RCS, Inc.
Bloomberg New Energy Finance	G. A. Krause & Assoc.	SCD Energy Solutions
Boston Properties	GLJ Publications	SCE
Braun Blaising McLaughlin, P.C.	GenOn Energy Inc.	SMUD
Brookfield Renewable Power	GenOn Energy, Inc.	SPURR
CA Bldg Industry Association	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Public Utilities Commission
CENERGY POWER	Green Power Institute	Seattle City Light
CLECA Law Office	Hanna & Morton	Sempra Utilities
California Cotton Ginners & Growers Assn	Hitachi	Sierra Pacific Power Company
California Energy Commission	In House Energy	Silicon Valley Power
California League of Food Processors	International Power Technology	Silo Energy LLC
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Edison Company
Calpine	Lawrence Berkeley National Lab	Spark Energy, L.P.
Cardinal Cogen	Los Angeles County Office of Education	Sun Light & Power
Casner, Steve	Los Angeles Dept of Water & Power	Sunrun Inc.
Center for Biological Diversity	MAC Lighting Consulting	Sunshine Design
Chris, King	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto Utilities	Marin Energy Authority	Tiger Natural Gas, Inc.
City of San Jose	McKenna Long & Aldridge LLP	TransCanada
City of Santa Rosa	McKenzie & Associates	Turlock Irrigation District
Clean Energy Fuels	Merced Irrigation District	United Cogen
Clean Power	Modesto Irrigation District	Utility Cost Management
Coast Economic Consulting	Morgan Stanley	Utility Specialists
Commercial Energy	Morrison & Foerster	Verizon
Consumer Federation of California	Morrison & Foerster LLP	Wellhead Electric Company
Crossborder Energy	NLine Energy, Inc.	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	NRG West	eMeter Corporation
Day Carter Murphy	NaturEner	
Defense Energy Support Center	Norris & Wong Associates	