

STATE OF CALIFORNIA  
Energy Resources Conservation  
and Development Commission

In the Matter of:

Docket No. 98-AFC-2

Application for Certification of  
the La Paloma Generating Project

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1516 9th Street  
Sacramento, California

Reporter's Transcript

April 22, 1999

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Reported By: Keli Rutherford, CSR No. 10084

APPEARANCES

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3 Commissioners Present:

4 Robert Laurie

5 David A. Rohy, Ph.D.

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7 Staff Present:

8 Stanley W. Valkosky, Hearing Officer

9

10 For the Staff of the Commission:

11 Marc S. Pryor

12 Jeff Ogata

13 Kerry Willis

14

15 For the Applicant:

16 Allan J. Thompson, Attorney at Law

17 Michael S. Hindus, Attorney at Law

18 Roger Garratt, U.S. Generating Company

19 William Chilson, U.S. Generating Company

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1 P R O C E E D I N G S  
2 THURSDAY, APRIL 22, 1999, SACRAMENTO, CALIFORNIA 10:03 A.M.

3 COMMISSIONER LAURIE: Ladies and gentlemen, the  
4 continued meeting -- the continued evidentiary hearing on  
5 the La Paloma Generating Project is called to order. I'd  
6 like to call upon our hearing officer, Mr. Stan Valkosky,  
7 for any brief summary of the agenda for today.

8 Mr. Valkosky?

9 HEARING OFFICER VALKOSKY: Thank you, Commissioner  
10 Laurie. I have handed out a copy of the agenda. I'd like  
11 to indicate the corrections which I am aware that I  
12 understand there may be some other discussions that the  
13 parties would like to present.

14 On the agenda I've handed out, of course, biological  
15 resources will not be heard today. That will be moved to a  
16 future date, and I also understand that under the system of  
17 transmission engineering and cumulative impacts that the Elk  
18 Hills intervenor will not be presenting witnesses, so the  
19 witnesses designated should be deleted.

20 Are there any other changes, Mr. Thompson?

21 MR. THOMPSON: I don't believe we have any changes,  
22 but two things: No. 1, we had some discussions with staff  
23 last night and this morning about having all our witnesses  
24 here. I believe we were able to retrieve our witnesses from  
25 airports and through cell phones and whatever, but I

26 recognize that staff may have had some difficulty in getting

4

1 everyone here today, and I would just ask that maybe we  
2 remain flexible about putting people -- hearing the topic  
3 this morning to accommodate all of our witnesses.

4           The second thing is that I would like to apologize  
5 for yesterday. I think in my zeal to protect a schedule for  
6 my client, I may have been too ardent in my defense of a  
7 calendar, and I did not mean to become as confrontational,  
8 as I may have been. That's not my style.

9           And I would like to let the committee and hearing  
10 officer know that I don't feel good about it, and while I  
11 may still feel strongly about the schedule, I want to remain  
12 an advocate of cordial discourse with the committee and the  
13 Commission and want to apologize for yesterday if I stepped  
14 over the line.

15           HEARING OFFICER VALKOSKY: Thank you, Mr. Thompson.  
16 We appreciate your remarks.

17           As noticed, we will proceed, and I'll get to you in  
18 just a second, Mr. Ogata. We're noticed to proceed in the  
19 paleontologic, cultural resources, hazardous materials  
20 management, and transmission system engineering, including  
21 any associated cumulative impacts.

22           Is that schedule acceptable to you?

23           MR. OGATA: I believe, Mr. Valkosky, we had one

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24 witness this morning who had some car trouble and had other  
25 problems. We believe he's here now, so hopefully he won't  
26 be too discombobulated and he can give his testimony.

1 But the Cal-ISO witness is at a conference at the  
2 airport. We were hoping to call him and have him drive here  
3 at an appropriate time, but it appears the morning is not  
4 good for him, so we'll have to do without his testimony or  
5 if for some reason we end up going after lunch, then he may  
6 be available after lunch. I hope not to do that.

7 HEARING OFFICER VALKOSKY: Do you know when he'd be  
8 available? Is the time certain?

9 MR. OGATA: Time certain after lunch, I guess.

10 HEARING OFFICER VALKOSKY: That's a time, but it's  
11 not certain enough.

12 MR. OGATA: I suppose we can call him and get a time  
13 from him. Apparently he's in a conference, and so he's  
14 needed this morning, and he just isn't going to be able to  
15 get away for us this morning.

16 HEARING OFFICER VALKOSKY: I'm trying to get some  
17 information because the committee could postpone everything  
18 after lunch. We could proceed this morning, and if we  
19 finished before noon, which it's likely that we will, the  
20 committee could possibly reconvene at a set time to hear the  
21 ISO's testimony or there's various possibilities if we can  
22 get a fix when the witness is available.

23 MR. OGATA: Can I just have a minute, please?

24 HEARING OFFICER VALKOSKY: Certainly.

25

(Pause in proceeding.)

26

HEARING OFFICER VALKOSKY: Mr. Ogata, do we have a --

6

1 MR. OGATA: We are going to call the witness now and  
2 confirm that he can be here at 1:30. Apparently he did say  
3 he can be here by then.

4 HEARING OFFICER VALKOSKY: The committee has  
5 discussed this matter, and the committee is unavailable  
6 between 1:15 and 3:00 today, so in your conversation with  
7 him, if he could show up before that time we can accommodate  
8 him. If not, we can reconvene at 3:00.

9 MR. OGATA: I suppose maybe just for time certain, we  
10 ought to do 3:00 o'clock then. Apparently he's doing a  
11 presentation which is why he cannot get away.

12 COMMISSIONER LAURIE: 3:00 o'clock, if he cannot get  
13 here before.

14 MR. OGATA: Okay.

15 COMMISSIONER LAURIE: I don't know how long his  
16 presentation is going to take. It could take a short while.  
17 So if he can get here before we adjourn for lunch, that  
18 would be best, in which case we wouldn't keep him that long.  
19 Rather, if he got here at 3:00, we'd keep him until the end  
20 of the day.

21 MR. OGATA: Apparently he's doing a presentation this  
22 morning, that's why he's more flexible after lunch, I guess.

7

23 But we'll convey that message and have him get here as soon  
24 as he can but not between 1:15 and 3:00, I suppose.

25 HEARING OFFICER VALKOSKY: Yeah. And we'll check on  
26 that before we conclude this morning's presentation. And

7

1 again, just make sure that he is aware of the time that the  
2 committee is unavailable.

3 Before we -- are there any other matters? Before we  
4 begin, I would like everyone to note the committee has  
5 formally canceled the hearings scheduled for next Monday and  
6 Tuesday, the 26th and 27th. This notice will be sent to all  
7 the parties, posted at the McKittrick schools, and copies of  
8 it are available at the back.

9 With that, first topic, paleontologic resources.

10 Mr. Thompson?

11 MR. THOMPSON: Thank you, Mr. Valkosky. We'd like to  
12 call David Lawler to the stand. The next witness under  
13 cultural is Brian Hatoff. He's the actual Woodward-Clyde  
14 task leader in charge of both of these, is a subcontractor.

15 What I will do is hold off my question about the  
16 acceptance of the conditions of certification and have  
17 Mr. Hatoff agree to both cultural and paleo conditions, if  
18 that's acceptable.

19 HEARING OFFICER VALKOSKY: That will be fine.

20 MR. THOMPSON: Great. Thank you very much.

21 Mr. Lawler, have you been sworn?

8

22

(Witness sworn.)

23 BY MR. THOMPSON:

24 Q. Would you please state your name for the record.

25 A. David Alan Lawler.

26 Q. Are you the same David Lawler who submitted prepared

8

1 direct testimony which is now a part of Exhibit 34 to this  
2 proceeding?

3 A. Yes, I am.

4 Q. And if I were to ask you those questions, would your  
5 responses today under oath be the same, except for possible  
6 minor changes in exhibit numbers?

7 A. That's correct.

8 Q. Do you have any corrections, additions, or deletions  
9 to make to your material?

10 A. None at this time.

11 Q. Would you briefly describe your change in employment  
12 status from when you started work on this project until the  
13 present.

14 A. Well, yes. I'm an independent subcontractor to URS  
15 Greiner Woodward-Clyde. I'm also principal of the firm  
16 Lawler & Associates, applied geoscience services firm.  
17 After -- in June of last year, I started an employment  
18 position with U.S. Department of Interior, Bureau of Land  
19 Management as a geologist in the Sacramento office.

9

20 Q. Thank you very much. Will you take a minute and  
21 summarize your testimony for the committee, please.

22 A. Yes. Basically I was requested to prepare  
23 paleontological technical documents for the La Paloma  
24 project over a period of approximately a year. There was  
25 four separate field surveys during that time, during April,  
26 August, November, and March of '98 and '99. Technical

9

1 reports were prepared, as well as supplements. This  
2 information was then integrated into an AFC document by Mr.  
3 Brian Hatoff, cultural resources specialist for URS Greiner.

4 The type of -- the investigations encompassed a  
5 typical scientific technical information gathering, both at  
6 museum depositories, where important paleontological  
7 specimens and data were housed. This is at University of  
8 California at Berkeley, Los Angeles County Museum of  
9 Natural History, at the Buena Vista Museum of Natural  
10 History in Bakersfield, and at the California Academy of  
11 Sciences in San Francisco.

12 Key staff personnel at each of those institutions was  
13 contacted in regards to specific types of resources or  
14 obtaining supplemental information that would be important  
15 for this investigation.

16 There was a number of computer database searches  
17 made, and in addition, many of the key paleontological  
18 specimens were reviewed or inspected at those institutions.

10

19           In addition, the field survey component of this area  
20 was necessary. There was approximately two sites that were  
21 identified during the April field recognizance in the  
22 McKittrick valley area. The field recognizance surveys  
23 encompass looking at the plant site laydown areas and all  
24 relevant project linear facilities over that twelve-month  
25 period.

26           MR. THOMPSON: Thank you very much. Mr. Lawler is

10

1 tendered for cross-examination.

2           HEARING OFFICER VALKOSKY: Ms. Willis?

3           MS. WILLIS: We have no questions at this time.

4           HEARING OFFICER VALKOSKY: Questions from any other  
5 party?

6 BY HEARING OFFICER VALKOSKY:

7 Q.       Mr. Lawler, did your studies also include the  
8 transmission line route known -- noted as 1B, the  
9 alternative?

10 A.       Yes, that's correct.

11 Q.       And did you find the potential for any significant  
12 paleontological resources along that alternate route?

13 A.       The only identified resources were some alluvial  
14 class of -- derived from rockiness of Cenozoid or  
15 Mesozoid gauge in the -- most likely from the topographic  
16 high areas west of the project area. Those float pieces of

11

17 silt stones -- silt stones are now being processed for  
18 microfossils so that we can identify what units they came  
19 from, and most likely they may contain radial area, which  
20 are a key diagnostic paleontological group that's used for  
21 dating -- for geochronologic dating areas.

22 Q. Would construction of the transmission line route on  
23 alternate 1B cause any significant impacts to this resource?

24 A. Actually they wouldn't. The mitigation measures that  
25 have been proposed for all project linears and plant sites,  
26 including project 1B, have taken into consideration all

11

1 state and federal regulations pertaining to paleontologic  
2 resources.

3 Route 1B as well as the other linears, for instance,  
4 the mitigation recommendation specified intermittent  
5 monitoring along these routes when construction activity  
6 approached areas of known localities. These sites would be  
7 continuously monitored in areas where there was intermittent  
8 monitoring recommended.

9 Should a discovery be made, of course paleontologist  
10 would be present and would be able to implement the other  
11 recommended mitigation measures that would, again, reflect  
12 -- would take into consideration there would be no  
13 significant impact to paleontologic resources through balk  
14 sand by making balk collections of those resources and then  
15 removing them and preparing them, curating them into an

12

16 appropriate depository.

17 HEARING OFFICER VALKOSKY: Thank you. Anything  
18 further for this witness from anyone?

19 MR. THOMPSON: Nothing from applicant, thank you.

20 HEARING OFFICER VALKOSKY: Thank you, Mr. Lawler.

21 THE WITNESS: Thank you.

22 HEARING OFFICER VALKOSKY: Ms. Willis?

23 MS. WILLIS: We'd like to recall Robert Anderson.

24 (Pause in proceeding.)

25 BY MS. WILLIS:

26 Q. Mr. Anderson, I just wanted to remind you that you

12

1 are still under oath.

2 A. Yes, ma'am.

3 Q. Would you please state your job title?

4 A. I'm an associate engineering geologist with the  
5 Energy Facility Siting Environmental Protection Division of  
6 the California Energy Commission.

7 Q. Briefly describe your job duties.

8 A. I oversee and review the geological hazards and  
9 resources section for AFC applications that come in and also  
10 paleontological resources and water drainage.

11 Q. Do you have your testimony that's entitled  
12 Paleontological Resources in front of you today?

13 A. Let's see. Actually, it's on the table over there on

13

14 the chair.

15 Q. Do you have your supplemental testimony in front of  
16 you?

17 A. Yes, I do.

18 Q. Did you prepare both your testimony and supplemental  
19 testimony?

20 A. Yes, ma'am.

21 Q. Do you have any changes or corrections to either  
22 document?

23 A. No, ma'am.

24 Q. And could you please briefly summarize your testimony  
25 and then a brief summary of your supplemental testimony?

26 A. Yes, ma'am. Starting with the testimony in the FSA,

13

1 what I did was review the Application for Certification,  
2 including the first supplement as for the FSA effort. When  
3 we were looking at the FSA, developing it, we knew that the  
4 Route 1B hadn't been fully surveyed for paleontological  
5 resources. An effort was underway.

6 There were several paleontologic surveys conducted by  
7 Mr. Lawler for the applicant and looked at the methods he  
8 described that he had used, his findings conclusions, and  
9 then looked at several of the different paleontologic  
10 resources I'm personally aware of and had seen in  
11 Mr. Lawler's description in the AFC; went over to the CDMG  
12 library and looked up the different references; been to the

14

13 site twice: Once in February and once in March, to see if  
14 what was going on in the field matched what was described in  
15 the AFC, and it looked fine.

16           The mitigation measures that were proposed seem very  
17 reasonable and not too onerous, and what we've done is  
18 develop a series of certification requirements, conditions  
19 of certification, should they be allowed to have their  
20 license. There is eight conditions of certifications that  
21 are based on mitigation efforts that were described by  
22 Mr. Lawler. We're in concurrence with Mr. Lawler.

23           Then going to the supplemental testimony,  
24 supplemental testimony is based upon supplemental number two  
25 for Appendix M of the Application for Certification.  
26 Essentially, what this is is a reassessment for the area of

14

1 Route 1B. Route 1B, there's indications that there weren't  
2 any significant paleontologic resources discovered, hence no  
3 changes to the mitigation methods proposed.

4           There is a mention of silicious mud balls in a --  
5 class out there, and as Mr. Lawler described as a float.  
6 Since they are float, that would mean to me that they are  
7 not native to the area, and as such, have no consequence on  
8 a particular project.

9 Q.       Does that conclude your testimony?

10 A.       Yes, ma'am.

15

11 MS. WILLIS: Mr. Anderson is now available for  
12 cross-examination.

13 HEARING OFFICER VALKOSKY: Mr. Thompson?

14 BY MR. THOMPSON:

15 Q. Silicious mud balls? I have to ask what that is?

16 A. What it is is the Matrix that comprises the mud ball  
17 itself has a high silica content. That's all.

18 MR. THOMPSON: Thank you. No more questions.

19 BY COMMISSIONER ROHY:

20 Q. Terms of art do confuse us now and then, but could  
21 you tell me more about finding mud balls out there? Is this  
22 a common item?

23 A. Sir, when I was at the site, I didn't see any myself.  
24 However, there are other areas in the state that do have mud  
25 balls. Armored mud balls would have rock around them or  
26 silicious Matrix or carbonate Matrix, so they are not

15

1 unheard of. I didn't happen to see any myself.

2 COMMISSIONER ROHY: I'll get a private lesson  
3 sometime. Thank you.

4 BY HEARING OFFICER VALKOSKY:

5 Q. Mr. Anderson, on condition PALEO-1 on page 351 of  
6 your testimony, you have two verifications.

7 Is that intentional?

8 A. Yes, sir.

9 Q. So that is to cover different -- either a different

16

10 reporting periods?

11 A. Yes, sir.

12 Q. On page 350 you talk about facility closure and the  
13 likelihood there will be no impact unless closure activities  
14 include grading and excavation.

15 In your opinion, is a separate condition to cover  
16 that eventuality required in -- as part of your testimony,  
17 or are you satisfied that the general compliance conditions  
18 will cover?

19 A. Actually, I stand by what we proposed in conditions  
20 of certification for paleontologic resources. What we're  
21 looking at is we're not sure exactly in the future what type  
22 of closure scenario will actually be implemented, so at the  
23 time the closure plan is finally developed for that  
24 particular facilities, that's when we're better able to hone  
25 in on what kind of plan ought to be implemented or whether  
26 it involves excavation, grading, or not.

16

1 Q. So you are comfortable with the present status?

2 A. Yes, sir.

3 HEARING OFFICER VALKOSKY: Thank you. Further  
4 questions for Mr. Anderson from anyone? Any further  
5 discussion from any party or member of the public in the  
6 area of paleontologic resources? Thank you, Mr. Anderson.

7 THE WITNESS: Thank you.

17

8 HEARING OFFICER VALKOSKY: Do any of the parties have  
9 any exhibits to move into evidence at this time?

10 MR. THOMPSON: None from applicant at this time.

11 MS. WILLIS: No.

12 HEARING OFFICER VALKOSKY: Thank you. Next topic is  
13 Cultural Resources. Mr. Thompson?

14 MR. THOMPSON: Thank you, sir. Applicant would like  
15 to call Brian Hatoff.

16 (Pause in proceeding.)

17 (Witness sworn.)

18 BY MR. THOMPSON:

19 Q. Would you please state your name for the record.

20 A. Brian William Hatoff.

21 Q. And are you the same Brian Hatoff that submitted  
22 prepared testimony that is included in Exhibit 34?

23 A. Yes, I am.

24 Q. And if I were to ask you those questions today, would  
25 your responses under oath be the same except for minor  
26 variations in exhibit numbers?

17

1 A. Yes.

2 Q. Do you have any corrections, additions, or deletions  
3 to make to your prepared material?

4 A. No.

5 Q. Have you had an opportunity to review the document  
6 that is entitled -- labeled Exhibit 44? It is a staff --

18

7 first page is a staff memorandum. The subject "Revised  
8 Testimony to the La Paloma Generating Project 98-AFC-2,  
9 Final Staff Assessment?

10 A. Yes, I have.

11 Q. Would you please give a summary -- a brief summary of  
12 your material to the committee.

13 A. I was the cultural resources task manager for URS  
14 Greiner Woodward-Clyde on behalf of the applicant. In this  
15 role I both prepared the technical documents as well as the  
16 AFC sections relevant to cultural resources.

17 The basic approach to the program was to first  
18 conduct an archival research of the subject area. The key  
19 elements of that were a record search conducted at the  
20 Southern San Joaquin Valley Information Center of the  
21 California Historical Resources Information System housed at  
22 CSU, Bakersfield.

23 And what those searches are comprised of are a  
24 review of all known cultural resource sites in the vicinity  
25 of the project area as well as prior survey data. The  
26 search was also augmented by a sacred lands records search

18

1 conducted at the California Native American Heritage  
2 Commission here in Sacramento, as well as obtaining a list  
3 from the Commission of individuals and groups, Native  
4 American individuals and groups they believe may have

19

5 information in the project area mainly related to  
6 traditional cultural property or other information that may  
7 not be readily available from other resources, so letters  
8 were sent to all of the individuals and groups in that list  
9 that was provided by the Native American heritage  
10 Commission. The sacred lands file search was negative for  
11 the project area.

12 The search conducted at the San Joaquin Valley  
13 Information Center resulted in, I believe it was, thirty-one  
14 cultural resource sites in the general project area. That  
15 information was then reviewed. The reports were reviewed,  
16 and then field surveys were conducted on the project  
17 components in April and August of 1998 and then again in  
18 March of 1999 on the block and facilities of the project.

19 Following completion of the fieldwork, actually in  
20 various phases, technical reports or supplements to those  
21 technical reports were prepared summarizing the findings, as  
22 well as the AFC sections which summarize the results of the  
23 technical reports, and that's, in essence, the totality of  
24 what was done for cultural resources.

25 Q. Thank you, sir. Have you reviewed, in addition to  
26 Exhibit 44, the conditions of certification and verification

19

1 thereto in the paleontologic area?

2 A. Yes, I have.

3 Q. Do you have a recommendation with regard to

20

4 applicant's acceptance of the conditions of certification  
5 and verification related to paleontologic and cultural  
6 areas?

7 A. Yes. I believe they should be accepted.

8 MR. THOMPSON: Thank you very much. Mr. Hatoff is  
9 tendered for cross-examination.

10 HEARING OFFICER VALKOSKY: Mr. Ogata or miss -- Mr.  
11 Ogata?

12 MR. OGATA: Thank you. Staff has no questions.

13 HEARING OFFICER VALKOSKY: Questions from any other  
14 parties for Mr. Hatoff? Questions from anyone present?  
15 Thank you, sir.

16 THE WITNESS: Thank you.

17 MR. THOMPSON: Mr. Valkosky, I would like to move  
18 Exhibits 3, 6, and 31 into the record. These are three  
19 exhibits that have, as cosponsors, Mr. Lawler and  
20 Mr. Hatoff.

21 HEARING OFFICER VALKOSKY: Staff have any objections  
22 to submitting Exhibits 3, 6, and 31?

23 MR. OGATA: No objections.

24 HEARING OFFICER VALKOSKY: Objections from any other  
25 party? They are admitted into evidence.

26 MR. THOMPSON: Thank you, sir.

20

1 (Discussion off the record.)

21

2 HEARING OFFICER VALKOSKY: Mr. Ogata, your witness  
3 please.

4 MR. OGATA: Staff calls Kathryn Matthews.

5 (Pause in proceeding.)

6 (Witness sworn.)

7 BY MR. OGATA:

8 Q. Ms. Matthews, can you please tell us what your job  
9 title is at the Energy Commission?

10 A. My job title at the Commission is planner two, Energy  
11 Facility Siting.

12 Q. And what are your duties?

13 A. Involves the review of proposed power plant projects  
14 related to cultural resources. In the past it's also  
15 included paleo resources, socioeconomics, land use, traffic  
16 and transportation, visual. Our unit is responsible for all  
17 of those. I've focused on cultural and paleo probably the  
18 last fifteen years. We've conducted analysis of those  
19 projects and make a determination of impacts and  
20 recommendations for mitigation.

21 Q. Thank you. Do you have before you the revised  
22 testimony of Kathryn Matthews in the area of cultural  
23 resources?

24 A. Yes, I do.

25 Q. And that testimony is dated April 19th and docketed  
26 on April 20th?

21

22

1 A. Yes.

2 Q. Do you intend that this revised testimony take the  
3 place of your testimony that was filed with the Final Staff  
4 Assessment on April 7th?

5 A. Yes, I do.

6 Q. Did you write this testimony?

7 A. Yes.

8 Q. Do you have any changes or corrections to this  
9 testimony at this time?

10 A. No corrections. I think that it still needs a little  
11 bit of editing. I found three typos in there. It talks to  
12 icelets (phonetic) as not meeting the criteria for  
13 eligibility. It's still a little rough.

14 Q. Did you want to make any changes to that then?

15 A. No.

16 Q. In that case, then, please summarize your testimony  
17 for us?

18 A. Well, basically project is proposed in the Western  
19 side of Kern County in the eastern portion of the coastal  
20 range. It is an area that's been occupied for probably  
21 eight to ten thousand years, as far as we know, perhaps  
22 probably longer than that. Once upon a time there was a lot  
23 of water there and there were some large lakes in the  
24 vicinity of the project site. There were a lot of native  
25 people who lived there and used the resources in that area,  
26 and there is a great deal of evidence in the record related

1 to that prehistoric use.

2           As time went on, it became an area where oil field  
3 and petroleum resources were developed, so there is a  
4 considerable history. Agricultural is another use that has  
5 come in historic times.

6           We have used the term cultural resources to include  
7 archaeological resources that may be prehistoric or they may  
8 be historic. The historic period in California is thought  
9 to begin -- its heaved to when history became recorded  
10 rather than an oral tradition. That probably goes back to  
11 the seventeenth hundreds with the first expedition.

12           Also included in cultural resources is something  
13 called ethnographic resources, and that may be scientific  
14 importance to a particular ethnic group that was present in  
15 the area. And in this case it probably more specifically  
16 focuses on native peoples. It may be the areas where they  
17 exploited resources. They may still have importance today  
18 for folks who are still living in the area and practicing.

19           Cultural resources is probably not the term of art,  
20 and within the law these resources are referred to as  
21 archaeological resources or historic resources, and the term  
22 is sometimes used interchangeably. Sometimes federal law  
23 and state law are fairly close together on definitions and  
24 determinations and sometimes there's variations.

25           CEQA recently went through some changes. At one time  
26 much of the information related to archaeological resources

1 was an appendix. It's now part of the law itself. And we  
2 have in this revised testimony attempted to integrate the  
3 new CEQA requirements into our evaluation.

4           Basically, as Mr. Hatoff summarized, there were a  
5 number of sites encountered during the surveys for  
6 especially the linear facilities associated with this  
7 project. There are a couple of them that potentially could  
8 be affected by construction of the project, and for those  
9 there are mitigation measures proposed.

10           We also -- one of those tricky things with the  
11 cultural resources, they are the ones you know about because  
12 someone has done a survey or someone has done a mitigation.  
13 There also is a potential for unknown resources that may  
14 still lie hidden beneath the ground, and you may not find  
15 them until you are in the middle of doing a transfer  
16 pipeline or doing monitoring or excavation or foundations.  
17 We have tried to incorporate mitigation for both the known  
18 and the unknown resources in our set of conditions of  
19 certification. And the intent is that by adhering to those  
20 conditions, the potential for impacts can be reduced.

21           And there is a -- under the new CEQA, an agency is to  
22 make a sequence of findings. First, are there historic  
23 resources that might be associated with this project? And  
24 the answer is yes. And their definition of a historic  
25 resource, there are probably six different criteria and the

26 known resources associated with this project generally meet

24

1 one or more of those criterias, so the answer to the first  
2 question is yes, there are historic resources potentially  
3 affected.

4           The second question is would the project cause a  
5 substantial adverse change in the significance of a historic  
6 resource? And that phrase is then said to be equivalent to  
7 the significant impact, and there is -- when you have  
8 construction operations that are going to disturb the  
9 ground, whether they are scraping the surface bare or  
10 excavating for a trench or auguring for power pole  
11 foundations, there always is a potential that you could  
12 encounter something that is previously an unknown. If you  
13 know it is there, the preference is that you avoid that  
14 location during construction.

15           So the answer is little a bit hedged. There is a  
16 potential for an impact for a substantial adverse change and  
17 you may not know about it until you encounter the resource  
18 that you didn't know was there. It's not nice and tidy.  
19 Then, if you find historic resources are present and the  
20 project has a potential to cause the substantial adverse  
21 change, then you must propose mitigation measures, and the  
22 mitigation measures are included in the conditions.

23           And I think with the adoption of the conditions, we  
24 have the measures we need in place to make sure that there

26

25 is not a significant impact on the environment, really.

26 It's -- I'm still learning how the words go. Substantial

25

1 adverse change in the significance of the resource is  
2 somewhat different in my mind to a significant impact, but  
3 under the terminology in the law, they appear to be  
4 equivalent.

5 I would like, also, to say that I really have  
6 appreciated the applicant's efforts and their willingness to  
7 work with us. We have kept in close contact, and when there  
8 have been changes in the projects or initially there were  
9 difficulties with getting access to properties that were  
10 involved in the proposed linear routes, and the applicant  
11 has made every effort to keep staff apprised of those  
12 changes.

13 And by the way, we were only able to survey from here  
14 to there, but as soon as we can get access to the next  
15 stretch of the linear route, we will finish our surveys and  
16 information will come to you.

17 And when additional work was needed, they indicated  
18 to us there will be additional work and it will come, and it  
19 arrived on those dates. It's been very good to work with  
20 the applicant.

21 Q. Does that conclude your testimony?

22 A. Yes.

27

23 MR. OGATA: Thank you very much. The witness is now  
24 available for cross-examination.

25 HEARING OFFICER VALKOSKY: Mr. Thompson?

26 MR. THOMPSON: No real questions, but we want to

26

1 express our appreciation as well. When you have the  
2 caseload, the workload the staff does, and then all of a  
3 sudden there's a change in the law that requires you to go  
4 back and not only physically redo but to also rethink how  
5 your approaches to these issues, it must make for an  
6 extremely heavy workload, and we appreciate your efforts,  
7 and I also enjoy working with you. Thank you very much.

8 BY HEARING OFFICER VALKOSKY:

9 Q. Ms. Matthews, are all of the applicant's proposed  
10 mitigations included in your conditions?

11 A. They are not included in a verbatim sense. Let's  
12 see, condition three calls for the project owner to prepare  
13 monitoring and mitigation plan, and within that will be --  
14 well, there is a bullet list, items A through M, and the new  
15 item E asks that the preparer of that monitoring and  
16 mitigation plan incorporate the mitigation measures proposed  
17 by the applicant.

18 The intent was to provide flexibility because some  
19 portions of this work may now have already been done in  
20 association with these last surveys and activities that took  
21 place on the linear routes. Staff would much prefer that

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22 the designated specialist be the person that prepares this  
23 specific mitigation measures, and I believe that the  
24 applicant's mitigation will be incorporated into that plan.

25 The plan then comes to staff here for review, and if,  
26 for any reason, those measures proposed by the applicant in

27

1 the AFC are not included, staff would say why are they not  
2 included? And we would make sure that if they were needed,  
3 they would be incorporated. Our goal is to offer  
4 flexibility in preparation of that plan.

5 Q. Are any additional -- is any additional specificity  
6 other than your incorporation by reference required to -- so  
7 -- strike that.

8 So I take it it is your view that no additional  
9 specificity specific incorporation of the applicant's  
10 mitigation plan other than as appears in condition 3(e) is  
11 required?

12 A. I think that it is covered in the staff's proposed  
13 conditions of certification. There's a discussion in the  
14 applicant's measures of demarcation of areas to be avoided  
15 or areas to be protected. I believe that's included in  
16 staff's contents of the mitigation and monitoring plan.  
17 Crew education, staff's condition of certification number  
18 four speaks to preparation of an employee training plan  
19 program in which measures for procedures will be set forth.

29

20           Say the folks in the field are doing blading, and  
21 they encounter something that looks like an archaeological  
22 resource or a paleo resource, there's an authorization for  
23 the designated specialist to halt construction activity  
24 until it can be evaluated by the specialist. There will be  
25 a set of procedures that will be given to every employee  
26 saying "If you come across something, this is what you do,"

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1 and that will be provided under condition of certification  
2 four and it speaks to the applicant's proposed mitigation  
3 measure.

4           I'm -- was there something specific that you were  
5 concerned about in the applicant's mitigation, or was it  
6 more of a general question?

7 Q.       It was more of a general question. And frankly, just  
8 for my own clarity, because you have on pages 20 and 21 of  
9 Exhibit 44 those various items, and my concern is that  
10 following certification everyone knows what is expected of  
11 them, and typically the way we do that is through the  
12 position of fairly specific conditions of certification.

13           You seem to be relying on the implementation of the  
14 measures, and I'm just trying to get at whether they are  
15 specifically called out in the conditions. That's the  
16 nature of the inquiry.

17 A.       Many of them are called out in the contents of the  
18 mitigation plan under condition three.

30

19 Q. Okay.

20 A. On page 21 you'll see specific mitigation for  
21 transmission Route 1, and it gives site record -- or site  
22 designation number CAKER5356, and you will see that in  
23 condition of certification three, number or -- letter I  
24 there is a measure related to that.

25 (Pause in proceeding.)

26 THE WITNESS: Under -- on the bottom of page 20 there

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1 is Native American monitoring. You will see that in  
2 condition 3(d), physical demarcation, on page 20, would be  
3 included under condition 3 letter F. Monitoring is covered,  
4 I think, in several of the lettered sections under three,  
5 and we'd also added that the monitoring and mitigation plan  
6 shall include all of these items A through M and others, if  
7 necessary. It should not be limited to these.

8 Q. Okay. Thank you. In your view is there any need for  
9 a separate closure condition covering cultural resources?

10 A. I don't think that we can really do that at this  
11 time. We cannot make recommendations on closure until we  
12 actually had a closure plan to see what they are proposing.  
13 The potential for impacts to cultural resources is primarily  
14 related to construction activities, and if they are going to  
15 be disturbing an area that's not previously been disturbed,  
16 then we would have concerns and we would expect at that time

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17 additional survey work would be done and additional  
18 determinations if there is or there isn't a potential for  
19 cultural resources to be present, but we can't really guess  
20 at this point what closure would entail.

21 HEARING OFFICER VALKOSKY: Okay. Thank you.

22 BY COMMISSIONER LAURIE:

23 Q. Just as a little follow-up in clarification of -- as  
24 a follow-up to the questions that Mr. Valkosky asked, it is  
25 understood that the applicant has proposed certain  
26 mitigations. For purposes of the record, what they propose

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1 is not relevant. What's relevant is what is eventually  
2 included as a condition to the project.

3 So the ultimate question for you is: Regardless of  
4 the proposal submitted by the applicant, are the proposed  
5 conditions, if adopted, sufficient to reduce the impacts to  
6 a level of less than significant?

7 A. That is my belief, yes.

8 COMMISSIONER LAURIE: That's fine. Thank you.

9 HEARING OFFICER VALKOSKY: Anything further for  
10 Ms. Matthews? Any comment from anyone here present on the  
11 topic of cultural resources?

12 Thank you, Ms. Matthews. Mr. Ogata, do you have any  
13 exhibits you'd like to move at this time?

14 MR. OGATA: Yes. Mr. Valkosky, Ms. Matthews' revised  
15 testimony has previously been noticed as Exhibit 44. We'd

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16 like to move that at this time.

17 HEARING OFFICER VALKOSKY: Any objections?

18 MR. THOMPSON: None.

19 HEARING OFFICER VALKOSKY: Hearing no objections,

20 Exhibit 44 is admitted.

21 Next topic is Hazardous Materials Management,

22 Mr. Thompson?

23 MR. THOMPSON: Applicant would like to call David

24 Marx.

25 (Pause in proceeding.)

26 ///

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1 BY MR. THOMPSON:

2 Q. Mr. Marx, may I remind you that you have been

3 previously sworn and are still under oath?

4 A. Yes.

5 Q. Mr. Marx, in addition to the testimony that I have

6 listed, is it also true that today you will be sponsoring

7 Exhibit 22, which I had erroneously put under the heading of

8 Public Health yesterday?

9 A. I will not be sponsoring that exhibit. It was

10 erroneously under Public Health, but John Koehler and John

11 Williams will be sponsoring that exhibit.

12 MR. THOMPSON: I'm batting a thousand here. So my

13 next witness under the Hazardous Materials Management area

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14 will be a combination of Mr. Williams and Mr. Koehler for  
15 that material. I'll get it right.

16 BY MR. THOMPSON:

17 Q. Mr. Marx, are you the same David Marx that submitted  
18 Hazardous Materials Management testimony into the record on  
19 a specific exhibit?

20 A. Yes, I am.

21 Q. Do you have any corrections, additions, or deletions  
22 to your Hazardous Materials Management materials?

23 A. No.

24 Q. Would you briefly summarize the Hazardous Materials  
25 Management material for the committee.

26 A. Sure. We reviewed the listing of hazardous materials

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1 that were being proposed for use at the facility. We  
2 reviewed those materials, reviewed the safety data sheets  
3 that were available for those materials, as well as  
4 identified the potential hazards related to those materials.

5 We looked at the various regulatory requirements for  
6 using, storing, or managing those specific materials at the  
7 site, and we -- as part of that evaluation, we determined  
8 that the aqueous ammonia was a material that would be  
9 subject to listing as a regulated substance acutely  
10 hazardous material to the California Exxon Release Program  
11 as well as the federal risk management program, and as a  
12 result, consequence analysis was prepared with respect to

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13 the use of aqueous ammonia.

14 The analysis indicated that -- that under a variety  
15 of scenario, release of aqueous ammonia would not result in  
16 exposures to members of the public to levels concentration  
17 of ammonia that would be considered harmful.

18 We developed a series of mitigation measures that are  
19 included in the AFC, and with the implementation of those  
20 mitigation measures, the risk related to hazardous materials  
21 as a result of this project would be less than significant.

22 Q. Thank you, sir. Does that complete your summary?

23 A. Yes, it does.

24 MR. THOMPSON: Mr. Marx is tendered for examination.

25 HEARING OFFICER VALKOSKY: Ms. Willis?

26 MS. WILLIS: I have no questions. Thank you.

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1 BY COMMISSIONER ROHY:

2 Q. How would aqueous ammonia be delivered to the site?

3 A. It would be delivered by a tanker truck.

4 Q. And the highways are appropriate for delivery of said  
5 tanker truck?

6 A. Yes, they are, to the best of my knowledge.

7 Q. Was that something within your area of expertise?

8 A. It is within my area of expertise to understand how  
9 hazardous materials are transported. I'm very familiar with  
10 the requirements related to the tanker trucks, drivers

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11 training, transportation of hazardous materials, placarding.  
12 I'm aware of the highway patrol's requirements related to  
13 transportation of hazardous materials. And based on my  
14 understanding of all those things, the transportation of  
15 aqueous ammonia on the roads to the site would be  
16 appropriate.

17 Q. Are there any laws, ordinances specific to that  
18 locality that would prohibit the tanker trucks from being on  
19 those roads?

20 A. Not to my knowledge.

21 COMMISSIONER ROHY: Thank you.

22 BY COMMISSIONER LAURIE:

23 Q. Mr. Marx, are the -- what is the nature and extent of  
24 delivery of the product? How often would such deliveries  
25 have to take place?

26 A. I would like to defer that question to Al Williams or

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1 John Koehler.

2 Q. Do you know the routes that the deliveries would  
3 take?

4 A. When we did the analysis we did look at the --  
5 basically the route that we expect the material to come  
6 basically off of Interstate 5 through McKittrick. I don't  
7 remember off the top of my head all the exact streets that  
8 it would take.

9 Q. Do you know or do you have an opinion on whether

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10 homeowners in the McKittrick area would have to divulge, on  
11 an occasion where they seek to transfer ownership of their  
12 home, the existence of the transportation of this toxic  
13 material?

14 A. Based on the other industrial uses in that area and  
15 the existing truck transportation in that area, I would  
16 suspect that if that requirement for disclosure would be  
17 there, that it would already be there.

18 Q. Do you know if the times that the product is  
19 delivered are at all controlled or demented to within a  
20 given said period of the day, for example?

21 A. No, I don't.

22 COMMISSIONER LAURIE: That's all I have for the time  
23 being.

24 HEARING OFFICER VALKOSKY: Mr. Thompson, any  
25 redirect?

26 MR. THOMPSON: No redirect. Thank you.

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1 HEARING OFFICER VALKOSKY: Anything else for this  
2 witness? Thank you, sir.

3 MR. THOMPSON: If it would please the committee, I  
4 would like to call two witnesses at the same time as a panel  
5 to sponsor and discuss and respond to any questions on  
6 Exhibit 22, which is the ammonia receiving plant and  
7 off-site consequences of that plant. That would be an

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8 expeditious way to proceed. With your approval I would like  
9 to call Mr. Al Williams and John Koehler.

10 (Discussion off the record.)

11 (Pause in proceeding.)

12 BY MR. THOMPSON:

13 Q. Mr. John Koehler and Al Williams, Mr. Koehler on the  
14 left. Both having previously been sworn, I would like to  
15 offer these two gentleman as witnesses for Exhibit 22.

16 Mr. Koehler, do you have Exhibit 22 in front of you?

17 A. MR. KOEHLER: Yes, I do.

18 Q. And Mr. Williams, do you have Exhibit 22 in front of  
19 you?

20 A. MR. WILLIAMS: I will look at Mr. Koehler's copy.

21 Q. Can I ask each of you in turn for a very brief  
22 description of the area or sections of Exhibit 22 that are  
23 under your control and were prepared by you or under your  
24 direction.

25 Mr. Koehler, maybe you can go first. Maybe it's more  
26 appropriate for Mr. Williams to go first. I just thought

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1 maybe the engineer should proceed with consequences.

2 A. MR. KOEHLER: That makes sense.

3 A. MR. WILLIAMS: In quick summary, when we initially  
4 prepared the AFC application we assumed that the ammonia for  
5 the SCR system would be stored in a single tank of  
6 approximately forty-five thousand gallons in volume. The

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7 tank would be located -- it would be an outdoor  
8 installation.

9           Subsequent to that and with some discussions with  
10 Energy Commission staff and moving the design a little  
11 further along, we came back and proposed a dividing that  
12 forty-five-thousand-gallon single tank into three tanks of  
13 approximately thirteen thousand three hundred gallons a  
14 piece and to put each of those three tanks inside of a  
15 building as part of the mitigation effort for the project.

16           We also propose covering the unloading facility for  
17 these delivery trucks. We would cover that in what I would  
18 characterize as a carport kind of three side, three-open  
19 sides concrete pad drain into a retention basin inside of  
20 the building where the tanks are stored. That represents a  
21 change from what we presented in the original AFC.

22 Q.       Mr. Williams, there was a question asked by  
23 Commissioner Laurie concerning the frequency of delivery of  
24 the trucks.

25           Can you respond to that?

26 A.       MR. WILLIAMS: I'll try. I don't have the exact

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1 numbers in front of me, but in general, we expect one  
2 eight-thousand-gallon tank to be delivered approximately  
3 every six -- five to six days, depending upon -- assuming  
4 frequent -- assuming full-load operation of all four units,

5 the consumption rate of the ammonia in the SCR system would  
6 require tank delivery of about one truck every five to six  
7 days.

8 Q. Thank you. Mr. Koehler, would you please discuss  
9 what, I guess I'll ask you, is the impacts or the  
10 consequences of the new ammonia design?

11 A. MR. KOEHLER: Okay. I'll go over a brief summary of  
12 how I handled the design in the analysis and then what the  
13 results were.

14 As Mr. Williams indicated, the unloading bay would be  
15 a covered bay bermed and that bay -- the floor of that  
16 unloading bay would be sloped to drain slots to inside the  
17 building which would contain the tanks. So in the event of  
18 any spills from truck delivery, those spills would drain to  
19 inside the building.

20 The tanks inside the building would sit in a  
21 containment basin a capacity of about thirty thousand  
22 gallons for the three-tank design, so that containment basin  
23 would be large enough to contain the entire contents of a  
24 tanker truck in the event of a worst case spill or a couple  
25 of those storage tanks, so that was the worst case release  
26 that was analyzed.

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1 The ammonia was modeled as an evaporating pool out of  
2 that containment building, and under worst case  
3 meteorological assumptions, four exposure levels were looked

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4 at: A lethal level of 2000 ppm, a level of 300 ppm, which  
5 is called the immediate dangerous to life and health. And  
6 the level used by the federal EMP, Emergency Management Plan  
7 requirements of 200 ppm, which is called the Emergency  
8 Response Planning Guideline level two, and then finally the  
9 significance threshold recommended by the CEC of 75 ppm,  
10 called the Short-term Public Emergency Limit.

11 So in summary, our modeling showed to the lowest of  
12 those four levels, the CEC recommended level of 75 ppm, that  
13 the extent under worst case conditions of a release would go  
14 out to about eight hundred twenty-three meters. The nearest  
15 resident was identified as twenty-five hundred meters. At  
16 that location -- let's see -- at that location the exposure  
17 would be estimated to be about 16 parts per million in  
18 comparison to seventy-five significant -- 75 ppm  
19 significance criteria. And then in the town of McKittrick  
20 at the McKittrick school site, I believe we chose, at about  
21 three thousand meters away, that level would go down to  
22 about 13 parts per million.

23 So in conclusion, this analysis showed that there  
24 would not be an off-site consequence in accordance with  
25 federal or state emergency release guidelines and also to  
26 the more stringent 75 parts per million.

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1 MR. THOMPSON: Thank you very much. Mr. Koehler and

2 Mr. Williams are tendered for cross-examination.

3 HEARING OFFICER VALKOSKY: Ms. Willis?

4 MS. WILLIS: I have no questions. Thank you.

5 BY COMMISSIONER ROHY:

6 Q. Because of the design that you described here, is  
7 there any increased exposure potential to workers on a site  
8 who may be in a building during the loading or unloading of  
9 the ammonia?

10 A. MR. WILLIAMS: I'll take that one. We don't believe  
11 so. We would have operating procedures in place to cover  
12 the delivery -- handling and delivery of the truckloads.  
13 The inside of the building is not intended to be occupied,  
14 and we would have procedures in place when personnel did  
15 need to enter the building that would adequately cover state  
16 of concerns.

17 MR. ROHY: I guess you don't need the sensors for  
18 ammonia. Everyone is equipped with one called the nose.

19 BY COMMISSIONER LAURIE:

20 Q. Gentlemen, what is the route that the delivery trucks  
21 would take for both the ammonia and the chlorine?

22 What I'm trying to get at, of course, is the extent  
23 of the proximity to educational facilities, residential  
24 facilities. It's helpful to know the routes the trucks will  
25 be taking and the time of day they will be taking such  
26 routes.

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1 A. MR. WILLIAMS: Let me take the time of day first.  
2 It's our expectation that we would schedule delivery of  
3 trucks during a normal working hour -- weekday, normal  
4 working hours and would not be doing deliveries on the  
5 weekends or after normal working hour periods.

6 The truck route is a bit speculative but let me take  
7 a shot at it. Presumably we would obtain from either  
8 sources in or near the Bakersfield area or coming up from  
9 the Los Angeles area. The routing to Bakersfield would be  
10 either Highway 99 or Highway 5. We would expect that  
11 predominant deliveries would be through on Highway 58 over  
12 and through to the intersection in McKittrick of Reserve  
13 Road and Al Reserve Road to the plant. I believe that's the  
14 only route that they can take. So to that question yes, it  
15 would be going through the town of McKittrick and Al Reserve  
16 Road.

17 Q. How close is the school to the highway at that point?  
18 Isn't the school -- isn't there an elementary school  
19 adjacent to the highway at that point?

20 A. MR. WILLIAMS: Yes.

21 COMMISSIONER LAURIE: Okay.

22 (Pause in proceeding.)

23 HEARING OFFICER VALKOSKY: Are there any other  
24 questions for this panel? Gentlemen, thank you.

25 MR. THOMPSON: Applicant would request the committee  
26 to admit Exhibit 22 into evidence, please.

1 HEARING OFFICER VALKOSKY: Any objections to the  
2 admission of Exhibit 22?  
3 MS. WILLIS: No objections.  
4 HEARING OFFICER VALKOSKY: Exhibit 22 is received  
5 into evidence.  
6 MR. THOMPSON: Thank you.  
7 HEARING OFFICER VALKOSKY: Ms. Willis?  
8 MS. WILLIS: We'd like to call Joseph Loyer.  
9 (Pause in proceeding.)  
10 (Witness sworn.)  
11 BY MS. WILLIS:  
12 Q. Mr. Loyer, do you currently work for the California  
13 Energy Commission?  
14 A. Yes, I do.  
15 Q. Could you please state your job title?  
16 A. I'm an associate mechanical engineer for the Energy  
17 Facility Siting Division.  
18 Q. And briefly could you please describe your job  
19 duties.  
20 A. I have split duties. I'm an air quality engineer as  
21 well as an engineer for hazardous material analysis.  
22 Q. Do you have the testimony entitled Hazardous  
23 Materials Management in front of you today?  
24 A. Yes, I do.  
25 Q. And did you prepare this testimony?  
26 A. Yes, I did.

1 Q. Do you have any additions, corrections, or changes to  
2 make to your testimony?

3 A. Yes, I do.

4 Q. And what are those?

5 A. My qualifications are inadvertently not included in  
6 testimony and I have those.

7 (Pause in proceeding.)

8 BY MS. WILLIS:

9 Q. Could you briefly summarize your testimony for us?

10 A. Yes. We looked at the -- CEC staff reviewed all of  
11 the testimony of all of the AFC information and all  
12 supplemental submittals to the Energy Commission. We  
13 specifically looked in the area of LORS, EPA, RFP, CERA  
14 Title 3, Cleaning Air Act, California Health and Safety  
15 Code, California Code of Regulations Title 8, building  
16 codes, fire codes.

17 We determined that there were four hazardous  
18 materials on site that would be of a specific interest to us  
19 in the entire list of hazardous materials that they did give  
20 us. They were sodium hypochlorite, sulfuric acid, aqueous  
21 ammonia, and natural gas.

22 Sodium hypochlorite and sulfuric acid we have  
23 concerns with these chemicals that they might be  
24 accidentally mixed. If they were mixed, it could result in  
25 a release of chlorine in a vapor form. The applicant's

26 supplied us with necessary information regarding handling

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1 and storage of these chemicals. It's our opinion that the  
2 safety procedures described will reduce the risk of  
3 accidental mixing to insignificant levels.

4 For the natural gas, it posed a fire and explosive  
5 risk as a result of flammability. It will be used onsite in  
6 significant quantities. However, it will not be stored  
7 onsite. The risk of fire and explosion will be reduced to  
8 insignificant levels through the adherence to applicable  
9 codes and implementation of an effective safety management  
10 practice.

11 The hazardous material of most concern to us was  
12 aqueous ammonia. As the applicant has stated, they  
13 originally suggested a forty-five-thousand-gallon single  
14 tank outdoor, pretty standard in nature. We suggested  
15 through several conversations that some other precautions  
16 needed to be taken and an outside consequence analysis would  
17 have to be done for the loss of the entire tank. This would  
18 be generally acquired under the RMP. The aqueous ammonia  
19 was the only element that would trigger the RMP analysis.

20 After that conversation the applicant decided to  
21 change the storage facility to be three or possibly four  
22 separate tanks, thirteen thousand gallons or so, to be  
23 stored indoor. The storage in the same area as the tanks  
24 would be all required pumps outside of this building. In an

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25 ajoined separate room would be all the control panels for  
26 those pumps, so there should be no personnel to go inside

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1 the building during a storage or use of the facility.

2           The facility would have an overhang that will be open  
3 on three sides. It will have water washdown nozzles, so  
4 that if there is a spill, it will automatically be triggered  
5 and wash the spill down into the building. The building and  
6 the truck delivery area will all be separated. The truck  
7 delivery area will drain into the building. The building  
8 will have enough volume storage capacity inside of it to  
9 handle the tanker truck and possibly two tank losses  
10 interior.

11           The building itself is vented. The vents are  
12 automatically shut when the aqueous ammonia is detected. If  
13 all the elements of the -- all the mechanical safety  
14 elements work, there should be no emissions at all from the  
15 building.

16           The applicant did a modeling of the aqueous ammonia  
17 spill and determined off-site consequences. They assume  
18 that none of the automatic safety equipment worked, so there  
19 would be no water washdown. The vents would be stuck open.

20           In that event, as I stated, they modeled 2000 ppm,  
21 300 ppm, 200 ppm, and 75 ppm. The 75 ppm would be eight  
22 hundred twenty-three meters away. The nearest residence was

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23 twenty-five hundred meters away, so we determined from that  
24 analysis that there would be no off-site consequences of  
25 aqueous ammonia spill.

26 The applicant will be supplying us with several

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1 postcertification plans, business plan, risk management  
2 plan, and safety management plan, all of which must be  
3 postcertification because the facility must be developed  
4 after they have as-built designs.

5 For cumulative impacts, we looked at cumulative  
6 impacts for hazardous materials. It's difficult to do a  
7 cumulative impacts because we assume these events are never  
8 going to happen. They are going to be extremely low  
9 probability events.

10 So what we did was we analyzed the cumulative  
11 increase in risk to the general public health and safety  
12 from this power plant and other power plants going in there  
13 nearby and try to assess what their current risk was. This  
14 proved to be a fairly difficult task.

15 They are in an area that's heavily industrialized.  
16 Ammonia is one of the prevalent hazardous materials that's  
17 in use in the area. It's transported in the area. It's  
18 stored in the area, including anhydrous ammonia that's  
19 stored under pressure and would have much more significant  
20 off-site consequences than aqueous ammonia. There are other  
21 hazardous materials in the area that have significant

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22 consequences to general public health and safety.

23           There are going to be at least three, possibly more,  
24 power plants in the area. Two of those power plants we know  
25 are currently proposing to use anhydrous ammonia, as I  
26 stated before, will have a significant or may have a

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1 significant off-site impact consequence.

2           Given all of that, we don't feel that the La Paloma  
3 Power Plant will have any contribution to cumulative impact  
4 because it will not have an off-site impact.

5           In conclusion, we feel that the proposed handling of  
6 hazardous materials at the project site will comply with  
7 applicable LORS, will not result in significant risk to the  
8 public health and safety, and we have proposed a total of  
9 five conditions of certification to ensure that the  
10 applicant performs all mitigation measures proposed in the  
11 AFC.

12 Q.       Does that conclude your testimony?

13 A.       Yes, it does.

14           MS. WILLIS: This witness is available for  
15 cross-examination.

16           HEARING OFFICER VALKOSKY: Mr. Thompson?

17           MR. THOMPSON: We have no specific questions for  
18 Mr. Loyer. I would like to take this occasion to thank  
19 staff because in areas such as this, applicant is -- often

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20 can take advantage of the vast resources of the staff,  
21 having seen many, many applications come through here.

22 And to the extent that staff, like Mr. Loyer,  
23 suggests ways to approach issues, it is a great help to  
24 applicant to come to, in this case, a design change that  
25 lessens the probability that the public will be impacted.  
26 That's what happened here. We appreciate the opportunity to

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1 have that input from staff to make a better project. Thank  
2 you.

3 HEARING OFFICER VALKOSKY: Thank you, Mr. Thompson.

4 BY COMMISSIONER ROHY:

5 Q. In some cases where large quantities of natural gas  
6 are involved, a natural disaster could be made worse by the  
7 continuing flow of natural gas.

8 The question I have is: Is there a nearby shutoff  
9 near to the site for the natural gas pipeline that supplies  
10 the site should there be some type of disaster on the site?

11 A. Let me turn to the section here.

12 Q. So you don't continue to deliver the hazardous  
13 material?

14 A. They are going to be employing a double block bleed  
15 valve system so when they initially use the gas, they will  
16 not cause a backfire situation. They will have automatic  
17 burn management systems. As far as a specific valve, there  
18 will be, I believe, a valve that is required when they

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19 initially make the tap off of the main supply line in that  
20 area.

21 Q. And how far away is that approximately?

22 A. The problem I'm having is there are many projects  
23 that we're reviewing at this time, and I don't have the  
24 specific number in mind.

25 Q. Perhaps applicant has an answer.

26 MR. THOMPSON: If I suggested to the witness that

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1 it's the property line, around three hundred feet, would  
2 that help your recollection?

3 THE WITNESS: That sounds about right.

4 BY COMMISSIONER ROHY:

5 Q. It's near the property line?

6 A. It should be on the property line, yes.

7 COMMISSIONER ROHY: Thank you.

8 BY COMMISSIONER LAURIE:

9 Q. Mr. Loyer, I'm referring to your testimony that's  
10 contained in the FSA pages 84 -- 83 and 84, and I note that  
11 -- first, that there are no mitigation measures proposed.  
12 That's number one. Two, you have a statement that the  
13 applicant will develop an emergency response plan in  
14 conjunction with the Kern County Fire Department.

15 Why is the development of such a plan not a condition  
16 of the project?

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17 A. The development of the plan is essentially a  
18 condition of the project because an emergency response plan  
19 is part of the business plan, so it is required.

20 Q. Is the business plan -- is the development of a  
21 business plan a condition of the project?

22 A. Yes, it is.

23 Q. Okay.

24 A. It's condition two.

25 Q. Okay. My problem is under mitigation measures you  
26 have three statements which indicate no further mitigation,

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1 but there's not an explanation of what any mitigation is.  
2 And so I'm concerned that the record reflects, maybe  
3 incorrectly, that to the toxic materials referenced there is  
4 no proposed mitigation, and I'm not satisfied that that is  
5 correct.

6 A. I think I would have to agree with you on that in  
7 that area. There is mitigation being proposed, but it's  
8 being proposed by the applicant themselves. I think it may  
9 be an unfortunate wording.

10 Q. It's fine that the applicant propose mitigation  
11 measures, just so long that such mitigation measures are  
12 adopted and incorporated as a condition of the project.

13 A. They are.

14 Q. The testimony does not reflect that, so even if the  
15 mitigation measures are incorporated into the design of the

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16 project and the conditions to the project indicate that  
17 mitigation will be incorporated as part of the design of the  
18 project, I think that helps to clarify the record because it  
19 indicates that, in fact, there is mitigation.

20 COMMISSIONER LAURIE: Let me ask Mr. Valkosky if you  
21 see an issue with the questions raised.

22 HEARING OFFICER VALKOSKY: I think at this time it  
23 would be appropriate to continue this line of questioning.

24 Commissioner, questions, as I understand it, is how  
25 do we identify the mitigation that is intended to be  
26 included in the conditions of certification?

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1 COMMISSIONER LAURIE: That's correct.

2 BY HEARING OFFICER VALKOSKY:

3 Q. And number two, how do we assure ourselves that they  
4 are, in fact, included in the conditions of certification.  
5 And I think those are appropriate inquiries for the witness  
6 right now.

7 A. I totally agree they are relevant. The method by  
8 which you identify the mitigation, the intended mitigation  
9 would, in this particular case, be in the project  
10 description itself or in the analysis of the specific  
11 elements that we're concerned over. For the aqueous  
12 ammonia, for instance, we have condition number four that  
13 specifically states that we desire the applicant to build

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14 the facility that they have said they are going to build and  
15 using the specific design elements that they have  
16 identified.

17 Q. So before we leave that, so in that case, case of  
18 your condition four, we would refer to Appendix C of your  
19 testimony, and that, in your estimation, contains a  
20 sufficient description and a drawing for the construction of  
21 that specific facility; is that correct?

22 A. Yes. I should point out that in my particular one,  
23 the drawing did not quite come out. Small hardware problem.

24 Q. Now, how do we identify the specific mitigation, the  
25 other specific mitigation for the other items?

26 A. For the first condition, maybe I should just go over

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1 the conditions point by point and show where they are.

2 BY COMMISSIONER LAURIE:

3 Q. What the committee is looking for, Mr. Loyer, is  
4 this: Let's pretend that some day in the future, by  
5 accident, you end up sitting in front of a judge and the  
6 judge is asking himself or herself the question. There's  
7 been an issue raised regarding the mitigation issues  
8 regarding toxic materials. "Okay, Mr. Loyer, show me where  
9 the mitigation measures are." We cannot have the judge take  
10 volumes and read the volumes. So the goal is to say "Judge,  
11 here it is, page so-and-so, document so-and-so."

12 And so and if you can do that through testimony

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13 today, that's fine. If you can't do it through testimony  
14 today, then the committee would ask for additional input as  
15 to more specifically identify the mitigation measures.

16 Now, again, I understand nothing new is being  
17 proposed. The difficulty, however, is what is there is not  
18 defined, and it has to be.

19 A. If I can -- just to help my own clarification on the  
20 issue and questions: It seems to me what you are proposing  
21 is that there is a section missing in the testimony as I've  
22 presented it here. A section would be the mitigation  
23 measures provided?

24 Q. That is correct. It's clear that your intent is to  
25 reflect that mitigation measures are incorporated already in  
26 other documents, in other volumes, but there's no reference

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1 to that. And the record must contain the reference to that.

2 A. Well, I would respond to that by saying I do believe  
3 the references are there, but I would agree they are  
4 dispersed throughout the testimony.

5 Q. Bad idea.

6 A. I can tell you that this is the format that I was  
7 told to use under many editors. We finally decided on this  
8 particular format. I may bring it back to my manager and  
9 say "See, I told you."

10 Q. Not casting dispersions, the committee has just

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10 week? Staff has a filing due next Wednesday on the 28th.

11 THE WITNESS: I'm sure they'll get me right on it.

12 And certainly all the --

13 HEARING OFFICER VALKOSKY: You know, we have the term  
14 laundry list tossed around here. A laundry list has a  
15 negative connotation, but a laundry list as to the specific  
16 mitigation that is being imposed upon the project, I think,  
17 would be very helpful.

18 As Commissioner Laurie said, it's readily  
19 identifiable, it's complete, and to the extent you are  
20 incorporating something by reference, if you can  
21 specifically identify what it is you are incorporating, that  
22 is acceptable.

23 THE WITNESS: I believe I understand what you would  
24 like. You want a new section, a proposed mitigation. As  
25 proposed by who, it's not really necessary to identify that?

26 COMMISSIONER LAURIE: The mitigation is being

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1 proposed by staff. The idea could properly have come from  
2 the applicant, but that doesn't matter. But you are  
3 proposing the mitigation.

4 THE WITNESS: Okay. So you want basically a list of  
5 the mitigation elements that staff is proposing for this  
6 particular project?

7 If I may point out the condition No. 1, the hazardous

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8 materials allowed onsite, is there any particular way you  
9 would like me to handle that?

10 BY HEARING OFFICER VALKOSKY:

11 Q. You've identified them --

12 A. By reference to --

13 Q. -- to your appendix attached to your testimony?

14 A. Appendix.

15 Q. That's fine. That's part of your testimony, and I  
16 would envision that being part of the proposed conditions  
17 when it comes out in the decision, that would be included in  
18 those decisions.

19 A. It is one of the conditions that I am suggesting.

20 COMMISSIONER LAURIE: That is the kind of thing we  
21 are looking for.

22 BY COMMISSIONER LAURIE:

23 Q. Question: On the emergency response plan that the  
24 fire department will participate in the development of, will  
25 the emergency response plan include response to spills as a  
26 result of a transportation mishap as opposed to an incident

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1 onsite?

2 What I am concerned about, and I do not see it  
3 addressed here, is recognition that toxic materials will be  
4 flowing through populated neighborhoods.

5 Now, I understand that it is not uncommon. I

6 understand that the hazard may be de minimis. I simply do

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7 not see the issue addressed, and I can assure you when we  
8 have a meeting with the public, and the public becomes aware  
9 of the existence of toxic materials, the question will be:  
10 How are you going to ensure or how are you going to  
11 safeguard incidences from arising to or adjacent to  
12 educational institutions?

13           And it may be that little, if anything, need be done,  
14 but I don't see any response, and I think a response is  
15 necessary.

16 A.       I can tell you how typically staff handles this sort  
17 of issue. How we've handled it in the past: The issue of  
18 transportation of hazardous materials typically starts with  
19 the transportation section identifying a specific hazard or  
20 a specific element that the hazardous materials team need to  
21 be made aware of. No such identification has been made in  
22 this case. There does not seem to be railroad crossing.  
23 There are no specifically dangerous intersections.

24           We are, of course, aware of the high school or grade  
25 school located near the potential route, if not proposed  
26 route. However, transportation has not identified any

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1 specific risk at that location.

2           So there is no additional risk to transporting the  
3 hazardous materials past that school beyond that which are  
4 already existing in that area for transferring hazardous

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5 material or any kind material near that school.

6 COMMISSIONER LAURIE: Thank you.

7 THE WITNESS: But you are correct that we have not  
8 addressed hazardous material in that sense.

9 COMMISSIONER ROHY: Commissioner, can we continue  
10 this discussion when we get into the transportation area and  
11 link those two?

12 This is an important area, and there is a part in  
13 your testimony that describes the potential inclusion of  
14 guardrails near the school at one part of your testimony. I  
15 don't remember whose, let me be clear.

16 THE WITNESS: Not mine.

17 COMMISSIONER ROHY: That's in traffic, I'm sorry. We  
18 need to connect these two together. We're not closing the  
19 record on any of these items.

20 COMMISSIONER LAURIE: Thank you, Commissioner Rohy.

21 MR. OGATA: Commissioners, if I may, actually, that  
22 discussion is on page 143 of the traffic transportation  
23 testimony, so it may be appropriate to address those issues  
24 to staff when we take up traffic and transportation.

25 COMMISSIONER ROHY: I guess you are aware we will be  
26 asking a lot of questions at that time.

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1 HEARING OFFICER VALKOSKY: Mr. Ogata, do you have any

2 --

3 MR. OGATA: I want to add something else just for

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4 clarification: I certainly appreciate Commissioner Laurie's  
5 request to specifically identify mitigation measures. We  
6 can do that making reference to the AFC and incorporate that  
7 in your testimony.

8 My understanding and my lead says as a general rule,  
9 when final decision comes out, there is usually a condition  
10 put out by the Commission that says to the applicant: You  
11 will build what you said you are going to build in the AFC  
12 and all the supplements. So as a legal matter it's covered  
13 because they will build what they said they were going to  
14 build. That's why a lot of our analysis does not  
15 specifically refer to that because we are under the  
16 impression there will be a general condition that requires  
17 them to do exactly what they say.

18 But certainly for efficiency purposes I understand  
19 that you are requesting a specific identification where  
20 those issues are in the AFC so we can find them. That's  
21 perfectly acceptable and makes a lot of sense.

22 HEARING OFFICER VALKOSKY: I would just like to ask  
23 one clarification: You are correct that typically we have a  
24 general condition saying you are going to build what you  
25 want to build, and -- this is the big "and" -- and what you  
26 are going to build is as described in the decisional

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1 document.

2 I think our efforts today are to determine with more  
3 specificity what is going to go into that decisional  
4 document, so in fact, we know what is going to be built and  
5 how it is going to be built.

6 MR. OGATA: I think that's very important. The  
7 assumption that staff makes when we are writing conditions,  
8 the general rule is we tell staff to write conditions of  
9 certification, those things that staff is proposing that's  
10 not being proposed by the applicant, or identify those  
11 things that are so crucial or critical to ensure public  
12 health and safety we want to highlight those items.

13 Other kinds of things, because we rely upon the  
14 general condition that they are going to build what they  
15 told us they were going to build in the AFC and  
16 supplemental, that we've mentioned it in our testimony,  
17 we've done our analysis based on that description, so that  
18 would be sufficient.

19 If they change the project description, in any way,  
20 that requires them to come back to the Commission for  
21 amendments on our decision and that gives staff an  
22 opportunity to analyze those changes.

23 So those are the general rules that we rely upon when  
24 we're doing the analysis and writing conditions and so  
25 having a careful delineation of the project description is  
26 very important to this process.

1 HEARING OFFICER VALKOSKY: Right. We certainly agree  
2 there. Anything else? Any other questions for Mr. Loyer?  
3 Any other matters on the subject of Hazardous Materials  
4 handling?

5 (Discussion off the record.)

6 HEARING OFFICER VALKOSKY: Back on the record. At  
7 this time we will adjourn until 3:00 o'clock. At that time  
8 we will take up the remaining topic dealing with  
9 transmission system engineering. Thank you. Until 3:00.

10 (Whereupon a recess  
11 was taken at 11:52 a.m.)

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AFTERNOON SESSION

(Whereupon, the appearances of all parties having been duly noted for the record, the hearing resumed at 3:00 p.m.)

HEARING OFFICER VALKOSKY: Good afternoon. We're reconvening the topic under discussion, Transmission System Engineering, as well as any related cumulative impacts.

Mr. Thompson, will you approach the plate?

MR. THOMPSON: Batter up. We hope to hit a home run today with our lineup. We have three witnesses that we would like to present. This is somewhat a departure from what you've seen before, but we would like to present Jim Filippi, Gordon Ormsby, whom we have listed, but also Bill Chilson.

I realize we had an issue that had been published called cumulative impacts of transmission engineering. I realize that the applicant had done some cumulative impact analysis but had not done economic cumulative impact analysis, so I thought it would be helpful for the record to show what procedures we have done as far as cumulative impact.

With your leave, I'd like to call Mr. Filippi first.

HEARING OFFICER VALKOSKY: Please.

MR. THOMPSON: Let me add one thing as well:

Mr. Michael Hindus from the law firm of Cameron McKenna is two seats over to my right, would elect as co-counsel on transmission issues.

1 HEARING OFFICER VALKOSKY: Thank you.

2 (Witness sworn.)

3 BY MR. THOMPSON:

4 Q. Mr. Filippi, state your name for the record.

5 A. James Louis Filippi.

6 Q. Are you the same James Filippi that has submitted  
7 prepared testimony in Exhibit 34 of this proceeding?

8 A. Yes, I am.

9 Q. Any corrections, additions, or deletions to your  
10 prepared material?

11 A. No, I do not.

12 Q. If I asked you the questions in your prepared  
13 materials, would your answers today under oath be the same  
14 except for some minor exhibit numbers?

15 A. Yes, it would.

16 Q. Would you give the committee a brief summary of your  
17 testimony, please.

18 A. Yes. My testimony is that the -- we've had U.S.  
19 Generating Company has had interconnection studies of the La  
20 Paloma Generating Project prepared by Pacific Gas & Electric  
21 company, and that these studies have been reviewed by the  
22 California Independent System Operator and Pacific Gas &  
23 Electric company studies have found that there are no  
24 adverse impacts on the system, no facilities necessary  
25 downstream of the interconnection at Midway, and the

1 preliminary approval of the interconnection plan for the La  
2 Paloma project.

3 MR. THOMPSON: Thank you very much. Mr. Filippi is  
4 tendered for cross-examination.

5 HEARING OFFICER VALKOSKY: Mr. Ogata?

6 MR. OGATA: No questions.

7 BY HEARING OFFICER VALKOSKY:

8 Q. Mr. Filippi, when do you expect the California ISO to  
9 give you the final determination?

10 You mentioned you have a preliminary study, that  
11 Cal-ISO has approved a preliminary study.

12 I take it there's a final version coming?

13 A. Yes. Actually, there's the California ISO will be  
14 giving a number of approvals right up until they close the  
15 switch at the plant, but I think as far as the  
16 interconnection study goes, the Pacific Gas & Electric is  
17 now conducting a Detailed Facilities Study and also  
18 conducting a study of extreme contingencies.

19 And I believe that study will be done -- I've been  
20 led to believe that study will be done in the order of a  
21 month. So I expect the ISO will require, you know, some  
22 time after that to review it, perhaps request some  
23 supplemental studies, but I expect perhaps in two months.

24 Q. Is the Detailed Facility Study something you would

25 expect to submit to Commission staff for their review, or is  
26 that strictly between you and the ISO?

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1 A. We have no problems submitting that to Commission  
2 staff. Although, both the opinions of the Commission staff  
3 and of Pacific Gas & Electric is this would not affect the  
4 downstream facilities from Midway Substation.

5 Q. Are you the individual responsible for the design of  
6 the approximately fourteen-mile tie line from the plant to  
7 the Midway Substation?

8 A. No, I'm not. That is Mr. Ormsby.

9 HEARING OFFICER VALKOSKY: Thank you. Any redirect,  
10 Mr. Thompson?

11 MR. THOMPSON: No, thank you.

12 HEARING OFFICER VALKOSKY: Any questions from anyone  
13 here present? Any other parties for Mr. Filippi?

14 Thank you, sir.

15 MR. THOMPSON: I would next like to call the  
16 aforementioned Mr. Ormsby. Mr. Ormsby, I believe, has been  
17 previously sworn.

18 BY MR. THOMPSON:

19 Q. Mr. Ormsby, again, state your name for the record.

20 A. Stanley Gordon Ormsby.

21 Q. Being previously sworn, would you please summarize  
22 your testimony in the Transmission System Engineering area

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23 for the committee.

24 A. Yes. What I was asked to do was to preliminary  
25 design -- develop a design concept for the line and in  
26 conjunction with that make all the descriptions of the line

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1 as it proceeds down right-of-way milepost by milepost. We  
2 also did a conductor-size analysis, and we did the analyses  
3 that are in the appendix for the electronic and magnetic  
4 fields.

5 Q. Would that material appear in AFC section three point  
6 six and AFC Appendix H?

7 A. Yes, it would.

8 Q. A mistake on my part, Appendix P is part of the -- as  
9 well, sponsored by Mr. Filippi; is that right?

10 A. That's correct.

11 Q. Anything else to add?

12 A. No.

13 MR. THOMPSON: Mr. Ormsby is tendered for  
14 cross-examination.

15 HEARING OFFICER VALKOSKY: Mr. Ogata?

16 MR. OGATA: No questions.

17 BY HEARING OFFICER VALKOSKY:

18 Q. Mr. Ormsby, are the conductors on the tie line  
19 between the project and the Midway Substation sized to  
20 accommodate more than the expected nine hundred and forty  
21 megawatt generation of the La Paloma project?

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22 A. My quick answer is no, but I need to explain. As I  
23 said, we did an economic conductor-size analysis, which  
24 means that we considered the cost of losses in sizing the  
25 conductor so that the conductor is -- has a capacity that  
26 would -- that if it was thermally -- if it was designed from

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1 a thermal point of view, if you are willing to run it as hot  
2 as it could be run, it would be very lossy and it wouldn't  
3 be an economic conductor size. So I guess what I'm saying  
4 is we designed it for economic rather cool running line.

5 Under emergency conditions the line can be heated up  
6 and loaded down for short periods with a much higher  
7 capacity.

8 Q. So make sure I understand: The line has the physical  
9 capacity to accommodate extra generation, but it is not an  
10 economic way to run the line; is that correct?

11 A. That's right.

12 Q. What would that extra capacity be in rough numbers?

13 A. Well, roughly double.

14 Q. Roughly double, okay. So somewhere in the vicinity  
15 of nine hundred to a thousand extra megawatts?

16 A. That's correct.

17 Q. In constructing the line, I'm just a little confused,  
18 will you be using steel poles, lattice towers, or a  
19 combination of both?

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20 A. We have a plan now for tubular steel poles.  
21 Q. And I take that no steel lattice towers?  
22 A. We have not planned any lattice steel towers this  
23 time.  
24 Q. Would the steel poles accommodate the strain of  
25 another circuit, or are these sized exclusively for the  
26 output of the La Paloma project?

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1 A. The steel heighth and strength right now in our  
2 preliminary design are sized to accommodate the size of  
3 conductor that we've selected. So in order for the line to  
4 accommodate more capacity, it would have to have a bigger  
5 conductor to run economically and then the poles would have  
6 to be somewhat larger, heavier to accommodate the winds  
7 loading on the additional wire size.  
8 Q. As it is now, it's designed just for the La Paloma  
9 project with no potential expansion?  
10 A. That's correct.  
11 HEARING OFFICER VALKOSKY: Thank you.  
12 BY COMMISSIONER ROHY:  
13 Q. As a clarification, were you the person who also  
14 designed the 1B alternate?  
15 A. Yes.  
16 Q. And do you find that under the same -- you designed  
17 that to the same conditions as the original path for the  
18 transmission line?

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19 A. That's correct.

20 COMMISSIONER ROHY: Thank you.

21 HEARING OFFICER VALKOSKY: Any redirect,

22 Mr. Thompson?

23 MR. THOMPSON: No.

24 HEARING OFFICER VALKOSKY: Sorry. Questions for the

25 witness from anybody else here present? No questions.

26 Thank you, Mr. Ormsby.

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1 MR. THOMPSON: Batting third, we'd like to ask

2 Mr. Chilson to again take the stand. Mr. Chilson has been

3 previously sworn. There is no -- for the sake of the

4 audience, there is no prepared material by Mr. Chilson.

5 We are presenting him because the topic of cumulative

6 transmission impacts has been mentioned, and Mr. Chilson

7 would like to make a brief statement of applicant's position

8 and what applicant has done with regard to cumulative

9 impacts in this area.

10 BY MR. THOMPSON:

11 Q. Mr. Chilson, would you like to make your statement.

12 A. Yes, sir, I would. Cumulative impacts, as our

13 project has looked at them, involve environmental impacts

14 not economic impacts. And we're aware that there are

15 several projects out in Western Kern County besides our

16 project, and we have expressed, I think, in several forums

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17 our interest or our willingness to investigate transmission  
18 alternatives that reduce cumulative environmental impacts.

19 In that regard, we're willing to enter into good  
20 faith negotiations with other parties to share capacity on  
21 the La Paloma transmission line if environmental impacts can  
22 be reduced. However, we're not willing to delay the La  
23 Paloma project's schedule. We really don't have any time.  
24 And we, again, view the impacts that we're talking about to  
25 be environment not economic.

26 And finally, we're not willing to compromise the

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1 ability of the La Paloma project to get the power from the  
2 plant to the ISO grid.

3 Q. Thank you very much. Mr. Chilson, does that complete  
4 your further direct?

5 A. Yes.

6 MR. THOMPSON: Mr. Chilson is tendered for  
7 cross-examination.

8 HEARING OFFICER VALKOSKY: Mr. Ogata?

9 MR. OGATA: No questions.

10 HEARING OFFICER VALKOSKY: Questions from any other  
11 party?

12 (Pause in proceeding.)

13 HEARING OFFICER VALKOSKY: The committee is going to  
14 take a seven- or eight-minute break to consider some matters  
15 that have been raised. We will reconvene at 3:20.

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16 BY HEARING OFFICER VALKOSKY:

17 Q. Mr. Chilson, you mention that you were willing to  
18 potentially negotiate with other power plants concerning the  
19 use of your lines; is that correct?

20 A. That's correct. And I might stretch good faith  
21 negotiations between two parties.

22 Q. Understood. If such an agreement were reached, would  
23 this mean that you would redesign the line in the sense of  
24 increasing the conductor size as well as the size of the  
25 structures needed to support those?

26 A. That's correct. As long as the cost -- additional

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1 costs were appropriately allocated.

2 Q. That, of course, would be a subject of negotiation.  
3 I don't wish to get into that.

4 If this were to happen, I assume that you would,  
5 then, file a project amendment with the Commission?

6 A. My suggestion would be that the applicants, who are  
7 behind us, who are proposing the change, would file it as an  
8 amendment to their AFC.

9 Q. Okay. I'm a little confused at that point because  
10 assuming that you get your certification first, that would  
11 certify a certain size of conductor based on the steel  
12 structures that I've described in your AFC. So those  
13 modifications to those, at least to my initial impression,

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14 would be part of your license.

15 A. I guess, again, it would get back to the question of  
16 delaying our project, so if it could be done so that we  
17 don't delay our project, I guess we would be willing to  
18 entertain that idea.

19 HEARING OFFICER VALKOSKY: Okay. Fine. Just for my  
20 general information. Thank you.

21 Mr. Thompson, any redirect?

22 MR. THOMPSON: Yes, thank you.

23 BY MR. THOMPSON:

24 Q. Mr. Chilson, when you mentioned that the parties  
25 behind us would file, would you anticipate that we would  
26 also file whatever they were going to file, possibly

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1 postcertification, possibly pre-certification to let this  
2 committee and the Commission know what the joint plan was?

3 A. Well, I guess my thought would be that we may be in a  
4 situation where we have our certification and the request  
5 may come where we would have to do postcertification or  
6 amendment request.

7 MR. THOMPSON: Great, thank you.

8 HEARING OFFICER VALKOSKY: Mr. Ogata?

9 MR. OGATA: No questions.

10 HEARING OFFICER VALKOSKY: Questions from anyone for  
11 Mr. Chilson? Thank you, Mr. Chilson.

12 MR. THOMPSON: If I could, that completes applicant's

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13 testimony on Transmission System Engineering. I'd like to  
14 move the admission of Exhibits 25 and 27 into the record,  
15 please.

16 HEARING OFFICER VALKOSKY: Any objection, Mr. Ogata?

17 MR. OGATA: No objection.

18 HEARING OFFICER VALKOSKY: Objections from any other  
19 party?

20 No objection, Exhibits 25 and 27 are admitted.

21 MR. THOMPSON: Thank you.

22 HEARING OFFICER VALKOSKY: Mr. Ogata?

23 MR. OGATA: Staff's witness is Mark Hesters.

24 HEARING OFFICER VALKOSKY: Mr. Ogata, as a point of  
25 clarification, are you going to present the witness from  
26 Cal-ISO?

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1 MR. OGATA: Yes, we will be sponsoring him.

2 HEARING OFFICER VALKOSKY: Thank you.

3 (Witness sworn.)

4 BY MR. OGATA:

5 Q. Mr. Hesters, what is your job title at the Energy  
6 Commission?

7 A. I'm an associate electrical engineer.

8 Q. What are your job duties?

9 A. I review siting cases for electrical engineering for  
10 siting cases, and I also do some electrical congestion

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11 analysis and review, basically, transmission plans.

12 Q. Do you have before you the testimony on Transmission  
13 System Engineering written by yourself and Al McCuen?

14 A. Yes.

15 Q. Did you write this testimony?

16 A. Yes.

17 Q. And you are sponsoring the testimony that was written  
18 by Al McCuen as well?

19 A. Yes.

20 Q. Do you have any corrections or changes to this  
21 testimony?

22 A. Yes, I have two. The first one is on page 379 where  
23 it says Alternatives. The title should read mile four point  
24 zero -- I guess we're now saying, "to approximately mile  
25 fourteen," and in parentheses Midway Substation.

26 And then on page 383, Conditions of Certification,

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1 TSE 1(d) should read "An approximately fourteen point two  
2 mile long," on from there. And we want to add TSE 1(h) that  
3 reads "the La Paloma Generating Project shall participate in  
4 the existing PG&E remedial action schemes and new remedial  
5 action schemes developed by PG&E and the Cal-ISO to insure  
6 compliance with the Cal-ISO reliability criteria."

7 Q. That last addition is as a result of the Cal-ISO's  
8 recommendations?

9 A. Yes.

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10 Q. Do you have any other changes or corrections?

11 A. No.

12 Q. Please summarize your testimony for us.

13 A. Yeah. Staff evaluated the electric systems ability  
14 to accommodate the La Paloma Generating Project while  
15 complying with all applicable laws, ordinances, regulations,  
16 and standards. The La Paloma Generating Project is a  
17 combined cycle power plant with a nominal output of 1040  
18 megawatts. The project will connect to the existing  
19 electric network via a fourteen point two -- approximately  
20 fourteen-mile 230-kilovolt double circuit transmission line  
21 terminating at the Midway Substation.

22 Staff's transmission system engineering analysis  
23 focussed on two questions. First one, will the design,  
24 construction, and operation of the project conform to the  
25 California Public Utility Commission's General Order 95 and  
26 Rule 21.

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1 Staff evaluated the La Paloma AFC and found the  
2 electric facility design will comply with applicable laws,  
3 ordinances, regulations, and standards upon implements of  
4 staff's conditions of certification.

5 Second question was: Will the interconnection and  
6 operation of the project result in violations of Western  
7 System Coordinating Council Reliability Criteria, North

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8 American Reliability Council Planning Standard, or the  
9 Cal-ISO Reliability Criteria, and if they do, what steps  
10 need to be taken to avoid the violations?

11 The California Independent System Operator must  
12 insure that new power projects comply with Western System  
13 Coordinating Council Reliability Criteria, North American  
14 Electric Reliability Council Planning Standards, local area  
15 Reliability Criteria, and Cal-ISO Reliability Criteria.

16 The Cal-ISO and CEC staff reviewed the preliminary  
17 interconnection study for the La Paloma project and find  
18 that to avoid criteria violations, no new facilities, other  
19 than the power plant switchyard, outlet line, and  
20 termination equipment at the Midway Substation are required.  
21 However, under some operating conditions, the normal  
22 operation of the La Paloma project would result in  
23 reliability criteria violations which must be mitigated.

24 To prevent these violations, no new downstream  
25 facilities are necessary. However, the project will be  
26 required to participate in remedial action schemes.

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1 A remedial action scheme is an automatic control  
2 provision, which can, for instance, decrease the La Paloma  
3 output to maintain system reliability. The specifics of the  
4 remedial action schemes will be determined by an analysis of  
5 the Detailed Facility Study.

6 Staff's condition of certification 1(h) requires the

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7 La Paloma project to participate in remedial action schemes  
8 required by the Cal-ISO.

9 My next section is on cumulative impacts.

10 Do you want me to do that now, or do you want to talk  
11 about it later?

12 HEARING OFFICER VALKOSKY: You are not going to have  
13 anything additional, are you, Mr. Thompson?

14 MR. THOMPSON: We have no additional --

15 MR. HINDUS: We have no plans. We just want to hear  
16 what the witness has to say.

17 HEARING OFFICER VALKOSKY: I'd say continue then.

18 COMMISSIONER LAURIE: I would ask if you are going to  
19 read, which is fine, the court reporter may be having a  
20 little problem, but I'm having a problem also, so I would  
21 ask you to slow down at this point.

22 THE WITNESS: There are several projects that could  
23 be built or could be built or affect the transmission system  
24 in the Kern County -- could be built -- what am I saying?  
25 There are several projects that could be built --

26 COMMISSIONER ROHY: He can't speak slowly.

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1 THE WITNESS: There are several projects that could  
2 be built in the Kern County area that would affect  
3 transmission in that area and at the Midway Substation.  
4 These projects include the La Paloma Generating Project, the

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5 Sunrise Cogeneration Power Project, the Elk Hills Power  
6 Project. These three are all three filed AFC. We know  
7 Sunrise and Elk Hills have both filed AFCs at the Energy  
8 Commission. Two other projects in the same area are the  
9 Pastoria Power Project and the Midway-Sunset Cogeneration  
10 Expansion Project.

11 One other project that's not in Kern County but could  
12 affect power close at Midway would be the Morro Bay Power  
13 Plant Project.

14 The information -- currently, the only information on  
15 cumulative impacts that staff has are the interconnection  
16 studies from the Elks filed by the Elk Hills intervenor in  
17 this case, and the study filed -- the interconnection study  
18 filed by Sunrise in their AFC. These two interconnection  
19 studies only take into account -- well, the Sunrise only  
20 takes into account La Paloma and Sunrise. The Elk Hills, in  
21 detail, only takes into account La Paloma and Elk Hills. In  
22 general, they take into account La Paloma, Elk Hills, and  
23 Sunrise. The other three projects aren't taken into account  
24 at all.

25 Based on that, we feel there is insufficient evidence  
26 to analyze cumulative impacts in this area.

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1 Beyond this, on May 6th staff is holding a workshop  
2 to provide a forum to discuss potential cumulative affects  
3 of multiple projects connecting to the Midway Substation.

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4 This is just the beginning of this process. We don't expect  
5 any quick answers.

6 BY COMMISSIONER LAURIE:

7 Q. Say that again. When are you holding a workshop?

8 A. On May 6th.

9 Q. And where is that going to be?

10 A. I think it's going to be here.

11 In conclusion, staff's analysis concludes that the La  
12 Paloma Generating Project plant switchyard, outlet line, and  
13 termination at the Midway Substation will comply with  
14 applicable laws, ordinances, regulations, and standards.

15 The interconnection of the plant will not result in  
16 violations of the Western System Coordinating Council  
17 Reliability criteria, the North American Energy Reliability  
18 Council Planning Standards or the California Independent  
19 System Operator Reliability Criteria as long as the plant  
20 operates according to specified remedial action schemes.

21 If the Commission approves the La Paloma project,  
22 staff recommends the adoption of the conditions of  
23 certification specified in the Transmission System  
24 Engineering section of the FSA, plus the one additional  
25 condition to be added today.

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1 BY MR. OGATA:

2 Q. Does that conclude your summary?

3 A. Yes, it does.

4 HEARING OFFICER VALKOSKY: Mr. Thompson?

5 MR. THOMPSON: Mr. Hindus?

6 MR. HINDUS: No, nothing at this time.

7 (Pause in proceeding.)

8 HEARING OFFICER VALKOSKY: Mr. Hindus,  
9 cross-examination, I believe?

10 MR. HINDUS: I think I'll wait to see if you raise  
11 questions that raise issues that we need to discuss.

12 HEARING OFFICER VALKOSKY: I feel all this pressure.

13 COMMISSIONER LAURIE: It better be good.

14 BY HEARING OFFICER VALKOSKY:

15 Q. Mr. Hesters, you indicate on page 376 in your  
16 testimony the use of steel towers. I take it they are based  
17 on previous testimony that they were using steel pole  
18 construction?

19 A. Yes.

20 Q. That would be for the entire fourteen point two miles  
21 rather than just a mile -- thirteen point one as indicated?

22 A. Yes. Well, except for what needs to be done to  
23 accommodate transmission lines around the Midway Substation,  
24 and that still hasn't been worked out from what I -- from  
25 the AFC.

26 Q. When will that be determined?

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1 A. I don't know that. I assume that's worked out at the  
2 end of when they've -- when final details are -- probably at  
3 the time of the Detailed Facility Study is finished.

4 Q. Now, the other witness -- applicant's witness  
5 indicated they expected the Detailed Facility Study in a  
6 month or two.

7 Is that something you will be reviewing?

8 A. Yes.

9 Q. So is there the potential that before we -- before  
10 the Commission is ready to serve on the project that you  
11 would have to change -- possibly change the conditions of  
12 certification as you proposed or not as a result of your  
13 study, your analysis of the Detailed Facility Study?

14 A. We're not anticipating we have to change anything  
15 from the Detailed Facility Study.

16 Q. Right. But you haven't seen the Detailed Facility  
17 Study yet, and your conditions are, therefore, based on a  
18 less than done Detailed Facility Study?

19 A. Right.

20 Q. I'm asking: After you reviewed the Detailed Facility  
21 Study, is there a reasonable possibility that you will have  
22 to modify the conditions that you've proposed today?

23 A. We don't expect that. One of the -- there could be  
24 changes, but we don't expect there to be changes. I don't  
25 know how else to say it.

26 Q. That's fine, based on what you know today.

1           On page 377 there's a sentence "the schemes," I  
2 assume they are remedial action schemes will be included in  
3 conditions of certification for the project.

4           Am I correct in assuming that that requirement was  
5 captured in your addition sub H today?

6 A.       Yes.

7 Q.       In another portion of the Final Staff Assessment,  
8 particularly that dealing with compliance and closure, there  
9 was a reference to transmission system engineering as  
10 containing specific -- or a specific closure condition.

11          Is there a specific closure condition in your  
12 condition, and if not, is one needed?

13 A.       Actually, the closure conditions are covered in the  
14 1(c), which is transmission facilities shall meet or exceed  
15 the requirements of CPUC General Order 95. There are  
16 closure conditions that are part of General Order 95.

17 Q.       Thank you for that clarification. Your testimony  
18 also indicates that the maximum plant delivery will be about  
19 940 megawatts. We're also -- other sections of the  
20 testimony indicate that this is approximately a 1050  
21 megawatt plant.

22          Am I correct in assuming that the differential of  
23 about a hundred megawatts is due to parasitic loads, line  
24 losses, things like that?

25 A.       That and the nominal rating of 1040 to generally  
26 sixty degrees fahrenheit plant operation, and during the

1 summer peak those conditions are not expected in Kern  
2 County, and that significantly reduces the output of the  
3 plant.

4 Q. On page 378 you've got a statement that fully comport  
5 with reliability criteria, extreme contingencies analysis  
6 must be conducted but is not presently available.

7 Could you --

8 A. Where are you looking?

9 Q. Page 378, bottom paragraph, second sentence.

10 (Pause in proceeding.)

11 THE WITNESS: I think I'd have to -- the extreme  
12 contingencies analysis, I think, is part of the Detailed  
13 Facility Study, which -- so when we get the Detailed  
14 Facility Study, there will be the extreme contingencies  
15 analysis.

16 BY HEARING OFFICER VALKOSKY:

17 Q. Okay. Thank you. So that is something that you will  
18 be reviewing?

19 A. Yes.

20 Q. In your opinion, do you need to review that detailed  
21 facilities analysis before reaching a final conclusion as to  
22 the acceptability of the transmission system engineering  
23 aspects of this project?

24 A. Based on the information I have so far, no. From the  
25 information we have from the Cal-ISO and our own review, we

26 don't expect new facilities, and with the RAS conditions as

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1 condition of certification 1(h), that should cover the  
2 operations of the plant and any expected overloads or  
3 problems.

4 HEARING OFFICER VALKOSKY: Okay, thank you.

5 Mr. Ogata?

6 MR. OGATA: I'd like to ask one clarifying question.

7 BY MR. OGATA:

8 Q. On the bottom of page 378, Mr. Valkosky indicated  
9 that extreme analysis be conducted.

10 Based upon the information that you have at this  
11 time, is it your conclusion that even when you get the final  
12 detail study that there will be no changes required to any  
13 of the systems?

14 A. Yes.

15 MR. OGATA: Thank you. That's all.

16 HEARING OFFICER VALKOSKY: Mr. Thompson, Mr. Hindus,  
17 anything?

18 MR. HINDUS: No further questions.

19 HEARING OFFICER VALKOSKY: Questions for the witness?

20 Thank you, Mr. Hesters.

21 MR. OGATA: Staff at this time would like to call Ron  
22 Daschmans from the Cal Independent System Operator. For  
23 your information his testimony is Exhibit 38.

24 (Pause in proceeding.)

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25

(Witness sworn.)

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1 BY MR. OGATA:

2 Q. Mr. Daschmans, can you please tell us where you are  
3 employed?

4 A. I work for the California Independent System Operator  
5 as a grid planning engineer.

6 Q. What are your duties there?

7 A. Ensure the reliability of the ISO control grid,  
8 review transmission-related projects, generation projects,  
9 and other types of engineering studies.

10 Q. Do you have before you a document entitled  
11 Transmission System Reliability, La Paloma Generating  
12 Project Interconnection?

13 A. Yes, I do.

14 Q. Did you write that testimony?

15 A. Yes, I did.

16 Q. Do you have any changes or corrections you would like  
17 to make to that testimony at this time?

18 A. No, I do not.

19 Q. Please summarize your testimony for us.

20 A. The testimony goes over the role of the Independent  
21 System Operator as it pertains to the approval process of  
22 interconnecting the La Paloma Generation Project. It goes

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23 over the analysis that was completed by PG&E at the request  
24 of La Paloma. It gives a description of the facilities that  
25 could be affected in the area, and then it details the study  
26 results.

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1 And the conclusions, which are there, are no  
2 downstream facilities required or no adverse impacts to  
3 system reliability.

4 Q. This is your preliminary analysis; is that correct?

5 A. That's correct.

6 Q. And the ISO is requiring a detail final study?

7 A. Yes, it is.

8 Q. Do you expect there to be anything that will change  
9 your conclusions after you've looked at the detail final  
10 study?

11 A. No, I do not.

12 MR. OGATA: I have no other questions.

13 HEARING OFFICER VALKOSKY: Mr. Thompson or

14 Mr. Hindus?

15 MR. HINDUS: No questions.

16 MS. LUCKHARDT: I just have a couple.

17 Hi, Mr. Daschmans. I just have a couple quick.

18 HEARING OFFICER VALKOSKY: Identify yourself, please.

19 MS. LUCKHARDT: Jane Luckhardt for Elk Hills.

20 BY MS. LUCKHARDT:

21 Q. I just have a few clarifying questions for you.

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20 COMMISSIONER LAURIE: Ladies and gentlemen, standby  
21 for just a moment.

22 HEARING OFFICER VALKOSKY: Excuse me. Can I have it  
23 over for just a minute?

24 Mr. Ogata, is there any exhibit you'd like to move  
25 into the record?

26 MR. OGATA: Yes. Exhibit 38, which is the testimony

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1 of Mr. Daschmans. At this time we'd like to move it into  
2 the record.

3 HEARING OFFICER VALKOSKY: Okay. Is there any  
4 objection to receiving that?

5 MR. THOMPSON: No.

6 HEARING OFFICER VALKOSKY: Exhibit 38 is admitted  
7 into evidence.

8 (Discussion off the record.)

9 HEARING OFFICER VALKOSKY: At this time the  
10 evidentiary portion of today's meeting has ended.

11 Mr. Daschmans, thank you for appearing today.

12 Committee would like to take advantage, since we have  
13 the parties here, to get any sort of update on the status of  
14 the outstanding issues and the other issues that we have to  
15 deal with at approximately the end of June. To my  
16 recollection this would include air, bio, water,  
17 socioeconomics. I don't recall any dispute on visual or  
18 traffic.

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17           For water, we are going to provide additional  
18 information on zero discharge and how we would design that  
19 system, because we've always wanted to have the option of a  
20 zero discharge system or groundwater injection, so we're  
21 going to put in more information on zero discharge.

22           On socioeconomics, there's the question of the fire  
23 truck, and Mr. Garratt will be meeting with the fire chief  
24 from Kern County tomorrow to see how that request is going  
25 to be accommodated.

26           HEARING OFFICER VALKOSKY: Okay, thank you.

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1           Mr. Ogata or Mr. Pryor, whoever?

2           MR. OGATA: We have nothing to add to what  
3 Mr. Chilson said. We've had some discussions in our  
4 sessions yesterday about trying to figure out what would be  
5 an appropriate time extension we consider all these  
6 elements, and we're pretty comfortable we're going to be  
7 able to make it again.

8           Biology is the driving issue in that everything else  
9 seems to be on track, so with their efforts and with our  
10 efforts with the folks across the street, we won't have any  
11 problems getting that solved in the next two months.

12           HEARING OFFICER VALKOSKY: Okay. I take it you are  
13 also factoring in time for any comments that EPA or ARB may  
14 have on the PDOC?

15           MR. OGATA: That's correct.

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16           COMMISSIONER LAURIE: Is it your sense that Fish and  
17 Game were aware of the workload; however, are you satisfied  
18 that this project is on their radar screen and they are  
19 responding in a timely manner?

20           MR. THOMPSON: Glad that's yours, Jeff.

21           MR. OGATA: Do you want an answer on the record or  
22 off the record?

23           COMMISSIONER MOORE: Let me ask --

24           MR. OGATA: It's a two-part question. It is  
25 definitely on their radar screen. We've had lots of  
26 discussions with their staff, both here and in Fresno and

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1 legal office as well. We were told that La Paloma was their  
2 second priority after they revolved the issue with the BART  
3 line, that we have understood they have since resolved the  
4 BART issue, so this should be their number one priority.

5           Whether the work there gets done is a question we've  
6 been asking them for many, many months now. All we can do  
7 is keep following up.

8           COMMISSIONER LAURIE: What is the specific next step  
9 that you would anticipate out of Fish and Game and by what  
10 date?

11           MR. OGATA: La Paloma is filing the 2081 application  
12 tomorrow. Fish and Game will start processing that. They  
13 have to take a look at the Fish and Wildlife Service

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14 biological opinion, which is due to come out in the near  
15 future, and so hopefully, those things will come together  
16 and we should have a product that we can deal with in the  
17 next two months.

18 COMMISSIONER LAURIE: How would -- Mr. Valkosky, if  
19 you can answer this, this is fine: How would the committee  
20 be informed if there appears to be a hang up with another  
21 agency that we should be made aware of?

22 MR. OGATA: Well, we can certainly give you a status  
23 report, if you'd like. We are going to meet with the  
24 applicant after this meeting concludes to talk about the  
25 schedule, since we're trying to provide you a joint  
26 schedule, joint proposal that you ordered us to file next

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1 week, so we can build in some status reports into that  
2 schedule, if you'd like, to let you know how things are  
3 going.

4 COMMISSIONER LAURIE: We would like. The committee  
5 would like to stay informed. The committee may be willing  
6 to communicate, as necessary, should there be a problem with  
7 another agency that is not foreseen today. So status  
8 reports our desired and would be seen as beneficial.

9 MR. OGATA: We'll definitely put that in our schedule  
10 to you.

11 HEARING OFFICER VALKOSKY: Okay. We'll look forward  
12 to supplemental filings that we've discussed over the last

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13 day or two, and again, thank you. We're adjourned.  
14 (Whereupon the hearing  
15 concluded at 3:59 p.m.)  
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1 REPORTER'S CERTIFICATE

2 STATE OF CALIFORNIA )  
3 ) ss.  
4 COUNTY OF SACRAMENTO )

5

6 I, KELI RUTHERDALE, a Certified Shorthand  
7 Reporter licensed by the State of California, and empowered  
8 to administer oaths and affirmations pursuant to Section  
9 2093(b) of the Code of Civil Procedure, do hereby certify:

10 That the said proceedings were recorded

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11 stenographically by me and were thereafter transcribed by me  
12 via computer-assisted transcription;

13                   That the foregoing transcript is a true record  
14 of the proceedings which then and there took place;

15                   That I am a disinterested person to said  
16 action.

17                   IN WITNESS WHEREOF, I have subscribed my name  
18 on April 27th, 1999.

19

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\_\_\_\_\_  
KELI RUTHERDALE  
Certified Shorthand Reporter #10084

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