

January 22, 2007

Mr. Steve Munro
California Energy Commission
Environmental and Siting Office
1516 Ninth Street
Sacramento, CA 95814

Re: Tesla Power Project (01-AFC-21) Petition for Post-Certification Amendments

Dear Mr. Munro:

On November 13, 2006, Midway Power LLC (Midway Power) filed a petition to amend certain conditions of the original CEC license for the Tesla Power Project (TPP). That petition included a request for a minor change to HAZ-6 as follows:

HAZ-6. The Project Owner shall require that the gas pipeline undergo a complete design review and detailed inspection 30 yearsdays after initial startup and every 5 years thereafter.

Upon further review of the original CEC license, it appears that the issue of gas pipeline design and inspection is already adequately addressed in two other conditions of certification (COCs). Accordingly, Midway Power requests that instead of the changes to HAZ-6 proposed in the November 13 petition, HAZ-6 be deleted in its entirety to avoid potentially conflicting conditions.

The existing CoCs that Midway Power believes adequately address the issue of gas pipeline design and inspection are as follows:

GEN-1. . . . Natural gas pipelines shall be designed and constructed in accordance with U.S. Department of Transportation (DOT), Title 49, Code of Federal Regulations (CFR) Chapter 1, Part 192 "Transportation of Natural and other Gas by Pipeline: Minimum Federal Safety Standards," and the California Public Utilities Commission, general Order 112-E (CPUC GO 112-E). . . .

Verification: Within 30 days after receipt of the Certificate of Occupancy, the project owner shall submit to the CPM a statement of verification, signed by the responsible design engineer, attesting that all design, construction, installation and inspection requirements of the applicable LORS and the Energy Commission's Decision have been met in the area of facility design. . . .

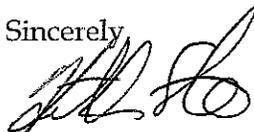
HAZ-10. The project owner shall ensure that the construction, operation and maintenance of the natural gas pipeline is done in compliance with the Public Utilities Commission General Order 112-E and 58-A standards, and Federal Department of Transportation (DOT) regulations, Title 49, Code of Federal Regulations (CFR), Parts 190, 191 and 195.

Verification: At least 30 days prior to the construction of the gas pipeline, the Project Owner shall provide proof that the above regulations will be complied with to the CPM.

Note that the DOT regulations referenced in HAZ-10 require inspections every 5 years.

Please feel free to contact me at (561) 691-2216 if you have any questions regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Stein', written in a cursive style.

Kenneth Stein
Environmental/Permitting