

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY

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

Company name/CPUC Utility No. **Liberty Utilities (CalPeco Electric) LLC (U 933-E)**

Utility type:

- ELC GAS
 PLC HEAT WATER

Contact Person for questions and approval letters:
Daniel W. Marsh

Phone #: 562-299-5104

E-mail: **Dan.Marsh@libertyutilities.com**

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 75-E

Subject of AL: Liberty Utilities (CalPeco Electric) LLC (U 933-E) – Notice of Proposed Construction Project Pursuant to General Order 131-D for Decommissioning and Replacement of Brockway Substation and Corresponding Expansion of Kings Beach Substation

Tier Designation: 1 2 3

Keywords (choose from CPUC listing):

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution:

Decision 15-03-020; General Order 131-D

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

Summarize differences between the AL and the prior withdrawn or rejected AL _____

Resolution Required? Yes No

Requested effective date: April 3, 2017

No. of tariff sheets: N/A

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

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

CPUC, Energy Division Utility Info (including e-mail)

Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
edtarriffunit@cpuc.ca.gov

Liberty Utilities (CalPeco Electric) LLC
Attention: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Email: Dan.Marsh@libertyutilities.com



Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 530-544-4811

VIA EMAIL

March 3, 2017

**Advice Letter No. 75-E
(U 933-E)**

California Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

**Subject: Notice of Proposed Construction Project Pursuant to General Order 131-D
For Decommissioning and Replacement of Brockway Substation and
Corresponding Expansion of Kings Beach Substation**

Liberty Utilities (CalPeco Electric) LLC (U 933-E) ("Liberty CalPeco") hereby submits notice pursuant to the California Public Utilities Commission's ("CPUC" or "Commission") General Order ("G.O.") 131- D, Section XI, Subsection B.4, of its intended construction of facilities that are exempt from the requirement to submit an application and obtain a Permit to Construct.

I. PURPOSE AND REQUEST FOR EXPEDITION

This Advice Letter provides a copy of the Notice of Proposed Construction (Attachment A) and the Notice of Distribution List (Attachment B), which comply with the noticing requirements set forth in G.O. 131-D, Section XI. In addition, Liberty CalPeco is sending a copy of this Advice Letter to the service list for Application ("A.") 10-08-024 and for Advice Letter 64-E.

Due to the emergency conditions which necessitate timely commencement of construction, the long lead-time required to order equipment necessary for the construction, and the limited window (May-October) that the Tahoe Regional Planning Agency ("TRPA") allows for construction on lands within the jurisdiction with TRPA, Liberty CalPeco is requesting that the Energy Division process and approve this Advice Letter on an expedited basis. Liberty CalPeco is accordingly also requesting that the Director of the Energy Division immediately order the period for protests to be shortened from 20 to 10 days.¹

¹ Rule 1.3 of General Order 96-B authorizes "the Director of the appropriate Industry Division [to] shorten the protest and reply period under the General Rules."

II. BACKGROUND

Liberty CalPeco's Brockway Substation transforms and distributes electric power to Kings Beach, California and surrounding areas. In addition to supplying normal distribution service to electric consumers within the Kings Beach area, the Brockway Substation also provides a limited amount of emergency backup capacity to Liberty CalPeco's neighboring substations, Tahoe City and Northstar.

The Brockway Substation consists of two 60/14.4 kV power transformers, each with a separate regulating transformer (regulator) for voltage control. Each transformer/regulator unit at Brockway Substation supplies power to two distribution feeder circuit breakers, thereby providing the electric source to a total of four distribution feeders. Each transformer and regulator combination within the Brockway Substation has a maximum capacity of 14,000 kVA. The major substation equipment contained within the Brockway Substation is upwards of 50 years old, and has reached the end of its anticipated useful life. For example, the transformers are 1960's vintage, and have exhibited accumulations of combustible gases in their insulating oil, indicative of deterioration of winding insulation and typically a meaningful indicator of possible electrical failure.

A. Decommissioning and Replacement of Brockway Substation and Corresponding Expansion of Kings Beach Substation Were Conditionally Approved as Part of Phase 2 of Transmission Upgrade Project

As part of its Application 10-08-024 to upgrade its Lines 625 and 650 and thereby improve the reliability of its overall transmission system in the North Lake Tahoe area ("Transmission Upgrade Project"), Liberty CalPeco requested the authority to decommission the Brockway Substation and have its functions replaced by an expansion of the neighboring Kings Beach Substation. In Decision No. 15-03-020, the Commission granted Liberty CalPeco a Permit to Construct to commence construction of Phase 1 of the Transmission Upgrade Project immediately and to construct Phase 2 upon "verification that load growth on the North Lake Shore Transmission System is approaching 89 megawatts (MW)."²

In the event that any protests are submitted, Liberty CalPeco shall similarly request in its response to any such protest that the period for initial comments on a Proposed Resolution be similarly shortened from 20 to 10 days. *See* Rule 14.6, subsections (a) and (c)(9) of the Commission's Rules of Practice and Procedure that authorize the reduction of the period for public review and comment on a draft resolution for either an "unforeseen emergency situation" or in a "proceeding in which no hearings were conducted." *See, e.g.,* Resolution G-3522 (authorizing a reduction of the comment period for a draft resolution issued to assist with ensuring reliability in response to the unforeseen shutdown of a facility).

² Decision No. 15-03-020, mimeo at 51 (Ordering Paragraphs 1(a) and 1(b)).

Phase 2 of the Transmission Upgrade Project includes:

[The] upgrade [of] the three 650 Line substations (North Truckee, Northstar, and Kings Beach) and, [the] decommission[ing of the] Brockway substation with the re-routing [of the] 14.4 kV distribution feeders to the Kings Beach substation.³

B. Liberty CalPeco Advice Letter 64-E Seeks Authority to Commence Construction of Phase 2 of the Transmission Upgrade Project

On October 14, 2016, and in accordance with Decision No. 15-03-020, Liberty CalPeco submitted Advice Letter 64-E providing the requisite “verification of [the] load triggers and the attainment of the 89 MW trigger authorizing the commencement of the construction of Phase 2 of the” Transmission Upgrade Project.⁴ Liberty CalPeco then projected (based on recorded loads during the 2015/16 winter) that the peak load for the 2017/18 winter would be 90.5 MW.

Therefore to best ensure that construction of Phase 2 be completed before the 2017-18 peak winter load period, Advice Letter 64-E requested that the Commission approve construction of Phase 2 by no later than March 1, 2017 (allowing the timely procurement of long lead-time equipment such as substation power transformers) and in all events by May 15, 2017 to allow sufficient time to complete construction.⁵ The reliability imperative that Liberty CalPeco have sufficient time to complete construction of Phase 2 before the start of the 2017/18 winter has intensified, given that the eight relevant substations experienced a coincident peak demand of 90.4 MW on December 24, 2016.⁶ As of the date of the submission of this Advice Letter, Advice Letter 64-E remains pending.

As explained previously, the Brockway Substation, in accordance with the phased construction plan for Transmission Upgrade Project, is subject to retirement and decommissioning as part of Phase 2 construction. An element of the Phase 2 scope is to establish the Brockway Substation’s functionality at the neighboring Kings Beach Substation. This expansion of the Kings Beach Substation will improve reliability for Liberty CalPeco’s

³ Decision No. 15-03-020, mimeo at 5.

⁴ Advice Letter 64-E, at 1. The relevant load for purposes of authorizing the construction of Phase 2 is to be measured at eight designated substations which serve the North Tahoe Transmission System. *See* Advice Letter 64-E, Table 1, at 5; and Decision No. 15-03-020, mimeo at 33-34.

⁵ Advice Letter 64-E, at 6. TRPA does not allow construction activities involving ground disturbance to take place after October 15.

⁶ Using the 1% annual load growth estimate referenced in Decision No. 15-03-020 as “possibly conservative but [a] reasonable assumption”, mimeo at 32, the revised projected peak load for the 2017/18 winter is now 91.3 MW, well above the 89 MW load threshold for Phase 2. Liberty CalPeco provided the recorded 2016/17 peak capacity load information in response to the Energy Division’s Data Request 2, dated January 5, 2017.

customers in the area, in addition to the decommissioning and removal of the Brockway Substation.

This Advice Letter does not replace or modify Advice Letter 64-E and Liberty CalPeco reiterates its requests that the Commission approve the construction of all of Phase 2 within the timeframe which would enable Phase 2 to be fully operational as of the start of its 2017-18 winter peak load period. However, as will be explained, recent events relating to the Brockway Substation require the submission of this Advice Letter and the corresponding emergency request confirming the authority for Liberty CalPeco to immediately commence the actions necessary to decommission the Brockway Substation and have its current functions performed by an expansion of the Kings Beach Substation.

C. The Catastrophic Failure the Brockway Substation Experienced in January 2017 Necessitates Immediate Remedial Actions

In January 2017, during severe storm activity⁷ and under circumstances of peak loading conditions for the Liberty CalPeco electric system, the #2 regulator unit at Brockway Substation sustained a catastrophic failure. The cause of the failure is at the present time unknown; however, it is surmised that the advanced age and associated depletion of service life of the unit were strong contributors to the failure.

This failure event at the Brockway Substation resulted in a total loss of the #2 regulator, and was accompanied by violent destructive mechanical forces within the regulator unit. Heat from the regulator unit caused the wooden box support structure surrounding the #2 regulator and distribution terminals to sustain significant fire damage.

These failures forced two of the distribution circuits within the Brockway Substation served from the #2 regulator out of service. Liberty CalPeco has been able on a temporary basis to restore and maintain service to these two distribution circuits through field switching that essentially transfers the circuit loads to the two remaining operative circuits.

While this temporary response has operationally mitigated the loss of the #2 regulator, this situation renders overall reliability tenuous at best. The existing load demand at the Brockway Substation, while hovering below all-time peak levels, is nevertheless taxing the capability of its reduced facilities which remain operational. The distribution feeders and the remaining transformer and regulator at the Brockway Substation are significantly loaded and can offer little, if any, backup support to neighboring substations. Further, due to the necessary configuration of the Brockway Substation distribution feeders - with each feeder of the #1 transformer/regulator serving its own demand plus that of an additional feeder - electric reliability performance is significantly reduced.

⁷ In response to the severity of these winter storms the Lake Tahoe area and other locations in California experienced during January 2017, Governor Edmund G. Brown, Jr. proclaimed a State of Emergency on January 23, 2017.

Any feeder outage in this configuration necessarily affects two feeders rather than one. As a direct consequence, Liberty CalPeco has experienced numerous outages following the failure of the Brockway Substation. The number of customers affected by such outages will be significantly reduced and the length of any outage similarly lessened upon the completion of the proposed expansion of the Kings Beach Substation.

The partial facilities that remain operative at the Brockway Substation are simply incapable of reliably serving the peak demand this coming winter, particularly at the levels already recorded for 2016/17 and now projected for 2017/18. Hence, this capacity and suboptimal configuration of the distribution feeder system must be remedied as soon as possible and in all events before TRPA prohibits construction and before the commencement of the 2017 winter peak load season.

However, given the Commission approval of the removal of the Brockway Substation as part of the Transmission Upgrade Project, the demonstration in Advice Letter 64-E that the conditions for Liberty CalPeco to commence construction of Phase 2 have been satisfied, and the recorded 2016/17 peak load of 90.4 MW, as will be explained in the next section, it would be an inefficient investment if Liberty CalPeco responded to these exigent circumstances by funding the restoration of the Brockway Substation to full operational capability.

D. Notice of the Intent to Commence Activities to Decommission and Replace the Brockway Substation and Correspondingly Expand the Kings Beach Substation

The greatly preferred and more cost-effective and reliability-enhancing alternative would be for Liberty CalPeco to proceed immediately with the decommissioning of the Brockway Substation and the corresponding expansion of the Kings Beach Substation (“Substation Replacement/Expansion Project”). Timely implementation of the Substation Replacement/Expansion Project would foremost avoid spending funds to repair the Brockway Substation.

The Substation Replacement/Repair Project would further achieve a number of the objectives of the Transmission Upgrade Project, including establishing reliable transformer capacity in the Kings Beach area and allowing for the timely decommissioning of the Brockway Substation. Timely completion of the Substation Replacement/Expansion Project will in particular provide improved switching capability, additional transformer and feeder capacity, and improved operational flexibility for the facilities serving Liberty CalPeco’s customers in the Kings Beach area.

The construction necessary to complete the Substation Replacement/Expansion Project consists of the following elements:

Expansion of the Kings Beach Substation, including:

1. Two line terminals for the Northstar and Tahoe City transmission lines;

2. Two new substation transformers with regulating provisions;
3. Associated circuit breakers, switches, support structures, foundations, grounding and conduit systems; and
4. One enclosed switchgear unit providing service to four distribution feeders and integration of the plant output from the neighboring Kings Beach generation facility.

Distribution Feeder Interconnections consisting of:

1. Four underground distribution feeder extensions via a rigid conduit and vault substructure to connect to the existing distribution feeder infrastructure at various points in the vicinity of the Kings Beach and Brockway Substations; and
2. Tie switches to facilitate efficient transfer of circuit loads for outage restoration and maintenance flexibility.

III. NOTICE TO COMMENCE CONSTRUCTION PURSUANT TO GENERAL ORDER 131-D

Liberty CalPeco provides notice in this Advice Letter of its intent to commence construction of the Substation Replacement/Expansion Project in accordance with the provisions of G.O. 131-D, Section III, Subsection B.1.

In particular, Subsection B.1 exempts projects meeting specific conditions from the requirement to file an application requesting a Permit to Construct. Specifically, Subsections 1(f) and (g), respectively, state that a utility need not obtain a Permit to Construct if its construction activities consist of “power lines or substations to be relocated or constructed which have undergone environmental review pursuant to CEQA as part of a larger project, and for which the final CEQA document (Environmental Impact Report (EIR) ...) finds no significant unavoidable environmental impacts caused by the proposed line or substation;” or “power line facilities or substations to be located in an existing franchise, road-widening setback easement, or public utility easement; or in a utility corridor designated, precisely mapped and officially adopted pursuant to law by federal, state, or local agencies for which a final ... EIR finds no significant unavoidable environmental impacts.”

The intended implementation of the Substation Replacement/Expansion Project for which this Advice Letter provides notice satisfies these requirements in several respects. The Substation Replacement/Expansion Project functionally involves the relocation and construction of a substation. The possible consequences to the geographic areas impacted by the decommissioning of the Brockway Substation and the expansion of the Kings Beach Substation have each “undergone environmental review pursuant to CEQA as part of a larger project” and

the Final EIS/EIS/EIR should be construed as finding “no significant unavoidable environmental impacts.”⁸

Moreover, it need be stressed that the Commission in Decision No. 15-03-020 has already issued Liberty CalPeco a Permit to Construct all of Phase 2 (which the Substation Replacement/Expansion Project is a component of), subject only to Liberty CalPeco demonstrating the attainment of the 89 MW peak capacity triggering load (which MW peak has been exceeded). The exemption and corresponding notice provisions of G.O. 131-D appropriately and efficiently enable Liberty CalPeco to proceed with the Substation Replacement/Expansion Project in the most expeditious, cost-effective and reliability-enhancing manner, pending the issuance of a resolution approving Advice Letter 64-E.

Liberty CalPeco’s reliance on the exemption and notice provisions of G.O. 131-D is analogous to the situation it described in Advice Letter 35-E that the Commission approved in Resolution E-4671. In Advice Letter 35-E, Liberty CalPeco similarly provided notice pursuant to provisions of G.O. 131-D, Section III, Subsection B.1 to replace certain wood poles on its Line 7203 with self-weathering dark brown steel poles. As of the time of its submission of

⁸ The environmental consequences of the decommissioning and replacement of the Brockway Substation and the corresponding expansion of the Kings Beach Substation were studied in the Environmental Impact Report for the Transmission Upgrade Project that the Commission approved and certified. See Decision No. 15-03-020, mimeo at 51, 53-54 (Ordering Paragraphs 1, 7 and 8). See also Final EIS/EIS/EIR at 3-21 – 3-22.

From a technical perspective, the Final EIS/EIR/EIS found that the Transmission Upgrade Project has the “*potential*” during construction to have “significant, [albeit temporary] immitigable effects” within the Northern Sierra Air Quality Management District with respect to air quality and climate change. The Substation Replacement/Expansion Project will be constructed entirely within the Placer County Air Pollution Control District (“PCAPCD”). The Final EIS/EIS/EIR determined construction-related impacts, with mitigation, within the PCAPCD to be less-than-significant. Final EIS/EIS/EIR at 4.13-45.

The EIS/EIS/EIR did also identify a similar “*potential*” during construction of “significant, immitigable effects” with respect to heritage, cultural, and paleontological resources. Nonetheless, the proposed modifications at the Kings Beach Substation do not implicate the areas of potential human remains or documented heritage and cultural resources associated with the finding. Moreover, the fact that the construction area for the Substation Replacement/Expansion Project already contains an operating substation makes the likelihood of finding undocumented heritage and cultural resources extremely remote.

In any event, the Commission ultimately found that “overriding considerations warrant construction” of the Transmission Upgrade Project. See Decision No. 15-03-020, mimeo at 37-39 and 49 (Conclusions of Law No. 5). Thus based on these facts and the Commission’s finding of “overriding considerations,” the Energy Division should find that the Substation Replacement/Expansion Project has “no significant unavoidable impacts,” and it thus qualifies for the G.O. 131-D, Section III.B exemptions. See Decision 15-11-003, finding project retroactively eligible for G.O. 131-D, Section III.B.1 exemptions, notwithstanding finding of “unavoidable impact on air quality during construction,” and upon finding that “overriding considerations” warranted the project. Decision No. 15-11-003, mimeo at 22-23.

Advice Letter 35-E, as part of Phase 1 of the Transmission Upgrade Project Liberty CalPeco was also requesting the authority to replace the wooden poles on Line 7203 with the steel poles. The need to submit a separate Advice Letter providing G.O. 131-D notice of the intent to immediately commence construction of this portion of the Transmission Upgrade Project was precipitated by the immediate need to replace certain of the Line 7203 wood poles with stronger wood poles.

In this context, directly analogous to the current situation, Liberty CalPeco represented that the “most cost effective approach [would be] to replace these same wood poles with steel poles at this time [i.e. immediately and before the 2014/15 peak load winter season] ... (as opposed to replacing them with new, stronger wood poles which Liberty [CalPeco] is proposing [as part of Phase 1 of the Transmission Upgrade Project] to replace shortly thereafter with steel poles).”⁹ The Commission determined that Liberty CalPeco’s request to replace the wooden poles with steel poles satisfied the exemption criteria in both G.O 131-D, Section III.B.(b) and Section III.B.1(g),¹⁰ thus enabling Liberty CalPeco to proceed immediately to engage in the requested replacement of the wooden poles.

IV. ELECTRIC AND MAGNETIC FIELDS

The Commission requires utilities to employ “no cost” and “low cost” measures to reduce public exposure to electric and magnetic fields (“EMF”). In Decision No. 15-03-020, the Commission found that the entirety of the design for the Transmission Upgrade Project “is consistent with the Commission’s EMF policy for implementing no-cost and low-cost measures to reduce potential EMF impacts.”¹¹

With particular respect to the EMF implications of the expansion of the Kings Beach Substation, Liberty CalPeco intends to remove approximately 1000 feet of linear overhead 3-phase 14.4 kV distribution circuit facility exposure. It also intends to maintain its existing right of way widths for all portions of overhead distribution circuits that are to remain in place.

Further, in the course of the Substation Replacement/Expansion Project, 1,800 feet of overhead 3-phase 60 kV transmission facilities will be removed, thereby eliminating their contribution to EMF. In addition to the above measures, Liberty CalPeco continues to implement measures including proper phasing of its power line circuitry to reduce EMFs, standardizing right-of-way widths to 40 feet where possible, and for the proposed Kings Beach Substation, keeping high current devices away from property lines and locating the new substation components near existing power line facilities.

⁹ Advice Letter 35-E, at 2.

¹⁰ Resolution E-4671, at 10 (Findings No. 10).

¹¹ Decision No. 15-03-020, mimeo at 39-40 and 50 (Conclusions of Law No. 6).

V. TRPA PERMIT REQUIREMENTS

As explained previously, the Kings Beach Substation is physically located within the area subject to the jurisdiction of the TRPA. Thus Liberty CalPeco must obtain a permit from TRPA authorizing construction for those portions of the Transmission Upgrade Project involving property within TRPA's jurisdiction. Moreover, as stated before, TRPA's regulations restrict Liberty CalPeco ability to engage in construction to the May 1 – October 15 period. TRPA issued a Permit on April 24, 2015 authorizing Liberty CalPeco to construct Phases 1 and 2 of the Transmission Upgrade Project, subject to certain conditions.¹²

In particular, TRPA Permit Special Condition 3 provides that Liberty CalPeco may not commence construction of Phase 2 until it “provides notice to TRPA of the approval of the Tier 2 Advice Letter in accordance with [Decision No. 15-03-020].” Liberty CalPeco believes that the intent of this condition was to provide TRPA assurance that prior to the commencement of any construction of any component of Phase 2 that this Commission had fully assessed Liberty CalPeco's request to commence the particular construction and determined that the circumstances satisfied the criteria and objectives the Commission set forth in Decision No. 15-03-20.

This Advice Letter requests approval pursuant to certain exemptions in G.O. 131-D to commence construction of a portion of Phase 2 (i.e. the decommissioning and replacement of the Brockway Substation and expansion of the Kings Beach Substation). If TRPA Special Condition 3 were read literally, and independent of what Liberty CalPeco believes to be TRPA's intent in promulgating Special Condition 3, it could be argued that the Commission's approval of this Advice Letter would not satisfy TRPA Special Condition 3.

Liberty CalPeco recognizes that only TRPA can interpret the conditions it imposes on permits. Nonetheless, Liberty CalPeco believes that it would be appropriate for, and accordingly requests, the Energy Division in approving this Advice Letter to include a finding that the Commission's authorization for Liberty CalPeco to commence immediately with the replacement of the Brockway Substation and corresponding expansion of the Kings Beach Substation: (i) relies on and is based on the environmental review process for which TRPA served as the lead agency; (ii) is fully consistent with its approval in Decision No. 15-03-020 of the Transmission Upgrade Project; and (iii) authorizes the construction of a portion of Phase 2 based on the emergency conditions triggered by the catastrophic failure of the Brockway Substation.

VI. COST INFORMATION/RATES

No cost information is required for this Advice Letter.

This Advice Letter will not increase any rate or charge, cause the withdrawal of service, or conflict with any other rate schedule or rule.

¹² A copy of the TRPA Permit is attached hereto as Attachment C.

Liberty CalPeco will seek rate recovery for the construction costs associated with the Substation Replacement/Expansion Project in other proceedings.

VII. EFFECTIVE DATE

This Advice Letter is being submitted in accordance with the noticing requirements described in G.O. 131-D, Section XI, Subsection B.4. Accordingly, Liberty CalPeco requests that this Advice Letter become effective on April 3, 2017.

VIII. NOTICE

A copy of this Advice Letter is being sent electronically and/or via U.S. mail to the parties shown on the attached list. These parties are identified in the “Notice of Distribution List” included in Attachment B. In addition, this Advice Letter is being sent to the service list for A. 10-08-024 and to the service list for Advice Letter 64-E.

Liberty CalPeco is and/or shall be timely providing the notices required in G.O. 131-D, Section XI, Subsections B.1, B.2 and B.3.

IX. PROTESTS

Due to the emergency circumstances and associated risks to reliability precipitated by the catastrophic failure of the Brockway Substation, Liberty CalPeco is requesting that the Energy Division Director order that the normal 20-day period for the submission of a protest be reduced to 10 days.¹³ The granting of such request will best ensure that if the Commission authorizes Liberty CalPeco to decommission the Brockway Substation and to correspondingly expand the Kings Beach Substation that Liberty CalPeco will be able, as required to maintain reliability during the 2017-18 winter, to complete the construction activities before October 15 when TRPA requires that all construction cease.

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than March 13, 2017, in the event that Liberty CalPeco’s request to reduce the period for the submission of protests is granted, which is 10 days after the date of this Advice Letter; alternatively if Liberty CalPeco’s request to shorten the period for the submission of protests is not granted, such protests must be received no later than March 23, 2017, which is 20 days after the date of this Advice Letter.

Persons or groups may protest the proposed construction if they believe that Liberty CalPeco has incorrectly applied for an exemption or that the conditions set out in G.O. 131-D Section III, Subsection B.2 exist. There are no restrictions on who may file a protest, but the

¹³ Liberty CalPeco further intends that if a protest is timely filed and the issuance of a Proposed Resolution is required, to request the period for the submission of opening comments on the Proposed Resolution similarly be reduced from 20 to 10 days. *See n. 1, supra.*

Energy Division Tariff Unit
California Public Utilities Commission
February 27, 2017
Page 11

protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

Protests should be mailed to:

California Public Utilities Commission
Energy Division, Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298
Facsimile: (415) 703-2200
Email: edtariffunit@cpuc.ca.gov

The protest should also be sent via email and U.S. Mail (and by facsimile, if possible) to Liberty Utilities (CalPeco Electric) LLC at the address shown below on the same date it is mailed or delivered to the Commission:

Daniel W. Marsh
Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Fax: 530-544-4811
Email: Dan.Marsh@libertyutilities.com

Steven F. Greenwald
Vidhya Prabhakaran
Davis Wright Tremaine LLP
505 Montgomery Street, Suite 800
San Francisco, CA 94111
Fax: 415-276-6599
Email: stevegreenwald@dwt.com
Email: vidhyaprabhakaran@dwt.com

Respectfully submitted,

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

/s/ Greg Sorensen
Greg Sorensen
Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Phone: 530-546-1704
Email: Greg.Sorensen@libertyutilities.com

Attachments

cc: A.10-08-024 Service List
Advice Letter 65-E Service List
Liberty CalPeco Advice Letter Service List
Mary Jo Borak, CPUC (Email: maryjo.borak@cpuc.ca.gov)

Michael Rosauer, CPUC (Email: michael.rosauer@cpuc.ca.gov)
Jack Mulligan, CPUC (Email: jack.mulligan@cpuc.ca.gov)
Andrew Barnsdale, CPUC (Email: andrew.barnsdale@cpuc.ca.gov)
CPUC Public Advisor (Email: public.advisor@cpuc.ca.gov)

Attachment A

Notice of Proposed Construction

Project Name: Decommissioning and Replacement of Brockway Substation and Expansion of Kings Beach Substation Proceeding: Advice Letter 75-E

Proposed Project:

Liberty CalPeco is providing notice to decommission and replace the Brockway Substation as well as expand the Kings Beach Substation.

Liberty CalPeco's Brockway Substation provides electric power to Kings Beach, California and surrounding areas. In Application 10-08-024, Liberty CalPeco requested to upgrade its transmission system in the North Lake Tahoe area (Transmission Upgrade Project). In Decision 15-03-020 issued in that proceeding, the California Public Utilities Commission (CPUC) issued a Permit to Construct to Liberty CalPeco for Phase 1 of the Transmission Upgrade Project. The decision also gave Liberty CalPeco permission to construct Phase 2 upon verification that the peak load growth on the North Lake Tahoe Transmission System approached 89 megawatts.

The CPUC has described Phase 2 of the Transmission Upgrade Project to include:

[The] upgrade [of] the three 650 Line substations (North Truckee, Northstar, and Kings Beach) and,[the] decommission[ing of the] Brockway substation with the re-routing 14.4 kV distribution feeders to the Kings Beach substation.

On October 14, 2016, Liberty CalPeco submitted Advice Letter 64-E providing "verification of [the] load triggers and the attainment of the 89 MW trigger" and requesting the authority to complete the construction of Phase 2 of the Transmission Upgrade Project before the 2017/2018 winter peak load period. As of this date, Advice Letter 64-E remains pending.

In January 2017, during severe storm activity and under circumstances of peak loading conditions for the Liberty CalPeco electric system, the #2 regulator unit at Brockway Substation incurred a catastrophic failure causing numerous of its major components to be inoperable. Liberty CalPeco has been able to maintain service out of the Brockway Substation on a temporary basis. The substation currently has reliability issues and subjects the customers of Liberty CalPeco to greater risk of more frequent, more expansive, and longer outages. In all events, either Brockway Substation must be repaired or an alternative remedy completed before the start of the 2017/18 winter heavy load period.

The greatly preferred, more cost-effective and reliability-enhancing alternative would be for Liberty CalPeco to proceed immediately with the decommissioning of the Brockway Substation and the corresponding expansion of the Kings Beach Substation (Substation Replacement/Expansion Project"). Timely implementation of the Substation Replacement/Expansion Project would foremost avoid spending funds to repair the Brockway Substation.

The Substation Replacement/Repair Project would further achieve a number of the objectives of the Transmission Upgrade Project, including establishing reliable transformer capacity in the Kings Beach area and allowing for the timely decommissioning of the Brockway Substation. Timely completion of the Substation Replacement/Expansion Project will provide improved switching capability, additional transformer and feeder capacity, and improved operational flexibility for the facilities serving Liberty CalPeco's customers in the Kings Beach area.

Exemption from CPUC Permit to Construct Process

CPUC General Order 131-D, Section III, Subsection B.1 exempts projects meeting specific conditions from the CPUC's requirement to file an application requesting a Permit to Construct. Specifically, Subsections 1(f) and (g), respectively, state that a utility need not obtain a Permit to Construct if its construction activities consist of "power lines or substations to be relocated or constructed which have undergone environmental review pursuant to CEQA as part of a larger project, and for which the final CEQA document (Environmental Impact Report (EIR) or Negative Declaration) finds no significant unavoidable environmental impacts caused by the proposed line or substation;" or "power line facilities or substations to be located in an existing franchise, road-widening setback easement, or public utility easement; or in a utility corridor designated, precisely mapped and officially adopted pursuant to law by federal, state, or local agencies for which a final Negative Declaration or EIR finds no significant unavoidable environmental impacts."

Liberty CalPeco's intent to decommission the Brockway Substation and expand the Kings Beach Substation satisfies these requirements.

Electric Magnetic Field Compliance

The CPUC requires utilities to employ "no cost" and "low cost" measures to reduce public exposure to electric and magnetic fields (EMF). In Decision 15-03-020, the CPUC found that the entirety of the design for the Transmission Upgrade Project "is consistent with the CPUC's EMF policy for implementing no-cost and low-cost measures to reduce potential EMF impacts." Liberty CalPeco intends to remove approximately 1000 feet of linear overhead 3-phase 14.4 kV distribution circuit facility exposure at the Kings Beach Substation. It also intends to maintain its existing right of way widths for all portions of overhead distribution circuits that are to remain in place.

Public Review Process:

Persons or groups may protest the proposed construction if they believe that Liberty CalPeco has incorrectly applied for an exemption or that the conditions set out in Section III, Subsection B.2 of G.O. 131-D exist. Anyone may file a protest, but the protest must specify the reason for such protest and shall be submitted expeditiously.

Protests should include the following:

1. Your name, mailing address and daytime telephone number.
2. Reference to the CPUC Advice Letter Number and Project Name.

3. A clear description of the reason for the protest.
4. Whether you believe that evidentiary hearings are necessary to resolve factual disputes.

The deadline for filing Protests to this project is March 23, 2017:

Liberty CalPeco recognizes some members of the public may not have received this notice before the deadline set by the CPUC. Accordingly, if someone does not receive this notice in time and on the basis that the protest is submitted after March 23 2017, Liberty CalPeco will not object on the grounds of lateness to any protest submitted by such person by April 3, 2017. Liberty CalPeco does reserve the right to respond to any such protest on all other grounds.

Liberty CalPeco must respond within five business days of receipt and serve copies of its response on each protestant and the CPUC. Within 30 days after Liberty CalPeco has submitted its response, the Executive Director of the CPUC will send you a copy of an Executive Resolution granting or denying the request and stating the reasons for the decision.

Protests For This Project Must Be Mailed to the Following Address:

CPUC Energy Division Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102

With a copy mailed and emailed to:

Liberty Utilities (CalPeco Electric) LLC
Attention: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Dan.Marsh@libertyutilities.com

Public Review Process:

For assistance **only** in submitting a protest, contact the CPUC's Public Advisor's Office at (415) 703-2074 or 1-866-849-8390 (toll-free) or TTY (415) 703-5258 or public.advisor@cpuc.ca.gov.

Additional Project Information:

To obtain further information on the proposed project, please contact:

Daniel W. Marsh
Manager of Rates and Regulatory Affairs
Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Dan.Marsh@libertyutilities.com

Attachment B

Notice of Distribution List

**Decommissioning and Replacement of Brockway Substation and Corresponding
Expansion of Kings Beach Substation**

Agencies:

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

Mr. John McLaughlin, Community Development Director
Truckee Planning Department
10183 Truckee Airport Rd.
Truckee, California 96161

Newspapers:

Tahoe Daily Tribune
3079 Harrison Avenue
South Lake Tahoe, CA 96150

Sierra Sun
3079 Harrison Avenue
South Lake Tahoe, CA 96150

**Liberty Utilities (CalPeco Electric) LLC
Advice Letter Filing Service List
General Order 96-B, Section 4.3**

VIA EMAIL

gbinge@ktminc.com;
emello@sppc.com;
epoole@adplaw.com;
cem@newsdata.com;
rmccann@umich.edu;
sheila@wma.org;
abb@eslawfirm.com;
cbk@eslawfirm.com;
bhodgeusa@yahoo.com;
chilen@nvenergy.com;
phanschen@mofoc.com;
liddell@energyattorney.com;
cem@newsdata.com;
dietrichlaw2@earthlink.net;
abb@eslawfirm.com;
glw@eslawfirm.com;
clerk-recorder@sierracounty.ws;
plumascoco@gmail.com;
marshall@psln.com;
stephenhollabaugh@tdpud.org;
gross@portersimon.com;
mccluretahoe@yahoo.com;
catherine.mazzeo@swgas.com;
Theresa.Faegre@libertyutilities.com;
SDG&ETariffs@semprautilities.com;
Alain.Blunier@libertyutilities.com;

AdviceTariffManager@sce.com;
edtariffunit@cpuc.ca.gov;
jrw@cpuc.ca.gov;
rmp@cpuc.ca.gov;
jaime.gannon@cpuc.ca.gov;
mas@cpuc.ca.gov;
txb@cpuc.ca.gov;
efr@cpuc.ca.gov;
tlg@cpuc.ca.gov;
dao@cpuc.ca.gov;
ljt@cpuc.ca.gov;
mmg@cpuc.ca.gov;
kjl@cpuc.ca.gov;
denise.tyrrell@cpuc.ca.gov;
fadi.daye@cpuc.ca.gov;
winnie.ho@cpuc.ca.gov;
usrb@cpuc.ca.gov;
Rob.Oglesby@energy.ca.gov;
stevegreenwald@dwt.com;
vidhyaprabakaran@dwt.com;
judypau@dwt.com;
dwtcpucdockets@dwt.com;
patrickferguson@dwt.com;
travis.ritchie@sierraclub.org
dan.marsh@libertyutilities.com

**CALIFORNIA PUBLIC UTILITIES COMMISSION
Service Lists**

**Proceeding: A1008024 - CALIFORNIA PACIFIC E
Filer: CALIFORNIA PACIFIC ELECTRIC COMPANY (U933E)
List Name: LIST
Last changed: May 26, 2016**

Parties

CLEVELAND LEE
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
ROOM 5122
505 VAN NESS AVENUE

STEVEN F. GREENWALD
ATTORNEY
DAVIS WRIGHT TREMAINE LLP
505 MONTGOMERY STREET, SUITE 800
SAN FRANCISCO, CA 94111-6533

SAN FRANCISCO, CA 94102-3214
FOR: ORA

(CALPECO)

RON GRASSI
1703 SADDLE DRAW
HEALDSBURG, CA 95448
FOR: RON GRASSI

FOR: LIBERTY UTILITIES (CALPECO
ELECTRIC) LLC (FORMERLY CALIFORNIA
PACIFIC ELECTRIC COMPANY, LLC

DAVID R. MCCLURE
NORTH TAHOE SELF-STORAGE, LLC
PO BOX 349
TAHOE VISTA, CA 96148
FOR: NORTH TAHOE CITIZEN ACTION
ALLIANCE (NTCAA)

Information Only

EMILY SANGI
DAVIS WRIGHT TREMAINE, LLP
EMAIL ONLY
EMAIL ONLY, CA 00000

PATRICK FERGUSON
DAVIS WRIGHT TREMAINE, LLP
EMAIL ONLY
EMAIL ONLY, CA 00000

DAVIS WRIGHT TREMAINE, LLP
EMAIL ONLY
EMAIL ONLY, CA 00000

JOHN MARSHALL
TAHOE REGIONAL PLANNING AGENCY
128 MARKET STREET
STATELINE, NV 89449

TAHOE REGIONAL PLANNING AGENCY
PO BOX 5310
STATELINE, NV 89449

ERIC WELDON
SEIRRA PACIFIC POWER COMPANY
6100 NEIL ROAD
RENO, NV 89511

VIDHYA PRABHAKARAN
ATTORNEY
DAVIS WRIGHT & TREMAINE LLP
505 MONTGOMERY STREET, SUITE 800
SAN FRANCISCO, CA 94111

HILLARY CORRIGAN
CALIFORNIA ENERGY MARKETS
425 DIVISADERO STREET, SUITE 303
SAN FRANCISCO, CA 94117

ANDREW B. BROWN
ATTORNEY AT LAW
ELLISON SCHNEIDER & HARRIS LLP
2600 CAPITOL AVENUE, SUITE 400
SACRAMENTO, CA 95816-5905
FOR: SIERRA PACIFIC POWER COMPANY

DOUG GROTHE
U.S. ARMY CORPS OF ENGINEERS
ENGLEBRIGHT & MARTIS CREEK LAKES
PO BOX 6
SMARTSVILLE, CA 95977-0006

WILLIAM "SKIP" SIVERTSEN
SR. PARK RANGER
U.S. ARMY CORPS OF ENGINEERS
ENGLEBRIGHT & MARTIS CREEK LAKES
PO BOX 6
SMARTSVILLE, CA 95977-0006

MICHAEL SMART
CALIFORNIA PACIFIC ELECTRIC COMPANY
933 ELOISE AVENUE
SOUTH LAKE TAHOE, CA 96150
FOR: LIBERTY UTILITIES (CALPECO
ELECTRIC) LLC

PETER EICHLER
LIBERTY UTILITIES LLC
933 ELOISE AVENUE
SOUTH LAKE TAHOE, CA 96150
FOR: LIBERTY UTILITIES LLC (FORMERLY
CALIFORNIA PACIFIC ELECTRIC COMPANY,
LLC - CALPECO)

ROBERT RODMAN
35 COLLEGE DRIVE
SOUTH LAKE TAHOE, CA 96150

State Service

CONNIE CHEN
CALIFORNIA PUBLIC UTILITIES COMMISSION
DRA
EMAIL ONLY
EMAIL ONLY, CA 00000

KE HAO OUYANG
REGULATORY ANALYST - ORA
CPUC - ORA
EMAIL ONLY
EMAIL ONLY, CA 00000

CHARLES MEE
CALIF PUBLIC UTILITIES COMMISSION
ENERGY SAFETY & INFRASTRUCTURE BRANCH
ROOM 4102
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

MARCELO POIRIER
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
ROOM 5029
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

Attachment C

Tahoe Regional Planning Agency Permit



**TAHOE
REGIONAL
PLANNING
AGENCY**

Mail
PO Box 5310
Stateline, NV 89449-5310

Location
128 Market Street
Stateline, NV 89449

Contact
Phone: 775-588-4547
Fax: 775-588-4527
www.trpa.org

April 24, 2015

Karen Schlichting
TriSage Consulting
5418 Longley Lane, Suite A
Reno, NV 89511

CALPECO 625 AND 625 ELECTRICAL UPGRADE PROJECT, LINEAR ROUTE GENERALLY FROM BROCKWAY SUMMIT TO KINGS BEACH, PLACER COUNTY, CA, TRPA FILE NUMBER ERSP2009-3591

Dear Karen Schlichting,

Enclosed please find the Tahoe Regional Planning Agency (TRPA) permit and attachments for the project referenced above. If you accept and agree to comply with the Permit conditions as stated, please sign the "Permittee's Acceptance" block on the first page of the Permit and return it to TRPA within twenty-one (21) calendar days of issuance. Should the permittee fail to return the signed permit within twenty-one (21) calendar days of issuance, the permit shall be subject to nullification.

TRPA will acknowledge the original permit only after all standard and special conditions of approval have been satisfied. Failure to satisfy these conditions of approval will cause unnecessary time delays. TRPA acknowledgement is required prior to application to other reviewing agencies and commencement of construction.

Please schedule an appointment with me to finalize your project. **Due to time demands, TRPA cannot accept drop-in or unannounced arrivals to finalize plans.** I am usually available for telephone calls and appointments on Mondays, Wednesdays, and Fridays.

Please note that combined security and mitigation fee payments can be accepted. Acceptable ways to post a security are listed in the enclosed handout entitled "Attachment J."

Pursuant to Rule 11.2 of the TRPA Rules of Procedure, this permit may be appealed within twenty-one (21) days of the date of this correspondence.

Thank you very much for your patience in this matter. Please feel free to call me if you have any questions regarding this letter or your permit in general.

Sincerely,

A handwritten signature in cursive script that reads "Wendy Jepson".

Wendy Jepson
Senior Planner
Current Planning



**TAHOE
REGIONAL
PLANNING
AGENCY**

Mail
PO Box 5310
Stateline, NV 89449-5310

Location
128 Market Street
Stateline, NV 89449

Contact
Phone: 775-588-4547
Fax: 775-588-4527
www.trpa.org

PERMIT

PROJECT DESCRIPTION: 625 and 650 Electrical Line Upgrade Project- Phases 1 and 2

PERMITTEE: California Pacific Electric Company (CalPeco)/Liberty Utilities, LLC

TRPA FILE No: ERSP2009-3591

APNs: Multiple Assessor's Parcel Numbers (See Special Condition 1)

COUNTY/LOCATION: Placer County, California/Linear Route Generally from Brockway Summit to Kings Beach

Having made the findings required by Agency ordinances and rules, the TRPA Governing Board approved the project on April 23, 2015, subject to the standard conditions of approval attached hereto (Attachment Q) and the special conditions found in this permit.

This permit shall expire on April 23, 2018, without further notice unless the construction has commenced prior to this date and diligently pursued thereafter. Commencement of construction consists of vegetation removal or grading to clear a path for new electrical lines. Diligent pursuit is defined as completion of the project within the approved construction schedule. The expiration date shall not be extended unless the project is determined by TRPA to be the subject of legal action which delayed or rendered impossible the diligent pursuit of the permit.

NO DEMOLITION, TREE REMOVAL, CONSTRUCTION OR GRADING SHALL COMMENCE UNTIL:

- (1) TRPA RECEIVES A COPY OF THIS PERMIT UPON WHICH THE PERMITTEE HAS ACKNOWLEDGED RECEIPT OF THE PERMIT AND ACCEPTANCE OF THE CONTENTS OF THE PERMIT;
- (2) ALL PRE-CONSTRUCTION CONDITIONS OF APPROVAL ARE SATISFIED AS EVIDENCED BY TRPA'S ACKNOWLEDGEMENT OF THIS PERMIT;
- (3) THE PERMITTEE OBTAINS NECESSARY APPROVALS FROM THE CALIFORNIA PUBLIC UTILITIES COMMISSION, USDA FOREST SERVICE, AND ALL OTHER FEDERAL, STATE AND LOCAL AGENCIES HAVING PERMIT AUTHORITY OVER THIS PHASE OF THE PROJECT. TRPA'S ACKNOWLEDGEMENT MAY BE NECESSARY TO OBTAIN OTHER PERMITS. THESE PERMITS AND THE TRPA PERMIT ARE INDEPENDENT OF EACH OTHER AND MAY HAVE DIFFERENT EXPIRATION DATES AND RULES REGARDING EXTENSIONS; AND
- (4) A TRPA PRE-GRADING INSPECTION HAS BEEN CONDUCTED WITH THE PERMITTEE AND THIER CONTRACTORS.

TRPA Executive Director/Designee Wendy Jopson Date 4-24-15

PERMITTEE'S ACCEPTANCE: I have read the permit and the conditions of approval and understand and accept them. I also understand that I am responsible for compliance with all the conditions of the permit and am responsible for my agents' and employees' compliance with the permit conditions. I also understand that if the property is sold, I remain liable for the permit conditions until or unless the new owner acknowledges the transfer of the permit and notifies TRPA in writing of such acceptance. I also understand that certain mitigation fees associated with this permit are non-refundable once paid to TRPA. I understand that it is my sole responsibility to obtain any and all required approvals from any other state, local or federal agencies that may have jurisdiction over this project whether or not they are listed in this permit.

Signature of Permittee Michael R. Smart Date 5-11-2015
PRESIDENT - LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

PERMIT CONTINUED ON NEXT PAGE

**California Pacific Electric Company/Liberty Utilities
Phases 1 and 2 for the 625/650 Electrical Line Upgrade Project
TRPA File Number: ERSP 2009-3591**

FEES

| Description | Date | Amount | Receipt No. |
|--|------|--------|-------------|
| Air Quality Mitigation Fee | NA | NA | NA |
| Water Quality Mitigation Fee (TBD, Special Cond. 14) | | | |
| Offsite Mitigation Fee (TBD per Special Condition 15) | | | |
| Excess Land Coverage Mitigation Fee | NA | NA | NA |
| TRPA Compliance Inspection Reimbursement Fee - Initial Deposit (see Special Condition 20) | | | |

SECURITIES

| Description | Type | Date | Amount | Receipt No. |
|---|------|------|--------|-------------|
| Project (TBD per Special Cond. 13) | | | \$ | |
| Security Admin. Fee (see Attachment "J") | | | \$ | |

PERMIT ACKNOWLEDGEMENTS

Phase 1:

Required Phase 1 plans determined to be in conformance with approval: Date _____

The permittee has complied with all pre-construction conditions of approval as of this date and is eligible for a county building permit.

_____ Date _____
TRPA Executive Director/Designee

Phase 2:

Required Phase 2 plans determined to be in conformance with approval: Date _____

The permittee has complied with all pre-construction conditions of approval as of this date and is eligible for a county building permit.

_____ Date _____
TRPA Executive Director/Designee

SPECIAL CONDITIONS

1. This permit authorizes construction of Phases 1 and 2 of upgrades to the permittee's existing 625 and 650 electrical transmission lines as described in Alternative 4 of the TRPA-certified *Final EIS/EIS/EIR for the California Pacific Electrical Company 625 and 650 Electrical Line Project* (California State Clearinghouse No. 2012032066), as illustrated in the latest plan set on record with TRPA preceding the approval of this permit. (See Special Condition 3, below, for phasing requirements.) This permit only applies to portions of the project located within the Lake Tahoe Region as defined in Article II (a) of the Tahoe Regional Planning Compact (Public Law 96-551). The project area includes all properties shown on the preliminary plans, including but not limited to, easements across the following properties, highways, and streets:
 - Placer County Assessor's Parcel Numbers (APNs): 110-060-067 (Sierra Pacific Industries); 110-060-050, 110-060-045, 110-060-041, 110-060-039, 090-030-033 & 090-030-014 (USA/USFS); 111-010-013 & 111-010-014 (North Tahoe PUD); 111-140-037 (Bryant); 111-140-036 (Van Meter); 111-140-001 (Marsh); 111-140-002 (Greene Trst.); 111-140-005 (Sims); 111-140-006 (Kuzmicky); 111-140-015 (McEntyre); 111-140-016 (Donnelly); 111-150-006 (Huff); 111-150-007 (Dorsa); 111-150-013 (Cavanaugh); 111-150-014 (Yokomizo); 111-160-028 (Guellert); 111-160-029 (Harrison Trst.); 111-160-001 (Miller); 111-160-002 & 111-160-003 (Sakhujia); 111-160-004 & 111-150-001 (Kingswood Resident's Association); and 090-030-029 (CalPeco);
 - California State Route 267
 - Placer County Streets/Rights-of-Way: Canterbury Drive, Stewart Way, Commonwealth Drive, Speckled Street, and Deer Street
2. All mitigation measures identified in the Environmental Impact Statement certified by the TRPA Governing Board on April 23, 2015, are hereby incorporated by reference as conditions of approval. In addition, all project components offered or proposed by the permittee to offset potential environmental impacts (but not listed in the EIS mitigation measures) are incorporated by reference as conditions of project approval. Modifications to these mitigation measures may only occur through separate TRPA review and approval.
3. Phase 2 of this project shall not be acknowledged until the permittee provides notice to TRPA of the approval of the Tier 2 Advice Letter in accordance with the CPUC March 27, 2015 Final Decision for the project.
4. Prior to permit acknowledgement the permittee shall submit an Applicant Proposed Measures (APM) Compliance Report to TRPA for review and approval that lists all APM

measures in Table 3-8 of the FEIS that are applicable to Phases 1 and 2 of the project. At minimum, the Applicant Proposed Measures (APM) Compliance Report shall address requirements below. If a particular APM is only applicable to Phase 2, this fact shall be noted in the report and the required information shall be deferred to permit acknowledgement for Phase 2.

- a. APM SCE-1. The permittee shall provide the following to TRPA for review and approval:

Bullet 2: (1) Identify locations of all temporary construction staging areas visible from residential and public viewing areas, and (2) Provide description(s) of opaque fencing to be used to screen these staging areas (e.g., fencing materials, height, support structure, etc.);

Bullet 3: List all types of slash treatment to be applied by individual land owners; and

Bullet 6: Describe in writing how “non-affected timber and ground vegetation will be protected during harvesting and slash treatment.”

- b. APM AQ-1. The permittee shall submit a copy of the Construction Emission/Dust Control Plan approved by NSAQMD and PCAPC to TRPA for its administrative record.
- c. APMs AQ-2 and AQ-6. The permittee shall identify the chemical palliative, if any, to be used to control fugitive dust on unpaved areas and exposed stockpiles.
- d. APMs AQ -8 and BIO-6. The permittee shall identify the locations of vehicle cleaning areas on the final plans and describe methods to contain cleaning spray and other discharges from these locations for TRPA review and approval.
- e. APM BIO-23. The permittee shall identify the locations of all topsoil salvage areas on the final plans. Top soil salvage areas shall be limited to approved construction staging areas only.
- f. APM BIO-36 and REC-8. The permittee shall submit the Restoration Plan as described in APM BIO-36 to TRPA for review and approval. This plan shall include the recreation elements described in APM REC-8. Private property owners affected by the plan shall be identified by name, address and APN. Seed mixes, application rates, application methods, methods to record pre-disturbance conditions, success criteria for vegetation growth, monitoring and reporting protocols, remedial measures and other restoration measures and criteria described in the APM shall be described for each landowner. The Restoration Plan shall also identify responsible parties for restoration work (including work on public and private land, if different), and schedules for restoration activities.

- g. APMs CUL-3 and CUL-4. The permittee shall submit the Detailed Test Excavation Plan and the Detailed Treatment Plan to TRPA for review and approval in accordance with the provisions of Chapter 67 of the TRPA Code (Historic Resource Protection) if these plans become necessary for the reasons described in the APMs. These plans shall be marked "confidential" for TRPA's non-public records.
 - h. APM CUL-5. The permittee shall submit a copy of any memorandum of agreement (MOA) or programmatic agreement (PA) developed in accordance with APM CUL-5 for its administrative records within 30 days following adoption of the MOA or PA by the participating agencies.
 - i. APM CUL-7 and CUL-10. The permittee shall submit the Worker Environmental Awareness Program (WEAP) to TRPA for review and approval.
 - j. APM CUL-8. The permittee shall submit the Construction Monitoring and Unanticipated Discovery Plan to TRPA for review and approval.
 - k. APM SOILS-2. The permittee shall submit a copy of the Geotechnical Engineering Report to TRPA for review and approval.
 - l. APM HAZ-5. The permittee shall submit a copy of the Fire Suppression and Prevention Plan to TRPA for review and approval.
 - m. APM REC-7. The permittee shall submit a copy of the USFS approved Construction Operation and Maintenance Plan for its administrative records. This may occur after TRPA permit acknowledgement if the plan has not received final approval by the USFS.
 - n. UTL-1. The permittee shall submit a copy of the Response Plan to TRPA for its administrative records.
 - o. TRAN-1. The permittee shall submit the Traffic Control Plan to TRPA for its administrative records. If construction activities necessitate the closure of any traffic lane or intersection on California State Route 267 located in the Lake Tahoe basin, or any other state highway in the vicinity of the project for more than one hour, the permittee shall prepare a traffic analysis in accordance with subparagraph 65.2.4.B of the TRPA Code and incorporate all mitigation measures from the traffic analysis into the Traffic Control Plan. The traffic analysis and all mitigation measures are subject to TRPA review and approval.
5. Prior to permit acknowledgement the permittee shall submit a Mitigation Measure Compliance Report to TRPA for review and approval that lists all the FEIS Mitigation

Measures applicable to project Phases 1 and 2, as cataloged in Table ES-2 and elsewhere in the TRPA certified FEIS. At minimum, the Mitigation Measure Compliance Report shall describe actions necessary to implement each Mitigation Measure, including but not limited to development and implementation of the required plans noted in the mitigation measures described below. Certain measures within these plans, when developed specifically to address the requirements of an agency other than TRPA, shall be identified and submitted to TRPA for its administrative records. If a particular mitigation is only applicable to Phase 2, this fact shall be noted in the report and the required information shall be submitted to TRPA prior to permit acknowledgement of Phase 2.

- a. Mitigation Measure 4.6-5 (Prepare and Implement a Dewatering and Discharge Plan): The permittee shall submit a Dewatering and Discharge Plan to TRPA for review and approval.
- b. Mitigation Measure 4.7.2a (Compensate for Unavoidable Loss of Stream and Riparian Habitat): The permittee shall submit a Compensatory Stream and Riparian Mitigation and Monitoring Plan to TRPA for approval.
- c. Mitigation Measure 4.7-2b (Compensate for Unavoidable Loss of SEZ): The permittee shall submit a Restoration Plan for SEZs to TRPA for review and approval.
- d. Mitigation Measure 4.7-4 (Conduct a Tree Survey; Avoid Late Seral/Old-Growth Forest; Compensate for Loss of Trees): The permittee shall submit a Timber Harvest/Tree Removal Plan and a Forest Management Plan to TRPA for review and approval.
- e. Mitigation Measure 4.10-2 (Implement Blasting Safety Measures): The blasting contractor shall prepare and submit a Blasting Safety Plan to the Placer County Engineering and Surveying Division and the local fire protection district prior to any blasting activities. The approved plan shall be submitted to TRPA for its administrative records.
- f. Mitigation Measure 4.10-3 (Prepare and Implement a Hazardous Materials Contingency Plan): The permittee shall retain the services of a qualified environmental contractor to prepare a Hazardous Materials Contingency Plan that describes the necessary actions that would be taken if evidence of contaminated soil or groundwater are encountered during construction. The permittee shall submit the contingency plan to TRPA and LRWQCB for review and approval.
- g. Mitigation Measure 4.13-1a (Develop and Implement a Construction Equipment Exhaust Emissions Control Plan): The applicant shall submit a Construction Equipment Exhaust Emissions Control Plan to Placer County Air Pollution Control

District (PCAPCD) and Northern Sierra Air Quality Management District (NSAQMD) for approval. The approved plan shall be submitted to TRPA for its administrative record.

6. Prior to permit acknowledgement the permittee shall submit Temporary Staging Area Grading and Restoration Plans to TRPA for review and approval for each construction staging area, by project phase. At minimum, these plans shall include the following items in addition to the specifications described in the certified Final EIS:
 - a. The boundaries of the staging area, and all property lines, recorded electrical easements, and land owner names.
 - b. Site plan scale and north arrow.
 - c. Existing topographic contours and vegetation characteristics, including all trees 14-inches DBH or greater in size. Large boulders and rock-outcrops shall be noted on the plans. Large boulders and rock outcrops shall not be disturbed.
 - d. Proposed, temporary topographic contours.
 - e. Locations for all vegetation protection and construction limit fencing.
 - f. Final topographic contours (following restoration) if different from original site conditions; and a justification for the permanent modification(s).
 - g. Temporary erosion control structures placed downslope from staging areas; and design details of erosion control structures.
 - h. Location and details of construction fencing around the perimeter of the staging areas in accordance with TRPA Code requirements (Subsection 33.6, TRPA Code).
 - i. Cut and fill volumes for each staging area and the location of temporary soil storage (if any).
 - j. Revegetation specifications (i.e., species, seed mixtures, planting locations, plant sizes, irrigation, mulching and soil treatments, schedules, etc.).
 - k. A plan sheet that lists all APMs and/or mitigation measures from the Final EIS that applicable to construction staging areas.
7. Prior to permit acknowledgement the permittee shall submit a minimum of three sets of final Site Plans and Construction Drawings to TRPA for review and approval for Phases 1 and 2. These plans shall indicate:

- a. The project area boundary and total area of the project area (in square feet).
 - b. All land capability districts and boundaries within the project area and their areas (in square feet).
 - c. The boundaries of all 100-year flood plains.
 - d. The location of all existing poles and other electrical structures.
 - e. The location of all proposed poles and other electrical structures.
 - f. The location of all existing and proposed access ways. Existing and proposed access ways that constitute "land coverage" (as defined by the TRPA Code) shall be cataloged by name or number, and their respective land coverages, including any increase or decrease, shall be noted by land capability district. No new (permanent) land coverage is permitted in SEZ or 100 year flood plain areas. Large self-supporting poles count as land coverage and changes in coverage for these structures shall be noted on the final plans by land capability district. Existing and proposed land coverage underlying substations shall be noted on the final plans by land capability district and changes in land coverage (increase or decrease) shall be noted. No new land coverage in excess of base allowable land coverage limits is authorized by this permit.
 - g. Changes in land coverage in the project area and by land capability district. Existing wooden poles and comparable new metal poles do not count as land coverage, although their size, location and diameter shall be indicated on the final site plans.
 - h. Proposed grading (cut and fills volume sand depths).
 - i. Temporary and permanent erosion control facilities and related BMPs structures for the project area (shall conform to requirements of the certified EIS and the TRPA Code).
 - j. Scaled construction drawings for all new or modified structures (in elevation and plan view) shall be submitted for TRPA review and approval. Elevation drawings shall note existing and proposed heights for structures as measured from the lowest point on natural grade.
8. By acceptance of this permit the permittee agrees to cooperate with TRPA in any inspection protocols developed with other permitting agencies. These agreements may consider and/or modify certain inspection protocols found in the Mitigation Monitoring, Compliance, and Reporting Program (MMCRP), which is incorporated by reference as a condition of approval.

9. Prior to permit acknowledgement the permittee shall transfer land coverage for the new self-supporting pole on the electrical right-of-way located across Placer County Assessor's Parcel Number (APN) 111-140-001 (Spencer and Deanna Marsh parcel), and all other affected private properties with this easement for other new self-supporting poles (if any) under separate TRPA application. Land coverage transferred to the affected right-of-way shall not count against the underlying fee or change existing project areas for the underlying fee. Affected property owners shall be notified in writing that an application to transfer land coverage will be submitted to TRPA in accordance with this permit.
10. Prior to permit acknowledgement the permittee shall submit final relocation of land coverage findings in accordance with Subsection 30.4.4 of the TRPA Code for TRPA review and approval. No land coverage shall be relocated to land capability districts 1a, 1b, 1c, 3 or 3 from any higher numbered land capability district.
11. Prior to permit acknowledgement the permittee shall submit a Special Vegetation Report prepared by a qualified professional to TRPA for review and approval that ensures that no damage will occur to mature trees from excavations greater than 5 feet in depth in accordance with the provisions of Subsection 33.3.6.B of the TRPA Code, except where tree removal is allowed pursuant to Subsection 33.6.5 of the TRPA Code.
12. All new metal poles shall be constructed of self-weathering steel unless approved in writing by TRPA. See Special Condition 4.b for related scenic quality requirements.
13. The permittee shall submit a project security prior to permit acknowledgement. The security required under Standard Condition I.2 of Attachment shall be determined upon the permittee's submittal of required Best Management Practices plan and related cost estimate. Please see Attachment J, Security Procedures, for appropriate methods of posting the security and for calculation of the required security administration fee.
14. Prior to permit acknowledgement the permittee shall submit a water quality mitigation fee for new land coverage created by the project at a rate of \$1.86 per square foot. Note: Transferred land coverage is not subject to the TRPA water quality mitigation fee.
15. Prior to permit acknowledgement the permittee shall submit an offsite coverage mitigation fee of \$8.50 per square foot for the creation of new land coverage (if any) within public rights-of-way.
16. Prior to permit acknowledgement the permittee shall submit a projected construction completion schedule to TRPA. Said schedule shall include completion dates for each item of construction (per project phase), as well as BMP installation for the entire project area, as outlined in Section 33.5 of the TRPA Code of Ordinances.

17. Temporary and permanent BMPs may be field-fit as appropriate by the TRPA inspector in coordination with other permitting agencies.
18. Prior to the TRPA pre-grade inspection the permittee shall submit a Soil Disposal Plan for excess soil from self-supporting pole excavation sites for TRPA review and approval. All excavated material shall be disposed in locations approved by TRPA. Temporary and permanent stabilization of disturbed areas shall be in accordance with TRPA Code requirements and subject to the APMs and Mitigation Measures described in the FEIS.
19. To the maximum extent allowable by law, the Permittee agrees to indemnify, defend, and hold harmless TRPA, its Governing Board, its Planning Commission, its agents, and its employees (collectively, TRPA) from and against any and all suits, losses, damages, injuries, liabilities, and claims by any person (a) for any injury (including death) or damage to person or property or (b) to set aside, attack, void, modify, amend, or annul any actions of TRPA. The foregoing indemnity obligation applies, without limitation, to any and all suits, losses, damages, injuries, liabilities, and claims by any person from any cause whatsoever arising out of or in connection with either directly or indirectly, and in whole or in part (1) the processing, conditioning, issuance, or implementation of this permit; (2) any failure to comply with all applicable laws and regulations; or (3) the design, installation, or operation of any improvements, regardless of whether the actions or omissions are alleged to be caused by TRPA or Permittee.
- Included within the Permittee's indemnity obligation set forth herein, the Permittee agrees to pay all fees of TRPA's attorneys and all other costs and expenses of defenses as they are incurred, including reimbursement of TRPA as necessary for any and all costs and/or fees incurred by TRPA for actions arising directly or indirectly from issuance or implementation of this permit. Permittee shall also pay all costs, including attorneys' fees, incurred by TRPA to enforce this indemnification agreement. If any judgment is rendered against TRPA in any action subject to this indemnification, the Permittee shall, at its expense, satisfy and discharge the same.
20. The permittee shall pay all TRPA inspection costs for TRPA inspections for the project (including inspections by a TRPA contractor). Inspection costs will be invoiced to the permittee and payments shall be due within 30 days of invoice. An initial deposit of \$20,000 shall be required at permit acknowledgement for Phase 1.

END PERMIT