

Steve Munro - Tesla Geotechnical Investigation

01-AFC-210

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Jack and Steve,

As you know PG&E has entered into an agreement to purchase the Tesla Power Project and anticipates that the transaction will close escrow in early September. PG&E intends to develop the project as quickly as possible and one of the activities we would like to pursue right away is the geotechnical investigation necessary to support detailed engineering. The work would also satisfy Condition CIV-1 and GEO-1 contained in the final Decision. As you know this type of work is allowed (and even required) prior to filing an AFC with the Commission and exempted from requiring CEC approval. However, in the case of Tesla, there are some of the Conditions that require pre-ground disturbance filings and approvals. The Decision appears to define "boring" as ground disturbance and the verification language for several of the conditions require submittals prior to engaging in ground disturbance. They are:

- AQ-C1 – Designation of an AQCMM, verification language only
- AQ-C2 – Construction Mitigation Plan, verification language only
- CUL-1 through 3, and 5 through 10 – Requiring various plan approvals and monitoring
- PALEO-1 through 4 – various plans, monitoring and reporting requirements
- NOISE-1 – Notification of residents
- NOISE-3 – Noise control program to protect workers
- NOISE-8 – Acknowledgement of noisy construction work restrictions

It seems inconsistent that the geotechnical investigation work could proceed without compliance with any of these conditions prior to an AFC, but would require compliance after licensing. We propose and seek your authorization to perform the geotechnical investigation work and commit to having biological and cultural monitors from CH2M Hill present during the drilling activities and will require the workers to wear appropriate ear protection as necessary. We do not believe notification of residents is warranted as the work is limited in scope, does not involve substantial traffic and will be conducted during the daytime. We also believe that due to the limited number of workers and limited ground disturbance associated with the drilling, filing of the normal pre-construction compliance plans should not be necessary. With the monitors on site as we propose, we believe that biology and cultural resources will be protected. Please let me know if you need any additional information and we are anxious to get to work on this important project. Thank you for your consideration.

Scott A. Galati

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