

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of The Nevada)
Hydro Company for a Certificate of Public) Application 10-07-001
Convenience and Necessity for the Talega-) (Filed July 6, 2010)
Escondido/Valley-Serrano 500 kV Interconnect.)
_____)

Direct Testimony of Gregory J. Kahlen

on behalf of

The Nevada Hydro Company

November 30, 2010

1 **Events Related to Discussions and Negotiations with the Fallbrook Land Conservancy and**
2 **the U.S. Forest Service Regarding Placement of the LEAPS southerly Substation and**
3 **Transmission Towers on Conservancy Land**

4 I am the Vice President of Elan Associates, Ltd., a consulting firm retained by The
5 Nevada Hydro Company, Inc. concerning the location of a substation facility associated with the
6 proposed Talega-Escondido/Valley Serrano (“TE/VS”) transmission line.

7 I became aware that the Fallbrook Land Conservancy (“FLC”), whose property is
8 adjacent to the U.S. Marine Corps Base Camp Joseph H. Pendleton (“Base”) in the general area
9 in which we were attempting to place the substation, was willing to consider placement of the
10 facility on their property.

11 I made contact with Mike Peters, Executive Director of FLC. On April 19, 2010, a
12 meeting occurred. FLC suggested two sites on FLC property immediately adjacent to the Base
13 that would be suitable for construction of a substation. FLC representatives agreed that a site
14 southerly of the Base’s Case Springs Fire Station would be acceptable to them, assuming
15 appropriate compensation to FLC.

16 On April 29, 2010 I emailed an exhibit (Attachment 1) to FLC that showed the
17 approximate proposed placement of the substation on FLC property.

18 A further meeting with FLC occurred on June 8, 2010. I provided a copy of the project
19 Facilities Plan, which showed the alignment of the entire proposed Talega-Escondido/Valley
20 Serrano (“TE/VS”) transmission line, including it’s terminus at Camp Pendleton, and we further
21 discussed the exhibit that I had previously sent them. The FLC representatives indicated that
22 FLC was still interested in moving forward with the project. To advance the matter, FLC sent a

1 letter to the California Public Utilities Commission (“CPUC”) that stated their willingness to
2 accommodate the substation on their property (Attachment 2).

3 Placement of the substation at the proposed site on FLC property necessitated the
4 realignment of the southerly end of the TE/VS transmission line. Instead of crossing directly
5 from the Cleveland National Forest into Camp Pendleton, the line would now turn southerly onto
6 FLC property. Therefore the last several transmission towers would also be placed on FLC
7 property. Elan Associates revised certain exhibits to show the new transmission line alignment,
8 proposed tower locations, and proposed substation site (Attachments 3 and 4). Towers 134
9 through 140 were placed in new positions, as shown on the exhibits.

10 On November 2, 2010, I again met with FLC and provided copies of the revised exhibits.
11 At FLC’s request we prepared additional exhibits that would show the view of the towers from
12 Margarita Peak on FLC land, which we provided, and which FLC found acceptable.

13 Because the revised alignment of the southerly end of the TE/VS line would also change
14 several tower locations within the Cleveland National Forest, I contacted Virgil Mink, Special
15 Use Administrator, Trabuco Ranger District, to advise him of the change and give him copies of
16 the revised exhibits. Following review, he advised that the new alignment would be acceptable to
17 the Forest Service.

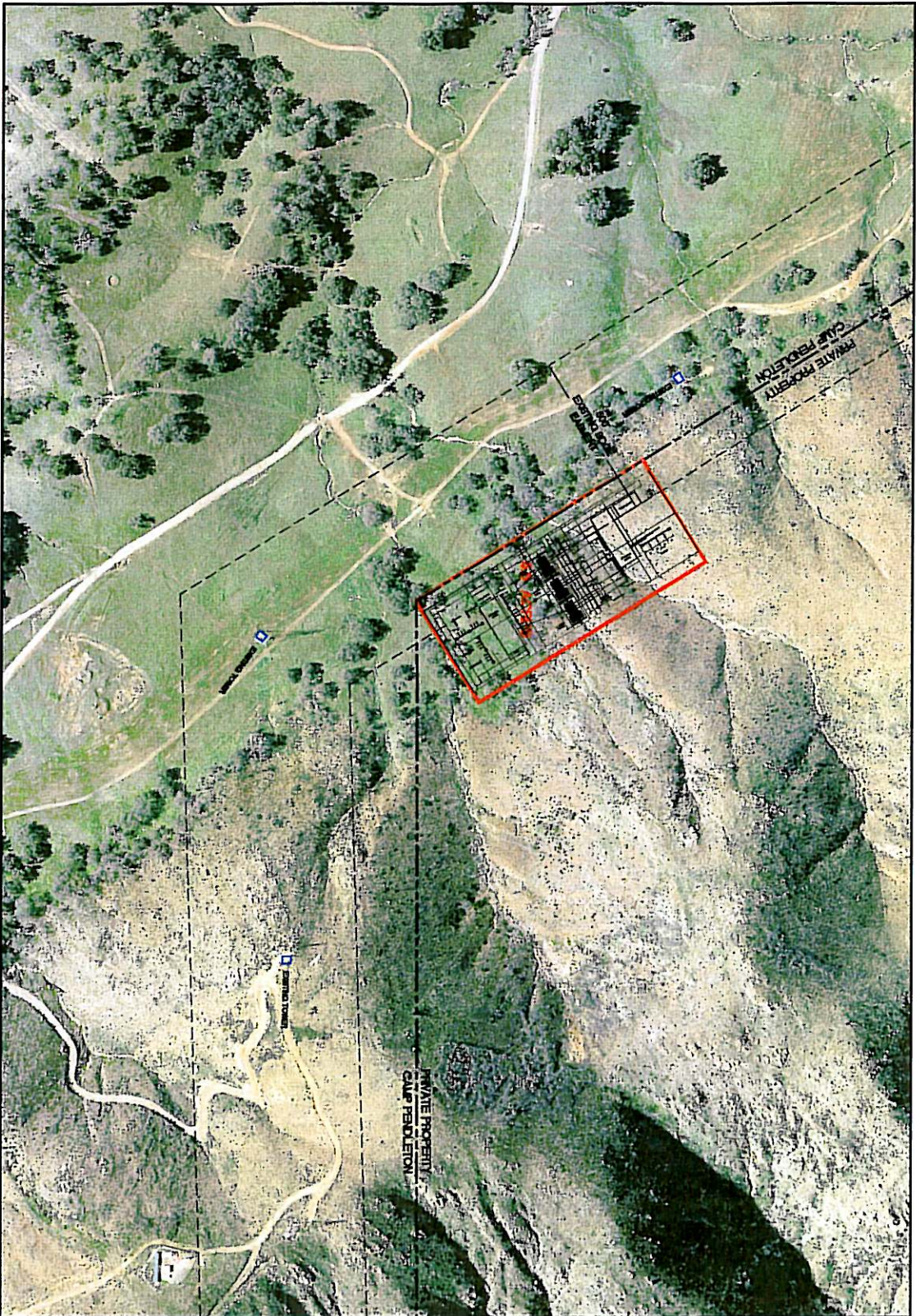
18

19 Gregory J. Kahlen

20 Vice President

21 Elan Associates, Ltd.

Exhibit 1



LEGEND

- PROPOSED SUBSTATION
- EXISTING TOWER
- EXISTING SCOE EXHIBENT
- - - CAMP PENDLETON BOUNDARY

SCALE: 1" = 100 FT

Exhibit 2

FALLBROOK LAND CONSERVANCY

Founded in 1988

June 21, 2010

President Michael R. Peevey
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: The Nevada Hydro Company Application for a Certificate of Public Convenience and Necessity for the Talega-Escondido/ Valley-Serrano 500kV Interconnect Project

Dear President Peevey:

The Fallbrook Land Conservancy (FLC) is a private, nonprofit organization which owns and manages 1,840 acres of open space in northern San Diego County, including Santa Margarita Peak, Los Jilgueros Preserve and seven other nature preserves. Our 1,206-acre Santa Margarita Peak property is located adjacent to and northeasterly of Marine Corps Base Camp Pendleton (MCBCP).

We were recently contacted by representatives of MCBCP regarding the subject project. They informed us that the Nevada Hydro Company (NHC) has been attempting to locate a site on the Base in the vicinity of Santa Margarita Peak on which to construct an approximately 6.5-acre substation. Since this area of the Base is used for operations and training, MCBCP approached the FLC to ascertain whether we would consider allowing NHC to construct a substation on our Santa Margarita Peak property adjacent to the Base and next to San Diego Gas and Electric Company's Talega-Escondido 230 kV transmission line. This line runs along the boundary between the Base and our property in this area.

We have visited the area with NHC representatives and inspected two sites that are acceptable to them for construction of a substation. After consideration, we have determined that, if yet-to-be-determined compensation can be agreed upon by FLC and NHC, FLC can accommodate the subject substation at a point along the southwestern boundary of our property, as well as the accompanying transmission towers.

Should you or your Board have any questions or wish to discuss this further, please contact me or Mike Peters, our Executive Director at (760) 728-0532.


Sincerely,



Wallace Tucker
Board Chairman
Fallbrook Land Conservancy

Cc: Mr. Rex Wait
The Nevada Hydro Company, Inc.
2416 Cades Way
Vista, CA 92083

Mr. Larry Rannals, Community Plans & Liaison Officer
United States Marine Corps
Camp Joseph H. Pendleton
Box 555010
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Preserving Our Rural Character and Natural Beauty

Exhibit 3

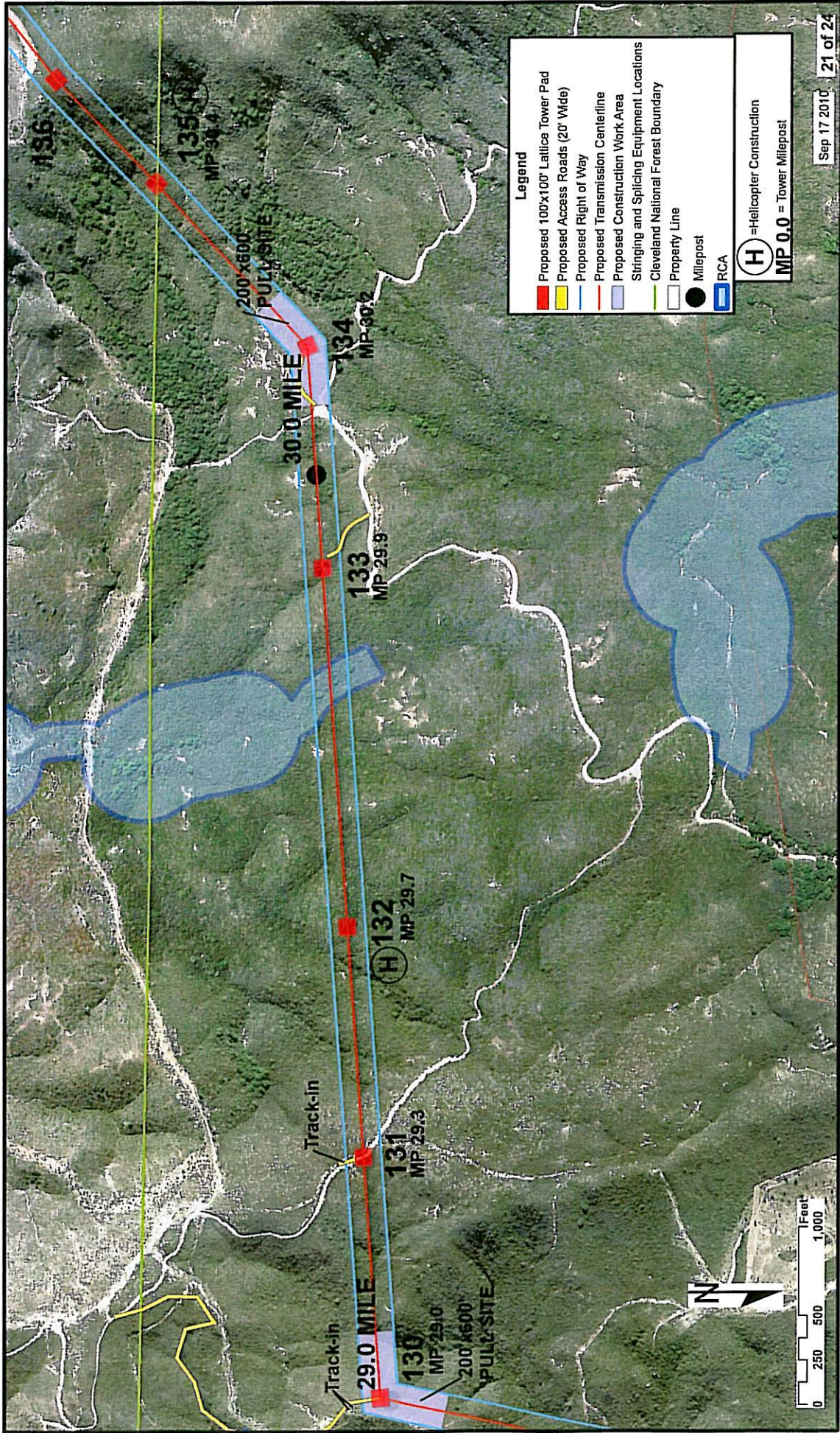
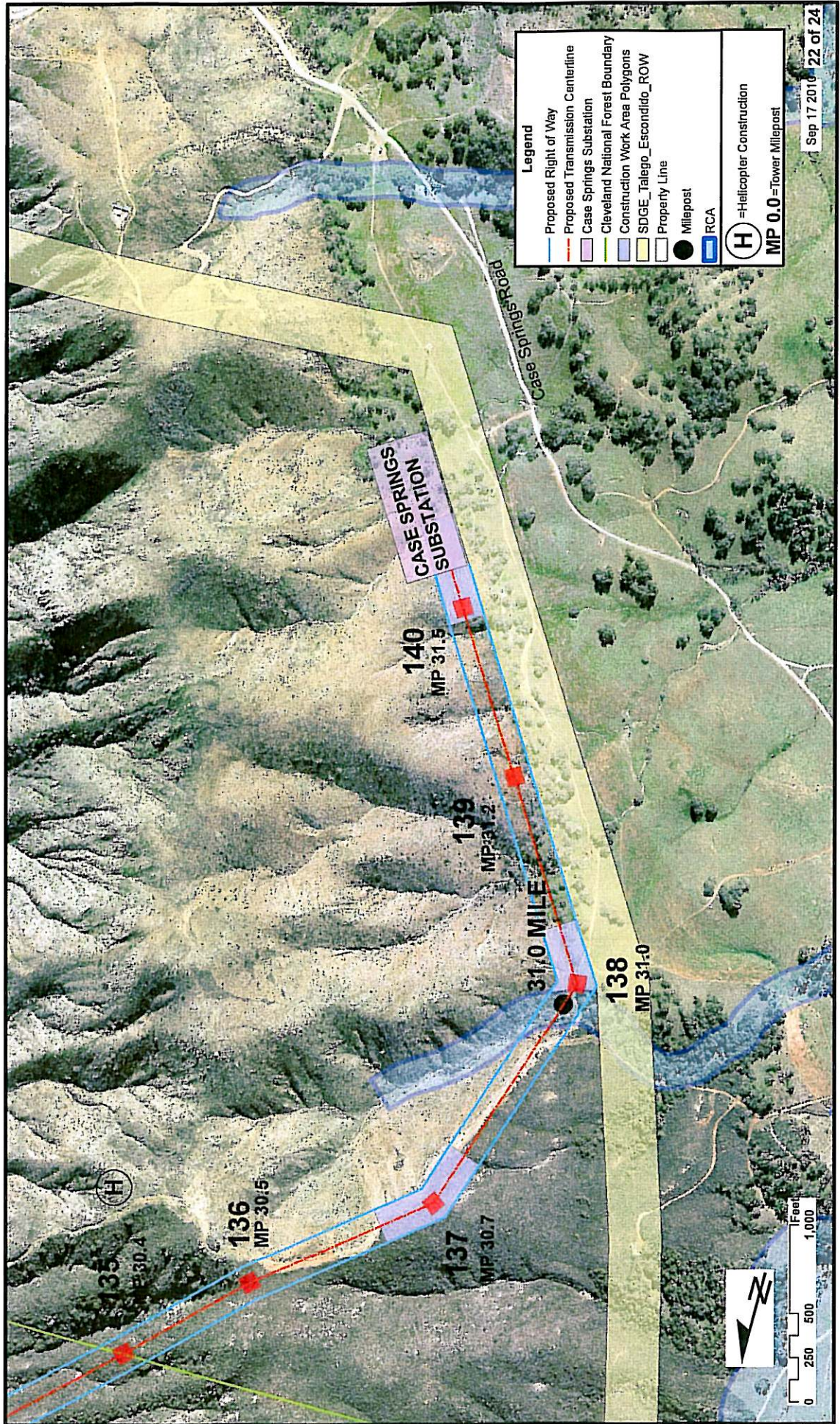


Exhibit 4

Facilities Plan



CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of

**“DIRECT TESTIMONY OF GREGORY J. KAHLEN ON BEHALF OF THE NEVADA
HYDRO COMPANY”**

on all known parties to A.10-07-001 by transmitting an electronic mail message with the document attached to each person named in the official service list who provided an electronic mail address.

Executed this 30th day of November, 2010 at Washington, D.C.

/s/ Patrick L. Morand
Patrick L. Morand
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**Service List
A.10-07-001**

Last Updated November 23, 2010

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