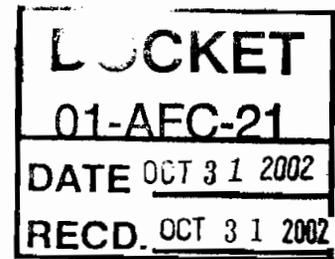




October 31, 2002

Mr. Jack Caswell, Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA. 95814-5512



Re: Preliminary Staff Assessment for the Tesla Power Project

Dear Mr. Caswell:

Zone 7 has reviewed the referenced Preliminary Staff Assessment (PSA) and has a number of comments which are made in the context of Zone 7's responsibilities to provide wholesale treated water, untreated water for agriculture and irrigated turf, flood protection, and groundwater and stream management in the Livermore-Amador Valley. Our comments are as follows:

Section 4 Environmental Assessment

Pg. 4.13-10 Surface Hydrology

Please provide additional information regarding the hydrologic impacts of the project on the 100-year flow downstream in Patterson Run. We also request additional information related to down cutting of the stream channel. We do not feel that these issues were adequately addressed in the PSA.

Pg. 4.13-21 Storm Water

The project site may be subject to Zone 7 Special Drainage Area (SDA) 7-1 drainage fees for the creation of new impervious areas. Zone's standard mitigation practice is to collect SDA 7-1 fees on any new buildings, improvements (including, but not limited to paving), or structures to be constructed that substantially change the imperviousness of the soil.

Pg. 4.13-23 Groundwater

If the existing well is to be destroyed, the applicant will need to obtain a well destruction permit from Zone 7.

Pg. 4.13-36 Storm Water

Zone 7 concurs with staff reservations concerning potential adverse impacts of the proposed storm water plans. We request additional information that demonstrates that the proposed system will not exceed existing pre-development flows. Additionally, if

construction of storm water facilities connecting to Patterson Run is proposed, please submit plans to Zone 7 for review.

Finally, regarding the water supply to the proposed project, despite our many requests, we have not been provided with sufficient timely information by Tesla Power staff to be able to fully evaluate the potential impacts of the applicant-proposed water delivery system (Alternative 4) on water quality and water supply reliability within our service area. Therefore, we cannot agree at this time that there will not be adverse impacts that will occur under the applicant-proposed water delivery system to the Power Plant. At this time we would not be prepared to agree to provide such service, and would recommend the CEC staff recommendation for the recycled water options (Alternative 3) be pursued.

We appreciate the opportunity to comment on this document. Please feel free to contact me at (925) 484-2600, ext. 400, jhoren@zone7water.com, or Steven Ellis at ext. 239, sellis@zone7water.com, if you have any questions.

Sincerely,



for Jim Horen
Principal Engineer
Advance Planning Section

JPH:SJE

Cc: Scott Busa, Florida Power and Light
Ed Cummings, Assistant General Manager, Zone 7
Vince Wong, Assistant General Manager, Zone 7
John Mahoney, Engineering Services Manager, Zone 7
Y. K. Chan, Principal Engineer, Zone 7
Dave Lunn, Water Resources Manager, Zone 7
Joe Seto, Senior Engineer, Zone 7
Diana Gaines, Senior Engineer, Zone 7
Matt Katen, Senior Engineer, Zone 7
Jack Fong, Associate Engineer, Zone 7