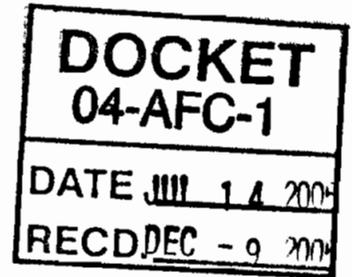


**RECORD OF
TELEPHONE CONVERSATION**



With: Mary Hammer, USFWS, Sacramento
Date: July 14, 2005
Project: San Francisco Electric Reliability Project
By: Susan Sanders, PAR Environmental

1. I asked Mary if she was comfortable with fact that the applicant would not reanalyze the air quality data satisfy her request at our June 22nd, 2005 meeting. Mary had asked for a slightly different presentation of the data so she could evaluate N deposition rates on San Bruno Mt in the form of kg N/ha/year and compare to existing background rates with and without the project, but this analysis proved much more expensive and time consuming that we had anticipated at that meeting. She said she guessed she would have to be satisfied with it, although she thought is was hard to compare the effect of the project against background rates without the data in that form. I explained that there would be no significant change in our results or conclusions with this new modeling, and that it would be a large expenditure of money to quantify something that had already been quantified in a different form. We left it at that.
2. I summarized the findings of our Preliminary Staff Analysis, explaining that we had concluded there would be no contribution to cumulative impacts to listed species. I explained that we had reached that conclusion because we were proposing implementation of the Emissions Reduction Credits, so that nitrogen deposition would be slightly reduced from current levels. I noted that we were not relying on closure of Hunters Point or Potero to mitigate nitrogen impacts, despite the fact that SFERP is a key element in helping those plants close, because the applicant could not commit another party (PG&E, Mirant) to that action.
3. Mary had the following concerns about reliance on ERCs for mitigation:
 - a. What level of assurance and commitment is there that the ERCs will be implemented before SFERP comes on line?
 - b. Will the ERCs occur in the local SF region and therefore benefit species on San Bruno Mt? She said it would not be satisfactory to have ERCs implemented in Sacramento or the East Bay, but that there had to be reductions within the San Bruno area.
4. Mary also wanted to know why PG&E could not commit to closing their polluting plant in San Francisco, but that was a question for which I had no answer.