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October 25, 2007

MELISSA A. FOSTER
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BY HAND DELIVERY AND ELECTRONIC MAIL

Hearing Officer Paul Kramer
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

**Re: Panoche Energy Center (06-AFC-5)
Applicant's Revised Proposal for Condition of Certification HAZ-10**

Dear Hearing Officer Kramer:

On October 22, 2007, Panoche Energy Center, LLC ("Applicant") submitted revisions to Staff's proposed condition of certification HAZ-10. Subsequent to Applicant's submission of the proposed revisions, we realized that an important portion of the condition was inadvertently deleted in that transmission. To that end, Applicant proposes the following language for condition of certification HAZ-10:

The project owner shall enter into one or more agreements with Pacific Gas & Electric Company (PG&E) requiring PG&E to utilize one of the two rights-of-way (or routes) along Panoche Road, as identified in the AFC, for the construction of a pipeline to supply natural gas from PG&E's main line to a metering station at the facility. The project owner shall ensure that the agreement specifies that the pipeline and metering station will be designed, constructed, owned, operated, and maintained by PG&E in accordance with all applicable LORS, including Title 49, Code of Federal Regulations, Part 192, all applicable orders of the California Public Utilities Commission governing the design, construction, operation, and maintenance of natural gas pipelines and metering stations, and all applicable conditions of certification related to the construction of linear facilities. ~~The agreement shall also include all applicable orders of the California Public Utilities Commission governing the design, construction, operation, and maintenance of natural gas pipelines and metering stations,~~



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~~and all applicable conditions of certification related to the construction of linear facilities.~~¹

We believe this will resolve any pending issues for the topic area of hazardous materials and look forward to the closing of the evidentiary record and publication and distribution of the Presiding Member's Proposed Decision.

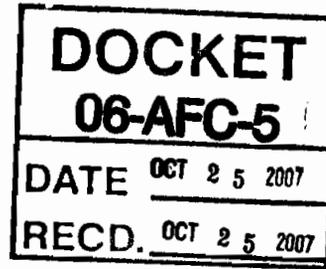
Should you wish to discuss this matter or require additional information, please do not hesitate to contact me or John A. McKinsey at (916) 447-0700.

Respectfully submitted,

Melissa A. Foster

cc: Commissioner Jeffrey D. Byron, California Energy Commission
Commissioner James D. Boyd, California Energy Commission
Staff Counsel Jared Babula, California Energy Commission
Dr. James W. Reede, California Energy Commission
Gloria Smith, Esq., Adams Broadwell Joseph & Cardozo
Mr. Gary Chandler, Panoche Energy Center, LLC
Allan Thompson, Esq., Law Office of Allan Thompson

¹ Applicant proposes no changes to the Verification for HAZ-10 as proposed by Staff and is agreeable to such Verification.



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