



Aspen *Environmental Group*

PROJECT MEMORANDUM LODI GAS KIRBY HILLS NATURAL GAS STORAGE FACILITY PROJECT

To: Junaid Rahman, CPUC
From: Vida Strong, Aspen Project Manager
Date: August 17, 2006
Subject: Weekly Report #12: August 6, 2006 – August 12, 2006
CPUC Environmental Monitors (EM): Jody Fessler

CPUC EM Jody Fessler was on site August 10th.

PIPELINE SEGMENT:

Summary of Activity:

Pipeline right-of-way clean-up for the 16-inch pipeline continued throughout the week and was completed on Saturday. The work included installing cathodic protection posts, repairing fence gaps and H posts on the pipeline right-of-way, and installing aerial markers and line markers (see Figure 1). The pipeline contractor demobilized equipment throughout the week as well.

On Monday, the 12-inch pipeline was tied into the end of the run at well site S-1. Surplus pipeline material was removed from the site.

The staging area off Shiloh Road was cleaned up throughout the week and the area tilled (see Figure 2).

Water trucks were observed often watering down the roads for dust control.

A Jones & Stokes EI was on-site on behalf of Lodi, to ensure compliance with mitigation measures adopted in the Mitigated Negative Declaration (MND), Storm Water Pollution Prevention Plan (SWPPP), and other permit requirements.

Environmental Compliance Activities:

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

WELL SITES:

Work at the well sites is taking place Mondays through Thursdays at this time.

Crews worked at the S-1 well site throughout the week. Excavation for the piping was completed on Thursday.

Earthwork continued at the S-2 well site throughout the week (see Figure 3). PG&E completed the re-route of their pipeline around the S-2 well site on Tuesday. On Wednesday, Lodi Gas' existing 8-inch pipeline at the S-2 well site was decommissioned.

On Tuesday, crews began blasting and coating the piping at the S-10 well site. On Wednesday, crews began laying the 1-inch air line at the S-10 well site and continued to blast and coat the piping at that location. The 1-inch air line installation was completed on Thursday. Crews also installed the flange insulating kits on Thursday and checked and patched the underground coating at the S-10 well site.

Water trucks were observed regularly watering the sites and roads for dust control.

Environmental Compliance Activities:

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

KIRBY HILLS COMPRESSOR STATION SITE:

Work at the Kirby Hills Compressor Station is taking place Mondays through Thursdays at this time.

At the Kirby Hills Compressor Station, crews conducted foundation work and piping fabrication throughout the week (see Figure 4). On Monday, the tank battery foundation forms and rebar were set, excavation was completed for the 16-inch pipeline entry into the station, and the MCC building shimmed and leveled. On Tuesday, concrete was poured for the tank battery foundations 7600 and 7700, and for the contactor tower footing. Work was also done on the slug catcher support foundations. On Wednesday, crews set forms and rebar for the ABJ 7200 tank foundation and MAF 5100 glycol contactor tower foundation, and worked on the slug catcher support foundations. On Thursday, crews poured concrete for the ABJ 7200 tank foundation and set the forms for the slug catcher foundation.

Water trucks were observed regularly watering the site for dust control.

Environmental Compliance Activities:

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

METERING STATION SITE:

No work took place at the Metering Station site this week by PG&E or Lodi Gas. Lodi Gas is waiting for the Solano County building permit and NTP #5 before construction proceeds.

Environmental Compliance Activities:

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

NOTICES TO PROCEED (NTP):

Table 1 presents the NTPs issued by the CPUC for the Lodi Gas Kirby Hills Project to date.

TABLE 1
NOTICES TO PROCEED
(Updated 8-17-06)

NTP #	Date Issued	Description
#1	5-19-06	Pipeline Portion
#2	5-31-06	Civil (grading) and piping construction of the well sites, and civil (grading) construction of the compressor station
#3	7-05-06	Compressor station and well site construction. Drilling of three new storage wells.
#4	6-20-06	Civil portion only of the natural gas receiving/metering station
#5	Under Review	Metering station foundation, structural, piping, electrical, and instrumentation construction. County permit pending.

VARIANCE REQUESTS:

Table 2 presents the Variance Requests reviewed and approved by the CPUC for the Lodi Gas Kirby Hills Project to date.

TABLE 2
VARIANCE
(Updated 8-17-06)

NTP #	Date Requested	Date Issued	Description
#1	6-01-06	6-05-06	Request to trench through ephemeral wetland area approximately 70 ft. west of Olson Road.
#2	5-31-06	6-08-06	Lodi gas would like permission to trench through an area with a CNPS listed plant (pappose spikeweed). CPUC approval contingent upon CDFG concurrence. 6/21 – CDFG feedback provided and forwarded to J&S.
#3	6-16-06	6-16-06	Request to trench through two ephemeral wetland areas west of Shiloh Road.
#4	6-27-06	6-28-06	Request for additional workspace on the west side of Shiloh Road for the Shiloh bore.
#5	6-28-06	6-29-06	Request for removal of two small eucalyptus trees and trenching through the root system of two larger trees.
#6	7-07-06	7-07-06	Request to use additional workspace at the corner of Shiloh Road and the Kirby Hills access road to support large vehicles and equipment being transported to the Kirby Hills site.
#7	7-07-06	7-18-06	Request to relocate a PG&E distribution line around the S-2 well site. CPUC has requested historical resource information on the drilling “dog house” that is near the site. Jones & Stokes submitted information on 7/17/06.
#8	7-07-06	7-07-06	Request to move the 4-inch temporary gas line.

ENVIRONMENTAL COMPLIANCE:

One Project Memorandum has been issued by the CPUC EM for the project to date. On June 27th, the CPUC EM observed dump trucks dumping spoils from the Kirby Hills site on a levee road in an adjacent wetland area. This activity was not described in the project description. The CPUC EM requested to review permits for this activity. The landowner provided Lodi Gas with the 2006 Annual Application for the USACE Wetlands Maintenance, a copy of a letter from the USACE to the Suisun Resource Conservation District dated May 31, 2006, and a letter from the Suisun Resource Conservation District to the landowner dated June 5, 2006. The CPUC EM reviewed these documents and has concluded that the work activities are in compliance with the USACE approval. The Project Memorandum serves as a reminder that all permits for construction activities related to the Kirby Hills Natural Gas Storage Facility project be submitted and approved by the CPUC. Also, if changes to project activities as described in the MND occur, a Variance Request shall be submitted.

No Non-Compliance Reports (NCR) have been issued by the CPUC EM for the project to date.

UPCOMING ITEMS:

Starting August 3, Lodi Gas began holding bi-monthly conference calls on Thursdays at 1:30 p.m. (PST) to review issues and upcoming events.

Photographs



Figure 1 – 16-inch pipeline right-of-way cleaned up by eucalyptus trees and fencing restored, August 10, 2006.



Figure 2 – Tilling of the Staging Yard off Shiloh Road, August 10, 2006.



Figure 3 – Earthwork at well site S-2, August 10, 2006.



Figure 4 – Compressor Station work, August 10, 2006.