



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: September 13, 2006
Subject: Weekly Report #16: September 3, 2006 – September 9, 2006
CPUC Environmental Monitor (EM): Jody Fessler

CPUC EM Jody Fessler was on site September 7th.

PIPELINE SEGMENT:

Summary of Activity:

All 16-inch pipeline work has been completed (except for where it connects into the Compressor Station and the Metering Station), as well as the right-of-way cleanup. All of the affected landowners have signed off on the work as acceptable.

On Tuesday, installation of the 16-inch pipe into the Compressor Station continued.

The cleanup of the staging area off Shiloh Road is complete; equipment and materials have been moved off the site and the area tilled per the specifications of the landowner.

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 took place on and off Tuesday through Friday of this week. Monday was the Labor Day Holiday.

Crews worked at well site S-1 throughout the week.

Crews worked at well site S-2 throughout the week (Figure 1 & 2). On Tuesday, crews removed forms for the underground header support foundations. On Thursday, crews worked on compaction and backfilling of the pipe trenches. On Friday, crews completed the compaction and backfill of the piping trenches and began the compaction and backfilling of the header area.

Crews worked at well site S-10 throughout the week. On Tuesday, crews removed the forms for the underground header support foundations.

Water trucks were observed regularly watering the sites and roads for dust control and were present during welding activities.

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 took place Tuesday through Saturday of this week. Monday was the Labor Day Holiday.

At the Kirby Hills Compressor Station, crews conducted foundation work, pipe excavation, and piping fabrication throughout the week (Figure 3 & 4). On Tuesday, crews worked on the fabrication and installation of the pig receiver piping, fabrication of the 24-inch slug catcher piping, pump foundation excavation, and grounding installation. Crews also installed communications and fiber optic cable to the MCC building. On Wednesday, crews set the 16-inch pipeline receiver and valves, set the forms for the tank battery loading areas and pump foundations, continued backfilling of the grounding trenches, and installed the temporary phone cables for the contractors' trailers. On Thursday, crews prepared the 16-inch pipeline receiver area hydrotest, set forms for the tank battery loading areas and pump foundations, conducted grounding work, and continued backfilling the grounding trenches. On Friday, crews prepared for the 16-inch receiver area hydrotest and successfully performed hydrotest No. KHHT-007. Crews also set the MLB-8200B air dryer, the CAE-8200A air compressor, and the CAE-8200B air compressor on their foundations. Crews also set forms and rebar for the tank battery loading areas and pump foundations, continued grounding work, and stocked and sorted electrical material. On Saturday, the electrical crew worked on grounding and material inventory.

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

Environmental Compliance Activities:

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

METERING STATION SITE:

On Tuesday, LGS received EDM approval for the PG&E Meter Site foundation drawings.

Environmental Compliance Activities:

The CPUC EM observed that no construction activities were taking place at this time.

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 9-13-06)

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	9-06-06	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 REQUESTS
(Updated 9-13-06)

Variance #	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 – Watering work area at S-2 well site, September 7, 2006



Figure 2 – Crews backfilling pipe trench at well site S-2, September 7, 2006



Figure 3 – Compressor Station work, September 7, 2006.



Figure 4 – Pipe fabrication at the Compressor Station, September 7, 2006