

	California Public Utilities Commission <i>Mitigation Monitoring, Compliance, and Reporting Program</i>
	Central Valley Gas Storage Project Compliance Status Report 16 January 31, 2012

SUMMARY

The California Public Utility Commission (CPUC) is responsible for overseeing implementation of the mitigation measures set forth in the final initial study/mitigated negative declaration (FIS/MND) for the Central Valley Gas Storage (CVGS) project. The CPUC has established a third-party monitoring program and adopted a Mitigation Monitoring, Compliance, and Reporting Program (MMCRP) to ensure that measures approved in the FIS/MND to mitigate or avoid significant impacts are implemented in the field. This MMCRP status report is intended to provide a description of construction activities on the project, a summary of site inspections conducted by the CPUC’s third-party monitors, the compliance status of mitigation measures required by the MMCRP, and anticipated construction activities. This compliance status report covers construction activities for the period of December 31, 2011 to January 31, 2012.

MITIGATION MONITORING, COMPLIANCE, AND REPORTING

Site Inspections/Mitigation Monitoring

A CPUC third-party environmental compliance monitor conducted site observations in areas of active construction, which included the 10-acre compressor station site, 5-acre remote well pad site, and the metering station site. Site observations were completed on January 10 and 27, 2012. Areas of active and inactive construction within the project limits were observed to verify implementation of the measures stipulated in the project’s MMCRP. Daily observations were documented on daily site inspection forms, and applicable mitigation measures were reviewed in the field.

Implementation Actions

Construction Activity at the Remote Well Pad Site and Compressor Station Site

Construction activities at the remote well pad site undertaken during the period covered by this report included: operation of the temporary compressor; pipe assembly; gas injection; excavation of small diameter pipe trenches; backfilling of most of the buried electrical line trenches; completion of the saltwater tank foundation; initiation of construction of the saltwater storage tank (See Photograph 1,

Attachment A); and completion of trenching for the 8-inch salt water connection line (See Photograph 2, Attachment A).

Ongoing work at the compressor station site undertaken during the period covered by this report included: continuation of pipe fabrication/assembly; backfilling of the pipeline trench at the southern end of the site was underway; staging of equipment and materials in the storage tank area; installation of tanks and associated pipework at the compressor building; pipeline installation and backfilling in the area immediately east of the compressor building; and connection to the Caterpillar units west of the compressor building is underway.

Dust emissions at both sites have been controlled with water trucks on site to spray the roads. Best management practices (BMPs) have been placed around the perimeter of the work area, consisting of a silt fence to minimize the potential for sediment to be transported beyond the work limits and fiber rolls around soil stockpiles, where necessary. All work was being conducted within approved work limits and portable toilets and trash bins were provided for workers. Spill kits are maintained at the field office. Concrete washouts are provided (See Photograph 3, Attachment A). Secondary containment for fluid storage is provided (See Photograph 4 and 5, Attachment A). Traffic control devices were in place on public roadways within and adjacent the project site. Silt fences and fiber rolls were observed to be in working order, with some in need of maintenance or repair.

Construction Activities along the Natural Gas Connecting Pipeline Right-of-Way

All construction activity associated with the Natural Gas Connecting Pipeline (Segments A and B) was completed as of October 31, 2011. Documentation of landowner acceptance of final right-of-way condition has been provided to the CPUC.

Construction Activities at the Metering Station and 400/401 Line Interconnect

PG&E crews have completed the 400/401 line interconnect and all excavated areas have been backfilled. Final grading of the backfilled areas has been completed. Silt fence has been removed in the area surrounding the temporary work area and the majority of equipment/materials have been removed from the work area.

Ongoing work at the Metering Station site undertaken during the period covered by this report included: trenching within the Metering Station site for pipe connection is underway (See Photograph 6, Attachment A); and pipe welding is underway.

Mitigation Measure Tracking

Mitigation measures applicable to the construction activities were verified in the field and documented in the CPUC's mitigation measures tracking database. A complete list of mitigation measures and applicant proposed measures is included in Section 6 of the FIS/MND (Certification of Public Convenience and Necessity (CPCN) Application A.09-08-008, SCH No. 2010042067). The status of

each mitigation measure, including measures applicable to the design and pre-construction phases, is included in the project's mitigation measure tracking database, which is available upon request.

Compliance

Pre-construction mitigation measures have been completed as indicated in Notice to Proceed (NTP) No. 1, No. 2, No. 2A, No. 4, No. 5A, No. 5B, No. 6A, No. 6B, No. 6C, No. 6D, No. 7, No. 9A, No. 9B, No. 10A, No. 10B, No. 11, No. 12, No. 13A, and No. 13B (Attachment B). Applicable mitigation measures were verified during site inspections and were determined to be implemented in accordance with the MMCRP.

CONSTRUCTION PROGRESS

Remote Well Pad Site/Observation Wells/Saltwater Disposal Well

CVGS has completed pad site preparation and grading at the remote well pad site. Site preparation and drilling work for observation well conversions at Southam #3, and #4 and Sara Louise #1 is complete. Site preparation and drilling work at the saltwater disposal well is complete. Injection/withdrawal well drilling is complete. A total of eight injection withdrawal wells were drilled on site. The temporary compressor has been installed and is operational at the remote well pad site. Gas injection has begun at one well at the remote well pad site. Construction of the sound wall at the temporary compressor has been completed. Foundations for the saltwater storage tank have been completed. The permanent perimeter fence has been installed. Nitrogen testing of the wells has been completed. Pipe assembly continues. Buried electrical line installation has been completed. Installation of the 16-inch natural gas pipeline has been completed. Connection of the 16-inch natural gas pipeline to the right-of-way has been completed. Backfilling of trenches associated with electrical lines and pipelines has been completed. Construction of the saltwater tank is underway. Excavation of the trench connecting the saltwater disposal well and the saltwater tank is underway.

Compressor Station

CVGS has completed pad site preparation and grading at the compressor station site. Construction of the compressor building, utility building, and auxiliary building is complete. Installation of three compressor engines has been completed. Pipe assembly and fabrication continues. Excavation of the trench for pipeline installation at the southern end of the site has been completed. Pipe has been lowered and backfilling of the trench is underway. The area immediately east of the compressor building has been excavated and pipeline installation is complete. Backfilling in this area is underway. Foundation work for pads just west of the compressor building has been completed. Installation of three dehydration tanks has been completed. Installation of the Caterpillar units has been completed and connections are underway. The large soil stockpile at the northern end of the site has been relocated to Storage Area 1 with BMPs installed. Grading and installation of engineered base in the northern portion of the site where storage tanks will be placed has been completed. This area is being used for materials storage and has been surrounded with a temporary chain-link fence.

Natural Gas Connecting Pipeline

All construction activity associated with the Natural Gas Connecting Pipeline (Segments A and B) was completed as of October 31, 2011. Documentation of landowner acceptance of final right-of-way condition has been provided to the CPUC.

Metering Station and 400/401 Line Interconnect

The Metering Station site and access road from Dirks Road has been graded and engineered base installed and compacted. An access gate has been installed at Dirks Road. Equipment foundations and pipeline connections to the 400/401 Interconnect have been completed. The natural gas pipeline entrance at the east edge of the Metering Station is mostly backfilled, with a small portion remaining open for final tie-in. Soil piles in this area have been hydroseeded. Trenching for pipeline installation within the Metering Station site was underway. Pipe welding/fabrication was underway.

PG&E crews have completed the 400/401 line interconnect and all excavated areas have been backfilled. Final grading of the backfilled areas has been completed. Silt fence has been removed in the area surrounding the temporary work area and the majority of equipment/materials have been removed from the work area.

CONSTRUCTION SCHEDULE

Compressor Station – CVGS began construction on April 11, 2011, and anticipates completion of construction by May 1, 2012.

Remote Well Pad Site (includes saltwater tank) – CVGS began construction on April 11, 2011, and anticipates completion of construction by May 1, 2012.

Observation Well Conversions – CVGS began construction on May 31, 2011 and anticipates completing construction by May 1, 2012.

Saltwater Disposal Well – CVGS began construction on June 15, 2011 and anticipates completing construction by May 1, 2012.

Metering Station – CVGS began construction on September 27, 2011 and anticipates completing construction by May 1, 2012.

Natural Gas Connecting Pipeline (Segment A) – CVGS began construction on August 8, 2011 and construction was completed on October 31, 2011. Preparation of the Natural Gas Connecting Pipeline (Segment A) right-of-way began on August 5, 2011 and was completed as of September 1, 2011.

Natural Gas Connecting Pipeline (Segment B) – CVGS began construction on August 23, 2011 and construction was completed on October 31, 2011.

Line 172 Connection Pipeline – CVGS began construction on May 16, 2011 and anticipates completing construction by May 1, 2012.

ATTACHMENT A Photos



Photo 1: Construction of the saltwater tanks at the Remote Well Pad Site is complete.



Photo 2: Trench for the 8-inch pipeline connecting the saltwater storage tank (at the Remote Well Pad site) and the saltwater disposal well has been completed.

ATTACHMENT A (Continued)



Photo 3: Concrete washout provided at the Compressor Station site for containment of excess concrete.



Photo 4: Liquid hazardous materials storage at the Compressor Station site observed to have adequate secondary containment and a cover to prevent rainfall collection in the secondary containment tank.

ATTACHMENT A (Continued)



Photo 5: Secondary containment provided for fuel tanks at the Compressor Station site.



Photo 6: Trenching is underway at the Metering Station site for natural gas pipeline connection.

ATTACHMENT B Notices to Proceed

NTP No.	Date Issued	Segment/Component	Conditions Included (Y/N)
1	March 21, 2011	Compressor Station, Remote Well Pad, and Observation Wells	Y
10A	April 18, 2011	Berm Installation for Preparation of Natural Gas Pipeline Right-of-Way	Y
9A	May 11, 2011	Test Boring at Horizontal Directional Drilling (HDD) Locations along 24-inch Pipeline Alignment	Y
2	May 13, 2011	Southam #3, #4, and Sara Louise #1; inspection and work-over activities	Y
6A	May 16, 2011	L-172 meter and interconnection	Y
5A	May 17, 2011	Drill up to 10 injection/withdrawal wells at remote well pad site	Y
6B	May 31, 2011	Remote well pad civil foundations, piping systems, temporary compressor, and equipment installation	Y
6D	May 31, 2011	Pacific Gas & Electric electrical pole relocation on Southam Road and new electrical pole installation on McAusland Road	Y
12	June 15, 2011	Complete test well and install saltwater disposal pipeline to remote well pad site	Y
6C	July 7, 2011	Compressor station civil foundations, piping systems, temporary compressor, and equipment installation	Y
10B	July 27, 2011	Preparation of 24-inch pipeline right-of-way	Y
4	August 3, 2011	Construction of 16-inch dual gathering lines and 24-inch pipe segment between compressor station and remote well pad site	Y
9B	August 3, 2011	Horizontal directional drilling (HDD) for 24-inch pipeline	Y
11	August 3, 2011	Construction of 24-inch pipeline between remote well pad and L-401 meter station	Y
13A	August 3, 2011	Construct L-401 meter station and pipeline connection to L-401	Y
7	August 4, 2011	Installation of emitting equipment (compressors, dehydration, generators) at the compressor site	Y
5B	August 5, 2011	Gas injection at remote well pad site	Y
13B	August 29, 2011	Installation and removal of PG&E power poles and conducting electrical work at the metering station	Y
2A	September 2, 2011	Southam #2 inspection and work-over activities	Y

ATTACHMENT C Variance Requests

Variance Request #	Submitted	Description	Status	Approval
1	April 6, 2011	Realignment of the 24-inch gas pipeline, including the Southam Pipeline, Weller Pipeline, and Perez Pipeline will be performed. The intent of realignment is to minimize impacts to irrigation systems and agricultural lands.	Approved	April 25, 2011
2	July 1, 2011	Additional temporary work space for pipe staging adjacent an HDD site. Area within a fallow rice field.	Approved	July 20, 2011
3	July 12, 2011	Install 4 new poles to connect power to the compressor station via PG&E Line along Southam Road.	Approved	July 20, 2011
4	July 8, 2011	Utilize HDD to cross the NRCS wetland to avoid surface impacts.	Approved	August 8, 2011
5	July 12, 2011	Offsite area in the City of Colusa to be utilized by Pipeline contractor for office trailers, materials staging, and storage of equipment.	Approved	July 20, 2011
6	July 28, 2011	Construct four new power poles and relocate one existing power pole within the pipeline construction right-of-way.	Approved	August 9, 2011
7	August 8, 2011	Use of temporary bridges during construction.	Approved	August 15, 2011
8	August 15, 2011	Additional temporary work space for five staging areas.	Approved	September 2, 2011
9	August 31, 2011	Replacement of one PG&E pole at the Colusa Drain (D-19)	Approved	September 2, 2011
10	September 7, 2011	Additional temporary work space at the 400/401 Line Interconnect for soil storage and fire hazard reduction	Approved	September 19, 2011
11	September 19, 2011	Amendment to APM BIO-12 allowing construction in giant garter snake habitat to be extended to November 1st from the current restriction of October 1st	Approved	September 29, 2011
12	September 22, 2011	Use of seven additional temporary bridges during construction	Approved	September 23, 2011
13	October 7, 2011	Install temporary 8-inch water line for hydrostatic testing	Approved	October 10, 2011
14	October 17, 2011	Amend APM HAZ-1 to allow storage of construction equipment within 100 feet of a sensitive environmental resource with secondary containment measures in place.	Approved	October 18, 2011
15	November 11, 2011	Increase in size and quantity of hazardous materials storage tanks at the Compressor Station site.	Pending	