

CALIFORNIA PUBLIC UTILITIES COMMISSION

Public Information Meeting Wednesday, December 7, 2005 6:00-8:00 PM Rio Vista, CA

The California Public Utilities Commission (CPUC) welcomes you to the public information meeting to review Lodi Gas Storage's application to construct and operate the Kirby Hills Natural Gas Storage Facility. Please review the project fact sheet, maps and information displayed. CPUC staff is available to answer questions and hear your comments.

Exhibit Program

General **Project** Overview/ Background

Welcome & Sign-in

Welcome to the information open house and public meeting. Please sign-in and collect the meeting handouts.

Project Description

Review background information describing the purpose and project area. Also learn more about how a natural gas storage facility works.

Project

Review

Next Steps

CPUC Role and Environmental Review

Learn about CPUC's role in reviewing natural gas storage facilities and what the environmental review will include.

Study Process

Learn about the next steps in the project process.

How to Stay Involved

Learn who to contact with comments and questions and where you can find project information.

Natural Gas Storage Facility

WELCOME

to the public information meeting hosted by the

California Public Utilities Commission

to review Lodi Gas Storage's application

to construct the

Kirby Hills Natural Gas Storage Facility

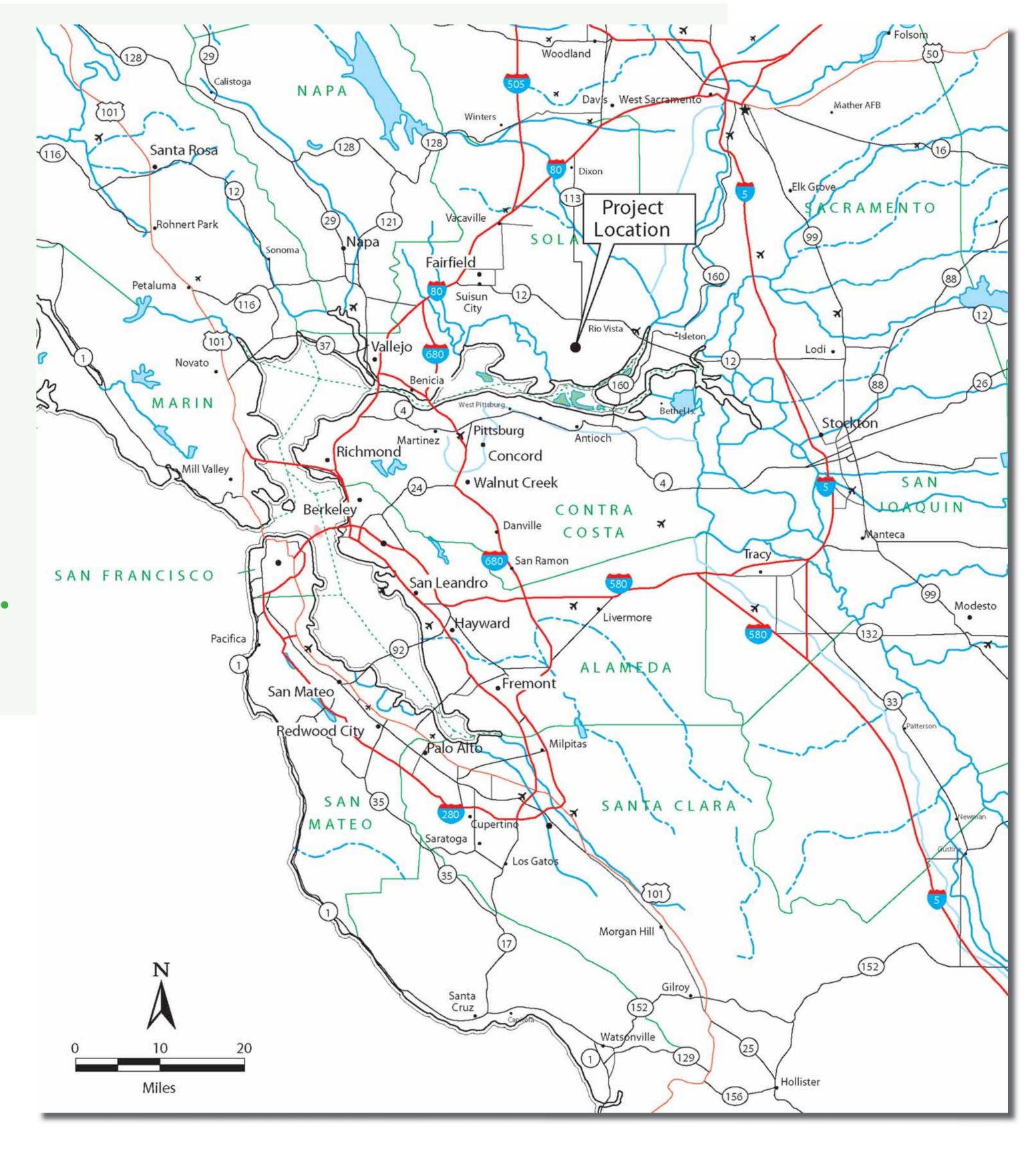


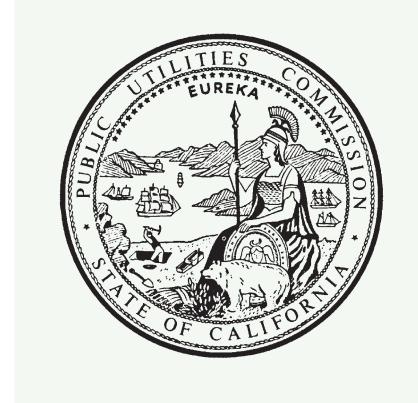
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Natural Gas Storage Facility

Lodi Gas Storage, LLC (LGS) has proposed constructing the Kirby Hills Natural Gas Storage Facility.

LGS is proposing to use a depleted natural gas reservoir in the Kirby Hills gas field as a storage facility for natural gas transported to the site by its customers.





KIRBY HILLS NATIVE AL. CAS STEED AGE FACTUATIVE

Natural Gas Storage Facility

Proposed Project Features

The proposed facility would connect to the main PG&E pipeline system by a pipeline of approximately seven miles. Natural gas would be stored in the existing natural reservoir, withdrawn on demand from customers, and conveyed to the PG&E pipeline system for delivery to the customers.

The proposed project includes:

- Metering Station
- Gas Pipeline
- Compressor Station

- Flow Lines
- Injection/Withdrawal Wells
- Temporary Gas Injection System





Natural Gas Storage Facility

How does a natural gas storage facility work?

Natural Gas Storage Reservoirs

Lodi Gas Storage, LLC intends to drill up to 10 total wells into the reservoir.

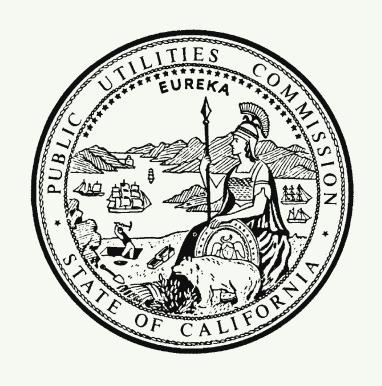
Reservoirs are formed by an upper layer of shale caprock on the top and a layer of water on the bottom.

GROUND LEVEL

SHALE CAPROCK

PERMEABLE SANDSTONE

2,000 FT



Natural Gas Storage Facility

Role of the California Public Utilities Commission (CPUC)

Regulates Various Privately-owned Utilities in California

- Natural Gas
- Electricity
- Certain Transportation Services
- Telecommunications
- Water

Reviews Utility Projects

Economic/Public Benefit Review*

- Review economic issues
- Consider impacts on ratepayers

Environmental Review

- Assess potential impacts
- Avoid or reduce impacts
- Address public comments
- Issues environmental document

Issues Certificate of Public Convenience and Necessity for Projects

* Legal Proceeding Conducted Before an Administrative Law Judge



Natural Gas Storage Facility

Environmental Review & Issues

CPUC is now conducting their environmental review to evaluate any potential impacts of this project and determine the appropriate environmental document to comply with the California Environmental Quality Act.

Key Issues to Consider for this Proposal

- Public Health and Safety What are the public safety issues and potential hazards related to the facility?
- Air Quality What would the impacts to air quality be during construction and operation?
- Local Wildlife Habitat What sensitive habitats/species are found in the project area?
- Cultural Resources What historic resources are located in the project area?

OTHER ISSUES REVIEWED:

- Surrounding Land Use
- Water Quality
- Noise
- Utilities and Service Systems
- Aesthetics
- Geology
- Population and Housing
- Transportation
- Recreation



Natural Gas Storage Facility

Environmental Review Process

Initial Study

- Review application
- Identify Environmental Issues to Evaluate
- Public Information Meeting*
- Determine appropriate environmental document (Negative Declaration or Environmental Impact Report)

Environmental Document

- Evaluate potential environmental impacts
- Identify mitigation
- Public Comment Period*
- CPUC Public Participation Hearing*

*Opportunity for public input

Commission Decision

- Draft decision on application
- Commission consideration to grant
 Certificate of Public Convenience and
 Necessity (CPCN)



Natural Gas Storage Facility

We encourage you to stay involved

- Talk to us tonight
- Fill out a comment card
- Contact the CPUC Manager

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To learn more about the legal proceedings for the Certificate of Public Convenience and Necessity or to become a participant in that part of CPUC's review, please contact the CPUC Process Office at (415) 703-2021