

NOTICE OF INTENT TO ADOPT A SUBSEQUENT MITIGATED NEGATIVE DECLARATION

TO: All Interested Parties

Pursuant to the California Public Utilities Commission's (CPUC) General Order 131-D, Lodi Gas Storage, LLC (LGS) has filed an application with the CPUC for a Certificate of Public Convenience and Necessity (A.07-05-009) for construction and operation of additional facilities to support the Kirby Hills Natural Gas Storage Facility in Solano County, California. The Final Mitigated Negative Declaration for the original Kirby Hills Facility was adopted by the CPUC in D.06-03-012. The facility began operation in November 2006.

LGS is proposing to construct and operate the additional facilities (Kirby Hills II) in the northern portion of the existing facility. The proposed project includes three new well sites containing 15 injection and withdrawal wells, conversion of four abandoned wells to observation wells, a 3,700 foot pipeline connecting the wells to an existing compressor station, upgrades to the compressor station and an expanded PG&E interconnection at an existing metering station. Construction is anticipated to commence in Spring 2008.

Document Available for Review

The Commission has prepared a Subsequent Mitigated Negative Declaration and supporting Initial Study describing the project and its potential environmental effects. Based on this document, it has been determined that the proposed project, as modified with mitigation, will not have any significant effects on the environment. The Commission's environmental document may be reviewed at the following locations:

City of Rio Vista
One Main Street – Rio Vista

CPUC Energy Division
505 Van Ness Avenue --
San Francisco

Rio Vista Library
44 S. Second Street – Rio Vista

Fairfield Civic Center Library
1150 Kentucky Street – Fairfield

Solano County Resource Management
675 Texas Street, Suite 550 – Fairfield

For electronic access to the Subsequent Mitigated Negative Declaration and other project information or copies of reports, check CPUC's web site at:

<http://www.cpuc.ca.gov/environment/info/aspen/kirbyhills/kirbyhills.htm>

Time for Review

This Subsequent Mitigated Negative Declaration will undergo a public review period from August 24, 2007 through September 24, 2007. Comments must be received in writing by 5:00 p.m. on September 24, 2007, at the following address:

Junaid Rahman
California Public Utilities Commission
c/o Aspen Environmental Group
8801 Folsom Blvd., Suite 290
Sacramento, CA 95826-3250

You may also fax your comments to (707) 402-6528, or e-mail them to us at: kirbyhills@aspeneq.com