

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 2, 2011

Mr. Jim Kiefer  
Director Project Development  
Central Valley Gas Storage, LLC  
3333 Warrenville Road, Suite 130  
Lisle, Illinois 60532

**Subject: Central Valley Natural Gas Storage Project - (Application No. 09.08.008) – Variance Request #8 Amendment**

Dear Mr. Kiefer:

On August 15, 2011, Central Valley Natural Gas Storage (CVGS) requested a variance from the California Public Utilities Commission (CPUC) for the use of five staging areas located within Colusa, California. These are additional staging areas to those approved for the Central Valley Gas Storage Project.

Subsequent to the filing of the Variance Request on August 15, 2011, CVGS filed a request to amend Variance #8 on August 31, 2011.

The CPUC voted on October 14, 2010, to approve the CVGS Project (Decision D10-10-001) and a Notice of Determination was submitted to the State Clearinghouse (SCH# 2010042067).

The CPUC also adopted a Mitigation, Monitoring, Compliance and Reporting Program (MMCRP) to ensure compliance with all mitigation measures imposed on the CVGS Project during implementation. The MMCRP also acknowledges that temporary changes to the project, such as the need for additional workspace, are anticipated and that a Variance Request would be required for these activities. This letter documents the CPUC's thorough evaluation of all activities covered in this variance, and that no new impacts or increase in impact severity would result from the requested variance activities.

Variance #8 for the five staging areas is granted by CPUC for the proposed activities based on the factors described below.

**CVGS Variance Request.** Excerpts from the CVGS Variance Request, received August 15, 2011 are presented below (indented):

CVGS' contractors have identified the need for additional staging areas for the temporary storage of construction materials and equipment. The five sites that are being requested for approval occur immediately adjacent or near the construction work area. All sites are graded and disturbed and are currently being used for agricultural purposes. The sites will be used for the temporary parking of construction equipment and material storage (e.g., pipe material, mats, skids, pumps, and environmental supplies).

**CVGS Variance Request Amendment.** Excerpts from the CVGS Variance Request Amendment, received August 31, 2011 are presented below (indented):

CVGS is requesting the CPUC issue an amendment to Variance No. 8 (approval of five new staging areas) to allow the contractor to conduct additional site preparation activities at Staging Area No. 1. As described in the variance request, the staging area is approximately 1.5 acres and is located on the Glasgow airstrip along the west side of McAusland Road (just north of the compressor station site).

The proposed staging area requires surface improvement to support staging of equipment and materials. The contractor is proposing to transfer approximately 6,000 cubic yards of material from the compressor station site (material that was excavated during compressor station site preparation activities) and use this material to build up the site and create a level surface for the equipment and material staging. In addition, the landowner (Mr. Glasgow) and CVGS would like to transfer the remaining stockpiled soil to the north end of the staging area for temporary storage until Mr. Glasgow determines where this material will be relocated. Mr. Glasgow has requested this topsoil be returned to him for use in other agricultural areas.

#### **CPUC Evaluation of Variance Request.**

In accordance with the MMCRP, the subject variance request was reviewed by CPUC to confirm that no new impacts or increase in impact severity would result from the requested variance activities.

The following discussion summarizes this analysis for agricultural resources, biological resources, cultural, paleontological and hydrological resources, sensitive land uses/noise, traffic and other issue areas. A list of bulleted conditions is presented to define additional information and clarifications regarding mitigation requirements.

**Agricultural Resources.** The five staging areas are located on lands consisting of Prime Farmland and Unique Farmlands; however all staging areas are located in areas that are not currently in agricultural production. Temporary impacts to Prime and Unique Farmland would be less than significant because the impacted land would be restored to preconstruction conditions in accordance with APM AGRI-1 and MM AG-1. No new impacts or increase in impact severity for agricultural resources are anticipated.

**Biological Resources.** According to biological reports and surveys completed for the proposed work spaces, the five staging areas are disturbed sites that have been previously graded and do not support sensitive biological resources. Sensitive resources have been identified in close proximity to the staging areas during biological resources surveys. Mature trees located in close proximity to Staging Area #5, which is located to the north of the Interstate 5/Delevan Road intersection provide suitable nesting habitat for nesting raptors. In addition, aquatic habitat consisting of drainage and rice fields occurs within close proximity to Staging Areas #2, 3 and 4. Sensitive aquatic habitat areas located in close proximity to these sites will be avoided and/or fenced to ensure full avoidance per the discretion of the biological monitor onsite. To avoid potential impacts to sensitive habitat, aquatic species, nesting birds and other wildlife species, CVGS and its contractors will implement the protective measures noted below in the conditions section. No new impacts

or increase in impact severity for biological resources are anticipated with the implementation of the conditions.

**Cultural & Paleontological Resources.** The staging areas have been previously graded or previously utilized as a storage area. There are no paleontological concerns for the staging areas as there will be no ground disturbance. No impacts to cultural or paleontological resources are anticipated.

**Hydrological Resources.** No sensitive water features occur in the staging areas; however sensitive aquatic features occur in close proximity to the staging areas. As proposed by CVGS, Best Management Practices (BMPs) will be installed in accordance with APM BIO-2, which identifies CVGS will prepare and implement a Stormwater Pollution Prevention Plan (SWPPP). No impacts to hydrological resources are anticipated with the implementation of the conditions noted below.

**Traffic.** The work proposed under this request will require construction trips to occur along roadways within the vicinity of the proposed staging areas. Concurrence from Colusa County shall be provided indicating the Traffic Control Plan previously approved for the CVGS project does not require any additional traffic control measures or revisions to existing measures established in the Traffic Control Plan, prior to use of the staging areas. Once concurrence is obtained, CVGS will submit documentation to the CPUC. No new impacts or increase in impact severity are anticipated.

**Sensitive Land Uses/Noise.** Residences are located in close proximity to Staging Area #4. Other surrounding land uses include agricultural uses. The staging areas will be utilized to store equipment and will not generate noise that would be incompatible with adjacent land uses consisting of agricultural uses. No significant impacts to sensitive land uses are anticipated.

**Other Issue Areas.** The majority of the staging areas were previously graded and no ground disturbance is proposed. No nighttime work or lighting is proposed. No new impacts or increase in impact severity are anticipated by the temporary use of the staging areas during the duration of construction with implementation of the conditions below.

#### **Conditions of Variance Approval.**

The conditions presented below shall be met by CVGS and its contractors:

1. All applicable project mitigation measures, APM's, and permit conditions shall be implemented.
2. Copies of all relevant permits, compliance plans, and this Variance approval shall be available on site for the duration of construction activities.
3. All project personnel shall be provided an environmental briefing focused on resources in the area, erosion control requirements, and the limits of the work area. A log shall be maintained on-site with the names of all crew personnel trained. All participants will receive a hard-hat sticker for ease of compliance certification.

4. If any unanticipated lane restrictions or closures are found to be necessary, prior proof of coordination with emergency service providers and all necessary permits shall be submitted to the CPUC.
5. Construction trips from the project site to the staging areas shall be staggered to ensure haul trucks and other construction related equipment do not create congestion and result in minimal disruption to motorists traveling on County Roads and State Highways.
6. No clearing or disturbance to vegetation shall occur inside or outside of the approved work areas.
7. All temporary facilities (i.e. construction equipment) shall be removed from the staging areas at the completion of occupancy.
8. The SWPPP prepared for the project shall be amended to include BMPs for the five staging areas in accordance with APM BIO-2.
9. All complaints received by CVGS in regard to the staging areas shall be logged and reported immediately to the CPUC. This includes complaints relevant to noise, dust, etc. Complaints shall also be forwarded immediately to Colusa County. If complaints cannot be resolved, activities at the site may need to be modified, depending on the nature of the complaint.

Please contact me if you have any questions.

Sincerely,



Eric Chiang  
CPUC Environmental Project Manager  
Central Valley Gas Storage Project

cc: *D. Hochart and S. Eckardt, Dudek*  
*S. Bushnell-Bergfalk, ICF*  
*J. Kiefer, Central Valley Gas Storage, LLC*  
*N. McIntire and H. Salvage, Flour Inc.*