

	California Public Utilities Commission <i>Mitigation Monitoring, Compliance, and Reporting Program</i>
	Central Valley Gas Storage Project Compliance Status Report 09 September 1, 2011

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 August 18, 2011 to September 1, 2011.

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 portions of the natural gas pipeline alignment. Site observations were completed on August 23, 26, and 30, 2011 and September 1, 2011. 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

Drilling Operations at the Remote Well Pad Site, Work on the Temporary Compressor at the Remote Well Pad, and Foundation and structural work at Compressor Station

Construction activities at the remote well pad site undertaken during the period covered by this report included: completion of drilling of the sixth injection well, breakdown and relocation of the drill rig, and

setup of the drill rig at the location of the seventh well; operation of the temporary compressor; and continued gas injection.

Ongoing work at the compressor station site included construction of building foundations, initial framing for the utility building, and continuation of pipe assembly.

Since major grading operations are now complete, dust emissions at both sites have been minimal (primarily from delivery vehicles on McAusland Road) and the contractor has kept one water truck on site to spray the roads. Best management practices (BMPs) have been placed around the perimeter of the work area (see Photo 3, Attachment A), consisting of a silt fence to minimize the potential for sediment to be transported beyond the work limits. Silt fences were observed to be in good working order throughout the site, with the exception of the northern edge of the remote well pad site where a farm vehicle had run over the silt fence, and along the western edge of the remote well pad work area where a clean water spill from the drill rig clean water tank had knocked the fence down in two places. Exclusion fencing has also been placed within areas adjacent to the approved work limits at the direction of the CVGS biologist to ensure that direct impacts to sensitive habitat do not occur during construction. The soil stockpile at the north end of the compressor station site has been observed since 7/28/11 and does not have BMP's in place. 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. Traffic control devices were in place on public roadways within and adjacent the project site.

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

Construction activities along the natural gas connecting pipeline right-of-way undertaken during the period covered by this report included: right-of-way survey and staking; vegetation mowing; ROW grading; installation of timber matting at pipeline crossings or other unstable areas; staging of equipment; bridge installation; excavation and auger boring (at D-23, D-25, D-30, D-31, D-32, D-33, D-38, and D-39) (see Photo 1 and 2, Attachment A); potholing; completion of HDD at the NRCS wetland, disassembly of the HDD rig, relocation of the HDD rig to D-19, initiation of HDD at D-19; (see Photo 3, Attachment A); pipe stringing, welding, and bending; trenching; lowering pipe into trenches; and backfilling trenches (see Photo 4, Attachment A).

Containment measures at the HDD and auger bore sites were observed to be in working order. Welding crews were transported to the work area by bus. Wildlife escape ramps in excavated areas were installed. Holes resulting from potholing were observed to be covered and secured. Spill kits were observed on equipment. Work along the Pipeline alignment was being conducted within approved work limits and portable toilets and trash bins were available for workers. De-watering operations along portions of the pipeline alignment is on-going. Silt fencing, sensitive resource exclusion fencing (ESA fencing), farm infrastructure exclusion fencing, and overhead powerline warning flagging is in place and generally in working condition, with the exception of the ESA fencing at D-6. ESA fencing at D-6 was not observed on 8/30/11, although active construction was ongoing in this area. ESA fencing was installed and observed on 9/1/11 (see Photo 5, Attachment A). Fugitive dust was being controlled by two water trucks

on project roadways. Traffic control devices were in place on public roadways within and adjacent the project site.

Evidence of frac-out was observed at the HDD site on the east side of the NRCS wetland. The frac-out occurred on Saturday (8/20) and was promptly addressed by the HDD contractor under supervision of the Environmental Monitor. No drilling mud entered any waterway and the material was contained by earthen berms created by the HDD contractor under supervision by the Environmental Monitor (see Photo 2, Attachment A).

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. 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 has begun at the remote well pad site and is expected to continue through September 2011. To date, six of the injection wells have been completed and drilling at the seventh well is underway. 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. The permanent perimeter fence has been installed.

Compressor Station

CVGS has completed pad site preparation and grading at the compressor station site. Foundation work is ongoing at the compressor building and auxiliary building. Foundation work is complete and steel

framing at the utility building is underway. Pipe fabrication, foundation work for other site features, and backfilling for completed foundations is also underway.

Natural Gas Connecting Pipeline

Right-of-way preparation is complete, including boundary staking, vegetation mowing, grading, and installation of sensitive resource exclusion fencing, farm infrastructure exclusion fencing, and overhead powerline warning flagging. Timber matting is being installed in numerous areas of the ROW where high water tables create soft soil conditions and where heavy equipment needs to cross existing sub-surface pipelines (Wild Goose pipeline). Potholing is underway where sub-surface pipelines are adjacent to the construction area (at D-16). Excavation for auger boring is underway at D-23 and D-25. Operation of the horizontal directional drilling (HDD) rig and associated equipment is underway at the Colusa Drain (D-19). Pipe stringing, welding, and bending is occurring within the ROW between the Compressor Station and the Remote Well Pad site, south of the Remote Well Pad site (between D-6 and D-6a). Trenching is underway between Interstate 5 and D-38. Pipe installation into trenches and backfilling is underway between Interstate 5 and D-44. Daily de-watering of excavated areas associated with auger bore locations is underway along portions of the pipeline alignment where shallow groundwater is encountered.

CONSTRUCTION SCHEDULE

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

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

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

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

Metering Station – CVGS anticipates starting construction in September 2011 and completing construction by October 2011.

Natural Gas Connecting Pipeline (Segment A) – CVGS began construction on August 8 and anticipates completing construction by January 2012. 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 and anticipates completing construction by November 2011.

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

ATTACHMENT A Photos



Photo 1: Auger bore at D-31. Pump containment in place and wildlife ramps installed.



Photo 2: Auger bore hole excavation at D-25.

ATTACHMENT A (Continued)



Photo 3: HDD at NRCS wetland. Drill mud being loaded into trucks for hauling offsite and treatment.



Photo 4: Buried pipe west of D-44 and east of Interstate 5.

ATTACHMENT A (Continued)



Photo 5: ESA fencing installed along northern side of D-6 (south side of Dodge Road) to protect sensitive habitat (Fremont Cottonwood Riparian Forest).



Photo 6: HDD at NRCS wetland. Frac-out material in foreground was contained under direction of the environmental monitor and hauled off-site for proper disposal.

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	Pending	Southam #2 inspection and work-over activities	n/a

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.	Pending	Pending
9	August 31, 2011	Replacement of one PG&E pole at the Colusa Drain (D-19)	Pending	Pending