

	<b>California Public Utilities Commission</b> <b><i>Mitigation Monitoring, Compliance, and Reporting Program</i></b>
	<b>Central Valley Gas Storage Project</b>  <b>Compliance Status Report 18</b>  <b>March 31, 2012</b>

**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 March 1 to March 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 March 6 and 21, 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; backfilling of small diameter pipe trenches; backfilling of most of the buried electrical line trenches; completion of the dike

around the saltwater tank; and initiation of exterior painting of the saltwater tank (See Photograph 1, Attachment A).

Ongoing work at the compressor station site undertaken during the period covered by this report included: continuation of pipe fabrication/assembly; 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; installation of three cooler units on the east side of the compressor building; electrical work at the compressor building and utility building was underway; foundation work for tank installation in the north-eastern portion of the site was underway; installation of the standby generators; installation of compressor station blowdowns was underway; backfilling of the valve area immediately east of the compressor building has been completed; completion of foundation work for the reboiler, thermal oxidizer, glycol regeneration, and the fluid storage tanks; installation of one reboiler unit; installation of seven fluid storage tanks (See Photograph 2, Attachment A); installation of coolers on the east side of the compressor building; and electrical work was completed by PG&E and included electrical pole installation along McAusland Road.

Dust emissions at both sites have been controlled with water trucks on site to spray the roads (See Photograph 3, Attachment A). 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 (See Photograph 4, Attachment A). In some places, silt fence has been removed based on the recommendations provided by the project QSP responsible for implementing the SWPPP (See Photograph 5, Attachment A). 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. Secondary containment for fluid storage is provided, with one exception (see below). 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: pipe welding; electrical work at the metering station structure; backfilling of electrical line trenches; backfilling of the trench at the east end of the metering station site at the 24-inch pipeline connection has been completed and final grading of this area was underway (See Photograph 6, 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. 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 saltwater storage tank has been constructed and tested and test water has been disposed. The perimeter dike for the saltwater tank has been completed. The permanent perimeter fence has been installed. Nitrogen testing of the wells has been completed. 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. Backfilling of the trench connecting the saltwater disposal well and the saltwater tank has been completed.

### 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 complete. The area immediately east of the compressor building has been backfilled. Installation of three dehydration tanks has been completed. Installation of the Caterpillar units has been completed and connections have been completed. Installation of the seven fluid storage tanks has been completed. Installation of the cooler units has been completed. Installation of the standby generators has been completed. 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 backfilled and final grading has been initiated. One small soil pile in this area remains and has BMPs in place. Trenching for pipeline installation within the Metering Station has been completed. Trenching for electrical line installation within the Metering Station has been completed and backfilling 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

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**Photo 1:** Saltwater storage tank at the Remote Well Pad site being prepared for painting. The containment dike around the tank has also been completed.



**Photo 2:** Installation of seven fluid storage tanks has been completed at the Compressor Station site.



## ATTACHMENT A (Continued)

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**Photo 3:** Water truck being utilized to control dust emissions from the Compressor Station site and along McAusland Road.



**Photo 4:** Silt fence and fiber roll places along the edge of the soil stockpile adjacent to McAusland Road.

## ATTACHMENT A (Continued)

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**Photo 5:** Silt fence has been removed from the western boundary of the Compressor Station site following site review and recommendations by the project QSP.



**Photo 6:** Backfilling and final grading at the Metering Station site was underway.



## 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
14	March 23, 2012	Operations phase	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	February 8, 2012	Increase in size and quantity of hazardous materials storage tanks at the Compressor Station site.	Approved	February 24, 2012
16	February 6, 2012	Dispose of saltwater tank test water onto adjacent, fallow rice field	Approved	February 13, 2012