

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**Application by Sacramento Natural Gas
Storage, LLC for a Certificate of Public
Convenience and Necessity for
Construction and Operation of Natural
Gas Storage Facilities and Requests for
Related Determinations**

**Application No. 07-04-013
(filed April 9, 2007)**

AMENDMENT TO APPLICATION

**ALFRED F. JAHNS
Law Office of Alfred F. Jahns
3436 American River Drive, Suite 12
Sacramento, CA 95864
Telephone: (916) 483-5000
Facsimile: (916) 483-5002
E-mail: ajahns@jahnsatlaw.com**

Dated: September 12, 2008

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application by Sacramento Natural Gas Storage, LLC for a Certificate of Public Convenience and Necessity for Construction and Operation of Natural Gas Storage Facilities and Requests for Related Determinations

**Application No. 07-04-13
(filed April 9, 2007)**

AMENDMENT TO APPLICATION

Sacramento Natural Gas Storage, LLC (“SNGS” or “**Applicant**”) hereby further amends its Application filed in this matter on April 9, 2007, as amended by Applicant’s Amendment filed on October 9, 2007. This filing is hereinafter referred to as the “Second Amendment.”

Applicant is withdrawing its proposal to include a connection with Pacific Gas and Electric (“**PG&E**”) Line 712 as part of the proposed SNGS Facility. Applicant still proposes to connect the SNGS Facility to PG&E Line 400/401 utilizing capacity on existing SMUD Line 700, which is connected to Line 400/401 along County Road 29 near County Road 88 in Winters, California.

Applicant is also revising the Facility construction cost estimate provided in Section V.A. of the Application. The revised estimate is the result of the increases in the costs of equipment, labor and materials (especially steel products) that have occurred since the Application was filed.

In the remainder of this Second Amendment, SNGS explains the limited effects that the revised SNGS Facility description and construction cost estimates will have on the Commission’s ongoing review of Applicant’s requests for authorizations in this proceeding.

I. REVISED DESCRIPTION OF FACILITIES

As a result of discussions with PG&E concerning Applicant's proposed interconnection with PG&E Line 172, Applicant has determined that the costs and operational complexities that would result from that interconnection would outweigh the incremental functionality that it would provide for the SNGS Facility. Applicant is therefore withdrawing its proposal to make that interconnection. Applicant continues to propose to connect the SNGS Facility to PG&E Line 400/401 via capacity on existing SMUD Line 700, which is connected to Line 400/401 along County Road 29 near County Road 88 in Winters, California.

This change in SNGS Facility design reduces the environmental footprint of the proposed SNGS Facility, and thus reduces the potential environmental effects from the construction and operation of the proposed SNGS Facility. Applicant has informed the Commission's Energy Division of its intention to eliminate the interconnection with PG&E Line 172 from the SNGS Facility design. It is Applicant's understanding that the draft Environmental Impact Report, which the Energy Division is preparing to document the Commission's evaluation of the proposed SNGS Facility in accordance with the California Environmental Quality Act ("CEQA"), can be modified to address this change in the SNGS Facility design without further data input from Applicant.

Applicant acknowledged its decision to eliminate the interconnection with PG&E Line 172 from the SNGS Facility design in the prepared direct testimony of Jim Fossum served in this proceeding on September 5, 2008. Applicant explained in that testimony that its decision contributed to the resolution in principle of the PG&E interconnection issues that

Applicant and PG&E have achieved. No other party to this proceeding has raised any interconnection issues.

II. REVISED ESTIMATE OF CONSTRUCTION COST

The Commission's Rule 3.1(f) provides for the Applicant to submit a statement detailing the anticipated fixed and operating costs associated with a proposed Facility, as part of the Applicant's showing that the proposed Facility is in the public interest and is economically feasible. As is noted in the Application, however, the Commission previously has waived these requirements in approving independent natural gas storage facilities that will provide services pursuant to market-based rates. Accordingly, SNGS requested in its Application that the Commission waive the Rule 3.1(f) requirements, but SNGS provided an estimate of the anticipated cost of the construction of the proposed SNGS Facility for the limited purpose of a determination of the fee to be assessed for reimbursement of its environmental review. For that purpose, SNGS estimated the cost of construction of the Facility to be approximately \$40 million.

SNGS filed its Application on April 9, 2007. Since that time there have been increases in the costs of equipment, labor and materials upon which Applicant based its construction cost estimate. The costs of various steel products have increased approximately 40 to 60 percent in just the last six months. As a result, Applicant has adjusted its construction cost estimate to a current estimate of approximately \$57 million.

Inasmuch as Applicant has already paid the full amounts of the three deposits required under Commission Rule 2.5, and is obligated to pay on an ongoing basis all additional costs incurred by the Commission in the preparing the Environmental Impact

Report in this proceeding, Applicant's revised construction cost estimate does not affect its compliance with Commission Rule 2.5 in this proceeding.

III. REQUESTS FOR AUTHORIZATIONS

Applicant's requests for authorizations in its Application included the request that the Commission adopt a Mitigation Negative Declaration pursuant to CEQA in connection with its approval of the construction and operation of the proposed SNGS Facility. In November 2007, however, the Energy Division, with the concurrence of Applicant, determined that an Environmental Impact Report should be prepared with respect to the proposed SNGS Facility. Applicant hereby confirms its withdrawal of its request that the Commission adopt a Mitigated Negative Declaration, and instead requests that the Commission complete and certify an Environmental Impact Report addressing the proposed SNGS Facility. In all other respects, Applicant's requests for authorizations with respect to the proposed SNGS Facility remain as set forth in the Application.

Respectfully submitted,

ALFRED F. JAHNS
Attorney At Law

[s]

Law Office of Alfred F. Jahns
3436 American River Drive, Suite 12
Sacramento, CA 95864
Telephone: (916) 483-5000
Facsimile: (916) 483-5002
E-mail: ajahns@jahnsatlaw.com

Dated: September 12, 2008

VERIFICATION OF APPLICATION

I, Jim Fossum, declare that I am the Chairman of the Board of Members of Sacramento Natural Gas Storage, LLC (“**Applicant**”), and that I am authorized to make this verification on behalf of Applicant. The statements in the foregoing Amendment to Application are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed September 12, 2008, at Sacramento, California.

[s]
Jim Fossum
Chairman, Board of Members
Sacramento Natural Gas Storage, LLC
8031 Fruitridge Road, Suite B
Sacramento CA 95820



California Public
Utilities Commission

CPUC Home

CALIFORNIA PUBLIC UTILITIES COMMISSION Service Lists

PROCEEDING: A0704013 - SACRAMENTO NATURAL G
filer: SACRAMENTO NATURAL GAS STORAGE, LLC
LIST NAME: LIST
LAST CHANGED: SEPTEMBER 9, 2008

[Download the Comma-delimited File](#)
[About Comma-delimited Files](#)

[Back to Service Lists Index](#)

Parties

PETER G. ESPOSITO
 CRESTED BUTTE CATALYSTS, LLC
 PO BOX 668
 CRESTED BUTTE, CO 81224
 FOR: LODI GAS STORAGE

JONATHAN BROMSON
 CALIF PUBLIC UTILITIES COMMISSION
 LEGAL DIVISION
 ROOM 4107
 505 VAN NESS AVENUE
 SAN FRANCISCO, CA 94102-3214
 FOR: DRA

JEANNE B. ARMSTRONG
 ATTORNEY AT LAW
 GOODIN MACBRIDE SQUERI DAY & LAMPREY
 505 SANSOME STREET, SUITE 900
 SAN FRANCISCO, CA 94111
 FOR: WILD GOOSE STORAGE

LAW DEPARTMENT
 PACIFIC GAS AND ELECTRIC COMPANY
 PO BOX 7442
 SAN FRANCISCO, CA 94120-7442
 FOR: PACIFIC GAS AND ELECTRIC COMPANY

DAN L. CARROLL
 ATTORNEY AT LAW
 DOWNEY BRAND, LLP
 555 CAPITOL MALL, 10TH FLOOR
 SACRAMENTO, CA 95814
 FOR: LODI GAS STORAGE

DAVID A. DIEPENBROCK
 ATTORNEY AT LAW
 DIEPENBROCK HARRISON, P.C.
 400 CAPITOL MALL, SUITE 1800
 SACRAMENTO, CA 95814
 FOR: SACRAMENTO NATURAL GAS STORAGE, LLC

JOHN V. DIEPENBROCK
 ATTORNEY AT LAW
 DIEPENBROCK HARRISON
 400 CAPITOL MALL, SUITE 1800
 SACRAMENTO, CA 95814
 FOR: SACRAMENTO NATURAL GAS STORAGE, LLC

TINA THOMAS
 REMY, THOMAS, MOOSE AND MANLEY LLP
 455 CAPITOL MALL, SUITE 210
 SACRAMENTO, CA 95814
 FOR: AVONDALE GLEN-ELDER NEIGHBORHOOD
 ASSN. (AGENA)

EILEEN M. TEICHERT
 CITY ATTORNEY
 CITY OF SACRAMENTO
 915 I STREET, ROOM 4010
 SACRAMENTO, CA 95814-2604
 FOR: CITY OF SACRAMENTO

ALFRED F. JAHNS
 LAW OFFICE ALFRED F. JAHNS
 3436 AMERICAN RIVER DRIVE, SUITE 12
 SACRAMENTO, CA 96864
 FOR: SACRAMENTO NATURAL GAS STORAGE, LLC

Information Only

KARI KLOBERDANZ
REGULATORY CASE ADMINISTRATOR
SOUTHERN CALIFORNIA GAS COMPANY
555 WEST 5TH STREET, GT14D6
LOS ANGELES, CA 90013-1011
FOR: SOUTHERN CALIFORNIA GAS COMPANY

MARCIE MILNER
DIRECTOR - REGULATORY AFFAIRS
SHELL TRADING GAS & POWER COMPANY
4445 EASTGATE MALL, SUITE 100
SAN DIEGO, CA 92121

JOHN W. LESLIE
ATTORNEY AT LAW
LUCE, FORWARD, HAMILTON & SCRIPPS, LLP
11988 EL CAMINO REAL, SUITE 200
SAN DIEGO, CA 92130

KATARZYNA M. SMOLEN
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE STREET, MC B9A
SAN FRANCISCO, CA 94105

PAUL C. LACOURCIERE
THELEN REID BROWN RAYSMAN & STEINER
101 SECOND STREET, SUITE 1800
SAN FRANCISCO, CA 94105

PETER V. ALLEN
THELEN REID BROWN RAYSMAN & STEINER
101 SECOND STREET, SUITE 1800
SAN FRANCISCO, CA 94105-3606

JEANNE B. DAY
GOODIN, MACBRIDE, SQUERI, DAY & LAMPREY, LLP
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111
FOR: WILD GOOSE STORAGE, LLC

MICHAEL B. DAY
ATTORNEY AT LAW
GOODIN MACBRIDE SQUERI DAY & LAMPREY LLP
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111
FOR: WILD GOOSE STORAGE

EDWARD O'NEILL
DAVIS WRIGHT TREMAINE LLP
505 MONTGOMERY STREET, SUITE 800
SAN FRANCISCO, CA 94111-6533
FOR: DAVIS WRIGHT TREMAINE LLP

CALIFORNIA ENERGY MARKETS
425 DIVISADERO ST. SUITE 303
SAN FRANCISCO, CA 94117

KERRY C. KLEIN
ATTORNEY AT LAW
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 7442
SAN FRANCISCO, CA 94120
FOR: PACIFIC GAS AND ELECTRIC COMPANY

MRW AND ASSOCIATES, INC.
1814 FRANKLIN STREET, SUITE 720
OAKLAND, CA 94612
FOR: MRW AND ASSOCIATES, INC.

ROCHELLE AMRHEIN
CITY OF SACTO, ENVIRONMENTAL PLANNING SV
300 RICHARDS BOULEVARD, 3RD FL
SACRAMENTO, CA 95811

ASHLE CROCKER
REMY, THOMAS, MOOSE AND MANLEY, LLP
455 CAPITOL MALL, SUITE 210
SACRAMENTO, CA 95814
FOR: AVONDALE GLEN-ELDER NEIGHBORHOOD
ASSN. (AGENA)

CHRIS BUTCHER
REMY, THOMAS, MOOSE AND MANLEY, LLP
455 CAPITOL MALL, SUITE 210
SACRAMENTO, CA 95814
FOR: AVONDALE GLEN-ELDER NEIGHBORHOOD
ASSN. (AGENA)

COLIN BAILEY
LEGAL SERVICES OF NORTHERN CALIFORNIA
515 12TH STREET
SACRAMENTO, CA 95814
FOR: AVONDALE GLEN-ELDER NEIGHBORHOOD
ASSN. (AGENA)

SARAH R. ROPELATO
LEGAL SERVICES OF NORTHERN CALIFORNIA
515 12TH STREET
SACRAMENTO, CA 95814
FOR: AVONDALE GLEN-ELDER NEIGHBORHOOD
ASSN.

MICHAEL T. SPARKS
SENIOR DEPUTY CITY ATTORNEY
CITY OF SACRAMENTO
915 I STREET, ROOM 4010
SACRAMENTO, CA 95814-2604
FOR: CITY OF SACRAMENTO

MATTHEW G. JACOBS
DLA PIPER US LLP
400 CAPITOL MALL, SUITE 2400
SACRAMENTO, CA 95814-4428
FOR: AVONDALE GLEN ELDER NEIGHBORHOOD
ASSOCIATION

SCOTT W. PINK
DLA PIPER US LLP
400 CAPITOL MALL, SUITE 2400
SACRAMENTO, CA 95814-4428
FOR: AVONDALE GLEN ELDER NEIGHBORHOOD
ASSOCIATION

THOMAS ENSLOW
ADAMS BROADWELL JOSEPH & CARDOZO
520 CAPITOL MALL, SUITE 350
SACRAMENTO, CA 95814-4715
FOR: SACRAMENTO NATURAL GAS STORAGE, LLC

SLIDER CONSTANCE
CO-CHAIR
AVONDALE GLEN-ELDER NEIGHBORHOOD ASSN.
5740 WILKINSON STREET
SACRAMENTO, CA 95824
FOR: AVONDALE GLEN-ELDER NEIGHBORHOOD
ASSOCIATION (AGENA)

RONALD LIEBERT
ATTORNEY AT LAW
CALIFORNIA FARM BUREAU FEDERATION
2300 RIVER PLAZA DRIVE
SACRAMENTO, CA 95833

State Service

EUGENE CADENASSO
CALIF PUBLIC UTILITIES COMMISSION
ENERGY DIVISION
AREA 4-A
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

MICHAEL ROSAUER
CALIF PUBLIC UTILITIES COMMISSION
ENERGY DIVISION
AREA 4-A
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

PAUL S. PHILLIPS
CALIF PUBLIC UTILITIES COMMISSION
EXECUTIVE DIVISION
ROOM 5306
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

RICHARD A. MYERS
CALIF PUBLIC UTILITIES COMMISSION
ENERGY DIVISION
AREA 4-A
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214
FOR: ENERGY DIVISION

RICHARD SMITH
CALIF PUBLIC UTILITIES COMMISSION
DIVISION OF ADMINISTRATIVE LAW JUDGES
ROOM 5007
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

ROBERT MASON
CALIF PUBLIC UTILITIES COMMISSION
EXECUTIVE DIVISION
ROOM 5141
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

JAMES W. REEDE JR., ED.D.
ENVIRONMENTAL SCIENCE PROFESSOR
1516 - 9TH STREET
SACRAMENTO, CA 95814

[TOP OF PAGE](#)

[BACK TO INDEX OF SERVICE LISTS](#)