



CITY OF HERCULES

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December 6, 2001

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Subject: Comments on Draft Mitigated Negative Declaration, CPUC Application Numbers 00-05035 and 00-12-008, "Pacific Gas and Electric Company's Application to Sell the Richmond-to-Pittsburgh Pipeline and Hercules Pump Station and San Pablo Bay Pipeline Company's Application to Own and Operate these Assets"

Dear Ms. Blanchard,

Thank you for extending the comment period to December 7, 2001, and the opportunity to comment on the Draft Mitigated Negative Declaration for PG&E Company's application to sell the Richmond-to-Pittsburgh pipeline and Hercules Pump Station and San Pablo Bay Pipeline Company's Application to own and operate these assets. The following comments are submitted for your review and consideration:

1. On the first page titled "Mitigated Negative Declaration" under "Project Description" there are two separate applications before the CPUC:
 - (a). To sell the Richmond-to-Pittsburgh pipeline to a new owner, the San Pablo Bay Pipeline Company (SPBPC), and
 - (b). SPBPC is seeking permission to operate this pipeline and the Hercules pump station.

The last sentence in the last paragraph on that page states that "under an agreement between PG&E and SPBPC, PG&E has secured the necessary rights of way for a 4,000 foot replacement section in Martinez." A representative from the East Bay Regional Park District has shared that no such easements or agreements to construct this 4,000 foot section in Martinez, exists.

2. Under Biological Resources, Mitigation Measure IV.1, Wildlife Resources, surveys of the California red-legged frog to determine presence are to be conducted "prior to construction." The U.S. Fish and Wildlife Service and the California Department of Fish and Game should have been transmitted copies of the Draft Mitigated Negative Declaration for

M1

- their comments since there is a possibility that red-legged frogs currently are in the wetland area at the bottom of the hill near State Route 4. This wetland area which may contain red-legged frogs is also identified in the Draft Mitigated Negative Declaration as a containment area in the event of a rupture of the storage tanks; however, the Draft Mitigated Negative Declaration does not have a large scale site plan showing the Hercules storage tanks, containment areas and pump station building, consequently, we are forced to guess where this containment area is within the Hercules Pump Station. Please provide a large scaled site plan showing the Hercules Pump Station storage tanks, containment areas, access roads, parking areas, outside storage yards and pump station building. M2
3. Regarding Cultural Resources, Mitigation Measure V.1a, and V.1b, an investigation of historic documents for cultural resources should be conducted now and the results made a part of the Draft Mitigated Negative Declaration. Appointing a cultural resource specialist 15 days prior to the start of vegetation clearance activities seems a trifle late. The Resource Specific Data Recovery Plan should reviewed by the CPUC and the Native American Heritage Commission at least 30 days prior to the start of any project-related construction activity. M3
 4. Regarding Geology and Soils, Mitigation Measure VI.1, an evaluation of the effect of tectonic creep on the pipeline at the Hayward and Concord fault crossings should be conducted now rather than “prior to operation of the pipeline.” M4
 5. Regarding Hazards and Human Health, Mitigation Measure VII.1, a Phase 1 Environmental Site Assessment along the replacement pipeline route should be conducted now rather than “within 10 business days prior to transfer of title.” M5
 6. Regarding Land Use and Planning, Mitigation Measure IX.2, the City of Hercules should be included in the second sentence from the end of the page. Please define what it means that “the purchaser shall assure that access to the Bay Trail remains open to the maximum extent possible, and that if necessary, a clearly marked, comparable alternative route is provided on a temporary basis.” Any changes or realignments to the proposed Shoreline Trail in the incorporated boundaries of the City of Hercules, requires a General Plan Amendment. M6
 7. Regarding Transportation/Traffic, Mitigation Measure XV.1b, access plans for highly sensitive land uses such as schools should be coordinated now rather than later. M7
 8. In Section 1.0, Description of the Proposed Project, 1.1 Introduction on page 1-1, first paragraph, fourth line, mentions a separate application No. 00-12-008 to the CPUC, that SPBPC is seeking to operate the Richmond-to-Pittsburgh Fuel Oil Pipeline and Hercules Pump Station. There is little discussion throughout this document of what the purpose of the Pittsburgh Power Plant is proposed to be doing. Please provide more detail and description of what this Pittsburgh is going to do since it is part of application no. 00-12-008. M8

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| 9. | On page 1-2, please define if crude oil is contained in the “transport of ‘oil, petroleum, and products thereof.” | M9 |
| 10. | Please provide the “detailed maps indicating the location of the pipeline are included in Exhibits A and B of the Company’s response to the CPUC Notice of Deficiency Regarding Remaining Generation Asset Applications, A.00-05-035, Richmond-to-Pittsburgh Fuel Oil Pipeline (Response to Deficiency Report.) mentioned on page 1-4. | M10 |
| 11. | On page 1-4, describes that the pipeline was designed for the “transport oil, petroleum and other similar products to PG&E’s former Pittsburgh and Contra Costa power plants”, and that “the pipeline was designed to provide the power plants with heated, low-sulfur, residual fuel oil from the refinery.” If the product in the pipeline changes, i.e. to crude oil, then new discretionary permit will be required to be submitted by the City of Hercules. | M11 |
| 12. | Figure 2, “Site Locations” are difficult to read (the map is faded, and there are no streets or existing developments identified) and give only generalizations. Please provide a detailed map showing which side of the railroad tracks the pipeline is on, which side of the North Shore Business Park the pipeline is located, more specific detail of improvements in the Hercules Pumping Station. In addition, the map shown and labeled “PG&E Richmond to Pittsburgh Pipeline” is outdated since a “chemical plant” was demolished over five years ago. | M12 |
| 13. | Page 1-6 states that “safety oversight of the pipeline and pumping station operations would be the responsibility of the Office of the State Fire Marshall.” | M13 |
| 14. | Page 1-6, Section 1-4, “Terms of the Divestiture” We would disagree with the last sentence on this page: “PG&E believes that the proposed sale is not subject to recent legislation (ABX 1-6) that prohibits PG&E from selling ‘facilities for the generation of electricity’ as the Richmond to Pittsburgh Fuel Oil Pipeline and Hercules Pump Station assets are not facilities for the generation of electricity.” The City of Hercules position is that the Richmond to Pittsburgh pipeline transports fuel oil from Richmond to Pittsburgh which is used to generate electricity at the Pittsburgh power plant; consequently, the City of Hercules believes that PG&E is prohibited from selling the Richmond to Pittsburgh pipeline since this pipeline is used to as a conduit for the generation of electricity at the Pittsburgh plant. In addition, page 1-8, Section 1.6, “General Maintenance and Construction Methods”, 1.6.1 “Procedures for Pipeline Operations”, the second paragraph states that “the Pittsburgh Pumping Station is owned by Southern Energy which would suggest that the Pittsburgh Power Plant is used to generate electricity, and that the pipeline is needed to provide a fuel source for the Pittsburgh Power Plant and Southern Energy to generate electricity. Selling the Pipeline would be a violation of ABX 1-6. | M14 |
| 15. | Please define “hot oil” as reference on page 1-7. Also on page 1-7, there is mentioned “pipeline(s).” Please clarify and describe | M15 |

16. Please provide a detailed, scaled site plan indicating the improvements of the Hercules Pump Station described on page 1-7, Section 1.5 "Project Components." Please describe in more detail:
 - a. The size of the control building, dimensions and height.
 - b. The size of the fire water pump building and tank, dimensions and height.
 - c. The size of the equipment pad with pumps and fuel heating units.
 - d. The facility drainage collection and treatment system, where does it drain to.
 - e. The aboveground storage tanks, how big and high are they?
 - f. The two-thousand gallon underground containment tank.
 - g. Where are the water-holding evaporation ponds?
17. Please describe the inert gas mentioned on page 1-8, fourth paragraph. Does this inert gas have an odor? M17
18. Please describe the "oily water" mentioned on page 1-13, "Maintenance Procedures for Hercules Pump Station Operations." Does the oily water have an odor? Also please cite the "applicable regulations" mentioned on page 1-13 for the treatment or disposal of this oily water. M18
19. On page 1-14, Section 1.6.11 "Reasonably Foreseeable Uses of the Pipeline" the City of Hercules should be included as a approving agency, and would suggest the following:
 - a. "Any change in use of the pipeline and Hercules Pump Station initiated by SPBPC would require CPUC *and the City of Hercules* approval." M19
 - b. "Any change in use would also require negotiation of amendments to easements and rights-of-way with numerous landowners, *and a new conditional use permit from the City of Hercules for the change in product in the pipeline or the modification to existing improvements to the Hercules Pump Station.*"

There is a distinct possibility that the product in this pipeline will be changing since the "Purchase and Sale Agreement prohibits SPBPC from seeking any change in the permitted use of the pipeline before the sale closes." The City of Hercules does not agree with the CPUC's statement that "it is reasonably foreseeable that for the immediate future following the sale, the use of the pipeline would remain as transport of petroleum products quite possibly between any of the several Tosco refineries and transport facilities along the pipeline." (Last sentence on page 1-14, Section 1.6.11) Because the following sentence in Section 1.6.12, "Points of Origin and Delivery" which says that "points of delivery for the petroleum product along the Richmond to Pittsburgh Fuel Oil Pipeline would be speculative at this point." M20

20. Please provide the documentation for the statement that "the Hercules Pump Station was designed to allow movement of oil from a marine loading wharf that was once located at the former Gulf Refinery in Hercules, although no provisions were made to connect the wharf to the M21

- pipeline.” (Second paragraph, page 1-14, Section 1.6-12, “Points of Origin and Delivery”)
21. Please describe more fully how the oil storage tanks operates on page 1-15, Section 1.7 “Long-Term Operation and Maintenance”, 1.7.1 Hercules Pump Station, Operation. Does the roof float to the top as the level of oil rises? How are the odors contained? Does the roof float down as the oil level drop? Please describe what “cutter stock” is? Please describe “heavy oil”? What kinds of solvents are in the cutter stock? Where is the Tosco’s Santa Fe Springs Pipeline Control Center? If this Santa Fe Springs facility is located in southern California along the “605 Freeway Corridor”, we would have a concerns since the pipeline leak detection system is located approximately 500 miles away from a possible leak in the Richmond-Pittsburgh pipe. M22
 22. Please describe how SPBPC would control odors generated from the storage of oil at the Hercules Pump Station. There is no mention of odor control in the “Maintenance” section on page 1-15, Section 1.7 “Long-Term Operation and Maintenance”, 1.7.1 Hercules Pump Station. M23
 23. Please clarify which agency has the responsibility for inspections and maintenance of the pipeline and the Hercules Pump Station. On page 1-16, Section 1.7 “Long-Term Operation and Maintenance”, 1.7.1 Hercules Pump Station, Maintenance, the United States Department of Transportation Office of Pipeline Safety guidelines are used for inspections and maintenance of the Hercules Pump Station. However, on page 1-6, Section 1.3 Background, 1.3.1, REGULATORY, the last sentence states that the Office of the State Fire Marshall has the responsibility for safety oversight of the pipeline and pump station operations.. Which agency has the inspection of the pipeline and the Hercules Pump Station? There appears to be a conflict. M24
 24. On page 1-2, Section 2.0, Environmental Checklist and Expanded Explanation, Visual Character and Policies, second to the last sentence at the bottom of the page, the “adjacent lots are undeveloped grasslands”, however, these parcels to the north are soon to be developed with residential neighborhoods, a school and commercial land uses approved through a Specific Plan presently known as the New Pacific Properties Specific Plan. M25
 25. On page I-5, Section 2.0, Environmental Checklist and Expanded Explanation, AESTHTICS IMPACTS DISCUSSION, we would disagree with the second sentence: “The pump station, located on 44.2 acres of land in the City of Hercules, is generally shielded from view from all directions..” The storage tanks are visible from the North Shore Business Park and the New Pacific Properties Specific Plan residential neighborhoods west of San Pablo Avenue, and the Foxboro residential neighborhood across Interstate 80 on the westerly side of the City of Hercules, and the hillside residences in the community of Rodeo. M26
 26. The Mitigation Measure I.1 on page I-5, Section 2.0, Environmental Checklist and Expanded Explanation, AESTHTICS IMPACTS

- DISCUSSION is in conflict with the East Bay Regional Park Districts easements in the Martinez area since the EBRPD has just completed a restoration project which the 4,00 foot new pipeline will impact, and the EBRPD has not granted any easements for the pipeline to allow SPBPC to construct. M27
27. Please provide a photographic simulation of the 4,000 foot pipeline as it would appear in the Martinez area, before and after construction. It is difficult to visualize what the appearance and affect the proposed pipeline would have visually in this area. M28
 28. Please submit more information and a discussion of potential impact of odors generated from oil products stored in the existing storage tanks on the Hercules Pump Station site, and the mitigation as it relates to air quality on pages III-1 and III-2 of Section 2.0, Environmental Checklist and Expanded Explanation, SETTING and AIR QULAITY IMPACT DISCUSSION. We are especially interested in knowing how the storage tanks floating roof will contain the odors generated from the oil clinging to the sides of the tanks, and how the CPUC and SPBPC will contain these odors. M29
 29. Please provide information on the capacity, size, height and appearance of the existing storage tanks describe on page IV-1 of Section 2.0, Environmental Checklist and Expanded Explanation, Biological Resources, SETTING, Pump Station. M30
 30. Please provide more detailed, larger scale maps shown on Figure 3, "Alquist-Priolo Fault Rupture Zones." The maps provided in the Draft Mitigated Negative Declaration are faded, and unreadable. M31
 31. Please clarify the odor generated as a result of the "cutter stock (a light cycle oil with properties similar to fuel oil)" that will be stored in the aboveground storage tanks that is described on page VII-2, "Setting, Operation of the Hercules Pumping Station" M32
 32. On page VII-6, "Schools," there is recognition of a school being proposed within 1500 feet of the existing aboveground storage tanks. The location of the school has been approved through a Specific Plan process in the later part of 2000. The West Contra Costa Unified School District is actively pursuing the purchase of the school site. Development of this proposed is important for the adopted Specific Plan known as the "New Pacific Properties Specific Plan." If the Hercules Pump Station storage tanks are re-activated, the construction of this proposed is in jeopardy of being developed. There should be further analysis conducted focusing on the impacts of the storage tanks and the contents which may be transported to the Hercules Pump Station as it relates to the proposed school, the children and employees. M33
 33. Throughout this document there is reference to "heavy oil", "cutter stock" and the possibility that the petroleum product could be crude oil, however, on page VII-7, "Fuel Oil Transport", fourth line it says that the "the proposed project does not include changing the type of material to be transported through the pipeline.." Please clarify what the product in the M34

pipeline will be restricted to. Is crude oil going to be allowed to be transported through this pipeline?

34. On page VII-7, "Operation of the Hercules Pump Station", the second sentence, "The school is called for in the City of Hercules General Plan, but has not yet received its needed approvals by the Hercules School District, and the city's Planning Commission or City Council" is incorrect. The school site has been approved through the "New Pacific Properties Specific Plan." And the West Contra Costa Unified School District is actively pursuing this school site. M35
35. On page IX-5, "Setting", "City of Hercules," last paragraph, first sentence should be revised: "The City of Hercules has ~~initiated a process to~~ adopted the "New Pacific Properties Specific Plan" ~~would~~ which encompasses ~~a discrete~~ the area north of and adjacent to the pump station..." M36

We appreciate the additional time given for the City of Hercules to review this Draft Mitigated Negative Declaration, CPUC Application Numbers 00-05-035 and 00-12-008. And we look forward to seeing your response to our comments. Please send any correspondence to:

Dennis Tagashira, Planning Manager
City of Hercules
111 Civic Drive
Hercules, CA. 94547

Sincerely,



Stephen R. Lawton,
Director of Community Development

cc: Michael Sakamoto, Acting City Manager
Mick Cabral, City Attorney