



Aspen *Environmental Group*

PROJECT MEMORANDUM LODI GAS KIRBY HILLS NATURAL GAS STORAGE FACILITY PROJECT

To: Junaid Rahman, CPUC
From: Vida Strong, Aspen Project Manager
Date: August 30, 2006
Subject: Weekly Report #14: August 20, 2006 – August 26, 2006
CPUC Environmental Monitors (EM): Jody Fessler

CPUC EM Jody Fessler was on site August 22nd and 23rd.

PIPELINE SEGMENT:

Summary of Activity:

On Monday, crews tied-in the piping headers to the 12-inch pipeline. The 16-inch pipeline portion of the project is complete.

Environmental Compliance Activities:

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

WELL SITES:

Work at the well sites took place Monday through Thursday of this week.

Crews worked at the S-1 well site throughout the week (see Figures 1 & 2). On Monday, the piping crew mobilized to well sites S-1 and S-2, and drained the hydrotested piping of water. Crews also installed the piping manifold, valves, and spool pieces for the S-1 well head. On Tuesday, crews completed pipe installation for well site S-1. Also, LGS personnel installed instrument devices and tubing for well site S-1. Sandblasting and coating was ongoing for well site S-1. On Wednesday, the underground coating was completed for well site S-1 piping. Crews began pipe shading, backfill, and compaction for the well site S-1 piping. Also, LGS personnel completed work on the flow meter and flow valve for well site S-1. On Thursday, crews constructed forms for the pipe header supports at well site S-1.

Crews worked at the S-2 well site throughout the week conducting piping excavation (see Figure 3). On Monday, the piping manifold, valve, and launcher were installed at well site S-2. On Tuesday, the valves and trim were installed on a pig launcher at well site S-2. On Thursday, crews conducted pipe stringing (6-inch) and sandblasting, and coating was ongoing at well site S-2.

On Thursday, crews began constructing forms for pipe header supports at well site S-10.

Water trucks were observed regularly watering the sites and roads for dust control.

Environmental Compliance Activities:

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

KIRBY HILLS COMPRESSOR STATION SITE:

Work at the Kirby Hills Compressor Station took place Monday through Thursday of this week.

At the Kirby Hills Compressor Station, crews conducted foundation work and piping fabrication throughout the week (see Figures 4 & 5). On Monday, the superintendent and foreman of the electrical contractor arrived on site. On Tuesday, Solano County inspected and approved the foundations for the slug catcher. On Wednesday, the slug catcher support concrete was poured in all but one foundation. Also, the bottom concrete sections were poured for the following foundations: MAD-6200, PS-38 through 44, 47, 48 and 52. All storage tanks were set on foundations and ladders were being assembled. The electrical contractor office trailer and storage container arrived on Wednesday to the site. Also, one shipment of cable tray was received. Crews did the layout for the grounding grid. On Thursday, crews set MAK-6100 and MAJ-6500 on their foundations. Crews also stripped forms for slug catcher foundations. Trenching for the grounding grid also began on Thursday.

Water trucks were observed regularly watering the site for dust control.

Environmental Compliance Activities:

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

METERING STATION SITE:

No work took place at the Metering Station site this week by PG&E or Lodi Gas. The Solano County building permit and CPUC NTP #5 are pending given on-going plan review.

Environmental Compliance Activities:

The CPUC EM observed that construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

NOTICES TO PROCEED (NTP):

Table 1 presents the NTPs issued by the CPUC for the Lodi Gas Kirby Hills Project to date.

TABLE 1
NOTICES TO PROCEED
(Updated 8-30-06)

NTP #	Date Issued	Description
#1	5-19-06	Pipeline Portion
#2	5-31-06	Civil (grading) and piping construction of the well sites, and civil (grading) construction of the compressor station
#3	7-05-06	Compressor station and well site construction. Drilling of three new storage wells.
#4	6-20-06	Civil portion only of the natural gas receiving/metering station
#5	Under Review	Metering station foundation, structural, piping, electrical, and instrumentation construction. County permit pending. EDM reviewing info submitted by LGS.

VARIANCE REQUESTS:

Table 2 presents the Variance Requests reviewed and approved by the CPUC for the Lodi Gas Kirby Hills Project to date.

TABLE 2
VARIANCE
(Updated 8-30-06)

NTP #	Date Requested	Date Issued	Description
#1	6-01-06	6-05-06	Request to trench through ephemeral wetland area approximately 70 ft. west of Olson Road.
#2	5-31-06	6-08-06	Lodi gas would like permission to trench through an area with a CNPS listed plant (pappose spikeweed). CPUC approval contingent upon CDFG concurrence. 6/21 – CDFG feedback provided and forwarded to J&S.
#3	6-16-06	6-16-06	Request to trench through two ephemeral wetland areas west of Shiloh Road.
#4	6-27-06	6-28-06	Request for additional workspace on the west side of Shiloh Road for the Shiloh bore.
#5	6-28-06	6-29-06	Request for removal of two small eucalyptus trees and trenching through the root system of two larger trees.
#6	7-07-06	7-07-06	Request to use additional workspace at the corner of Shiloh Road and the Kirby Hills access road to support large vehicles and equipment being transported to the Kirby Hills site.
#7	7-07-06	7-18-06	Request to relocate a PG&E distribution line around the S-2 well site. CPUC has requested historical resource information on the drilling “dog house” that is near the site. Jones & Stokes submitted information on 7/17/06.
#8	7-07-06	7-07-06	Request to move the 4-inch temporary gas line.

ENVIRONMENTAL COMPLIANCE:

One Project Memorandum has been issued by the CPUC EM for the project to date. On June 27th, the CPUC EM observed dump trucks dumping spoils from the Kirby Hills site on a levee road in an adjacent wetland area. This activity was not described in the project description. The CPUC EM requested to review permits for this activity. The landowner provided Lodi Gas with the 2006 Annual Application for the USACE Wetlands Maintenance, a copy of a letter from the USACE to the Suisun Resource Conservation District dated May 31, 2006, and a letter from the Suisun Resource Conservation District to the landowner dated June 5, 2006. The CPUC EM reviewed these documents and has concluded that the work activities are in compliance with the USACE approval. The Project Memorandum serves as a reminder that all permits for construction activities related to the Kirby Hills Natural Gas Storage Facility project be submitted and approved by the CPUC. Also, if changes to project activities as described in the MND occur, a Variance Request shall be submitted.

No Non-Compliance Reports (NCR) have been issued by the CPUC EM for the project to date.

UPCOMING ITEMS:

Starting August 3, Lodi Gas began holding bi-monthly conference calls on Thursdays at 1:30 p.m. (PST) to review issues and upcoming events.

Photographs



Figure 1 – Backfilling pipe at S-1 well site, August 22, 2006



Figure 2 – Flushing water from pipe at well site S-1, August 23, 2006



Figure 3 – Earthwork at well site S-2, August 22, 2006.



Figure 4 – Piping fabrication at Compressor Station, August 22, 2006



Figure 5 – Compressor Station looking west, August 22, 2006