



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: July 6, 2006
Subject: Weekly Report #6: June 25, 2006 – July 1, 2006
CPUC Environmental Monitor (EM): Jody Fessler

CPUC EM Jody Fessler was on site June 27th and June 29th.

PIPELINE SEGMENT:

Summary of Activity:

Construction activities continued this week with the 16-inch pipeline along right-of-way west of Olson Road and west of the staging yard and Shiloh Road (see Figure 1). Crews continued stringing and welding pipe sections together from where they left off from last week. Pipe was then coated, jeeped, and lowered in the trench. The right-of-way east of Olson Road is completed and restored, with the exception of the papoose spikeweed population near a seasonal drainage (see Table 2). The bore under the railroad was completed this week. Also, the bore under the stream that crosses under Shiloh Road was completed this week.

Trenching of the right-of-way for the 12-inch flow-line at Kirby Hills from the compressor station toward the well sites continued during the subject week. Crews also welded, coated, jeeped, and lowered the 12-inch flow line into the trench.

The staging area off Shiloh Road is being used for the staging of materials and equipment for the pipeline construction. Lodi Gas and Rockford, the construction contractor, also have work trailers staged on the site. The welding crew also worked in the yard welding pieces of pipe together (see Figure 2).

Water trucks were observed often watering down the right-of-way for dust control.

ESA fencing was installed this week around the old abandoned house and some eucalyptus trees to the southwest of the staging yard per CDFG's request to protect owls and nesting birds (see Figure 3).

A Jones & Stokes Environmental Inspector (EI) was on-site to ensure compliance with mitigation measures adopted in the Mitigated Negative Declaration (MND), Storm Water Pollution Prevention Plan (SWPPP), and other permit requirements.

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:

Bulldozing the right-of-way between well site S-10 and S-1 in the Kirby Hills started this week. The temporary compressor was set at well site S-10 (see Figure 4).

Environmental Compliance Activities:

On July 27th, the CPUC EM noted that dump trucks were taking spoils from the bulldozing activities at S-10 and S-1, and dumping the spoils on some existing levee roads in an adjacent wetland area (see Figure 5). This activity was not described in the project description. The CPUC EM asked to see permits for this activity. Lodi Gas provided an approval letter from the USACE to the landowner for this activity. A Project Memorandum was issued reminding Lodi Gas that all project related permits must be submitted to the CPUC for review. The CPUC EM observed that all other construction activities were in compliance with mitigation measures adopted in the MND and other permit requirements.

KIRBY HILLS COMPRESSOR STATION SITE:

Earth work activities at the Kirby Hills Compressor Station continued this week and involved compacting the soil and preparatory work for foundations (see Figure 6). 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:

PG&E continued work this week at the metering station parameter on the east side. The work included tapping into their 32-inch gas line to supply gas to the Lodi Gas Kirby Hills Project and the welding of the tap line pipe (see Figure 7).

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 7-06-06)

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.

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 7-06-06)

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	Removal of two small eucalyptus trees and trenching through the root system of two larger trees.

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:

Lodi Gas holds a weekly conference call on Thursdays at 1:00 p.m. (PST) to review issues and upcoming events.

AGENCY PERSONNEL CONTACTS:

The CPUC EM has been communicating with Jenny Marr of CDFG regarding the pappose spikeweed population and bird nesting issues.

Photographs



Figure 1 – Pipeline right-of-way looking east from railroad tracks, June 29, 2006.



Figure 2 – Crews doing welding work in the staging yard, June 29, 2006.



Figure 3 – ESA fencing installed in front of old abandoned house, June 27, 2006.



Figure 4 – Temporary compressor at well site S-10, June 27, 2006.



Figure 5 – Spoils being dumped along levee roads in adjacent wetland area, June 27, 2006.



Figure 6 – Rebar work for foundations at Compressor Station site, June 29, 2006.



Figure 7 – PG&E working at metering station and tapping into 32-inch existing natural gas line to supply the Lodi Gas Kirby Hills Project with natural gas for storage, June 29, 2006.