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**PROJECT MEMORANDUM**  
**LODI GAS KIRBY HILLS NATURAL GAS STORAGE FACILITY PROJECT**

**To:** Junaid Rahman, CPUC  
**From:** Vida Strong, Aspen Project Manager  
**Date:** January 18, 2007  
**Subject:** Weekly Report #33: January 7, 2006 – January 13, 2007

**CPUC ENVIRONMENTAL MONITOR (EM):** Jody Fessler

CPUC EM Jody Fessler was not on site during the subject week.

**PIPELINE SEGMENT:**

**Summary of Activity:**

All 16-inch pipeline work has been completed, as well as right-of-way cleanup. All of the affected landowners have signed off on the work as acceptable. The right-of-way is revegetating well.

The cleanup of the staging area off Shiloh Road is complete; equipment and materials have been moved off the site and the area tilled per the specifications of the landowner.

**WELL SITES:**

Work at the well sites occurred Monday through Friday of the subject week.

On Monday, crews sandblasted and primed the piping at Well Site S-1. On Tuesday, electrical and instrumentation crews worked on the distribution panels at Well Site S-1. On Wednesday, crews attempted hydrostatic test at Well Site S-1, but postponed the activities due to equipment malfunction. On Thursday, crews completed the hydrostatic testing of the meter piping at Well Site S-1. On Friday, the electrical and instrumentation crews mounted the remainder of panels on the distribution rack, completed power wiring to load side of disconnect, and completed grounding the distribution rack at Well Site S-1

On Monday, crews prepared Well Site S-2 piping for hydrotest and increased pressure to 1000 psig for overnight stabilization. Also on Monday and Tuesday, the electrical and instrumentation crews installed conduit at Well Site S-2. On Tuesday, crews completed the hydrostatic testing for Well Site S-2.

On Monday, electrical and instrumentation crews installed flexible conduit and conducted instrumentation work at Well Site S-10. On Tuesday, the electrical and instrumentation crews worked on the distribution panels at Well Site S-10. On Thursday, the electrical and instrumentation crews grounded the distribution rack at Well Site S-10.

**KIRBY HILLS COMPRESSOR STATION SITE:**

Work at the Kirby Hills Compressor Station took place Monday through Friday. No work was conducted on Saturday. Crews conducted the following activities:

- Monday through Friday, crews fabricated drain piping at the compressor skid, continued the fabrication and installation of the pump piping in the tank battery area, installed the vessel trim on the glycol contactor, poured concrete for the two charcoal filter foundations, stripped the forms for the two charcoal filter foundations, grouted the pipe support brackets, constructed forms for the utility line pipe support near the compressor building, installed the metal containment at the tank battery area, conducted clean-up of the yard, spread gravel around the yard, and started to install the fence around the Compressor Station yard.



- Tuesday through Friday, crews conducted electrical and instrumentation work which included: working on ground- ing at the tank battery truck loading area, installing grounding reel support at the tank battery area, setting last cable tray support, grounding charcoal filters and the drip pot skid, commissioning three pumps at the tank battery area, troubleshooting the oil drip pot motor and finding the problem and commissioning the pump.

**METERING STATION SITE:**

On Tuesday, Lodi Gas’ contractor’s electrical and instrumentation crews successfully tested fiber optic cable from the Metering Station site to the Compressor Station control room. Sandblasting and painting of the piping also took place on Tuesday. On Thursday, crews took light readings at night.

**NOTICES TO PROCEED (NTP):**

Table 1 presents the NTPs issued by the CPUC for the Lodi Gas Kirby Hills Project to date. No additional NTPs are anticipated.

**TABLE 1**  
**NOTICES TO PROCEED**  
(Updated 1-18-07)

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	9-06-06	Metering station foundation, structural, piping, electrical, and instrumen- tation construction. County permit pending.

**VARIANCE REQUESTS:**

Table 2 presents the Variance Requests reviewed and approved by the CPUC for the Lodi Gas Kirby Hills Project to date. No Variance Requests were submitted during the subject week.

**TABLE 2**  
**VARIANCE REQUESTS**  
(Updated 1-18-07)

Variance #	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 27<sup>th</sup>, 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:**

As previously reported, Lodi Gas began commissioning of the South Compressor in November. Additional commissioning activities are scheduled for January.

At the request of Solano County, Aspen made an inquiry to Lodi Gas regarding the planned facility lighting. On January 4, Lodi Gas provided an email to Aspen Environmental Group, Vida Strong, stating that they had modeled the lights at the meter station prior to energization to predict the light level and have since checked them with a meter. There are several spots in the meter station that exceed the 5-foot candles, so they are making modifications and should have them in spec in a few days. On January 17, Lodi Gas sent email confirmation that the lighting levels are now within specification limits.