

APPENDIX J

COMMENTS AND RESPONSES

APPENDIX J: COMMENTS AND RESPONSES

1. Introduction

This appendix includes copies of the comment letters received during the public review period for the Gill Ranch Gas Storage Project Draft IS/MND and the responses to those comments. A total of 10 comment letters were received in response to the Draft IS/ MND for the Gill Ranch Gas Storage Project applications (A.08-07-032; A.08-07-033). Eight of the letters were received from public agencies, and two letters were received from the Applicants and a private organization.

2. List of Comment Letters Received

The comment letters received on the Draft IS/MND are listed below in Table J.2-1 in order of their arrival. Each comment letter has been assigned a corresponding alphabet letter designation.

Table J.2-1: Letters of Comment on the Gill Ranch IS/MND		
Letter	Commenter	Date Received
<i>Public Agencies</i>		
A	San Joaquin Valley Air Pollution District	July 29, 2009
B	Department of Water Resources	August 5, 2009
C	California State Lands Commission	August 10, 2009
D	San Joaquin Valley Air Pollution District	August 12, 2009
E	California Department of Fish and Game	August 12, 2009
F	Madera County Planning Department	August 13, 2009
G	California Department of Forestry and Fire Protection	August 14, 2009
H	Westland Water District	August 14, 2009
<i>Applicants and Private Organizations</i>		
I	Day Carter Murphy LLP	August 14, 2009
J	RCC Group, LLC	August 14, 2009

3. Response to Comments

This section contains responses to all of the comments received on the Draft IS/MND during the public review period from July 16, 2009 through August 14, 2009. Each comment letter was assigned a letter according to the system identified previously (i.e., A, B, etc.). Each comment addressed within each letter was assigned a comment number (i.e., A-1, A-2, etc.). On the following pages of this section, each comment letter is reproduced in its entirety followed by the responses to each comment within the letter.

Changes to the IS/MND, where deemed appropriate and necessary to clarify and further enhance the adequacy and readability of the IS/MND, are summarized in the responses and refer to the section, page or mitigation measure in which the text or table appears in the Draft IS/MND. The text changes are noted in a ~~strickthrough~~/underline format. A clean version of the text is provided in the Final IS/MND.

4. Public Meeting

A public meeting was held on July 29, 2009 at the Kerman Community/Teen Center at 7:00pm. Eight members of the public attended the meeting. The CPUC made a presentation providing an overview of the project description, purpose and need, location, and potential impacts to resources. Attendees were provided the opportunity to ask questions and submit comments, as well as provided comment cards and contact information to submit comments at a later time. Only two meeting attendees asked questions or made comments, which were recorded in meeting notes.

Ron Manfredi, Manager, City of Kerman

- Mr. Manfredi noted sending a letter expressing the Kerman City Council's support of the project.
- Mr. Manfredi said that the project would be important infrastructure for the area, and would have positive economic impacts.
- Mr. Manfredi noted that the mitigation measures in the Draft IS/MND would reduce impacts to the environment.

Phil Larson, Supervisor, Fresno County Board of Supervisors, District 1

- Mr. Larson commented that a resolution to support the project by the Fresno County Board of Supervisors is pending. He also asked which other local governments had written letters of support. He was referred to Appendix A of the Draft IS/MND, which contains letters of support for the project.
- Mr. Larson asked how many people would be needed for the project. Charlie Stinson of Gill Ranch Storage, LLC answered that peak employment during construction would require 250 people, whereas operations would require 10 people, in addition to the various external services required for the project.
- Mr. Larson also asked about potential conflicts at the San Joaquin River, and how the project process could be accelerated. It was noted that the permitting process has already begun, and that the construction would utilize horizontal directional drilling (HDD) to put the pipeline under the San Joaquin River, minimizing many impacts.

A

Black, Kristi

From: Chiang, Eric [eyc@cpuc.ca.gov]
Sent: Thursday, July 30, 2009 11:00 AM
To: Black, Kristi
Subject: FW: Gill Ranch Gas Storage Project

Hi Kristi,

The one comment I have so far for the draft MND, please forward to appropriate resource (Karin?).

Thanks,
Eric

From: David McDonough [mailto:David.McDonough@valleyair.org]
Sent: Wednesday, July 29, 2009 4:36 PM
To: Chiang, Eric
Subject: Gill Ranch Gas Storage Project

Eric,

A-1

I'm reviewing the CEQA document NOI/MND for the Gill Ranch Gas Storage Project. The Initial Study on page 3.4-12 states construction emissions of Reactive Organic Gas ROG is expected to be 1.7 tpy and NOx is expected to be 35.7 tpy. The same page states operation and maintenance emissions from the Storage Field and facilities, gas pipeline, and transmission line would be 2.36 tpy and 5.23 tpy, respectively. My question is where would I find the analysis? I've looked in the appendixes but didn't see any analysis regarding construction and operational emissions. Could you please direct me as to where to could find the analysis?

Sincerely,

David McDonough
Air Quality Specialist II
San Joaquin Valley APCD
1990 E. Gettysburg Ave
Phone: (559) 230-5920



Letter A - San Joaquin Valley Air Pollution District

- A-1 The initial air quality emissions analysis is included in the Proponent's Environmental Assessment (PEA), Appendix B.1. The data are located within Appendix 4.3A (operations emissions) and Appendix 4.3C (construction emissions) of the PEA. The PEA can be accessed at http://www.cpuc.ca.gov/Environment/info/mha/gillranch/pea_toc.htm, and then click on the link for Appendix B.1.

The emissions calculations were revised in February 2009 to include potential emissions from an emergency engine/fire water pump. The revisions resulted in a minor increase in NO_x, SO₂, CO, VOC, and PM₁₀ emissions. The errata to the PEA were attached to an email sent to the commenter by Kristi Black of RMT on July 30, 2009.

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791

B



AUG 05 2009

Mr. Eric Chiang
California Public Utilities Commission
505 Van Ness Avenue, Rm 4a
San Francisco, CA 94102

Initial Study/Mitigated Negative Declaration, Gill Ranch Gas Storage Project, California Aqueduct, Approximate Milepost 115, San Luis Field Division, Fresno County, SCH2009071057

Dear Mr. Chiang:

Thank you for the opportunity to review and comment on the Initial Study/Mitigated Negative Declaration for Gill Ranch Gas Storage Project. The notice illustrates the proposal by Gill Ranch Storage (GRS) and Pacific Gas and Electric (PG&E) to construct, operate, and maintain a natural gas storage field in western Madera County near the Community of Firebaugh. The majority of the Gill Ranch Gas Storage Project will be located on a 22-acre gas storage field complete with injection, withdrawal, and observation wells with the central compressor station and an operating facility. The applicants also propose to install a 115kV power line east of Firebaugh, and a 30-inch gas transmission line from the Central Compressor Station to PG&E's existing Panoche Substation near Interstate 5. The proposed 26.6-mile-long pipeline route to PG&E's existing substation (401 tie-in) will cross the Department of Water Resources' (DWR) California Aqueduct near the West Lincoln Avenue bridge, where the applicant proposes to construct the pipe line under the aqueduct using horizontal directional drilling.

B-1 | Since the proposed gas line alignment for the Gill Ranch Gas Storage Project will cross DWR's California Aqueduct, which will affect DWR Right of Way, it will require an Encroachment Permit from DWR prior to the start of construction. Information on obtaining an encroachment permit from DWR can be viewed at:

http://www.doe.water.ca.gov/Services/Real_Estate/Encroach_Rel/index.cfm



Mr. Eric Chiang
AUG 05 2009
Page 2

B-2

Please provide DWR with a copy of any subsequent environmental documentation when it becomes available for public review. Any future correspondence relating to this project should be sent to:

Leroy Ellinghouse, Chief
SWP Encroachments Section
Division of Operations and Maintenance
Department of Water Resources
1416 Ninth Street, Room 641-2
Sacramento, California 95814

In addition, please continue to keep DWR informed of any future development with respect to the Gill Ranch Gas Storage Project.

If you have any questions, please contact Leroy Ellinghouse, Chief of the SWP Encroachments Section, at (916) 659-7168 or Mike Anderson at (916) 653-6664.

Sincerely,



David M. Samson, Chief
State Water Project Operations Support Office
Division of Operations and Maintenance

cc: State Clearinghouse
Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, California 95814

Letter B- Department of Water Resources

B-1 The following revision was made to Table 2.4-1 to include the required DWR Encroachment Permit for the pipeline crossing of the DWR California Aqueduct. The table also includes a revision made as a result of a response to a comment from another Commenter.

Page 2-24

Table 2.4-1: Required Permits and Approvals for the Proposed Project		
Project Approvals	Issuing Agency	Purpose/Covered Activity
Federal		
Clean Water Act Section 404/Rivers and Harbors Act	US Army Corps of Engineers	Utility line activities in waters of the US
Section 7 Consultation (in connection with Nation Wide Permit [NWP] 12): Incidental take Permit	US Fish and Wildlife Service	Endangered Species Act compliance
NHPA Section 106 Consultation (in connection with NWP 12): Memorandum of Agreement	State Historic Preservation Office	Compliance with national Historic Preservation Act
Water Quality Certification (required as condition of NWP 12)	Central Valley Regional Water Quality Control Board	Compliance with water quality standards and plans
State		
Notice of Intent to Comply with General Order No. 5-00-175 (or its replacement) for Dewatering and Other Low Threat Discharges	State Water Resources Control Board	Construction activities and discharge of hydrostatic water
<u>Encroachment Permit</u>	<u>Department of Water Resources</u>	<u>Pipeline aqueduct crossing</u>
General Lease/Right of Way Use	State Lands Commission	Pipeline river crossing
Permits to Conduct Well Operations	Division of Oil, Gas, and Geothermal Resources	Well drilling and operation
Authorization to Inject Produced water	Division of Oil, Gas, and Geothermal Resources	Injection well drilling and operation
Encroachment Permits	Department of Transportation	Pipeline highway crossings
PRC Section 1601 Streambed Alteration Agreement	Department of Fish and Game	Pipeline river crossing
Authority to Construct/Permit to Operate	San Joaquin Valley Air Pollution Control District	Compressor emissions
National Pollutant Discharge Elimination System General Permit for Discharge of Construction Related to Storm Water	Central Valley Regional Water Quality Control Board	Management of storm water during construction
Local		
Building and Occupancy Permits	Madera County	Compressor site facilities
Grading Permit	Madera County	Compressor site improvement
Well Permits	Madera County /Fresno County	Injection and withdrawal wells, observation wells, injection well
<u>Nondiscretionary Permit</u>	<u>Madera County</u>	<u>Accessory project facilities</u>
Encroachment/Other Permits	Madera County/Fresno County	Road crossings
Domestic Well Permit	Madera County	Compressor site domestic water

Initial Study
Gill Ranch Gas Storage Project

		supply
Other		
Encroachment Permit	Union Pacific Railroad	HDD under railroad tracks

B-2 The comment is noted regarding providing updated information to DWR. The contact information will be added to the mailing list.

08/10/2009 12:15 9165741885

DEPM

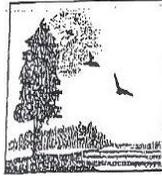
PAGE 01/04

C

STATE OF CALIFORNIA

Arnold Schwarzenegger, Governor

CALIFORNIA STATE LANDS COMMISSION
100-Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202



PAUL D. THAYER, Executive Officer
(916) 574-1800 FAX (916) 574-1810
California Relay Service From TDD Phone 1-800-735-2922
from Voice Phone 1-800-735-2929

Contact Phone: (916) 574-
Contact FAX: (916) 574-1885

DATE:

TELECOPIER MESSAGE

PLEASE DELIVER

ASAP TO:

Eric Chiang
CPUC

Fax No: 415-703-2200 Phone: _____

FROM:

CSLC
Phone: _____

NUMBER OF PAGES (INCLUDING COVER): 3

ORIGINAL: Will Follow
 Will Not Follow

By: DH

MESSAGE:

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PAUL D. THAYER, *Executive Officer*
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from Voice Phone **1-800-735-2922**

Contact Phone: (916)
Contact FAX: (916)

August 10, 2009

File Ref: W 26343
SCH # 2009071057

Eric Chiang
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA

Dear Mr. Chiang:

Subject: Notice of Completion for the Draft Initial Study and Mitigated Negative Declaration for the Gill Ranch Gas Storage Project

Staff of the California State Lands Commission (CSLC) has reviewed the subject document. Under the California Environmental Quality Act (CEQA), the California Public Utilities Commission is the Lead Agency and the CSLC is a Responsible and Trustee Agency for any and all projects that could directly or indirectly affect sovereign lands, their accompanying Public Trust resources or uses, and the public easement in navigable waters.

As background, the State acquired sovereign ownership of tidelands and submerged lands and beds of navigable waterways upon its admission to the United States in 1850. The State holds these lands for the benefit of all the people of the State for Public Trust purposes which include waterborne commerce, navigation, fisheries, water-related recreation, habitat preservation, and open space. The landward boundaries of the State's sovereign interests in areas that are subject to tidal action are generally based upon the ordinary high water marks of these waterways as they last existed prior to fill or artificially-induced accretions. In non-tidal navigable waterways the State holds a fee ownership in the bed of the waterway between the two ordinary low water marks. The entire non-tidal navigable waterway between the ordinary high water marks is subject to the Public Trust. The State's sovereign interests are under the jurisdiction of the CSLC.

Gill Ranch Gas Storage Project
SCH 2009071057

August 10, 2009

The proposed gas pipeline for the Gill Ranch Gas Storage Project will cross the bed of the San Joaquin River and Fresno Slough within the leasing jurisdiction of the CSLC. By letter dated September 10, 2008 and via email on June 10, 2009, CSLC staff advised PPC Land Consultants, representing project proponents Gill Ranch Storage, LLC, that an application for a lease of sovereign lands would be required if the project proposed to include the two crossings at the San Joaquin River and the Fresno Slough. Staff has provided to PPC Land Consultants, the Commission's Lease Application Packet and application processing information. In addition, a list of Special Requirements for pipeline or conduit rights-of way was included with the Application Packet.

Based on a review of the Initial Study/Mitigated Negative Declaration, staff of the CSLC has the following comments:

- C-1 Although the discovery of intact archaeological artifacts and paleontological resources is not expected during the HDD technique used to install the pipeline beneath the San Joaquin River and the Fresno Slough, any such resources found on or in lands under the jurisdiction of the CSLC are the properties of the CSLC. Any disposition of these artifacts or resources requires the prior approval of the CSLC. Copies of all cultural resources and paleontological reports should be submitted to the CSLC for any projects or studies completed for lands under the jurisdiction of the CSLC.
- C-2
- C-3 Page 3.7-20 and 3.7-21 of the IS/MND indicate a potential for liquefaction of soils during construction of the gas pipeline at the embankments of surface water crossings for the pipeline, which has the potential to impact pipeline integrity. Any plans or reports associated with the HDD operations beneath the San Joaquin River and the Fresno Slough need to be reviewed and approved by the CSLC. These plans include, but are not limited to, frac-out plans and geotechnical reports. In addition, any HDD construction beneath the San Joaquin River and the Fresno Slough needs to be coordinated with the CSLC.

As this project is under the leasing jurisdiction of the Commission, staff will need to rely on the California Public Utilities Commission's Mitigated Negative Declaration for the issuance of a lease, and therefore, we hope that you consider our comments.

Initial Study
Gill Ranch Gas Storage Project

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DEPM

PAGE 04/04

Gill Ranch Gas Storage Project
SCH 2009071057

August 10, 2009

If you have any jurisdictional questions, please contact Susan Young, at (916) 574-1879 or by e-mail at youngs@slc.ca.gov. If you have any questions on the environmental review, please contact Crystal Spurr at (916) 574-0748 or by e-mail at spurrc@slc.ca.gov.

Sincerely,



Marina Brand, Assistant Chief
Division of Environmental Planning
and Management

cc: Office of Planning and Research
S. Young, CSLC
C. Spurr, CSLC

Letter C - California State Lands Commission

C-1 The following revision has been made to Mitigation Measure Cultural-1 to clarify the coordination required if cultural resources are found on or in lands under jurisdiction of the CSLC.

Mitigation Measure Cultural-1 (APM Cultural-1)

- a) Additional studies shall be conducted in areas where cultural resources were previously identified prior to construction to determine potential Project-specific direct and indirect impacts on historical resources and develop appropriate mitigation measures in order to comply with federal and state laws. Any cultural resources that will be directly affected by the Project shall be evaluated for significance according to the criteria of the National Register of Historic Places (NRHP) and/or California Register of Historic Resources (CRHR), as appropriate. Boundary definition using more detailed surface and subsurface investigations shall be required at each previously documented site because the boundaries of these resources and their spatial relationship to the impact area are unclear. Significance evaluations shall be conducted to determine whether an isolate qualifies as a historical resource or if it is determined that a cultural resources site occurs within the Project Area boundaries. The Applicants shall coordinate with the CPUC, and the California State Lands Commission with respect to lands under its jurisdiction, to determine the disposition of any artifacts or resources that may be collected.
- b) Subsurface testing shall be conducted at each isolate location to determine if buried cultural deposits are associated with it because of the high potential for buried cultural deposits. An isolated artifact does not qualify as a historical resource under the California Environmental Quality Act (CEQA). Further management of the isolate shall not be required if no buried cultural deposits are observed during subsurface testing at the isolate locations. The site shall be evaluated and its significance determined if subsurface testing reveals that the isolate is associated with a larger buried deposit.
- c) Significance evaluations may require additional archival and background research, additional field documentation, or other studies. Evaluation of archaeological properties may require test excavations, backhoe trenching, or other forms of subsurface investigation; laboratory processing and analysis of recovered remains; and a variety of special technical studies. These evaluations shall define the qualities of the resource that make it significant and assess site integrity as a means for judging the nature and extent of Project impacts. Significance evaluations and impact assessments shall be performed by appropriately qualified specialists meeting the Secretary of Interior's Professional Qualifications Standards (CFR 190: 44740–44741). Any artifacts and other remains that may be collected from the field, along with field records and other documentation, shall be curated at an institution capable of providing secure, long-term storage, care, and access to the public.
- d) A technical report documenting the results of isolate testing, subsurface boundary definition, resource evaluations, and other studies shall be prepared and provided to the relevant professional at the County, the State Historic Preservation Officer (SHPO), and the CPUC. The confidential technical report sections shall discuss the importance of historical and archaeological resources identified during the study, identify the potential for significant impacts, and discuss adequate and feasible mitigation measures. The report shall adhere to professional standards outlined by SHPO in Archaeological Resource Management Reports (ARMR): Recommended Contents and Format (Jackson 1990 as cited in Enrix 2008).
- e) Additional impact mitigation shall be required if the Project cannot be redesigned to avoid the resource if studies determine that "historic properties", or "unique archaeological resources" will be affected by the proposed Project. Impact mitigation may take a variety of forms depending on the nature of the site and the nature and extent of impacts. Site avoidance is the preferred mitigation measure.

Portions of the resources outside the impact area may be preserved in an exclusion zone—a fenced area where construction equipment and personnel are not permitted – if historical or unique archaeological resources cannot be avoided entirely.

One or a combination of the following measures shall be implemented where avoidance is infeasible and historical and unique archaeological resources will be jeopardized by the Project:

- 1) Data recovery excavation
- 2) Additional analysis of existing collections
- 3) Additional archival/historical research
- 4) Photographic documentation
- 5) Archaeological monitoring during construction, followed by data recovery excavation or other appropriate measures if significant archaeological remains are exposed

Final decisions regarding impact mitigation shall be made in consultation with the Applicants, regulatory agencies, the county involved, technical specialists, Native American tribes, and other interested parties.

- f) A Data Recovery Plan shall be prepared and implemented if data recovery is the recommended mitigation, and shall detail how mitigation will be conducted, procedures for protection and avoidance for cultural resources, and curation of cultural materials collected during the project. The plan, if required, shall be submitted to the CPUC for CPUC staff review and approval at least 30 days prior to ground-disturbing activity. Data recovery performed in association with the Project shall be supervised by appropriately qualified specialists meeting the Secretary of Interior's Professional Qualifications Standards (CFR 190: 44740–44741).
- g) Artifacts and other remains collected from the field, along with field records and other documentation shall be curated at an institution capable of providing secure, long-term storage, care, and access to the public.

C-2 The comment is noted. The CPUC understands that the Applicants have not submitted, to the CSLC, any completed cultural and paleontological reports or studies for lands under the jurisdiction of the CSLC. It is the CPUC's understanding that the Applicants will submit the requested materials to the CLSC when the project application to the CSLC is filed in September 2009.

C-3 The Applicants plan to submit an application for a General Lease/Right of Way Use permit from the CSLC in September 2009. The Applicants shall provide the CPUC evidence of approval by the CSLC for plans and construction activities on lands near the river or slough.



August 12, 2009

D

Eric Chiang
California Public Utilities Commission
505 Van Ness Avenue, Room 4a
San Francisco, CA 94102

Project: MND for Gill Ranch Storage, LLC Gill Ranch Gas Storage Project (Gill Ranch, LLC Application No. A.08-07-032; Pacific Gas & Electric Application No. A.08-07-033)
District Reference No: 200900447

Dear Mr. Chiang:

The San Joaquin Valley Unified Air Pollution Control District (District) has reviewed the Mitigated Negative Declaration (MND) for the Gill Ranch Gas Storage Project. The proposed project would include the construction of approximately 27-mile, 30-inch diameter bi-directional gas transmission pipeline and approximately 9.3-mile electric power line. The District offers the following comments:

- D-1 1. The District concurs with the MND that the project construction emissions can be mitigated to less than significant levels. To achieve less than significant levels the District recommends all mitigation measures be made conditions of approval to avoid significant effects.
- D-2 2. The District strongly recommends that mitigation measure air quality-1 used to reduce the projects construction emissions impact be made a condition of project approval. The District has entered into several Voluntary Emissions Reduction Agreements (VERA) and has demonstrated that a VERA can effectively mitigate project related emissions to less than significant. Entering into a VERA requires District Board approval. To avoid potential delays it is recommended that a VERA be submitted to the District as soon as practicable.
3. The proposed project would be subject to District Rule 9510 (Indirect Source Review) because upon full build-out the project would include or exceed any one of the following:

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95358-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

www.valleyair.org www.healthyliving.com

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Mr. Chiang
District Reference No. 20090447

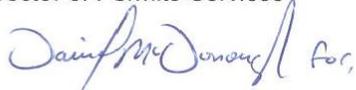
- D-3
- 2,000 square feet of commercial space;
 - 25,000 square feet of light industrial space;
 - 100,000 square feet of heavy industrial space;
 - 20,000 square feet of medical office space;
 - 39,000 square feet of general office space; or
 - 9,000 square feet of space not identified above.
- Information about how to comply with District Rule 9510 can be found online at: <http://www.valleyair.org/ISR/ISRHome.htm>.
4. District Rule 9510 is intended to mitigate a project's impact on air quality through project design elements or by payment of applicable off-site mitigation fees. Any applicant subject to District Rule 9510 is required to submit an Air Impact Assessment (AIA) application to the District no later than seeking final discretionary approval, and to pay any applicable off-site mitigation fees before issuance of the first building permit. If approval of the subject project constitutes the last discretionary approval by your agency, the District recommends that demonstration of compliance with District Rule 9510, including payment of all applicable fees, be made a condition of the project's approval.
- D-4
5. The proposed project may be subject to the following District rules: Regulation VIII, (Fugitive PM10 Prohibitions), Rule 4102 (Nuisance), Rule 4601 (Architectural Coatings), and Rule 4641 (Cutback, Slow Cure, and Emulsified Asphalt, Paving and Maintenance Operations). In the event an existing building will be renovated, partially demolished or removed, the project may be subject to District Rule 4002 (National Emission Standards for Hazardous Air Pollutants).
- The above list of rules is neither exhaustive nor exclusive. To identify other District rules or regulations that apply to this project or to obtain information about District permit requirements, the applicant is strongly encouraged to contact the District's Small Business Assistance Office at (559) 230-5888. Current District rules can be found online at: www.valleyair.org/rules/1ruleslist.htm.
- D-5
6. The District recommends that a copy of this letter be provided to the project proponent.

Mr. Chiang
District Reference No. 20090447

If you have any questions or require further information, please call David McDonough,
at (559) 230-5920.

Sincerely,

Dave Warner
Director of Permits Services

A handwritten signature in blue ink that reads "David McDonough for,".

Arnaud Marjollet
Permit Services Manager

DW: dm

Cc: File

Letter D - San Joaquin Valley Air Pollution District

- D-1 The comment is noted. Compliance by the Applicants with all of the mitigation measures will be a condition of the CPUC approval.
- D-2 The comment is noted. Compliance by the Applicants with Mitigation Measure Air Quality-1 will be a condition of the CPUC approval. The Applicant will coordinate with the District regarding VERA as soon as practicable.
- D-3 The Applicants have provided the CPUC with an email dated August 27, 2009. The email was sent from David McDonough, San Joaquin Valley Air Pollution Control District Air Quality Specialist, to Steve Hill, the Applicants' consultant. The email states that the Project would be exempt from Rule 9510, as development projects on a facility where primary functions are subjected to Rule 2201 (New and Modified Stationary Source Review Rule) or Rule 2010 (Permits Required) per section 4.4.3 of Rule 9510. Since the primary functions of the Gill Ranch Storage Facility will be permitted, Rule 9510 does not apply to the Project.
- D-4 The comment is noted. The Applicants will address all applicable District Rules and Regulations when they submit the air permit applications for this Project.
- D-5 The comment is noted, and the letter has been provided to the Applicant.

08-12-09 09:28 FROM-DFG

559 2433004

T-668 P.001/005 F-566



FACSIMILIE LEADER PAGE

California Department of Fish and Game
Central Region
Region 4
1234 East Shaw Avenue
Fresno, California 93710

E

INFO (559) 243-4017

FAX (559) 243-3004

DATE: 8/12/09 PAGE 1 OF 5
TO: Eric Chiang
California Public Utilities Commission
FAX: (415) 703-2200 PHONE: (415) 703-1956
FROM: Justin Sloan
INSTRUCTIONS: Original to follow by mail.

**Initial Study
Gill Ranch Gas Storage Project**

08-12-09 09:28 FROM-DFG

559 2433004

T-668 P.002/005 F-566



California Natural Resources Agency
DEPARTMENT OF FISH AND GAME
Central Region
1234 East Shaw Avenue
Fresno, California 93710
(559) 243-4005
<http://www.dfg.ca.gov>

DONALD KOCH, Director



August 11, 2009

Eric Chiang
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Subject: Gill Ranch Gas Storage Project Initial Study/Mitigated Negative
Declaration (IS/MND); SCH No. 2009071057

Dear Mr. Chiang:

The Department of Fish and Game has reviewed the IS/MND for the above Project. Project approval would allow the storage of natural gas in depleted reservoirs in an existing natural gas production field, the Gill Ranch Gas Field, located approximately 20 miles west of Fresno, near the town of Mendota, in Madera and Fresno Counties. The Project includes the construction of up to 15 new injection wells and 7 new observation and monitoring wells in addition to the existing wells as well as an approximately 27-mile, 30-inch diameter gas transmission pipeline and an approximately 9.75-mile electric power line.

The IS/MND includes several general and species-specific mitigation measures to reduce biological impacts to less than significant levels. The Department agrees with the majority of the mitigation measures in the IS/MND. However, additional measures are required and, in the case of Nelson's (San Joaquin) antelope squirrel (*Ammospermophilus nelsoni*), the proposed mitigation measure would result in "take" as defined in Fish and Game Code Section 86 and require an Incidental Take Permit from the Department should this species be present within the Project area.

Department Jurisdiction

Trustee Agency Authority: The Department is a Trustee Agency with the responsibility under the California Environmental Quality Act (CEQA) for commenting on projects that could impact plant and wildlife resources. Pursuant to Fish and Game Code Section 1802, the Department has jurisdiction over the conservation, protection, and management of fish, wildlife, native plants, and habitat necessary for biologically sustainable populations of those species. As a Trustee Agency for fish and wildlife resources, the Department is responsible for providing, as available, biological expertise to review and comment on environmental documents and impacts arising from project activities, as those terms are used under CEQA.

Conserving California's Wildlife Since 1870

08-12-09 09:29 FROM-DFG

559 2433004

T-668 P.003/005 F-566

Eric Chiang
August 11, 2009
Page 2

Responsible Agency Authority: The Department has regulatory authority over projects that could result in the "take" of any species listed by the State as threatened or endangered, pursuant to Fish and Game Code Section 2081. If the Project could result in the "take" of any species listed as threatened or endangered under the California Endangered Species Act (CESA), the Department may need to issue an Incidental Take Permit for the Project. CEQA requires a Mandatory Finding of Significance if a project is likely to substantially impact threatened or endangered species (Sections 21001{c}, 21083, Guidelines Sections 15380, 15064, 15065). Impacts must be avoided or mitigated to less than significant levels unless the CEQA Lead Agency makes and supports a Statement of Overriding Consideration (SOC). The CEQA Lead Agency's SOC does not eliminate the Project proponent's obligation to comply with Fish and Game Code Section 2080.

Fully Protected Species: The Department has jurisdiction over fully protected species of birds, mammals, amphibians, reptiles, and fish, pursuant to Fish and Game Code Sections 3511, 4700, 5050, and 5515. "Take" of any fully protected species is prohibited and the Department cannot authorize their "take" for development. The blunt-nosed leopard lizard is a fully protected species that could occur in the Project area vicinity.

Recommendations

Blunt-Nosed Leopard Lizard (BNLL): Protocol-level surveys for this species were conducted within the Project area in July 2008. No BNLL were detected during these surveys. The MND states that no additional mitigation measures are required for this species because previous survey results were negative. This is incorrect. Protocol-level survey results for this species are only valid for one year after the date of completion (DFG 2004).

E-1 Because BNLL is fully protected and, therefore, no "take" incidental or otherwise can be authorized by the Department, additional protocol-level surveys must be conducted within one year prior to any ground-disturbing activities in all areas of suitable habitat. These surveys, the parameters of which were designed to optimize detectability, must be conducted to reasonably assure the Department that "take" of this fully protected species will not occur as a result of Project implementation. In the event that this species is detected during protocol-level surveys, consultation with the Department is warranted to discuss how to implement the Project and avoid "take."

E-2 **Nelson's Antelope Squirrel (NAS):** Mitigation Measures Biology-17 and -18 include measures to avoid impacts to NAS should they occur within the Project area. Proposed measures include perimeter fencing of construction areas, trapping and relocation to

Initial Study
Gill Ranch Gas Storage Project

08-12-09

09:30

FROM-DFG

559 2433004

T-668 P.004/005 F-566

Eric Chiang
August 11, 2009
Page 3

E-2

↑ suitable habitat outside of construction areas and avoiding burrow concentration areas. Trapping and relocation is proposed to be done by a qualified permitted (presumably with a Scientific Collecting Permit) biologist. This is not an acceptable mitigation measure and could result in "take" of NAS if implemented. Scientific Collection Permits or 2081(a) permits cannot authorize the permit holder to capture animals for Project-related purposes. Any relocation of NAS could only be authorized by an Incidental Take Permit, as a measure to reduce direct mortality associated with the Project. If, after visual and audible surveys conducted during the appropriate time of year and under the appropriate environmental conditions (April 1 to September 30, air temperatures between 20° to 30° C (68° to 86° F)) this species is detected, consultation with the Department is warranted prior to any Project-related ground disturbance in order to determine the need for an Incidental Take Permit.

If you have any questions regarding these comments, please contact Justin Sloan, Environmental Scientist, at the address provided on this letterhead or by telephone at (559) 243-4014, extension 216.

Sincerely,



Jeffrey R. Single, Ph.D.
Regional Manager

cc: State Clearinghouse
Office of Planning and Research
1400 Tenth Street
Sacramento, California 95812-3044

Shelley Buranek
United States Fish and Wildlife Service
2800 Cottage Way, W-2605
Sacramento, California 95825-1846

Tim J. Murphy
Gill Ranch Project Environmental Coordinator
201 North Calle Cesar Chavez, Suite 203
Santa Barbara, California 93103

ec: Annette Tenneboe
Department of Fish and Game

Letter E - California Department of Fish and Game

- E-1 CPUC understands that the Applicants have communicated with the CDFG and have agreed upon an approach to proceed with additional protocol surveys for this species. The CPUC understands that protocol level surveys are currently underway and survey results will be provided to CDFG as they become available. The Applicants understand that consultation with the CDFG will be conducted if the species is detected in the area, as required in Mitigation Measure Biology-7.
- E-2 The CPUC understands that the Applicants have communicated with the CDFG regarding the NAS and have agreed to proceed with additional field surveys for this species. The Applicants have provided the CPUC with a record of communication with CDFG, dated August 31, 2009 (provided below). The discussion summarizes the accepted methods for the NAS survey. The Applicant will comply with these methods during the additional surveys. The CPUC understand that surveys are currently underway and survey results will be provided to CDFG as they become available.

The following revisions have been made to Mitigation Measures Biology-17 and Biology-18 to clarify the procedures for additional NAS surveys.

Mitigation Measure Biology-17 (APM Biology-18): Qualified biologists shall survey the area to be directly impacted by construction in order to determine presence of potentially suitable habitat for Nelson's antelope ground squirrel. Pre-construction surveys shall be performed at appropriate times and under appropriate environmental conditions, in consultation with CDFG within 15 days prior to the onset of any project-related ground-disturbing activity during the life of the Project. Potentially suitable habitat is defined as non-cultivated areas with sandy loam soils, widely-spaced alkali scrub vegetation, and dry washes. Appropriate measures shall be determined and implemented in consultation with CDFG to avoid impacts if surveys indicate presence of Nelson's antelope squirrel in the Project Area. ~~Potential measures may include:~~

~~Exclusion fencing at perimeter of construction areas~~

~~Trapping and relocation of ground squirrels to suitable habitat outside of construction areas~~

~~Avoiding burrow concentration areas.~~

Mitigation Measure Biology-18 (Addendum to APM Biology-18): ~~If Nelson's antelope squirrels are trapped and relocated, a qualified permitted biologist must be attained to do so.~~

Engler, Bonny

From: Tim Murphy [TMurphy@entrix.com]
Sent: Monday, August 31, 2009 4:13 PM
To: Eric Chiang (EYC@cpuc.ca.gov); Engler, Bonny; Hietter, Laurie
Cc: Stinson, Charlie; Ann Trowbridge; AESg@pge.com; Mosley, Judi (Law); Lubcke, Glen; Richard Williams; Virginia Gardner
Subject: FW: Gill Ranch MND comment re Nelson's antelope squirrel

Bonny,

Please see the email correspondence below from Justin Sloan at Cal Fish and Game, in which he confirms our discussions with him regarding CDFG's MND comments related to the Nelson's antelope squirrel. Justin's contact information is provided if you need to contact him directly.

Let me know you have any further questions regarding the NAS survey, or comments/questions on our input to the other MND comments and responses.

Thanks,
Tim

Tim J. Murphy, AICP
ENTRIX
Senior Consultant / Environmental Management

201 North Calle Cesar Chavez, Suite 203, Santa Barbara, CA 93103
DIRECT: 805.963.0480 * MAIN: 805.962.7679 * CELL: 805.895.5420 * FAX: 805.963.0412

-----Original Message-----

From: Justin Sloan [mailto:JSLOAN@dfg.ca.gov]
Sent: Monday, August 31, 2009 3:59 PM
To: Tim Murphy
Cc: Ann Trowbridge; Virginia Gardner; Charlie Stinson
Subject: Re: Gill Ranch MND comment re Nelson's antelope squirrel

Tim,

Your summary of my communication with Virginia is correct. If NAS are found during the surveys we can proceed accordingly (species avoidance or take permit).

Take care,
Justin

Justin Sloan
Environmental Scientist
California Department of Fish and Game
Central Region
1234 E. Shaw Ave
Fresno, CA 93710
Phone: (559) 243-4014 ext 216

Fax: (559) 243-4020

Pursuant to the Governor's Executive Order S-13-09, DFG offices will be closed most Fridays through June 2010. Visit <http://gov.ca.gov/executive-order/12634/> for more information.

>>> Tim Murphy <TMurphy@entrix.com> 8/31/2009 2:10 PM >>>
Justin:

In regards to your August 11, 2009 comment letter on the Gill Ranch Mitigated Negative Declaration (MND), the CPUC has requested a brief confirmation of our communication with your office regarding Nelson's antelope squirrel (NAS) surveys. This is to confirm your communications with Virginia Gardner of our office that conducting NAS surveys by September 30th within suitable temperature range is an option. You also indicated that NAS surveys and blunt-nosed leopard lizard (BNLL) surveys can be conducted during the same period if the environmental conditions are right.

In weighing the options you have suggested we are better off not assuming presence, and proceeding to conduct the NAS surveys now concurrent with 2009 BNLL surveys. You noted that the potential for NAS to occur within the Project area is low.

I would appreciate your concurrence with this summary, with a return email. We will then forward your confirmation to CPUC and their consulting team.

Thanks,
Tim

Tim J. Murphy, AICP
ENTRIX
Senior Consultant / Environmental Management

201 North Calle Cesar Chavez, Suite 203, Santa Barbara, CA 93103
DIRECT: 805.963.0480 * MAIN: 805.962.7679 * CELL: 805.895.5420 * FAX: 805.963.0412
EMAIL: tmurphy@entrix.com<<mailto:tmurphy@entrix.com>> * WEBSITE:
www.entrix.com<<http://www.entrix.com>>



RESOURCE MANAGEMENT AGENCY
PLANNING DEPARTMENT

2037 W. Cleveland Avenue
Mail Stop G
Madera, CA
(559) 675-7821
FAX (559) 675-6573
TDD (559) 675-8970
mc_planning@madera-county.com

F

FAX TRANSMITTAL

DATE: 8/14/09
TO: MR. Eric Chiang
FROM: Matt Treber

This fax transmission includes 3 pages (including this cover sheet). If you do not receive all of the pages, please call me at (559) 675-7821.

Thank you.

****NEW****

FOR YOUR CONVENIENCE, MADERA COUNTY NOW OFFERS ONLINE ZONING INFORMATION FOR ALL PARCELS LOCATED WITHIN THE COUNTY OF MADERA. GO TO [HTTP://WWW.MADERA-COUNTY.COM](http://www.madera-county.com) IN THE UPPER RIGHT HAND CORNER OF THE FIRST SCREEN, CLICK ON THE 'PARCEL MAPS ONLINE' BOX. THEN SCROLL DOWN TO THE LOWER PORTION OF THE SCREEN AND CLICK ON THE "CLICK HERE TO PROCEED TO PARCEL MAPS ONLINE" BOX. THE NEXT SCREEN YOU SEE WILL SAY "MADERA COUNTY GEOGRAPHICAL INFORMATION SYSTEM" AND, IN THE UPPER RIGHTHAND PORTION OF THE SCREEN, CLICK ON "HOW DO I USE THIS APPLICATION?" TO RECEIVE FURTHER INSTRUCTIONS.

AUG-14-2009 FRI 02:13 PM MADERA CO. PLANNING DEPT FAX NO. 5596756573

P. 02



RESOURCE MANAGEMENT AGENCY
PLANNING DEPARTMENT

Norman L. Allinder, AICP
Director

2037 W. Cleveland Avenue
Mail Stop G
Madera, CA
(559) 675-7821
FAX (559) 675-6573
TDD (559) 675-8970
mc_planning@madera-county.com

August 13, 2009

Mr. Eric Chiang
California Public Utilities Commission
505 Van Ness Avenue
San Francisco CA 94102

RE: Gill Ranch Gas Storage Draft IS/MND

Dear Mr. Chiang:

F-1 The Madera County Planning Department would like to thank you for forwarding the draft Initial Study and Mitigated Negative Declaration for the Gill Ranch Gas Storage Project. As you are aware this projects plant site is located entirely within Madera County and we have permitting jurisdiction over portions of the project, therefore we are considered a Responsible Agency under the California Environmental Quality Act. This project has the potential to impact the citizens of Madera County due to noise, traffic, air quality, cultural, biological, and aesthetic impacts.

There are two mitigation measures within the Draft MND that I would like additional language included in the document those are:

- **Mitigation Measure Air Quality-1:** The Applicants shall participate in the San Joaquin Valley Air Pollution Control District's (SJVAPCD's) Voluntary Emission Reduction Agreement program to offset construction-generated emissions of NOX. An agreement for the Applicant to make a one-time payment.
- **Mitigation Measure Air Quality-2:** Construction workers shall meet at staging areas and be transported (in carpools) to jobsites, as practicable. These staging areas will be located in Fresno and Madera County.

F-2 In regards to MMAQ-1, Madera County should be included in the agreement with the San Joaquin Valley Air Pollution Control District. A portion of the monies for the Voluntary Emission Reduction program should be made available directly to residents of Madera County on a priority basis since the majority of the air quality impacts will occur within our jurisdiction. In regards to MMAQ-2 please provide a detailed map of where those staging

F-3 areas will be located within Madera County.

F-4 As discussed with the Gill Ranch project team, this project is required to process a Conditional Use Permit through the Planning Department. As of the date of this letter an application has not been filed for the project. Madera County strongly encourage the California Public Utility Commission condition this project to receive approval from Madera County for all permits prior to opening. Madera County will be unable to release any building permits for the facility until the Conditional Use Permit has been secured. We are continuing to meet with the project team, and expect a formal application to be forthcoming. Madera County appreciates this opportunity to comment on the project at this time and we

Initial Study
Gill Ranch Gas Storage Project

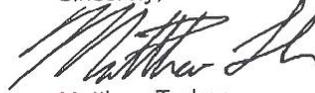
AUG-14-2009 FRI 02:14 PM MADERA CO. PLANNING DEPT FAX NO. 5596756573

P. 03

F-5 ↑ reserve the opportunity to comment at any later date that it is appropriate. Please include us in any public notices for this project

If you have any questions, please feel free to call at any time.

Sincerely,



Matthew Treber
Planner III
Madera County

cc: Supervisor Frank Bigelow, Madera County District 1
Rayburn Beach, Madera County RMA Director
Norman Allinder, Madera County Planning Director
Doug Nelson, Madera County Counsel

Letter F - Madera County Planning Department
 F-1

The comment is noted. The Applicants provided the CPUC with a letter from Madera County, dated August 3, 2009. The letter states that Madera County agrees it does not have control over the underground storage facility, pipeline size, or on-site pumping equipment (such as injection and withdrawal wells). The Applicants plan to submit an application to the County for an appropriate nondiscretionary permit for accessory Project facilities. Table IS-1 has been revised to indicate that the Applicants will obtain a nondiscretionary permit for accessory Project facilities from Madera County.

Page 2

Table IS-1: Required Permits and Approvals for the Proposed Project		
Project Approvals	Issuing Agency	Purpose/Covered Activity
Federal		
Clean Water Act Section 404/Rivers and Harbors Act	US Army Corps of Engineers	Utility line activities in waters of the U.S.
Section 7 Consultation (in connection with Nation Wide Permit [NWP] 12): Incidental take Permit	US Fish and Wildlife Service	Endangered Species Act compliance
NHPA Section 106 Consultation (in connection with NWP 12): Memorandum of Agreement	State Historic Preservation Officer	Compliance with national Historic Preservation Act
State		
Water Quality Certification (required as condition of NWP 12)	Central Valley Regional Water Quality Control Board	Compliance with water quality standards and plans
Notice of Intent to Comply with General Order No. 5-00-175 (or its replacement) for Dewatering and Other Low Threat Discharges	State Water Resources Control Board	Construction activities and discharge of hydrostatic water
<u>Encroachment Permit</u>	<u>Department of Water Resource</u>	<u>Pipeline aqueduct crossing</u>
General Lease/Right of Way Use	State Lands Commission	Pipeline river crossing
Permits to Conduct Well Operations	Division of Oil, Gas, and Geothermal Resources	Well drilling and operation
Authorization to Inject Produced water	Division of Oil, Gas, and Geothermal Resources	Injection well drilling and operation
Encroachment Permits	Department of Transportation	Pipeline highway crossings
PRC Section 1601 Streambed Alteration Agreement	Department of Fish and Game	Pipeline river crossing
Authority to Construct/Permit to Operate	San Joaquin Valley Air Pollution Control District	Compressor Emissions
National Pollutant Discharge Elimination System General Permit for Discharge of Construction Related to Storm Water	Central Valley Regional Water Quality Control Board	Management of storm water during construction
Local		
Building and Occupancy Permits	Madera County	Compressor site facilities
Grading Permit	Madera County	Compressor site improvement

Well Permits	Madera County/Fresno County	Injection and withdrawal wells, observation wells, injection well
Nondiscretionary Permit	Madera County	Accessory project facilities
Encroachment/Other Permits	Madera County/Fresno County	Road crossings
Domestic Well Permit	Madera County	Compressor site domestic water supply
Other		
Encroachment Permit	Union Pacific Railroad	HDD under railroad tracks

F-2 The comment is noted and is referred to the Applicants. The Project is not expected to have significant local air quality impacts, as presented in the IS/MND. The purpose of Mitigation Measure Air Quality-1 is to mitigate the Project's contribution to regional ozone formation. Residents of Madera County will benefit from the regional mitigation to the same extent as they will be impacted by the project's NO_x emissions because the ozone problem is regional rather than local.

The Applicants support the County's request that the District give priority to projects located in Madera County when allocating the mitigation funds; this will result in extra benefits to Madera County residents as a result of co-control of other pollutants. Many of the projects funded by the District's program involve replacement of old diesel engines with new, clean engines, which results in reductions of diesel particulates and provides a substantial local benefit.

F-3 Figure 2.3-4 (attached) of the IS/MND shows the locations of the staging areas in Madera and Fresno Counties. The following revision has been made to Mitigation Measure Air Quality-2 to clarify the locations of the staging areas.

Mitigation Measure Air Quality-2: Construction workers shall meet at staging areas and be transported (in carpools) to jobsites, as practicable. These staging areas will be located in Fresno and Madera Counties, as shown in Figure 2.3-4.

F-4 Under California law, the CPUC has paramount siting authority with respect to projects developed by public utilities subject to the jurisdiction of the CPUC. The Applicants have provided the CPUC with a copy of a letter from the Madera County Planning Department dated August 3, 2009 (provided below) proposing that the Project obtain a nondiscretionary conditional use permit for accessory Project facilities, such as the office and parking facilities. The letter states that Madera County agrees it does not have control over the underground storage facility, pipeline size, or on-site pumping equipment (such as injection and withdrawal wells). The Applicants told the CPUC that they plan to submit an application for a nondiscretionary conditional use permit as soon as practicable to ensure that all applicable ministerial permits may be issued by Madera County. Table IS-1 has been revised to indicate that the Applicants will obtain a nondiscretionary permit for accessory Project facilities from Madera County.

The Applicants shall provide the CPUC with copies of all required permits prior to construction or operation as appropriate to the permit.

F-5 The comment is noted regarding providing notices to Madera County Planning Department. The County Planning Department is on the Project mailing list.



RESOURCE MANAGEMENT AGENCY
ADMINISTRATION

2037 W. Cleveland Avenue
Madera, CA 93637-8720
(559) 661-6333
FAX (559) 675-7639
TDD (559) 675-8970
rbeach@madera-county.com

Ray Beach, Director

August 3, 2009

Charlie Stinson
Gill Ranch Storage
220 NW 2nd Avenue
Portland, OR 97209

RE: Gill Ranch Storage Project

Dear Mr. Stinson:

The Madera County Planning Department would like to thank you and the Gill Ranch project team for continuing to meet with County staff while you are proceeding with the design of this complex project. As stated in our meeting on July 29, 2009 we are in agreement that Madera County does not exercise control over the pipeline size, underground storage facility, or on site pumping equipment.

However, those accessory uses associated with the project are subject to local land use ordinances, just like encroachment and building permits. Therefore the project is required to process a conditional use permit for the office use, parking facilities, and other accessory uses incidental to the gas storage facility. Moreover, it is staffs intent as a responsible agency simply to adopt and utilize your environmental assessment for the project.

The property is currently zoned ARE-40 (Agricultural Rural Exclusive 40-Acre District) which allows a facility of this kind with approval of a conditional use permit from the Zoning Agency. The Zoning Agency in this case is the County of Madera. The conditional use permit is not discretionary. We welcome your input and look forward to continuing our mutual corporation.

If you have any questions or concerns, please feel free to contact me at (559) 661-6333.

Sincerely,



RAYBURN BEACH
RMA DIRECTOR

cc: Madera County Board of Supervisors
Stell Manfredi, County Administrative Officer
Norman Allinder, Planning Director
Douglas Nelson, Assistant County Counsel

G

Tambs, Amy

From: Chiang, Eric [eyc@cpuc.ca.gov]
Sent: Friday, August 21, 2009 1:19 PM
To: Engler, Bonny
Subject: FW: Gill Ranch Gas Storage Project.A.08-07-032@ & PG&EProject A.08.07-033@

Hi Bonny,

Forgot about this one, but for our records. Thanks, Eric

From: Bacca, Mike [mailto:Mike.Bacca@fire.ca.gov]
Sent: Friday, August 14, 2009 11:27 AM
To: Chiang, Eric
Cc: Craig, Stan
Subject: Gill Ranch Gas Storage Project.A.08-07-032 & PG&EProject A.08.07-033

Eric Chiang

G-1] The Gill Ranch Gas Storage Project and PG&E Projects in Fresno and Madera Counties have been reviewed by the Madera, Mariposa, Merced Unit and Fresno Kings Unit of CAL FIRE. We have no comments on the projects.

Michael J. Bacca, RPF #2236
Practice Manager / Environmental Coordinator
Southern Region Forest



1234 Shaw Ave.
Fresno, CA. 93710
Phone (559) 243-4114
Fax (559) 222-2129
Cell (559) 260-8912
mike.bacca@fire.ca.gov

Letter G - California Department of Forestry and Fire Protection

G-1 The CPUC will keep CAL FIRE on the project mailing list.

Aug 14 2009 8:01AM

Westlands Water District

559-241-6277

p. 1

H

WESTLANDS WATER DISTRICT

FRESNO OFFICE

FAX TRANSMITTAL

3130 NORTH FRESNO STREET/P.O. BOX 6056, FRESNO, CALIFORNIA 93703
TELEPHONE: (559) 224-1523 FAX: (559) 241-6277
www.westlandswater.org

TO: Eric Chiang DATE: 8/14/2009

FAX NO: (415) 703-2200 NO. OF PAGES: 3
(Including cover page)

FROM: Tom Glover

MESSAGE: _____

If you did not receive all of the pages, please call (559) 224-1523.

Y:\forms\cover.fax



Westlands Water District

3130 N. Fresno Street, P.O. Box 6056, Fresno, California 93703-6056, (559) 224-1523, FAX (559) 241-6277

14 August 2009

Eric Chiang
California Public Utilities Commission
505 Van Ness Avenue, Room 4a
San Francisco, California 94102

Subject: NOTICE OF INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION:
Gill Ranch Storage, LLC Gill Ranch Gas Storage Project (Gill Ranch, LLC Application
No. A.08-07-032; Pacific Gas & Electric Application No. A.08-07-033)

Mr. Chiang,

Westlands Water District (District) upon reviewing the Draft Mitigated Negative Declaration document has the following comments.

DISMND_08CH3.pdf (PDF document page 261)

H-1

The District does not provide construction water unless the project is of benefit to the District's landowners and water users or the request is one AF or less. The applicant must obtain the water supply and have supply transferred into a District account prior to approval of an outlet. Contacts for assistance with water supplies include water brokers, Customer Accounting Department's customer web page showing willing sellers of water, internal water transfers from water users known to applicant, Resources Department for external water transfers. Please note, Water user contact information is not a public record and will not be provided.

DISMND_13AB.pdf (PDF document page 35)

The District is concerned with the possible damage/destruction of one or more Observation Wells from the United States Geological Service (USGS) Cluster Site M3, during the horizontal directional drilling (HDD) under the California Aqueduct. USGS Cluster Site M3 consists of five wells located on the east side of the California Aqueduct and south side of Lincoln Avenue, between 142+00 and 143+00 on the gas pipeline.

H-2

WWD Well ID	State Well Number	Site ID	USGS		Well Depth
			Site Number	Site Name	
474	15S/13E-11B03M	M3-3	363850120311901	015S013E11B003M	50.0
475	15S/13E-11B04M	M3-4	363850120311804	015S013E11B004M	650.0
476	15S/13E-11B05M	M3-5	363850120311805	015S013E11B005M	278.0
472	15S/13E-11B06M	M3-1	363849120311801	015S013E11B006M	385.0
473	15S/13E-11B07M	M3-2	363850120311801	015S013E11B007M	199.0

The applicants should make every effort to protect the above wells during HDD under the California Aqueduct.

H-3 DISMND 13AB.pdf (PDF document page 35)

The gas pipeline between 148+00 and 156+00 is located in the same area as the District 18" water pipeline (water line not noted on this drawing) and the gas pipeline needs to be at minimum 15' south of the District 18" water pipeline. The District water pipeline is located 35' north of section line (Lincoln Ave) and runs from the California Aqueduct to just passed Newcomb Ave. Additional, the District requests that material above the 18" water pipeline not be scrapped, leveled or be removed during the construction of the gas pipeline.

H-4 DISMND 13AB.pdf (PDF document page 45)

The District requests that material above the 18" water pipeline located in the temporary construction easement between 754+00 and 795+00 not be scrapped, leveled or be removed during the construction of the gas pipeline.

H-5 The District's Board has directed that the Gill Ranch Gas Storage Project will be required to pay for an appraisal to determine the value of easements, and compensate the District for said easements. The District will also have to approve of the Mitigated Negative Declaration, prior to agreeing to convey easements for the propose pipeline.

Sincerely,



Tom Glover
Deputy General Manager - Resources
(559)-241-6215

CC: Gill Ranch Storage
220 NW 2nd Avenue
Portland, Oregon 97029

Letter H - Westlands Water District

- H-1 The Applicants have identified sources of water other than the District and intend to use them for construction water requirements. Should WWD water be needed for construction, the Applicants would comply with the requirements of WWD.
- H-2 The Applicants have identified the location of the United States Geological Survey (USGS) Cluster Site M3. The HDD alignment will pass the well cluster at an approximate vertical depth of 45 feet and horizontal distance of more than 25 feet from the northern most well. Damage to these wells from the HDD operation is highly unlikely and the Applicants shall make every effort to protect these wells from damage.
- H-3 The Applicants are aware of the location of the WWD 18 inch water line between gas pipeline stations 148 + 00 and 156 + 00. The Applicants understand that the alignment of the 30-inch gas pipeline and the location of WWD 18-inch water pipeline need to be separated by a minimum of 15 feet. The Applicants will accomplish this through final design of the alignment and field staking prior to actual construction.

Mitigation Measure Agriculture-1: The Applicants shall prepare and implement an Agricultural Impact Mitigation Plan. The Plan shall be submitted to the CPUC for CPUC staff review and approval at least 45 days prior to the start of construction. The Plan shall include measures that will reduce impacts to agricultural operations during construction of the proposed facilities, in coordination with landowners. Measures shall include, but are not limited to:

- a) Farmers shall be compensated for the loss of crops during construction of the proposed facilities.
- b) Agricultural fields shall be surveyed and regraded where needed to their original elevation following construction where needed.
- c) Follow-up elevation surveys and finish grading shall be provided, if necessary, to ensure that the field grading and irrigation flows are not adversely affected.
- d) Fences and irrigation facilities shall be replaced or repaired to their original condition following construction.
- e) The Applicants shall coordinate with owners of land adjacent to the pipeline route regarding temporary blockage of access to the owner's parcel due to pipeline construction. Alternative access routes shall be provided, or farmers shall be provided breaks in spoil piles, trenches, or pipe strings to accommodate their need for field access during construction.
- f) Topsoil shall be restored to preconstruction conditions as soon after construction is completed as practical
- g) Soils in the temporary construction easements located above the Westland Water District water pipeline shall not be scrapped, leveled or removed during construction.

Additional restrictions to construction around underground structures is provided in Mitigation Measure Hazards-7.

- H-4 The comment is noted.
- H-5 The Applicants have informed the CPUC Energy Division that they understand they will be required to pay for an appraisal to determine the value of any easements acquired from the District and to compensate the District for such easements. Pursuant to CEQA, the District may rely on the Mitigated Negative Declaration that is adopted by the CPUC.

DAY • CARTER • MURPHY • LLP

Ann L. Trowbridge
atrowbridge@daycartermurphy.com

August 14, 2009

VIA ELECTRONIC MAIL [EYC@CPUC.CA.GOV]
& FACSIMILE [(415)703-2200]

Eric Chiang
California Public Utilities Commission
505 Van Ness Avenue, Room 4a
San Francisco, California 94102

**Re: Gill Ranch Gas Storage Project, Application Nos. 08-07-032 and 08-07-033:
Comments on Draft Mitigated Negative Declaration (SCH No. 2009071057)**

Dear Mr. Chiang:

I - 1 [Gill Ranch Storage, LLC (GRS) and Pacific Gas and Electric Company (PG&E; together the Applicants) appreciate the opportunity to comment on the Draft Mitigated Negative Declaration (DMND) for the proposed Gill Ranch Gas Storage Project (Project), which the California Public Utilities Commission (CPUC or Commission), as lead agency under the California Environmental Quality Act (CEQA), circulated for review and comment beginning July 16, 2009. The Applicants believe the DMND presents a complete and accurate analysis of the limited potential impacts of construction and operation of the Project. The proposed mitigation measures and the mitigation monitoring plan should ensure that any potential impacts will be reduced to less than significant levels. The Applicants' comments regarding the DMND, set forth below, clarify and correct factual statements, propose minor modifications, and correct typographical errors in the DMND.

Draft Mitigated Negative Declaration

Introduction

I - 2 [The correct names of the Applicants are: Gill Ranch Storage, LLC and Pacific Gas and Electric Company. The typographical errors in the Applicants' names in the first paragraph of the Introduction to the DMND (page MND-1), and in the Initial Study Environmental Checklist Form and the Initial Study, should be corrected.

Gas Pipeline

[On page MND-3, the DMND states that "Gill Ranch would have 75% ownership of the pipeline, and PG&E would have 25% ownership of the pipeline." Because this
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I - 3 ownership ratio applies to all of the Project components, except the electric power line, the Applicants propose deleting the sentence at page MND-3 and adding the following to the Introduction (page MND-1):

Gill Ranch Storage, LLC (GRS), an Oregon limited liability company formed in 2007, and Pacific Gas and Electric Company (PG&E), a regulated California utility, have filed applications with the California Public Utilities Commission (CPUC) GRS will own a 75% undivided interest in the Project and PG&E will own a 25% undivided interest. PG&E will construct, own, and operate the electric power line. GRS and PG&E (Applicants) have entered into an Operator Agreement

This comment also applies to the Initial Study, Executive Summary, Gas Pipeline, page ES-3.

Electric Power Line

I - 4 The length of the proposed electric power line is 9.3 miles. (*See* Supplement to PEA Application: Responses to Completeness Comments (September 18, 2008), p. 6.) The reference at page MND-3 should be modified accordingly. This comment also applies to the Initial Study.

Environmental Determination

I - 5 The description of the materials used in preparing the Initial Study set forth in the second sentence of the Environmental Determination (pages MND-27 – MND-28) should be revised to include the CPCN applications and related materials:

The Initial Study was based on evaluation of the Proponent's Environmental Assessment and Supplemental Information, the CPCN applications and related materials, site visits

Initial Study and Environmental Checklist Form

Section 8: Description of the Project

I - 6 The second and third bullets should be revised as follows for consistency with the Project Description (*see* Initial Study, p. 2-1):

- ~~Existing and proposed~~ Injection and withdrawal (IW) wells at existing and new well pad sites
- ~~Existing and proposed~~ Observation and monitoring (OM) wells at existing and new well pad sites

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Initial Study

ES: Executive Summary

ES.4 Project Components

Wells and Pipelines

I - 7 | On page ES-3, a new second sentence should be added to the description of the observation wells:
| Three wells could potentially use existing well sites.

Gas Pipeline

I - 8 | On page ES-3, the last sentence of the second paragraph should be revised and a new sentence added as follows:
| The total area temporarily disturbed would be approximately 150 ac. The Applicants will implement an Agricultural Mitigation Plan to avoid or minimize any long-term impacts and to return disturbed areas to agricultural production after construction.

Substation

I - 9 | The substation is a Project facility and will be owned by GRS and PG&E in the percentages set forth above. Accordingly, the last sentence under “Substation” on page ES-4 should be deleted.

1: Introduction

1.3 CPUC CPCN Application Process

I - 10 | The Applicants propose the following changes on page 1-3 to accurately reflect the CPUC CPCN process to date:
| **2. Pre-hearing Conference:** At the pre-hearing conference, the assigned ALJ ~~will hear~~ heard comments from interested parties about issues At the hearing, interested parties and members of the public ~~may file~~ filed appearance forms
| **3. Scoping Memos:** Following the pre-hearing conference, the ALJ ~~will prepare~~ prepared a scoping memo. The scoping memo and revisions to the scoping memo ~~will outline~~ outlined issues that would be considered
| ↓

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- I - 10
4. **Comments and Responses:** There appear to be no unresolved contested issues regarding the Project; therefore, ~~it is likely that comments and responses to comments will be filed in place of holding~~ an evidentiary hearing ~~was not held following an exchange of testimony.~~
5. **Ruling:** 30 days should be changed to 25 days, pursuant to Commission Rule 14.3.

1.4 Environmental Analysis

1.4.2 CEQA PROCESS

- I - 11
- The last sentence of the second paragraph under the heading **1.4.2 CEQA PROCESS** on page 1-4 should be modified as follows:

An MND can be adopted ... or if the potential effects can be reduced to a level below significance through Project revisions and mitigation measures.

2: Project Description

2.3.3 Wells and Associated Facilities

- I - 12
- The first sentence under the heading **Gathering Lines** on page 2-10 should be modified as follows:

... and the 4-in or less diameter high pressure water gathering pipeline

2.3.5 Gas Pipeline

- I - 13
- In the first sentence under the heading **Line Lowering** on page 2-15, the word “regarding” should be replaced with “regrading.”

2.3.7 Construction Staging

- I - 14
- In the second sentence of the second full paragraph under the heading **Gas Pipeline Outside of the Storage Field** on page 2-19, “Best Receiving Yard” should be replaced with “Beet Receiving Yard.”

- I - 15
- In the first sentence of the third full paragraph under the heading **Gas Pipeline Outside of the Storage Field** on page 2-19, “Spreckels Plan” should be replaced with “Spreckels Plant.”

The discussion of staging areas on page 2-19 should include the Mendota Railyard, which is identified in Figure 2.3-4 and discussed elsewhere in the impact assessment (*see, e.g.*, the discussion of visual resource impacts on page 3.2-9). The Applicants propose that the following paragraph be added after the third full

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I - 16 ↑ paragraph on page 2-19 under the heading **Gas Pipeline Outside of the Storage Field:**
Another construction staging site has been identified at the Mendota Railyard, where equipment arriving via rail would be off-loaded and transported to construction staging sites. The Mendota Railyard is an industrial railroad facility with several storage yards. It is surrounded by residential and commercial uses.

2.4.2 Other Permits and Approvals

I - 17 ↑ In their CPCN applications, the Applicants identified local well permits as potential ministerial approvals that may be required for the Project. (See Exhibit F to A. 08-07-032 and Exhibit B to A.08-07-033.) Since filing the applications the Applicants have confirmed that the Division of Oil, Gas, and Geothermal Resources is the only agency that will be issuing permits for the Project injection and withdrawal wells, observation and monitoring wells, and injection well and that no local ministerial permits are required. Accordingly, the Applicants propose deleting line three, "Well Permits" from the list of local project permits.

3: Evaluation of Environmental Impacts

3.2 Aesthetics

I - 18 ↑ In the table on page 3.2-1, the check mark for Item b) should be moved to the Less Than Significant Impact column to match the analysis on page 3.2-11.

I - 19 ↑ On page 3.2-16, under both the **Operation and Maintenance and Compressor Station** headings, the references to Mitigation Measures Aesthetics-2 and Aesthetics-3 should be changed to Aesthetics-4 and Aesthetics-5, respectively.

3.3 Agricultural Resources

I - 20 ↑ In Table 3.3-1 on page 3.3-10, footnote 5 should be revised as follows:
The facility measures 190 ~~400~~ by 115 ~~400~~ ft.

3.5 Biological Resources

I - 21 ↑ On page 3.5-1, the last paragraph should be revised to reflect that ENTRIX surveyed for wetlands, vernal pools, Valley elderberry longhorn beetle (VELB), Swainson's hawk, and other nesting raptors, in addition to protocol surveys for special status plants and blunt-nosed leopard lizard (BNLL); and performed general reconnaissance.

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I - 22 [In Table 3.5-1 on page 3.5-12, the black-tailed jackrabbit is incorrectly listed as a “Common Mammalian Predator.” It should be listed in a new category, “Other Small Mammals.”

I - 23 [In Table 3.5-2 on page 3.5-16, Barrow’s goldeneye is described as having suitable foraging habitat in the Project area. This species is a diving duck feeding exclusively in aquatic habitat. It could occur rarely at Mendota Wildlife Area, Fresno Slough, or San Joaquin River, but is not expected to occur within areas affected by the Project. Accordingly, Barrow’s goldeneye should be removed from Table 3.5-2.

[In Table 3.5-2 on page 3.5-17, the “Description” for the short-eared owl and loggerhead shrike should be revised to indicate that these species were observed by ENTRIX biologists within the Project area. Additionally, the “Potential for Occurrence” should also be revised from “Possible” to “Confirmed.”

I - 24 [In the first bullet list under the heading **Wildlife** on page 3.5-25, Barrow’s goldeneye (ninth bullet) should be deleted because it is not likely to occur in the Project area as it is restricted to foraging in permanent aquatic habitats absent from areas subject to project disturbance.

I - 25 [In the second bullet list under the heading **Wildlife** on page 3.5-25, both the Swainson’s hawk and the Nelson’s antelope squirrel (fourth and fifth bullets) should be deleted because they are not federally listed.

I - 26 [In the third bullet list under the heading **Wildlife** on page 3.5-26, the tricolored blackbird and yellow-headed blackbird should be deleted from the list of Ground Nesting Avian Species (third bullet) because they are not ground nesting species. They typically nest in flooded emergent vegetation (*e.g.*, cattails).

I - 27 [In the last paragraph on page 3.5-28, under the heading **Giant Garter Snake**, the text should be revised to clarify that there is no evidence to suggest that giant garter snake is “likely” to occur in the onsite reaches of the San Joaquin River and Fresno Slough. Intensive trapping studies in recent years have failed to detect the species. (PEA, p. 4.4-59.) The first sentence of this paragraph should be revised as follows:

The giant garter snake ~~likely occurs~~ could occur

3.6 Cultural Resources

I - 28 [The typographical error in the first sentence under Item c), Construction, on page 3.6-13 should be corrected as follows:

~~The Project Area, a~~ Although located within several miles of known fossil localities, the proposed pipeline alignment and surface

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↑ facilities lie entirely within agricultural or otherwise developed areas and over Patterson Alluvium.

3.8 Hazards and Hazardous Materials

Electric and Magnetic Fields (EMF)

The CPUC has repeatedly recognized that EMF is not an environmental impact to be analyzed in the context of CEQA because (1) there is no agreement among scientists that EMF does create a potential health risk, and (2) there are no defined or adopted CEQA standards for defining health risk from EMF. (See, e.g., CPUC Decision No. 04-07-027); Delta DPA Capacity Increase Substation Project Final MND and Supporting Initial Study (November 2006); A.05-06-022, section B.1.14.1, p. B-31, adopted in D.07-03-009.) Therefore, if the EMF discussion remains in its current place in the MND, clarifying language should be added to indicate that the discussion is included for information purposes only, not as part of the CEQA review. The Applicants suggest adding the following at the end of the first EMF paragraph:

For this reason, EMF is not considered an environmental impact cognizable under the California Environmental Quality Act (CEQA). This discussion of EMF, therefore, is provided solely for public information purposes.

I - 29

On page 3.8-5, the “Electromagnetic Fields” in the heading and the first sentence under that heading, should be changed to “Electric and Magnetic Fields.”

On page 3.8-6, consistent with the EMF Field Management Plan provided by PG&E on July 21, 2009, the last paragraph under the heading Electric and Magnetic Fields should be modified as follows:

... The CPUC, in response to a situation of scientific uncertainty and public concern, specifically requires PG&E to consider “no-cost” measures, where feasible, ~~for power lines that would be located adjacent to undeveloped land~~ in order to reduce exposure from new or upgraded utility features in accordance with PG&E’s EMF Design Guidelines. ... The distance between the existing switch proposed to be used for the tie-in and the existing residential structure would be approximately 300 ft, and the proposed electric power line would be farther away from any residences than the existing power line. PG&E identified a no-cost mitigation that would relocate the tap point for the new power line 1,100 feet east of its current proposed location. (See PG&E’s EMF Plan, July 21, 2009.) This new tap point (east of pole 14/178) would move the line approximately 1,100

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- I - 29 ↑ feet (0.2 mile) further east than the originally proposed location, further away from the rural residential land use on the dairy property north of Avenue 71/2.
- On page 3.8-5, in the second to last line, the word “e91188valuation” should be changed to “evaluation.”

Gas Migration

- I - 30 [On page 3.8-19, in the last sentence, the parenthetical reference to a “monthly” monitoring frequency should be changed to “quarterly” to be consistent with Mitigation Measure Hazards-11 (Gas Monitoring Plan).

Mitigation Measure Hazards-11

- I - 31 [The Applicants are concerned that Mitigation Measure Hazards-11, including the Gas Monitoring Plan referenced therein, may not be supported by sound technical analysis or consistent with industry practice. While the Applicants will implement Mitigation Measure Hazards-11 if it is adopted by the Commission in connection with this Project, the Applicants encourage the Commission not to use this Mitigation Measure as precedent for any underground storage projects that may be proposed in the future, and the Applicants reserve their rights to object to such a Mitigation Measure in connection with any future projects. (To the extent appropriate, this comment also applies to Mitigation Measure Hazards-15.)

3.10 Land Use and Planning

- I - 32 [On page 3.10-5, the acreage total column in Table 3.10-1 should be modified to match the acreage total column in Table 3.3-1, including the Meter Station at Line 401 Tie-In acreage.

3.16 Transportation and Traffic

- I - 33 [Following Table 3.16-2 on page 3.16-7, the source reference “Entrix 200891188” should be replaced with “Entrix, 2008.”

Appendix I: MMRP

1: Introduction to MMRP

1.4 MMRP Execution

- I - 34 ↓ Consistent with CEQA, the first sentence of the third paragraph of Section 1.4.1 (page I-3) should be revised as follows:

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I - 34 ↑ As provided by the California Environmental Quality Act (CEQA) (see Guidelines section 15097(a)), the CPUC may delegate duties and responsibilities for monitoring to other environmental monitors or consultants, or public agencies, as deemed necessary, and some monitoring responsibilities may be assumed by responsible agencies, such as affected jurisdictions and cities.

Mitigation Measures

I - 35 [**Mitigation Measure Agriculture-3:** In the first line of subdivision (c), the word “neither” should be replaced with “either.”

I - 36 [**Mitigation Measure Air Quality-5:** In the MMRP, the last sentence under in the first box should be deleted; it is separately set forth in the second box.

I - 37 [**Mitigation Measure Hazards-2:** The term “remedial measure” should be plural.

I - 38 [**Mitigation Measure Hazards-15:** “As provided in the Gas Monitoring Plan (Appendix G),” should be inserted at the beginning of the first sentence.

The third sentence should be revised as follows:

The first survey shall be conducted, and the results provided to the CPUC, at least 2 weeks prior to Project construction initial injection.

↓ **Mitigation Measure Hazards-18:** Table 3-8-3 should be replaced with the following table to reflect current information in the record:

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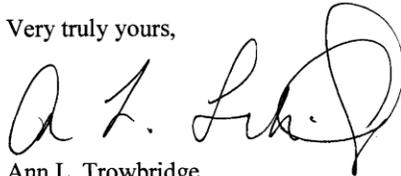
I - 39

Table 3.8-3: Pipeline DOT Hazard Classifications					
Line 401 tie-in to Highway 33	0.0 – 10.2	Sparsely populated (agricultural buildings; approx 3 residences)	1	2 (Mainline valve at MP 0.0)	0.6
Highway 33 to Slough	10.2 – 18.0	Sparsely populated (agricultural buildings; approx 3 residences)	1	2 (Valve at MP 14.2)	0.6
Slough to San Mateo Avenue	18 – 19.5	Commercial and recreational uses at east bank of Slough several residences and agricultural structures on south side of Hwy 180	2	3	0.5
San Mateo Avenue to Chowchilla Canal and Avenue 3	19.5 – 24.0	Sparsely populated	1	2 (Valve at MP 19.5)	0.6
Avenue 3 segment to Compressor Station	24.0 – 26.7	No structures present	1	2 (Mainline valve at Compressor Station, MP 26.7)	0.6

Conclusion

The Applicants reiterate their appreciation for the opportunity to provide these comments. Please contact me if you have any questions or require additional information.

Very truly yours,



Ann L. Trowbridge
Counsel for Gill Ranch Storage, LLC

cc: Charles E. Stinson, GRS
Judi K. Mosley, PG&E
Tim Murphy, ENTRIX

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Letter I – Day Carter Murphy, LLP

- I-1 The comment is noted.
- I-2 The following revisions have been made to correct the Applicants' names. These changes will be reflected at the suggested locations throughout the document.

Gill Ranch Gas Storage, LLC (GRS)
Pacific Gas and Electric Company (PG&E)

- I-3 The suggested revisions have been made to the text to clarify the ownership roles of the Applicants. These changes will be reflected at the suggested locations throughout the document.

Page MND-1

Gill Ranch Storage, LLC (GRS), an Oregon limited liability company formed in 2007, and Pacific Gas and Electric (PG&E), a regulated California utility, have filed applications with the California Public Utilities Commission (CPUC) for a Certificate of Public Convenience and Necessity (CPCN) for the purpose of developing the Gill Ranch Gas Storage Project (Project) in Madera and Fresno Counties, California. GRS will own a 75 percent undivided interest in the Project and PG&E will own a 25 percent undivided interest. PG&E will construct, own, and operate the electric power line. GRS and PG&E (Applicants) have entered into an Operator Agreement that designates GRS as the operator for the Project during development, permitting, and construction phases, and for at least 3 years from the date commercial operation begins.

- I-4 The suggested revisions have been made to the text to correct the length of the proposed electric power line. These changes will be reflected at the suggested locations throughout the document.

Page MND-3

Electric Power Line

An approximately 9.753-mile electric power line would be constructed between PG&E's existing Dairyland-Mendota 115-kV power line on Avenue 7½ and the Storage Field central compressor station site.

- I-5 The suggested revisions have been made to the text to clarify materials used in preparation of the Initial Study.

Page MND-27

The Initial Study was based on evaluation of the Proponent's Environmental Assessment and Supplemental Information, the CPCN applications and related materials, site visits and analysis of the environmental setting, and field studies of cultural resources, biological resources, geology, noise, and visual resources.

- I-6 The suggested revisions have been made to the text to keep consistency within the document.

Page 2

- ~~Existing and proposed~~ Injection and withdrawal (IW) wells at existing and new well pad sites
- ~~Existing and proposed~~ Observation and monitoring (OM) wells at existing and new well pad sites

- I-7 The suggested revisions have been made to the text to provide additional description of the

observation wells.

Page ES-3

In addition, up to seven new OM wells would be drilled into the storage formations, outside of the active working gas portion of the reservoirs. Three of the wells could potentially use existing well sites. One salt-water disposal well would be constructed to properly dispose of water from the IW wells during withdrawal operations.

I-8

The plan outlined in Mitigation Measure Agriculture-1 is called the Agricultural Impact Mitigation Plan. The suggested revisions have been made to the text to clarify impacts of the gas pipeline.

Page ES-3

The pipeline would be constructed under the San Joaquin River and the California Aqueduct using horizontal directional drilling techniques. The total area temporarily disturbed would be approximately 150 ac. The Applicants will implement an Agricultural Impact Mitigation Plan, as outlined in Mitigation Measure Agriculture -1 to avoid or minimize any long-term impacts and to return disturbed areas to agricultural production after construction.

I-9

The suggested revision has been made to the text to clarify the ownership of the Substation.

Page ES-4

The substation yard would be approximately 120 ft by 200 ft in size (approximately 0.55 ac) off of the existing road. The substation would be secured by a 9-ft-tall chain link fence with razor wire on top. ~~PG&E would own and operate the substation.~~

I-10

The suggested revisions have been made to the text to clarify the CPUC CPCN process as it has occurred for this Project.

Page 1-3

1. **Application:** The Project proponents (the Applicants) submitted applications for a CPCN on July 29, 2008 for the purposes of developing the proposed Project.
2. **Pre-hearing Conference:** At the pre-hearing conference the assigned ALJ ~~will hear~~heard comments from interested parties about issues to be considered and the schedule for the application's review. At the hearing, interested parties and members of the public ~~may~~filed appearance forms to become parties to the case and participate in the formal proceeding.
3. **Scoping Memos:** Following the pre-hearing conference, the ALJ ~~will~~prepared a scoping memo. The scoping memo and revisions to the scoping memo will outlined issues that would be considered and set forth a schedule for the rest of the proceeding.
4. **Comments and Responses:** There appear to be no unresolved contested issues regarding the Project; therefore, ~~it is likely that comments and responses to comments will be filed in place of holding an evidentiary hearing~~ was not held following an exchange of testimony.
5. **Public Participation Meeting:** A public meeting ~~may be~~was held on July 29, 2009 during the 30-day public comment period on the Draft IS/MND with the CPUC Energy Division Project Manager in attendance. The general public and non-parties ~~may~~participated in the public participation meeting. The public ~~may~~commented on the environmental review during the public participation meeting.
6. **Ruling:** Following the completion of CPCN proceedings and the entire IS/MND

process, the ALJ will issue a proposed decision for the GRS and PG&E applications, which will usually circulate for ~~30~~25 days, pursuant to Commission Rule 14.3, giving all parties to the proceeding the opportunity to comment on the proposed decision. Commissioners will vote after that on whether or not to approve the project based on the IS/MND and all the evidence gathered by the CPUC. A Commissioner may reject the ALJ's proposed decision and issue an alternate decision, which would also be considered by the full Commission. Commissioners can vote to approve the project, or to disapprove the project either with or without prejudice. Disapproval with prejudice means that the Commissioners reject the applications based on merit, meaning that the project would not be in the public interest or would result in unacceptable impacts to the environment. Disapproval without prejudice means that the project is rejected for another reason, such as because the application was incomplete. In that case, the Applicants can reapply to the Commission once the discrepancy is addressed. The view of the majority of the Commissioners prevails.

- 7. Rehearing:** Parties generally have 30 days to file for a rehearing of the case by the CPUC once the Commissioners have ruled on a project. (The mere filing of a rehearing request does not excuse compliance with the original order or decision.) The case may be appealed to the State Court of Appeal if the rehearing request is denied or if parties are not satisfied with the rehearing ruling.

- I-11 The suggested revision has been made to the text to clarify the CEQA process.

Page 1-4

An MND can be adopted (Section 21080, CEQA Public Resources Code) by the CPUC if the IS does not reveal substantial evidence of significant impacts, or if the potential effects can be reduced to a level below significance through Project revisions and mitigation measures (Section 21080: CEQA Public Resources Code).

- I-12 The suggested revision has been made to the text to clarify the size of the water gathering pipeline.

Page 2-10

Construction of 10-in and 16-in diameter high-pressure gathering pipelines and the 4-in or less diameter high pressure water gathering pipeline would begin during the last months of the compressor station construction and will take approximately 1 to 2 months, subject to weather and equipment delivery.

- I-13 The suggested revision has been made to the text to correct a typo.

Page 2-15

Lowering of the pipeline may be required when there is insufficient cover to safely protect the pipe from agricultural activity or ~~regarding~~regrading in public easements.

- I-14 The suggested revision has been made to the text to correct a typo.

Page 2-19

The first site would be located on a 16-ac site at the ~~BestBeet~~ Receiving Yard at the Spreckels Plant, 0.2 mi north of SR 180 and 0.1 mi east of San Mateo Avenue.

- I-15 The suggested revision has been made to the text to correct a typo.

Page 2-19

The second site is located in the northwestern portion of the Spreckels Plant operational area, in an area that is already used for staging. It is approximately 5 ac in area.

- I-16 The suggested text was added to the document to provide additional detail on a staging site.

Page 2-19

The second site is located in the northwestern portion of the Spreckels Plant operational area, in an area that is already used for staging. It is approximately 5 ac in area. Material and equipment deliveries arriving via rail would be transported directly to the staging area via the rail spur associated with the Spreckels facility. If additional area is needed for staging, then the existing roadway shoulder located parallel to and south of the rail spur would be used. This area is currently undeveloped and has been previously used for staging.

Another construction staging site has been identified at the Mendota Railyard, where equipment arriving via rail would be off-loaded and transported to construction staging sites. The Mendota Railyard is an industrial railroad facility with several storage yards. It is surrounded by residential and commercial uses.

Minimal site preparation, such as placement of new gravel and filling of potholes, may be needed on the new selected staging areas.

- I-17 The suggested revision has been made to the text to clarify that no local well permits will be required. The table also includes a revision made as a result of a response to a comment from an agency.

Page 2-24

Table 2.4-1: Required Permits and Approvals for the Proposed Project		
Project Approvals	Issuing Agency	Purpose/Covered Activity
<i>Federal</i>		
Clean Water Act Section 404/Rivers and Harbors Act	US Army Corps of Engineers	Utility line activities in waters of the US
Section 7 Consultation (in connection with Nation Wide Permit [NWP] 12): Incidental take Permit	US Fish and Wildlife Service	Endangered Species Act compliance
NHPA Section 106 Consultation (in connection with NWP 12): Memorandum of Agreement	State Historic Preservation Office	Compliance with national Historic Preservation Act
Water Quality Certification (required as condition of NWP 12)	Central Valley Regional Water Quality Control Board	Compliance with water quality standards and plans
<i>State</i>		
Notice of Intent to Comply with General Order No. 5-00-175 (or its replacement) for Dewatering and Other Low Threat Discharges	State Water Resources Control Board	Construction activities and discharge of hydrostatic water
<u>Encroachment Permit</u>	<u>State Water Resources Control Board</u>	<u>Pipeline aqueduct crossing</u>
General Lease/Right of Way Use	State Lands Commission	Pipeline river crossing
Permits to Conduct Well Operations	Division of Oil, Gas, and Geothermal Resources	Well drilling and operation

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Authorization to Inject Produced water	Division of Oil, Gas, and Geothermal Resources	Injection well drilling and operation
Encroachment Permits	Department of Transportation	Pipeline highway crossings
PRC Section 1601 Streambed Alteration Agreement	Department of Fish and Game	Pipeline river crossing
Authority to Construct/Permit to Operate	San Joaquin Valley Air Pollution Control District	Compressor emissions
National Pollutant Discharge Elimination System General Permit for Discharge of Construction Related to Storm Water	Central Valley Regional Water Quality Control Board	Management of storm water during construction
Local		
Building and Occupancy Permits	Madera County	Compressor site facilities
Grading Permit	Madera County	Compressor site improvement
Well Permits	Madera County/Fresno County	Injection and withdrawal wells, observation wells, injection well
Encroachment/Other Permits	Madera County/Fresno County	Road crossings
Domestic Well Permit	Madera County	Compressor site domestic water supply
Other		
Encroachment Permit	Union Pacific Railroad	HDD under railroad tracks

I-18 The suggested revision has been made to the text to correct a typo.

Page 3.2-1

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I-19 The suggested revision has been made to the text to correct a typo.

Page 3.2-16

Implementation of Mitigation Measures Aesthetics-25, Aesthetics-36, and Aesthetics-7 would render any impacts from lighting and glare less than significant.

I-20 The suggested revision has been made to the text to correct the size of the

Meter Station.

Page 3.3-10

Table 3.3-1: Prime Farmland and Farmland of Statewide Importance Converted to Non-Agricultural Uses

Project Component	Land Converted (ac)	
	Prime Farmland	Farmland of Statewide Importance
Compressor Station ¹	5.00	0.00
IW Well Pads ²	0.00	4.64
OM Well Pads ³	0.70	2.10
Access Roads ⁴	0.00	0.00
Meter Station ⁵	0.60	0.00
Two Mainline Valves (MLVs) ⁶	0.00	0.01
Access Roads and Contingency	0.00	0.00
Total	6.30	6.75

Notes:

1. The compressor site is entirely in agricultural production; access will be via existing road.
2. Assumes one IW pad is undeveloped and requires 1.7 ac agricultural conversion; and the remaining pads are partially developed and require 3.54 ac agricultural conversion. Assumes three pads would expand existing well pads, and the remaining one pad would be entirely in agricultural production land.
3. Assumes five of the eight OM well pads are in agriculture and require 0.7 ac each; two of the well pads would be co-located with proposed IW well pads and requires no additional agricultural conversion; and the eight pad would be fully developed and requires no agricultural conversions.
4. Assumes possible additional land converted from agriculture for new access roads, depending on final well pad site selection, and valve station access road/gate requirements and locations, is not Prime Farmland or Farmland of Statewide Importance. Assumes no new access required for Line 401 meter station.
5. The facility measures ~~400~~190 by ~~400~~115 ft. Access is via existing road.
6. Each of the two MLVs measures 15 by 15 ft. Access is via existing roads.

I-21 The suggested revisions have been made to the text to clarify the work that Entrix has completed.

Page 3.5-1

Field visits were conducted throughout the Project Area by Entrix biologists beginning in March 2008 and are ongoing through 2009. The purpose of these site visits was to evaluate existing site conditions, map onsite habitats, including potential Waters of the State and United States, and survey for wetlands, vernal pools, Valley elderberry longhorn beetle, Swainson hawk, and other nesting raptors. Entrix also conducted protocol level special status plant and blunt-nosed leopard lizard (*Gambelia sila*) surveys, and assessed potential impacts on biological resources from the project. Live Oak Associates, Inc. (LOA) conducted site visits on August 21, 2008 and December 15, 2008 to confirm Entrix's field results. Additional information on special status habitats, special status plant and/or animal species, and other sensitive biological resources was also compiled from the following sources:

I-22 The suggested revision has been made to the text to correct the miscategorization of a species.

Page 3.5-12 Table 3.5-1: Species Likely to Occur in Project Area	
Common Name	Scientific Name
Common Mammalian Predators	
Black-tailed jackrabbits	<i>Lepus californicus</i>
Coyotes	<i>Canis latrans</i>
Red foxes	<i>Vulpes vulpes</i>
Other Small Mammals	
Black-tailed jackrabbits	<i>Lepus californicus</i>

I-23 The suggested revisions have been made to the text to clarify the potential of a special status species from occurring on the Project Area.

Page 3.5-14

Table 3.5-2: Special Status Species Occurring or Potentially Occurring in the Project Area			
Scientific Name Common Name	Status (Federal/ State)	Description	Potential for Occurrence
Barrow's goldeneye (<i>Bucephala islandica</i>)	FED: None STATE: Species of Special Concern	This species breeds in high central and northern Sierra Nevada near wooded mountain lakes or large streams. The Barrow's goldeneye makes its nest in tree cavities. It is possible this species would occur in the Project Area due to the presence of suitable foraging habitat; however, no suitable nesting habitat is present.	Possible
Short-eared owl (<i>Asio flammeus</i>)	FED: None STATE: Species of Special Concern	The short-eared owl is a transient or occasional breeder in grasslands, marshes, and in some agricultural lands of the San Joaquin Valley. Suitable breeding habitat is present along the aquatic features supporting banks which are not regularly maintained or cleared and suitable foraging habitat is found throughout the Project Area; <u>Entrix biologists have observed therefore, it is possible this species would occurring</u> within the project boundaries.	Possible <u>Confirmed</u>
Loggerhead Shrike (<i>Lanius ludovicianus</i>)	FED: None STATE: Species of Special Concern	This species frequents croplands and open habitats with sparse shrubs, trees, suitable perches, bare ground, and low herbaceous cover. It is possible this <u>Entrix biologists have observed this species would occurring</u> within the Project Area. <u>Its presence is likely</u> due to the presence of foraging habitat throughout the project site and breeding habitat within onsite trees and large shrubs.	Possible <u>Confirmed</u>

I-24 The suggested revision has been made to the text to clarify the potential for a special status species to occur in the Project Area.

Page 3.5-25

The species that have the possibility to occur are listed in Table 3.5-2. ~~Ten~~Nine avian species may occur within the project boundaries as transients, migrants, or foragers. These species are:

- Golden eagle

- Lesser sandhill crane
- Mountain plover
- American peregrine falcon
- Greater sandhill crane
- Bank swallow
- Tule Greater white-fronted goose
- Redhead
- ~~Barrow's goldeneye~~
- American white pelican

I-25 The suggested revision has been made to the text to clarify the federal status of Swainson's hawk and Nelson's antelope squirrel.

Page 3.5-25

The remaining 24 special-status species of the 59 documented in the project region may occur on the site regularly as residents and/or breeders. The federally listed species that may be present include the following species, as listed in Table 3.5-2:

- Valley Elderberry Longhorn Beetle
- Giant Garter Snake
- ~~Swainson's Hawk~~
- ~~Nelson's Antelope Squirrel~~
- San Joaquin Kit Fox

I-26 The suggested revision has been made to the text to correct the discussions of species.

Page 3.5-26

Riparian-Associated Species. ~~Five~~Three of the sensitive species would be strongly associated with the large waterways that would be avoided by boring activities during pipeline construction. The species near waterways that could be affected include:

- **Sacramento splittail:** The Sacramento splittail would only occur in the San Joaquin River and/or Fresno Slough. The gas pipeline would be bored under both of these waterways and sensitive habitat would be avoided.
- **~~Black tern, tricolored blackbird, and yellow-headed blackbird:~~** The black tern, ~~tricolored blackbird, and yellowhead blackbird~~ may forage throughout the Project Area, but breeding would be restricted to the portions of the large waterways supporting emergent vegetation; a loss of a minimal amount of foraging habitat would not be considered significant.
- **Ringtail:** The ringtail would be restricted to the riparian habitat associated with the San Joaquin River and Fresno Slough.

I-27 The suggested revision has been made to the text to correct the discussion of giant garter snake.

Page 3.5-28

Giant Garter Snake. The giant garter snake ~~likely~~could occurs in the onsite reaches of the San Joaquin River and Fresno Slough.

I-28 The suggested revision has been made to the text to correct a typographical

error.

Page 3.6-13

Gas Storage Field and Facilities and Gas Pipeline. The Project Area, although located within several miles of known fossil localities, the proposed pipeline alignment and surface facilities lie entirely within agricultural or otherwise developed areas and over Patterson Alluvium.

- I-29 The suggested revisions have been made to the text to correct the reference to EMF, to clarify EMF assessment requirement under CEQA, and to correct a typo.

Electromagnetic Electric and Magnetic Fields

~~Electromagnetic fields~~ Electric and Magnetic Fields (EMF) are present where electricity flows. These fields are present around any item that transmits or uses electricity, such as utility transmission lines, distribution lines, substations: the building wiring in homes, offices, schools, and in the appliances and machinery used in these locations. The CPUC and the California Department of Health Services have not concluded that exposure to EMF from utility electric facilities is a health hazard. Many reports have concluded that the potential for health effects associated with EMF exposure is too speculative to allow the ~~e94488~~ evaluation of impacts or the definition of mitigation measures. Hundreds of EMF studies have been conducted over the last 20 years in the areas of epidemiology, animal research, cellular studies, and exposure assessment to evaluate potential impacts of EMF on human health. A number of nationally and internationally recognized multi-discipline panels, including the National Cancer Institute, the World Health Organization, the National Institute of Environmental Health Sciences, and the International Agency for Research on Cancer, have performed comprehensive reviews of the body of scientific knowledge of EMF. None of these groups have concluded that EMF causes adverse health effects (NIEHS 2002). For this reason, EMF is not considered an environmental impact cognizable under the California Environmental Quality Act (CEQA). This discussion of EMF, therefore, is provided solely for public information purposes.

EMF would be present during construction (from the existing power lines and other sources in the area) and operation and maintenance (from the proposed power line). The CPUC, in response to a situation of scientific uncertainty and public concern, specifically requires PG&E to consider “no-cost” measures, where feasible, ~~for power lines that would be located adjacent to undeveloped land~~ in order to reduce exposure from new or upgraded utility facilities in accordance with PG&E’s EMF Design Guidelines. “No-cost” measures are defined by the CPUC as those steps taken in the design stage, including changes in standard practices that would not increase the project cost but would reduce the EMF strength. The only developed land is a dairy operation on the north side of Avenue 7 ½. There are up to two residential structures at the dairy operation site in the southwesterly portion of the site; however, these structures are set back approximately 250 feet from Avenue 7 ½. The distance between the existing switch proposed to be used for the tie-in and the existing residential structure would be approximately 300 ft, and the proposed electric power line would be farther away from any residences than the existing power line. PG&E identified a no-cost mitigation that would relocate the tap point for the new power line 1,100 feet east of its current proposed location. (See PG&E’s EMF Plan, July 21, 2009). This new tap point (east of pole 14/178) would move the line approximately 1,100 feet (0.2 mile) further east than the originally proposed location, further away from the rural residential land use on the dairy property north of Avenue 7 1/2. There are no additional no-cost measures that would reduce EMF levels at the aforementioned residential structures.

I-30 The suggested revisions have been made to the text to keep consistency within the document.

Page 3.8-19

Mitigation Measure Hazards-11 (Gas Monitoring Plan), specifies an increased monitoring frequency (~~monthly~~quarterly) versus the annual monitoring that the Applicants have proposed, and includes monitoring of soil gas concentrations at the 17 existing wells that penetrate the Starkey Formation above the gas/water interface.

I-31 Comment is noted. The CPUC acknowledges that the Applicants would like to preserve the right to object to Mitigation Measures Hazards-11 and -15 in connection with any future underground storage projects.

I-32 The Meter Station at Line 401 Tie-In is outside the Storage Field area, therefore its estimated surface area is not relevant to Table 3.10-1.

The following revisions have been made to clarify the total approximate surface acreage used for storage field components.

Table 3.10-1: Estimated Surface Area For Storage Field Components			
Facility	Individual Acreage	Number of Facilities	Total Approx. Acreage
Compressor Station	10	1	10
IW Well Pads	1.7	4	6.8
OM Well Pads	0.7	8	5.6 3.5 ¹
Total		13	<u>22.420.3</u>
Note:			
1. Assumes two of the eight OM well pads would be co-located with proposed IW well pads and would require no additional surface area; and one of the eight pads would be located on an existing fully developed pad and would require no additional surface area.			

I-33 The suggested revision has been made to the text to correct a typo.

Page 3.16-7

Table 3.16-2: Traffic Counts for Key Roadways in the Vicinity of the Project			
Roadway	Location	Peak Hour Traffic (vehicles)	Average Daily Traffic (vehicles)
I-5	SR 33 North	5,200	33,000
SR 33	West California Avenue	250	2,400
SR 33	Firebaugh, 12 th Street / Ness Avenue	1,400	13,400
SR 33	SR 180 East	620	6,000
SR 180	SR 33 North	700	8,400
SR 180	Belmont Avenue	570	6,500
SR 180	West Panoche Road	590	7,500
SR 180	James Avenue	590	6,300

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SR 99	SR 180 South	6,600	55,000
SR 99	Shaw Avenue	5,700	63,000
SR 99	Avenue 7	5,900	65,000
Avenue 7 ½	Road 9	600	6,000
Avenue 7	Firebaugh Boulevard	300	3,000
Avenue 7	SR 99	380	3,800
<p>Notes: Peak Hour Traffic – the volume in both directions during the hour of the day with the highest volume Average Daily Traffic - the total volume for the year divided by 365 days Actual counts for Avenue 7 ½ and Avenue 7 not available; peak hour estimated at 10% of Average Daily Traffic (ADT) based on other locations in Project area.</p>			

Source: ENTRIX 200891188

I-34 The suggested revisions have been made to the text to clarify CEQA regulations.

Page I-3

As provided by the California Environmental Quality Act (CEQA) (see Guidelines section 15097(a)), the CPUC may delegate duties and responsibilities for monitoring to other environmental monitors or consultants, or public agencies, as deemed necessary, and some monitoring responsibilities may be assumed by responsible agencies, such as affected jurisdictions and cities. The number of construction monitors assigned to the project will depend on the number of concurrent construction activities and their locations.

I-35 The suggested revision has been made to the text to correct a typo. This change will be reflected throughout the document.

Mitigation Measure Agriculture-3: The Applicants shall participate in land conservation programs that are currently being developed in Fresno and Madera Counties. Madera County’s program will create permanent conservation easements to preserve agricultural land and native habitat. Madera County will manage the program and the easements. Fresno County is developing a similar program that will be administered by a qualified land trust. The Applicants’ participation in the programs shall comply with the following guidelines:

- a) The Applicants shall pay fees into the conservation program to permanently preserve an appropriate quantity of land to fully mitigate Project impacts. The Applicants shall permanently preserve at least 20.35 ac (19.54 ac in Madera County and 0.81 ac in Fresno County). Additional land, included as 1.00 ac of contingency and access road land in this Project’s Initial Study analysis of impacts to agriculture, shall be preserved at a 1:1 ratio in the county in which the land was converted to non-agricultural use.
- b) Prior to construction, the Applicants shall enter into an agreement with each County to fully mitigate the farmland that is actually converted within that County either through acquisition of easements or other real property interests in prime farmland to ensure that the required acreage is permanently retained in productive agriculture (County Farmland Mitigation Agreement). The County Farmland Mitigation Agreement shall provide that in lieu of actually acquiring interest in real property, the Applicants shall either pay a fee to the County to fund a County agricultural land preservation program or directly fund a qualified third party approved by the County that will acquire easements or other real property interests in prime farmland.

- c) To the extent that a suitable conservation program is available in neither County prior to construction of the Project, all payments of fees or funding for easement acquisition required by the County Farmland Mitigation Agreement for that County shall be completed by the Applicants prior to commencement of construction.
- d) If a suitable conservation program is not available in either County prior to commencement of construction of the Project, the Applicants shall post a bond prior to construction, in an amount reasonably determined by the County to provide for implementation of the farmland mitigation described above. The Applicants shall use the bond money to participate in a suitable farmland conservation program or regional land trust, following the above guidance for the area of land to be preserved. The conservation agreement shall be in place prior to the start of Project operations. The Applicants shall submit the name of the trust/conservation program, prior to the signing of the agreement, to the CPUC for approval.
- e) If the Applicants find that the desired amount of conservation in each county cannot be obtained with a good faith effort (e.g., if a County does not contain land available for conservation, or if programs require a purchase of a denomination of land so as to make purchase in both counties inappropriate), then the amount of land to be preserved in each County may be adjusted with the approval of CPUC staff. The amount of land to be preserved shall still be at least 20.35 ac.

I-36 The suggested revision has been made to remove redundancy from the table.

Page I-15

Table 2.2-1 (Continued): Mitigation Monitoring and Reporting Plan			
Mitigation Measure	Implementation/ Monitoring Method	Monitoring Entity	Implementation Schedule
<p>Mitigation Measure Air Quality-5: The Applicants shall participate in US EPA's Natural Gas STAR Program. A memorandum of understanding (MOU) with the US EPA shall be signed prior to initial startup of the compressor station. Within 6 months after signing the MOU, the Applicants shall prepare an implementation plan that includes best management practices (BMPs) identified by the Natural Gas STAR program for transmission and distribution facilities. The implementation</p>	<p>CPUC shall verify through review of the MOU and implementation plan</p>	<p>CPUC Project Manager</p>	<p>Prior to start of operations</p>

<p>plan shall incorporate Partner Reported Opportunities that cost-effectively reduce methane emissions. Within 45 days after completion of one calendar year of participation in the program, the Applicants shall submit an annual report documenting the previous year's emission reduction activities and corresponding methane emission reductions.</p>			
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I-37 The suggested revision has been made to the text to correct a typographical error. This change will be reflected throughout the document.

Mitigation Measure Hazards-2: A Hazardous Materials Contingency Plan shall be created, and submitted to the CPUC at least 30 days prior to the start of construction for CPUC staff review and approval. The plan shall be implemented if an accidental spill occurs or if any subsurface hazardous materials are encountered during construction. Provisions outlined in this plan shall include phone numbers of county and state agencies and primary, secondary, and final cleanup procedures. The plan shall include but not be limited to the following:

- a) All hazardous material spills or threatened releases, including those of petroleum products such as gasoline, diesel, and hydraulic fluid, regardless of the quantity spilled, shall be immediately reported if the spill has entered or threatens to enter a water of the state, or has caused injury to a person or threatens injury to public health.
- b) If asbestos containing transite pipe is encountered, the pipe shall be removed by Hazmat trained employees from the path of the trench and stockpiled to the side. Containment and removal may be carried out simultaneously with the continuation of the trenching.
- c) If hydrocarbon contaminated soils are encountered, they shall be stockpiled, sampled, labeled, and removed. If groundwater is encountered with identifiable hydrocarbons, samples shall be obtained, and the area of the contamination shall be demarcated, and work may continue outside that zone, until remedial measures make it safe to proceed in that area.
- d) If natural gas or volatiles are encountered in the soil or ambient air, then air monitoring shall be conducted. If it is in a trench or excavation, that area shall be considered a permit-required confined space, and no one shall enter, until all permit-required confined space procedures are carried out, or until the atmosphere has been shown to be safe, and the space is reclassified as non-permit (per 8CCR 5157/ 29CFR 1910.146).
- e) In cases where an unknown material is discovered, the area shall be shut down until fully assessed. Work may continue in areas that are not affected.

The suggested revision has been made to provide more detail on the Gas Monitoring Plan.

Mitigation Measure Hazards-15: As provided in the Gas Monitoring Plan (Appendix G), ~~t~~The Applicants shall conduct a quarterly leak detection survey on the 11 wells located off

of the Storage Field structure for the first year of operation. Once the wells are located, the site coordinates shall be recorded and a leakage survey shall be conducted within a 15-ft radius around the well. The first survey shall be conducted, and the results provided to the CPUC, at least 2 weeks prior to Project construction initial injection. If after the first year no leaks have been recorded, then the Applicants may petition the DOGGR for the leak detection survey at these locations to be conducted less frequently.

I-39 The suggested revisions have been made to correct the data.

Page 3.8-25

Project Segment	Milepost	Description of Structures within 220 yards of Pipeline Centerline	DOT Class Location	Classification For Design	Mi De Fa
Line 401 tie-in to Highway 33	0.0 – 10.2	Sparsely populated (agricultural buildings; approx 3 residences)	1	2 (Mainline valve at MP 0.0)	
Highway 33 to Slough	10.2 – 18.0	Sparsely populated (agricultural buildings; approx 3 residences)	1	2 (Valve at MP 14.2)	
Slough to San Mateo Avenue	18 – 19.5	Commercial and recreational uses at east bank of Slough several residences and agricultural structures on south side of Hwy 180	2	3	
San Mateo Avenue to 4-Mile Slough Chowchilla Canal and Avenue 3	19.5 – 22.6 24.0	Sparsely populated	1	2 (Valve at MP 19.5)	
South North Avenue 3 segment to Compressor Station	22.6 – 26.8 24.0- 26.7	No structures present	1	2 (Mainline valve at Compressor Station, MP 26. 87)	



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August 14, 2009

Eric Chiang, CPUC Project Manager
California Public Utilities Commission
505 Van Ness Avenue
San Francisco CA 94102

J

**Re: Draft Initial Study/ Mitigated Negative Declaration for the
Gill Ranch Gas Storage Project, CPCN Application No. 08-07-032 and
Application 08-07-033**

Dear Mr. Chiang:

The RCC Group, LLC (RCC) is a Davis, California-based environmental consulting practice, with more than 25 years of professional experience in providing these services to the regulated community, with a focus on environmental management systems (EMS), hydrogeologic, watershed and environmental engineering studies.

As Managing Member of RCC and Principal Hydrogeologist, I have reviewed and now submit the following brief comments on the Draft Initial Study/ Mitigated Negative Declaration (DIS/MND) for the proposed **Gill Ranch Gas Storage Project** (GRGS) underground natural gas storage project (Project), at the request of one of my Clients, John Hancock Mutual Life Insurance (Farmland Management Services), an Agricultural Stakeholder. Specifically, two Farmland Management Services parcels (042-131-006 and 042-132-002) are listed in the CEQA documents as "located along proposed power line corridor."

J-1 It is my professional judgment, based upon over 25 years of experience in groundwater and watershed hydrology, as well as groundwater quality protection,¹ the DIS/MND dated July 2009 is substantially deficient. I have based my analysis on the information set forth in the DIS/MND and the supporting documents made available online by the PUC.

Please find below, my brief comments on the inadequacy of the DIS/MND and the Project's potential to cause **significant** environmental impacts.

SUMMARY OF IMPACTS

J-2 In summary, the information provided in Section 3.9 is deficient with regard to the following:
1) it is incorrect to not include credible, current statements on baseline groundwater resources and quality, 2) impacts on the groundwater resources occurring beneath the Project and offsite as well as to the existing and future groundwater quality are not adequately addressed, 3) conclusions are presented for which no clear rationale is provided or developed, and 4) the conclusions of significant impact to groundwater stated in selected sections may not be consistent in related DIS/MND sections.

As examples of these deficiencies, Section 3.9 Hydrology and Water Resource only four superficial paragraphs to this critically important subject matter, and of these four paragraphs,

¹ Resume attached as Exhibit A.



- J-2 only one paragraph addresses the "conceptual" hydrogeology of the Project Area, and a second paragraph mentions the expected aquitard(s) where the Project (and presumably underground injection well locations) are proposed for construction. No mention of the critical importance of groundwater resource protection is provided in this Project Description, and there is no clear correlation to the "conceptual" geologic setting described in this Section.
- Section 3.9 Hydrogeologic Setting paragraphs do not rise to the level of "sufficient" description of groundwater resources in the Project Area, nor do they constitute any form of hydrogeologic assessment or evaluation, which should have been prepared by a California Professional Geologist, to ensure the accurate research and presentation of this critically important subject matter. In fact, no contemporary relevant technical references regarding groundwater resources and quality for this portion of the San Joaquin Valley were even cited in References, which would lead the reviewer to conclude that the DIS/MND has missed the opportunity to be a credible assessment of subsurface environmental conditions and impacts.
- J-3 Section 3.9 Water Quality discussion is similarly brief at 4 paragraphs, and no paragraphs document actual, existing groundwater quality conditions in the Project Area. Crucial to the success of the Project should be the understanding of groundwater quality issues in this portion of Madera and Fresno County, and the magnitude of impacts to all Agricultural Stakeholders that Project Operations will have on existing groundwater quality conditions within the Project Area and vicinity.
- In summary, the discussion of groundwater hydrology and water quality resources and potential impacts on these resources, and their hydraulic relationship to surface water resources is incomplete.

RCC TECHNICAL REVIEW OF DIS/MND - FINDINGS AND RECOMMENDATION

- J-4 On the basis of RCC's preliminary review of the Project MND document, none of the proposed Measures recommended in the MND document, addresses the potentially negative impacts to local as well as regional groundwater quality during the life cycle of the Project.
- Specifically, the recognition and description of the potential degradation of local and regional groundwater quality concentrations, especially with regard to dissolved natural gas, and hyper-saline produced water injected into regional formations, is wholly inadequate.
- In addition, should increases of these contaminants, including but not limited to dissolved natural gas and salinity, occur in regional groundwater supplies used by FMS and other agricultural users during the Project life cycle, there are no Mitigation Measures proposed by the Applicant for baseline or long-term groundwater quality monitoring, or any subsequent remediation of impacted groundwater.
- As outlined above, significant impairments to groundwater resources and quality are anticipated; however, these impairments from Project activities need to be addressed as the length of time to remediate contamination at depth is entirely unknown. In addition, what is known is that any investigation and remediation will be costly due to depths of investigations.

CONCLUSION

J-4 ↑ In conclusion, technical errors suggesting inadequate research or coordination with other DIS/MND Sections, the lack of a thorough review of potential Project impacts, and the failure to make available to the public the information on, which groundwater resources and quality conclusions were based, render those same conclusions suspect and not credible.
In my opinion, such potentially long-term impacts to groundwater resources and quality, which are so vital to the agricultural economy of the region, far outweigh the added value of local, but welcome rise in the number of new jobs that may come with a Project of this magnitude.

Thank you for the opportunity to submit my comments. Please contact me at 530-758-8128 or at <mailto:Richard@rccgroupll.net> if you have any questions or comments.

RCC Group, LLC



Richard C. Casias, P.G.

Managing Member and Principal Scientist

RCC Group, LLC



Richard C. Casias, P.G., R.E.A.

HIGHLIGHTS OF QUALIFICATIONS

The RCC Group, LLC (RCC) is a Davis, California based environmental consulting practice, with more than 25 years of professional experience in providing professional services with a focus on environmental management systems (EMS), hydrogeologic, watershed and environmental engineering studies. As RCC's Principal Scientist, Richard Casias' specific technical experience includes the preparation of environmental and groundwater resource investigations, water quality degradation analysis, subsurface wastewater disposal, EMS development and implementation (ISO14001), hazardous waste management, and waste minimization initiatives including pollution prevention (P2). Additionally, RCC conducts environmental compliance audits, and Phase I and II environmental assessments of commercial and agricultural property in accordance with ASTM and USEPA All Appropriate Inquiry (AAI) due-diligence standards. Mr. Casias also provides professional services regarding remedial investigation of soil and groundwater contamination in both urban and rural settings.

Mr. Casias has conducted environmental and water resource investigations primarily in the Western United States, including California, Hawaii, Nevada, Arizona, New Mexico, Texas, and to a limited extent in Utah and Washington State. His international experience includes the Northern Mexico state of Chihuahua, Costa Rica, Honduras and Guatemala.

Mr. Casias and his firm's Associates provides consulting services ranging from initial project conception and feasibility analysis to technical work plan preparation, complex site characterization, environmental data management and analysis, reporting and presentations before regulatory agencies and redevelopment authorities, as well as litigation support. He has considerable success in managing complex, multi-site environmental programs and budgets for the regulated community, including Sites with multiple responsible parties (PRPs). As Project Manager, Mr. Casias provides strategic guidance to Clients and redevelopment teams on Brownfields and similar distressed properties where environmental challenges may be present.

- RCC is a California Certified Small Business Enterprise # 0037546, and certified by the City of Sacramento Office of Small Business Development as an Emerging and Small Business Enterprise, Vendor No. RCC5075000P
- Mr. Casias also maintains his California registrations as Professional Geologist and Registered Environmental Assessor Class I.

PROFESSIONAL PROFILE OF MR. CASIAS

B.S. Geology, 1980. University of California, Davis
Graduate-level course work, water chemistry, and groundwater flow modeling,
University of California Davis, 1984
Graduate-level course work, hydrogeology, and watershed hydrology, University of
Nevada/Reno, 1983

Professional Affiliations and Certifications

Cal/EPA OEHHA Hazardous Substance Cleanup Arbitration Panel Member since 1997 (ERAP)
Professional Geologist, California (License No. 7122, Exp. 01/31/10)



Registered Environmental Assessor, California - Class I (REA No. 04890), current since 1993
40-Hour OSHA Health & Safety Training (29 CFR 1910.120), current since 1985
8-Hour OSHA Health & Safety Annual Refresher, current for 2008-2009

Publications

Casias, R.C. "Origin and Components of Environmental Assessments." Presented at the Greater Bakersfield Chamber of Commerce Symposium entitled "Environmental Liability Risks, Disclosures, Obligations and Origins Associated with Real Property Transactions." Bakersfield, California. July 17, 1991.

Casias, R.C. and B.K. Schroth. "Application of Hydrogeological and Hydrogeochemical Principles in an Evaluation of Groundwater Resource Impacts." Presented at the Nevada Water Resources Association Annual Conference. Las Vegas, Nevada. February 1990.

Casias, R.C. and C.R. Foget. "Concepts of Immiscible Fluids Applied to Hydrocarbon Product Contamination of Shallow Aquifers." Annual Meeting of the Association of Engineering Geologists. San Diego, California. October 1983.

Ryder, R.A. and R.C. Casias. "Geothermal Wastewater Treatment and Disposal." *Proceedings of the 39th Annual Industrial Waste Conference.* Purdue University. May 1984.

Walker, William J. and R.C. Casias. "Current Environmental Science Issues and Principles for Attorneys." Environmental Law Section—Review. Sacramento County Bar Association. Spring 1994.

Professional References

Project specific professional references for RCC are available upon request.

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Letter J – RCC Group, LLC

J-1 Comment is noted, and your resume and qualifications have been received.

J-2 The CPUC would like to direct the Commenter to key portions of the IS/MND that provide a detailed discussion of the geologic and hydrogeologic setting. These portions of the IS/MND compliment the discussion that is presented in Section 3.9: Hydrology and Water Resources and provide a comprehensive description and understanding of the Project area settings.

The Commenter should review Section 2: Project Description, which discusses Figure 2.3.1: Gas Storage Reservoirs. This figure presents the generalized geologic strata, including permeable zones and low-permeability units, relative to depths targeted for gas injection.

Section 3.7: Geology and Soils includes an extensive discussion of the various geologic units present at the Project site, including geologic maps, cross sections, and a stratigraphic column. Also included in the Geology and Soils Section are the following materials related to hydrogeology:

- Figure 3.7.1 Geologic Units in the Project Area Vicinity
- Figure 3.7-2 Generalized Stratigraphic Column for the Gill Ranch Gas Field
- Ten paragraphs of discussion of tectonics, including on Active Faults and Seismicity, that can relate to hydraulic connections/isolation between stratigraphic units
- Discussion of local soils, including their grain size and permeability
- Two paragraphs of discussion of general Groundwater conditions
- Four paragraphs of discussion of Groundwater Hazards, including subsidence, hydrocompaction, and effects of historical pumping

The Hydrology and Water Resources Section builds upon and supplements the geology discussion presented in the Geology and Soils Section. The Hydrology and Water Resources Section contains a discussion of the overall hydrogeologic setting (the conceptual model), and descriptions of the key hydrostratigraphic units, including:

- The deep confined aquifer;
- The Corcoran Clay confining layer;
- An unconfined to semi-confined aquifer composed of Sierran Sands and Coast Range alluvium and glacial outwash with intervening clay layers, overlying the Corcoran Clay, and
- A shallow, perched unconsolidated soils unit.

The Hydrology and Water Resources Section and Geology and Soils Section were prepared with substantial input from Galen Kenoyer, Ph.D. of RMT, who is a California Professional Geologist.

Existing technical and scientific literature for the region were reviewed and summarized in the Hydrology and Water Resources Section. Nine technical references are used in the Hydrology and Water Resources Section, ranging in publication dates from 1970 to 2007.

J-3 A summary of the groundwater quality is located in Section 3.9: Hydrology and Water Resources Section under Water Quality on page 3.9-6. Existing groundwater conditions in the Project Area are included in each of the four paragraphs. The first paragraph discusses groundwater and surface water quality in the Project Area vicinity, and the impacts to the water quality from agricultural operations. The agricultural impacts have resulted in an increase of salts, pesticides and nitrate-nitrogen (from fertilizers) concentrations. The

discussion continues to elaborate this topic.

The second paragraph discusses the degradation of groundwater quality in the portion of the California Central Valley where the Project is located. The paragraph identifies that the degradation is primarily associated with increased levels of nitrate-nitrogen and salts in the shallow aquifer due to agriculture. The discussion expands on this subject by discussing that groundwater in the shallow aquifer is brackish, with salinities ranging from 4,000 to 10,000 MicroSiemens per centimeter (DWR 2001 as cited in Entrix 2008).

The third and fourth paragraphs discuss selenium and pesticides in groundwater in the Project Area vicinity. The fourth paragraph addresses the issue of pesticides from agriculture in groundwater and surface water. The discussion expands on this topic in the remainder of the paragraph.

There are further details of the groundwater quality provided under the Regulatory Setting heading in the Hydrology and Water Resources Section. The Regulatory Setting provides details about existing water quality regulations for the Project Area. Table 3.9-1 on page 3.9-11 presents details about the specific regulations regarding water quality standards for the California Regional Water Quality Control Board, Central Valley Region (Region 5). While specifically for surface water, these regulations are also important to the groundwater quality in the Basin, because groundwater is an important factor affecting the quality of the surface waters.

J-4 Potential impacts and mitigation measures for groundwater are addressed in Section 3.9: Hydrology and Water Resources, and Section 3.8: Hazards and Hazardous Materials. The many regulations that govern the design, maintenance and operation of the pipelines and wells are covered in the Hazards and Hazardous Materials Section over seven pages of text, which include discussions of the following:

- United State Department of Transportation (US DOT) regulations,
- Office of Pipeline Safety Rules,
- Federal Pipeline Safety Improvement Act rules,
- California Division of Oil, Gas, and Geothermal Resources (DOGGR) regulations, and
- California Department of Toxic Substances Control (DTSC) regulations.
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A Gas Monitoring Plan is presented in Appendix G of the IS/MND. The Plan requires pre-injection sampling and analysis of soil gas at key locations, adjacent to deep wells that are open to the target reservoir. The Gas Monitoring Plan is intended to protect groundwater resources, as well as reduce the risk of explosion to less than significant levels, by monitoring the concentration of natural gas and other constituents in the overlying soil gas. Since natural gas is highly volatile, it will volatilize into the soil gas, and there would be a partitioning of the natural gas between the soil gas and the groundwater. Concentrations of natural gas in shallow groundwater should be reflected in concentrations in the overlying soil gas.

The Project Description identifies up to eight new Observation and Monitoring wells that will monitor deep groundwater within the reservoir. These wells will be monitored frequently to help detect potential changes in pressure outside of the working gas field, which could be indicative of a release of natural gas.

The following Mitigation Measures address the issue of protection and mitigation of

groundwater quality:

Mitigation Measure Hydrology -1: Requires sampling and analyzing groundwater from the dewatering during construction, so that appropriate measures, including treatment if necessary, can be taken to protect area water resources.

Mitigation Measure Hydrology -2: Requires sampling and analysis of raw water to be used for the Hydrostatic Test, and preparation of Management Plan, to ensure that appropriate measures are taken to protect area water resources.

Mitigation Measure Hydrology -5: Requires preparation of a Frac-Out Contingency Plan for avoiding release of drilling fluids, which could impact surface waters, and ultimately, groundwater.

Mitigation Measure Hazards -1: Requires preparation of a Hazardous Materials and Waste Management Plan, to protect local groundwater and surface water.

Mitigation Measure Hazards -2: Requires preparation of a Hazardous Materials Contingency Plan to mitigate spills or other releases of hazardous substances, which could affect local groundwater.

Mitigation Measure Hazards -5: Requires that all personnel working at the facility be trained in chemical safety and response procedures.

Mitigation Measure Hazards -9: Requires that water or soil that is potentially contaminated that is encountered during construction be sampled and analyzed so that it can be managed appropriately.

Mitigation Measure Hazards -10: Requires that an Emergency Response Plan be formulated to identify appropriate measures to be taken in the event of an accident, which could include a spill or other release of hazardous substances.

Mitigation Measure Hazards -11: Requires the implementation of the Gas Monitoring Plan, and identifies sampling points at each injection/withdrawal well, and the 17 existing wells on site that penetrate to the depth of the reservoir. It also requires mitigation measures in the event of a leak, which includes:

- Investigation of the cause of the leak,
- Identification of appropriate measures to be taken,
- Timelines for repairs,
- Notification of DOGGR, and
- Implementation of repairs.
-

Mitigation Measure Hazards -13: Requires monitoring of temperatures inside injection/withdrawal well casings, to help identify potential leaks.

Mitigation Measure Hazards -15: Requires periodic leak detection monitoring on off-site wells.

Mitigation Measure Hazards -16: Requires reporting of leaks to DOGGR and specifies timelines for remedies of the leaks.

Mitigation Measure Hazards -19: Requires preparation of a Pipeline Integrity Management Plan for approval by CPUC and DOT, which includes preventative and mitigative measures to protect covered segments.

There is a thorough discussion of groundwater resources and water quality within the IS/MND. A substantial amount of information is discussed within Section 3.9: Hydrology and Water Resources. Sections 3.7: Geology and Soils and 3.8: Hazards and Hazardous Materials provided important additional information. The items from Geology and Soil, and Hazards and Hazardous Materials Sections are not reproduced into the Hydrology and Water Resources Section to avoid unnecessary duplication.

An extensive subsurface Gas Monitoring Plan is required to detect natural gas in the subsurface and leaks that might affect groundwater throughout the life of the project. In addition, there are 13 Mitigation Measures that are concerned with groundwater protection and mitigation of leaks or spills that might impact groundwater.

Laws, regulations, and other requirements applicable to the design, maintenance, and operation of the Project, and the detection monitoring, inspection, and mitigation measures provide a sufficient level of protection to safeguard against the potential risks associated with the Project. The CPUC has the authority to require additional measures to be taken in the future, should conditions warrant.