STATE OF CALIFORNIA GRAY DAVIS, Governor

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

NOTICE OF PUBLICATION
DRAFT MITIGATED NEGATIVE DECLARATION AND INITIAL STUDY FOR DECOMMISSIONING AND SALE OF THE MONTEBELLO GAS STORAGE FACILITY

To All Interested Parties:

The California Public Utilities Commission (CPUC) announces the release of the Draft Mitigated Negative Declaration that the CPUC prepared for the proposed Montebello Gas Storage Facility (MGSF) decommissioning and sale. On April 20, 2000, Southern California Gas Company (SCG) filed an application (Application 00-04-031) with the CPUC to sell the MGSF located in the cities of Montebello and Monterey Park, CA. The CPUC has jurisdiction over this SCG sale of utility assets.

Project Description

The project includes recovering and selling the natural gas stored in the underground storage reservoir, closing and abandoning most of the injection and extraction wells within the storage field, removing all equipment associated with field operations, demolishing all buildings at the MGSF, and selling all MGSF assets, including the land.

On November 22, 2000, SCG submitted a proposed Settlement Agreement among the participants in CPUC's application review, including the Office of Ratepayer Advocates, The Utility Reform Network, the Southern California Generation Coalition, Southern California Edison, and SCG. The proposed Settlement establishes the project's objectives to accomplish the following:

- Recover and sell the cushion gas, which was used as a buffer during natural gas injections and withdrawals from the field
- Decommission the facility
- Sell all facility assets

SCG would not immediately sell all of its property at the MGSF. Rather, SCG would withdraw, as quickly as possible, all remaining cushion gas in the storage field. The Mitigated Negative Declaration reviews the environmental impacts associated with the gas recovery, facility decommissioning, and sale of MGSF assets. The document also considers the reasonably foreseeable changes that could occur as a result of the change in ownership of the remaining MGSF assets.

Connected Actions

The CPUC evaluated reasonably foreseeable actions as part of the California Environmental Quality Act (CEQA) analysis. The primary future action that could result from the proposed project is the development of the MGSF lands consistent with the General Plans and zoning ordinances of the cities of Montebello and Monterey Park. For those MGSF lands located in the City of Montebello, the foreseeable development would include the development of 22 single-family homes. For the MGSF lands located in the City of Monterey Park, the foreseeable development would be the development of industrial or manufacturing uses. The development of any of the MGSF lands would be subject to the separate review and approval by the cities of Montebello or Monterey Park.

Environmental Process

In accordance with CEQA, the CPUC prepared the Initial Study to assess the potential environmental impacts associated with the decommissioning and sale. After completing the Initial Study, the CPUC determined that a Mitigated Negative Declaration was the appropriate environmental document for the project. The Mitigated Negative Declaration examines issues such as impacts to aesthetics, air quality, biological resources, geology, hazards and hazardous substances, water

Public Participation

The CPUC invites you to submit comments on the Mitigated Negative Declaration. Please submit comments by April 2, 2001, by mail, fax, or e-mail to the following address:

Karen DeGannes, Project Manager
c/o MHA Environmental Consulting, Inc.
4 West Fourth Avenue, Suite 303
San Mateo, California 94402
Facsimile: (650) 373-1211
E-mail: Montebello@mha-inc.com

The Draft Mitigated Negative Declaration and the proposed Settlement Agreement can be viewed on the project web site (*www.cpuc.ca.gov/divisions/energy/environmental/info/mha/montebello*) or at the following libraries:

Montebello City Library
1550 West Beverly Blvd.
Montebello, CA 90640

Bruggemeyer Memorial Library
318 South Ramona Avenue
Monterey Park, CA 91754

Los Angeles County Library
630 W. Fifth Street
Los Angeles, CA 90071

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Notice of Publication of a Draft Mitigated Declaration for De-commissioning and Sale of the Montebello Gas Storage Facility