	California Public Utilities Commission ***Mitigation Monitoring, Compliance, and Reporting Program***
	Central Valley Gas Storage Project **Compliance Status Report 02** **May 13, 2011**

SUMMARY

The California Public Utility Commission (CPUC) is responsible for overseeing implementation of the mitigation measures set forth in the final initial study/mitigated negative declaration (FIS/MND) for the Central Valley Gas Storage (CVGS) project. The CPUC has established a third-party monitoring program and adopted a Mitigation Monitoring, Compliance, and Reporting Program (MMCRP) to ensure that measures approved in the FIS/MND to mitigate or avoid significant impacts are implemented in the field. This MMCRP status report is intended to provide a description of construction activities on the project, a summary of site inspections conducted by the CPUC's third-party monitors, the compliance status of mitigation measures required by the MMCRP, and anticipated construction activities. This compliance status report covers construction activities for the period of April 30 to May 13, 2011.

MITIGATION MONITORING, COMPLIANCE, AND REPORTING

Site Inspections/Mitigation Monitoring

A CPUC third-party environmental compliance monitor conducted site observations in areas of active construction, which included the 10-acre compressor station, 5-acre remote well pad site, three observation well locations, and sample boring locations along the project 24-inch pipeline right-of-way. Site observations were completed on May 4 and 12, 2011. Areas of active and inactive construction within the project limits were observed to verify implementation of the measures stipulated in the project's MMCRP. Daily observations were documented on daily site inspection forms, and applicable mitigation measures were reviewed in the field.

Implementation Actions

<u>Preparation of Compressor Station Site and Remote Well Pad Site, Test Boring for 24-inch Pipeline Horizontal Directional Drilling (HDD)</u>

Areas of active construction were limited to grading activities associated with construction of the compressor station site and remote well pad site (see Photo 1 – Attachment A) and test boring at

locations along the proposed 24-inch pipeline alignment where HDD activities are expected to occur. Prior to construction activities, the compressor station and remote well pad sites consisted of fallowed agricultural fields. Site preparation activities consisted of soil excavation, transport of excess fill from the remote well pad site to the compressor station, and compaction of soils to establish the final grade for the pad sites. Crews used scrapers, dozers, and roller compactors to establish the final grade at the compressor station and remote well pad sites (see Photo 2 – Attachment A).

Activities associated with test boring at proposed HDD locations involved two drilling crews completing test bores and taking soils samples in fallow rice fields (see Photo 3 – Attachment A). A stop work was issued by the CPUC on May 10, 2011 as these activities were not authorized to be completed and test-boring activity was stopped on the same day. See further discussion below under Compliance.

Fugitive dust emissions were minimal during earthwork activities because two water trucks were used to water down access roads. Crews have placed best management practices (BMPs) around the perimeter of the work area, consisting of a silt fence to minimize the potential for sediment to be transported beyond the work limits. Silt fences were observed to be maintained throughout the site observations (see Photo 4 – Attachment A). Exclusion fencing has also been placed within areas adjacent to the approved work limits at the discretion of the CVGS biologist to ensure that direct impacts to sensitive habitat do not occur during construction (see Photo 5 – Attachment A).

Dirt haulers are being used to transport excess soil from the remote well pad site to the compressor station site located to the north via McAusland Road. Dirt haulers were observed to be covering loads, trucks drove through the operational tire washer and rattle plate (see Photo 6 – Attachment A), and trackout along access points was being swept at the end of the workday.

Mitigation Measure Tracking

Mitigation measures applicable to the construction activities were verified in the field and documented in the CPUC's mitigation measures tracking database. A complete list of mitigation measures and applicant proposed measures is included in Section 6 of the FIS/MND (Certification of Public Convenience and Necessity (CPCN) Application A.09-08-008, SCH No. 2010042067). The status of each mitigation measure, including measures applicable to the design and pre-construction phases, is included the project's mitigation measure tracking database, which is available upon request.

Compliance

Pre-construction mitigation measures have been completed as indicated in Notice to Proceed (NTP) No. 1, No. 9A and No. 10A (Attachment B). Applicable mitigation measures were verified during site inspections and were determined to be implemented in accordance with the MMCRP.

During the May 4, 2011 site visit, test-boring activity at HDD locations was being completed outside the approved work area included under NTP No. 10A. A stop work was issued by the CPUC on May 10, 2011 and test-boring activity was stopped on the same day. Issuance of NTP No. 9A occurred on May

11, 2011, which identified and documented pre-construction measures associated with test boring activity. Test boring activities resumed on May 12, 2011, following CPUC approval and issuance of NTP No. 9A on May 11, 2011.

CONSTRUCTION PROGRESS

CVGS continues pad site preparation to obtain the final grade at the compressor station site and remote well pad site. Initial grading work for observation well conversions (Southam #2, #3, and #4 and Sara Louise #1) is expected during the week of May 16, 2011 following issuance of NTP No. 2.

CONSTRUCTION SCHEDULE

Compressor Station – CVGS began construction on April 11, 2011, and anticipates completion of construction by April 2012.

Remote Well Pad Site (includes saltwater tank) – CVGS began construction on April 11, 2011, and anticipates completion of construction by December 2011.

Observation Well Conversions – CVGS anticipates starting construction on April 25 and completing construction by October 2011.

Saltwater Disposal Well – CVGS anticipates starting construction on May 13 and completing construction by December 2011.

Metering Station – CVGS anticipates starting construction on June 1 and completing construction by August 2011.

Natural Gas Connecting Pipeline (Segment A) – CVGS anticipates starting construction on July 1 and completing construction by January 2012. Preparation of the Natural Gas Connecting Pipeline (Segment A) right-of-way is expected to begin on April 18 and to be completed by June 2011.

Natural Gas Connecting Pipeline (Segment B) – CVGS anticipates starting construction on July 11 and completing construction by October 2011.

Line 172 Connection Pipeline – CVGS anticipates starting construction on May 16 and completing construction by December 2011.

Photo 1: Construction crews complete soil compaction at the remote well pad site to obtain final grade.

Photo 2: Crews continue grading activities at the compressor station site to obtain final grade.

Photo 3: Test boring activity along 24-inch pipeline alignment occurring in a fallow agricultural field, adjacent to Interstate 5.

Photo 4: Silt fencing is placed along the perimeter of grading activities at the compressor station to minimize the potential for sediment to be discharged beyond the work limits.

Photo 5: Exclusion fencing is placed around sensitive resource areas to minimize the potential for impacts outside of approved work areas.

Photo 6: A tire washer and rattle plate are being utilized onsite for trucks exiting the remote well pad site and entering McAusland Road in order to minimize track-out.

ATTACHMENT B
Notices to Proceed

NTP No.	Date Issued	Segment/Component	Conditions Included (Y/N)
1	March 21, 2011	Compressor Station, Remote Well Pad, and Observation Wells	Y
10A	April 18, 2011	Berm Installation for Preparation of Natural Gas Pipeline Right-of-Way	Y
9A	May 11, 2011	Test Boring at Horizontal Directional Drilling (HDD) Locations along 24-inch Pipeline Alignment	Y

ATTACHMENT C
Variance Requests

Variance Request #	Submitted	Description	Status	Approval
1	April 6, 2011	Realignment of the 24-inch gas pipeline, including the Southam Pipeline, Weller Pipeline, and Perez Pipeline will be performed. The intent of realignment is to minimize impacts to irrigation systems and agricultural lands.	Approved	April 25, 2011