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Decision 97-04-073 April 23, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Alpine Natural Gas Operating Company No. 1, LLC for a Certificate of Public Convenience and Necessity to Construct and Operate a Gas Pipeline Distribution System in Calaveras County, California.

ORIGINAL

Application 96-08-015
(Filed August 5, 1996)

OPINION

Summary

Alpine Natural Gas Operating Company No. 1, LLC (Alpine), pursuant to § 1001 of the California Public Utilities (PU) Code, is granted a Certificate of Public Convenience and Necessity (CPCN) authorizing it to construct and operate a natural gas distribution system in Calaveras County, California.

Procedural Background

On August 5, 1996, Alpine filed its application for a CPCN. On the same day, Alpine filed its Proponent's Environmental Assessment (PEA) in support of the application.

The Commission's Energy Division commenced its Initial Study as contemplated by the California Environmental Quality Act of 1970 (CEQA), and determined that the PEA was incomplete under Public Resources Code Section 15378(a). On October 15, 1996, Alpine filed its First Amendment to Supplement Proponent's Environmental Assessment with Additional Information.

On November 22, 1996, in order to clarify that Alpine's application seeks certification for construction and operation only for Phase I of the project, which consists of approximately 27 miles of pipeline facilities, and to more precisely define these facilities, Alpine filed its Second Amendment to Supplement Proponent's Environmental Assessment with Additional Information.

Bertram D. Patrick
CPUC
Division of Administrative Law Judges
RM. 5110

On December 10, 1996, the Energy Division accepted Alpine's PEA and subsequent Amendment as "complete," allowing the Energy Division to complete its Initial Study of the project as required by CEQA.

On December 23, 1996, the Energy Division completed its draft Initial Study and, as suggested under Public Resources Code Section 15063(g), sought informal consultation with various Responsible and Trustee Agencies for the purpose of obtaining recommendations as to whether an Environmental Impact Report (EIR) or Negative Declaration should be prepared.

On February 19, 1997, in response to a request from the California Office of Historic Preservation for further study with respect to potential archeological and historical cultural resources lying within the project area, Alpine filed its Third Amendment to Supplement Proponent's Environmental Assessment with Additional Information.

On March 7, 1997, the Energy Division issued a Proposed Negative Declaration and provided Notice to all Responsible and Trustee Agencies, landowners, and the general public as required by CEQA.

Public Notice

Alpine participated in several public meetings to discuss the project with the public and to seek community input. Public meetings included (1) meeting with the Rancho Calaveras Home Owners' Association on August 8, 1996; (2) meeting with the Calaveras County West Side Chamber of Commerce on July 31, 1996; and (3) meetings with the La Contenta Home Owners' Association on June 10, 1996 and February 10, 1997. Additionally, Alpine met with the Calaveras County Board of Supervisors to discuss Alpine's franchise agreement with the County on July 22, 1996 and on February 10, 1997.

Also, all suppliers of propane in the proposed service area received notice of Alpine's application for a CPCN to provide metered natural gas service in Calaveras County. There are no protests filed opposing the proposed project.

Certificate of Public Convenience and Necessity

As required by the Commission's Rules of Practice and Procedure,¹ Alpine provides the information set forth below.

Alpine is a Limited Liability Company formed on June 20, 1996, pursuant to the provisions of the California Limited Liability Company Act. The principal owner is Dan Samuel. Alpine was formed to construct and operate a natural gas distribution system in the La Contenta and Rancho Calaveras subdivisions and other adjacent areas south of Valley Springs, California, which are currently not served by a natural gas provider or distributor.

The system will interconnect with Pacific Gas and Electric Company's (PG&E) Line 197A at California Highway 26. The project has been divided into different phases, with Phase I being the construction of a distribution system within the La Contenta subdivision and a segment of the adjacent Rancho Calaveras subdivision. Phase I will consist of 27 miles of 2 to 6-inch diameter natural gas distribution line located along or within existing roads or improved rights-of-way. It will make available natural gas service to approximately 1,000 homes. Other phases will be completed over the next few years as market demand dictates. Maps showing the location and detail of Phase I are attached to the application as Appendix B.

The La Contenta and Rancho Calaveras subdivisions are located in Calaveras County south of the town of Valley Springs. Electricity and propane gas are the only energy alternatives available to residents. Although PG&E provides electric services, there is no existing natural gas service. Most residents currently use propane gas for heating, cooking and other purposes. Propane gas is supplied by a number of suppliers in the Calaveras County area to tanks which are maintained at each resident's home or business.

¹ See Rules 15 through 18.

Alpine does not expect that the all-electric homes in the proposed service area will convert to natural gas in the near term. However, Alpine expects that homeowners and businesses that are currently using propane will convert to natural gas. Alpine contends that metered natural gas will provide substantial savings when compared to propane. Alpine estimates savings of approximately 35 cents per thermal unit, or 25 to 30 percent over the cost of propane gas.

According to Alpine, there has been great interest shown by the residents of La Contenta and Rancho Calaveras in the provision of natural gas service. The Calaveras County Board of Supervisors has indicated its interest in the project and its willingness to consider granting a franchise to Alpine to construct and operate this system.

Alpine submits that natural gas will provide a much more reliable source of fuel to La Contenta and Rancho Calaveras residents and businesses. Metered natural gas service through a safe, in-ground pipeline grid will provide a constant supply of low-cost natural gas upon demand. This is in contrast to propane gas service which requires constant supply monitoring to ensure that sufficient reserves are retained between deliveries.

Alpine believes that the introduction of natural gas service will have a positive effect on community aesthetic values by eliminating the need for above-ground tanks. It will also improve the economy of the community through the creation of new jobs and economic opportunities. Since it is assuming all risks of construction, as well as the initial cost of providing the service connections for the system, Alpine contends that the project represents a unique opportunity for the residents. Alpine will assume the cost of service connections up to 100 feet of line extension to a resident's home or to a business. Alpine estimates that 80% of the residents will fall within the parameters of this free connection policy. Alpine points out that in comparison, PG&E has estimated the consumer's cost of obtaining PG&E's gas service between \$5,000 and \$7,000 per site. In contrast, Alpine will provide residents with access to low-cost, clean, and economical supplies of natural gas on a "pay as you go" basis without paying substantial sums to prepay their connection to the distribution system. Accordingly, Alpine believes that its project is preferable to service by PG&E.

Alpine contends that it is well qualified to construct and operate the system. Alpine's principal, Dan Samuel, has over 15 years of experience in the business of constructing pipelines and laying transmission and distribution lines for PG&E, Pacific Bell, Sacramento Municipal Utility District, and other utilities, as well as for Continental Cable, the University of California, San Joaquin County, and the Sacramento Light Rail System. Alpine believes that this experience in construction of electric, gas and telecommunications distribution systems makes Alpine and its principals well qualified to construct and operate the system.

Specifications for the construction of the natural gas distribution system, which includes engineering and design information, are attached as Appendix F to the application.

It is currently estimated that the cost of constructing the system will be \$1.5 million. Of this initial investment, \$400,000 represents the cost of connecting individual homes. This cost will be recovered over a ten-year period through Alpine's rates. Initial funding for construction will be provided by investments of Alpine's members, as reflected in Appendix G to the application. Thus, rather than requiring the consumer to pay large amounts for the line extension to each individual home and business, Alpine will construct all connections at its own expense and then recover the cost over a ten-year period through the proposed rates.

Alpine submits that it is adequately funded and has the proper financial resources to allow it to construct and operate the system. Alpine believes that initial market analysis supports the conclusion that Alpine's initial estimate of approximately 400 customers after the first year of operation is conservative. Nonetheless, at this level of community participation, Alpine contends that this project is economically feasible and will provide a reasonable return to Alpine's owners and principals.

The proposed rates, service agreements, and tariff provisions are attached as Appendix H to the application. In addition to an average rate of \$0.85 per therm, the proposed tariff contains rules providing for connecting to the system at Alpine's expense, meter charges, and a minimal level of start-up service costs to allow customers to begin natural gas service.

Regarding compliance with General Order 104A, Filing of Annual Reports by Public Utilities, Alpine states that the only individual or legal entity holding interests representing 10 percent or more of Alpine's voting power is its President, Mr. Dan Samuel.

Alpine estimates that during its first year of operation the system will deliver approximately 175,000 therms of natural gas. The system will be designed and built to accommodate up to 1,700 therms per hour which equates to 1.076 therms per hour per customer at maximum developed density.

Alpine has negotiated the preliminary terms of an Operating/Balancing Agreement with PG&E to allow transportation and delivery of its negotiated supply from the California border to the point of interconnection with PG&E's Line 197A. This agreement reflects service to Alpine as a core customer insuring complete reliability of transportation service to Alpine's customers through an interconnection of the system with PG&E's Line 197A. Alpine will pay the cost of interconnection which PG&E estimates to be \$10,000. While the provisions of this agreement are not yet finalized, the price at which service will be provided has been set and is reflected in the cost of service analysis and proposed rates. Alpine states that these rates have been negotiated only for a one-year period in recognition of the fact that the gas accord and PG&E's 1997 Biennial Cost Allocation Proceeding may present substantial opportunities to modify the ongoing arrangement to take advantage of new market opportunities. Alpine believes this should, in turn, reduce the future cost of gas to Alpine's customers.

Alpine has negotiated a gas supply agreement to provide Alpine with its full requirements. This agreement includes firm levels of transportation to the California border, all balancing and imbalance trading and 100% firm levels of delivery to the California border.

Alpine states that as required by Rule 18(k)(1)(B) of the Commission's Rules of Practice and Procedure, copies of a summary of the contract will be made available to the Commission or any authorized employee on a confidential basis, and the supplier has agreed to file copies of the annual reports which it files with the Federal Energy Regulatory Commission and comply with the requirements of Rule 18(k)(3)(B).

According to Alpine's pro forma results of operations and rate base estimates attached as Appendix K to the application, based on a test year of 1999, Alpine estimates a rate of return of 10.04%.

Lastly, Alpine states that it has community support for its project, including support of the Calaveras County Chamber of Commerce and the La Contenta Homeowners' Association. In addition, Alpine has worked closely with PG&E throughout the initial and preparation stages of this application and, while prepared to provide an extension of service under its own tariffs, PG&E is also willing to cooperate with Alpine in implementing its plan for service and is supportive of its effort to provide natural gas service to the proposed service area.

Alpine anticipates receiving a non-exclusive franchise from Calaveras County. Alpine is aware that PG&E currently holds a non-exclusive county franchise and that PG&E's certificate from the Commission contains county-wide descriptions which include Calaveras County. Accordingly, Alpine confirms that the certificate which it seeks in its application is non-exclusive to the extent that Alpine does not seek to preclude PG&E from serving any other areas within Calaveras County or, for that matter, the area represented by and described as Phase I in the application.

PG&E does not oppose Alpine's application for a CPCN for Phase I of its project in Calaveras County.² However, PG&E is concerned, as a policy matter, that the standard application of PG&E's generic main and service extension rules (Rules 15 and 16) may contribute to a situation where customers, because of the requirement for significant upfront payments, may deem it uneconomic to take gas service from PG&E. According to PG&E, the approach described by Alpine where it would finance certain of the construction costs and amortize those costs through a surcharge in its rates is not the typical main or extension format. Therefore, PG&E reserves the right to evaluate future discrete applications for service for solutions which might be found outside PG&E's generic Rules 15 and 16.

² See Response of PG&E filed October 2, 1996.

California Environmental Quality Act of 1970

CEQA requires the Commission to assess the potential environmental impact of a project in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. To achieve this objective, Rule 17.1 of the Commission's Rules requires the proponent of any project subject to Commission approval to submit with the application for such project an environment assessment which is referred to as the PEA. The PEA is used by the Commission to focus on any impacts of the project which may be of concern and to prepare the Commission's initial study to determine whether the project would need a Negative Declaration or an EIR.

As discussed above, Alpine filed its PEA with its application for a CPCN. Following three amendments in response to requests for further information, on December 10, 1996, the Energy Branch accepted Alpine's PEA as complete. On March 7, 1997, the Energy Branch issued its Draft Mitigated Negative Declaration for public comment. No objections to the project were filed. The Energy Branch recommends that the CPCN be granted subject to Alpine implementing various mitigation measures during construction. The Energy Branch's Mitigated Negative Declaration is attached to this decision as Appendix A.

Discussion

The residences and businesses of La Contenta and Rancho Calaveras currently receive electric service from PG&E and propane gas service by maintaining individual storage tanks on their properties. With the availability of Alpine's metered natural gas service, customers will no longer be required to maintain above-ground propane gas tanks at their residences or businesses. Also, it is generally agreed that natural gas will provide an environmentally preferable and more economical means of serving the non-electric heating, cooking, and cooling needs of the residents. Therefore, we believe the project should provide many benefits to the community.

Under Alpine's proposed tariff rules, Alpine will finance up to 100 feet of service line connection for each applicant for gas service. Alpine will recover that cost through

a Customer Charge of \$9 per meter per month. Alpine's proposal is a departure from the line extension rules applicable to the major utilities providing natural gas service. According to Alpine, PG&E estimated customer costs as high as \$5,000 to \$7,000 per site. In contrast to PG&E's delivery plan, the vast majority of the residents will be able to connect to Alpine's proposed natural gas delivery system without charges of any kind and without the necessity of advancing substantial sums to prepay their connection to the distribution system. Thus, this alternative method of financing customer connection charges for natural gas service will enable customers within the La Contenta and Rancho Calaveras subdivisions to avail themselves of such service with the least economic impact.

As discussed above, the Energy Division reviewed the environmental aspects of the project and issued a Proposed Negative Declaration for public comment. The Proposed Negative Declaration was served on all local agencies and entities with which the proposed project is likely to compete. No party filed comments opposing the project. Since there is no opposition to the project, we conclude that Alpine's request for a CPCN should be handled ex parte.

In summary, we conclude that since the proposed project does not compete with any existing utility and will provide natural gas service in an area where such service does not exist, and Alpine's proposed project has the potential to create multiple benefits for the consumer, the grant of this application for a CPCN is in the public interest.

Findings of Fact

1. Alpine requests a CPCN to construct and operate a natural gas distribution system in Calaveras County.
2. There is no opposition to Alpine's request.
3. The project has been divided into different phases, with Phase I being the construction of a distribution system within the La Contenta subdivision and a segment of the adjacent Rancho Calaveras subdivision. Phase I is to be constructed upon receipt

of Commission approval. Other phases will be constructed when the demand materializes.

4. Alpine's project will provide residents with access to supplies of natural gas on a "pay as you go" basis without paying substantial sums to prepay their connection to Alpine's distribution main.

5. PG&E will support Alpine's request by providing the necessary interconnection with PG&E line 197A to ensure that residents and businesses in the service area have unlimited natural gas service.

6. The Commission is the lead agency under CEQA for determination of environmental effects of the project under consideration.

7. Pursuant to Rule 17.1, the Energy Division issued a Mitigated Negative Declaration on the proposed project. The Negative Declaration is attached as Appendix A to this decision. The Negative Declaration concludes that the project will not have any substantial adverse effects on the environment, and the Energy Branch recommends that the project be approved subject to Alpine implementing certain mitigation measures during construction, as set forth in the Mitigation Monitoring Plan attached to the Negative Declaration.

8. Applicant has the ability, including financial ability, to conduct the proposed operations.

9. Public convenience and necessity will be served in granting applicant's request for a CPCN.

Conclusion of Law

Alpine's application for a CPCN for Phase I of its proposed project to provide metered natural gas service should be granted.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order, Alpine Natural Gas Operating Company No. 1, LLC (Alpine) is granted a certificate of public convenience and necessity (CPCN) to construct and operate a metered natural gas pipeline distribution system in Calaveras County.

2. The Commission has assumed the lead agency role in this matter with respect to environmental considerations and adopts the findings and conclusions of the Energy Division's Mitigated Negative Declaration attached as Appendix A to this decision. Alpine shall comply with the Mitigation Monitoring Plan attached to the Negative Declaration.

3. The CPCN granted by this decision is limited to Phase I as described in Alpine's application.

4. The Commission does not, by this order, determine that Alpine's construction program is necessary or reasonable for ratemaking purposes. These issues are normally tested in general ratemaking proceedings.

5. The corporate identification number assigned to Alpine is U-909-G which should be included in the caption of all original filings with this Commission.

6. Alpine is authorized to file its tariffs as attached to its application.

7. Alpine shall keep its books and records in accordance with the Uniform System of Accounts for gas utilities.

8. Alpine shall file an annual report, in compliance with General Order 104-A, on a calendar-year basis using the California Public Utilities Commission Annual Report Form for Gas Utilities and prepared according to the instruction included with that form.

9. The certificate of public convenience and necessity granted by this order shall expire within 12 months after the effective date of this order if applicant has not filed tariffs and commenced operations by that date.

10. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificate granted in the proceeding.

11. This proceeding is closed.

This order is effective today.

Dated April 23, 1997, at San Francisco, California.

P. GREGORY CONLON
President

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD BILAS

Commissioners

APPENDIX A

**MITIGATED
NEGATIVE DECLARATION**

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**MITIGATED NEGATIVE DECLARATION****Alpine Natural Gas Project**

The Alpine Natural Gas Operating Company (Alpine) has filed an application for a Certificate of Public Convenience and Necessity (CPCN) with the California Public Utilities Commission (Commission). Alpine specifically requests authority to construct and operate a natural gas distribution system for residential communities located in Calaveras County. By requesting a CPCN, Alpine essentially requests approval to be a utility for the targeted area of service. Therefore its application is regulated by the Commission. As required by the California Environmental Quality Act (CEQA), the Commission will assess the potential environmental impacts of the proposed project as a part of its decision to grant or deny Alpine's application for the CPCN.

The Commission submitted a draft Negative Declaration and Initial Study for public review between March 7 and April 7, 1997. The Commission received no written comments on the draft document, and was notified by the State Clearinghouse that no written comments on the document were filed. (Appendix C contains a summary of the State Clearinghouse letter). The Commission circulated the draft Negative Declaration and Initial Study for review to four public locations in, or in proximity to, the project area. The Commission placed a notice in a local newspaper that provided a general description of the project, the locations of the negative declaration, and where to direct comments. A direct mailing of the notice was also sent to all property owners on or under the proposed project, or adjacent thereto.

PROJECT DESCRIPTION:

Alpine's proposed natural gas distribution project is in the unincorporated communities of La Contenta and Rancho Calaveras of Calaveras County. These subdivisions are approximately 2 miles south of the town of Valley Springs along State Highway 26 (see Appendix A for a general map of the area). The residences and businesses of La Contenta and Rancho Calaveras currently receive electric service from Pacific Gas & Electric Co. (PG&E) and propane gas service by maintaining individual storage tanks on their properties. Alpine states in its application that the members of the targeted communities have expressed great interest in receiving natural gas service.

Alpine has split its project into 4 phases. Phase I begins with an interconnection to an existing PG&E gas transmission line (Line 197A) that runs in an east-west direction across Highway 26 1.5 miles south of the town of Valley Springs. From the interconnection Alpine will install a gas distribution line southward along Highway 26 and proceed into the La Contenta and Rancho Calaveras communities which border Highway 26 on the east and west. (See Appendix B for a map of the four project Phases.)

Phase I is bounded by the west end of Leckie Road (northwest corner), the southward bend in St. Andrews Road (northeast corner), on Silver Rapids Road about 500 feet east from the intersection with Laurent Lane (southeast corner) and on Berkesev Drive at Heinemann Lane (southwest corner).

Phases II, III and IV are essentially the remaining streets of the Rancho Calaveras community. Phase II includes the streets connecting to Berkeseey Drive on the west side of Highway 26 and from Barde Road to Baldwin Street on the east side of Highway 26. The Calaveras River is the east boundary of Phase II. Phase III has no construction planned on the west side of Highway 26 and is planned exclusively for the streets between Baldwin Street on the north to Da Lee Road on the south and bounded on the east by the Calaveras River. Phase IV of the project is the remaining residential streets that are bounded by the Jenny Lind Approach Road on the west, the Calaveras River on east, Da Lee Road on the north, and the Jenny Lind Historic Site on the south.

At this time, Alpine is proposing construction only for Phase I of the project. The extension of the project to the remaining phases is contingent upon market demand in those areas. For the purposes of CEQA, the Commission will review the environmental setting and the impacts of the entire project (all four phases). This mitigated negative declaration is intended to cover the entire project, unless otherwise noted.¹ The word "project" used throughout this document is meant to include all four phases. The terms for the specific phases of the project in this document are "Phase I", "Phase II", etc.

Alpine's pipeline route begins at the interconnection with PG&E's Line 197A about half a mile north of La Contenta. A 6-inch gas distribution line will be installed from the interconnection and proceed southward along Highway 26. (Alpine proposes to trench along the west side of the highway, but a final determination of the trench position will be made by the California Department of Transportation (CalTrans.)) Regardless of the location of the trench, Alpine will need to cross Highway 26 because it intends to serve customers on both sides of the highway. Alpine anticipates that CalTrans will require it to use boring techniques to cross the highway. Alpine will cross Highway 26 at four intersections: Vista Del Lago Drive, Silver Rapids Road, Holmquist Lane and Heinemann Lane (for Phase I). From these intersections, Alpine's facilities will spread to other streets within La Contenta and Rancho Calaveras. Service to the individual customers will be provided by connecting underground pipes from the service mains in the street to the customer's meter.

For future expansion into Phases II, III and IV, Alpine anticipates leaving Highway 26 where it crosses at Silver Rapids Road. From that point, Alpine will route its service mains westward to Berkeseey Drive and eventually south to Baldwin Street. The mains would eventually end near Jenny Lind. Should Alpine need to use Highway 26 for service to the additional phases, it will comply with all CalTrans permit requirements. Alpine estimates that a total of 27 miles of distribution lines will be installed for Phase I. Assuming 80% of the potential hookups in the remaining three phases desire natural gas service from the proponent, an approximate total of 40 additional miles of pipe will be installed for the remaining phases.

For more details on the project purpose, schedule, construction method and facilities, agency approvals and the environmental setting, please refer to the Initial Study attached to this Negative Declaration.

¹ While the Negative Declaration covers the whole project (Phases I - IV), Alpine is required to undertake additional surveys for potential impacts to cultural resources in Phases II, III and IV (see Finding #9). Because Alpine has no plans to construct these phases at this time, it did not have specific routes for site surveys of these phases during the Initial Study.

ENVIRONMENTAL DETERMINATION:

An Initial Study (attached) was prepared to assess the project's potential effects on the environment, and the respective significance of those effects. Based on the Initial Study the Alpine Natural Gas Project has the potential to cause significant adverse effects on the environment in the areas of Geological Resources, Water, Air Quality, Transportation and Circulation, Biological Resources, Hazards, Public Services and Cultural Resources. The project will have less than significant effect in other resource areas of the checklist.

In response to the Initial Study, the Commission should make the following findings and the following specific measures should be incorporated into the project to ensure that it will not have any significant adverse effects on the environment:

1. The proposed project will have less than significant effects on Land Use and Planning, Population and Housing, Energy and Mineral Resources, Noise, Utilities and Service Systems, Aesthetics and Recreation.
2. The proposed project could have potentially significant impacts on Geologic Resources due to the trenching work required for the installation of the pipeline along the road. Specifically, the project could increase mudflows or erosion to the shoulders of the road, especially if the work is done in wet weather.

To ensure that the project will not have potentially significant effects in this area, the project proponent will employ standard erosion control techniques in its construction plan, and shall cease from constructing during significantly wet weather. Alpine shall notify the Commission of its schedule for starting and ending construction of Phase I, and for all remaining phases if it chooses to expand (see Mitigation Monitoring Plan for details on filing, timing, etc.) The Commission shall have final authority to halt the project for non-compliance with the mitigation.

3. The proposed project could have potentially significant impacts on Water Resources due to the construction work over and adjacent to two creeks, the Cosgrove and Indian. Construction of the project over or adjacent to the creeks during the wet season could impact absorption, drainage and runoff. Moreover, discharges into the creeks could affect surface water quality. Construction materials and equipment over or adjacent to these resources may still create impacts during the dry season, if they are not properly secured from the entering the resource's edges or banks.

To ensure that the project will not have potentially significant effects in this area, Alpine shall install its line along side existing bridges (Cosgrove), or above man-made culverts (Indian). If it cannot fit its line above the culverts, it shall bore beneath the creek. For those sections of the project that are adjacent to or over a water resource, Alpine shall begin construction only during the dry seasons (April 1 to September 30), and will develop adequate setbacks to keep construction equipment, material and waste securely away from the resource.

Alpine shall also provide the Commission with a status report on those sections of its project that could potentially impact water resources before September 30 of each year of construction. The report shall note the sections that are completed, and shall describe in further detail (location and amount of remaining work) those sections that will not be

complete by September 30. Completion of the unfinished areas shall not commence without approval from the Commission's Mitigation Monitor.

4. The proposed project could have potentially significant impacts on Air Quality due to emissions resulting from the installation of the line. While the county has no specific air regulations or standards to enforce, it does regulate visible air emissions through its public nuisance standards. Objectionable odors from the project's interconnection point at PG&E could occur if the equipment is not properly welded, inspected and tested for leaks.

To ensure that the project will not have potentially significant effects in this area, Alpine shall employ standard visible emissions control techniques such as water misting or sprinkling. It shall also employ state (General Order 112-E) and federal (Title 49 of the Code of Federal Regulations) safety installation standards so that leaks are averted or repaired expeditiously. Alpine shall also submit in its pre-construction notice plans, description and mitigation for its interconnection facility with PG&E.

5. The proposed project could have potentially significant impacts on Transportation and Circulation due to the installation of the pipeline along county streets, roads and State Highway 26. Alpine may, on occasion, install its lines within the roadway itself if the shoulder area is inaccessible. Work within the shoulder or within the roadway poses potential adverse effects on traffic, congestion and safety (pedestrian, bicyclist, and worker) if not managed appropriately. Parking and congestion impacts may result if Alpine does not effectively manage the transportation of its work crews.

To ensure that the project will not have potentially significant effects in this area, Alpine shall employ the management principles contained in CalTrans' Manual of Traffic Controls for Construction and Maintenance Work Zones. Alpine shall also obtain encroachment permits from both the county and CalTrans. Alpine shall also mitigate parking and congestion impacts by instructing its personnel to gather at a temporary storage facility and then transport them collectively to the work sites.

6. The proposed project could have potentially significant impacts on Biological Resources due to the installation of the project either over or adjacent to the creeks discussed in Finding #3. These creeks are potential habitats for the California red-leg frog and pond turtles during the wet season (generally October 1 to March 31).

The mitigation discussed in Finding #3 are the same for this resource area.

7. The proposed project could have potentially significant impacts on Hazards due to the fact that natural gas systems carry an inherent risk of explosion, fire or accidental release of natural gas.

To ensure that the project will not have potentially significant effects in this area, Alpine shall install, operate, test and inspect its facilities in accordance with the Commission's General Order 112-E which governs safety of natural gas pipelines. Alpine has developed its own Safety Manual in compliance with GO 112-E. The Commission's Utility Safety Branch shall approve Alpine's Safety Manual and shall also inspect Alpine's installation and operation of the line.

8. The proposed project could have potentially significant impacts on Public Services due to the trenching and boring impacts the line will have on county roadways and State Highway 26. If not properly restored and repaved, the installation could adversely impact maintenance of these roadways and the irrigation/erosion canals on the shoulders. Moreover, CalTrans' potential realignment of Highway 26 may also cause the project's lines to be moved if they are not installed at sufficient depths. CalTrans' ongoing maintenance of highway may also be adversely impacted if the specific coordinates of Alpine's facilities are not accurately recorded and its positions marked effectively. CalTrans' maintenance crews may accidentally rupture the line if the project's location is unknown or unclear.

To ensure that the project will not have potentially significant effects in this area, Alpine shall obtain encroachment permits from the county and CalTrans for impacts to the roads. It shall also protect all existing facilities (irrigation or erosion canals) potentially impacted by the installation and shall restore all such facilities if impacts occur. This includes repaving the roadway to its original condition. Alpine shall also bury its pipeline along Highway 26 at a depth of at least 4.5 feet in order to accommodate the future realignment of the highway. Alpine will also record and provide a database of the line's coordinates and elevations along Highway 26 in addition to effectively marking the location of the line with tapes or other markers.

9. The proposed project could have potentially significant impacts on Cultural Resources due to trenching and possible boring. A comprehensive survey was conducted to determine any potential impacts to recorded or unrecorded sites. While the survey concluded that Phase I of the project had no impacts, it also noted that Calaveras County's historical background indicates potential for uncovering unrecorded historical resources. Phase IV of the project has a recorded site, Jenny Lind, which will be avoided by Alpine.

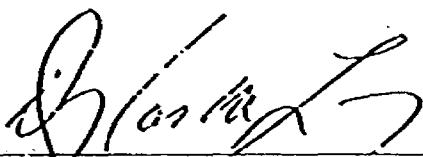
To ensure that the project will not have potentially significant effects in this area, Alpine shall provide training session(s), by a qualified professional, for its crews on the proper protocol if historical resources or human remains are uncovered during construction. Alpine shall also stop construction immediately if a historical or archaeological site is discovered or if human remains are found, and shall consult with the Commission, a qualified professional archaeologist, and the appropriate resource agencies on how to best handle the resource.

If Alpine chooses to expand its project to any of the remaining phases, it will notify the Commission and conduct a comprehensive survey of the phase prior to construction. It shall also provide detailed routes of the phase to the Commission. If the survey reveals a potential impact, Alpine shall modify its proposed route plan so that the site is avoided. The mitigation monitor shall have final approval of the routes for the remaining phases. Alpine shall also employ the on-site mitigation described above as it proceeds to install the line in any of the remaining phases.

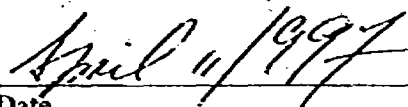
As noted in the findings and mitigation measures, copies of all permits shall be submitted to the Commission's Mitigation Monitor twelve (12) days prior to construction. Construction shall not commence until the Commission has approved Alpine's notice of intent to construct which will include copies of all applicable permits, as well as the pre-construction information specified in the Mitigation Monitoring Plan.

With implementation of the mitigation measures listed in 1.9 above, and the directive that all other permits will be submitted upon approval, the Commission should conclude that the proposed project will not have one or more potentially significant environmental effects.

To ensure these measures are implemented, a Mitigation Monitoring Plan and Mitigation Monitoring Table are attached.



Douglas M. Long, Manager
Decision-Making Support Branch
Energy Division
California Public Utilities Commission



Date

Mitigation Monitoring Plan

Alpine Natural Gas Project

Introduction:

The purpose of this section is to describe the mitigation monitoring process for the Alpine Natural Gas Project (Project) and to describe the roles and responsibilities of government agencies in implementing and enforcing the selected mitigation measures.

California Public Utilities Commission (Commission):

The Public Utilities Code confers authority upon the Commission to regulate the terms of service and safety, practices and equipment of utilities subject to its jurisdiction. It is the standard practice of the Commission to require that mitigation measures stipulated as conditions of approval be implemented properly, monitored, and reported on. Section 21081.6 of the Public Resources Code requires a public agency to adopt a reporting and monitoring program when it approves a project that is subject to the adoption of a mitigated negative declaration.

The purpose of a reporting and monitoring program is to ensure that measures adopted to mitigate or avoid significant environmental impacts are implemented. The Commission views the reporting and monitoring program as a working guide to facilitate not only the implementation of mitigation measures by the project proponents, but also the monitoring, compliance and reporting activities of the Commission and any monitors it may designate.

The Commission will address its responsibility under Public Resources Code Section 21081.6 when it takes action on Alpine's application (A.96-08-015) to provide natural gas service to the unincorporated areas of La Contenta and Rancho Calaveras. If the Commission adopts the Negative Declaration and approves the application, it will also adopt this Mitigation Monitoring Plan as an attachment to the Negative Declaration.

Project Description:

Alpine requests authority to provide natural gas service as regulated utility under the Commission. Alpine proposes to serve the unincorporated areas of La Contenta and Rancho Calaveras which are located approximately 2 miles south of the town of Valley Springs in Calaveras County, California. Alpine proposes to install a natural gas distribution system in existing utility rights-of-way either along the shoulders of existing streets and roads, or if within the traveled roadway itself. The installation of the system will require trenching, and possibly some boring, of previously disturbed rights-of-way so that natural gas pipelines can be placed underground. The project has four phases, but at this time Alpine plans to install only Phase I. The remaining phases will be installed if customer demand dictates the

need. The properties in the targeted communities presently receive propane gas service. For more details on the project, please see Project Description in the Initial Study.

Roles and Responsibilities:

As the lead agency under the California Environmental Quality Act (CEQA), the Commission is required to monitor this project to ensure that the required mitigation measures are implemented. The Commission will be responsible for ensuring full compliance with the provisions of this monitoring program and has primary responsibility for implementation of the monitoring program. The purpose of this monitoring program is to document that the mitigation measures required by the Commission are implemented and that mitigated environmental impacts are reduced to insignificance or avoided outright.

For specific enforcement responsibilities of each mitigation measure, please refer to the Mitigation Monitoring Table attached to this plan.

The Commission has the ultimate authority to halt any construction, operation, or maintenance activity associated with Alpine's project if the activity is determined to be a deviation from the approved project or adopted mitigation measures. For details refer to the mitigation monitoring plan discussed below.

Mitigation Monitoring Table:

The table attached to this plan presents a compilation of the Mitigation Measures in the Negative Declaration. The purpose of the table is to provide the monitoring agencies with a single comprehensive list of mitigation measures, effectiveness criteria, the responsible agencies, and timing.

Mitigation Monitoring Program:

1. As discussed in the Negative Declaration, Alpine shall file a notice of intent to construct with the Commission's Mitigation Monitor at least 12 days prior to the construction of Phase I. (Construction cannot begin until the Commission has adopted the Negative Declaration and granted Alpine a CPCN. The Commission shall also delay construction until Alpine has complied with the pre-construction requirements listed below.) The notification shall include the following:

A. Schedule: The notice shall contain a construction schedule that contains the major milestones of Phase I, such as installation along Highway 26, installation along significant streets (e.g. Vista Del Lago), and the estimated dates of completion for each milestone. The schedule shall also clearly identify those components of Phase I that involve construction either over or adjacent to the natural water resources of the area and the estimated dates of completion for these sections of Phase I.

B. Copies of Permits: the notice of intent shall include copies of the encroachment permits obtained from Calaveras County and CalTrans.

C. Description of the Setbacks: Alpine has pledged to erect adequate setbacks for its proposed work adjacent to water resources. Alpine shall provide a specific description of its setback.

D. Description of the PG&E Interconnection: Alpine does not have the specific location and plans for the interconnection to PG&E's Line 197 A south of Valley Springs. Alpine shall provide a specific description of the exact location of the interconnection, the methodology of installation, and any safety, noise or aesthetic mitigation for the facility.

The Commission shall notify Alpine that its (Alpine) notice has been received, reviewed and is approved for construction. If the items have not been provided to the satisfaction of the Commission, Alpine shall not construct until it complies.

1.1 In addition to the notification, Alpine shall file a final version of its Safety Manual with the Commission's Mitigation Monitor 30 days prior to construction.

2. Alpine shall file a status report on those sections of Phase I that either cross or are adjacent to the water resources identified in the Initial Study. The report shall be filed with the Mitigation Monitor no later than September 23 (7 days prior to the wet season) of each year of construction. The status report may also be filed with the completion notice (#4 below) if all of the water-sensitive sections are complete prior to September 23. If Alpine has completed all of the sections that either cross or are adjacent to water resources, it shall state this in the report. If Alpine has not completed all of these sections, it shall provide the location, and the amount of work required for the incomplete sections and when it intends to finish the incomplete sections. Completion of unfinished sections that are affected by the wet season shall occur only after approval by the Commission's Mitigation Monitor.

3. Prior to construction, Alpine shall provide a training session for its construction crews regarding proper protocol if unrecorded historical sites are uncovered in the construction area. A qualified archaeologist shall conduct the training. Upon completion of its training session, Alpine shall file a report with the Mitigation Monitor that contains the name and qualifications of the archaeologist, as well as a brief description of the training.

4. Within 7 days of the completion of Phase I, Alpine shall file a notification with the Commission's Mitigation Monitor. The completion notice shall contain three deliverables:

A. Database of the coordinates and elevations of the pipeline along Highway 26. This database shall be accessible to CalTrans if needed at future dates for maintenance or realignment projects.

B. A report on the completion of placing warning or caution tapes and other markers for the pipeline along Highway 26.

C. A letter from Alpine confirming that the coordinates/elevations database (A.) has been filed with the local CalTrans district office and the Underground Service Alert (U.S.A.). The letter shall indicate the point of contact for both agencies.

5. If Alpine chooses to construct any of the remaining phases for its project, it shall file the following items with the Mitigation Monitor at least 45 days prior to construction:

A. Comprehensive archaeological survey similar to the follow-up survey conducted for the Initial Study. The survey shall provide a description of its methodology, as well as a detailed map of the surveyed area. It shall be conducted by an archaeologist that is listed as qualified by

the Central California Information Center (California State University-Stanislaus).

B. Route specific plans of the proposed phase(s).

If Alpine's proposed routes for any remaining phase impacts a recorded or unrecorded historical sites, it shall modify its proposed routes to avoid any impacts. Final approval of the routes will be made by the Mitigation Monitor prior to construction.

6. For all remaining phases of the project, Alpine shall abide by the monitoring steps listed above.

7. Unless the Commission designates otherwise, the Energy Division of the Commission shall be the Mitigation Monitor. All filings in this Mitigation Monitoring Plan shall be sent to:

California Public Utilities Commission
Energy Division
Attn: Bruce Kaneshiro
505 Van Ness Ave.
San Francisco, CA 94102

Alpine Natural Gas Project
Mitigation Monitoring Table

Impact	Mitigation Measure	Monitoring/Reporting Action	Expected Results	Responsible Agency	Timing
GEOLOGICAL RESOURCES					
1. Mudflows from construction work alongside the roads and Highway.	1-1. Alpine shall cease construction during significantly rainy periods Construction shall not commence until the Commission approves the notice of intent to construct	Alpine shall file a notice of the intent to construct with the mitigation monitor prior to construction. The notice shall include a specific timeline for completion, and copies of permits, reports and other data described in this document. When construction is complete, Alpine shall file a notice with the mitigation monitor.	No mudflows from construction due to rain.	CPUC CPUC	Notice of intent to construct shall be filed at least 12 days prior to construction. Notice of completion shall be filed within 7 days of completion of construction.
	1-2. Irrigation and drainage ditches will be protected and restored if necessary. Attached as condition to county and CalTrans encroachment permits.	Copy of permits filed with the mitigation monitor. Occasional field inspections.	Irrigation and drainage ditches functioning effectively.	CPUC County Public Works Dept., CalTrans	Before and during construction.
2. Erosion to shoulders due to roadside construction.	2-1. Alpine shall employ standard erosion control techniques. Attached as condition to county and CalTrans encroachment permits.	Copy of permits filed with the mitigation monitor. Occasional field inspections	Erosion effectively controlled during construction.	County Public Works Dept., CalTrans	Before and during construction.

* The CPUC is ultimately responsible for compliance with the mitigation measures listed in this document, but may defer the responsibility to state and local agencies where noted.

Alpine Natural Gas Project
Mitigation Monitoring Table

Impact	Mitigation Measure	Monitoring/Reporting Action	Effectiveness Criteria	Responsible Agency	Timing
WATER RESOURCES					
1. The project crosses two creeks (Cosgrove and Indian) and is adjacent to the creeks at different points. Construction during wet season may impact drainage and runoff patterns, and may also create unintended discharge into surface waters.	1-1. Construction of the project either over or adjacent to natural water resources shall be prohibited during wet season (generally between October 1 and March 30).	See discussion in Geologic Resources. (Alpine shall file a notice for the start and end of construction with the mitigation monitor.)	Creek crossings and work adjacent to water resources shall occur only during the dry season.	CPUC	Notice of intent to construct filed at least 7 days prior to construction.
	1-2. Alpine shall file a status report on those sections that are either over or adjacent to natural water resources. If areas of construction impacting water resources are not complete by September 30, Alpine shall describe the location and amount of work necessary in its notification. Completion of the unfinished areas shall not commence until approved by the Mitigation Monitor.	The report shall be filed with the Commission's Mitigation Monitor.	The mitigation monitor will have record of those areas of construction that are incomplete and prohibited from work during the wet season. The mitigation monitor will approve the timing for the completion of the unfinished area that may affect water resources.	CPUC	Notification of the complete and incomplete construction areas that impact water resources shall be filed by September 23. If all water-sensitive areas are complete, status report may be filed with the completion notice if earlier than Sept 23.
2. Construction without adequate setbacks of materials, equipment and waste may result in disturbance to dry creek beds. This in turn could later impact drainage and runoff patterns when the beds fill with water.	2-1. All construction materials, equipment, and waste shall be secured at an adequate setback for work adjacent to water resources.	Included in its construction notice, Alpine shall describe the setbacks for work adjacent to water resources. Occasional field inspections.	Equipment, materials and waste are secured behind setbacks preventing any disturbance to water resources, wet or dry.	CPUC, County Public Works Dept.	Before and during construction.
AIR QUALITY					
1. Violate local visible air emissions standards (general public nuisance standards).	1-1. Alpine shall employ appropriate emission control techniques such as water sprinkling or misting.	Occasional field inspections. County may impose fines on Alpine for violations.	Substantial visible emissions cannot be seen from 150 feet from the point of construction, or no more than three complaints filed by neighbors and visually confirmed upon inspection (county public nuisance standard).	County Pollution Control Dept. County Sheriff's Dept., CPUC	During construction.
2. The project's interconnection with PG&E's line may emit odors. Also potential aesthetic and noise impacts from the facility.	2-1. Alpine shall install the facility in accord w/ federal and state safety standards and mitigation for other impacts.	Plans for interconnection reviewed and approved by Commission. Field inspections.	Leaks are prevented or repaired expeditiously. Facility meets safety standards, and has insignificant aesthetic or noise impacts.	CPUC	Before and during construction.

Alpine Natural Gas Project
Mitigation Monitoring Table

Impact	Mitigation Measure	Monitoring Objectives	Monitoring Criteria	Responsible Agency	Timing
TRANSPORTATION/CIRCULATION					
1. The project will require trenching in roads, streets and Highway 26. Traffic congestion, hazards to pedestrian and bicyclist safety, and inadequate emergency access may result.	1-1. Alpine shall employ traffic management principles contained in CalTrans' Manual of Traffic Controls for Construction and Maintenance Work Zones. These principles include use of tapers, flaggers, warning signs, etc. 1-2. Alpine shall obtain encroachment permits from the county and CalTrans	Copies of local and CalTrans permits provided to mitigation monitor before commencement of construction. Field inspections made by CalTrans and county.	Traffic congestion and hazards to pedestrians and bicyclists are managed appropriately.	County Public Works Dept., CalTrans, CPUC	Before and during construction.
2. Increase in congestion and parking impacts due to construction personnel.	2-1. Alpine's construction personnel shall gather at a temporary off-site location and be transported to work sites.	Field inspections made by CalTrans and county.	Congestion and parking impacts at construction sites at negligible levels.	County Public Works Dept., CalTrans	During construction.
BIOLOGICAL RESOURCES					
1. Construction over (on existing bridges) and adjacent to water resources (two creeks) could disturb potential habitats for California red-leg frog and pond turtles.	1-1. Construction over (on existing bridges) and adjacent to water resources shall be limited to only the dry season (generally between April 1 and September 30). 1-2. Alpine shall file a notification of the completion of work either over or adjacent to natural water resources. If areas of construction impacting water resources are not complete by September 30, the Applicant shall describe the location and amount of work necessary in its notification. Completion of the unfinished areas shall not commence until approved by the Mitigation Monitor. 1-3. All construction adjacent to water resources shall have adequate setbacks established to prevent equipment, materials and waste from entering the resource.	See discussion in Geologic Resources. (Alpine shall file a notice for the start and end of construction with the mitigation monitor.) The notification shall be filed with the Commission's Mitigation Monitor. Describe the setbacks as part of the Notice to construct. Field inspections.	Creek crossings and work adjacent to water resources shall occur only during the dry season. The mitigation monitor will have record of those areas of construction that are incomplete and prohibited from work during the wet season. The mitigation monitor will approve the timing for the completion of the unfinished area that may affect water resources. Equipment, materials and waste are secured behind setbacks preventing any disturbance to water resources, wet or dry.	CPUC CPUC CPUC	Notice of intent to construct shall be filed at least 12 days prior to construction. Notification of the complete and incomplete construction areas that impact water resources shall be filed by September 23. If all water-sensitive areas are complete, status report may be filed with the completion notice if earlier than Sept. 23. During construction.

Alpine Natural Gas Project
Mitigation Monitoring Table

HAZARDS	Mitigation Measure	Monitoring/Reporting Action	Responsible Party	Timing	
<p>1. The installation of natural gas facilities carries the risk of accidental explosion or the release of natural gas if not installed properly.</p> <p>2. Installation of the pipeline at depths less than 4.5 feet may impact Caltrans' plan for realignment of Highway 26. Realignment of the highway could require Alpine to relocate its facilities if such are located at less than 4.5 feet.</p> <p>3. Caltrans' ongoing maintenance of drainage ditches along Highway 26 could be disrupted by the lack of information on the location of Alpine's pipeline. Potential ruptures of the line may occur without such information.</p>	<p>1-1. Alpine shall rely on U.S. Department of Transportation (DOT) regulations and the Commission's General Order 112-E for construction, design, operation, testing, reporting and emergency standards for small gas operators. These standards are embodied in Alpine's Safety Manual.</p>	<p>Alpine shall file a final draft of its Safety Manual with the mitigation monitor. The Commission shall review and approve the manual prior to construction.</p>	<p>Alpine's facilities are installed in accordance with DOT and Commission regulations.</p>	<p>CPUC</p> <p>Final draft of Alpine's Safety manual shall be filed with the mitigation monitor at least 30 days prior to construction.</p>	
	<p>1-2. Alpine shall employ specific safety measures contained in its Safety Manual during its installation of its facilities.</p>	<p>Commission shall inspect Alpine's installation of its line.</p>	<p>Same as above.</p>	<p>CPUC</p>	<p>During construction.</p>
	<p>2-1. Alpine shall install its pipeline facilities at depths of at least 4.5 feet for work along Highway 26. Condition attached to encroachment permit from Caltrans.</p>	<p>Copy of Caltrans permit filed with the mitigation monitor. Field inspections by Caltrans.</p>	<p>Alpine's pipeline installed at depths no less than 4.5 feet.</p>	<p>Caltrans, CPUC</p>	<p>Before and during construction.</p>
	<p>3-1 Alpine shall record coordinates and elevations of the pipeline along Highway 26, and provide this database to Caltrans' maintenance crews when needed at future dates.</p>	<p>Copy of Alpine's database filed with mitigation monitor.</p>	<p>Database shall contain coordinates and elevations of the facilities along Highway 26.</p>	<p>CPUC, Caltrans</p>	<p>During and after construction.</p>
<p>3-2. Alpine shall also place warning or caution tapes and other markers above its installed pipe along Highway 26 to mitigate against accidental ruptures by Caltrans maintenance crews.</p>	<p>Alpine shall file a report with the mitigation monitor that the mitigation is complete. Field inspections by Caltrans.</p>	<p>Tapes are placed in observable areas along the pipe installation in Highway 26.</p>	<p>CPUC</p>	<p>During construction.</p>	

Alpine Natural Gas Project
Mitigation Monitoring Table

Impact	Mitigation Measure	Monitoring	Responsible Party	Timing
CULTURAL RESOURCES				
<p>1. Installation of the line may uncover and disturb unrecorded historical resources.</p> <p>(Note: Cultural Resource mitigation measures 1-1, 1-2 and 1-3 shall apply to all four phases of the project, even though Alpine has no plans for Phases II, III and IV at this time.)</p>	<p>1-1. Alpine shall train its construction crews with an qualified archaeologist on the possibility of uncovering historical resources and the proper protocol should they be uncovered.</p>	<p>Report by Alpine shall be filed with the CPUC upon completion of this task. Report shall contain the name and qualifications of the archaeologist as well as a description of the training.</p>	<p>Construction crews have been briefed on cultural resources and how to properly handle uncover of such resources.</p>	<p>CPUC</p> <p>Before construction.</p>
	<p>1-2. Should historical resources be uncovered during construction, proponent shall stop work immediately and consult with a qualified archaeologist and the Commission.</p>	<p>Alpine shall immediately notify the mitigation monitor of any cultural resource findings. Mitigation monitor may conduct occasional field inspections.</p>	<p>Any uncovered historical resources will not be disturbed and will be handled according to standard archaeological protocols.</p>	<p>CPUC, Office of Historic Preservation</p> <p>During construction.</p>
	<p>1-3. Should human remains be discovered, proponent shall cease construction and notify and consult with the county coroner's office, the Commission and the Native American Heritage Commission.</p>	<p>Alpine shall immediately notify the mitigation monitor of any uncovered human remains. The county coroner and the Native American Heritage Commission shall also be notified immediately.</p>	<p>Any uncovered human remains will not be disturbed and will be handled according to standard archaeological protocols.</p>	<p>CPUC, County Coroner, Native American Heritage Commission.</p> <p>During construction.</p>
<p>2. Expansion of the project into Phases II, III and IV may impact other unidentified historical resources or a recorded historical site (Jenny Lind).</p>	<p>2-1. Alpine shall conduct a comprehensive survey for potential cultural resources of each phase before construction of each phase commences and shall modify its routes plans if the surveys reveal potential impacts to historical resources. Alpine shall also avoid impacts to recorded sites.</p>	<p>Alpine shall file a copy of its archaeologist's comprehensive surveys and its specific route plans for each phase with the mitigation monitor.</p>	<p>Any historical resources discovered by the survey, or already recorded, shall be avoided by Alpine's proposed routes or facilities.</p>	<p>CPUC</p> <p>Surveys and specific route plans shall be filed with the Commission's mitigation monitor at least 45 days prior to construction for each phase.</p>

Environmental Checklist Form

1. Project Title: Alpine Natural Gas Project (A.96-08-015)

2. Lead Agency Name and Contact Person: the Lead Agency is the California Public Utilities Commission (Commission). The Commission's Contact Person for the project is:

Bruce Kaneshiro
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
(415) 703-1187
email: bsk@cpuc.ca.gov

3. Project Location:

Alpine's proposed natural gas distribution project is in the unincorporated communities of La Contenta and Rancho Calaveras of Calaveras County. These subdivisions are approximately 2 miles south of the town of Valley Springs along State Highway 26 (see Appendix A for a general map of the area). The residences and businesses of La Contenta and Rancho Calaveras currently receive electric service from Pacific Gas & Electric Co. (PG&E) and propane gas service by maintaining individual storage tanks on their properties. Alpine states in its application that the members of the targeted communities have expressed great interest in receiving natural gas service.

Alpine has split its project into 4 phases. Phase I begins with an interconnection to an existing PG&E gas transmission line (Line 197A) that runs in an east-west direction across Highway 26 1.5 miles south of the town of Valley Springs. From the interconnection Alpine will install a gas distribution line southward along Highway 26 and proceed into the La Contenta and Rancho Calaveras communities which border Highway 26 on the east and west. (See Appendix B for a map of the four project Phases.)

Phase I is bounded by the west end of Leckie Road (northwest corner), the southward bend in St. Andrews Road (northeast corner), on Silver Rapids Road about 500 feet east from the intersection with Laurent Lane (southeast corner) and on Berkesey Drive at Heinemann Lane (southwest corner).

Phases II, III and IV are essentially the remaining streets of the Rancho Calaveras community. Phase II includes the streets connecting to Berkesey Drive on the west side of Highway 26 and from Barde Road to Baldwin Street on the east side of Highway 26. The Calaveras River is the east boundary of Phase II. Phase III has no construction planned on the west side of Highway 26 and is planned exclusively for the streets between Baldwin Street on the north to Da Lee Road on the south and bounded on the east by the Calaveras River. Phase IV of the project is the remaining residential streets that are bounded by the Jenny Lind Approach Road on the west, the

Calaveras River on east, Da Lee Road on the north, and the Jenny Lind Historic Site on the south.

At this time, Alpine is proposing construction only for Phase I of the project. The extension of the project to the remaining phases is contingent upon market demand in those areas. For the purposes of CEQA, the Commission will review the environmental setting and the impacts of the entire project (all four phases). The word "project" used throughout this document is meant to include all four phases. The terms for specific phases of the project in this document are "Phase I", "Phase II", etc.

Alpine's pipeline route begins at the interconnection with PG&E's Line 197A about half a mile north of La Contenta. A 6-inch gas distribution line will be installed from the interconnection and proceed southward along Highway 26. (Alpine proposes to trench along the west side of the highway, but a final determination of the trench position will be made by the California Department of Transportation (CalTrans.)) Regardless of the location of the trench, Alpine will need to cross Highway 26 because it intends to serve customers on both sides of the highway. Alpine anticipates that CalTrans will require it to use boring techniques to cross the highway. Alpine will cross Highway 26 at four intersections: Vista Del Lago Drive, Silver Rapids Road, Holmquist Lane and Heinemann Lane (for Phase I). From these intersections, Alpine's facilities will spread to other streets within La Contenta and Rancho Calaveras. Service to the individual customers will be provided by connecting underground pipes from the service mains in the street to the customer's meter.

For future expansion into Phases II, III and IV, Alpine anticipates leaving Highway 26 where it crosses at Silver Rapids Road. From that point, Alpine will route its service mains westward to Berkesey Drive and eventually south to Baldwin Street. The mains would eventually end near Jenny Lind. Should Alpine need to use Highway 26 for service to the additional phases, it will comply with all CalTrans permit requirements. Alpine estimates that a total of 27 miles of distribution lines will be installed for Phase I. Assuming 80% of the potential hookups in the remaining three phases desire natural gas service from the proponent, an approximate total of 40 additional miles of pipe will be installed in the remaining phases.

4. Project Sponsor's Name and Address: The applicant for the proposed natural gas distribution project is:

Dan Samuel
Alpine Natural Gas Operating Company
1300 W. Lodi Ave., Suite L-1
Lodi, California 95242
(209) 339-3790

5. Project Description:

A. Purpose

The purpose of the project is to provide natural gas service to the aforementioned communities in Calaveras County. While PG&E provides these communities with electrical service, they do not

have natural gas service. Instead, the communities rely on propane gas for domestic and commercial purposes. Propane gas is stored in individual propane tanks on each property.

B. Construction Method and Schedule

Alpine proposes to insert gas distribution lines into previously disturbed utility rights-of-way throughout all four phases of the project. The rights-of-way are located in existing roads or streets, or in the shoulder area directly adjacent to the roadways. Alpine intends to install the lines in the shoulders of the roadways as a preferred option (to minimize impacts to traffic), but if unable to do so, will then install into the roadway. Alpine intends to predetermine the existence of the other utility substructures (water and sewage lines, electrical conduits, etc.) through Underground Service Alert (USA) before installation so that these substructures are avoided. (U.S.A. serves as an information clearinghouse for the location of underground service facilities in California.)

Alpine's distribution lines will be buried 2 to 3.5 feet deep for all roads and streets, except for installation in Highway 26, which requires a burial depth of at least 4.5 feet. Installation will comply with all state and federal safety installation standards. If substructures are encountered during installation, Alpine will go under, around or over the existing facilities while remaining in compliance with all applicable state and federal safety standards. Alpine plans to install the distribution lines by trenching, but may need to bore if conditions dictate. Alpine shall protect all existing facilities and property during construction (including irrigation or drainage ditches) and restore facilities and property should impacts occur. Alpine will also repave all roads that receive installation of its facilities.

Alpine intends to connect individual residences to its service mains in the streets by underground pipes at an average burial depth of 18 inches. Installation of the residential service lines will be done by trenching, plowing or boring as the conditions dictate.

Alpine plans to begin construction immediately after receiving approval from all regulatory agencies. (Commission staff estimates that Commission approval would occur in late April at the earliest.) Alpine estimates that Phase I will take 240 days to complete. Alpine will manage its construction schedule with consideration of weather and suspend construction activities for conditions such as significant rainfall or heavy fog. Alpine has three subsections to Phase I of the project:

- A. Construction along Highway 26 (includes PG&E interconnection): 30 days
- B. Construction within La Contenta (90-120 days - service mains only)
- C. Construction within Rancho Calaveras (90-120 days - service mains only)

Alpine estimates a work crew of 5 to 9 members, with the hours of work between 7:00 am and 3:30 p.m. Alpine has not submitted a construction schedule for the other phases but will adopt the same construction management practices as described for Phase I. Because the other phases require less pipe to install than Phase I, each additional phase will likely take less time to complete. The amount of time to complete each additional phase depends in part on the number of customers interested in receiving service. Alpine estimates it will take approximately four (4) hours to connect one customer to a service main.

Alpine anticipates using the following types of equipment for Phase I: track-driven excavator (1), conventional backhoes (2), dump trucks (2), water truck (1), directional boring machine (1), earth rollers (2), pickup trucks (2) and sundry miscellaneous construction tools. Alpine will lease a temporary facility for storage of equipment and materials, and for worker parking during the construction period. Because the other phases are similar in size and geography, Alpine assumes no significant changes in the types or numbers of equipment will be necessary should it expand to those phases.

C. Project Facilities

Alpine's main facilities consists of the gas distribution lines that will be installed underground in utility rights-of-way. Alpine proposes multiple sizes of distribution lines for its project (throughout all four phases). These sizes are 6-inch diameter (the main transmission line from the PG&E interconnection that will extend down Highway 26), 4-inch and 2-inch diameter (the service mains to be placed in the streets and roads of the targeted communities), and 1-inch or ¾-inch diameter (the connector lines from the service mains to the individual customers.) All lines are polyethylene pipe and will comply with specifications mandated by 49 CFR 191.59.

Alpine's other key facility is its interconnection site at PG&E's Line 197A. Alpine proposes to connect to Line 197A at where it crosses Highway 26, about 1.5 miles south of Valley Springs. Presently there is an above-ground shut-off valve about 60 feet to the west of the highway that Alpine anticipates will be the site of the interconnection. Final determination of the interconnection will be made by PG&E. The interconnection will require a meter, valves, pressure regulating devices and possibly odorization equipment. Alpine does not anticipate the interconnection equipment to be housed in an enclosed structure, but will most likely be situated in a fenced area approximately 15 feet by 20 feet, and no more than a few feet in height. The fenced facility will be adjacent to or within the PG&E right-of-way.

At this time, Alpine has no plans to construct an operations and maintenance facility within the project area. Alpine currently maintains an industrial facility in Lodi (about 25 miles from the PG&E interconnection point on the project site) that serves as a repository for equipment. This facility will serve as Alpine's operational and maintenance facility for the project. Alpine may consider the possibility of constructing an operational and maintenance facility within the town of Valley Springs in the future. Alpine already has an office for billing and business operations in Lodi.

6. General Plan Designation and Zoning:

La Contenta and Rancho Calaveras subdivisions consist almost entirely of moderately populated residential development. La Contenta is zoned commercial, light industrial, multiple family residential and single family residential, while Rancho Calaveras is zoned single family residential. The subdivisions are part of the Calaveras County's Rancho Calaveras Special Plan (1983) and the County's General Plan Revisions (1985).

7. Surrounding Environmental Settings:

A. Physiographic Setting:

La Contenta and Rancho Calaveras are situated within the foothills of central California approaching the Sierra Nevada range. The San Joaquin valley is to the west. Elevations along the project corridor range from 150 feet above sea level to 800 feet above sea level. The topography of the area is gently rolling, consisting of slopes of 10% or less. Studies of fault lines in Calaveras County reveal that dip-slip rates for faults (Melones and Bear Mountains) are very low (.005 to .05 millimeter per year) and that zoning was not recommended by the Department of Conservation (DOC) under the Alquist-Priolo Special Studies Zoning Act (APSSZ Act) (References, pg. 16 of Initial Study Checklist). Based on a 1995 report by the U.S. Army Corp. of Engineers, the specific project does not cross any presently known or defined fault lines and is approximately 2 miles from the nearest known potentially active fault. (References, pg. 16 of Initial Study Checklist)

There are at least four major bodies of water within proximity of the project area: (1) Hogan Dam, (2) Calaveras River, (3) Cosgrove Creek and (4) Indian Creek. The project does not cross or intersect either the Hogan Dam or the Calaveras River. The project will approach the Calaveras River at two points (Dunn Road and Heney Court) at a distance of a 100 yards, but existing homes and septic tanks are between the installation of the project and the river. The project will cross Cosgrove Creek at least once during Phase I. Cosgrove Creek is a 10-foot drainage easement that runs southward from the town of Valley Springs through La Contenta and Rancho Calaveras and eventually branches off to the east towards the Calaveras River. Prior to the development of the La Contenta subdivision, Cosgrove Creek was usually dry in the summer, although today it remains wet year-round due to irrigation runoff from the La Contenta golf course. The creek intersects Vista Del Lago Drive in La Contenta. Because Vista Del Lago Drive is targeted for a service main installation, Alpine proposes to attach the pipeline along an existing bridge which will enable it to cross the creek without underground boring. Alpine proposes to install the main (4-inch in diameter) within a steel sleeve, possibly encased in concrete, which would be attached to the bridge and footings and will not initiate construction during the wet season (generally October 1 to March 31). Alpine has initiated consultation with the Calaveras County Public Works Department regarding the Vista Del Lago bridge crossing. Alpine believes crossing the creek by using the existing bridge will minimize disturbance to the creek.

Alpine may cross Cosgrove Creek again at Silver Rapids Road depending upon the need to extend the project into the other phases. (Phase I of the project requires Alpine to install a service main in Silver Rapids Road, but a creek crossing at this time is not necessary.) Alpine will use the same method described for the Vista Del Lago crossing (attaching the service main to an existing bridge) to accomplish this purpose.

Indian Creek is on the west side of Highway 26 and runs roughly parallel with the highway heading southward to the Jenny Lind Approach Road where it curves to the west. The project will be installed parallel with the creek at one location in Phase I (Berkesey Drive), and will cross the creek at various points (Silver Rapids Road, Heinemann Lane, Farris Lane, White Road, Lucas Road and Baldwin Lane). Installation of the line when it runs parallel with the creek will be managed to the extent where equipment, debris and materials will not impact it, and will be done during the summer months when the creek is dry. At all points where the creek

intersects existing roads in Rancho Calaveras, it runs through existing man-made culverts buried beneath the road bed. Alpine anticipates that at some points (Silver Rapids Road and Baldwin Lane), the installation of its service lines can be done between the surface of the road and the top of the culvert. At the remaining crossing points with the creek, Alpine believes that it may need to bore beneath the culvert because there will not be enough space between the road surface and the top of culvert to place its main.

There are recreational five ponds within Phases I, II, III and IV. These ponds are located in proximity to Butler Lane (Phase I), Dixon Court (Phase II), Stabulis Road (Phase III), Driver Court (Phase III) and Ormes Court (Phase IV). The Dixon Court and Stabulis Road ponds (larger ponds) were constructed by the Rancho Calaveras Homeowner's Association and are filled year-round. The other three ponds are much smaller and originally served as run-off ponds during the winter. These smaller ponds are dry in the summer. Currently the nearest developed home is several hundred feet from the nearest pond. It is not anticipated that the ponds will be impacted by the installation or operation of the project's facilities.

Alpine notes that there are no known vernal pools, wetlands or subterranean water sources within its proposed gas distribution grid.

B. Biological Resources

Alpine received reports from the U.S. Fish and Wildlife Service (USFWS) and the California Department of Fish and Game (CDFG) regarding potentially affected species, habitat and plants in its project area. The USFWS report (9/96) provided listed and other sensitive species for the areas designated as USGS Quads 477A and 477D (References, pg. 16 of Initial Study Checklist). CDFG supplied a data search report (9/96) for rare, threatened, endangered, and sensitive species, plants and communities through its Natural Diversity Data Base (NDDB) for the quadrangle "Jenny Lind and Valley Springs" (References, pg. 16 of Initial Study Checklist).

Alpine provided supplemental information with a summary of a field visit by a qualified biologist/botanist familiar with the area. The visit occurred in late September 1996 but was limited to only Phase I of the project. The biologist followed the proposed routes of the project, which included the installation along State Highway 26. The biologist's field report concluded that there were no observable potential habitats such as vernal pools or viable riparian areas and that most of the native vegetation has been displaced by the development of the La Contenta and Rancho Calaveras subdivisions (References, pg. 16 of Initial Study Checklist). Because the proposed project activities for Phase I remains within the disturbed rights-of-way, the field report concludes that it is unlikely to impact potential habitats for the species and plants listed for the area. However, the field report also noted that there may be two potentially sensitive sites within Phase I: the Cosgrove Creek and Indian Creek (see Physiographic Setting for description and location of these resources), which the project's facilities either cross or are adjacent to. Although these streams were historically dry during the summer, they may be potential habitat for the California red-leg frog and pond turtles during the fall and winter. Mitigation for potential impacts to these resources are discussed in the Initial Study Checklist under VII - BIOLOGICAL RESOURCES.

The environmental setting for the remaining phases are similar to Phase I, and Alpine does not foresee impacts to the creeks or other natural bodies of water during the remaining phases if its facilities are constructed in the mitigated method described above. Alpine states that because

the construction activities for the future extension of the project will stay within the disturbed rights-of-way of the shoulder or roadway, it does not foresee significant impacts to potential habitats if the other phases were pursued.

Other than the water resources listed in the Physiographic Setting, there are no known wetlands in the project area.

C. Historical and Cultural Resources

Alpine commissioned a data survey of historical and cultural resources within the project area (from Valley Springs to Jenny Lind). The survey was conducted by the Central California Information Center (CCIC) at the Department of Anthropology of the California State University at Stanislaus (References, pg. 16 of Initial Study Checklist). The survey researched various databases for any known historical or cultural resources in the project area and found that there are none reported in Phases I, II and III. Phase IV has known historical landmarks within the town of Jenny Lind. While the CCIC report found that there are no recorded historical landmarks other than those identified at Jenny Lind, there is potential for the discovery of unrecorded historical resources during construction of the facilities.

Through informal consultations on the draft Initial Study, the State Office of Historic Preservation (OHP) recommended that the Initial Study needed an in-field pedestrian survey to address the potential for discovery of unrecorded historical resources within the project area. OHP noted that the historical resources data in the draft Initial Study did not conclusively demonstrate no impacts to potential resources, but in fact indicated the possibility of unrecorded historical sites within the project area. Because Alpine is uncertain as to the exact location of its lines for Phases II, III and IV, it was agreed between OHP, the Commission and Alpine that a field survey be conducted only for Phase I. Should Alpine chose to expand to the additional phases, it will conduct a similar field survey to determine any unrecorded historical resources in those areas.

Alpine therefore commissioned a qualified archaeologist to conduct a comprehensive survey for Phase I that included a literature search, a records search of the California Historical Resources Information System of OHP, and a field survey covering 27 miles of proposed routes. (The field survey covered Phase I area from the PG&E interconnection near the Hogan Dam Road and Highway 26 to the intersection of Highway 26 and Baldwin Court.) The archaeologist, Dr. L. Kyle Napton, is listed by the CCIC as qualified to conduct a historical resources survey. The comprehensive survey revealed two archaeological sites, one unrecorded, but both are located outside of the Phase I area. There were no historical resources found by the survey within the Phase I area, although the survey report noted that there is the possibility of discovering prehistoric, historic or archaeological resources during construction (References, pg. 16 of Initial Study Checklist). Mitigation for potential impacts are discussed in the Initial Study Checklist under XIV. - CULTURAL RESOURCES.

8. Public Agency Approvals and Permits:

Lead Agency: The California Public Utilities Commission is the lead agency for the issuance of a Certificate of Public Convenience and Necessity (CPCN). The CPCN is required for a new public utility to construct its system.

Responsible Agencies: The project will require individual subsequent permit actions before the full project is implemented. These actions are as follows:

Calaveras County: will require Alpine to obtain an encroachment permit for all work on or adjacent to county road rights-of-way.

California Department of Transportation, District 10 (CalTrans): will require Alpine to obtain an encroachment permit for all work performed within State Highway 26.

California Department of Fish and Game (DFG): will require Alpine to obtain a Streambed Alteration Permit if Alpine's construction work diverts or obstructs the natural flow or changes the channel, bed or bank of any river, stream, or lake (such impacts are not anticipated in the project description, but are noted here to inform Alpine.)

INITIAL STUDY CHECKLIST

Environmental Factors Potentially Affected:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- | | | |
|---|--|--|
| <input type="checkbox"/> Land Use and Planning | <input checked="" type="checkbox"/> Transportation/Circulation | <input checked="" type="checkbox"/> Public Services |
| <input type="checkbox"/> Population and Housing | <input checked="" type="checkbox"/> Biological Resources | <input type="checkbox"/> Utilities and Service Systems |
| <input checked="" type="checkbox"/> Geological Problems | <input type="checkbox"/> Energy and Mineral Resources | <input type="checkbox"/> Aesthetics |
| <input checked="" type="checkbox"/> Water | <input checked="" type="checkbox"/> Hazards | <input checked="" type="checkbox"/> Cultural Resources |
| <input checked="" type="checkbox"/> Air Quality | <input type="checkbox"/> Noise | <input type="checkbox"/> Recreation |
| | <input checked="" type="checkbox"/> Mandatory Findings of Significance | |

Determination:

On the basis of this initial evaluation:

I find that the proposed projects **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.

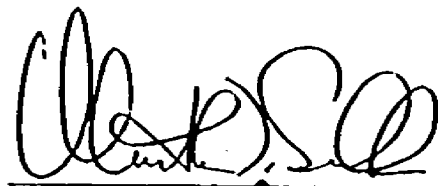
I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the projects. A **NEGATIVE DECLARATION** will be prepared.

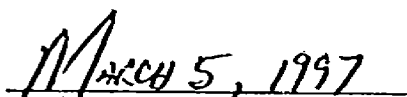
I find that the proposed projects **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.

I find that the proposed projects **MAY** have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on an earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.

I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because all potentially significant effects (a) have been analyzed adequately in an earlier EIR pursuant to applicable standards and (b) have been avoided or mitigated pursuant to that earlier EIR, including revisions or mitigation measures that are imposed upon the proposed project.

□


Signature *for*


Date

Douglas M. Long

Manager
Decision-Making Support Branch
Energy Division
California Public Utilities Commission

INITIAL STUDY CHECKLIST

	<u>Potentially Significant Impact</u>	<u>Potentially Significant Unless Mitigation Incorporated</u>	<u>Less Than Significant Impact</u>	<u>No Impact</u>
I. LAND USE AND PLANNING. Would the proposal:				
a) Conflict with general plan designation or zoning?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with applicable environmental plans or policies adopted by agencies with jurisdiction over the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be incompatible with existing land use in the vicinity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Affect agricultural resources or operations (e.g. impacts to soils or farmlands, or impacts from incompatible land uses)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Disrupt or divide the physical arrangement of an established community (including a low-income or minority community)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The proposed project is not anticipated to have any significant impacts on general or environmental plans, zoning, or existing land usage. The project area is not zoned for agricultural use. The project essentially stays within the existing utility rights-of-way in the road shoulder or roadway. Because these rights-of-way are already designed to be in compliance with zoning and land use plans, disruption of such plans are not foreseeable. The Calaveras County Special Plan (adopted in 1983) calls for the protection of existing single family residential character of Rancho Calaveras. The proposed project does not negatively impact this goal.

II. POPULATION AND HOUSING. Would the proposal:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Cumulatively exceed official regional or local population projections? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Induce substantial growth in an area either directly or indirectly (e.g. through projects in an undeveloped area or extension of major infrastructure)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

	<u>Potentially Significant Impact</u>	<u>Potentially Significant Unless Mitigation Incorporated</u>	<u>Less Than Significant Impact</u>	<u>No Impact</u>
c) Displace existing housing, especially affordable housing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The proposed project will not have an impact upon population or housing. The purpose of the project is to provide natural gas service to existing residences. Gas service is currently provided by propane gas suppliers who will be replaced by the project proponent should the customer choose natural gas service over propane. Natural gas service may be more desirable to area users due to price, convenience and safety, but is not advantageous to the level of creating an increase in population for the affected areas or induce substantial growth. The project is intended to serve existing housing, so displacement of affordable housing is not foreseeable.

III. GEOLOGIC PROBLEMS. Would the proposal result in or expose people to potential impacts involving:

a) Fault rupture?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Seismic ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Seiche, tsunami, or volcanic hazard?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Landslides or mudflows?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Erosion, changes in topography or unstable soil conditions from excavation, grading, or fill?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Subsidence of land?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expansive soils?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Unique geologic or physical features?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The project will be constructed among existing utility facilities within the established utility rights-of-way and will therefore not expose people to new risks for any of these impacts, except possibly erosion. The project will not project will not cross any known faults and the project area has no record of earthquakes with a magnitude of 3.5 (Richter) since 1910. Potential impacts of mudflows or erosion may occur if construction proceeds through significantly rainy weather. Alpine proposes to postpone construction during significantly rainy periods to avoid water runoff impacts, and erosion will be controlled using standard construction techniques.

Additional Mitigation: Alpine shall notify the Mitigation Monitor at least 10 days prior to construction and at the end of construction. Alpine shall include in its notification a proposed construction schedule for Phase I indicating approximate milestones and dates for the main sections of its system (eg. Highway 26 installation, Vista Del Lago Road, Silver Rapids Road, etc.) The notification shall include copies of all encroachment permits for all work along roadways, streets or Highway 26. While Alpine shall have responsibility for using good judgment in assessing weather conditions, the Commission shall retain final authority to halt the project for non-compliance with the mitigation.

	<u>Potentially Significant Impact</u>	<u>Potentially Significant Unless Mitigation Incorporated</u>	<u>Less Than Significant Impact</u>	<u>No Impact</u>
IV. WATER. Would the proposal result in:				
a) Changes in absorption rates, drainage patterns, or the rate and amount of surface runoff?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Exposure of people or property to water related hazards such as flooding?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Discharge into surface waters or other alteration of surface water quality (e.g. temperature, dissolved oxygen or turbidity)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Changes in the amount of surface water in any water body?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Changes in currents, or the course or direction of water movements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations or through substantial loss of groundwater recharge capability?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Altered direction or rate of flow of groundwater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Impacts to groundwater quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Substantial reduction in the amount of groundwater otherwise available for public water supplies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The project will involve installation under the surface of the road, approximately 2 to 3 feet deep. For installation along Highway 26, CalTrans has recommended a depth of at least 4.5 feet. However, Alpine may need to go

deeper if it is unable to go around or above existing utility facilities. It is not anticipated that installation will impact any potential groundwater which is much deeper. The project crosses surface water resources (Cosgrove Creek and Indian Creek) and is adjacent to Indian Creek at different points in the project. Cosgrove Creek was historically dry part of the year but does carry irrigation runoff from the La Contenta golf course. Construction of the project over or adjacent to the creeks during the wet season could impact absorption, drainage and runoff. Moreover, discharges into the creeks could affect surface water quality. At Dunn Road and Hency Court, Alpine's pipeline installation will be about 100 yard from the Calaveras River, although existing houses and septic are between the proposed line installation and the river. Alpine will avoid any impacts to these resources by installing its line along side existing bridges (Cosgrove), or above man-made culverts (Indian). If it cannot fit its line above the culverts, it will bore beneath the creek. Alpine shall cease construction between October 1 and March 30 for those areas of its project that either cross water resources (creeks, lakes, streams, etc.) or are adjacent to them. Alpine will develop adequate setbacks to keep construction equipment, material and waste securely away from the resource. For the installation near the Calaveras River, Alpine will setback its construction crews, equipment, storage, materials and debris in a manner that leaves the existing houses and septic tanks between the construction area and the river. Construction may impact existing irrigation and drainage canals built along the shoulder of the roadways. Impacts to these facilities will be mitigated by not constructing during wet periods and restoring them to their original condition.

Additional Mitigation: Alpine shall notify the Mitigation Monitor prior to construction and at the completion of construction. In its notification, Alpine shall indicate when it anticipates construction either over or adjacent to water resources. It must also describe its setbacks for work adjacent to water resources, including the work in proximity to the Calaveras River. Alpine shall also provide the Commission with a status report on those sections of its project that could potentially impact water resources before September 30 of each year of construction. The report shall note the sections that are completed, and shall describe in further detail (location and amount of remaining work) those sections that will not be complete by September 30. Completion of the unfinished sections shall not commence until approved by the Mitigation Monitor.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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V. AIR QUALITY. Would the proposal:

- | | | | | |
|--|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| a) Violate any air quality standard or contribute to an existing or projected air quality violation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Expose sensitive receptors to pollutants? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Alter air movement, moisture, or temperature, or cause any change in climate? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Create objectionable odors? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The project may have possible air impacts during construction because of the anticipated trenching and boring techniques. Calaveras County does not carry specific emissions or particulate regulations or ordinances respecting ambulatory construction projects. The county does not regulate emissions from construction equipment. However the county does control visible emissions from construction projects through general public nuisance standards.

According to the County Air Pollution Control District, visible emissions can result in fines based on complaints from the neighborhood or visibly seeing emissions at certain distances. Alpine will utilize dust control techniques (sprinkling or misting water) on the project site during construction. The project will have no operational air impacts with the exception of possible odor from the interconnection point with PG&E. Objectionable odors from the project's interconnection point at PG&E may occur if equipment is not properly welded, inspected and tested for leaks. Alpine shall also employ state and federal safety installation standards so that leaks are averted or repaired expeditiously.

Mitigation: The county regulates local air standards through its public nuisance ordinances and has the power to fine violators.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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VI. TRANSPORTATION/CIRCULATION.

Would the proposal result in:

a) Increased vehicle trips or traffic congestion?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Hazards to safety from design features (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Inadequate emergency access or access to near-by uses?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Insufficient parking capacity on-site or off-site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Hazards or barriers for pedestrians or bicyclists?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Conflicts with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Rail, waterborne or air traffic impacts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The project proponents intends to install facilities within the shoulders of the roadbed to avoid impacts to circulation and traffic. However, it may need to extend its work area into the roadway thereby impacting traffic. Increases to traffic are probable during the construction period due to the movement of construction vehicles to the project site. Impacts to local traffic will be particularly sensitive along State Highway 26 where Alpine intends to install its service main. Alpine will follow the management principles contained in CalTrans' Manual of Traffic Controls for Construction and Maintenance Work Zones to mitigate potential hazards and impacts along Highway 26. Alpine will also obtain all county encroachment permits and CalTrans permits for work along the roads or the highway. Alpine will mitigate parking impacts by instructing its construction personnel to gather at a temporary storage facility and then transport collectively to the construction site.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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VII. BIOLOGICAL RESOURCES.

Would the proposal result in impacts to:

- | | | | | |
|--|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| a) Endangered, threatened, or rare species or their habitats (including but not limited to plants, fish, insects, animals, and birds)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Locally designated species (e.g. heritage trees)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Locally designated natural communities (e.g. oak forest, coastal habitat, etc.)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Wetland habitat (e.g. marsh, riparian and vernal pool)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Wildlife dispersal or migration corridors? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Initial surveys and data searches reveal that state and federally listed species and plants may be in the project area, but that impacts to them are unlikely due to the location of the project. A field survey was conducted to identify potential impacts to sensitive habitats. The project's facilities will remain within the existing utility rights-of-way along transportation corridors which are already disturbed areas. The project may impact two creeks that are potential habitat for the California red-legged frog or pond turtles. Alpine will mitigate potential impacts by installing its facilities on existing bridges, or over man-made culverts, and by not constructing its facilities during the wet season (usually from October 1 through March 30). Boring under the creek will be done only if all other methods are not viable. Alpine will maintain an adequate setback from the edge of the stream so that all equipment, fill material and waste will be prohibited from entering the stream bed during and after construction. Moreover, Alpine will protect all streamside vegetation during construction. The project area has no known vernal pools, wetlands or viable riparian areas. The only known water resources in the project area are the Cosgrove and Indian creeks, Hogan Dam, the Calaveras River and the five recreational pools. Potential impacts to these resources are limited to the creek impacts discussed above and in IV. - WATER.

As noted in the Project Description, Alpine does not foresee any impacts to the flow or terrain of the creeks, rivers or streams in its project area. However, if Alpine's construction plans result in an anticipated diversion or obstruction of the natural flow or changes in the channel, bed or bank of any river, stream or lake, it will be required to notify the California Department of Fish and Game (DFG). (Section 1600 et seq. Fish and Game Code.) The notification and subsequent agreement must be completed prior to initiating any such work.

Additional Mitigation: as discussed in IV. - WATER, Alpine shall not construct over or adjacent to any water resources in the project area between the months of October 1 to March 30. Alpine shall file with the Mitigation Monitor prior to construction, a description of its setbacks for work adjacent to water resources, in particular the setback for work in proximity to the Calaveras River. It shall also file a notification and schedule of its anticipated work with the Mitigation Monitor prior to construction (at least 12 days prior to construction), a notice of construction completion (within 7 days of completion) and a status report on the completion of those sections

which could impact water resources (by September 23 of each year of construction or with the construction completion notice (if all complete), whichever comes first). Completion of the unfinished sections shall not commence until approved by the Mitigation Monitor. The Commission shall retain final authority to halt the project for non-compliance with the mitigation.

	<u>Potentially Significant Impact</u>	<u>Potentially Significant Unless Mitigation Incorporated</u>	<u>Less Than Significant Impact</u>	<u>No Impact</u>
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VIII. ENERGY AND MINERAL RESOURCES.

Would the proposal result in:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Conflict with adopted energy conservation plans? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Use non-renewable resources in a wasteful and inefficient manner? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the State? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

The project will have no significant impact upon mineral resources or the use of energy. The project is essentially a distribution gas system and does not include the construction of generation facilities. The natural gas comes from PG&E and other sources from whom the project proponent will purchase the commodity. The project's facilities will remain within existing right-of-way so that impacts to any mineral resources within proximity are unforeseeable.

IX. HAZARDS. Would the proposal involve:

- | | | | | |
|--|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| a) A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals or radiation)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Possible interference with an emergency response plan or emergency evacuation plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) The creation of any health hazard or potential health hazard? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Exposure of people to existing sources of potential health hazards? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Increased fire hazard in areas with flammable brush, grass, or trees? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

A natural gas pipeline system carries the risk of explosion, fires, and accidental release of gas. The installation of

the line may also interfere with emergency response or evacuation plans to the area. Alpine will mitigate for these potential impacts with its Safety Manual which will contain an operation and maintenance plan, damage protection plan, emergency response plan, and fire protection plan. The Safety Manual will be reviewed by the Commission's Utility Safety Branch for compliance to state regulations for operation and construction of gas distribution facilities (General Order 112-E). The review will be done during the public comment period on the Negative Declaration. During construction Alpine will regularly haul excavation materials to three local quarries for processing and screening.

Discussions with the Calaveras County Environmental Health Department indicated that there are abandoned underground gas tanks in Valley Springs at the intersection of State Highways 12 and 26 that are considered as potentially explosive sites. The Alpine project will begin approximately 1.5 miles south of Valley Springs at the interconnection with PG&E's line and will not impact these identified sites. The county was not aware of any other hazardous material sites along Highway 26 heading into the La Contenta and Rancho Calaveras areas.

Additional Mitigation: The Utility Safety Branch of the Commission's Consumer Services Division shall inspect Alpine's installation of its facilities.

	<u>Potentially Significant Impact</u>	<u>Potentially Significant Unless Mitigation Incorporated</u>	<u>Less Than Significant Impact</u>	<u>No Impact</u>
X. NOISE. Would the proposal result in:				
a) Increases in existing noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Exposure of people to severe noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The project will involve trenching, excavation, grading, refill and possibly boring techniques depending upon the conditions. Besides those activities, Alpine will use trucks to haul equipment, personnel, materials and waste to and from the construction sites. Alpine estimates that its noisiest equipment (excavator engines) are an average of 76 decibels (dBA) and 71.1 dBA for two types of engines. OSHA standards permit 90 dBA for 8 hours of continuous exposure and do not allow noise to exceed 130 dBA for any amount of time. Alpine's construction equipment will be temporary and is not foreseen to have a significant impact on the area. Alpine's gas compressor equipment at the PG&E interconnection point will produce constant noise at about 64 to 69 dBA. Alpine estimates that the nearest sensitive points to the interconnection will be the homes in the La Contenta community which are about 1,000 feet away. Any noise impacts on these residences from the gas compressors shall be mitigated by use of earthen berms or landscaping.

XI. PUBLIC SERVICES. Would the proposal have an effect upon, or result in a need for new or altered government services in any of the following areas:

a) Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
d) Maintenance of public facilities, including roads?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Other government services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The proposed project will provide residences of the area an option for natural gas service. Natural gas service will not result in the need for additional public services with the exception of the maintenance of public roads where the facility will be installed. Alpine's use of the road will be limited to the construction period, but operational use of the roads could be impacted (see VI - Transportation/Circulation). Alpine will be required to obtain an encroachment permit from the Calaveras County Department of Public Works who will review and conditionally approve the proposed work within the county right-of-way. There will likely be an impact to road maintenance due to the trenching cuts needed for the installation of the lines. Alpine will mitigate this impact by protecting existing facilities and property during construction, and restoring them should impacts occur. Alpine will also repave all roads that receive installation of the lines. An increased need for fire protection is negligible because the individual propane tanks that currently exist pose the similar possibility of fire.

As noted in VI - Traffic/Circulation, Alpine will be required to obtain an encroachment permit from CalTrans for its proposed work along State Highway 26. CalTrans anticipates straightening existing curves along Highway 26 (State Highway 26 Precise Plan) which may require future relocation of Alpine's pipeline, especially if the realignment leaves the pipeline under the traveled way. CalTrans suggests that Alpine bury its pipe facilities at a minimum of 4.5 feet so that relocations of the pipeline can be avoided as much as possible. While this does not guarantee complete avoidance of relocating the pipeline during the realignment, the additional depth could allow CalTrans to improve the highway without requiring relocation of the pipe.

Maintenance of drainage ditches by CalTrans along Highway 26 may also be impacted by the installation of the new line. CalTrans noted that a database of coordinates and elevations along the line would help its maintenance crews know where exactly where the line is installed. Moreover the placement of warning or caution tapes above the installed pipe would serve as an effective mitigation against accidental ruptures of the gas line by CalTrans maintenance crews.

Additional Mitigation: Alpine shall bury its facilities along Highway 26 at a depth of at least 4.5 feet. Alpine shall also keep a database of coordinates and elevations of the installed pipeline to avoid potential impacts to its facilities by other maintenance crews and shall mark the location of its line by caution tapes to prevent accidental ruptures. The database shall be filed with CalTrans and with the Underground Service Alert (U.S.A.). Transmittal of the database to these agencies shall be filed with the Commission's Mitigation Monitor.

XII. UTILITIES AND SERVICE SYSTEMS. Would the proposal result in a need for new systems or supplies, or substantial alterations to the following utilities:

- | | | | | |
|---------------------------|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Power or natural gas? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Communication systems? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

	<u>Potentially Significant Impact</u>	<u>Potentially Significant Unless Mitigation Incorporated</u>	<u>Less Than Significant Impact</u>	<u>No Impact</u>
c) Local or regional water treatment or distribution facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Sewer or septic tanks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Storm water drainage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Solid waste disposal?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Local or regional water supplies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The project will obviously change the existing natural gas system for the area by replacing existing propane tanks. However, individual owners will be responsible for disposal of their propane tanks should they choose Alpine's service. Impacts to other utilities are not foreseeable, except for temporary impacts during the construction period. Alpine shall install temporary sanitary facilities at the project site for its personnel and employ a solid waste disposal procedure (excavation materials as discussed in IX. Hazards). Other project wastes will be collected at the project site in metal bins and hauled periodically to an authorized local land fill facility. Local water supplies will not be insignificantly impacted for temporary use during construction (sprinkling and misting for dust emission control).

XIII. AESTHETICS. Would the proposal:

a) Affect a scenic vista or scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a demonstrated negative aesthetic effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Create light or glare?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The proposed project will occur within utility rights of way and will be undergrounded. The only facility above ground will be the interconnection point with PG&E. This facility will be approximately 15 by 20 feet in width and length and only a few feet in height. It will be housed by fencing or landscaping, rather than a building. Aesthetic impacts from this facility would therefore be negligible. The precise point of the facility along Highway 26 has not been determined yet, since PG&E will be performing the interconnection for Alpine. Alpine has no plans to construct an operation and maintenance center at the project site, but will operate from an existing facility in Lodi. The project may result in aesthetic improvement to the area if potential customers choose to replace their existing propane service with Alpine's service. Propane storage tanks above ground will be removed thereby enhancing the individual's property.

Additional Mitigation: Alpine shall submit the plans, description and location of the interconnection point to the Commission's Mitigation Monitor for review and approval as part of the pre-construction notice.

	<u>Potentially Significant Impact</u>	<u>Potentially Significant Unless Mitigation Incorporated</u>	<u>Less Than Significant Impact</u>	<u>No Impact</u>
XIV. CULTURAL RESOURCES. Would the proposal:				
a) Disturb paleontological resources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Disturb archaeological resources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Affect historical resources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Have potential to cause a physical change which would affect unique ethnic cultural values?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Restrict existing religious or sacred uses within the potential impact area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Based on initial research and a follow-up comprehensive survey (see Historical and Cultural Resources section in the Environmental Setting), there are no known historical or archaeological resources in Phase I of the project area. (The follow-up survey revealed two archaeological sites, one unrecorded, in proximity to Phase I, but neither will be impacted by the project.) However, based on the historical background of the affected area, there is the possibility of discovering unrecorded sites during construction.

Historical landmarks were discovered in the initial survey of Phase IV of the project (at Jenny Lind). Because Alpine does not know if it will construct facilities in this phase or the other phases, a follow-up survey for these areas was not done.

Additional Mitigation: Prior to construction Alpine, with a qualified archaeologist, shall train its construction crews with the proper protocol if concealed or buried resources are uncovered. In the event that Alpine uncovers unrecorded archaeological or historical resources during construction, it will notify the Commission and stop work immediately. The Commission and Alpine will consult with a qualified professional archaeologist on how to best handle the discovered resource. If human remains are discovered, Alpine will cease construction and notify both the county coroner's office, the Commission and the Native American Heritage Commission. The Commission shall retain final authority to halt the project for non-compliance with the mitigation.

Should Alpine expand its facilities to Phases II, III and IV it will notify the Commission, conduct a follow-up comprehensive survey similar to the one done in Phase I and develop appropriate mitigation measures if necessary. Alpine shall also file a proposed routes and maps for all remaining phases. If the subsequent surveys reveal any other historical resources in these phases, Alpine shall develop mitigation that satisfactorily avoids impacts to these resources. Alpine shall also employ the on-site mitigation described above as it proceeds to install the line in any of the remaining phases.

XV. RECREATION. Would the proposal:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Increase the demand for neighborhood or regional parks or other recreational facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Affect existing recreational opportunities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The project will have insignificant impact on recreational facilities or opportunities. The La Contenta Lakes Golf and Country Club and the five ponds are the only recreational resources within the project area. Alpine's facility will be installed within roads that traverse through the golf course, but the impact upon the club's operation of the course will be minor based on the anticipated number of workers (5 - 9 people), and that the proposed work will occur within roads, not the golf course itself. Impacts to the five ponds will not occur because the proposed construction will be several hundred feet from the nearest pond.

XVI. MANDATORY FINDINGS OF SIGNIFICANCE.

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probably future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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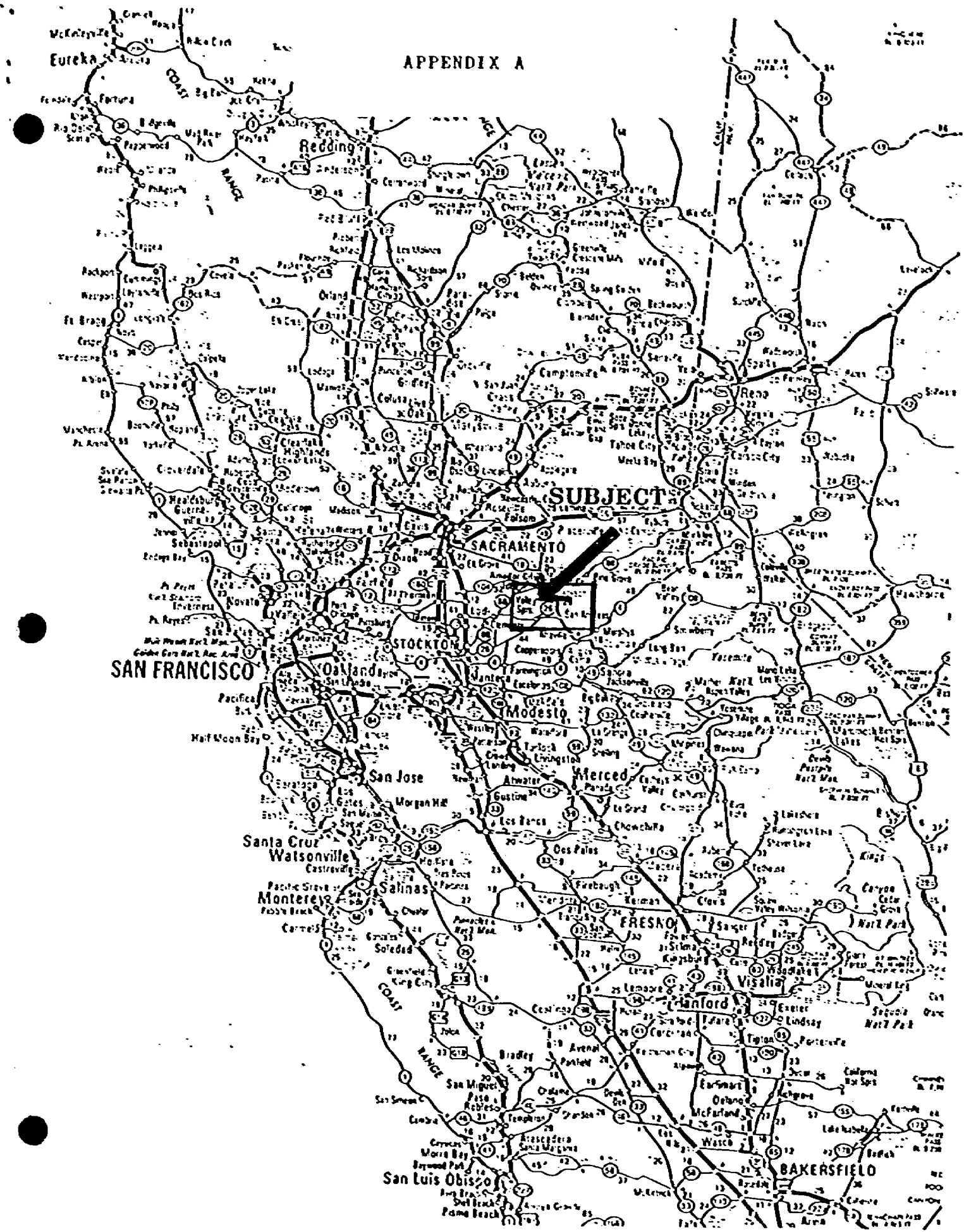
PERSONS AND/OR AGENCIES CONSULTED:

1. Martha Sullivan, California Public Utilities Commission, Energy Division
2. Rustom Dubash, California Public Utilities Commission, Safety Division
3. Dan Samuel, Alpine Natural Gas Operating Company
4. Steve Grantham, California Office of Historic Preservation
5. Robert L. Williams, Calaveras County Department of Public Works
6. Dan Gifford, California Department of Fish and Game
7. Tom Donovan, California Department of Transportation, District 10
8. Edwin Erwin, California Department of Transportation, District 10
9. Dr. L. Kyle Napton, Professor of Archaeology, California State Univ., Stanislaus
10. Steven Stocking, Botany, Biology, Microbiology Instructor, San Joaquin Delta College
11. Alice Lawrence, Central California Information Center, CSU, Stanislaus
12. Joel Medlin, U.S. Fish and Wildlife Service, Sacramento Field Office
13. Tony Maris, Calaveras County Environmental Health Department
14. Ray Waller, Calaveras County Building Department
15. California Department of Conservation, Division of Mines and Geology
16. U.S. Army Corps. of Engineers, Sacramento District

REFERENCES:

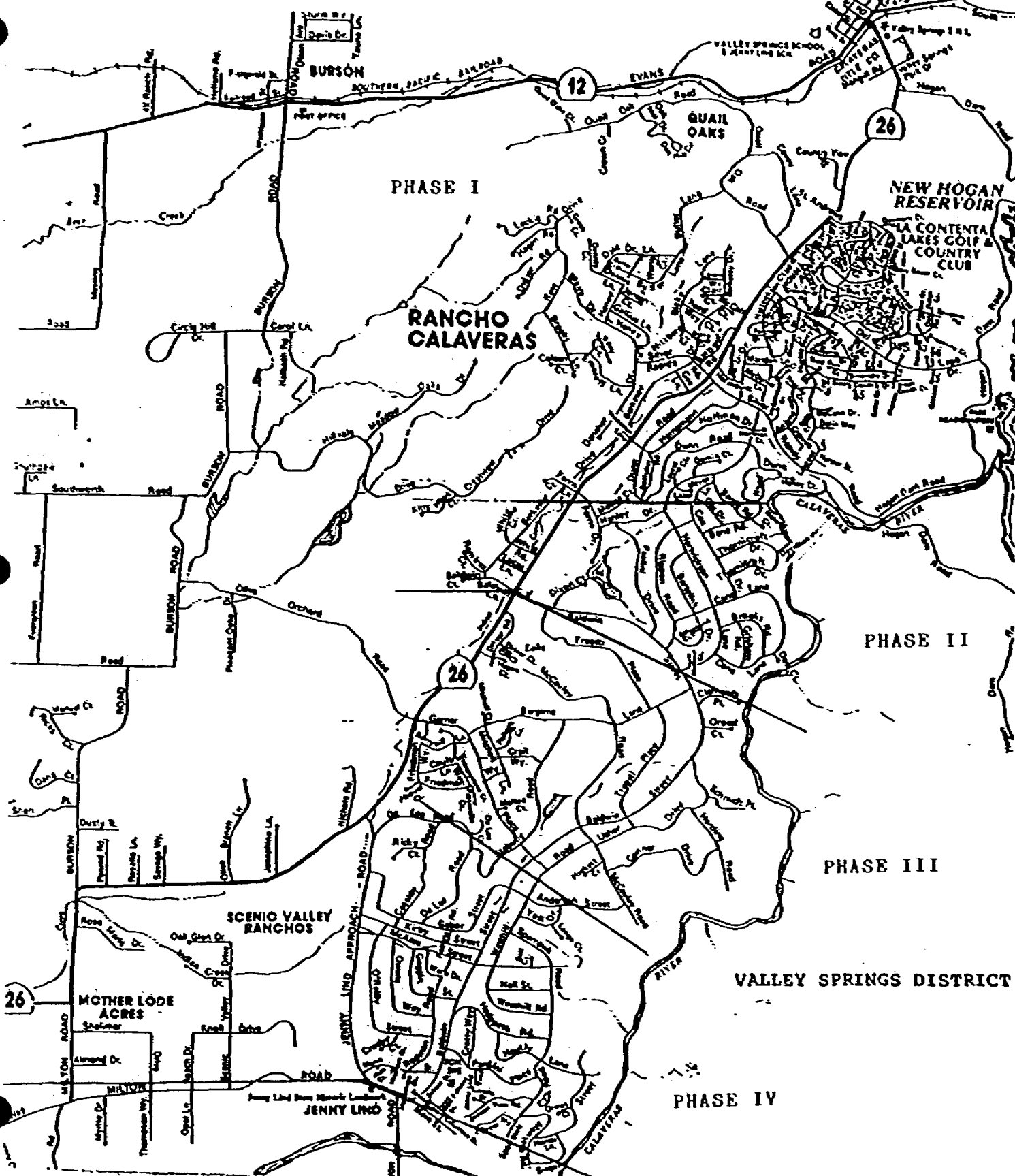
1. 1984 Department of Conservation (DOC) Report under the Alquist-Priolo Special Studies Zoning Act (APSSZ Act).
2. 1995 U.S. Army Corp. of Engineers Report.
3. Sept. 1996 U.S. Fish & Wildlife Service Listing of Sensitive species in the areas USGS Quads 477A and 477D
4. Sept. 1996 California Department of Fish & Game search for rare, threatened, endangered, and sensitive species, plants and communities through its Natural Diversity Data Base (NDDDB) for the quadrangle "Jenny Lind and Valley Springs"
5. Sept. 1996, Mr. Steven Stocking, Botany, Biology, Microbiology Instructor, San Joaquin Delta College, Field Survey and Report.
6. Sept. 1996, Central California Information Center (CCIC) at the Department of Anthropology of the California State University at Stanislaus Records Search for Jenny Lind and Valley Springs USGS 7.5 minute quadrangle .
7. Feb. 1997, Dr. L. Kyle Napton, Professor of Archaeology, California State Univ., Stanislaus; Archaeological Records Search, Field Survey and Report.

APPENDIX A



APPENDIX B

VALLEY SPRINGS



Appendix C

**Written Comments Filed on the Draft Negative Declaration /
Alpine Natural Gas Project
Public Review Period
(March 7, 1997 through April 7, 1997)**

1. Antero Rivasplata , Chief, State Clearinghouse, dated April 8, 1997.

No comments filed by the following agencies: Department of Conservation, Department of Fish and Game, Office of Historic Preservation, Department of Water Resources, California Highway Patrol, CalTrans District #10, Air Resources Board, Regional Water Quality Control Board #5, Department of Toxics Substance Control, and the State Lands Commission.

(END OF APPENDIX A)