

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Gill Ranch Storage, LLC, and Pacific Gas and Electric Company (U39G),

Complainants

v.

Will Gill, Jr., Robert Cadenazzi and Lee L. Gill, Co-Trustees of the Gill OG&M Trust; Gary Player Ventures; Southern States Realty, a California corporation; All of the heirs and devisees of Barbara A. Williams, aka Barbara Jane Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams; Brooke S. Antrim, Michael F. Antrim & Laurel C. Antrim, as Successor Co-Trustees of the Calvin and Ines Antrim Revocable Trust created on December 28, 1992; Kingdon R. Hughes Family Limited Partnership, a Texas limited partnership; Neil F. Ormond and/or Kingdon R. Hughes Family Limited Partnership, a Texas limited partnership, to the extent that it owns the executive rights of the interest of Neil F. Ormond; Joseph Curtis Edmondson; Jimmy L. Graham, Trustee of the Jim Graham Trust dated October 30, 1984; Vern Jones Oil & Gas Corporation; All of the heirs and devisees of Blanche G. Brown, deceased, including, but not limited to Janice Fry, aka Janice Darlene Fry, V. Lynn Grigsby, aka Virginia Lynn Grigsby, as an individual, and V. Lynn Grigsby, as Trustee of the Blanche G. Brown Revocable Living Trust Agreement dated 9/30/94; Clayton Brown, as Successor Trustee Under the Last Will and Testament of Alfred R. Brown and any and all beneficiaries or former beneficiaries under such Trust, including, but not limited to Janice Darlene Fry, aka Janice Fry and V. Lynn Grigsby, aka Virginia Lynn Grigsby; All of the heirs and devisees of Harold Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams and all of the heirs and devisees of Barbara A. Williams, aka Barbara Jane Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams, held originally as husband and wife as community

(EDM)
Case 10-02-001
(Filed February 2, 2010)

**OPENING BRIEF OF GILL RANCH
STORAGE, LLC AND PACIFIC
GAS AND ELECTRIC COMPANY**

property; Earl Brix Fenston, Jr.; Daniel L. Herman, Executor of the Estate of Jeffrey Fenston, and all of the heirs and devisees of Jeffrey Allen Fenston, aka Jeffrey Fenston and Jeffrey Alan Fenston, deceased, including, but not limited to, Daniel L. Herman; All of the heirs and devisees of J.G. Imeson, aka James G. Imeson, including, but not limited to: (a) all of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust; and (b) all of the heirs and devisees of Joyce Imeson Lucas, aka Joyce I. Lucas, excluding Jennifer R. Lucas, aka Jennifer L. Flanagan and Jennifer R. Flanagan, Robert I. Lucas and Lee S. Lucas; All of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust; Duane Lee Soares; Pat Decker and Thomas A. Miller, Successor Trustees of the William Sherman Thomas Revocable Trust of 1987, established on October 28, 1987,

Defendants

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SUMMARY OF RECOMMENDATIONS

- The proposed condemnation of property in connection with the Gill Ranch Gas Storage Project (“Project”) will serve the public interest, consistent with Public Utilities Code section 625(a) and satisfies the requirements of Public Utilities Code section 625(b):
 - The public interest and necessity require the Project, as previously determined in California Public Utilities Commission Decision 09-10-035
 - The property to be condemned is necessary for the Project
 - The public benefit of acquiring the property by eminent domain outweighs the hardship to the property owners (or results in no hardship)
 - The Project is located in a manner most compatible with the greatest public good and least private injury
- The Commission should authorize Gill Ranch Storage, LLC and Pacific Gas and Electric Company to exercise their condemnation authority under Public Utilities Code section 613 to acquire the property described in testimony and this Opening Brief.

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Will Gill, Jr., Robert Cadenazzi and Lee L.
Gill, Co-Trustees of the Gill OG&M Trust, et
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(EDM)
Case 10-02-001
(Filed February 2, 2010)

**OPENING BRIEF OF GILL RANCH STORAGE, LLC
AND PACIFIC GAS AND ELECTRIC COMPANY**

Pursuant to Rule 13.11 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”) and the revised briefing schedule set by Administrative Law Judge Bushey at the April 19, 2010 evidentiary hearing, Gill Ranch Storage, LLC (“GRS”) and Pacific Gas and Electric Company (“PG&E,” together the “Complainants”) file this Opening Brief regarding Case 10-02-011, Complaint for Authorization to Condemn Property in the Public Interest Pursuant to Public Utilities Code section 625 (“Complaint”). As the uncontroverted evidence in this proceeding shows, the condemnation of certain property, as described herein, will serve the public interest, thereby enabling the public to realize the benefits of the new natural gas storage services to be provided at the Gill Ranch Gas Storage Project (“Project”).

I. INTRODUCTION AND SUMMARY OF REQUESTED RELIEF

A. The Proposed Condemnation is in the Public Interest.

GRS and PG&E will provide competitive gas storage services from their respective Project interests. Thus, they must ask the Commission to find that the property to be condemned is in the public interest, pursuant to Public Utilities Code section 625. The Commission has already determined that the Project is in the public interest in Decision (“D.”) 09-10-035. As the

record in this proceeding demonstrates: (1) the property to be condemned is necessary for the Project, (2) the public benefit of acquiring the property by eminent domain outweighs the hardship to the owners of the property, and (3) the Project is located in a manner most compatible with the greatest public good and least private injury. Notably, no party submitted testimony, in writing or at the public hearing on April 19, 2010, challenging or contradicting GRS' and PG&E's evidence in support of the foregoing conclusions.

B. Requested Relief.

Based on the uncontested evidence in this proceeding, GRS and PG&E respectfully request that the Commission:

- (1) Find that the proposed condemnation is in the public interest;
- (2) Authorize GRS and PG&E to exercise their condemnation authority under Public Utilities Code section 613 to acquire the property rights described in the Complaint and Exhibits 1 and 2 and the May 3, 2010 Motion to Receive Into Evidence Page Inadvertently Omitted from Revisions to Concurrent Direct Testimony on Behalf of Gill Ranch Gas Storage Project (Exhibit 2, Attachment 4) ("May 3, 2010 Motion");¹
- (3) Grant the Motion to Dismiss Defendants filed by GRS and PG&E on April 13, 2010; and
- (4) Grant such other relief as the Commission deems just and proper.

II. BACKGROUND

A. Project Description.²

On October 29, 2009, the Commission granted GRS' and PG&E's applications for certificates of public convenience and necessity ("CPCN") authorizing the construction and operation of the Project, an underground natural gas storage facility in Madera and Fresno

¹ Also on this date, GRS and PG&E filed a Motion to Receive Into Evidence Page Inadvertently Omitted from Revisions to Concurrent Direct Testimony on Behalf of Gill Ranch Gas Storage Project (Exhibit 2, Attachment 4).

² Exh. 1, p. 3, lines 6-27; p. 4, lines 1-6.

Counties.³ The Commission was the lead agency for review of the Project under the California Environmental Quality Act (“CEQA”). In D.09-10-035, the Commission adopted a Final Mitigated Negative Declaration (“MND”) for the Project.⁴

The Project is comprised of (1) a 20 billion cubic feet (“Bcf”) underground natural gas storage field (“Storage Field”), within the Gill Ranch Gas Field, (2) a compressor station that will be used to inject and withdraw gas into and from the Storage Field, and associated dehydration and control facilities, (3) a natural gas pipeline extending approximately 27 miles from the Storage Field to an interconnection with PG&E’s Line 401, and (4) an electric substation located at the compressor station that will be connected to an approximately nine-mile 115 kV electric power line extending from PG&E’s Dairyland-Mendota 115 kV power line to the compressor site. There are approximately 5,020 acres within the boundary of the Storage Field (the “Storage Field Boundary”). A map showing the Project components is included as Attachment A to Exhibit 1 (Concurrent Direct Testimony on Behalf of Gill Ranch Gas Storage Project).

With the exception of the electric power line, which will be constructed, owned, and operated by PG&E, GRS owns a 75% interest in the Project and PG&E owns a 25% interest in the Project. GRS is the initial operator of the Project. GRS will provide competitive long- and short-term firm and interruptible natural gas storage services at market-based rates using its 75% interest in the Project. PG&E will provide natural gas storage services using its 25% interest in the Project. PG&E’s interest in the Project will be integrated with the operation of PG&E’s existing gas storage facilities, and PG&E’s existing market storage rates will apply to services provided by PG&E. GRS and PG&E each will separately market its respective share of Project storage capacity and will compete in the provision of natural gas storage services with each other and with other California storage providers.

³ D.09-10-035. PG&E also requested and received a permit to construct an electric substation and 115 kV electric power line in connection with the Project. A copy of D.09-10-035 was included as Exhibit J to the Complaint.

⁴ D.09-10-035, *mimeo*, Ordering Paragraph 26.

B. Storage Project Property Rights.⁵

In general, two types of property rights are required in connection with natural gas storage projects: (1) the right to store natural gas in subsurface formations, and (2) surface rights, including easements, necessary to accommodate related project facilities.

In California, the surface owner has the right to store natural gas in subsurface geological formations, subject to an obligation not to unreasonably interfere with a mineral owner's or lessee's right to explore for and produce oil and gas. Typically, storage leases entered into with surface owners allow storage in subsurface formations, as well as the use of the surface for development of storage facilities, including compression equipment and related facilities, and injection and withdrawal wells. A gas transmission pipeline used to transport gas between an interconnecting utility's system and a storage project requires easements along the pipeline route.

Although only storage rights are required for storage projects, where mineral rights have been separated from the surface property, project owners also may seek either the mineral rights to the property or the consent and agreement of the mineral owners or lessees to conduct storage operations. Obtaining mineral rights or consents from any separate mineral rights owners or lessees will preclude such owners or lessees from drilling into or through project storage reservoirs and causing damage to reservoirs or the taking of stored gas. Obtaining such rights will also preclude others from claiming that recoverable gas reserves exist in project reservoirs (prior to the injection of gas) or that project operations have otherwise unreasonably interfered with their rights.

C. Property Rights and the Project.

GRS and PG&E have been working diligently, even before the CPCN applications were filed in July 2008, to secure three types of property rights in connection with the Project: (1) rights to store gas in the Storage Field using depleted reservoirs in the First Starkey Formation and the Second Starkey Formation, (2) rights to construct and operate ancillary surface and pipeline facilities, and (3) mineral rights or consent agreements necessary to protect the Project's safety and usefulness.⁶

⁵ Exh. 1, p. 4, lines 7-25.

⁶ Complaint, p. 3.

Storage Rights Acquired.⁷ GRS and PG&E have already acquired over 90% of the necessary storage rights for the Project and expect to finalize agreements for the remaining storage rights soon.⁸ Upon completion of the agreements with all of the surface owners, GRS and PG&E will have all of the property rights necessary to inject, store, and withdraw natural gas in the Storage Field, subject to an obligation not to unreasonably interfere with a mineral owner's or lessee's right to explore for and produce oil and gas. Thus, GRS and PG&E do not seek to condemn any property rights from surface owners within the Storage Field Boundary.

Pipeline Easements Acquired.⁹ GRS and PG&E have also acquired easements for the approximately 27-mile gas pipeline route. Accordingly, GRS and PG&E do not seek to condemn any pipeline easements.¹⁰

Mineral Interests to be Acquired.¹¹ GRS and PG&E have acquired many of the mineral interests necessary to ensure the safety and integrity of the Storage Field. GRS and PG&E seek a Commission public interest finding as to the outstanding mineral interests.

Where the surface owners within the Storage Field Boundary also own mineral rights, GRS and PG&E have already acquired or expect to acquire their consent to Project storage operations through mutual agreement in the underground storage leases. Where mineral rights have been conveyed to another entity, GRS and PG&E are negotiating separately with those mineral rights owners and lessees to either acquire limited mineral rights or their consent to the operation of the Project for the reasons set forth above. GRS and PG&E seek to condemn those mineral interests for which they have not been able to reach agreement. In general, where GRS and PG&E have not been able to reach agreement with mineral owners and lessees, it is because of (1) disputes over value, (2) lack of response to GRS' and PG&E's communications, and (3) difficulty identifying or confirming, through reasonable diligence, heirs to deceased owners of record.

⁷ Exh. 1, p. 4, lines 26-28; p. 5, lines 1-9.

⁸ Certain of the storage leases allow use of the surface for development of storage facilities, including the compressor station and related facilities. Additionally, in two cases, GRS and PG&E have made an outright purchase of storage rights in the Storage Formations (defined below).

⁹ Exh. 1, p. 4, n. 3.

¹⁰ In the Complaint, GRS and PG&E proposed to acquire by eminent domain pipeline easements from two property owners. GRS and PG&E reached agreements with those owners after filing the Complaint and, therefore, removed them from the Complaint. (*See* Request for Dismissal of Defendant (March 5, 2010) and Amendment to Complaint (February 12, 2010).)

¹¹ Exh. 1, p. 5, lines 21-27; p. 6; p. 7, lines 1-11; Complaint, pp. 3-4.

Effect of Post-Complaint Agreements. GRS' and PG&E's strong preference is to obtain property rights through mutual agreement. Since GRS and PG&E filed the Complaint on February 2, GRS and PG&E were able to reach agreement with both of the initially identified pipeline easement Defendants and several of the mineral owner and lessee Defendants. Most of the Defendants with whom GRS and PG&E have been able to reach agreement since filing the Complaint have been dismissed from the Complaint. A Motion to Dismiss Defendants Joseph Curtis Edmondson; Jimmy L. Graham, Trustee of the Jim Graham Trust dated October 30, 1984; and Vern Jones Oil & Gas Corporation, filed April 13, 2010, is pending before the Commission. To the extent that GRS and PG&E are able to reach agreement with any additional mineral owners or lessees while this proceeding remains pending before the Commission, GRS and PG&E would seek to remove those parties from the Complaint.

D. Authority to Condemn.

By law, a gas corporation may condemn any property necessary for the construction and maintenance of its gas plant.¹² Additionally, an entity with the power of eminent domain may exercise that power to acquire any property "necessary to carry out and make effective the principal purpose involved including but not limited to property to be used for the protection or preservation of the attractiveness, safety, and usefulness of the project," and including subsurface rights.¹³

Upon the grant of a CPCN in D.09-10-035, GRS became a public utility gas corporation with the power of eminent domain.¹⁴ PG&E, a public utility gas corporation, had the power of eminent domain before D.09-10-035 issued.

III. PROPERTY TO BE ACQUIRED

A. Description of Property to be Condemned.¹⁵

In order to protect the integrity of the Storage Field and gas stored therein, GRS and PG&E seek to obtain consents to Project operations from the owners and lessees of the severed mineral rights within the Storage Field Boundary. Mineral rights generally include the right to explore for and produce oil and gas. However, GRS and PG&E do not seek any exploration or

¹² Pub. Util. Code, § 613.

¹³ Code of Civ. Proc., §§ 1240.110(a), 1240.120(a).

¹⁴ D.09-10-035, p.3.

¹⁵ Exh. 1, p. 5, lines 21-27; p. 6; p. 7, lines 1-11.

production rights. Rather GRS and PG&E seek only those rights necessary to protect the integrity of the Storage Field.

GRS and PG&E have acquired consents to Project operations from the owners and lessees of many, but not all, of the mineral rights that have been severed from the surface area within the Storage Field Boundary. These consents to Project operations include the mineral owner's or lessee's agreement not to drill into or to drill through the First and Second Starkey Formations, and the Lower Moreno Sand which lies immediately above the First Starkey Formation (the "Storage Formations") without GRS' and PG&E's prior consent. GRS and PG&E presently seek to acquire similar mineral interests in Madera and Fresno Counties from the remaining severed mineral rights owners and lessees within the Storage Field Boundary.

In particular, GRS and PG&E seek to condemn a portion of the mineral rights, *i.e.*, the rights to drill through and into the Storage Formations (the "Mineral Interests"). Upon the acquisition of the Mineral Interests by GRS and PG&E, the mineral owner and lessee Defendants shall be precluded from drilling into to produce from, the Storage Formations, or granting others the right to drill into to produce from, the Storage Formations, and drilling through, or granting to others the right to drill through, the Storage Formations, without GRS' and PG&E's approval of drilling plans and timing designed to protect the integrity of the Storage Field and natural gas therein, which approval GRS and PG&E may grant, withhold, or condition in their sole discretion, and then only in accordance with such approved drilling plans. A map showing the mineral interests to be condemned is included as Attachment B to Exhibit 1 (Concurrent Direct Testimony on Behalf of Gill Ranch Gas Storage Project).

Specifically, the Storage Formations are comprised of the First and Second Starkey Zones (also known as the ST-1 Sand and the ST-2 Sand of the Starkey Formation) and the Lower Moreno Sand (also known as the Moreno D-1 Sand). As used in this Opening Brief, the ST-1 Sand and the ST-2 Sand of the Starkey Formation are understood to be the equivalent of the First and Second Panoche, or P-1 and P-2 Zones, or the stratigraphic equivalent thereof as found at measured depths of 5,690 feet in the Texaco Gill Ranch #32-21 Well located in Section 21, T13S, R16E, MDB&M. It is necessary to acquire from Defendants their right to drill through and into the Lower Moreno Sand, which lies immediately above the First Starkey Zone, in order to protect against the possibility of communication between the First Starkey Zone and the Moreno D-1 Sand. The Moreno D-1 Sand is defined for purposes of this Opening Brief as those

sands found in the Vern Jones, Gill Ranch #1-21 Well over measured depths of 5,585 feet to 5,657 feet below the surface, or the stratigraphic equivalent thereof. A figure showing the Storage Formations is included as Attachment C to Exhibit 1 (Concurrent Direct Testimony on Behalf of Gill Ranch Gas Storage Project).

GRS' and PG&E's acquisition of the Mineral Interests necessary to protect the safety and usefulness of the Project does not preclude the owners and lessees of such Mineral Interests from using the portions of their mineral rights that GRS and PG&E are not acquiring, subject to GRS' and PG&E's prior approval of any drilling through the Storage Formations. For example, within the Storage Field Boundary, mineral rights owners and lessees may drill wells above the Storage Formations, as long as those wells do not affect the Storage Formations, and they may drill through the Storage Formations as long as they receive GRS' and PG&E's prior consent, as described above, but they may not drill into the Storage Formations to produce therefrom.

B. Mineral Owners and Lessees Whose Mineral Interests are to be Condemned.¹⁶

Following is a summary of the Mineral Interests GRS and PG&E seek to acquire from mineral owners and lessees in Madera and Fresno Counties. One mineral owner, Gill OG&M Trust, owns the mineral rights for approximately 1,000 of the acres within the Storage Field Boundary for which GRS and PG&E have not been able to reach agreement.¹⁷ GRS and PG&E recently learned that the Gill OG&M Trust entered into a lease with Gary Player Ventures for these mineral rights. The remaining mineral owners and lessees with whom agreement has not been reached each hold portions, or fractions, of the mineral rights associated with other properties within the Storage Field Boundary. The five parties that own Mineral Interests in both Counties are marked with an asterisk.

Madera County

Mineral Owners

- Mineral Interests owned by the Gill OG&M Trust, and leased by Gary Player Ventures from the Gill OG&M Trust.

¹⁶ Exh. 2, Att. 1, p. 7, lines 12-28; p. 8; p. 9, lines 1-15.

¹⁷ GRS and PG&E propose to install an observation well in the 1,000 acres of land for which the Gill OG&M Trust owns and Gary Player Ventures leases the mineral rights in order to monitor Project operations. GRS and PG&E have all of the necessary property rights to install this observation and monitoring well. Since filing the Complaint, GRS and PG&E have learned that Gill OG&M Trust and/or Gary Player Ventures have begun conducting oil and/or gas operations on the approximately 1,000 acres.

- Mineral Interests owned by Southern States Realty.*
- Mineral Interests owned by the heirs and devisees of Barbara A. Williams, aka Barbara Jane Williams, deceased.*
- Mineral Interests owned by the Calvin and Ines Antrim Revocable Trust created on December 28, 1992.*
- Mineral Interests owned by the Kingdon R Hughes Family Limited Partnership.*
- Mineral Interests owned by Neil F. Ormond.*

Mineral Lessees

- Mineral Interests leased by Gary Player Ventures from the Gill OG&M Trust.

Fresno County

Mineral Owners

- Mineral Interests owned by Southern States Realty.*
- Mineral Interests owned by the heirs and devisees of Blanche G. Brown, deceased.
- Mineral Interests owned by Clayton Brown, as Successor Trustee Under the Last Will and Testament of Alfred R. Brown.
- Mineral Interests owned by the Calvin and Ines Antrim Revocable Trust created on December 28, 1992.*
- Mineral Interests owned by the heirs and devisees of Barbara A Williams, aka Barbara Jane Williams, deceased.*
- Mineral Interests owned by the heirs and devisees of Harold Williams, deceased.
- Mineral Interests owned by Earl Brix Fenston, Jr.
- Mineral Interests owned by the heirs and devisees of Jeffrey Allen Fenston, deceased.
- Mineral Interests owned by the heirs and devisees of J.G. Imeson, deceased.
- Mineral Interests owned by the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased.
- Mineral Interests owned by Duane Lee Soares.
- Mineral Interests owned by the William Sherman Thomas Revocable Trust of 1987, established on October 28, 1987.
- Mineral Interests owned by the Kingdon R. Hughes Family Limited Partnership.*
- Mineral Interests owned by Neil F. Ormond.*

The legal descriptions, assessor's parcel numbers, and owner and lessee identification for the properties associated with the Mineral Interests to be condemned are included in Attachment D to Exhibit 2 (Revisions to Concurrent Direct Testimony on Behalf of Gill Ranch Gas Storage Project) and the May 3, 2010 Motion. This information was obtained from a review of the Official Records of the Madera and Fresno County Recorder's offices, as well as through publicly available information on probate filings for deceased owners and investigations as to the heirs of deceased owners where a probate had not been filed. Additionally, GRS obtained, on behalf of the Project, title opinions for the property necessary to carry out the Project.

IV. CONDEMNATION IS IN THE PUBLIC INTEREST

A. Findings Required Under Public Utilities Code Section 625.

Because GRS and PG&E will provide competitive gas storage services from their respective Project interests, they must ask the Commission to find that the proposed condemnation of Mineral Interests is in the public interest, pursuant to Public Utilities Code section 625(a)(1)(A). The Commission already determined in D.09-10-035 that the Project is in the public interest.¹⁸ As part of its review, the Commission also analyzed and approved the Project configuration in the Final MND adopted for the Project.¹⁹

The Commission may make a finding that the proposed condemnation is in the public interest if (1) the proposed condemnation is necessary to provide service as a provider of last resort to an unserved area, or (2) the public utility is able to satisfy four criteria.²⁰ Here, the proposed condemnation is not necessary to provide service as a provider of last resort to an unserved area. As explained in detail below, GRS' and PG&E's acquisition of the Mineral Interests is in the public interest because it satisfies the criteria set forth in Public Utilities Code section 625(b)(2):

- (1) The public interest and necessity require the Project;
- (2) The property to be condemned is necessary for the Project;
- (3) The public benefit of acquiring the property by eminent domain outweighs the hardship to the owners of the property; and

¹⁸ D.09-10-035, *mimeo*, Conclusion of Law 2; Ordering Paragraphs 1, 3, 5.

¹⁹ D.09-10-035, *mimeo*, Conclusions of Law 6, 7, 9; Ordering Paragraphs 26, 27, 29.

²⁰ Pub. Util. Code, § 625(b).

- (4) The Project is located in a manner most compatible with the greatest public good and least private injury.²¹

B. The Proposed Acquisition Meets the Criteria of Public Utilities Code Section 625(b)(2).

1. The Public Interest and Necessity Require the Project.²²

The Commission determined in D.09-10-035 that the public convenience and necessity require the construction and operation of the Project.²³ The Commission affirmed that its “let the market decide” policy for competitive gas storage facilities, adopted in the Gas Storage Decision, presumes a need for new gas storage facilities dedicated to non-core customers.²⁴ Additionally, the Commission found that the evidence of need for the Project provided by GRS and PG&E satisfied the requirements of Public Utilities Code sections 1001 and 1002.²⁵

In concluding that GRS and PG&E demonstrated actual need for the Project, consistent with Public Utilities Code section 1001, the Commission relied on the following uncontroverted evidence of market support for the proposed storage services:

- The Commission’s and the California Energy Commission’s (“CEC”) 2005 Energy Action Plan II and the CEC’s 2007 Integrated Energy Policy Report recognize the need for increased storage to ensure California’s natural gas infrastructure is sufficient to meet California’s peak demand requirements, enhance supply reliability, and provide price stability;
- Anticipated natural gas demand in the electric power sector implicates a need for additional storage;
- The Project’s central California location will make it possible to more efficiently and cost-effectively use existing utility gas infrastructure, and will provide increased reliability and price stability during periods of high demand and during supply interruptions; and
- The fact that other independent storage providers are fully subscribed and have received Commission authority to expand their operations, and response to GRS’ open season for its share of Project capacity, demonstrate market demand.²⁶

²¹ The four factors the Commission must consider pursuant to Public Utilities Code section 625(b)(2) are comparable to the findings set forth in Code of Civil Procedure section 1240.030 relating to the exercise of the power of eminent domain.

²² Exh. 1, p. 10, lines 6-27; p. 11; p. 12, lines 1-9.

²³ D.09-10-035, *mimeo*, Conclusion of Law 2.

²⁴ *Id.* at 17 (referring to the Gas Storage Decision (D.93-02-013 (48 CPUC2d 107, 127 and Finding 37)).

²⁵ *Id.* at 17.

²⁶ D.09-10-035, *mimeo*, pp. 17-19 and Conclusion of Law 2. Wild Goose Storage, Inc., an independent storage provider, recently filed an application to further increase its storage capacity (A.09-04-021).

The Commission also concluded that pursuant to Public Utilities Code section 1002, the Project is consistent with community values, will have no effect on recreational and park areas and historic and aesthetic values, and will have no significant effect on the environment.²⁷ GRS and PG&E conducted extensive outreach efforts that included local community members and state and local agencies and elected officials.²⁸ The Commission received letters of support for the Project from numerous elected officials and local jurisdictions. Specifically, letters of support were sent by Senator Dave Cogdill, Assembly Members Michael N. Villines and Juan Arambula, Fresno County Board of Supervisors, Madera County Board of Supervisors, Fresno County Farm Bureau, Madera County Farm Bureau, and the City Managers of the Cities of Fresno and Mendota.²⁹ No letters of opposition were received.³⁰

The Project will create socioeconomic benefits for Madera and Fresno Counties in the form of employment opportunities and revenue generation.³¹ Construction of the Project will require approximately 350 workers over a 10- to 12- month period.³² Approximately 40% of these workers will come from the local labor force. Approximately 10 full-time local employees will operate the Project after construction.³³ The Project will contribute approximately \$1.2 million per year to fund local services in Madera County and approximately \$600,000 per year to fund local services in Fresno County.³⁴ The Project will not result in significant impacts to public facilities and services.³⁵

Construction and operation of the Project will not affect recreational or park areas because all Project components will be located on private lands, there are no park and recreation areas in the vicinity of the Project, and construction and operation of the Project will not result in a change in the use of existing parks or recreation areas.³⁶ Historic use of the Gill Ranch Gas Field area has included natural gas production and agricultural development and, therefore, the

27 D.09-10-035, *mimeo*, pp. 12-21 and Conclusion of Law 4.

28 *Id.* at 19.

29 *Id.* at 20.

30 *Id.*

31 D.09-10-035, *mimeo*, p. 20.

32 *Id.*

33 *Id.*

34 *Id.*

35 *Id.*

36 D.09-10-035, *mimeo*, p. 21.

Project is consistent with historical values.³⁷ After incorporating design features and mitigation measures adopted in the Final MND, the Project will not result in significant effects on the environment, including aesthetic values.³⁸

The Commission has appropriately determined that the public convenience and necessity require the Project and the Commission should incorporate its recent findings in that regard into its decision regarding this Complaint.

2. The Property to be Condemned is Necessary for the Project.

The Mineral Interests GRS and PG&E seek to condemn are necessary for the Project.

a. Applicable Law

By law, GRS and PG&E may condemn any property “necessary to carry out and make effective the principal purpose involved including but not limited to property to be used for the protection or preservation of the attractiveness, safety, and usefulness of the project.”³⁹ Any entity authorized to acquire property for a particular use through eminent domain may exercise that power to “acquire any interest in property necessary for that use including, but not limited to, submerged lands, rights of any nature in water, subsurface rights, airspace rights, flowage or flooding easements, aircraft noise or operation easements, right of temporary occupancy, public utility facilities and franchises, and franchises to collect tolls on a bridge or highway.”⁴⁰ GRS and PG&E are further authorized to protect the Project by condemning adjoining property:

Where it is necessary to protect a public work or improvement from detrimental uses on adjoining property, the condemnor has the option either (1) to acquire an easement-like interest in the adjoining property that will preclude the detrimental use or (2) acquire the fee or some other interest and then – if the condemnor desires – lease, sell, exchange, or otherwise dispose of the property to some other entity or a private person subject to carefully specified permitted uses.⁴¹

b. Mineral Interests⁴²

As described above, in California, the surface owner has the right to store natural gas in subsurface geological formations, unless that right has been severed in a deed or other conveyance, subject to an obligation not to unreasonably interfere with a mineral owner’s or

³⁷ *Id.*

³⁸ *Id.* at 21-22.

³⁹ Code of Civ. Proc., § 1240.120(a); *see also* Cal. Law Rev. Comm. Com., foll. Code Civ. Proc., § 1240.120.

⁴⁰ Code of Civ. Proc., § 1240.110(a).

⁴¹ Cal. Law Rev. Comm. Com., foll. Code Civ. Proc., § 1240.120

⁴² Exh. 1, p. 13; p. 14, lines 1-13.

lessee's right to explore for and produce oil and gas.⁴³ GRS and PG&E have acquired storage rights from the owners of approximately 92% of the land within the Storage Field Boundary and expect to finalize agreements with the remaining surface owners soon. Where mineral rights have not been severed from the surface estate, consent to Project operations has been included in the underground storage leases with the surface owners. Where mineral rights have been severed from the surface estate, GRS and PG&E negotiated or are negotiating separately with the severed mineral rights owners and lessees to either acquire their mineral rights or their consent to the operation of the Project, including their agreement not to drill into the Storage Formation to produce therefrom or to drill through the Storage Formations without GRS' and PG&E's prior approval. Obtaining the mineral rights or consents from any separate mineral owners and lessees will preclude such owners or lessees from drilling into or through the Storage Formations and causing damage to the Storage Formations or the taking of stored gas. Obtaining such rights will also preclude others from claiming that recoverable gas reserves exist in the Storage Formations (prior to the injection of gas) or that Project operations have otherwise unreasonably interfered with their rights.

As public utilities with the power of eminent domain, GRS and PG&E seek to condemn the Mineral Interests for the "principal purpose" of natural gas storage.⁴⁴ As explained in detail herein, the Mineral Interests are necessary to preclude detrimental use or interference by others with natural gas storage operations at the Project and to preclude claims by mineral owners and lessees that the Project unreasonably interferes with their right to explore for and produce oil and gas. Therefore, the Mineral Interests are necessary to preserve the safety and usefulness of the Project.

GRS and PG&E do not seek to condemn all of the mineral rights owned or leased by the Defendants because they do not want to condemn more property or interests in property than necessary to conduct the operations authorized by the Commission. GRS and PG&E seek only

⁴³ See, e.g., *Cassinovs v. Union Oil Co. of California* (1993) 14 Cal.App.4th 1770; *Ellis v. Arkansas Louisiana Gas Co.* (1978) 450 F.Supp.412; also see GRS Application 08-07-032, p. 11 (available on the Commission's web site: [http://www.cpuc.ca.gov/Environment/info/mha/gillranch/pea/Application GR.pdf](http://www.cpuc.ca.gov/Environment/info/mha/gillranch/pea/Application_GR.pdf)).

⁴⁴ D.09-10-035, *mimeo*, p. 3; Pub. Util. Code, §§ 216, 222, and 613. As discussed in Section IV.B.1 above, the Commission determined in D.09-10-035 that the public interest and necessity require the Project.

that property and only those interests in property that are necessary to allow each to provide the storage services authorized in D.09-10-035.⁴⁵

The Commission already effectively determined that the Mineral Interests are necessary for the Project when it approved GRS' and PG&E's applications, authorizing GRS and PG&E to construct and operate the Project, and provide natural gas storage services using their respective interests in Project capacity. GRS' and PG&E's applications for CPCNs described the surface and subsurface rights necessary for the Project and to protect its safety and usefulness.⁴⁶ The Project, including the First and Second Starkey Formations to be used by GRS and PG&E for natural gas storage services, is described in the Final MND that was adopted by the Commission.⁴⁷ Accordingly, in granting the applications and approving the Project and the proposed storage services, the Commission recognized that the Mineral Interests are necessary to preclude interference by others and to protect the safety and usefulness of the Project.

Applying applicable California law and following D.09-10-35, the Commission should find in this proceeding that the Mineral Interests to be condemned are necessary for the Project.

3. The Public Benefit of Acquiring the Property by Eminent Domain Outweighs the Hardship to the Property Owners.⁴⁸

As described in detail above in Section IV.B.1, the Commission has already considered and determined that (1) the public convenience and necessity require the Project, (2) the Project will result in substantial public benefits, and (3) any potential adverse effects may be mitigated to less than significant levels.⁴⁹ The same analysis and conclusions apply here.

Specifically, the Commission found that GRS and PG&E demonstrated that the Project will benefit California's natural gas consumers (*i.e.*, the public) by helping to ensure the State's natural gas infrastructure is sufficient to meet peak demand requirements, enhance supply reliability, and provide price stability.⁵⁰ Market support for additional storage services is further evidence of the public benefits of the Project.⁵¹ The Commission also found that the Project would have significant community employment and economic benefits (also as described in

⁴⁵ Likewise, "a condmenor may not be required to take more severable rights in property than what it needs for the public use." (*Contra Costa Water Dist. v. Vaquero Farms, Inc.*, 58 Cal.App.4th 883, 893 (1997).)

⁴⁶ GRS Application 08-07-032, pp. 11-12; PG&E Application 08-07-033, pp. 11-12.

⁴⁷ See, e.g., Final MND, pp. MND-1 – MND-2 and Initial Study sections 2.3.1 and 2.3.2.

⁴⁸ Exh. 1, p. 14, lines 14-26; p. 15, lines 1-16.

⁴⁹ D.09-10-035, *mimeo*, pp. 17-22; Findings of Fact 12 and 13; and Conclusions of Law 2, 4, and 8.

⁵⁰ D.09-10-035, *mimeo*, pp. 17-19; and Conclusion of Law 2.

⁵¹ *Id.*

Section IV.B.1 above).⁵² The Commission found that the Project would not result in public harm with respect to recreational and park areas, historic and aesthetic values, or the environment.⁵³ Thus, the Commission has already weighed the benefits of the Project against potential public harm, and concluded that the benefits outweigh potential harm.

Similarly, the Project will not result in hardship to the Defendant Mineral Interest owners and lessees. GRS and PG&E seek to obtain only the Mineral Interests necessary to protect the safety and usefulness of the Project. GRS and PG&E do not seek to condemn all of the mineral rights held by the Defendants. GRS' and PG&E's acquisition of the Mineral Interests that are necessary to protect the safety and usefulness of the Project does not preclude the Mineral Interest owners and lessees from using and enjoying the portions of their mineral rights that GRS and PG&E are not acquiring, subject to GRS' and PG&E's approval of any such use that may affect the Storage Formations. For example, mineral owners and lessees may drill wells above the Storage Formations so long as these wells do not affect the Storage Formations, and they may drill through and into the Storage Formations so long as they obtain GRS' and PG&E's consent. The Mineral Interest owners and lessees will be compensated for the Mineral Interests, based on fair market value to be established after this proceeding, in Superior Court. No one will be required to relocate a home or business as a result of GRS' and PG&E's acquisition of the Mineral Interests.

The Commission should affirm its conclusion that the Project will result in substantial public benefits, and also find either that the proposed acquisition of the Mineral Interests results in no hardship to the Defendants, or that the benefits of the Project outweigh any potential hardship to the Defendants.

4. The Project is Located in a Manner Most Compatible with the Greatest Public Good and the Least Private Injury.⁵⁴

GRS and PG&E carefully weighed the public good and the potential for private injury in selecting the location of the Project. Even though CEQA does not require consideration of alternatives to a proposed project in a mitigated negative declaration, GRS and PG&E provided the Commission with information regarding alternative storage sites that were considered and

⁵² *Id.* at pp. 19-21.

⁵³ *Id.* at pp. 21-22, 58-61; Findings of Fact 12 and 13; and Conclusions of Law 4 and 8.

⁵⁴ Exh. 1, p. 15, lines 17-28; p. 16, lines 1-21.

rejected.⁵⁵ With respect to the Storage Field, GRS and PG&E evaluated several gas fields before selecting the Gill Ranch Gas Field for the Project.⁵⁶ Applying various criteria, including geologic characteristics, drive mechanism, number of production wells, location, land use, number of surface owners, and other storage suitability factors, GRS and PG&E ultimately concluded the Storage Field best achieved the Project objectives, listed below⁵⁷:

- (1) Provide highly-flexible economic natural gas storage services to a variety of customers;
- (2) Provide storage services using reservoirs with geologic characteristics suitable to conversion to multiple turn, high deliverability storage;
- (3) Diversify the location of storage facilities in California by providing centrally-located storage capacity in the southern San Joaquin Valley;
- (4) Provide storage services in a geographic area with less intensive present land use and with land use projected to be less intensive over the long-term;
- (5) Provide storage services at a location with reasonable access to PG&E's gas and electric facilities and make use of existing transportation and utility corridors;
- (6) Create additional natural gas storage capacity in California to enhance natural gas supply reliability; and
- (7) Aid in mitigating natural gas price volatility.

After considering the evidence supplied by GRS and PG&E regarding alternative storage sites, the Commission approved use of the Storage Field, located within the Gill Ranch Gas Field. As part of its approval of the Project, the Commission approved the Project location, concluding that the Project is consistent with community values and that it will result in substantial public benefits, without significant adverse effects on the environment. Any potential impacts to private agricultural operations in the Project area will be mitigated as provided in the Final MND. Further, GRS and PG&E seek to obtain only the Mineral Interests necessary to carry out and protect the safety and usefulness of the Project, and nothing more.

⁵⁵ CEQA Guidelines section 15071 (14 CCR § 15071).

⁵⁶ Proponent's Environmental Assessment for the Project, p. 5-2 (available on the Commission's web site: http://www.cpuc.ca.gov/Environment/info/mha/gillranch/pea_toc.htm).

⁵⁷ *Id.* at 5-1 – 5-2.

Based on the foregoing and consistent with D.09-10-035, the Commission should conclude that the Project is located in a manner compatible with the greatest public good and the least private injury.

V. CONCLUSION

GRS and PG&E appreciate the Commission's careful consideration of the issues in this proceeding. As the record clearly demonstrates, GRS' and PG&E's condemnation of the Mineral Interests is in the public interest. Accordingly, GRS and PG&E respectfully request the following relief:

- (1) For a Commission Order finding that GRS' and PG&E's condemnation of the Mineral Interests (*i.e.*, the exclusive right to drill through and into the Storage Formations beneath the property within the Storage Field Boundary for the purposes of the injection, storage, and withdrawal of natural gas, as specified in Section III.A, *infra*, and as described in Attachment 4 to Exhibit 2 (Revisions to Concurrent Direct Testimony) and the May 3, 2010 Motion is in the public interest, consistent with Public Utilities Code section 625(a). Specifically, GRS and PG&E request a Commission Order that finds that: (1) the public interest and necessity require the Project, as previously determined in D.09-10-035; (2) the Mineral Interests to be condemned are necessary for the Project; (3) the public benefit of acquiring the Mineral Interests by eminent domain outweighs the hardship to the property owners (or results in no hardship to the property owners); and (4) the Project is located in a manner most compatible with the greatest public good and least private injury;
- (2) For a Commission Order authorizing GRS and PG&E to exercise their condemnation authority under Public Utilities Code section 613 to acquire each of the Mineral Interests described in Attachment 4 to Exhibit 2 (Revisions to Concurrent Direct Testimony) and the May 3, 2010 Motion;

- (3) For a Commission Order granting the Motion to Dismiss Defendants filed by GRS and PG&E on April 14, 2010; and
- (4) For such other relief as the Commission deems just and proper.

Respectfully submitted,⁵⁸

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By: Ann L. Trowbridge /s/
Ann L. Trowbridge
Attorneys for Gill Ranch Storage, LLC

May 3, 2010

⁵⁸ GRS and PG&E submit this Opening Brief jointly, but pursuant to Commission Rule 1.8(d), only GRS' counsel has signed it.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Gill Ranch Storage, LLC, and Pacific Gas and Electric Company (U39G),

Complainants

v.

Will Gill, Jr., Robert Cadenazzi and Lee L. Gill, Co-Trustees of the Gill OG&M Trust; Gary Player Ventures; Southern States Realty, a California corporation; All of the heirs and devisees of Barbara A. Williams, aka Barbara Jane Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams; Brooke S. Antrim, Michael F. Antrim & Laurel C. Antrim, as Successor Co-Trustees of the Calvin and Ines Antrim Revocable Trust created on December 28, 1992; Kingdon R. Hughes Family Limited Partnership, a Texas limited partnership; Neil F. Ormond and/or Kingdon R. Hughes Family Limited Partnership, a Texas limited partnership, to the extent that it owns the executive rights of the interest of Neil F. Ormond; Joseph Curtis Edmondson; Jimmy L. Graham, Trustee of the Jim Graham Trust dated October 30, 1984; Vern Jones Oil & Gas Corporation; All of the heirs and devisees of Blanche G. Brown, deceased, including, but not limited to Janice Fry, aka Janice Darlene Fry, V. Lynn Grigsby, aka Virginia Lynn Grigsby, as an individual, and V. Lynn Grigsby, as Trustee of the Blanche G. Brown Revocable Living Trust Agreement dated 9/30/94; Clayton Brown, as Successor Trustee Under the Last Will and Testament of Alfred R. Brown and any and all beneficiaries or former beneficiaries under such Trust, including, but not limited to Janice Darlene Fry, aka Janice Fry and V. Lynn Grigsby, aka Virginia Lynn Grigsby; All of the heirs and devisees of Harold Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams and all of the heirs and

(EDM)

Case 10-02-001

(Filed February 2, 2010)

PROOF OF SERVICE

devises of Barbara A. Williams, aka Barbara Jane Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams, held originally as husband and wife as community property; Earl Brix Fenston, Jr.; Daniel L. Herman, Executor of the Estate of Jeffrey Fenston, and all of the heirs and devisees of Jeffrey Allen Fenston, aka Jeffrey Fenston and Jeffrey Alan Fenston, deceased, including, but not limited to, Daniel L. Herman; All of the heirs and devisees of J.G. Imeson, aka James G. Imeson, including, but not limited to: (a) all of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust; and (b) all of the heirs and devisees of Joyce Imeson Lucas, aka Joyce I. Lucas, excluding Jennifer R. Lucas, aka Jennifer L. Flanagan and Jennifer R. Flanagan, Robert I. Lucas and Lee S. Lucas; All of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust; Duane Lee Soares; Pat Decker and Thomas A. Miller, Successor Trustees of the William Sherman Thomas Revocable Trust of 1987, established on October 28, 1987,

Defendants

PROOF OF SERVICE

I hereby certify that I am a citizen of the United States of America, over 18 years of age. My address is 3620 American River Drive, Suite 205, Sacramento, CA 95864, and I am not a party to or interested in the above proceeding.

On May 3, 2010, I served a copy of **OPENING BRIEF OF GILL RANCH STORAGE, LLC AND PACIFIC GAS AND ELECTRIC COMPANY** on the addressees in the attached list as follows:

1. By personally delivering to, and leaving with, each addressee a copy of the Complaint and any other documents described above, at the address shown on the attached list or;
2. By electronic mail to those whose addresses are available and by depositing in the U.S. mail a copy of the **OPENING BRIEF OF GILL RANCH STORAGE, LLC AND PACIFIC GAS AND ELECTRIC COMPANY** and any other documents described above, in a sealed envelope, postage prepaid, first-class mail, addressed to each addressee at the address shown on the attached list; or
3. Other method of service: _____

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 3, 2010 at Sacramento, California.

Barb Taylor /s/
Barb Taylor

Honorable Maribeth A. Bushey, ALJ 505 Van Ness Avenue, Room 5018 San Francisco CA 94102 3298	Richard A. Myers Public Utilities Commission San Francisco Office 505 Van Ness Avenue San Francisco, CA 94102
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Eugene Cadenasso Public Utilities Commission San Francisco Office 505 Van Ness Avenue San Francisco, CA 94102	J. Jason Reiger Public Utilities Commission San Francisco Office 505 Van Ness Avenue San Francisco, CA 94102
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RESPONDENT PROPERTY OWNERS/LESSEES

OWNERS

Southern States Realty, a California corporation Attn: Lisa Salinas 14799 Chestnut Street Westminster, CA 92683	Southern States Realty, a California corporation Attn: Vicki M. Kaiser 2244 Walnut Grove Avenue Rosemead, CA 91770
All of the heirs and devisees of Barbara A. Williams, aka Barbara Jane Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams Julie Williams 4125 Hillcrest Drive Boise, ID 83705	Brooke S. Antrim, Michael F. Antrim & Laurel C. Antrim, as Successor Co-Trustees of the Calvin and Ines Antrim Revocable Trust created on December 28, 1992 Brooke S. Antrim, Michael F. Antrim & Laurel C. Antrim 1357 West Shaw Avenue, #104 Fresno, CA 93711
All of the heirs and devisees of Barbara A. Williams, aka Barbara Jane Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams 24424 Calle Torcido El Toro, CA 92630	Kingdon R. Hughes Family Limited Partnership, a Texas limited partnership 16475 Dallas Parkway, Suite 610 Addison, TX 75001
Will Gill, Jr., Robert Cadenazzi and Lee L. Gill, Co-Trustees of the Gill OG&M Trust Will Gill Jr., Robert Cadenazzi and Lee L. Gill, Co-Trustees 21501 Road 400 Madera, CA 93636-8137	Neil F. Ormond and/or Kingdon R. Hughes Family Limited Partnership, a Texas limited partnership, to the extent that it owns the executive rights of the interest of Neil F. Ormond

	Kingdon R. Hughes Family Limited Partnership 16475 Dallas Parkway, Suite 610 Addison, TX 75001
Neil F. Ormond and/or Kingdon R. Hughes Family Limited Partnership, a Texas limited partnership, to the extent that it owns the executive rights of the interest of Neil F. Ormond Neil F. Ormond 131 West Paul Avenue Clovis, CA 93612	All of the heirs and devisees of Blanche G. Brown, deceased, including, but not limited to Janice Fry, aka Janice Darlene Fry; V. Lynn Grigsby, aka Virginia Lynn Grigsby, as an individual, and V. Lynn Grigsby, as trustee of the Blanche G. Brown Revocable Living Trust Agreement dated 9/30/94 V. Lynn Grigsby 149 Debrick Way Grants Pass, OR 97526
Joseph Curtis Edmondson 15490 NW Oak Hills Drive Beaverton, OR 97006	Clayton Brown, as Successor Trustee Under the Last Will and Testament of Alfred R. Brown and any and all beneficiaries or former beneficiaries under such trust, including, but not limited to Janice Darlene Fry, aka Janice Fry and V. Lynn Grigsby, aka Virginia Lynn Grigsby V. Lynn Grigsby 149 Debrick Way Grants Pass, OR 97526
All of the heirs and devisees of Blanche G. Brown, deceased, including, but not limited to Janice Fry, aka Janice Darlene Fry; V. Lynn Grigsby, aka Virginia Lynn Grigsby, as an individual, and V. Lynn Grigsby, as trustee of the Blanche G. Brown Revocable Living Trust Agreement dated 9/30/94 1075 NE Hillcrest Grants Pass, OR 97526	All of the heirs and devisees of Blanche G. Brown, deceased, including, but not limited to Janice Fry, aka Janice Darlene Fry; V. Lynn Grigsby, aka Virginia Lynn Grigsby, as an individual, and V. Lynn Grigsby, as trustee of the Blanche G. Brown Revocable Living Trust Agreement dated 9/30/94 Janice Darlene Fry 204 De Laveaga Park Road Santa Cruz, CA 95065
Earl Brix Fenston, Jr. 911 Bakersfield Street Pismo Beach, CA 93449	Clayton Brown, as Successor Trustee Under the Last Will and Testament of Alfred R. Brown and any and all beneficiaries or former beneficiaries under such trust, including, but not limited to Janice Darlene Fry, aka Janice Fry and V. Lynn Grigsby, aka Virginia Lynn

	<p>Grigsby</p> <p>Janice Darlene Fry 204 De Laveaga Park Road Santa Cruz, CA 95065</p>
<p>All of the heirs and devisees of Harold Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams and all of the heirs and devisees of Barbara A. Williams, aka Barbara Jane Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams, held originally as husband and wife as community property</p> <p>Julie Williams 4125 Hillcrest Drive Boise, ID 83705</p>	<p>All of the heirs and devisees of Harold Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams and all of the heirs and devisees of Barbara A. Williams, aka Barbara Jane Williams, deceased, including, but not limited to, Julie Williams, aka Julie H. Williams, held originally as husband and wife as community property</p> <p>24424 Calle Torcido El Toro, CA 92630</p>
<p>Daniel L. Herman, Executor of the Estate of Jeffrey Fenston; and all of the heirs and devisees of Jeffrey Allen Fenston, aka Jeffrey Fenston and Jeffrey Alan Fenston, deceased, including, but not limited to,</p> <p>772 Brussels San Francisco, CA 94134</p>	<p>Daniel L. Herman, Executor of the Estate of Jeffrey Fenston; and all of the heirs and devisees of Jeffrey Allen Fenston, aka Jeffrey Fenston and Jeffrey Alan Fenston, deceased, including, but not limited to, Daniel L. Herman</p> <p>Daniel L. Herman 377 Mandarin Drive, #303 Daly City, CA 94015</p>
<p>All of the heirs and devisees of J.G. Imeson, aka James G. Imeson, including, but not limited to: (a) all of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust; and (b) all of the heirs and devisees of Joyce Imeson Lucas, aka Joyce I. Lucas, excluding Jennifer R. Lucas, aka Jennifer L. Flanagan and Jennifer R. Flanagan, Robert I. Lucas and Lee S. Lucas</p>	<p>All of the heirs and devisees of J.G. Imeson, aka James G. Imeson, including, but not limited to: (a) all of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust; and (b) all of the heirs and devisees of Joyce Imeson Lucas, aka Joyce I. Lucas, excluding Jennifer R. Lucas, aka Jennifer L. Flanagan and Jennifer R. Flanagan, Robert I. Lucas and Lee S. Lucas</p>

<p>P.O. Box 476 Jackson, WY 83001</p>	<p>Jean Day 4106 Burke Avenue N Seattle, WA 98103</p>
<p>All of the heirs and devisees of J.G. Imeson, aka James G. Imeson, including, but not limited to: (a) all of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust; and (b) all of the heirs and devisees of Joyce Imeson Lucas, aka Joyce I. Lucas, excluding Jennifer R. Lucas, aka Jennifer L. Flanagan and Jennifer R. Flanagan, Robert I. Lucas and Lee S. Lucas</p> <p>Chauncey Kepford 201 Fourth Street, #B Encinitas, CA 92024</p>	<p>Duane Lee Soares 255 N. Grantline Road Fresno, CA 93723</p>
<p>All of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust</p> <p>P.O. Box P Jackson, WY 83001</p>	<p>All of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and Jean Kepford Day, Trustees of the Kepford M. Rev. Trust</p> <p>Jean Day 4106 Burke Avenue N Seattle, WA 98103</p>
<p>All of the heirs and devisees of Rose I. Kepford, aka Rose Imeson Kepford and Susannah Rose Imeson Kepford, deceased, including, but not limited to, Chauncey R. Kepford, an individual, Jean Kepford Day, an individual, and Chauncey R. Kepford and</p>	<p>Duane Lee Soares 614 N. Grantland Ave. Fresno, CA 93722</p>

<p>Jean Kepford Day, Trustees of the Kepford M. Rev. Trust</p> <p>Chauncey Kepford 201 Fourth Street, #B Encinitas, CA 92024</p>	
<p>Duane Lee Soares 365 Grantland Ave. Fresno, CA 93722</p>	<p>Duane Lee Soares 55 Grantland Ave. Fresno, CA 93722</p>
<p>Duane Lee Soares 2915 Van Ness Fresno, CA 93704</p>	<p>Pat Decker and Thomas A. Miller, Successor Trustees of the William Sherman Thomas Revocable Trust of 1987, established on October 28, 1987</p> <p>Thomas A. Miller 16 Mainberry Drive Madera, CA 93637</p>
<p>Pat Decker and Thomas A. Miller, Successor Trustees of the William Sherman Thomas Revocable Trust of 1987, established on October 28, 1987</p> <p>Sherman Thomas Farms Attn: Lori Pond 25810 Avenue 11 Madera, CA 93637</p>	<p>Pat Decker and Thomas A. Miller, Successor Trustees of the William Sherman Thomas Revocable Trust of 1987, established on October 28, 1987</p> <p>Pat Decker 1004 Joy Street Madera, CA 93637</p>

LESSEES

<p>Gary Player Ventures 1671 W. 546 S. Cedar City, UT 84720</p>	<p>Jimmy L. Graham, Trustee of the Jim Graham Trust dated October 30, 1984</p> <p>c/o Donald C. Oldaker Noriega & Bradshaw 1801 18th Street Bakersfield, CA 93301</p>
<p>Jimmy L. Graham, Trustee of the Jim Graham Trust dated October 30, 1984</p> <p>c/o Armstrong Petroleum Corporation P.O. Box 1547 Newport Beach, CA 92659</p>	<p>Vern Jones Oil & Gas Corporation 555 University Avenue, Suite 180 Sacramento, CA 95825</p>

Vern Jones Oil & Gas Corporation 2981 Gold Canal Dr. Rancho Cordova, CA 95670	
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RESPONDENTS' REPRESENTATIVES

Ted Frame Law Offices of Frame & Matsumoto 201 Washington Street Coalinga, CA 93210	
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OWNERS OF ADJACENT OR BOUNDARY PROPERTIES

Pardis Orchards and Primex Intl Trading Corp 5777 W. Century Boulevard, #1485 Los Angeles, CA 90045	California Valley Land Co., Inc. P.O. Box 219 Huron, CA 93234
Gravelly Ford LLC 101 Larkspur Landing Circle, Suite 350 Larkspur, CA 94939	Clay S. Groefsema & Janice L. Groefsema, as Trustees of the Clay and Janice Groefsema Trust dated 11/13/90; Mark A. Jones & Sue G. Jones; Tom Beermann & Leigh Beermann; Clay S. Groefsema, Trustee of the Clay S. Groefsema Trust dated October 14, 1990; Bruce K. Groefsema, Trustee of the Bruce K. Groefsema Trust dated October 14, 1990; Anne G. Hurd, Trustee of the Anne G. Hurd Trust dated October 14, 1990; Sue G. Jones, Trustee of the Sue G. Jones Trust dated October 14, 1990; Leigh G. Beermann, Trustee of the Leigh Beermann Trust dated October 14, 1990; Christopher T. Hurd and Anne G. Hurd, Trustees or their Successors in Trust, under the Hurd Family Living Trust dated June 21, 1994, and any amendments thereto; Bruce K. Goefsema and Gail Z. Groefsema, as Trustees of the Burce & Gail Groefsema Family Trust dated March 4, 1999 9499 21 ½ Avenue Lemoore, CA 93245
Larry Sullivan & Betty Sullivan; C.D. Rupe; Teresa D. Buchannan, Trustee of the Opal J. Rupe Testamentary Trust	Sacramento & San Joaquin Drainage District 3310 El Camino Avenue Sacramento, CA 95821

<p>created under the Will of Opal J. Rupe; Teresa Buchanan; Tammy Hoffman; Tanya Weston; Susan Rusconi; Sheryl Imamura</p> <p>P.O. Box 246 Cantua Creek, CA 93608</p>	
<p>CalMex Farms 5777 W. Century Boulevard, #1485 Los Angeles, CA 90045</p>	<p>California State Lands Commission, State of California 100 Howe Avenue, Suite 100 South Sacramento, CA 95825</p>
<p>Metropolitan Life Insurance Company 7411 N. Cedar Avenue Fresno, CA 93720</p>	<p>Steven D. Schaad & Barbara L. Schaad 440 S. 4th Street Kerman, CA 93630</p>
<p>Larry Shehaday Farms LTD 144 E. Belmont Avenue Fresno, CA 93701</p>	

PUBLIC AGENCIES

<p>Aliso Water District 10302 Avenue 7 1/2 Firebaugh, CA 93622</p>	<p>Lower San Joaquin Levee District 11704 W. Henry Miller Avenue Dos Palos, CA 93620</p>
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COUNTIES

<p>County of Madera Planning Department 2037 W. Cleveland Avenue, M.S. G Madera, CA 93637</p>	<p>County of Fresno Public Works and Planning 2220 Tulare Street, 6th Floor Fresno, CA 93721</p>
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OTHER UTILITIES/ENTITIES OFFERING PROPOSING
COMPETITIVE GAS STORAGE SERVICE

<p>Lodi Gas Storage, L.L.C. c/o James W. McTarnaghan Duane Morris, LLP Spear Tower, Suite 2200 One Market Plaza San Francisco, CA 94105-1127</p>	<p>Wild Goose Storage, Inc. c/o Jeanne B. Armstrong Goodin MacBride Squeri Day & Lamprey LLP 505 Sansome Street, Suite 900 San Francisco, CA 94111</p>
<p>Central Valley Gas Storage, LLC c/o Nicor, Inc. P.O. Box 3014 Naperville, IL 60566-7014</p>	<p>Sacramento Natural Gas Storage, LLC c/o Law Office of Alfred F. Jahns 3436 American River Drive, Suite 12 Sacramento, CA 95864</p>

MISCELLANEOUS PARTIES

<p>Case Administration Southern California Edison Company Law Department 2244 Walnut Grove Avenue, Room 370 Rosemead, CA 91770</p>	<p>Southern States Realty, a California corporation Attn: Lisa Delorme Attorney 2244 Walnut Grove Avenue P.O. Box 800 Rosemead, CA 91770</p>
<p>Bernice E. Seidel Clerk to the board of Supervisors County of Fresno 2281 Tulare Street, Room 301 Fresno, CA 93721-2198</p>	<p>Tanna G. Boyd Chief Clerk Of The Board Of Supervisors COUNTY OF MADERA 200 WEST 4TH STREET MADERA CA 93637</p>
<p>Judi K. Mosley PACIFIC GAS AND ELECTRIC COMPANY PO BOX 7442 SAN FRANCISCO CA 94120</p>	<p>Charles E. Stinson, P.E. GILL RANCH STORAGE, LLC 220 NW 2ND AVENUE PORTLAND OR 97209</p>
<p>Joshua S Levenberg PACIFIC GAS AND ELECTRIC COMPANY 77 BEALE STREET, B30A SAN FRANCISCO CA 94105</p>	<p>Robert T. Howard PACIFIC GAS AND ELECTRIC COMPANY PO BOX 7442 SAN FRANCISCO CA 94120</p>

PARTIES SERVED BY ELECTRONIC MAIL:

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jarmstrong@goodinmacbride.com; thunckler@daycartermurphy.com; ajahns@jahnsatlaw.com;
cpe@cpuc.ca.gov; jzr@cpuc.ca.gov; mab@cpuc.ca.gov; ram@cpuc.ca.gov