

June 12, 2009

Ms. Crystal Spurr, Project Manager
California State Lands Commission (CSLC)
Division of Environmental Planning and Management
100 Howe Street, Suite 100-South
Sacramento, CA 95825-8202

Subject: Comments on PG&E Line 406/407 Natural Gas Pipeline Draft EIR (DEIR)

Dear Ms. Spurr:

The following are PG&E's comments regarding the DEIR.

EXECUTIVE SUMMARY

Clarification of Temporary Use Area

Page ES-2, lines 13-15

The DEIR accurately reflects the temporary use area (TUA) requirements for construction of the 30-inch pipeline on lines 9-13. However, it then goes on to state: "A 60-foot wide TUA would be used for construction in constricted workspaces and would require that excavated soil be transported to an adjacent TUA." (DEIR, p. ES-2, lines 13-15.) While PG&E recognizes that the TUA may be reduced due to lack of available space or environmental constraints, such restrictions should be made on a site-specific basis, rather than making a blanket assumption that the TUA would be reduced to 60 feet, since unnecessarily constricting the workspace will result in a longer duration of impacts. Therefore, PG&E proposes that the quoted language be deleted.

S-1

HDD Locations

Page ES-2, lines 15-17

HDD equipment will be set up at the entry points in the temporary use areas. At the exit points, no additional temporary use area is required. PG&E will be able to keep all equipment at the exit points within the right-of-way and temporary construction easement (i.e., TUA). Therefore, PG&E suggests the following change:

S-2

"Each of the twelve proposed Horizontal Directional Drilling (HDD) locations would require an additional 18,750-square-foot temporary use area for equipment that would be set up at the proposed entry and exit points."

Alternatives to Proposed Project

Page ES-4, lines 21-23

The DEIR explains why the Line 406 central alternative was eliminated from further analysis, but it does not include a number of reasons that render this alternative unsuitable. PG&E suggests that this language be modified as follows:

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Line 406 alternative was eliminated from further analysis because this proposed pipeline alternative alignment would be longer than the preferred alternative (resulting in greater impacts) and would require crossing a greater amount of potential foraging habitat for Swainson's hawk, nesting habitat for burrowing owls,

and other habitats utilized by special-status species. These alternatives would also require construction along sidehills, which would present additional engineering, construction, and maintenance considerations parallel an ephemeral stream passing through natural habitats to CR-14A.



S-3
Cont.

Environmentally Superior Alternative

Page ES-31, lines 29-31

The DEIR contains confusing language regarding the environmentally superior alternative. Although it recognizes that under the No Project Alternative, PG&E may not be able to provide reliable service to its customers, it concludes that the No Project alternative is the environmentally superior alternative." (DEIR, p. ES-31, lines 29-31.) However, on the following page, it states: "The environmentally superior alternative would be incorporating Alternative Options I and L into the proposed Project alignment." (DEIR, p. ES-32, lines 25-26.)

The No Project Alternative would render PG&E unable to comply with its public utility obligations to provide natural gas service to its customers and would trigger the construction of other projects. (See, e.g., section 451 of the Public Utilities Code, which provides: "Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities . . . as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.") Therefore, PG&E proposes to modify the DEIR as follows:

S-4

The No Project alternative would not result in any of the impacts associated with the proposed Project. Therefore, the No Project alternative is considered the environmentally superior alternative. However, the No Project Alternative would not meet the Project objectives because PG&E would be unable to meet its public utility obligations to provide natural gas service to its customers in accordance with the California Public Utilities Code and associated orders, rules, and tariffs.

SECTION 1.0. INTRODUCTION

Purpose and Scope of EIR

Page 1-4, lines 1-23

In this section, the DEIR identifies the role of other agencies with jurisdiction over various aspects of the Project. However, it omits any reference to the California Public Utilities Commission (CPUC), which has exclusive jurisdiction over the design and construction of the pipeline. PG&E proposes that the paragraph starting on line 21 be modified to reflect the CPUC's jurisdiction:

S-5

The California Public Utilities Commission (CPUC) has exclusive jurisdiction over the design and construction of the pipeline. The proposed Project would also require approvals and/or review by a number of Federal, State, and local agencies as noted in Section 1.4 - Permits, Approvals and Regulatory Requirements. However, as a CPUC-regulated public utility, PG&E is not subject to local land use and zoning regulations, and no local discretionary permits are required for the Project.

Efficient and Cost-Effective Planning

Page 1-3, lines 4-5

PG&E suggests the following modification to correct an error in the description of the new pipeline referenced on lines 4-5:

S-6



... transmission pipeline that extends from Lines 400 and 401 and travels in a north-south east-west direction paralleling County Road (CR) 85 near Esparto to Line 172A ...

S-6
Cont.

Permits, Approvals, and Regulatory Requirements **Page 1-8, lines 28-29**

To clarify what other permits are required for the Project, PG&E requests the following modifications:

As a CPUC-regulated public utility, PG&E is not subject to local land use and zoning regulations, and local discretionary permits are not required for the Project. However, in addition to action by the CSLC, the proposed Project may will require permits or approvals from the following reviewing authorities and regulatory agencies:

S-7

Permits, Approvals, and Regulatory Requirements **Page 1-9, line 13**

PG&E is not required to get local reclamation district permits. Therefore, the last bullet point on page 1-9 should be deleted.

S-8

SECTION 2.0. PROJECT DESCRIPTION

Wall Thickness and Grades **Page 2-16, lines 2-9**

PG&E proposes the following changes to accurately reflect the design of the pipeline system.

"The proposed pipeline traverses several different class locations, requiring different wall thicknesses and grades of steel pipe (~~Grade X-60~~) designed for a Maximum Allowable Operating Pressure (MAOP) of 975 pounds per square inch gauge (psig). The 10-inch DFM would be designed for a MAOP of ~~500 psig to~~ 975 psig. Industry standards for pipeline sections installed via Horizontal Directional Drill (HDD) technology require a pipe diameter to wall thickness ratio (D/t) of 50 or below. Refer to Table 2-2 for pipe wall thickness specifications required in each class location."

S-9

Depths to Cover **Page 2-17, Table 2-1**

The proposed depth of the Sacramento River crossing is 80 feet. Therefore, Table 2-1 needs to be corrected to reflect a 35 to 80 proposed depth in the last row on the table (Water Crossings).

S-10

Pipeline General Area Class Specifications **Page 2-18, Table 2-2**

PG&E has identified the following errors in the DFM column in Table 2-2:

- The proposed grade of the 10-inch DFM is 52,000, not 60,000.
- The seam type for the 10-inch DFM is Electric Resistance Welded (ERW), not DSAW.
- The percent SMYS at MAOP of the 10-inch DFM is 40.3, not 40.

S-11

Aboveground Facilities

Page 2-31, line 18

S-12

The DEIR needs to be corrected to accurately reflect the fact that the Yolo Junction Pressure Limiting Station will be ten feet in height, not five feet as stated in the DEIR.

Pipeline Right of Way

Page 2-37, lines 1-3; Figures 2-9 and 2-10

S-13

The DEIR correctly describes the 100-foot wide temporary use area (TUA) for the 30-inch pipeline segments. However, the 60-foot wide TUA referenced on the top of page 2-37 should refer to the 10-inch pipeline segments for distribution feeder mains (DFM), not constricted workspaces. Constricted work spaces should be determined on a site-specific basis. Therefore, PG&E suggests the following modifications:

A 60-foot wide TUA would be used for construction of the 10-inch pipeline segments for the distribution feeder mains in constricted workspaces and would require that excavated soil be transported to an adjacent TUA (see Figure 2-10)."

In addition, Figure 2-9 should be labeled as the configuration for the 30-inch pipeline construction right-of-way. Figure 2-10 should be labeled as the configuration for the 10-inch DFM pipeline construction right-of-way.

Typo

Page 2-37, line 15

S-14

Change the term "DMF" to "DFM."

Planting in the Right-of-Way

**Page ES-2, line 19; Page 2-16, line 27;
Page 2-37, line 20; Page 4.1-14, line 4
Page 4.2-22, line 32; Page 4.2-24, line 29**

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PG&E requests that the DEIR be corrected to reflect PG&E's current policy to prohibit planting of deep-rooted plants with 10 feet of the pipeline centerline, not 15 feet as stated in the above-referenced portions of the DEIR.

Staging Areas

Page 2-37, line 26

S-16

The DEIR correctly reflects the fact that the primary staging areas will be in existing industrial and commercial yards. PG&E requests the following modification to the DEIR plans to clarify that staging areas along the Project ROW will be within the 100-foot TUA.

Staging areas along the Project right-of-way would be within the TUA—would generally be approximately 300 feet by 200 feet.

Agency Representative at Meeting

Page 2-49, line 8-9

PG&E requests that the following modification be made to reflect the fact that there will be different types of meetings with various participants.

S-17

Also, PG&E would hold a preconstruction meetings with ~~between~~ permitting entities and the construction crews.

Protective Coatings

Page 2-55, lines 21-22

PG&E requests that the referenced language be modified as follows to allow the use of protective coatings other than epoxy.

S-18

The pipe sections would be welded together, x-rayed, and a protective abrasion resistant coating ~~epoxy~~ applied to the joints.

Horizontal Directional Drilling

Page 2-55, lines 31-33

The DEIR states: "The Project pipeline would be installed a minimum of 60 feet underneath the bed and banks of any navigable water body and a minimum of 35 feet below any other feature to be crossed by HDD technology." However, it is unclear which crossings are considered by CSLC to be navigable waterways. PG&E requests that the language in the DEIR be modified as follows:

S-19

The Project pipeline would be installed ~~a minimum of 60 feet underneath the bed and banks of any navigable water body and a minimum of 35 feet below any other~~ water feature to be crossed by HDD technology.

Pipe Buoyancy

Page 2-71, lines 16-18

The DEIR contains information previously provided by PG&E regarding its design to control buoyancy in the Yolo bypass. However, since that time, PG&E has progressed with its buoyancy control design. PG&E requests the following revision of the language to reflect the new design:

S-20

To address the potential for scour within the Yolo Bypass, cover would be increased from 5 feet to 7 feet. A slurry backfill will be placed in the ditch around the pipeline to a depth of 2 feet above the pipeline (5 feet below grade). The slurry will have a minimum weight of 120/lbs/cubic foot to provide the required downward force to prevent buoyancy. ~~a concrete coating would be applied to provide a downward force of 10 lbs/ft or 2-inch minimum thickness whichever is greater (PG&E 2008).~~

Construction Schedule

Page 2-80, lines 11-23

PG&E suggests that the information regarding the construction schedule be updated as follows:

S-21

Construction of Line 406 would begin as soon as all agency approvals have been obtained in September or October 2009 ~~with the targeted proposed in-service date scheduled for November February 2010.~~ The Line 407 East, Line 407 West, and DFM segments would may be constructed in two different phases as dictated by the

added load on the transmission system. ~~Current projections are that Phase 1, consisting of Line 407 East and the DFM, would be constructed in May 2010 with an in-service date of September 2010. However, PG&E acknowledges that Phase 1 installation may need to occur in advance, as early as 2009, of several road improvement projects associated with developments along Baseline Road and Riego Road. Phase 2, consisting of Line 407 West, is projected to be required in 2012. Construction of the Line 407 segments is projected to begin in 2012 but may be required earlier depending upon load growth in the area.~~

S-21
Cont.

Construction would typically occur between 6:00 a.m. and 6:00 p.m., Monday through Saturday, except for the HDD operations, tie-ins, and hydrostatic testing, which may occur around the clock. . . .”

GPS Coordinates

Page 2-83, lines 9-12

The DEIR reflects information contained in PG&E’s application that indicates that PG&E will take GPS coordinates at all pipe welds. Since submitting the application, however, PG&E has refined its GPS plans and requests that the referenced language be modified as follows:

S-22

. . . PG&E would take Global Positioning System (GPS) coordinates periodically along the route and tie the as-built pipeline drawings back to the original survey. Locations with GPS coordinates include tie-ins, angle points, HDD entry and exits points, class location changes, and wall thickness and pipe grade changes at the locations of all pipe welds in order to maintain an accurate location of the proposed pipeline once it is in the ground.

High Consequence Area

Page 2-84, lines 28-34

The DEIR discusses the steps that must be taken where a pipeline is within a High Consequence Area (HCA). The Department of Transportation regulations (49 CFR 192, Subpart O) sets forth two methods for determining HCAs, and PG&E has utilized method 2 to identify potential HCAs along the Project route. One potential HCA exists along Line 407E at 3700 Riego Rd, Elverta CA (Western Wood Fabricators) and one is confirmed at the Baseline Road Pressure Regulating Station (BRS). Therefore, PG&E suggests that the DEIR be modified as follows:

S-23

Operators are also required to devote additional efforts and analysis in HCAs to ensure the integrity of the pipelines. A potential HCA exists along Line 407 East and one HCA is confirmed at Fiddymont Road. The portions of the Project within Class 3 areas, including Line 407 East and the Powerline Road DFM, would be within an HCA. When HCAs are confirmed, or as population density creates new HCAs, those certain portions of the Project would be required to be included in PG&E’s Pipeline Integrity Management Plan, which provides for the assessment and mitigation of pipeline risks in an effort to reduce both the

SECTION 4.2 AGRICULTURAL RESOURCES

County Designated Compatible Williamson Act Land Uses

Page 4.2-19, lines 1-8

As a CPUC-regulated public utility, PG&E is not subject to local land use and zoning regulations, and PG&E is not required to obtain local discretionary permits, including minor

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use permits referenced in this paragraph. The first paragraph on page 4.2-19 is in error and should be deleted.

↑ S-24
Cont.

SECTION 4.3 AIR QUALITY

Spare the Air Days

Page 4.3-40, lines 19-20 (AMP AQ-11)

To clarify steps that PG&E will take on "spare the air days," PG&E suggests that this provision be modified as follows:

S-25

On "spare the air" days within each County, PG&E will enact measures to promote carpooling by Project employees and limiting emissions and equipment operation that does not otherwise impede Project progress. Contractors will limit operation on "spare the air" days within each County.

Greenhouse Gases (GHGs)

Page 4.3-49 to 4.3-52

The DEIR acknowledges that "[t]he CLSC does not currently have a defined threshold of significance for climate change or GHG emission impacts." (DEIR, p. 4.3-37, lines 17-18.) It calculates the GHG impacts associated with construction and operation of the pipeline (primarily worker vehicles and construction equipment). While it concludes that the operational impacts are "less than significant" (DEIR, p. 4.3-51, line 10), it directs PG&E to purchase carbon offsets equivalent to the project's GHG emissions during construction to achieve a net zero increase. (DEIR, p. 4.3-52, lines 6-10, MM AQ-3.) This analysis regarding the GHG impacts associated with construction is flawed in three ways.

First, the calculation of GHG emissions does not take into account that PG&E's fleet meets new CARB standards for vehicle emissions. As a result, the GHG impacts associated with vehicle use during construction are overstated, and it is unclear whether the proposed mitigation would apply to projected or actual impacts.

S-26

Second, although the DEIR acknowledges PG&E's participation in three programs designed to reduce climate change impacts (DEIR, pp. 4.3-49, lines 16-28), it completely ignores the impact of these programs.

Third, there is no basis for the CSLC's assumption that the impacts must be mitigated to achieve a "net zero" impact. The California Public Utilities Commission, which has primary jurisdiction over the design and construction of public utility projects, has not adopted this standard. Moreover, CEQA authorizes a lead agency to impose mitigation only to "substantially lessen or avoid significant impacts on the environment." (CEQA Guidelines, §15041(a).) If an impact is not significant, there is no authority to mitigate.

PG&E understands that there is currently uncertainty among state agencies as to the appropriate way to deal with GHG emissions before CARB's GHG programs are fully implemented. However, PG&E suggests that CSLC adopt the same kind of approach it uses for other environmental impacts. Specifically, it should: (1) calculate the GHG impacts before mitigation measures are applied; (2) calculate the impacts after mitigation; and (3) determine whether those impacts are significant. If not, no additional mitigation should be required. If so, additional mitigation would be appropriate to reduce those impacts to a less than significant level – not to reduce the impacts to zero.

SECTION 4.4 BIOLOGICAL RESOURCES

Dwarf Downingia Status **Page 4.4-21, line 17-18**

PG&E suggests the following modification to the referenced language to reflect the listing status for dwarf downingia:

S-27

Dwarf downingia (*Downingia pusilla*), a CNPS List 2 species strict endemic of the vernal pool hydrologic regime, is a strict endemic of the vernal pool hydrologic regime and an annual member of the bellflower family (*Campanulaceae*).

Presence of Fairy Shrimp **Page 4.4-26 and 4.4-27 (Table 4.4-3)**

The DEIR erroneously concludes that fairy shrimp “(*Branchinecta lynchi*) was not found during any of the wet season surveys and is presumed absent from the project site.” In fact, *Branchinecta lynchi* was present in two wetland features during wet season surveys conducted in 2007-2008. In addition, unidentified *Branchinecta sp.* eggs were present in several features during the dry season surveys. Therefore, *B. lynchi* is assumed present in the project area, and the above language should be modified accordingly.

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Local Conservation Plans and Policies **Pages 4.4-55, 4.4-86, and 4.4-91**

As a CPUC-regulated public utility, PG&E is not subject to local land use and zoning regulations. Therefore, the EIR should be modified as follows to reflect the proper jurisdictional status of various local agencies:

S-29

Page 4.4-55, lines 5-8.

Local conservation plans and policies are included below. County General Plan goals, policies, and objectives were also evaluated in preparation of this DEIR; however, due to their length they are appended to this DEIR (see Appendix E-14). Although PG&E is not subject to local conservation plans, these plans and policies are taken into consideration in evaluating Project impacts and mitigation measures.

Page 4.4-86, lines 9-13

A qualified ecologist shall dictate the following procedures to ensure that they will be consistent with ~~applicable local jurisdiction requirements, such as County Tree Ordinances, and with any additional permit conditions imposed by the local agency as well as~~ CDFG and other state or federal agencies.

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Page 4.4-91, lines 4-6

At that time, a report shall be submitted to the ~~local jurisdiction, and~~ CDFG, if requested, summarizing the results.

S-31

Vegetation Clearing **Pages 4.4-81, 4.4-85, and 4.4-94**

The DEIR requires that vegetation be cleared only from areas scheduled for immediate construction work (within 10 days). The intent of the 10-day restriction for clearing vegetation is not entirely clear, but PG&E surmises that it is to minimize the potential for

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erosion, sedimentation, and the spread of invasive weeds that could result if soil is left barren for an undue length of time. This risk would only occur during the rainy/wet season. Since most vegetation clearing will take place during the dry season, PG&E suggests that this measure only be applicable for work that may occur during the wet season. In addition, vegetation clearing is often necessary more than 10 days prior to construction. Therefore, PG&E proposes the following modification to replace the 10-day limit with a 30-day limit and to restrict its applicability to the typical wet season of November through April.

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S-32
Cont.

Page 4.4-81, lines 22-25

Vegetation clearing and/or installation of mats shall be conducted only from areas scheduled for immediate construction work (within 30 40 days) and only for the width needed for active construction activities. The 30-day requirement only applies in the wet season (November through April).

S-33

Page 4.4-85, lines 26-27

Existing vegetation shall be cleared only from areas scheduled for immediate construction work (within 30 40 days). The 30-day requirement only applies in the wet season (November through April).

S-34

Page 4.4-94, lines 10-12

Existing vegetation shall be cleared only from areas scheduled for immediate construction work (within 30 40 days) and only for the width needed for completion of activities within each active construction area activities. The 30-day requirement only applies in the wet season (November through April).

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Wetland Avoidance and Restoration

Pages 4.4-81 to 4.4-83 (MM BIO-1a)

Several of the mitigation measures require flagging, mapping, and/or fencing of sensitive resources found within or near the work areas. In PG&E's experience, it is often more effective and safer for the resource to flag or fence the edge of the limit of work area at an Environmentally Sensitive Zone rather than flag or fence the resource itself. This approach actually causes less resource or buffer area disturbance. We recommend clarifying the following portions of the DEIR to specify that either the resource or the limits of the work area be flagged and fenced in the areas where avoidable resources are to be protected. In addition, since the USACE has determined that active rice fields are considered jurisdictional wetlands, a number of these measures should apply to the natural area wetlands, but would not be appropriate for cropped wetlands or rice fields. To address these issues, PG&E recommends the following clarifications:

S-36

Page 4.4-81, lines 6-7

Maximum avoidance of jurisdictional wetlands as determined in consultation with USACE and RWQCB by fencing either the wetlands and appropriate buffer zones that can be avoided or the limits of the work area adjacent to those areas to ensure that no inadvertent encroachment occurs into these areas.

S-37

Page 4.4-81, lines 10-11

Consultation with the USACE and RWQCB for any unavoidable wetland impacts, obtaining the appropriate permits, and implementation of the conditions of those permits.

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Page 4.4-81, line 16, through page 4.4-82, line 5

Avoidance will consist of fencing any the wetlands that are to be avoided within the ROW, including appropriate buffer zones, to minimize impacts to wetland vegetation types. If construction work areas and/or associated overland travel in wetlands in a saturated or ponded condition is unavoidable, all equipment, vehicles and associated construction materials shall be placed on protective mats to avoid soil compaction, such that they do not make direct contact with the wetland. This requirement is not intended for use in dry soils, where the risk of compaction is low. Vegetation clearing and/or installation of mats shall be conducted only from areas scheduled for immediate construction work (within 30 40 days) and only for the width needed for completion of activities within each active construction area activities. The 30-day requirement only applies in the wet season (November through April). Mats are not required for work in cropped areas (e.g., rice fields). Mats shall be removed immediately following completion of activities within each active construction area. During pipeline construction, the 12 inches of topsoil shall be salvaged (or less where topsoil is less than 12 inches deep), stored in an upland location, and replaced wherever the pipeline is trenched in wetlands. Prior to permit issuance and final design, project construction plans shall depict appropriate measures for topsoil protection and storage that will allow survival of existing seed within the topsoil. Topsoil shall be placed at the surface on top of fill material and not be used to backfill the trench, and excavated trench spoils or excess fill shall be placed on top of the pipeline under topsoil and not dispersed onto the surface of the ROW. Implementation of these measures prior to and during construction will be supervised and verified by the Environmental Monitor (see APM BIO-6).

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Page 4.4-82, Lines 21-23

A discussion demonstrating how maximum practicable avoidance has been accomplished and why the wetlands proposed to be impacted cannot be avoided.

S-40

Page 4.4-82, Lines 24-30

Methods proposed for restoring the affected wetlands, including topsoil preservation (inclusive of restoration of an impermeable layer, i.e., hardpan, if approved) and backfilling, soil and grade preparation such that there is no change in pre-construction contours, regionally native seed and/or plant materials to be used and installation methods, and maintenance measures, including weed control (does not apply to rice fields and cropped wetlands).

S-41

Page 4.4-82, Lines 31-32

Minimum 1:1 replacement ratio (in-kind in-land, on-site) for area and function of temporarily damaged wetland areas.

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Page 4.4-83, lines 1-7