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A2PP2011-084

September 30, 2011

Ms. Christine Stora, CPM
(09-AFC-2C)
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

DOCKET 09-AFC-2C
DATE SEP 30 2011
RECD. NOV 28 2011

**SUBJECT: TID A2PP (09-AFC-2C) PG&E GAS PIPELINE INFORMATION
THIS SUBMITTAL IS FOR INFORMATION ONLY AND IS NOT REQUIRED BY A
SPECIFIC CONDITION OF CERTIFICATION**

Dear Ms. Stora:

Please find attached, the information you requested regarding the PG&E gas pipeline and reinforcement segment, which will serve the Turlock Irrigation District Almond 2 Power Plant, as well as improve the PG&E gas system.

Should you have any questions regarding this information, please do not hesitate to contact me at 530-757-7038. Thank you.

Sincerely,

Susan Strachan
Strachan Consulting

Attachment

cc: Brian LaFollette, w/ attachment
Jeff Harris, w/ attachment

Introduction

As demonstrated in a review of the documents filed during the AFC proceeding for the Turlock Irrigation District (TID) Almond 2 Power Plant (A2PP), natural gas service was always described as being delivered through a pipeline that would be designed, constructed, owned, and operated by PG&E. In addition, the benefits to the PG&E system resulting from the construction of the natural gas pipeline were similarly documented during the proceeding, as discussed below.

Permitting Background PG&E Gas Pipeline DFM 7216-03 and Reinforcement Segment

TID filed the A2PP Application for Certification on May 11, 2009. It was found Data Adequate on July 1, 2009. The AFC included the construction of a natural gas pipeline that would be designed, constructed, owned, and operated by PG&E. These facts are also reflected in the Commission's Final Decision in the A2PP AFC proceeding.

PG&E's role in the pipeline was disclosed from the start. Section 1.2 of the AFC states unambiguously, "Consistent with PG&E practice and California Public Utilities Commission (CPUC) law and regulation, the natural gas pipeline will be owned by PG&E."

Discussion of Natural Gas Service for A2PP: AFC and Discovery

The May 2009 AFC recognized that at the time of filing, PG&E was evaluating the gas pipeline alternatives contained in the AFC. It states:

Pacific Gas & Electric Company (PG&E) is currently examining the relative strengths of the two alignments. In order to allow the AFC to proceed, the two possible alternatives are presented in this AFC with same level of detail to allow complete evaluation of both alternatives. TID anticipates that PG&E will select a preferred route in late spring or early summer 2009. At that time, the route not selected will provide information for the California Energy Commission's Alternatives analysis. (Executive Summary, p. 1-2. Please note that this same footnote was repeated verbatim in the introductory discussion in a total of fifteen sections of the AFC.)

This information in the AFC acknowledged that while two buildable routes to serve A2PP existed, PG&E was still in the process of evaluating additional alternatives.

In November 2009, TID submitted Data Response Set 1D, which included information on a third alignment, the preferred alternative gas pipeline route selected by PG&E, which was designated as the "Preferred Alignment." The Preferred Alignment was described by PG&E as an 8-16 inch, 11.6-mile pipeline (Distributed Feeder Main (DFM) 7216-03), and a 24 inch, 1.8-mile reinforcement segment to serve the A2PP and to reinforce the PG&E gas pipeline system (see Figure 1).

This November 2009 Discovery filing specifically identifies that the line will benefit the PG&E system in general, and other customers, in particular:

As set forth in the Application for Certification (AFC), at the time of filing, Pacific Gas and Electric Company (PG&E) was examining the relative strengths of two possible alignments for the natural gas pipeline. The two possible alternatives were presented in the AFC with the same level of detail to allow complete evaluation of both alternatives. Further, as indicated in the AFC, any route not selected would provide information for the California Energy Commission's Alternatives analysis.

As a result of PG&E's exhaustive review of improvements to its natural gas system, PG&E has proposed a third route, the "Preferred Alignment," described herein. To provide reliable service to the Almond 2 Power Plant (A2PP) and other PG&E customers, the Preferred Alignment also includes reinforcement of a segment of an existing natural gas pipeline along a portion of PG&E's Line #215.¹

Thus, in describing the Preferred Alignment, the documents in the record clearly identify the line as providing benefits to other PG&E customers associated with these system improvements.

Further, the November 2009 Data Response Set 1D provides information on system improvements designed to benefit PG&E customers in general. Specifically, in addition to describing the metering set that will be constructed on TID's Almond Power Plant property the filing also describes a PG&E regulating station, not associated with the A2PP, that will be built adjacent to the metering station. Specifically it states:

Also to be installed within the same area as the metering set will be a PG&E regulating station for PG&E's gas pipeline system. The regulating system is not required for A2PP.²

The regulating station's design and purpose is to provide PG&E system enhancements or Betterments as that term is used in the CPUC-approved tariffs.³

¹ Data Response Set 1D, CH2MHill, November 25, 2009, Page 2-1.

² Ibid.

³ When responding to requests for service like the request made by TID for A2PP, the CPUC-approved natural gas tariffs allow PG&E to consider making PG&E system improvements, like a larger diameter pipe and regulating station, at the same time customer needs are addressed. These PG&E systems benefits are

The regulating station described enables PG&E to interconnect the new Line DFM 7612-03 to PG&E's existing line 148, near the entrance of the Almond Power Plant. The connection to Line 148 at the PG&E regulating station allows PG&E to move gas from the south to serve the greater Modesto area. In addition, PG&E ultimately chose to make DFM 7612-03 a 16" to provide it with greater capacity. In short, PG&E's Betterment of a 16-inch line and related regulating station gives PG&E additional capacity to reliably serve its customers in the region.

Based on the information provided in the AFC and in Data Response Set 1D, PG&E's responsibilities regarding the gas pipeline and reinforcement segment are clearly set forth in the Commission's record.

PG&E's ownership of the gas pipeline enables it to serve its customers in any manner it deems appropriate, consistent with the authorities granted to PG&E by the CPUC. The information provided in Data Response Set 1D in November of 2009 made clear PG&E's intent to serve other PG&E customers. Nothing has changed.

The Staff Assessment and Revised Staff Assessment Accurately Describe the PG&E System Improvements

The CEC's Staff Assessment and Revised Staff Assessment both acknowledge PG&E's responsibilities associated with the gas pipeline and reinforcement segment. Throughout the documents, there are references to PG&E designing, constructing, owning, and operating the natural gas pipeline and reinforcement segment.

For example, the Cultural Resources section of the Revised Staff Assessment provides further details and states the following:

designated as "Betterments" in the CPUC-approved natural gas tariffs. Rule 15 defines Betterments as follows:

BETTERMENT: Facilities installed for PG&E's operating convenience such as, but not limited to the following: to improve gas flow or correct poor pressure conditions, to increase line capacity available to an existing system, to permit pressure conversion of an area, or to install proportionally larger pipe than necessary to provide for future load growth, will be installed at the expense of PG&E.³

From a policy perspective, Betterments benefit PG&E's existing customers and avoid the need for expensive upgrades to serve in an area in the coming years.

The proposed 11.6-mile natural gas pipeline and 1.8-mile reinforcement is identified as the preferred route. PG&E will own and operate the natural gas pipeline. The pipeline will be constructed to reinforce the existing PG&E natural gas system, serving the greater Modesto area, and the A2PP project.⁴

The Commission's Final Decision Accurately Describes the PG&E System Improvements

Similarly, the Commission Decision also reflects PG&E's responsibilities over the gas pipeline. Throughout the document the Commission makes reference to PG&E constructing and owning the natural gas pipeline and reinforcement segment. For example, the Efficiency Section of the Commission's Decision states:

The evidence establishes, however, that PG&E is capable of delivering natural gas to the A2PP project and its other customers such that other customers will not be adversely impacted by A2PP's required supply⁵

Requested Figures: PG&E Interconnection to its Gas Pipeline System

As noted above, Figure 1 attached hereto shows the Preferred Alignment (Distributed Feeder Main (DFM) 7216-03), and the reinforcement segment to serve the A2PP and to reinforce the PG&E gas pipeline system. This alignment is the same alignment described in the CEC record, including the CEC's Final Decision in the A2PP AFC.

Figure 2 is an equipment layout of the Almond 2 Power Plant site. It also shows the existing Almond Power Plant. Identified on the figure, on the existing Almond Power Plant site, is the proposed location of the PG&E regulating station and the metering station into which DFM 7216-03 will interconnect.

Figure 3 is a close-up of the PG&E regulating station and metering station. It shows, in blue, line DFM 7216-03 entering the metering station. It also shows, in blue, a new on-site gas line leaving the metering station and extending to the Almond 2 Power Plant. Also shown in the figure, in green, is a new pipeline (not required for A2PP but part of PG&E's Betterment), which will leave the PG&E regulating station and interconnect to PG&E's existing line 148. Line 148 is shown in red. Line 148 also serves the existing Almond Power Plant. The regulating station serves as an interconnection point tying DFM 7216-03 into the existing PG&E pipeline system, allowing gas to flow from DFM 7216-03 into Line 148 to serve the greater Modesto area.

⁴ CEC Revised Staff Assessment, July 30, 2010, Cultural Resources page 4.3-4.

⁵ CEC Final Decision, December 15, 2010, Efficiency, p. 4.

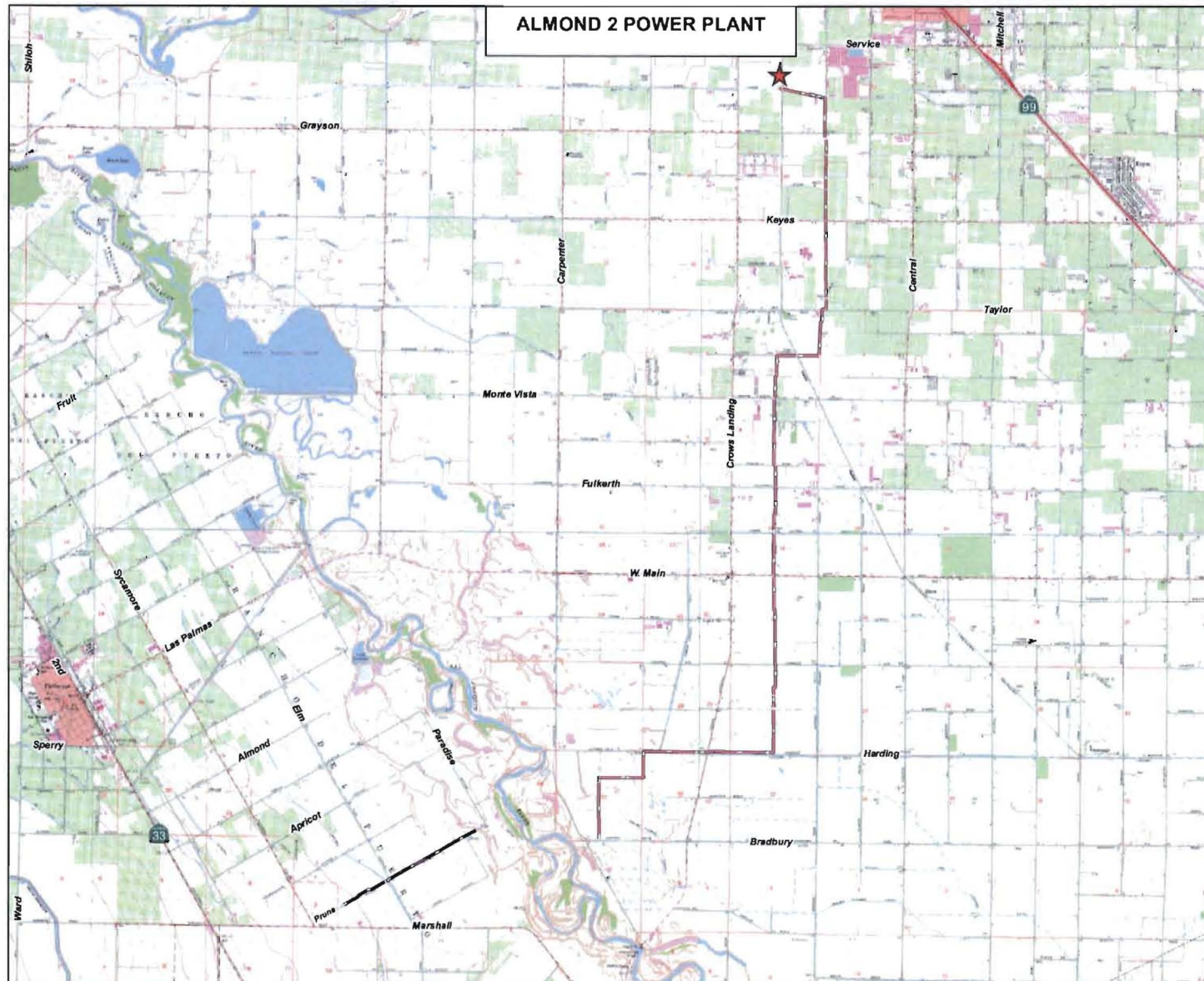
Conclusion

Based on the information provided in the AFC and subsequent documents provided to the CEC, it was clearly represented that PG&E would design, construct, own, and operate the gas pipeline and reinforcement segment. In addition, these documents also confirm that the Preferred Alignment approved by the Commission would be a system improvement, enhancing system reliability by allowing PG&E to serve the A2PP and other PG&E customers in the greater Modesto area.

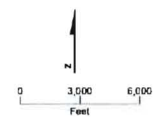
ALMOND 2 POWER PLANT

LEGEND

- ★ Almond 2 Power Plant location
- 16 inch, 11.6 Mile Gas Pipeline
- 24 inch, 1.8 Mile Reinforcement Segment

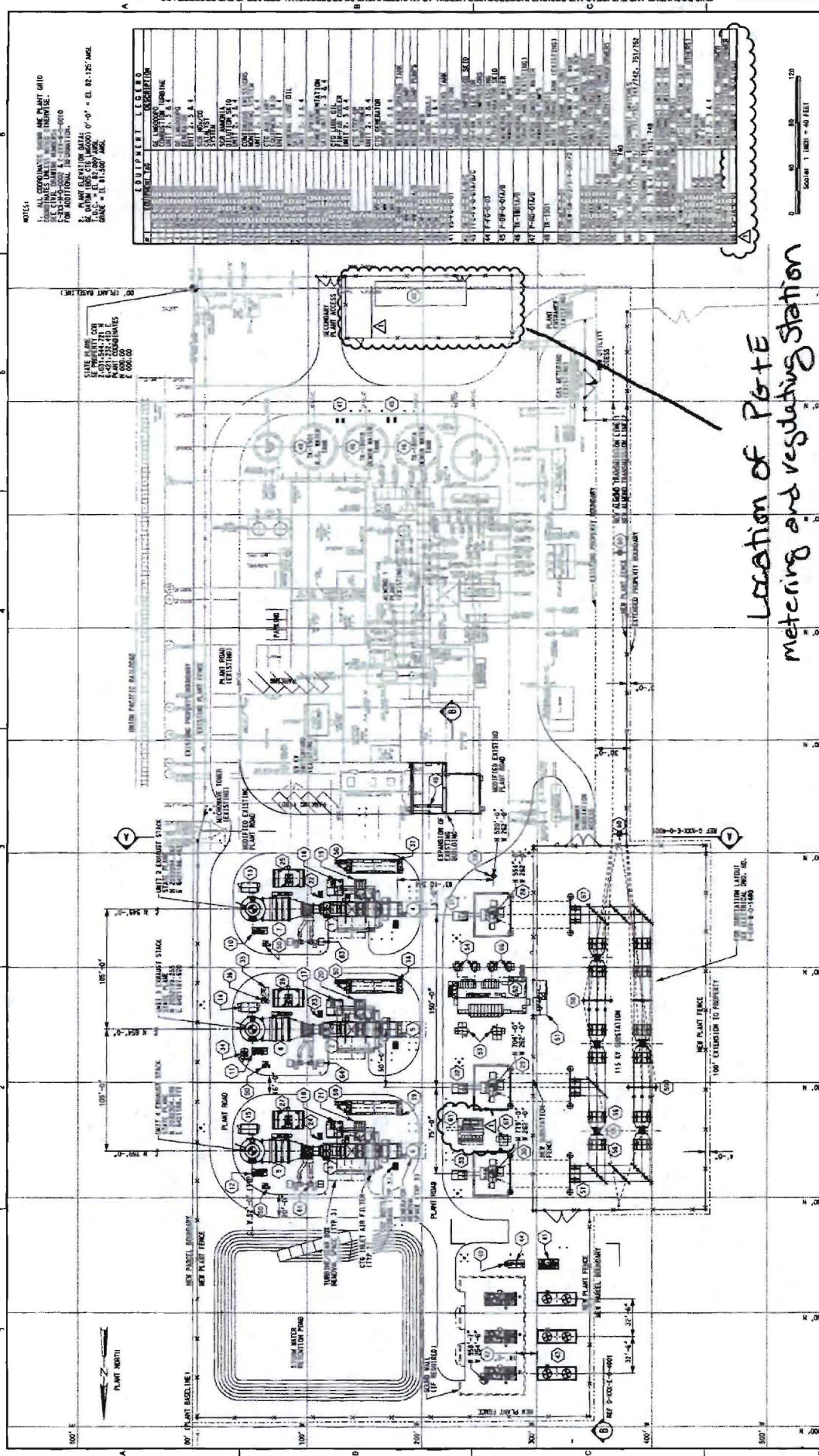


This map was compiled from various scale source data and maps and is intended for use as only an approximate representation of actual locations.



PREFERRED ALIGNMENT
ALMOND 2 POWER PLANT
CERES, CALIFORNIA

CH2MHILL



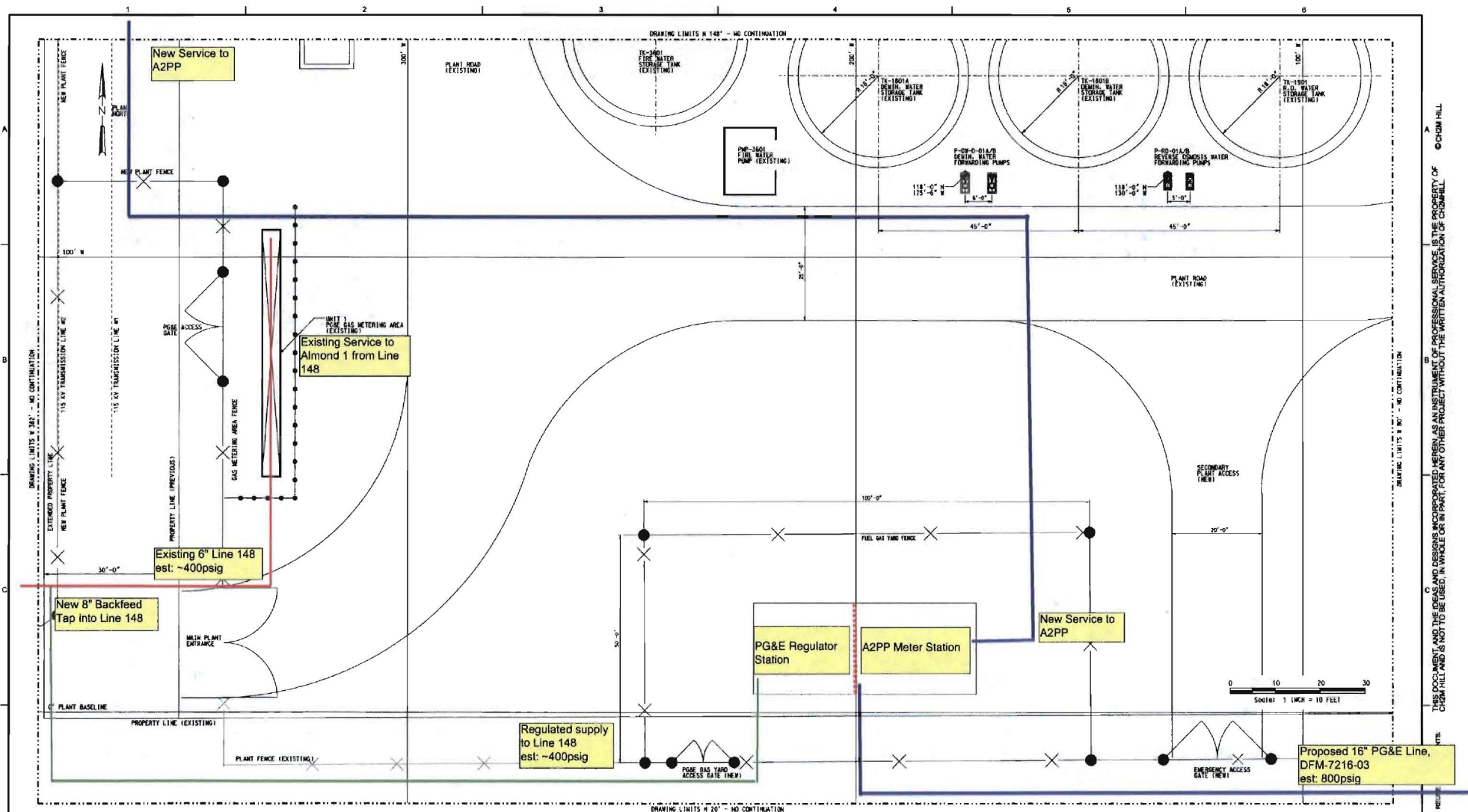
Location of P&T E
metering and regulating station

NOTES:
1. ALL EQUIPMENT SHALL BE PLANT GRID
2. ALL CIVIL WORK SHALL BE PLANT GRID
3. ALL PIPING SHALL BE PLANT GRID
4. ALL STRUCTURAL STEEL SHALL BE PLANT GRID
5. PLANT ELEVATION DATA:
6. DATA FOR CIVIL WORK SHALL BE PLANT GRID
7. DATA FOR STRUCTURAL STEEL SHALL BE PLANT GRID

EQUIPMENT LEGEND	
1. TANK	2. VESSEL
3. HEATER	4. COOLER
5. COMPRESSOR	6. PUMP
7. MOTOR	8. GENERATOR
9. TRANSFORMER	10. SWITCHGEAR
11. CONTROL BUILDING	12. OFFICE BUILDING
13. LABORATORY	14. WAREHOUSE
15. STORAGE TANK	16. PIPING
17. STRUCTURAL STEEL	18. FENCE
19. ROAD	20. RAILROAD
21. WATERWAY	22. AIRPORT
23. MOUNTAIN	24. CLOUD
25. SUN	26. MOON
27. STAR	28. PLANET
29. COMET	30. METEOR
31. SHOWER	32. BATH
33. TOILET	34. KITCHEN
35. DINING ROOM	36. LIVING ROOM
37. BED ROOM	38. BATH
39. HALL	40. STAIR
41. PORCH	42. PATIO
43. GARDEN	44. LAWN
45. TREES	46. FLOWERS
47. BUSHES	48. GRASS
49. ROCKS	50. SAND

GENERAL ARRANGEMENT	
EQUIPMENT LOCATION PLAN	
TURLOCK IRRIGATION DISTRICT Almond 2 Power Plant Ceres, CA	
PROJECT NO. 393416	
CH2MHILL	
DWG. NO. G-XXX-W-0-2001	REV. 1
PLOT DATE	
FILE NAME: T:\0000011.dwg	
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BY: CH2MHILL
CHECKED: CH2MHILL
APPROVED: CH2MHILL



NO.	DATE	REVISION	BY	CHK	REVISION APPROVAL	REV A	DATE 02/10/10	STATUS					TURLUCK IRRIGATION DISTRICT Almond 2 Power Plant Ceres, CA PROJECT NO. 383416 CH2MHILL	GENERAL ARRANGEMENT PLANT ACCESS AND WATER STORAGE AREA PLAN		DWG. NO. C-XXX-W-0-3008	REV. A
								ISSUED	REV	DATE	DM	SDE	PEM				
A	02/10/10	ISSUED FOR DESIGN	EFC		DISCIPLINE REVIEWED	DISCIPLINE REVIEWED		PROLIMINARY									
					CIVIL	JMD		FOR REVIEW AND	A	2/15/10	25	25	25				
					STRUCTURAL	MHS		APPROVED FOR									
					MECHANICAL	AJ		CONSTRUCTION									
					PROCESS	AJ		REVISED & APPROVED									
					PIPING	GJ		FOR CONSTRUCTION									