

1.0 Executive Summary

This Proponent's Environmental Assessment (PEA) has been prepared to support the application by the Southern California Gas Company (the "Proponent" or "SoCalGas") to the California Public Utilities Commission (CPUC) for a Certificate of Public Convenience and Necessity (CPCN) authorizing the development, construction, and operation of the Aliso Canyon Turbine Replacement Project (the "Proposed Project"), which is a planned removal from service of an existing gas turbine-driven compressor (TDC) station located at the Aliso Canyon natural gas storage field (hereinafter referred to as "the Storage Field"), in Northridge, California. The TDCs would be replaced with three variable frequency drive (VFD) compression trains, and installed in a new compressor station (the "proposed Central Compressor Station"). The Proponent's application also requests approval under Section 851 of the Public Utilities Code for the enlargement of an existing SCE electrical easement on SoCalGas property.

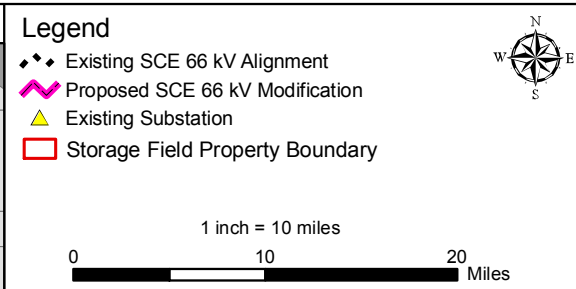
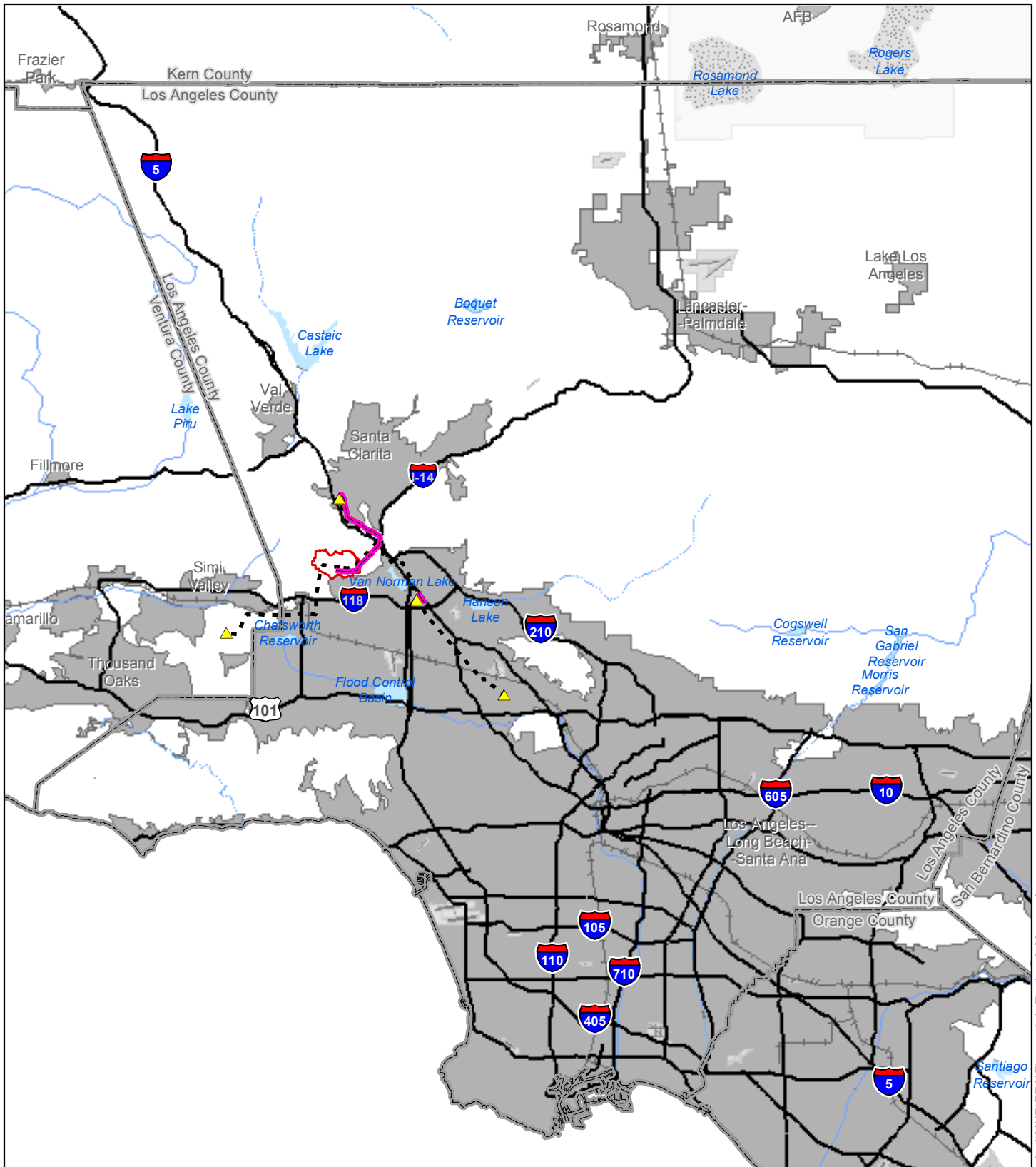
SoCalGas has worked with the Southern California Edison Company (SCE) to identify the new and modified SCE infrastructure required to provide electrical service to the proposed Central Compressor Station and other related facilities. The Proponent's application includes a description and analysis of the facilities SCE will construct, including a 56 megavolt ampere (MVA) 66/12 kilovolt (kV) substation (the "proposed SCE Natural Substation") that would be interconnected to the modified SCE 66 kV sub-transmission line to deliver electricity to the proposed Central Compressor Station and other facilities at the site. The proposed SCE Natural Substation will be located within the Storage Field property boundary within an expanded electrical easement on SoCalGas property. In addition, the Proponent's application identifies other SCE facilities that will be modified including portions of two existing SCE 66 kV sub-transmission lines and three existing SCE substations. Modifications to existing SCE lines include structure removal, pole installation and wire re-conductoring and new conductors will be added to a portion of the existing line route; modifications to existing SCE substations include installation of relay systems and some construction at the existing SCE San Fernando Substation. SCE proposes to construct these new and modified electric facilities pursuant to CPUC General Order 131-D (GO 131-D) Exemption F, which provides for an exemption from the CPUC's Permit to Construct (PTC) requirements when such facilities to be constructed have undergone environmental review pursuant to the California Environmental Quality Act (CEQA) as part of a larger project. While this application is SoCalGas's, SCE will be submitting an Advice Letter in connection with GO-131-D Exemption F to construct the new and modified electric facilities required to provide electric service to the proposed Central Compressor Station and other facilities proposed within the Storage Field.

Additional Proposed Project components constructed by SoCalGas within the Storage Field property boundary include the proposed office trailer and guard house relocations, and the proposed Plant Power Line (the "proposed PPL") interconnecting the proposed SCE Natural Substation to the proposed Central Compressor Station. The proposed SoCalGas PPL will provide 12 kV distribution service to the proposed Central Compressor Station. A pre-engineering evaluation will be conducted to determine if the PPL will be above-grade or below-grade as well as to determine the alignment.

As shown on Figure 1-1, the Proposed Project is located within the Santa Susana Mountain range, primarily within unincorporated Los Angeles County. As shown on Figure 1-2, the proposed SCE 66 kV sub-transmission modification, including two existing SCE lines, originates in Newhall, a community within the city of Santa Clarita, and extends through parts of unincorporated Los Angeles County and within the

city of Los Angeles, and existing Storage Field property. As shown on Figure 1-3, the proposed Central Compressor Station, proposed office trailer relocation, proposed PPL, proposed SCE Natural Substation, and alignment of the proposed SCE 66 kV sub-transmission line modification that currently traverses the Storage Field will be located within the Storage Field, located within unincorporated Los Angeles County. A portion of the proposed guard house relocation will be within the Storage Field property, within the City of Los Angeles. The three SCE substations (Newhall, Chatsworth and San Fernando Substations) proposed to be modified as part of the Proposed Project are located in Newhall (a community within the incorporated city of Santa Clarita), the Santa Susana unincorporated area of eastern Ventura County), and the Mission Hills community of City of Los Angeles, respectively(see Figure 1-3).

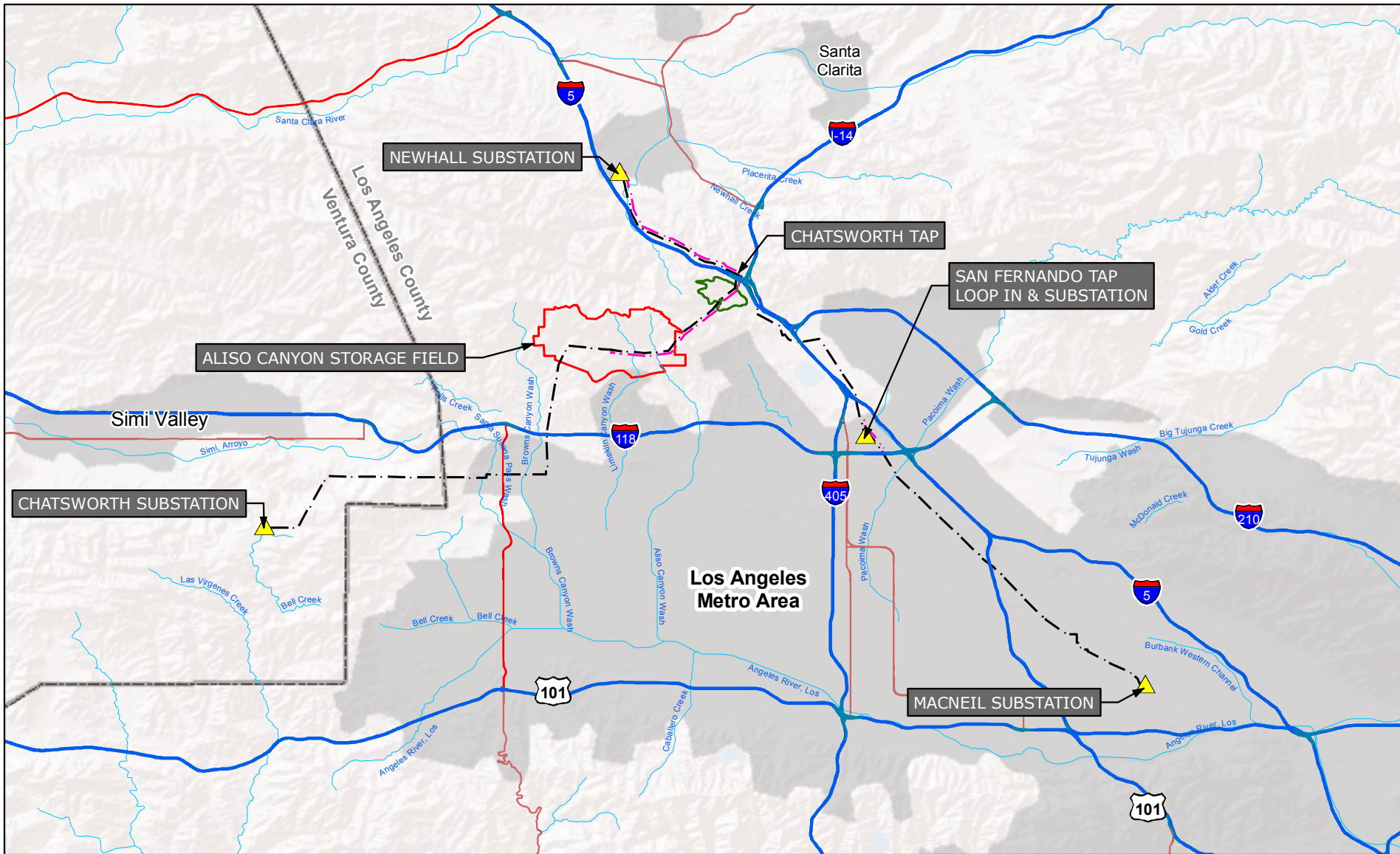
The Proponent is required to implement the Proposed Project in order to meet the terms of Phase I of the Settlement Agreement (SA) between SoCalGas and parties to the 2009 Biennial Cost Allocation Proceeding (BCAP) approved by the CPUC D.08-12-020. The SA requires that SoCalGas replace the TDCs and expand the overall injection capacity at the field by approximately 145 million cubic feet per day (MMcfd). The new VFD motors will provide reliable, efficient, and increased injection capabilities required by the terms of the SA.



Aliso Canyon PEA

**Figure 1-1
Regional Map**

Project: 06205-134
Date: September 2009



Legend

- Proposed SCE 66 kV Modification
- Storage Field Property Boundary
- Existing SCE 66 kV Alignment
- Sunshine Canyon Landfill
- Existing Substation
- counties

1 inch = 4 miles

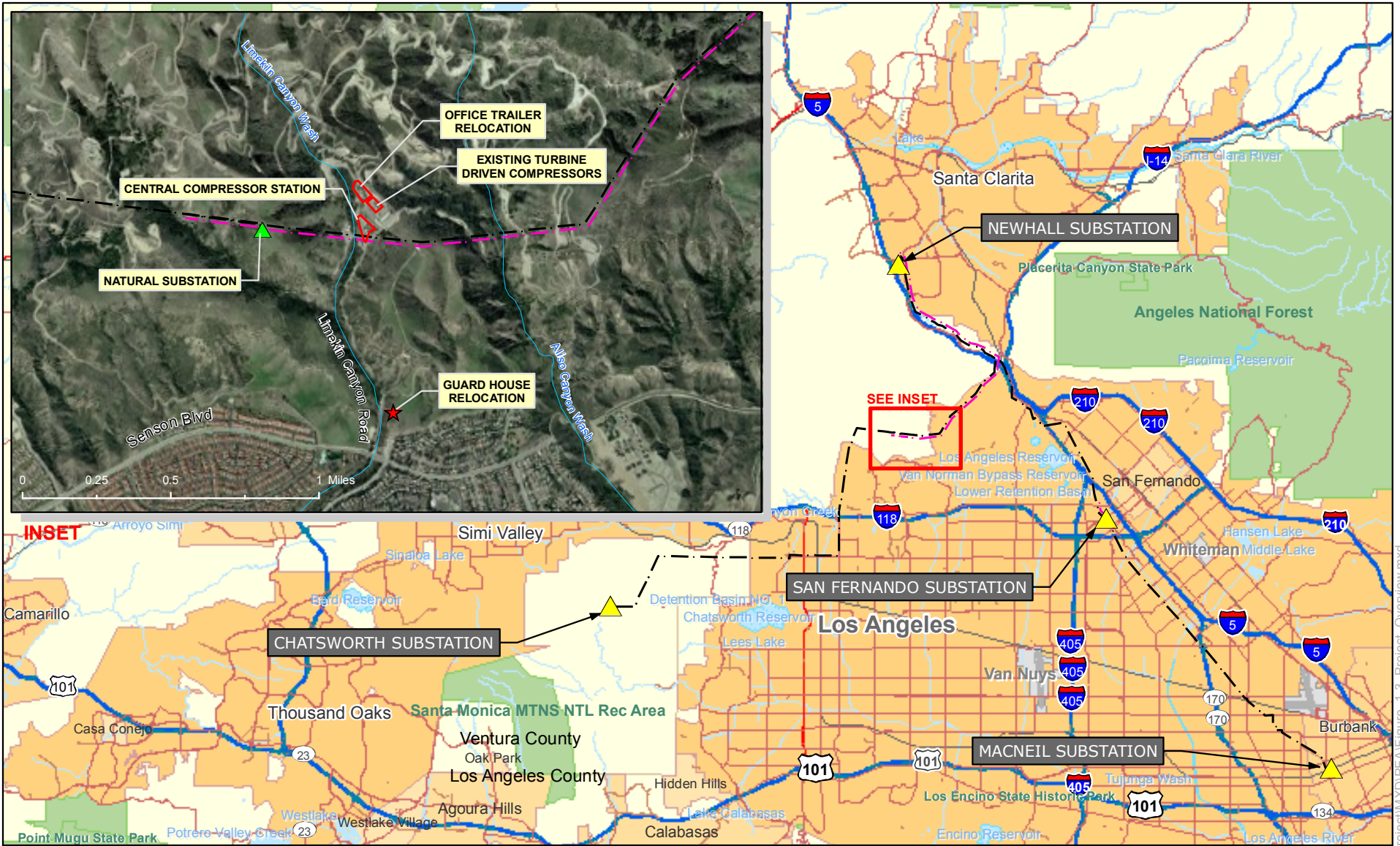
Aliso Canyon PEA

**Figure 1-2 Project Overview
Storage Field and Existing
SCE 66 kV Sub-transmission Lines**

AECOM

Project: 06205-134
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Legend

- - - Proposed SCE 66 kV Modification
- - - Existing SCE 66 kV Alignment
- ★ Guard House Relocation Site
- ▲ Proposed Substation Location
- ▲ Existing SCE Substations

1 inch = 4 miles

0 3 6 Miles

Aliso Canyon PEA

Figure 1-3
Project Overview
Proposed Project Components
within the Storage Field

AECOM

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Primary Proposed Project Components

The primary Proposed Project components are provided below:

1. Construct the proposed on-site Central Compressor Station and install new equipment including three VFD compressor trains, compressors, piping, coolers, and other additional equipment required.
2. Relocate on-site office trailer facilities and on-site guard house; the existing trailers will be replaced by new trailers at a site in proximity to the proposed Central Compressor Station. The guard house will be relocated approximately 500 feet north of the existing facility to relieve traffic congestion at the facility entrance.
3. Construct a new on-site four circuit, 12 kV PPL that will provide dedicated electric services to the proposed Central Compressor Station. The proposed PPL will be interconnected from the proposed SCE Natural Substation to the proposed Central Compressor Station. The PPL will be owned by SoCalGas and designed to San Diego Gas and Electric (SDG&E) standards.
4. Construct the proposed on-site SCE Natural Substation including foundation and equipment pads, electrical equipment, installation of security perimeter wall/chain link fence, access road, and capacitor bank (additional elements may be included in the proposed SCE Natural Substation construction). The proposed SCE Natural Substation will be 56 MVA, 66/12 kV with a pre-fabricated mechanical electrical and engineering room (MEER). This project component will be constructed by SCE.
5. Construct both on-site and off-site electric modifications to two existing SCE 66 kV sub-transmission lines in order to serve the proposed Central Compressor Station's load. The two existing sub-transmission lines will be re-conducted from the Newhall Substation to one pole past the Chatsworth tap point (see Figure 1-2); a third line will be installed at the Chatsworth tap point, within existing ROWs and easements, to the proposed SCE Natural Substation. Modifications will also include replacement of existing towers and H-frame structures with new tubular steel poles (TSP), and installation of telecommunication lines on the poles. This project component will be constructed and owned by SCE.
6. Conduct off-site substation modifications at three existing SCE substations (Newhall, Chatsworth, and San Fernando Substations) that support two existing SCE 66 kV sub-transmission lines. Proposed modifications include: construction of a loop-in interconnection at San Fernando to provide for two new positions; and, installation of new relay systems and ancillary equipment within the substation, to provide advanced electrical service protection. This project component will be constructed and owned by SCE.

Environmental Impacts

All impacts from operation of the Proposed Project either have no impact or are less than significant without any required mitigation. For construction activities, the Proponent does not anticipate a significant environmental impact with incorporation of mitigation measures during construction that have been

recommended for the following resources areas: Air Quality and Biological Resources. A discussion of the potentially significant impacts and appropriate mitigation measures designed to reduce impacts below California Environmental Quality Act (CEQA) significance thresholds is provided in Chapter 5. A brief summary of potential impacts and mitigation measures is presented in Table 1-1.

Table 1-1 Summary of Potentially Significant Impacts

Impacts	Mitigation Measure	Impacts with Mitigation
Air Quality		
Construction could result in an exceedance of nitrogen oxide (NO _x) emissions above the CEQA threshold.	Prior to construction, the Proponent will purchase Regional Clean Air Incentive Market (RECLAIM) Trading Credits (RTCs) for each pound of NO _x emissions over the threshold. The Proponent will also be required to implement a mitigation monitoring plan to monitor and track daily emissions and fuel usage.	Less than significant
Biological Resources		
Construction could result in impacts to native habitat including Venturan coastal sage scrub.	A Habitat Restoration Plan will be prepared, detailing plans to replant and/or seed impact areas. The plan will include planting and seeding palettes and a monitoring and contingency program to ensure the success of the restoration effort.	Less than significant

Major Conclusions of the PEA

With the implementation of mitigation measures, there are no anticipated significant environmental impacts from the Proposed Project. SoCalGas has proposed measures that are designed to avoid and minimize potential environmental impacts. Applicant proposed measures (APMs) include best practices, permit and regulatory requirements, and compliance measures. APMs are discussed in each applicable resource area and provided in summary in Chapter 5. There were no major issues identified during the resource area evaluation that would require implementation of reasonably feasible alternatives. The Proposed Project has been designed to minimize environmental impacts while meeting the Proposed Project needs and objectives. The PEA supports the conclusion that a Mitigated Negative Declaration under the California Environmental Quality Act is appropriate for the Proposed Project.

Regulatory and Permit Requirements

This PEA has been developed pursuant to the checklists provided by the CPUC in order to meet CPUC and CEQA guidelines for gas storage projects and electrical transmission and substation projects. This PEA has been prepared in order to submit an application for a CPCN, pursuant to CPUC's General Permit 131-D, and approval under section 851 of the Public Utilities Code for enlargement of an electric easement on SoCalGas property.

State and local ministerial permits from the California Department of Transportation (Caltrans), the city of Santa Clarita, Los Angeles County, and the city of Los Angeles will be required for construction related

activities (i.e., grading/excavation permit, storm water management plan, spill prevention plan, traffic control, hazardous materials business plan, building permit, etc.). A permit from the Federal Aviation Administration (FAA) may be required if construction activity during pole installation approaches heights of 200 feet or if wires are 200 feet or greater above ground level. If State or Federal species listed in Table 4.4-1 of Section 4.4 Biological Resources are adversely affected during construction, an incidental take permit will be required from the United States Department of Fish & Wildlife Service (F&WS) or the California Department of Fish and Game (CDFG).

Interagency Coordination

The PEA for the Proposed Project was prepared in collaboration with the following agencies and organizations: Southern California Gas Company; Southern California Edison Company; the California Public Utilities Commission; city and county of Los Angeles; and AECOM Environment. The Proponent held a meeting with the CPUC (April 30, 2009), for PEA guidance and project scope assessment.

Description of Public Outreach efforts

SoCalGas established a public outreach team for the Proposed Project with our understanding that for every project the public outreach efforts focus on ensuring that the community has an opportunity to be heard and is fully informed of the impacts and benefits through each stage of a project. To this end, SoCalGas has drafted a formal public outreach plan as part of the CPCN application filing. The planned public outreach efforts for the Proposed Project consist of: (1) briefing of stakeholders, including local, state and federal elected representatives, community organizations, and high consequence area entities, (2) dissemination of information to the public by way of mail, (3) creation of a project website, (4) creation of project materials for the local media, (5) community open house, and (6) door-to-door outreach. As part of the pre-filing phase of the outreach plan, the public outreach teams have been reaching out to residents and community leaders in the Santa Clarita and San Fernando Valleys for the past several months. The responses have been positive. SoCalGas worked with SCE to ensure that public outreach efforts for the Proposed Project were coordinated between both SoCalGas and SCE. Please see the Public Outreach section of the CPCN for additional details on past, pre-filing, filing, and post-filing public outreach activities.

Organization of the Document

This PEA is organized to closely follow the CPUC PEA Checklist (as updated in November 2008). The PEA Executive Summary (Chapter 1) discusses the primary project components, impacts and mitigation measures, conclusions, and proposed public outreach efforts. The Project Purpose and Need (Chapter 2) includes a background description and Proposed Project requirements for enhanced electrical services. The Project Description (Chapter 3) provides a detailed discussion of the project components, construction activities and schedule, and project design features designed to minimize impacts during construction and operation. Environmental Impact Assessment (Chapter 4) addresses 18 environmental resource areas and the potential impacts from the Proposed Project. A Detailed Discussion of Significant Impacts (Chapter 5) identifies and describes all projected impact areas of concern discussed in Chapter 4. Project Alternatives (Chapter 6) were identified and evaluated for feasibility and environmental impacts of alternative design and electrical demand strategy.