

CONTRACTING & TECHNICAL SERVICES, INC.

GAS INDUSTRY NEWS — MARCH 2007

Brookdale Will Offer Program for Utility Workers



Brookdale Community College officials are working with FirstEnergy Corp., parent of Jersey Central Power &

Light Co., to help meet the need for new line installers. The college is starting an associate degree program that will provide hands-on line worker training and field experience, along with general education courses.

The school's board of trustees on Thursday unanimously passed a resolution approving the new Applied Science in Electric Utility Technology program. It could begin in the fall semester, pending approval on March 19 by a New Jersey Presidents' Council subcommittee. The council is a 50-member board representing the state's public, private, and community colleges and universities.

"They are seeking to replenish personnel with college-educated line workers," McMenamin said.

JCP&L spokesman Ron Morano said the Raritan Valley students complete field work at a Phillipsburg substation. Field work for the Brookdale students is likely to be in the Monmouth County area, he said.

"The Raritan Valley program is beginning to show results and they expect to see a good cycle of graduates by spring of 2008," Morano said.

Morano said incentives such as reduced or free tuition and post-degree job offers are possibilities for Brookdale students.

"It wouldn't be guaranteed work but students would be aware that the likelihood, that the need for a person, is going

to be there," Morano said.

According to the U.S. Department of Labor, median hourly earnings for electrical power line installers and repairers nationally were \$23.61 per hour as of May 2004. Line installers and repairers work outdoors, and conditions can be hazardous.

But job growth spurred by expected retirement of existing workers could be hindered due to "industry deregulation," the department said.

Deregulation "is pushing companies to cut costs and maintenance, which tends to reduce employment," it said.

Ashbury Park Press, January 20, 2007

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Natural Gas Drilling Planned in Mall Parking Lot

FORT WORTH - For the first time in the City of Fort Worth, owners of a shopping center plan to drill for natural gas in the business parking lot.

The drilling will take place in the parking lot of La Gran Plaza, in front of the theatre. The location is roughly 350-feet from I-35 South at the Seminary exit.

Mall officials say they hope the well will bring in \$10 million and they, "need the money".

In return for city tax breaks, mall owners promised to make the once nearly abandoned mall a showplace, catering to Hispanic shoppers. La Gran Plaza now has a 75-percent occupancy rate.

Contractors are working to upgrade the mall exterior and architects are completing plans for a Mexican rodeo arena.

"Instead of having that investment in five years we are going to be able to bring that money earlier," said Jose Arellano, La Gran Plaza marketing director.

During the drilling period there will be a 3-story high tower on the property, with bright lights, and making lots of noise.

Workers at a radio station across the street from the mall are concerned. "Hopefully we won't have any accidents," says area worker, Tony Adriann. "If we have any accidents, ya know, it's gonna be kind of dangerous for us."

City development director Bob Riley believes the asphalt parking lot will contain any possible hazardous spills. "I think from an accident standpoint (the site) has easy access, whereas if you were out in the field somewhere (that would not be the case). Everybody knows where it's at."

It will take two million gallons of water to get the gas out of a well. There's no word on how the drilling company deals will deal with that.

CBS 11 News, January 26, 2007





PG&E Part of Climate-Change Solution

Thursday, Gov. Arnold Schwarzenegger officially signed into effect the world's first low-carbon fuel standard, once again positioning California as a leader in addressing climate change. The governor's executive order to cut fuel carbon intensity by 10 percent by 2020 represents both smart environmental and sound economic policy.

The low-carbon fuel standard is a key first step in realizing our state's ambitious greenhouse-gas emission reduction goals under the Global Warming Solutions Act. It provides an opportunity for California's citizens and businesses to reduce our dependence on an increasingly costly and volatile resource. It also creates a sustainable and growing market for cleaner fuels, and serves as a way for companies to improve their bottom line, while doing well by the environment.

Targeting fuels is a necessity in meeting California's goals for reducing greenhouse-gas emissions. According to the California Energy Commission, more than 40 percent of the state's greenhouse-gas emissions come from the transportation sector.

By 2020, this fuel standard will reduce the carbon content of all petroleum-based transportation fuels by 10 percent. In real terms, this eliminates 13.4 million metric tons of carbon from entering the atmosphere -- representing over half of the 24 million metric tons of carbon reductions needed to meet our goals under the Global Warming and Solutions Act. Put another way, the low-carbon fuel standard is equivalent to removing 3 million cars from the road.

The value of this policy is not just limited to its impact on addressing global warming and improving California's air quality. The governor's fuel standard also will bring tremendous economic benefits for the state's citizens and businesses.

The fuel standard's pragmatic market-based design serves as an example of how to create policy that is both predictable and flexible. The policy looks to markets, not government, to determine the lowest-cost path to achieving the



standards and meeting customer demand.

The fuel standard also will reduce the state's heavy dependence on foreign oil. A recent report by the California State Board of Equalization found that California relies on petroleum for 96 percent of its transportation needs. By reducing our reliability on petroleum-based fuels, we will decrease consumer and business vulnerability to volatile gasoline prices.

Opponents of the new fuel standard argue that the costs of converting to cleaner fuels outweigh the environmental and social benefits associated with the use of these vehicles.

But in PG&E's experience, adopting cleaner fuels has not only reduced our greenhouse-gas emissions, but has also significantly decreased the costs of our service fleet.

Over the past two decades, PG&E has been investing in the necessary infrastructure to support the deployment of its own alternative-fuel vehicles, including those powered by natural gas, fuel cells and, recently, a plug-in hybrid vehicle (PHEV). Currently, we operate one of the nation's largest alternative-fuel utility fleets, and our natural-gas-fueled fleet is the largest in the nation.

In terms of infrastructure, PG&E owns 27 compressed-natural-gas fueling stations that supply clean natural gas to our own fleet, as well as 200 commercial and private fleets, including municipal transit operations, private waste haulers, school districts and private package-delivery providers.

From 1995 to 2005, PG&E's alternative vehicle program avoided using nearly 2.6 million gallons of diesel and gasoline; that's the equivalent of taking about 700 cars off the road for a year. That's a cost savings of \$1.4 million. If fuel and vehicle tax credits are taken into account, the savings become even greater.

The low-carbon fuel standard sends a clear market signal to California's businesses: Now is the time to make investments in cleaner-fuel vehicles. PG&E is committed to further developing existing and emerging alternative-fuel technologies and infrastructure as we continue to address the challenges associated with climate change. We urge other businesses to join us in

making California's future environmentally and economically sustainable.

Tom King is chief executive of Pacific Gas & Electric. He wrote this article for the Mercury News.

Tom King, January 21, 2007



PUC Bans Energy Buys from Heavy Polluters

Policy, expected to go into effect next week, disallows electricity purchases from most coal-burning plants

SAN FRANCISCO - California utility regulators banned power companies Thursday from buying electricity from high-polluting energy sources, including most out-of-state coal plants, to curb global warming.

The Public Utilities Commission voted 4-0 to adopt the "greenhouse gas emissions performance standard," which will prohibit utilities and other energy providers from entering long-term contracts with sources that emit more carbon dioxide than a modern natural gas plant.

The new rules are expected to affect energy markets across the West. While there are almost no coal-fired plants in California, about 20 percent of the state's electricity comes from coal plants in Nevada, Wyoming, Utah and other Western states.

The new standard is aimed at encouraging investment in cleaner energy sources such as wind and solar, while discouraging use of coal and other high-polluting sources. Coal is cheap and plentiful, but releases high levels of carbon dioxide, a gas blamed for trapping heat in the earth's atmosphere and raising temperatures worldwide.

The PUC regulates the state's three investor-owned utilities -- Pacific Gas & Electric Co. in San Francisco, Southern California Edison in Rosemead and San Diego Gas & Electric. The California Energy Commission is drawing up a similar emissions standard for municipal utilities.

Environmentalists praised the PUC's emissions standard, saying it could encourage other states to adopt similar rules.

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"It will help transition California's energy market to one that produces less greenhouse gas emissions," said Jim Metropolis of the Sierra Club. "Other states may look at it and decide that they also want to transition from dirty coal power to cleaner, green power."

ContraCostaTimes.com, Jan. 26, 2007

Security Breach at an LNG Facility



PHMSA has issued an advisory bulletin reminding the operators of exercising vigilance in providing security at LNG facilities. PHMSA's pipeline safety regulations require that operators implement security measures that deter intruders at LNG terminals, facilities and peak-shaving plants. The advisory is intended to bolster and reinforce the importance of implementing and thoroughly testing security procedures and systems.

The advisory was prompted by a recent security breach at a Lynn, Massachusetts LNG facility. The breach occurred at a storage tank facility where adequate security procedures were in place but were not followed. Security procedures included outer and inner perimeter fences with locked gates, a microwave intrusion system and a computer monitoring system. The primary failure was attributed to human factors. For a full text of the advisory bulletin, please visit our website at www.ctsi-va.com and click on the 'Resources' tab.

CTSi, Ijaz Mahboob



GE, AES Target Greenhouse Gas

General Electric Co. and AES Corp. said Tuesday they plan to build methane-

burning power plants in the United States that will cut 10 million tons of greenhouse gas emissions annually by 2010.

The companies are betting carbon dioxide and other gases that contribute to global warming will eventually be regulated in the U.S. with a system that issues credits to power generators with reduced greenhouse-gas emissions and penalizes those with high pollution rates.

The credits can then be sold to generators with high rates, such as those that burn coal to make electricity, which would use them to meet government air-quality mandates.

The reduction is the equivalent of the annual emissions of 2.2 million average cars, GE officials said.

GE and AES, a U.S. power-plant developer, will target methane gas from sources such as coal mines, landfills and manure from commercial farms that would otherwise escape into the atmosphere.

Bloomberg News, January 17, 2007

Girl's Persistence Recognized

January 18, 2007 was a big day for Keira Gray, a 12-year-old from Carson City and in the sixth grade at Carson Middle School.



Keira's family watched as she was recognized by the Board of Supervisors for bringing attention to a life-threatening natural gas leak in their neighborhood.

Donna Gray said her daughter's persistence is what finally prodded her to contact authorities.

"I should have listened sooner," Donna said.

She told the supervisors about how her daughter wouldn't stop pointing out bubbles coming up out of the street the night of Dec. 26, while a heavy rain-storm was moving through the area. A two-inch, natural-gas pipe that had broken below ground and caused gas to rise through the asphalt in the intersection of Elaine Street and Willard Lane.

The certificate of recognition from the supervisors highlights Keira's "persistence in reporting the natural gas leak in your neighborhood. We are proud to acknowledge and honor you

as an outstanding citizen of this community."

Keira's also being nominated for an award from the American Red Cross. The organization's Northern Nevada Chapter will give out its Real Heroes 2007 award in March.

"She's a kid," Donna said. "This makes it all the more exciting."

People need to act immediately and call 911 or Southwest Gas when they believe a natural gas leak might be happening.

The gas spreads through large areas, and can be explosive if it reaches an ignition source. It also deprives oxygen. The tell-tale rotten egg smell of natural gas is an additive that makes it easier for people to detect its presence, according to the Carson City Fire Department.

Nevada Appeal, January 21, 2007

Advisory for Dominion's Contractors

Dominion Delivery companies (Dominion Peoples, Dominion East Ohio and Dominion Hope) are implementing the PPI TR-33 Generic Butt fusion procedures, effective January 9, 2007. Dominion will be phasing out the old Plexco Butt fusion procedures with the new PPI TR-33 (2005) Generic butt fusion procedures. Contractors should make certain that their trainers use this procedure as opposed to the Plexco procedure in Plexco's old Bulletin 101, 105 and 106 when training their personnel. CTSi's trainers, during the qualification testing of Dominion Delivery's contractors, will be using the PPI procedures and will be notifying Dominion's contractors at the time of their qualification/re-qualification testing to change their heating iron temperatures to **440 degrees F**. The new PPI TR-33 Butt fusion procedures allow a temperature range of between 400 and 450 degrees F. The qualifying butt fusion joints will be destructively tested as outlined in DOT Part 192.285.

CTSi, Ijaz Mahboob

Download PPI TR-33 by going to www.ctsi-va.com and clicking on the Resources tab.



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Drug Testing Rate for 2007

PMHSA has announced that the random drug testing rate for covered employees will remain at 25 percent for the calendar year 2007. This rate is based on the data submitted by the operators for the calendar year 2006 and covers employees and contractors of natural gas, hazardous liquids, carbon dioxide and liquefied natural gas pipelines and facilities. The complete text of the notice can be obtained by clicking on the 'Resources' tab on our website below.

Visit our website for additional news and information

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Creating a safer environment through Smart Engineering™



Home Farms is Proceeding with Innovative Project in Minnesota

MONTEVIDEO — Municipal solid waste, most of it collected in the Twin Cities, will become the fuel to power operations at the Central Bi-Products plant near Redwood Falls.

That is, if the necessary state environmental permits can be obtained.

Home Farms Technologies of Brandon, Manitoba, Canada, is now moving forward with the permitting phase of its first-of-a-kind project, representatives of the company said during a meeting Friday with representatives of Clean Up our River Environment in Montevideo.

Kenneth Birch, president of the company, said its U.S. subsidiary will build Minnesota's first commercial plant to use gasification technology to convert municipal solid waste into energy.

Now estimated as a \$58 million investment for the company, Home Farms Technologies' U.S. subsidiary will build two gasifiers with thermal oxidizers. They will use a high-temperature, oxygen-starved process to convert municipal solid waste into a clean burning synthetic gas.

The gas will burn cleaner than natural gas, according to Andrew Butler, vice president of engineering for Home Farms Technologies. Tests conducted on a gasifier in Romoland, Calif., using municipal solid waste produced emissions well below federal and state standards, according to information the company provided.

The synthetic gas produced by the gasifier will replace the use of natural gas at Central Bi-Products, which is a rendering facility that also produces biodiesel fuel.

The Home Farms facility will use the synthetic gas to produce the 125,000 pounds of steam per hour needed for the Central Bi-Products operations. There is also the possibility that the gasification energy could be tapped to produce 3 to 5 megawatts of electricity to be sold to the local grid, according to Birch.

The gasifiers will require a source of 600 to 650 tons of municipal solid waste each day. Company officials have reached contracts with independent refuse collectors in the metropolitan area to supply 500 to 550 tons of the material per day. They intend to collect the remainder from the counties surrounding the plant.

West Central Tribune, January 20, 2007