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# Georgia Power and Gas Infrastructure Project (PGIP)

QUARTERLY REPORT  
Q3 FY 2012: April, May, and June 2012



July 24, 2012

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech, Inc.

# Georgia Power and Gas Infrastructure Project (PGIP)

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July 24, 2012

This report was prepared for the United States Agency for International Development, Contract No. AID-EDH-00-08-00027 – AID-114-TO-10-00003. USAID/Caucasus - Georgia Power and Gas Infrastructure Project, Infrastructure Oversight and Capacity Building

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### DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

# Acknowledgements

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The PGIP team would like to acknowledge and thank our counterparts at the Georgia State Electrosystem (GSE):

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

We are also grateful for the cooperation of our counterparts at the Georgia Oil and Gas Corporation (GOGC):

[REDACTED]  
[REDACTED].

Our thanks go to the team members at

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

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[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] for their contributions.

Last and most important, we wish to acknowledge the PGIP team at USAID for their help and guidance this past quarter:

[REDACTED]  
[REDACTED]  
[REDACTED].

The cover photograph shows a new section of 700 mm gas pipeline (on the right) being aligned with the existing sections of gas pipeline (on the left) that have already been welded together. The machine inside the pipes grips the two sections of pipe from the inside and holds the pipes in alignment as the adjacent sections of pipe are welded together. Cover photo courtesy of [REDACTED]

# Executive Summary

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This Quarterly Report was prepared under USAID’s Task Order AID-EDH-00-08-00027 – AID-114-TO-10-00003: Georgia Power and Gas Infrastructure Project. The reporting period is for the third quarter of Federal fiscal year (FY) 2012: April 1, 2012 through June 30, 2012. Table 1 shows the contract’s active work orders during Quarter 3 of FY 2012.

**Staffing.** Following the resignation of PGIP’s senior engineer, PGIP subcontractor [REDACTED] selected [REDACTED] as his replacement. [REDACTED] arrived in Georgia at the end of the quarter.

**Abasha – Senaki Gas Pipeline.** Several verifications of pipes, valves and fittings for the Senaki – Poti pipeline were completed and reports submitted. Overall, the evaluations were positive. The construction contract for the Abasha – Senaki gas pipeline was signed on June 4, 2012. On May 25, 2012 Tetra Tech submitted No Objection Letter to the GOGC’s Bidding Process to Procure the Construction Works for the gas pipeline; on June 8, 2012 a revised Letter of No Objection was submitted.

**Kutaisi – Abasha Gas Pipeline.** A feasibility verification was conducted of delivered construction materials with technical specifications for the Kutaisi – Abasha gas pipeline. On April 17, 2012 Tetra Tech submitted a No Objection Letter on GOGC’s changes in the Items to be delivered for the Pipeline. On April 27, 2012 Tetra Tech submitted No Objection to the Bidding Package of April 18, 2012 for the Project.

**Enhanced Emergency Control System.** Bids for this system were released on May 22. Following a June 4 site visit to the Didube and Ksani Substations, bids were received on June 22. Bid evaluation has begun and will continue into the next quarter.

**Dissolved Gas Analyzer Project.** Bids were for this project received on May 14, 2012 and bid evaluation began immediately. A vendor has been selected and work is to be completed in the first half of Q3.

**Field Operations.** The following field visits were conducted:

Visit	Purpose
Samtredia Pipe Yards	Materials audits
Kutaisi – Abasha gas pipeline	Pre-proposal site visit for bidding on construction works
Abasha - Senaki pipeline construction sites	Oversight

**Public Relations.** Short and long versions of a slide show were prepared on the PGIP Program’s purpose and objectives, tasks and activities, and progress to date.

**Environmental Assessment.** Data collection forms were developed for the environmental monitoring procedures developed last quarter. The forms are now being computerized for on-line data entry. Environmental oversight of the Abasha-Senaki gas pipeline project has started.



# Acronyms

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CP	Cathodic protection
DGA	Dissolved gas analyzer
EECS	Enhanced Emergency Control System
<b>exp</b>	exp Energy Services, Inc. (formerly Trow Construction Company)
FY	Fiscal year
GIPTP	Georgia Improved Power Transmission Project
GOGC	Georgia Oil and Gas Company
GSE	Georgia State Electrosystem
GGTC	Georgia Gas Transmission Company
HICD	Human and Institutional Capacity Development
PGIP	Power and Gas Infrastructure Project
POWER	Power Engineers, Inc.
Q3	Third quarter of Federal fiscal year 2012; that is, April, May and June 2012
SOCAR	State Oil Company of Azerbaijan
USAID	United States Agency for International Development

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# 2 Contract/Task Order Activities

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## 2.1 Gas Infrastructure Development and Rehabilitation

### 2.1.1 Studies and Reviews Performed

#### Senaki – Poti Gas Pipeline

- PGIP worked with GGTC on the monthly sampling of the gas in the east-west pipeline at the Poti end of the line. So far, monthly testing indicates that the dew point of the water in the gas pipeline is below the industry standard of minus 37 degrees Celsius. Monthly tests continue.

#### Abasha – Senaki Gas Pipeline

- PGIP reviewed and assessed the tender announcement documentation related to construction work on the 29th kilometer of the Abasha-Senaki gas pipeline.
- Several verifications of pipes, valves and fittings for the Senaki – Poti pipeline were completed and reports submitted. Overall, the evaluations were positive, and in several cases recommendations were made for changes and improvements.
- The construction contract for the Abasha – Senaki gas pipeline was signed on June 4, 2012. This date is the official start date of the Abasha – Senaki construction works.
- On May 25, 2012 Tetra Tech submitted No Objection to the GOGC's Bidding Process to Procure the Construction Works for the Abasha – Senaki gas pipeline. On June 8, 2012 a revised Letter of No Objection was submitted.

#### Kutaisi – Abasha Gas Pipeline

- Studies and analyses of material technical specifications for the Kutaisi – Abasha gas pipeline were underway this quarter.
- A feasibility verification was conducted of delivered construction materials with technical specifications for the Kutaisi – Abasha gas pipeline.
- Analyses and evaluation of tender specifications were conducted for Kutaisi- Abasha gas pipeline construction.
- On April 17, 2012 Tetra Tech submitted a No Objection Letter on GOGC's changes in the Items to be delivered for the Kutaisi-Abasha Gas Pipeline.
- On April 27, 2012 Tetra Tech submitted No Objection to the Bidding Package of April 18, 2012 for the Kutaisi – Abasha Gas Pipeline Project.

### 2.1.2 Field Operations

- On April 10 the PGIP team visited the Samtredia Pipe Yard and audited the materials for the Abasha-Senaki and the Kutaisi-Abasha pipelines.
- On April 11 the PGIP team has organized a field trip to audit the pipes and other materials for the Abasha-Senaki pipeline. The team has visited two pipe yards in Samtredia and reported their findings and observations.
- On April 28 the team has visited the Samtredia Pipe yards for another round of audits of pipes and other materials for the Kutaisi-Abasha pipeline construction.
- On June 8 the team attended the pre-proposal site visit that was organized by GOGC for bidding on the construction works on the Kutaisi – Abasha gas pipeline project.
- On June 25 a field trip was organized to the Kutaisi-Abasha pipeline construction sites. Initial observations were made and provided to USAID.

### 2.1.3 Meetings

During this quarter the PGIP team attended and recorded following meetings:

- On April 10 a meeting was held with GOGC representatives. Discussions concerned the specification of the pipes, valves and fittings for both the Abasha-Senaki and Kutaisi-Abasha spreads. In addition, the parties discussed the delivery progress and marking on the pipes.
- On April 12 the PGIP team attended a pre-proposal meeting with GOGC and four companies interested in bidding on the tender for the Kutaisi-Abasha gas pipeline construction.
- On April 18, a Steering Committee Meeting was held. A list of proposed discussion topics was prepared and distributed before the meeting and meeting notes were published after the meeting.
- On April 22 a meeting was organized with GOGC for clarifying specific details of the pipe-swap which is being constructed by GOGC and the Erciyas Kutaisi-Abasha pipeline.
- On April 23 the team met with GOGC and reviewed the certificates from Erciyas for the Abasha-Senaki pipes. The participants also reviewed the existing paperwork for the valves and fittings for Abasha-Senaki Project.
- On May 30 and June 4 a meeting was held with GTC and GOGC representatives about enabling receivers and launchers for pigging to support pipeline integrity management.
- On June 28 the team chaired a Steering Committee Meeting with GOGC and with the Abasha-Senaki gas pipeline construction company Neftgaztikinti (SOCAR), where specific issues related to construction work and eco safety were clarified and explained.

#### 2.1.4 Letters of No Objection

- On April 17, 2012 Tetra Tech issued a Letter of No Objection on GOGC's changes in the items to be delivered for the Kutaisi-Abasha Gas Pipeline.
- On April 27, 2012 Tetra Tech issued a Letter of No Objection to the bidding package of April 18, 2012 for the Kutaisi – Abasha Gas Pipeline Project.
- On May 25, 2012 Tetra Tech issued a Letter of No Objection to the GOGC's bidding process to procure the construction works for the Abasha-Senaki gas pipeline.
- On June 8, 2012 Tetra Tech issued a revised Letter of No Objection to the GOGC's bidding process to procure the construction works for the Abasha-Senaki gas pipeline.

## 2.2 Power Infrastructure (Electricity Transmission Upgrade, Reconstruction, and Operation)

### Georgia Improved Power Transmission Project (GIPTP)

- PGIP staff served as members of USAID's Technical Evaluation Committee for GIPTP.
- Project staff provided answers to clarification questions submitted by construction bidding companies.
- GSE has acquired all parcels of land needed for the GIPTP transmission line except for the parcels controlled by AgriGeorgia. Negotiations with AgriGeorgia are being handled at the Ministerial level.

### Dissolved Gas Analyzer Project (DGA)

- Bids for the DGA were released last quarter (March 7, 2012).
- Several clarifications and amendments containing the responses to questions raised by the bidders were uploaded to the PGIP and the SBA Sub Net (Small Business Administration's Subcontractor's Network). The responses to the questions were also directly sent to bidders.
- On April 12 the PGIP team with GSE and four bidding company representatives organized a site visit to the Gardabani Substation.
- Bids were received on May 14, 2012 and bid evaluation began immediately.
- Technical parameters and other conditions of the bidders have been reviewed. A vendor has been selected. The work is to be completed in the first half of Q3.

### Enhanced Emergency Control System (EECS)

- Bids for the EECS were released on May 22, 2012.

- On June 04 the pre-proposal site visit for EECS was organized together with GSE representatives. The parties visited the Didube and Ksani Substations.
- Bids were received on June 22, 2012, and bid evaluation began. Bid evaluation will continue into the next quarter.

### 2.3 Meetings Not Related to GIPTO, DGA or EECS

On June 11, PGIP representatives met with Doble Engineering in order to clarify which equipment may be beneficial for Georgia's electric substations. The Tetra Tech team is reviewing proposed opportunities.

## 3 Capacity Building

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PGIP reviewed and provided comments on the draft "HICD Performance Assessment of Georgian State Electrosystem" report.

PGIP also participated in the stakeholder meeting of June 6, 2012 arranged by HICD with the Georgian State Electrosystem.

## 4 Public Relations and Branding

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Both short and long versions of a slide show were prepared about the PGIP Program. The presentations covered the project's purpose and objectives, tasks and activities, and progress to date.

## 5 Environmental Assessment

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Environmental oversight of the Abasha-Senaki gas pipeline project has started now that the construction of Abasha-Senaki has started.

Data collection forms were developed in this quarter in support of the environmental monitoring procedures that were developed last quarter. The forms are now being computerized for on-line data entry.

PGIP reviewed documents and provided comments on gas projects from Gori to Kareli and from Zestaponi to Kutaisi.

The Georgia Power and Gas Infrastructure Project (PGIP) provides in-country professional engineering and other technical services to support power and gas transmission improvements being undertaken by USAID on behalf of the Government of Georgia. The activities performed under PGIP complement and reinforce the activities, project management, and engineering expertise of USAID/Caucasus.

PGIP is being implemented from 2010 to 2013 in collaboration with the Georgian Oil and Gas Company (GOGC) and the Georgia State Electrosystem (GSE) to upgrade, replace, and install critical selected gas and power transmission infrastructure. These companies are state-owned entities charged with the import and transit, and in the case of GSE, dispatch of electricity throughout the country.

PGIP's activities support USAID's objective of promoting energy security through greater access to electricity and natural gas supplies households in Western Georgia, promoting the development of the Poti Free Industrial Zone (FIZ) on the Black Sea, and securing power exports through in-country reliability-related infrastructure improvements. The activities are managed by Tetra Tech and support USAID's objective of fostering sustainable development.

The PGIP project includes the following infrastructure projects:

- Construction of a new 31 kilometer, 700 mm gas pipeline from Senaki to Poti and to the Poti FIZ
- Construction of a new 76 kilometer, 700 mm gas pipeline from Kutaisi to Senaki
- Replacement of 58 kilometers of 220 kV transmission lines (referred to as Senaki I and II), which were dismantled in 1992 during Georgia's civil war
- Restoration of the power substations in Tskaltubo and Menji to support the Senaki I and II 220 kV transmission lines.

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