

**PACIFIC GAS AND ELECTRIC COMPANY
General Rate Case 2011 Phase I
Application 09-12-020
Data Response**

PG&E Data Request No.:	DRA_210-03		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_210-Q03		
Request Date:	March 15, 2010	Requester DR No.:	DRA-210
Date Sent:	March 29, 2010	Requesting Party:	DRA
PG&E Witness:	Redacted	Requester:	Dao Phan

EXHIBIT REFERENCE: PG&E-3, CHAPTER 18

SUBJECT: GAS O&M EXPENDITURES, SYSTEM GROWTH, MWC DG

QUESTION 3

In PG&E's response to DRA-58, Q.1., PG&E states, "There are an estimated 337,000 locations requiring evaluation over the course of the program."

- a. Please identify the date that PG&E became aware that these many locations need to be re-evaluated.
- b. Please provide the reasoning/rationale for the 10-year program.
- c. Is PG&E mandated by federal and/or state regulations to survey and remediate those isolated services within the 10-year identified? If so, please identify the state/federal regulations and provide a copy.
- d. Identify the consequences if PG&E does not finish evaluating the 337,000 locations by 2012?

ANSWER 3

a. Based on research conducted in 1999 and 2000, PG&E first identified a potential problem with isolated services. Subsequent research in 2002 found potential sources of isolated services to be inspected. Field evaluation in Peninsula Division (completed in 2003) confirmed these findings and based on those findings, the inspection program for potential isolated services was extended to all divisions. It was at this time, 2003, that the estimated volume of locations to be inspected was first determined. Since that time reviews of maps have refined the number of locations within the scope of the program and as of 2008 the number was 337,000 locations, as noted in DRA-58, Q.1.

b. Code of Federal Regulations Title 49, Part 192.465, as quoted in the response to subpart c below, requires all isolated services to be tested within a ten year period. Therefore, at the start of the systemwide inspection program, in 2003, PG&E committed to complete, within a single ten-year, isolated service inspection cycle, a review of all potential isolated service locations within the program scope and to determine where services were either unprotected or were protected but not properly recorded in the database of isolated services.

c. Code of Federal Regulations Title 49, Part 192, Section 465 requires that “tests at ... separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.”

d. If PG&E does not finish evaluating the 337,000 potential isolated service locations by 2012 it may be subject to a notice of violation for failure to comply with Part 192.465 of 49 CFR.