From: Clanon, Paul
Sent: 12/16/2010 7:24:59 AM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE:

Ignore the formating:

December 16, 2010

Christopher Johns, President

Pacific Gas and Electric Company

P.O. Box 770000

Mail Code B32

San Francisco, California 94177

Re: Safety Response to the National Transportation Safety Board Advisory of December 14, 2010 Dear Mr. Johns:

On December 14, 2010, the National Transportation Safety Board ("NTSB") issued an advisory which included a finding that some of the pipe segments removed from Pacific Gas and Electric Company's ("PG&E's") Line 132 following the San Bruno explosion of September 9, 2010, had longitudinal seams that were fusion-welded from both inside and outside the pipe, but "some were fusion-welded only from the outside of the pipe."

Given the NTSB's preliminary finding, I direct that PG&E take the following actions.

PG&E shall reduce, to 20% below the Maximum Allowable Operating Pressure for each line, the maximum pressure on pipelines that have segments that meet all of the following characteristics:

• Class 3 & 4 pipelines and all Class 1 & 2 pipelines located in High Consequence Areas (gas transmission lines as defined by 49 CFR 192.3), with a 30-inch diameter;

• 30-inch diameter pipelines having Double Submerged Arc Welds or its manufacturing equivalent; and

• Installed prior to January 1, 1962; and

have not undergone hydrostatic testing or the equivalent. PG&E shall assess the integrity of the pipelines described above, using one of the following four methods: 1. Hydrostatic or other appropriate pressure test (see 49 CFR 192, Subpart J); or 2. X-ray; or 3. a camera examination of the interior of the pipe; or 4. an inline inspection using a "smart pig" or other technology appropriate to assessing pipeline seam integrity. PG&E must obtain Commission authorization before repressurizing any gas transmission pipelines that have their pressure reduced pursuant to this directive. To obtain such authorization, PG&E shall submit to the Commission information: • identifying pipeline segments described in this directive; and assessing the condition of the segments identified in this directive; and 2. setting forth all actions taken to meet these directives including a description of the actions taken to make the pipeline segments safe for a return to normal pressures. $\bullet \square \square \square \square \square \square \square$

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Should PG&E find that any of these directives would directly and adversely impact PG&E's obligation to serve core gas customers, PG&E shall promptly notify me.

Sincerely,

Paul Clanon

Executive Director

California Public Utilities Commission

From: Cherry, Brian K [mailto:BKC7@pge.com] Sent: Thursday, December 16, 2010 7:18 AM To: Clanon, Paul Subject:

I'm here in the office until 830 if you need me.