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February 11, 2011

Richard Clark, Director
Consumer Protection & Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Re: Natural Gas Transmission Pressure Reductions

Dear Mr. Clark:

Pursuant to your request, this letter confirms that PG&E has complied with the California Public Utilities Commission's (CPUC) various directives on a number of natural gas transmission lines and provides you with their current operating pressures.

Lines 132, 101, and 109

San Francisco Peninsula lines 132, 101 and 109 have reduced operating pressure of 300 psig. The operating pressure of Line 132 was reduced by 10 percent from the maximum operating pressure of 375 psig on September 10, 2010. On September 13, 2010, CPUC directed PG&E to reduce the operating pressure on Line 132 to 20% below the operating pressure at the time of the San Bruno accident.

- In response to the CPUC's letter, on September 16, 2010, PG&E further reduced the operating pressure to 300 psig for a total reduction of 20 percent below the operating pressure at the time of the accident.
- At the same time, PG&E also reduced the operating pressure on Peninsula transmission Lines 101 and 109, and associated cross-ties on the Peninsula transmission system, including Lines 132A and 147, to 300 psig.
- Note that for these Peninsula lines the operating pressure downstream of Lomita, [Redacted] respectively, is already below 300 psig.

Lines 131 and 153

Lines 131 (between Milpitas and Irvington) and Line 153 (between Irvington and [Redacted] [Redacted]) have reduced operating pressure of 20% below MAOP. On December 16, 2010, the CPUC directed PG&E to reduce the operating pressure to 20% below the MAOP for each gas transmission line (as defined by 49 CFR 192.3) with a) segments classified as Class 3 & 4, or Class 1 & 2 located in High Consequence Areas; b) containing 30-inch diameter pipelines having Double Submerged Arc Welds or its manufacturing equivalent, and c) that were installed prior to January 1, 1962 and have not undergone hydrostatic

pressure testing or the equivalent. In response to the CPUC's December 16 directive, that same day PG&E reduced the operating pressure on these two lines as follows:

- Line 153 between Irvington and [Redacted] reduced operating pressure to 336 psig, which is 20% below the MAOP of 420 psig.
- Line 131 between Milpitas and Irvington: reduced operating pressure to 467 psig, which is 20% below the MAOP of 595.
- PG&E also reduced pressure on certain short cross-ties just outside of [Redacted] [Redacted]
- Lines 105A, 105A-1, 105N, and 132 have segments that generally meet the criteria set forth in the Commission's December 16, 2010 letter. (Lines 105A, 105A-1 and 105N are not currently operated as transmission lines.) PG&E did not need to reduce pressure in these lines in response to the December 16, 2010 letter, as Lines 105A, 105A-1 and 105N have been operating 20% below their MAOP for years, and Line 132's operating pressure was lowered in September.

Line 148, DFM 0805-1, DFM 0807-1, DFM 1816-1

Line 148, and DFM 0805-1, DFM 0807-1, and DFM 1816-1 have reduced operating pressure of 20% below MAOP. On February 2, 2010, the CPUC directed PG&E to reduce the operating pressure by 20% below the MAOP on Line 148, DFM 0805-1, DFM 0807-1, and DFM 1816-1. On February 3, 2010, PG&E reduced the operating pressure on those four lines as follows:

- Line 148: reduced operating pressure to 326 psig, which is 20% below the MAOP of 408 psig.
- DFM 0805-1: reduced operating pressure to 160 psig, which is 20% below the MAOP of 200 psig.
- DFM 0807-1: reduced operating pressure to 160 psig, which is 20% below the MAOP of 200 psig.
- DFM 1816-1: reduced operating pressure to 242 psig, which is 20% below the MAOP of 303 psig.

Line 300B

Line 300B upstream of the Topock compressor station has reduced operating pressure of 20% below MAOP. The CPUC's February 2, 2010 letter directed PG&E to reduce the operating pressure by 20% below the MAOP on any additional transmission line that has segments in HCAs that are found to have experienced planned or unplanned events in which the segments experienced pressure greater than 10% above MAOP. As PG&E informed the CPUC last week, the portion of Line 300B upstream of Topock compressor station experienced such an event. Accordingly, on February 3, PG&E took the following action:

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- Line 300B upstream of the Topock compressor station, and within the suction side of the compressor station: reduced operating pressure to 528 psig, which is 20% below Line 300B's MAOP of 660 psig.

Please do not hesitate to contact PG&E should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Cherry". The signature is fluid and cursive, with a large initial "B" and "C".

Brian Cherry
Vice President, Regulatory Relations

cc: Julie Fitch, Energy Division
Julie Halligan, Consumer Protection Safety Division
Patrick S. Berdge, Legal Division