

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 13, 2011

Bill Stock, Director,
Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street
San Francisco, CA 94177

Re: Hydro Test Plan and Procedures

Dear Mr. Stock:

I have received your response to my April 8, 2011 letter requesting information regarding PG&E's plans for hydrostatic testing and replacement of 152 miles of HCA pipe. The letter sets forth the scope of PG&E's hydro test and replacement activities for the pipeline segments that are of the same vintage or have other characteristics similar to the records for the segment involved in the San Bruno Explosion.

Staff of the Consumer Protection and Safety Division has reviewed your letter and the accompanying *PG&E 2011 Hydrotest Program* spreadsheet and supports the efforts described in the plan. We also support PG&E's objective of beginning the work to perform the testing expeditiously and recognize that PG&E is still developing certain of the procedures and protocols that will apply to the program. As the plan moves forward, we intend to work closely with you to ensure that the plan meets its objective of increasing the safety and reliability of PG&E's pipeline system.

Based on our initial review of the plan, CPSD requests clarification or development of additional protocols or information related to the following:

- With respect to the "cleaning of the pipeline of contaminants," CPSD requests that this procedure needs to be expanded to indicate that any material or contaminants need to be handled as hazardous material. In addition PG&E should identify the lab tests that will be conducted to identify what type of oil is found, the water content, and the presence of microbes. PG&E should also ensure that custody tracking for each of the sample is sufficient to accurately reflect the pipe segment associated with the sample or contaminant.
- CPSD expects that PG&E will be cutting out and testing at least two sections for each hydro test. Provide specific protocols for the laboratory testing to be conducted on each of the sample sections, describing what specific tests will be conducted for each sample.
- PG&E's procedures for filling the test section with water need to include protocols that ensure that all air will be vented during the fill process.

- CPSD notes that several of the test sections are several miles in length. For the long test sections that are associated with one installation date, please describe if PG&E believes these test sections, or the segments included in the test sections consist of the same pipe material, including seam type and wall thickness.
- The plan states in several places that PG&E “will have” a protocol or PG&E is “in the process of creating” a procedure for the testing plan. Please identify when these protocols, procedures and guidelines will be completed and when they will be provided to CPSD.
- The plan states that PG&E plans to conduct video inspections during approximately 13 of the planned hydro tests. Describe the purpose of the video inspections and PG&E does not plan to conduct video inspections during all of the planned hydro tests.
- On page three, the last full paragraph describes several pipe attributes that will be inspected, but the list does not include pipe coating. Please include an inspection of the pipeline coating.
- In the discussion of Pipelines with Lowered Pressure, PG&E states certain lines that have had their pressure lowered much be hydro tested and return to normal pressure to meet core loads during the winter. The list includes Line 132 from mile post 46.59 to 51.53. Please provide additional information to support the position that failure to increase the pressure on this section of Line 132 will affect core loads.
- CPSD also requests that PG&E consider and comment on: (1) having the automated ball indenter contractor also report the Indentation Energy to Fracture (IEF) and the estimated fracture toughness and Charpy energy, as well as the yield strength; and (2) using some of the removed pipeline material to conduct Charpy impact energy tests as near to full size as possible, considering the pipe wall thickness.

We understand that PG&E intends to begin various customer notification efforts related to the hydro test plan shortly and we encourage this effort. If you have any questions or concerns, please let me know.

Sincerely,



Julie Halligan
Deputy Director

Cc: Paul Clanon
Rich Clark
Raffy Stepanian
Patrick Berdge