

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Adopt New
Safety and Reliability Regulations for Natural
Gas Transmission and Distribution Pipelines
and Related Ratemaking Mechanisms

R.11-02-019
(Filed February 24, 2011)

**REPORT OF PACIFIC GAS AND ELECTRIC COMPANY
ON STATUS OF HYDROSTATIC PRESSURE TESTING
AS OF JUNE 30, 2011**

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Dated: June 30, 2011

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Pacific Gas and Electric Company (“PG&E”) hereby provides a status update as of June 30, 2011, on PG&E’s ongoing hydrostatic pressure testing efforts.

On June 9, 2011, the California Public Utilities Commission (“CPUC” or the “Commission”) issued Decision No. 11-06-017, *Decision Determining Maximum Allowable Operating Pressure Methodology and Requiring Filing of Natural Gas Transmission Pipeline Replacement or Testing Implementation Plans*. Decision No. 11-06-017 directs PG&E to continue its efforts to perform hydrostatic testing of 152 miles of pipeline in 2011. (D.11-06-017, at p.19.)

During the pre-hearing conference on June 2, 2011, PG&E agreed to provide monthly status reports on the status of its hydrostatic testing efforts. On June 16, 2011, assigned Commissioner Florio issued a Scoping Memo and Ruling directing PG&E to file the first such report by June 30, 2011. (See Ordering Paragraph 5.)

I. UPDATE ON STATUS OF HYDROSTATIC TESTS

Appendix A is a detailed spreadsheet listing the status and schedule as of June 30, 2011 for all hydrostatic tests planned for 2011. Appendix A provides an overview of the major milestones for each project, whether pipeline replacement or hydrostatic test, from construction

mobilization to clearance to pipeline tie-in.¹ Appendix A also lists the hydrostatic tests that have been completed successfully, the pipeline sections that were cut out and replaced, and the pipeline sections for which complete strength test pressure reports have been confirmed since March 15, 2011, when PG&E filed its proposal to hydro test or replace 152 miles of pipe in 2011.

As of June 30, 2011, PG&E has completed hydrostatic tests for 12 test sections² and replaced 1 test section³, totaling 8.6 miles. In addition, complete strength test pressure records have been confirmed for 16 test sections⁴, which represent over 17.8 miles. In total, 26.4 of the 152 transmission pipeline miles have been tested, replaced, or have had strength test pressure records confirmed.

All of the hydrostatic tests that PG&E has completed through June 30, 2011 have been successful with no leaks. PG&E performed one test twice on a portion of Stanpac 3 in Antioch (T-96) because a ground temperature probe provided inaccurate readings during the first test.

¹ Because this filing had to be prepared before the close of business today, PG&E has included in the report the work scheduled to be completed today. If something does not occur as planned today, PG&E will clarify it in the July report.

² A test section is considered complete when all sub-sections have been hydrostatically tested and returned to service. The following tests have been completed and the pipe has been returned to service: T-40 Line 132 A in Mountain View, T-41 Line 132A in Mountain View, T-96 Stanpac 5 in Antioch, T-11 Line 105N in Newark, T-02 Line 101 in San Jose, T-03 Line 101 in Santa Clara, T-51 and T-52 Line 300A in San Bernardino County near Newberry Springs, T-77 Line 300B in San Bernardino County near Newberry Springs, T-25A Line 132 in Santa Clara, T-62 and T-63 Line 300A near Avenal, and T-85 Line 300B in Fresno County. The following hydrostatic tests have been completed but the pipeline is still out of service and is not considered a completed section: T-36 Line 132 South San Francisco and T-45 Line 153 in Union City. In addition, the following test has been completed but represents only a subset of an entire section: T-25A Line 132 in Santa Clara.

³ The following small replacement has been completed and the pipe returned to service: T-23 Line 131 in Milpitas.

⁴ Hydrostatic test records have been verified for the following test sections: T- 1 Line 21A in Sonoma County, T-4 Line 101 in Mountain View, T-6 Line 101 in Millbrae, T-8 Line 105A in Albany, T-12 Line 105N in Hayward, T-18 Line 107 in Livermore, T-21 Line 131 in Fremont, T-50 Line 300A in Topock, T-58, T-59 and T-61 Line 300A in Kern County, T-66 Line 300A in Hollister, T-91 Line 301G in Hollister, T-95 Stanpac 3 in Concord, T-97 Line 0821-01 in San Jose, and T-113 Line 101 in Mountain View.

In the month of July 2011, PG&E may conduct up to 18 hydrostatic tests. Schedules for each test may change based on test-specific situations and delays due to system-related issues. The hydrostatic testing of approximately 150 miles of pipeline requires a very aggressive schedule. PG&E has experienced some schedule slippage due to gas system availability, permit delays, limited access to land to accommodate water tanks, and water handling issues. PG&E is also submitting a report today on the class location designation verification effort. The pressure reductions that are being taken as described in that report will adversely affect the attached schedule, but PG&E has not yet completed a detailed analysis of those effects.

Above all, PG&E's first priorities are and will continue to be safety and quality in performing this work.

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II. CONCLUSION

PG&E remains committed to operating and maintaining its gas transmission pipeline system safely and reliably. The information PG&E is gathering through ongoing hydrostatic tests are important components of our goal of improving our overall system performance and safety.

Respectfully Submitted,

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