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 JULY 30, 2011

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Dated: August 1, 2011

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Pacific Gas and Electric Company ("PG&E") hereby provides a status update as of July 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 and at 30-day intervals thereafter. (See Ordering Paragraph 5.)

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Since the 30-day interval of the current report (July 30) falls on a Saturday, pursuant to Rule 1.15 of the Commission's Rules of Practice and Procedure PG&E is filing its July 30 report on Monday, August 1.

I. UPDATE ON STATUS OF HYDROSTATIC TESTS

Appendix A is a detailed spreadsheet listing the status and schedule as of July 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. 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 verified since March 15, 2011, when PG&E filed its proposal to hydro test or replace 152 miles of pipe in 2011.

As of July 30, 2011, PG&E has completed hydrostatic tests and returned those sections to service for 15 test sections² and replaced 1 test section,³ totaling 17.46 miles. In addition, complete strength test pressure records have been verified for 17 test sections,⁴ which represent over 19.8 miles. In total, 37.31 of the 152 transmission pipeline miles have been tested, replaced, or have had strength test pressure records verified.

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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-62 and T-63 Line 300A near Avenal, T-85 Line 300B in Fresno County, T-45 Line 153 in Union City (July), T-46 Line 153 in Hayward (July), and T-84 Line 300B in Kettleman City (July). 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, T-44 Line 153 in Fremont (July), T-70 and T-71 Line 300A in San Jose (July), and T-47A Line 153 in San Leandro (July). In addition, the following test has been completed but represents only a subset of an entire section: T-25A Line 132 in Santa Clara.

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

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, T-113 Line 101 in Mountain View, T-111 Line 153 in Newark (July), and T-88 Line 300B in San Martin. In addition, the amount of pipe to be tested for several tests has been shortened due to verified records including T-15, T-69N, T-70 and T-80.

All of the hydrostatic tests that PG&E has completed through July 30, 2011 have been successful with no pipeline leaks.

Progress in July was slowed due to the pressure reductions that occurred on Line 300 in early July as a result of the class location analysis. Several tests on Line 300 were delayed until system operations and shippers were accustomed to the lower pressure and ready to handle the impact of a hydrotest outage.

In the month of August 2011, PG&E may conduct up to 20 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, including pressure reductions on its gas transmission system, as well as permit delays, limited access to land to accommodate water tanks, and water handling issues. The test schedule has also been adjusted to accommodate complex permitting issues relating to environmentally sensitive areas and endangered species. While we continue to make progress in resolving the permitting issues, PG&E remains concerned that these issues may cause delays in testing.

PG&E would like to thank the many permitting agencies and municipalities who have worked cooperatively to issue the necessary permits on expedited schedules. The PG&E team is working hard to get ahead of the testing schedule to facilitate permitting on a more normal timeline. 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,

STEPHEN L. GARBER JONATHAN D. PENDLETON JOSEPH M. MALKIN

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Dated: August 1, 2011

APPENDIX A

Test	Line No.	M.P.1	M.P.2	Mileage Contributing to	City	Contractor	Clearance	Hydrotest	Tie-In	Results
				152 Mile Goal		Mobilization 04/26/11 A				
T-40 T-41 T-96A (E)	L-132A L-132A SP5	0.0057 1.4589 0	1.4589 1.4659 2.4	0.812 0.000 2.401	Mountain View Mountain View Oakley	04/26/11 A 04/26/11 A 04/28/11 A	05/03/11 A 05/03/11 A 05/09/11 A	05/09/11 A 05/09/11 A 05/16/11 A	05/25/11 A 05/25/11 A 05/27/11 A	Tested successfully Tested successfully Tested successfully
T-96B (W) TV-23	SP5 L-131	2.4 57.46	3.87 57.47	0.654 0.011	Antioch Milpitas	04/28/11 A 05/24/11 A	05/09/11 A 05/25/11 A	05/19/11 A NA	05/27/11 A 05/25/11 A	Tested successfully Tested successfully Tested successfully
T-11 T-02	L-105N L-101	11.07	11.86	0.832	Newark San Jose	05/11/11 A 05/23/11 A	05/31/11 A 05/31/11 A 06/01/11 A	06/05/11 A 06/04/11 A	06/12/11 A 06/11/11 A	Validation dig completed Tested successfully
T-02 T-03 T-51	L-101 L-300A	3.39 121.8722	3.4775 122.6788	0.077	Santa Clara Newberry-Baker	05/23/11 A 05/23/11 A 05/20/11 A	06/01/11 A 06/02/11 A	06/07/11 A 06/08/11 A	06/11/11 A 06/12/11 A	Tested successfully
T-52 T-77	L-300A L-300B	127.0327 126.883	127.9306 127.4994	0.899 0.596	Newberry Springs	05/20/11 A	06/02/11 A 06/03/11 A	06/06/11 A 06/16/11 A	06/12/11 A	Tested successfully Tested successfully
T-25A T-45	L-132 L-153	3.05	4 13.62	0.798	Newberry Springs Santa Clara	06/06/11 A	06/14/11 A 06/16/11 A	06/19/11 A 06/29/11 A	06/21/11 A 06/22/11 A 07/11/11 A	Tested successfully Tested successfully Tested successfully
T-46 T-62	L-153 L-300A	13.62 345.02	17.6 345.2571	3.979 0.279	Union City Hayward	06/04/11 A	06/16/11 A	07/09/11 A	07/14/11 A	Tested successfully
T-63 T-85	L-300A L-300B	353.56 384.2827	353.85 384,8438	0.279 0.319 0.560	Kettleman City Avenal/Kettleman City	06/16/11 A 06/16/11 A 06/18/11 A	06/21/11 A 06/21/11 A 06/22/11 A	06/26/11 A 06/24/11 A 06/28/11 A	06/30/11 A 06/30/11 A 06/30/11 A	Tested successfully Tested successfully
T-84 T-44	L-300B L-153	353.5369 0	354.3115 3.58	0.781 3.616	Cantua Creek Kettleman City/Avenal Fremont	06/18/11 A 06/29/11 A 07/12/11 A	06/22/11 A 07/18/11 A 07/18/11 A	06/28/11 A 07/22/11 A 07/29/11	06/30/11 A 07/26/11 A 08/08/11	Tested successfully Tested successfully
TV-47A T-70	L-153 L-300A	17.65 490.47	20.07	2.375 0.041	San Leandro San Jose	06/30/11 A 07/12/11 A	07/19/11 A 07/20/11 A	07/28/11 A 07/25/11 A	08/02/11	
T-71 T-72	L-300A L-300A	490.66 493.59	493.59 495.86	2.743 2.279	San Jose San Jose	06/28/11 A 06/23/11 A	07/20/11 A 07/20/11 A	07/29/11	08/07/11	
T-73 T-74	L-300A L-300A	496.36 499.96	499.96 502.24	3.305 1.075	San Jose Milpitas	07/12/11 A 07/12/11 A	07/20/11 A 07/20/11 A	08/01/11 08/03/11	08/07/11 08/07/11	
T-20 T-29	L-131 L-132	42.35 10.32	42.38 13.95	0.025 2.698	Sunol Mountain View	07/14/11 A TBD	07/22/11 A 08/03/11	07/26/11 A 08/10/11	07/30/11 08/13/11	
T-60 T-28	L-300A L-132	256.22 8.54	257.0763 10.32	0.859 1.429	Arvin Mountain View	07/29/11 07/12/11 A	08/05/11 08/08/11	08/12/11 08/15/11	08/18/11	
T-27 T-89N	L-132 L-300B	7.1 489.3301	8.54 490.915	1.421	Sunnyvale San Jose	08/07/11 08/02/11	08/19/11 08/10/11	08/25/11 08/14/11	08/29/11 08/25/11	
T-89S T-90A	L-300B L-300B	484.0126 490.96	484.7235 493.86	4.613	San Jose San Jose	08/02/11 08/02/11	08/10/11 08/10/11	08/12/11 08/16/11	08/25/11 08/25/11	
T-90B T-90C	L-300B L-300B	493.86 496.35	496.35 499.26	9.330	San Jose San Jose	08/02/11 08/02/11	08/10/11 08/10/11	08/20/11 TBD	08/25/11 08/25/11	
T-90D T-10	L-300B L-105C	499.26	502.51	1.568	San Jose Oakland	08/02/11 08/01/11	08/10/11 08/12/11	TBD 08/19/11	08/25/11 08/21/11	
T-30 T-33	L-132 L-132	13.95 29.05	18.4621 30.9595	4.479 1.801	Palo Alto San Mateo/Belmont	08/04/11 08/08/11	08/14/11	08/21/11	08/23/11	
T-34 T-81	L-132 L-300B	30.9595 256.66	34.49 257.5096	2.653 0.849	San Mateo/Hillsborough Arvin	08/08/11 08/03/11	08/15/11	09/08/11	09/12/11	
T-80 T-82	L-300B L-300B	237.49 263.46	240.56 264.64	0.510 0.909	Tehachapi Bakersfield	08/08/11 08/10/11	08/17/11 08/17/11	08/25/11 08/29/11	09/05/11 09/05/11	
T-76 T-07	L-300B L-105A	0.1548 38	0.459 41	0.312 2.155	Barstow/Topock Emeryville	08/08/11 08/09/11	08/20/11 08/23/11	08/25/11 09/04/11	08/30/11 09/08/11	
T-31 T-87A	L-132 L-300B	18.4621 450.8	23.1638 451.72	2.497 1.138	Menio Park Hollister/ Tres Pinos	08/10/11 08/12/11	08/24/11 08/26/11	08/31/11 TBD	09/04/11 09/07/11	
T-87B T-87C	L-300B L-300B	450.33 445.73	450.43 446.06	1.138 1.138	Hollister/ Tres Pinos Hollister/ Tres Pinos	TBD 08/12/11	TBD 08/26/11	TBD TBD	TBD 09/07/11	
T-09 T-15	L-105A-1 L-105N	0 27.94	0.004 28.13	0.004 0.196	Emeryville/Oakland San Leandro	08/09/11 08/18/11	08/26/11 09/01/11	NA 09/08/11	08/28/11 09/09/11	
T-98 T-99	1816-01 1816-01	0 1.19	1.19 1.53	0.000	Watsonville Watsonville	08/19/11 08/19/11	09/02/11 09/02/11	09/08/11 09/10/11	09/12/11 09/14/11	
T-100 T-101	1816-01 1816-01	1.53 3.4394	3.4394 8.44	0.000	Watsonville Watsonville	08/19/11 08/19/11	09/02/11 09/02/11	09/13/11 09/15/11	09/16/11 09/17/11	
T-26 T-16	L-132 L-105N	4.92 28.13	7.1 28.64	2.129 0.508	Sunnyvale Oakland	08/22/11 08/29/11	09/06/11 09/12/11	09/11/11 09/16/11	09/16/11 09/20/11	
TV-35 TV-37	L-132 L-132	34.49 43.6131	38.39 46.59	0.937 1.374	Burlingame South San Francisco	08/27/11 08/31/11	09/13/11 09/14/11	09/24/11 09/30/11	09/30/11 10/03/11	
T-19 T-25B	L-114 L-132	16.51 4.29	16.5736 4.92	0.061 0.581	Brentwood Santa Clara/Sunnyvale	09/02/11 09/06/11	09/16/11 09/17/11	NA 09/22/11	09/20/11 09/27/11	
T-65A T-65B	L-300A L-300A	450.37 445.71	450.4 446.16	0.490 0.490	Hollister Hollister	08/26/11 08/26/11	09/18/11 09/18/11	TBD TBD	09/30/11 09/30/11	
T-83 T-43A	L-300B L-147	286.3162 1.1321	286.9185 2.2	0.600 0.440	Bakersfield/Rosedale San Carlos	09/06/11 09/06/11	09/19/11	09/23/11 09/23/11	09/26/11 09/27/11	
T-43B T-42	L-147 L-147	2.2 0.17	3.4 1.1321	0.000 0.520	San Carlos South Coastside	09/06/11 09/06/11	09/19/11 09/19/11	09/26/11 09/28/11	09/29/11 09/30/11	
TV-22 TV-17	L-131 L-105N	50.57 28.64	54,91 30.63	3.283 1.941	Fremont Oakland	09/07/11 09/12/11	09/21/11 09/26/11	10/04/11 10/05/11	10/09/11 10/08/11	
T-75 T-53	L-300A-1 L-300A	156.4 150.2625	157.0092 151.06	0.613 0.787	Barstow Barstow	09/14/11 09/13/11	09/27/11 09/27/11	10/05/11 10/01/11	10/10/11	
T-54A T-54B	L-300A L-300A	151.066 151.066	156.4 156.4	4.027 4.027	Barstow Barstow	09/13/11 09/13/11	09/27/11	10/03/11 10/03/11	10/06/11 10/06/11	
T-57 T-55	L-300A L-300A	181.4458 156.4	188.4084 159.33	1.468 1.750	San Bernardino Barstow/Lenwood	TBD 09/13/11	TBD 09/27/11	TBD 10/05/11	TBD 10/10/11	
TV-36A TV-36B	L-132 L-132	40.0837 42.34	42.34 43.6131	1.667 1.269	San Bruno San Bruno	05/18/11 A 05/18/11 A	05/23/11 A 05/23/11 A	06/09/11 A 06/13/11 A	TBD TBD	
T-38 T-39B	L-132 L-132	46.92 49.98	48.44 51.5	0.300 0.034	San Francisco San Francisco	06/22/11 A TBD	TBD TBD	TBD TBD	TBD TBD	
T-86 T-64	L-300B L-300A	414.7728 414.5727	416.7896 416.6196	0.914 1.053	Paicines Paicines	08/05/11 TBD	10/01/11 TBD	TBD TBD	10/12/11	
T-24 T-93A	L-132 L-400-3	0.7426 295.9127	1.87 299.91	0.861 0.868	Milpitas Antioch	09/19/11 09/19/11	10/03/11	10/06/11	10/07/11	
T-49 T-56N	L-191 L-300A	6.4753 159.33	9.44 160.1392	0.808	Pittsburg Barstow	09/26/11 09/13/11	10/10/11	10/14/11	10/17/11	
T-56S T-69S	L-300A L-300A	159.33 485.1414	160.1392 487.78	0.808 2.017	Barstow San Jose	09/13/11 09/28/11	10/11/11	10/15/11 TBD	10/19/11	
T-68 T-67	L-300A L-300A	480.9574 472.1279	483.7391 478.0014	1.131 5.843	Morgan Hill San Martin	09/28/11 09/28/11	10/14/11	10/17/11	10/25/11	
T-112 T-78 T-79A	L-191 L-300B L-300B	9.44 143.246	10.57 144.24	1.093 0.827 3.967	Pittsburg Daggett	10/04/11 10/04/11	10/18/11	10/21/11	10/22/11	
T-79A T-79B TV-47B	L-300B L-300B L-153	149.33 149.33 20.07	160.88 160.88 22.87	3.967 3.967 0.586	Barstow Barstow San Leandro	10/04/11 10/04/11 TBD	10/18/11 10/18/11 TBD	10/25/11 10/25/11 TBD	10/28/11 10/28/11 TBD	
T-109 T-1	L-148 21A	0 24.49	17.63 24.58	0.000	Modesto	09/26/11	10/24/11	10/28/11	10/31/11	Records Verified
T-4 T-6	101 101	9.7584 32.1685	10 32.1715							Records Verified Records Verified
T-8 T-18	105A 107	44.56 30.1954	46.91 32.16							Records Verified Records Verified
T-61 T-91	300A 301G	268.9522	269.5336							Records Verified Records Verified
T-95 T-97	SP3 0821-01	180.91	181.4 0.02							Records Verified Records Verified
T-111 T-113	L-153 101	9.18 10.402	9.2							Records Verified Records Verified
T-12 T-21	105N L-131	18.92 49.36	19.14 50.57							Records Verified Records Verified
T-58 T-59	300A 300A	198.9292 237.4404	201.7							Records Verified Records Verified
T-66 T-50	L-300A L-300A	450.83 0.2855	454.3289 0.9442							Records Verified Records Verified
T-88	L-300B	472.65	478.1							Records Verified

T - Test section
TV - Test section that includes video work
L - Transmission pipeline
A - Actual date completed