



**Pacific Gas and
Electric
Company**

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Paul Clanon
Michelle Cooke:

We write to advise you of an issue at the North Sacramento Underground Gas Holder that we recently discovered and corrected. In preparation for the scheduled ten-year inspection of the North Sacramento Underground Gas Holder, PG&E determined that three of the bottle-type holders did not satisfy minimum spacing requirements. PG&E has depressurized and valved off these bottles, and plans to permanently deactivate the bottles as weather conditions and resource availability permit.

PG&E first noticed that several of the bottles at the North Sacramento facility were potentially out of compliance with federal regulations in late May. As part of pre-inspection activities, PG&E observed that certain bottles installed did not meet minimum spacing requirements of 49 C.F.R. § 192.175(b). In the process of analyzing this issue, PG&E realized that the formula in Section 192.175(b) is incorrect. The formula referred to as the metric formula is actually the U.S. units of measurement formula. This error in the formula has orally been confirmed by PHMSA. Using the correct formula, three bottles are spaced between 0.5 inches and 1.5 inches too close to adjacent bottles. On August 29, PG&E depressurized these bottles (as well as all other bottles installed in 1983) and closed the valves connecting them to the holder facility.

PG&E is reducing the maximum allowable operating pressure of the three bottles to reduce the required separation pursuant to the formula in Section 192.175(b). PG&E does not plan to return these bottles to service, and will continue to keep these bottles depressurized and valved off until they can be permanently abandoned or deactivated.

PG&E has evaluated the spacing for the two other bottle type holders in its system, the Santa Cruz Underground Gas Holder and the Yuba City Underground Gas Holder. We have confirmed that the bottles in those holders are in compliance with the requirements in Section 192.175(b).

Sincerely,

JANE K. YURA