

**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 SEPTEMBER 30, 2011**

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Dated: September 30, 2011

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Pacific Gas and Electric Company (“PG&E”) hereby provides a status update as of September 30, 2011, on PG&E’s ongoing hydrostatic pressure testing efforts. All of the hydrostatic tests that PG&E has completed through September 30, 2011 have been successful.

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 for these 152 miles of pipeline. 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.)

As of September 30, more than 105 of the 152 Priority 1 transmission pipeline miles have

been hydrostatically tested and tied in, hydrostatically tested but not yet tied in, replaced, or have had strength test pressure records verified.

**I. UPDATE ON STATUS OF HYDROSTATIC TESTS**

Appendix A is a detailed spreadsheet listing the status and schedule as of September 30, 2011 for 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 hydrostatically test or replace 152 miles of pipe in 2011.

PG&E considers a test section complete when all sub-sections have been hydrostatically tested and returned to service. As of September 30, 2011, PG&E has completed hydrostatic tests and returned those sections to service for 37 test sections and replaced 2 test sections,<sup>1</sup> totaling 55.2 miles. In addition, complete strength test pressure records have been verified for 25 test sections, representing 42.1 miles. As of September 30, PG&E has completed 5 hydrostatic tests but not yet tied in the pipeline, which represents 8.4 miles. In total, 105.7 of the 152 transmission pipeline miles have been hydrostatically tested and tied in, hydrostatically tested but not yet tied in, replaced, or have had strength test pressure records verified.

Table 1 below lists the 37 test sections where the hydrostatic tests have been completed and the sections have been returned to service:

**Table 1: Completed Hydrostatic Tests**

Test	Line No.	City	Tie-In Date
T-40	L-132A	Mountain View	05/25/11
T-41	L-132A	Mountain View	05/25/11
T-96	SP5	Oakley	05/27/11
T-02	L-101	San Jose	06/11/11
T-03	L-101	Santa Clara	06/11/11

<sup>1</sup> The following small replacements have been completed: T-23 Line 131 in Milpitas, and T-09 Line 105A-1 in Emeryville.

T-11	L-105N	Newark	06/12/11
T-51	L-300A	Newberry-Baker	06/12/11
T-52	L-300A	Newberry Springs	06/12/11
T-77	L-300B	Newberry Springs	06/21/11
T-62	L-300A	Kettleman City	06/30/11
T-63	L-300A	Avenal/Kettleman City	06/30/11
T-85	L-300B	Cantua Creek	06/30/11
T-45	L-153	Union City	07/11/11
T-46	L-153	Hayward	07/14/11
T-84	L-300B	Kettleman City/Avenal	07/26/11
T-20	L-131	Sunol	07/30/11
T-44	L-153	Fremont	08/06/11
T-70	L-300A	San Jose	08/08/11
T-71	L-300A	San Jose	08/08/11
T-72	L-300A	San Jose	08/08/11
T-73	L-300A	San Jose	08/08/11
T-74	L-300A	Milpitas	08/08/11
T-60	L-300A	Arvin	08/12/11
T-28	L-132	Mountain View	08/18/11
T-76	L-300B	Barstow/Topock	08/30/11
T-10	L-105C	Oakland	08/31/11
T-81	L-300B	Arvin	09/01/11
T-80	L-300B	Tehachapi	09/01/11
T-82	L-300B	Bakersfield	09/01/11
T-89	L-300B	San Jose	09/10/11
T-90	L-300B	San Jose	09/10/11
T-27	L-132	Sunnyvale	09/14/11
T-15	L-105N	San Leandro	09/16/11
T-29	L-132	Mountain View	09/19/11
T-19	L-114	Brentwood	09/20/11
T-16	L-105N	Oakland	09/27/11
T-65	L-300A	Hollister	09/29/11

Table 2 below lists the sections for which hydrostatic tests have been successfully performed<sup>2</sup> but the pipeline is still out of service and therefore not yet considered a completed section:

**Table 2: Hydrostatic Tests Performed But Not Yet Tied-In**

Test	Line No.	City	Hydrostatic Test	Tie-In Date
T-07	L-105A	Emeryville	09/27/11	10/02/11
T-54	L-300A	Barstow	09/21/11	10/04/11
T-55	L-300A	Barstow/Lenwood	09/23/11	10/04/11
T-56	L-300A	Barstow	09/27/11	10/04/11
T-75	L-300A-1	Barstow	09/25/11	10/04/11
T-36	L-132	San Bruno	06/13/11	TBD

Table 3 below lists the sections for which hydrostatic test records have been verified:

**Table 3: Test Sections with Verified Records**

Test	Line No.	City
T-1	L-21A	Sonoma County
T-4	L-101	Mountain View
T-6	L-101	Millbrae
T-8	L-105A	Albany
T-18	L-107	Livermore

<sup>2</sup> Two tests have been performed but represent only a subset of an entire section: T-25A Line 132 in Santa Clara, and T-47A Line 153 in San Leandro.

T-61	L-300A	Kern County
T-91	L-301G	Hollister
T-95	L-SP3	Concord
T-97	L-0821-01	San Jose
T-113	L-101	Mountain View
T-12	L-105N	Hayward
T-21	L-131	Fremont
T-58	L-300A	Kern County
T-59	L-300A	Kern County
T-69	L-300A	San Jose
T-66	L-300A	Hollister
T-50	L-300A	Topock
T-111	L-153	Newark
T-88	L-300B	San Martin
T-53	L-300A	Barstow
T-78	L-300B	Daggett
T-83	L-300B	Bakersfield
T-99	1816-01	Watsonville
T-100	1816-01	Watsonville
T-98	1816-01	Watsonville

Per the Commission’s request, PG&E is committed to performing spike tests wherever it is safe and reasonable to do so. In the limited situations where spike tests are not advisable because the tests pose risks to the integrity of our pipeline system, PG&E will provide advanced notice to the Consumer Protection and Safety Division (CPSD).<sup>3</sup> On September 27, PG&E provided CPSD with a list of 12 hydrostatic tests (7 completed and 5 yet to be performed at the time of this monthly report) that PG&E would perform without a spike test. These tests included engineering variables such as significant elevation, which would cause the maximum pressure with a spike test to exceed 100% of the specified minimum yield strength of a pipeline, and/or the test was against a valve where the test exceeds the valve seat pressure or could allow water into the pressurized side of the valve.

In the month of October 2011, PG&E plans to complete up to 32 hydrostatic test sections. The hydrostatic testing of approximately 150 miles of pipeline requires execution of a very aggressive and complex schedule. Schedules for each test may change based on test-specific situations and delays due to system-related issues. PG&E continues to work through schedule

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<sup>3</sup> In the Consumer Protection and Safety Division’s September 12, 2011 letter to PG&E, the letter states “For any applicable pressure tests where a spike hydro-test will not be performed, PG&E’s MAOP restoration request must provide advance notice regarding the specific pipeline facility, or component, which PG&E believes would preclude the spike hydro-test from being performed to a minimum level of 5%” (p.4).

challenges associated with gas system availability and delays associated with permitting and land access.

As outlined in PG&E's August 30 Report, a few miles of pipeline, however, continue to present challenges that may lead to delaying tests into 2012 after the winter cold season. These include approximately 0.47 miles residing within regulating and compressor stations posing complex engineering and construction challenges; approximately 3.5 miles located within environmentally sensitive areas potentially impacting endangered species, requiring permits taking up to 6 months to acquire; and approximately 1.6 miles presenting other complex engineering challenges, such as a section of pipe crossing over a major freeway. As also outlined in PG&E's August 30 Report, PG&E has identified for testing two parallel sections of pipe crossing under rivers that provide redundant gas supply to customers. Should one line need to be taken out of service, PG&E will delay the test of the other line to ensure adequate gas supply.

Additionally, because of sections of pipe being taken out of service and the pressure reductions on the San Francisco Peninsula gas transmission system, PG&E will not risk core customer curtailments by continuing hydrostatic testing after October on the lines serving the San Francisco Peninsula. The requirement to end hydrostatic testing by November 1 on this part of the system has the potential to delay the testing of up to 3.3 miles of the Priority 1 miles until the spring of 2012. PG&E remains committed to ensuring that adequate time and resources are spent on this work to achieve both safe and high quality results. We take both of these into consideration when acting on the challenges we encounter.

## **II. CONCLUSION**

As of September 30, more than 105 of the 152 Priority 1 transmission pipeline miles have been hydrostatically tested and tied in, hydrostatically tested but not yet tied in, replaced, or have had strength test pressure records verified. The engineering, environmental and permitting challenges discussed earlier may impact PG&E's ability to complete all tests within 2011. While

PG&E continues to aggressively work to complete testing for the 152 Priority 1 miles, the team expects to complete between approximately 141 and 147 Priority 1 miles by end of 2011.

PG&E appreciates the support and opportunity to work collaboratively with the CPUC to expedite permitting processes. PG&E also appreciates the cooperation and understanding of local governments and government agencies to help expedite the permitting process. In addition, PG&E appreciates the support from the CPUC in the collaborative efforts to address concerns associated with pressure reduction activities.

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 to improve our overall system performance and safety.

Respectfully Submitted,

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