



**Pacific Gas and
Electric Company**

Bill Gibson
Director, Regulatory Compliance
and Support
Gas Operations

375 N. Wiget Lane,
Walnut Creek, CA. 94598
Suite 250

925-974-4210
Fax: 925-974-4102
Internet: WLG3@pge.com

January 27, 2012

Ms. Michelle Cooke, Director
Consumer Protection and Safety Division
California Public Utilities Commission
505 Van Ness Avenue, Room 2005
San Francisco, CA 94102-3298

Re: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
Maximum Allowable Operating Pressure (MAOP) Separation Valve not Maintained
in the City of Fresno, Fresno County

Dear Ms. Cooke:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue.

A recent review of records discovered that a closed 6-inch valve (B-24) separating a 204 psig distribution feeder main from the 60 psig distribution system in the City of Fresno has not been maintained annually. The valve became an MAOP separation valve in 2007 when a portion of the distribution system that the valve is connected on was uprated to a 204 psig distribution feeder main. As part of the 2007 uprate, the normal operation of the valve was changed from "maintain open" to "maintain closed" to function as an MAOP separation valve. The valve should have then been classified as a valve requiring annual maintenance.

This is not in compliance with 49 CFR §192.747(a), which states, "Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year."

Since the discovery of this finding, PG&E has performed the following corrective actions:

January 24, 2012

- Performed maintenance on valve B-24. This maintenance included inspecting, servicing, partially operating, and labeling the valve.

January 26, 2012

- Added valve B-24 to PG&E's SAP Preventative Maintenance Schedule.
- Added a step to the Distribution Shutdown Zone Manual for Fresno Distribution Shutdown Zones B & C to check closed valve B-24.

Additional Steps to be taken:

- Research all of PG&E's distribution systems to determine if any additional MAOP separation valves are not being maintained annually. This review will be completed by February 29, 2012.
- If additional MAOP separation valves are found not to have been maintained, PG&E will:
 1. Maintain the valve(s), if possible, based on accessibility and/or operability within ten days of discovery of the un-maintained valve(s).
 2. If accessibility and/or operability limit PG&E's ability to properly maintain the valve(s), PG&E will initiate a job to excavate, cut and cap pipe in order to physically disconnect the two different MAOP systems.
- PG&E will report to the CPSD the results of its research by March 15, 2012.
- The next revision of the PG&E's Valve Maintenance Work Procedure will clarify the definition of valves requiring annual maintenance to include all MAOP separation valves.

The local authorities for the City of Fresno and Fresno County will be notified, and PG&E will provide confirmation of notification as a supplement to this notification.

Please contact Redacted for any additional questions you may have regarding this notification.

Sincerely,



Bill Gibson

cc: Dennis Lee, CPUC
Mike Robertson, CPUC

Redacted

Shilpa Ramaiya, PG&E
Frances Yee, PG&E