

From: Prosper, Terrie D.
Sent: 2/13/2012 3:02:15 PM
To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
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Subject: CPUC Information Alert: CPUC Follows-Up on Allegations Regarding PG&E Pipeline Work

CPUC Information Alert: CPUC Follows-Up on Allegations Regarding PG&E Pipeline Work

The California Public Utilities Commission (CPUC) today released the following update on its staff examination of two recent allegations regarding Pacific Gas and Electric Company's (PG&E) pipeline safety work.

The CPUC's Consumer Protection and Safety Division (CPSD) is following up on reports made by the United Association of Plumbers, Pipe Fitters, and Steamfitters Local Union Nos. 246 and 342, and their individual members, in a filing made to the CPUC in its proceeding to set new rules for the safe and reliable operation of natural gas pipelines in California (R.11-02-019). **The allegations in the filing include that some of PG&E's transmission pipelines have weld flaws and that some lines are corroded and repairs were not made properly. In the filing, welders expressed these concerns after working on PG&E's hydro-testing of transmission pipeline in 2011.**

The CPUC is reviewing the radiography and other records associated with the hydro-testing projects that the individuals from Local Unions 246 and 342 worked on to ensure that those welds were inspected and passed the inspections. The CPUC has also reached out to the Union in order to obtain contact information so that CPSD investigators can speak with the Union members at the earliest convenience of the members. The CPUC will also conduct field work in areas mentioned by the members as well as additional sample areas in order to further confirm the quality of the hydro-testing effort.

"The safety of the pipeline system is our number one priority," said Michelle Cooke, interim Director of CPSD. "We take all allegations of unsafe actions by a utility very seriously and follow-up on every tip we receive."

Separately, CPSD has looked into allegations that PG&E identified leaks in some distribution pipelines during leak surveys, but has not made repairs in a timely manner. Thus far, CPSD has found no material evidence to support the allegation that leaks are not being repaired in a timely manner, as leaks are prioritized for repair, as follows:

- Grade 1 Gas Leaks: A Grade 1 gas leak, also referred to as a "hazardous leak," represents an existing or probable hazard to persons or property and requires immediate repair or continuous action until conditions are no longer hazardous.

- Grade 2+ (Priority Grade 2) Gas Leaks: A Grade 2+ leak is non-hazardous to persons or property at the time of detection, but still requires a scheduled priority repair within 90 days or less.
- Grade 2 Gas Leaks: A Grade 2 leak is non-hazardous to persons or property at the time of detection but still requires a scheduled repair because it presents a probable future hazard. Grade 2 leaks must be repaired within 15 months.
- Grade 3 Gas Leaks: A Grade 3 leak is non-hazardous at the time of detection and can reasonably be expected to remain non-hazardous.

CPSD will continue to stay on top of this issue to ensure that PG&E is following the repair rules outlined above.

The CPUC encourages those who suspect unlawful activity by a utility to contact the CPUC so an investigation can begin immediately. Information on the CPUC's whistleblower program and contact information is available at www.cpuc.ca.gov/PUC/Enforcement/whistleblowers.htm.

For more information on the CPUC's natural gas safety work, please visit www.cpuc.ca.gov/PUC/events/sanbruno.htm.

Please let me know if you have any questions.

Terrie

Terrie Prosper
Director, News & Public Information Office
California Public Utilities Commission
Press Line: (415) 703-1366
tdp@cpuc.ca.gov
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