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February 13, 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
Inadequate Odorization of Gas in Line 169 at [Redacted]

Dear Ms. Cooke:

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

A recent annual odor intensity test at the [Redacted] farm tap near [Redacted] discovered that the gas was inadequately odorized. The farm tap serves 17 services and is fed by transmission Line 169. Line 169 is normally supplied odorized gas from Line 177, which typically flows in a southward direction. In September 2011, a valve at Fell Station was closed to accommodate a reduction in the maximum allowable operating pressure on Line 177. As a result, the flow of gas in Line 169 changed direction to flow in a northward direction. [Redacted] of the [Redacted] farm tap are several production wells that feed unodorized gas into Line 169. The unodorized gas from the production wells migrated north to the location of the farm tap, resulting in inadequately odorized gas being supplied to the farm tap.

This is not in compliance with 49 CFR §192.625(a), which states, "A combustible gas in a distribution line must contain a natural odorant or be odorized so that at a concentration in air of one-fifth of the lower explosive limit, the gas is readily detectable by a person with normal sense of smell."

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

- A PG&E Gas Service Representative (GSR) conducted a leak investigation at two houses. Following the repairs, gas leak surveys were conducted inside and outside the two houses and confirmed no leaks.

- PG&E leak surveyors conducted leak surveys on all of the 17 services tapped off of the [Redacted] farm tap. One non-hazardous leak was found and repaired on the fitting below a service regulator. Another service regulator was repaired. The surveyors could not gain access to three locations which were documented, surveyed outside, the meters were clock tested to confirm there were no leaks on any of the house lines and a service report form left on the doors. The leak surveys discovered one Grade 2 leak on the regulator at the high pressure regulator station. The regulator was repaired on February 8, 2012 by PG&E crews. The surveys also identified house line leaks at a rice dryer and a barn, resulting in shutting down the meters at those locations until repairs are made to the house lines.
- PG&E completed an odor intensity test of the entire Line 169 system to ensure all of the remaining customers on that system are properly odorized.

Additional Steps to be Taken:

- A new odorizer will be installed at the [Redacted] farm tap. The estimated completion date is February 17, 2012.
- PG&E will conduct a critique of this event, which may include a review of the gas clearance process, and develop corrective actions to prevent recurrence.

The local authorities for Butte County will be notified of this issue, and PG&E will provide confirmation of notification as a supplement to this letter.

Please contact [Redacted] at [Redacted] or [Redacted] for any additional questions you may have regarding this notification.

Sincerely,



Bill Gibson
Director, Regulatory Compliance and Support

cc: Dennis Lee, CPUC
Mike Robertson, CPUC

[Redacted]

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