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March 12, 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 Venting of Pressure Relief Devices at Various Station Locations

Dear Ms. Cooke:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding the inadequate venting of pressure relief devices at nineteen locations within PG&E's gas system territory. While this notification is based on a draft consultant report undergoing validation, PG&E is not waiting for the report to be finalized to take corrective actions.

As background, in 2011, PG&E retained Raymundo Engineering Co, Inc. (Raymundo) to investigate and evaluate the design, construction drawing and installation of Becker Precision Equipment, Inc. pre-packaged controls systems and power gas supply assemblies installed at PG&E's major pressure-limiting stations throughout the system. In January 2012, PG&E received Raymundo's draft report. The draft report indicated that the pressure relief valves providing overpressure protection of the control system power gas were not adequately vented. In some cases, the relief valve exhaust was not routed to a vent stack, or the vents did not discharge in a location that would protect workers from possible injury. The problem affects nineteen stations in all. Please see the attached list for the affected stations.

Although the venting problem does not affect public safety, the failure to properly vent is not in compliance with 49 CFR 192.199(e), which states, "*Except for rupture discs, each pressure relief or pressure limiting device must...have discharge stacks, vents, or outlet ports designed to prevent accumulation of water, ice, or snow, located where gas can be discharged into the atmosphere without undue hazard.*"

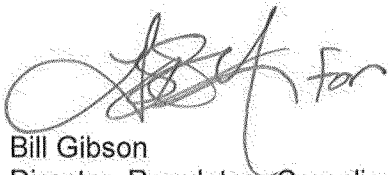
Since receipt of the draft report, we have had discussions with Raymundo about its analysis and with Becker Precision Equipment, Inc. regarding the extent of the issue to determine the appropriate corrective action. PG&E is currently retrofitting the affected stations to route the relief valve discharge to vent stacks, and will complete this retrofitting on March 14, 2012.

Although the Raymundo report is only a draft report, PG&E is taking a proactive approach to immediately address the inadequate venting issue as we continue to validate the information in the report with the consultant. This includes examining two additional potential compliance issues that the Raymundo report discusses: (1) the setpoint of the pressure relief valve exceeding the maximum working pressure of the actuator or other control devices, and (2) the electrical installation inside the cabinet is not in compliance with the National Electric Code (NEC) 501. PG&E has hired consultants to help with the review of these two remaining issues. Upon the conclusion of the review, PG&E will provide an update to this letter to notify the Commission if additional non-compliance issues are identified, including any additional venting issues that are discovered.

PG&E will notify the local authorities for the cities and counties where the affected stations are located and will provide confirmation of notification as a supplement to this letter.

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

Sincerely,



Bill Gibson
Director, Regulatory Compliance and Support

Attachment

cc: Julie Halligan, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC
Dennis Lee, CPUC

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

BECKER CONTROLS EVALUATION GAS OPERATIONS, PACIFIC GAS & ELECTRIC CO.									
No.	PG&E Station Name	PG&E Op Diagram	County	City	Street Address	Main Line Valve & Instrumentation Information			
						ID No.	Function	Field Observations	
								Vents	Stacks
1	Bakersfield Tap Station	081813	KERN	Rosedale	Brimhall Road	V-25	Monitor		X
2	Bethany Compressor Station	183098	ALAMEDA	N/A	Kelso Road	V-14	Monitor		X
						V-15	Regulator		X
3	Bloomfield Station	087999	SANTA CLARA	N/A	Bloomfield Road/Pecheco Hwy	V-14	Monitor		X
						V-15	Regulator		X
						V-16	Monitor		X
						V-16	Monitor		X
4	Bradbury Road Regulating Station	082548	MERCED	N/A	Bradbury Road	V-12	Monitor	X	X
						V-13	Regulator	X	X
5	Delevan Compressor Station	389901	COLUSA	N/A	N/A	V-194	Recycle		X
						V-81	Recycle		X
6	Dolan Road Meter Station	083812	MONTEREY	N/A	Dolan Road	V-17	Regulator	X	X
						V-18	Regulator	X	X
						V-19	Monitor	X	X
						V-20	Monitor	X	X
7	Fell Regulator Station	082551	BUTTE	N/A	River Road	V-20	Regulator		X
8	Fresno Gas Load Center	382885	FRESNO	Fresno		V-111	OPP		X
9	Marina Blvd Station	083752	ALAMEDA	San Leandro	Marina Ave	V-18	Monitor		X
10	North Sacramento Holder	382860	SACRAMENTO	Sacramento	Lampassas Ave	V-93	Monitor		X
11	Oak Flat Road Meter Station	082544	STANISLAUS	N/A	Oak Flat Road	V-7	Monitor		X
						V-10	Regulator		X
						V-8	Monitor		X
						V-9	Regulator		X
12	Palm Tract	0800572	CONTRA COSTA	N/A	Fellman Rd x Orwood Rd	V-6.04C	MLV		X
						V-6.07B	MLV		X
13	Panoche Station	284100	FRESNO	N/A	I-5, West Kamm Ave	V-22	Block		X
						V-76	Regulator		X
14	PLS 2AX	0800212	SAN BERNADINO	N/A	Pipeline Road	V-149.64A	Monitor		X
						V-3	Regulator		X
						V-149.65A	MLV		X
15	PLS 2BX	0800213	SAN BERNADINO	N/A	Soapmine Road	V-148.90b	Monitor		X
						V-3	Regulator		X
						V-148.91B	MLV		X
16	Ripon Modesto Meter Station	086444	SAN JOAQUIN	N/A	N/A	V-2	Monitor		X
						V-5	Regulator		X
						V-3	Monitor		X
						V-4	Regulator		X
17	Ripon Station	0800719	SAN JOAQUIN	Ripon	N/A	V-3	Monitor	X	X
						V-4	Monitor	X	X
						V-5	Regulator	X	X
						V-6	Regulator	X	X
18	Tompkins Hill Meter & Reg Station	183697	HUMBOLDT	N/A	N/A	V-7	Monitor	X	X
						V-8	Monitor	X	X
19	Valero Station	082499	SOLANO	Benicia	West Channel Road	V-10	Monitor		X
						V-14	Monitor		X