



**Pacific Gas and  
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April 23, 2012

Brigadier General Jack Hagan, 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  
Internal Review Findings in Fresno Division

Dear Brigadier General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of several self-identified non-compliance issues based on an internal quality assurance review of maintenance records for the company's Fresno Division. All non-compliances occurred in various locations in the Counties of Fresno and Kings.

PG&E recently implemented a gas compliance assurance program, which includes reviews of maintenance records for the company's 17 divisions with gas operations. As part of ramping up this process, PG&E began with reviews of 2010 and 2011 maintenance activities. The first step in the assurance program is to have an external consultant review various records for each division, and note any questionable items. The consultant is instructed to take a very broad look at the records and note anything that could be considered a violation of applicable code provisions or PG&E work procedures. The next step is review by PG&E personnel to determine whether the items identified are violations, or if, for example, the proper documentation exists but was not located by the consultant. After this review, corrective actions are identified and implemented.

This focused validation of issues for PG&E's Fresno Division has identified several non-compliance issues as well as failures to follow PG&E work procedures. The attached table provides details of the non-compliance items and failures to follow PG&E work procedures. The table indicates the specific code or PG&E work procedure involved, the number of findings and the immediate corrective actions taken, which have all been completed.

PG&E is currently reviewing the consultant's preliminary list of possible issues noted for 2010 and 2011 maintenance activities for PG&E's remaining divisions. PG&E will supplement this letter at the end of next month with an update and with notice of any other non-compliances identified as part of its gas compliance assurance program. In

addition, PG&E is expanding the program to include reviews of 2012 and future maintenance activities for each division on a bi-monthly basis, allowing for ongoing feedback and implementation of prompt corrective actions. Longer term plans include transitioning the initial review work from an external consultant to a formal QA/QC internal organization so that we may more readily incorporate these practices into our work processes.

PG&E will notify the local authorities for the Counties of Fresno and Kings and the affected cities within these counties of these issues 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

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

Redacted

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

Attachment

**CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification  
Internal Review Findings in Fresno County  
April 23, 2012**

**Summary of Findings**

<b>#</b>	<b>Work Type</b>	<b>Non-Compliance Finding</b>	<b>No. of Findings</b>	<b>Location (City)</b>	<b>Location (County)</b>	<b>Affected Code or PG&amp;E Standard</b>	<b>Corrective Action</b>
1	Valve Maintenance	Information on valve maintenance forms and/or sketches do not match.	65	Fresno, Clovis, Sanger, Kerman, Selma, Fowler, unincorporated areas	Fresno	PG&E Work Procedure 4430-04	Corrected information on valve maintenance forms and sketches.
2	Cathodic Protection	Short sections of steel pipe not checked for adequate cathodic protection within 10 calendar years.	28	Fresno	Fresno	192.465(a)	All locations have been monitored and determined to be cathodically protected.
3	Cathodic Protection	Missing cathodic protection review stamp on drawings.	4	Fresno, Sanger, Kerman	Fresno	Gas Standards & Specifications O-16	Cathodic protection of pipe determined to be adequate.
4	Cathodic Protection	Yearly monitoring reads not established where protected by wire.	5	Fresno, Selma, Avenal	Fresno Kings	Gas Standards & Specifications O-16	New pipe-to-soil locations, with reads, noted on maintenance forms.
5	MAOP Documentation	Inadequate MAOP documentation.	5	Unincorporated areas	Fresno	Utility Procedure TD-4125P-01	Corrected the MAOP documentation for 5 facilities.
6	Leak Repair	Inadequate pressure test documentation on leak repair forms.	7	Fresno, Selma, Fowler, Avenal	Fresno Kings	Utility Operations Standard S4110	Pipe segments were excavated and tested.
7	Pipeline Patrol	Missing documentation in the Pipeline Patrol binder.	1	Fresno, Clovis, Sanger, Kerman, Selma, Fowler, Coalinga, Avenal, unincorporated areas	Fresno Kings	Utility Work Procedure TD-4412P-07	Listing of pipeline patrols reviewed and entered into Pipeline Patrol binder.
8	Emergency Zones	Missing maps or missing/inaccurate information on maps or data sheet.	27	Fresno, Clovis, Selma, Sanger, Fowler, Huron, Kerman, San Joaquin, Avenal, unincorporated areas	Fresno Kings	Utility Operations Standard S5000	Updated or corrected all zone maps and data sheets; added missing maps to binder.
9	Deactivation Records	Status of deactivated facilities not maintained per procedure.	2	Fresno	Fresno	Utility Work Procedure WP4100-11	Status of deactivated facilities determined and documented per work procedure.