PG&E's Outstanding Self-Reports Submitted under ALJ-274

Notif #	Date	DIST. (D) TRANS. (T)	Asset	Address/MP	City	Description
1b	02/01/12	D	Leak Survey	Various	Various	Results of systemwide review to ensure plat maps are included in leak survey schedule.
2	01/13/12	D	Distribution plastic service line	DFM 0632-01 MP 3.71	Williams	MAOP exceeded and failure to timely leak survey.
3	01/20/12	T	Pressure Regulator Station	Redacted		Deactivated pressure regulator station not properly disconnected from the gas system.
4	01/27/12	D	MAOP Valve			MAOP separation valve missed annual maintenance.
5	02/13/12	T	Line 169			Inadequate odorization.
6	02/22/12	D	8-inch DFM	Two test locations for CPA 3278-39	Burlingame/San Carlos	Missed bi-monthly cathodic protection measurements.
7	02/24/12	D	Regulator Station Inlet Valve	DFM 7212-01 MP 3.6	Kerman	Underrated valve installed.
8	03/12/12	D	Becker pressure relief valve	Various stations	Various	Inadequate venting of pressure relief devices.
9	03/16/12	D	Service valves	Redacted		Unqualified employee performing service repairs.
10	03/30/12	D	Regulator Station Relief Valve			Incorrect relief valve setpoint.
11	04/04/12	D	CPA Resurveys	Central Coast Division	Various locations in Santa Cruz County	Missed cathodic protection area resurveys.
12*	04/23/12	D	Various	Fresno Division	Various locations in Fresno and Kings Counties	*Self-assessment review findings in Fresno Division that may be addressed in audit.
13	05/11/12	D	High pressure regulator	Various	Various	High pressure regulator sets not maintained annually.
14	05/18/12	D	Inlet valves	Redacted		Inlet valves at high pressure regulators found not rated for operating pressure.
15	05/25/12	D	DFM	401-01 Distribution Feeder Main	Marin County	Particular distribution feeder main (DFM) should be on annual leak survey, not five-year.

Pacific Gas and Electric Company®

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February 1, 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
Update to December 30, 2011 Letter Regarding Missed Leak Surveys in
Contra Costa County

Dear Ms. Cooke:

As indicated in our self-identified non-compliance notification submitted to you on December 30, 2011 regarding missed leak surveys in Contra Costa County, PG&E committed to "conduct a system-wide evaluation to determine if this issue is present in any other divisions and implement corrective actions as needed."

This letter provides the results of PG&E's system-wide evaluation to ensure all plat maps with distribution facilities have been included in PG&E's leak survey schedule.

PG&E discovered that plat maps were not consistently added to the leak survey schedule as the maps were updated or created. As a result, some facilities were not regularly leak surveyed. The procedure for incorporating plat maps into the leak survey schedule lacked an adequate quality control process. PG&E is implementing changes to our leak survey procedures to prevent a recurrence of this problem and is still working to improve the quality control process for future use.

As shown in the attached spreadsheet, the system-wide evaluation identified an additional 46 maps throughout PG&E's gas distribution system that were not included in the leak survey schedule and missed the five-year leak survey interval requirement. In some cases, new distribution lines and services were added to maps, but the maps were not included in the distribution leak survey schedule. These maps were not leak surveyed until discovered as part of the system-wide evaluation. In other cases, however, the lines and services were properly leak surveyed for many years since their installation but inadvertently dropped from the leak survey schedule more recently when the maps were changed. PG&E is continuing to confirm the number of missed leaked survey dates per map.

As of January 20, 2012, all leak survey schedules have been updated to include the missing 46 maps, and as of January 30, 2012, all of the distribution pipeline and services on these maps have been leak surveyed. The leak surveys identified 5 leaks. As of the date of this letter, two of the leaks have been repaired and the remaining three are scheduled to be repaired by the end of the month.

The additional 46 maps discovered represent 0.2% of PG&E's approximately 21,600 gas distribution system maps.

The local authorities for the affected cities and counties will be notified of the additional 46 maps that missed the required leak survey schedule for their respective jurisdictional areas, and PG&E will provide confirmation of notification as a supplement to this notification.

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

Attachment

cc: Mike Robertson, CPUC
Dennis Lee, CPUC
Redacted PG&E
Redacted PG&E
Shilpa Ramaiya, PG&E
Frances Yee, PG&E

Missed 5-Year Distribution Leak Survey

Summary by City

	Main Details								Service Details	
City	Distribution Main Job Number(s)	Installed by (Applicant or PG&E)	Footage of Main	Main Operational Date	1st Missed Leak Survey Date	2nd Missed Leak Survey Date	3rd Missed Leak Survey Date	# of Services	Service Installation Year (s)	Missed Leak Survey Dates
Antioch	30390620-05	Applicant	125	9/16/2005	12/16/2010	none	none	1	1 in 2005	1 missed in 2010
Antioch	30335070-05	Applicant	80	9/16/2005	12/16/2010	none	none	1	1 in 2005	1 missed in 2010
Antioch	30390620-05	Applicant	5,980	9/16/2005	12/16/2010	none	none	100	96 in 2005 4 in 2011	96 missed in 2010 4 (due in 2016)
Antioch	30335070-05	Applicant	5,990	9/16/2005	12/16/2010	none	none	108	80 in 2005 3 in 2006 8 in 2007 8 in 2008 6 in 2010 3 in 2011	80 missed in 2010 2 missed in 2011 1 (in compliance 2011) 8 (due in 2013) 8 (due in 2014) 6 (due in 2015) 3 (due in 2016)
Antioch	30254249-05	Applicant	4,840	9/16/2005	12/16/2010	none	none	58	58 in 2005	58 missed in 2010
Antioch	30341335-05	PG&E	1,230	9/16/2005	12/16/2010	none	none	0	n/a	n/a
Antioch	30168948-01	Applicant	750	11/6/2001	12/31/2006	none (compl by 12/31/2011)	none	10	10 in 2001	10 missed 2006 10 completed in 2011
Antioch	30168945-02	Applicant	3,016	11/6/2001	12/31/2006	none (comp by 12/31/2011)	none	49	45 in 2001 3 in 2002 1 in 2003	45 missed 2006 45 (in compliance 2011) 3 missed 2007 1 missed 2008
Antioch	30115986-00	Applicant	4,110	5/10/2000	8/10/2005	8/10/2010	none	65	54 in 2000 11 in 2001	54 missed 2005 & 2010 11 missed 2006 11 (in compliance 2011)
Antioch	30204204-10	Applicant	2,360	10/25/2001	12/31/2006	none (comp by 12/31/2011)	none	40	19 in 2001 20 on 2002	19 missed 2006 19 (in compliance 2011) 20 missed 2007
Antioch	30002702-98	Applicant	3,379	3/23/1998	6/23/2003	6/23/2008	none	56	52 in 1998 4 in 1999	52 missed 2003 & 2008 4 missed 2004 & 2009
Antioch	Subtotal		31,860	Feet				488		
			6.03	Miles						
Brentwood	30519720-07	Applicant	60	5/1/2007	none (due 8/1/2012)	none	none	0	n/a	n/a
Brentwood	30439403-06	Applicant	891	6/13/2006	9/13/2011	none	none	15	15 in 2006	14 missed 2011 1 (in compliance 2011)
	30273728-04	Applicant	5,310	6/24/2004	9/24/2009	none	none	66	42 in 2004 13 in 2005 11 in 2006	42 missed 2009 13 missed 2010 11 missed 2011
	30439407-05	Applicant	951	12/4/2005	12/31/2010	none	none	19	12 in 2005 7 in 2006	12 missed in 2010 7 missed 2011
	30343753-05	Applicant	3,365	1/19/2005	4/19/2010	none	none	55	45 in 2005 10 in 2006	45 missed 2010 10 missed 2011
	30343754-05	Applicant	1,506	1/19/2005	4/19/2010	none	none	28	28 in 2005	28 missed 2010
	30178955-02	Applicant	550	1/9/2002	4/9/2007	none	none	17	11 in 2002 6 in 2003	11 missed 2007 6 missed 2008
	30110014-01	Applicant	910	12/5/2001	12/31/2006	none (comp by 12/31/2011)	none	1	1 in 2001	1 missed 2006 1 (in compliance 2011)
	30178954-02	Applicant	130	10/28/2002	12/31/2007	none	none	4	2 in 2002 1 in 2003 1 in 2004	2 missed 2007 1 missed 2008 1 missed 2009
	30437776-05	Applicant	122	1/9/2006	4/9/2011	none	none	2	2 in 2006	2 missed 2011
Brentwood	30439403-06	Applicant	245	6/13/2006	9/13/2011	none	none	3	3 in 2006	3 missed 2011
Brentwood	30447004-06	Applicant	90	7/13/2006	10/13/2011	none	none	1	1 in 2006	1 missed 2011
Brentwood (Contra Costa County)	30002046-98	PG&E	47	12/8/1998	12/31/2003	12/31/2008	none	1	1 in 1999	1 missed 2004 & 2009
Brentwood (Contra Costa County)	30002046-98	PG&E	1,482	12/8/1998	12/31/2003	12/31/2008	none	1	1 in 2000	1 missed 2005 & 2010
Brentwood	Subtotal		15,659	Feet				213		
			2.97	Miles						
Concord	30209728-02	Applicant	5,030	5/27/2002	8/27/2007	none	none	115	107 in 2002 6 in 2003 2 in 2004	107 missed in 2007 6 missed in 2008 2 missed in 2009
Concord	30103175-00	Applicant	4,549	6/5/2000	9/5/2005	9/5/2010	none	76	75 in 2000 1 in 2003	75 missed 2005 & 2010 1 missed 2008
Concord	30004421-99	Applicant	6,210	11/17/1999	12/31/2004	12/31/2009	none	103	100 in 1999 3 in 2000	100 missed 2004 & 2009 3 missed 2005 & 2010
Concord	Subtotal		15,789	Feet				294		
			2.99	Miles						
Danville	GM 4999827-93	Applicant	1,750	6/17/1993	9/17/1998	9/17/2003	9/17/2008	9	5 in 1993 1 in 1999 2 in 2006	5 missed 1998, 2003 & 2008 1 missed 2004 & 2009 2 missed 2011
Danville (Contra Costa County)	30405090-05	Applicant	470	9/13/2005	12/13/2010	none	none	1	1 in 2007	1 (due in 2012)
Danville	Subtotal		2,220	Feet				10		
			0.42	Miles						
Discovery Bay (Contra Costa County)	30541247-08	Applicant	305	6/20/2008	none (due 9/20/2013)	none	none	1	1 in 2008	1 (due in 2013)
Discovery Bay (Contra Costa County)	Subtotal		305	Feet				1		
			0.06	Miles						
Pittsburg	30077827-99	PG&E	2,230	11/4/1999	12/31/2004	12/31/2009	none	49	43 in 1999 1 in 2001 5 in 2002	43 missed 2004 & 2009 1 missed in 2006 & 2011 5 missed 2007
Pittsburg	30264522-04	PG&E	4,350	8/25/2004	11/25/2009	none	none	72	71 in 2004 1 in 2005	71 missed 2009 1 missed in 2010
Pittsburg	Subtotal		6,580	Feet				121		
			1.25	Miles						
	Grand Total		**72,413**	Feet				**1,127**	**Number of Services**	
			13.72	Miles						

Notes: Missed survey based on a required 5-year leak survey frequency of "once every five calendar years not to exceed 63 months to the date".
Plat maps were last leak surveyed by December 29, 2011.

Missed 5-Year Distribution Leak Survey

Summary by Plat Map

			Main Details						Service Details		
Item #	Plat Map	City	Distribution Main Job Number(s)	Footage of Main	Main Operational Date	1st Missed Leak Survey Date	2nd Missed Leak Survey Date	3rd Missed Leak Survey Date	# of Services	Service Installation Year (s)	Missed Leak Survey Dates
1	53B10	Pittsburg	30077827-99	2,230	11/4/1999	12/31/2004	12/31/2009	none	49	43 in 1999 1 in 2001 5 in 2002	43 missed 2004 & 2009 1 missed in 2006 & 2011 5 missed 2007
		Pittsburg	30264522-04	4,350	8/25/2004	11/25/2009	none	none	72	71 in 2004 1 in 2005	71 missed 2009 1 missed in 2010
		Antioch	30390620-05	125	9/16/2005	12/16/2010	none	none	1	1 in 2005	1 missed in 2010
		Antioch	30335070-05	80	9/16/2005	12/16/2010	none	none	1	1 in 2005	1 missed in 2010
		Sub-Totals by map		6,785					123		
2	53B11	Antioch	30390620-05	5,980	9/16/2005	12/16/2010	none	none	100	96 in 2005 4 in 2011	96 missed in 2010 4 (due in 2016)
		Antioch	30335070-05	5,990	9/16/2005	12/16/2010	none	none	108	80 in 2005 3 in 2006 8 in 2007 8 in 2008 6 in 2010 3 in 2011	80 missed in 2010 2 missed in 2011 1 (in compliance 2011) 8 (due in 2013) 8 (due in 2014) 6 (due in 2015) 3 (due in 2016)
		Antioch	30254249-05	4,840	9/16/2005	12/16/2010	none	none	58	58 in 2005	58 missed in 2010
		Antioch	30341335-05	1,230	9/16/2005	12/16/2010	none	none	0	n/a	n/a
		Sub-Totals by map		18,040					266		
3	49A10	Concord	30209728-02	5,030	5/27/2002	8/27/2007	none	none	115	107 in 2002 6 in 2003 2 in 2004	107 missed in 2007 6 missed in 2008 2 missed in 2009
		Sub-Totals by map		5,030					115		
4	49B11	Concord	30103175-00	4,549	6/5/2000	9/5/2005	9/5/2010	none	76	75 in 2000 1 in 2003	75 missed 2005 & 2010 1 missed 2008
		Concord	30004421-99	6,210	11/17/1999	12/31/2004	12/31/2009	none	103	100 in 1999 3 in 2000	100 missed 2004 & 2009 3 missed 2005 & 2010
		Sub-Totals by map		10,759					179		
5	51 E09	Danville	GM 4999827-93	1,750	6/17/1993	9/17/1998	9/17/2003	9/17/2008	9	5 in 1993 1 in 1999 2 in 2006	5 missed 1998, 2003 & 2008 1 missed 2004 & 2009 2 missed 2011
		Sub-Totals by map		1,750					9		
6	53 E16	Antioch	30168948-01	750	11/6/2001	12/31/2006	none (comp by 12/31/2011)	none	10	10 in 2001	10 missed 2006 10 completed in 2011
		Antioch	30168945-02	3,016	11/6/2001	12/31/2006	none (comp by 12/31/2011)	none	49	45 in 2001 3 in 2002 1 in 2003	45 missed 2006 45 (in compliance 2011) 3 missed 2007 1 missed 2008
		Antioch	30115986-00	4,110	5/10/2000	8/10/2005	8/10/2010	none	65	54 in 2000 11 in 2001	54 missed 2005 & 2010 11 missed 2006 11 (in compliance 2011)
		Antioch	30204204-10	2,360	10/25/2001	12/31/2006	none (comp by 12/31/2011)	none	40	19 in 2001 20 on 2002	19 missed 2006 19 (in compliance 2011) 20 missed 2007
		Sub-Totals by map		10,236					164		
7	56D09	Danville (Contra Costa County)	30405090-05	470	9/13/2005	12/13/2010	none	none	1	1 in 2007	1 (due in 2012)
		Sub-Totals by map		470					1		
8	58F02	Antioch	30002702-98	3,379	3/23/1998	6/23/2003	6/23/2008	none	56	52 in 1998 4 in 1999	52 missed 2003 & 2008 4 missed 2004 & 2009
		Sub-Totals by map		3,379					56		
9	63F02	Brentwood	30519720-07	60	5/1/2007	none (due 8/1/2012)	none	none	0	n/a	n/a
		Sub-Totals by map		60					0		
10	59D09	Brentwood	30439403-06	891	6/13/2006	9/13/2011	none	none	15	15 in 2006	14 missed 2011 1 (in compliance 2011)
			30273728-04	5,310	6/24/2004	9/24/2009	none	none	66	42 in 2004 13 in 2005 11 in 2006	42 missed 2009 13 missed 2010 11 missed 2011
			30439407-05	951	12/4/2005	12/31/2010	none	none	19	12 in 2005 7 in 2006	12 missed in 2010 7 missed 2011
			30343753-05	3,365	1/19/2005	4/19/2010	none	none	55	45 in 2005 10 in 2006	45 missed 2010 10 missed 2011
			30343754-05	1,506	1/19/2005	4/19/2010	none	none	28	28 in 2005	28 missed 2010
			30178955-02	550	1/9/2002	4/9/2007	none	none	17	11 in 2002 6 in 2003	11 missed 2007 6 missed 2008
			30110014-01	910	12/5/2001	12/31/2006	none (comp by 12/31/2011)	none	1	1 in 2001	1 missed 2006 1 (in compliance 2011)
			30178954-02	130	10/28/2002	12/31/2007	none	none	4	2 in 2002 1 in 2003 1 in 2004	2 missed 2007 1 missed 2008 1 missed 2009
			30437776-05	122	1/9/2006	4/9/2011	none	none	2	2 in 2006	2 missed 2011
		Sub-Totals by map		13,735					207		
11	59 E09	Brentwood	30439403-06	245	6/13/2006	9/13/2011	none	none	3	3 in 2006	3 missed 2011
		Sub-Totals by map		245					3		
12	59F12	Brentwood	30447004-06	90	7/13/2006	10/13/2011	none	none	1	1 in 2006	1 missed 2011
		Sub-Totals by map		90					1		
13	64A10	Discovery Bay (Contra Costa County)	30541247-08	305	6/20/2008	none (due 9/20/2013)	none	none	1	1 in 2008	1 (due in 2013)
		Sub-Totals by map		305					1		
14	64D06	Brentwood (Contra Costa County)	30002046-98	47	12/8/1998	12/31/2003	12/31/2008	none	1	1 in 1999	1 missed 2004 & 2009
		Sub-Totals by map		47					1		
15	64D07	Brentwood (Contra Costa County)	30002046-98	1,482	12/8/1998	12/31/2003	12/31/2008	none	1	1 in 2000	1 missed 2005 & 2010
		Sub-Totals by map		1,482					1		

	GRAND TOTAL	**72,413**	**feet**	**1127 Number of Services**
		13.72	**miles**	

Notes: Missed survey based on a required 5-year leak survey frequency of "once every five calendar years not to exceed 63 months to the date".
Plat maps were last leak surveyed by December 29, 2011.

Pacific Gas and Electric Company®

Bill Gibson
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January 13, 2012

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

Re: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
MAOP Exceeded and Missed Leak Survey in Redacted

Dear Ms. Cooke:

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

On January 3, 2012, PG&E discovered a ½-inch plastic gas service to a single gas customer connected directly to Distribution Feeder Main (DFM) 0632-01 without pressure regulation at Mile Point 3.17 in the Redacted The issue was identified as part of a three-year program, initiated by PG&E in 2009, to identify and inspect all 4,700 customer service High Pressure Regulator (HPR) sets throughout PG&E's system. In this instance, after visiting the site four times in an effort to locate the HPR, PG&E determined that the service line was connected directly to the DFM without an HPR installed.

DFM 0632-01 has a Maximum Allowable Operating Pressure (MAOP) of 180 psig, and normally operates at approximately 175 psig. It is believed that this ½-inch plastic service has been subjected to this operating pressure since its installation in 1984. The pressure regulator at the customer meter set was functioning properly at a standard gas delivery pressure of 7 inches water column (0.25 psig).

The ½-inch plastic service was pressure tested prior to being put in service in 1984 per 49 CFR §192.513(c), which included a 100-pound pressure test. This established the MAOP for this service at 60 psig. Operating the plastic service above its MAOP is a violation of 49 CFR §192.123(a) and §192.619(a)(2).

As part of this investigation, on January 10, 2012, PG&E reviewed the leak survey history for this service line which is located on plat map 2146-E5. PG&E discovered that this service line, along with three other service lines that are tapped off of the same DFM have not been leak surveyed since July 25, 2005. 49 CFR §192.723(b)(2) requires a leakage survey to be conducted on gas service lines at least once every five calendar years at intervals not exceeding 63 months. Accordingly, PG&E has not complied with 49 CFR §192.723(b)(2) for these four service lines since October 25, 2010.

Since the discovery of these findings, PG&E has performed the following corrective actions:

January 3, 2012
- Immediately lowered pressure in DFM 0632-01 to less than 60 psig.
- De-activated the gas service without pressure regulation by cutting and capping the service tee at the 3-inch distribution feeder main.
- Rebuilt the gas meter set at the single customer's residence.
- Restored service to the customer by connecting the meter set to compressed natural gas tanks.

January 11, 2012
- Conducted leakage survey on the three active service lines on plat map 2146-E5. One non-hazardous leak was discovered and is scheduled to be repaired by April 10, 2012, per PG&E's leak repair procedure.

Additional Steps to be taken:
- Initiate a job to install a new gas service to be branched off the adjacent gas service. Expected completion date is by the end of February 2012, pending permitting issues. PG&E will inform CPSD when the new service is installed.
- PG&E will report the results of its HPR inspection program to CPSD as soon as it is completed, including whether any other farm taps are determined to lack appropriate pressure regulation.
- A work procedure to inspect all HPR sets and to conduct a pressure regulator diagnostic on a three-year periodic basis is scheduled be issued in the first quarter of 2012.
- Sacramento Division Mapping is in the process of updating the leak survey schedule to include map 2146-E5.
- PG&E is addressing the system-wide review of its distribution gas facility maps for potential missed leak surveys as part of the effort described in PG&E's December 30, 2011 self-indentified non-compliance notification regarding missed leak surveys in Contra Costa County. The results of this evaluation will be reported to the CPSD.

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

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

Sincerely,

Bill Gibson

cc: Redacted
Dennis Lee, CPUC
Quang Phan, CPUC
Mike Robertson, CPUC
Frances Yee

Pacific Gas and Electric Company

Bill Gibson
Director, Regulatory Compliance
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January 20, 2012

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

Re: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
Deactivated Pressure Regulator Station not Properly Disconnected in the Redacted
Redacted

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 for a deactivated pressure regulator station located at Redacted in the Redacted did not specify if the deactivated equipment had been disconnected or removed. On January 10, 2012, PG&E performed a physical inspection to confirm if the equipment had been disconnected. Upon inspection, PG&E discovered that while the pressure regulator station at Redacted has been isolated from the gas system since 2002 by inlet and outlet fire valves, it remains connected to the gas system.

This is a violation of 49 CFR §192.727(c), which states, "Except for service lines, each inactive pipeline that is not being maintained under this part must be disconnected from all sources and supplies of gas; purged of gas; in the case of offshore pipelines, filled with water or inert materials; and sealed at the ends. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard."

The regulator station vault is in what has become the turn lane from Redacted onto the Redacted Access into the vault requires that a traffic control plan be submitted and approved by the Redacted In 2002 PG&E determined that the regulator station was not needed for distribution system capacity and deactivated the station. However, the equipment in the vault was not removed and has not been maintained, nor was the piping in and out of the vault disconnected from the gas system.

The inlet and outlet valves, which are housed in valve frames and covers 40 and 21 feet away from the station vault, respectively, have been maintained in the closed position since 2002. PG&E does not believe this situation has posed a public or employee safety issue. Nevertheless, the station piping has remained connected to the gas system in violation of the above-referenced code requirement.

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

January 10, 2012
- Set up temporary traffic control to gain entrance into the station vault to confirm if the deactivated pressure regulator station equipment was properly disconnected from the gas system.

January 13, 2012
- Applied for City and County of Santa Clara permits for lane closure to accommodate PG&E work to remove deactivated station equipment and install blind flanges on the piping inside the station vault.

January 18, 2012
- Removed deactivated equipment in the station vault and installed blind flanges on the ends of the remaining piping, bringing facilities in compliance with 49 CFR §192.727(c).

Additional Steps to be taken:
- Initiate a job to excavate, cut, cap and deactivate piping into and out of the regulator station. Expected completion date is December 31, 2012, pending permitting issues.
- PG&E's work procedure for regulator station maintenance already contains requirements for deactivating regulator stations. However, the work procedure is being revised to clarify the steps for deactivating and disconnecting station facilities. The revised work procedure publication date is expected to be in the first quarter of 2012.
- PG&E will review its system to ensure that other deactivated regulator stations are properly disconnected from the gas system by September 1, 2012.

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

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

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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 Redacted

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 Redacted 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 Redacted will be notified, and PG&E will provide confirmation of notification as a supplement to this notification.

Please contac Redacted at Redacted or Redacted for any additional questions you may have regarding this notification.

Sincerely,

Bill Gibson

cc: Dennis Lee, CPUC
Mike Robertson, CPUC
Redacted PG&E
Redacted PG&E
Shilpa Ramaiya, PG&E
Frances Yee, PG&E

Pacific Gas and Electric Company

Bill Gibson
Director, Regulatory Compliance and Support
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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, Butte County

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

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February 22, 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
Missed Bi-monthly Cathodic Protection Monitoring in the Cities of Burlingame and San Carlos, San Mateo County

Dear Ms. Cooke:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding missed bi-monthly cathodic protection measurements on an 8-inch gas distribution feeder main in two locations in San Mateo County.

On January 26, 2012, a records review by a maintenance supervisor discovered that December 2011 pipe-to-soil potential (P/S) measurements for corrosion control monitoring on an 8-inch gas distribution feeder main were missed. As explained below, DOT regulations and PG&E standards require that P/S measurements be taken six times per year at intervals not to exceed 75 days. In this case, the P/S measurements were last taken on October 5, 2011 and should have been taken again in December 2011.

Subsequent to the P/S measurements in October, PG&E converted the cathodic protection maintenance schedule from the manual binder system to the new SAP Preventative Maintenance scheduling system. The intent of this improvement was to implement a system with electronic reminders so that scheduled P/S measurements were not missed. However, in the conversion from the binder-based system, these two locations were inadvertently placed on an incorrect maintenance schedule.

This is not in compliance with PG&E's Gas Standard & Specification O-16, "Corrosion Control of Gas Facilities," and 49 CFR 192.465(b) which provides that "Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2½ months, to insure that it is operating."

On January 27, 2012, PG&E conducted the preventative maintenance by taking P/S measurements at the Burlingame and San Carlos locations. The two P/S measurements were found to be below -850 millivolts (mV). Per Gas Standard & Specification O-16, cathodic protection systems are considered adequately protected when the lowest P/S potential is a minimum of -850 mV. Because the measurements did not meet this criterion, a corrective work order was created to schedule troubleshooting of this Cathodic Protection Area, and based on the troubleshooting results, PG&E will perform any corrective actions to restore cathodic protection.

A contract specialist working for the Peninsula Division Transmission & Regulation Supervisor has reviewed the SAP work tickets against the permanent cathodic protection maintenance binders for the entire year to confirm that all P/S measurement locations are accounted for. The specialist is continuing to review the Division SAP maintenance records against the permanent cathodic protection books prior to the start of each month. A full year's cycle of cathodic protection maintenance will be reviewed to ensure 100% accuracy of the SAP schedule is achieved.

Each division that is converting from the old manual binder scheduling system to the new SAP Preventative Maintenance scheduling system will make a monthly comparison of the two systems to ensure that all maintenance is scheduled correctly and performed on time.

As discussed above, PG&E discovered the issue on January 26, 2012, and the immediate corrective action to perform the required maintenance was performed on January 27, 2012. However, due to error and oversight, PG&E did not identify this issue as reportable under CPUC Resolution ALJ-274 until after ten days had elapsed. PG&E apologizes for the delay.

PG&E will notify the local authorities for the Cities of Burlingame and San Carlos and the County of San Mateo of this issue and 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
Sunil Shori, CPUC
Redacted PG&E
Redacted PG&E
Shilpa Ramaiya, PG&E
Frances Yee, PG&E

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February 24, 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
Underrated Valve Installed at District Regulator Station, Fresno County

Dear Ms. Cooke:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding the installation of an underrated valve at District Regulator Station E-07, which is tapped off of Redacted Distribution Feeder Main (DFM) 7212-01 (approximate Mile Point 3.6) in Fresno County.

On February 14, 2012, a new valve, with a manufacturer's shell test pressure of 450 pounds per square inch gauge (psig) and a maximum working pressure rating of 275 psig, was installed as an inlet valve at District Regulator Station E-07. The pipeline that feeds this regulator station, DFM 7212-01, has an MAOP of 283 psig.

Approximately 39 minutes after the valve installation was completed, a maintenance and construction employee was reviewing the construction records and discovered that the incorrectly rated valve was installed in the system. A request to temporarily reduce operating pressure (TROP) in DFM 7212-01 was initiated, and on February 16, 2012, the TROP for DFM 7212-01 was put into place. PG&E reviewed the SCADA records for the time period of February 14 to February 16, 2012 to determine if the pressure rating of the valve was exceeded prior to the TROP going into effect. The SCADA point measured at the Kerman Regulator Station, the source of gas for DFM 7212-01, momentarily reached 276 psig on several instances. The SCADA point is approximately 3.2 miles upstream of the valve location. Using a conservative assumption for DFM 7212-01 line pressure drop (based on average summer day customer load), the line pressure at this valve location dropped to 273 psig. Therefore the pressure rating of the valve was not exceeded prior to issuance of the TROP.

However, installation of this valve is not in compliance 49 CFR 192.143(a), which states, "*Each component of a pipeline must be able to withstand operating pressures and other anticipated loadings without impairment of its serviceability with unit stresses equivalent to those allowed for comparable material in pipe in the same location and kind of*

service." and 49 CFR 192.145(c), which states, *"Each valve must be able to meet the anticipated operating conditions."*

On February 16, 2012, PG&E established the new maximum operating pressure for DFM 7212-01, including the inlet to District Regulator Station E-07, as 275 psig so that the rating of the inlet valve would not be exceeded. The valve will be replaced with a new valve having the appropriate rating (720 psig) for the MAOP of DFM 7212-01.

The preliminary root cause is that the wrong valve design was specified in the construction drawing and was not field verified for rating prior to installation. PG&E will conduct a critique of this event and develop corrective actions to prevent recurrence.

PG&E will notify the local authorities for the Redacted of this issue and 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
Sunil Shori, CPUC
Redacted PG&E
Redacted PG&E
Shilpa Ramaiya, PG&E
Frances Yee, PG&E

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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 at Redacted or Redacted for any additional questions you may have regarding this notification.

Sincerely,

for

Bill Gibson
Director, Regulatory Compliance and Support

Attachment

cc: Julie Halligan, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC
Dennis Lee, CPUC
Redacted PG&E
Redacted PG&E
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
	Redacted								
1						V-25	Monitor		X
2						V-14	Monitor		X
						V-15	Regulator		X
3						V-14	Monitor		X
						V-15	Regulator		X
						V-16	Monitor		X
4						V-12	Monitor	X	X
						V-13	Regulator	X	X
5						V-194	Recycle		X
						V-81	Recycle		X
6						V-17	Regulator	X	X
						V-18	Regulator	X	X
						V-19	Monitor	X	X
						V-20	Monitor	X	X
7						V-20	Regulator		X
8						V-111	OPP		X
9						V-18	Monitor		X
10						V-93	Monitor		X
						V-7	Monitor		X
11						V-10	Regulator		X
						V-8	Monitor		X
						V-9	Regulator		X
12						V-6.04C	MLV		X
						V-6.07B	MLV		X
13						V-22	Block		X
						V-76	Regulator		X
14						V-149.64A	Monitor		X
									X
						V-3	Regulator		X
						V-149.65A	MLV		X
15						V-148.90b	Monitor		X
									X
						V-3	Regulator		X
						V-148.91B	MLV		X
16						V-2	Monitor		X
						V-5	Regulator		X
						V-3	Monitor		X
						V-4	Regulator		X
17						V-3	Monitor	X	X
						V-4	Monitor	X	X
						V-5	Regulator	X	X
						V-6	Regulator	X	X
18						V-7	Monitor	X	X
						V-8	Monitor	X	X
19						V-10	Monitor		X
						V-14	Monitor		X

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March 16, 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
Unqualified Employee Performing Service Repairs in Sacramento County

Dear Ms. Cooke:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding an employee who used a valve changer while performing service valve repair work without being properly qualified or supervised.

On March 8, 2012, a PG&E Gas Distribution Supervisor's review of employee work records discovered that a Sacramento Division Gas Construction Fieldman performed 11 gas service valve repairs between February 4, 2012 and February 29, 2012 utilizing service valve changer equipment without being qualified per PG&E's Operator Qualification (OQ) Plan. The use of the service valve changer without proper training and qualification could result in an unintentional release of gas and possible employee injury.

Personnel performing maintenance or operations activities on gas facilities without proper qualifications is not in compliance with 49 CFR 192.805(b), which states, *"Each operator shall have and follow a written qualification program. The program shall include provisions to...Ensure through evaluation that individuals performing covered tasks are qualified."*

As a result of the supervisor's discovery, qualified PG&E personnel inspected the 11 service locations where the unqualified Fieldman performed the service valve repair work. The gas facilities at these 11 locations were confirmed to be installed and sealed properly. In addition, PG&E confirmed that this employee has been trained, evaluated, and qualified for other repair tasks per PG&E's OQ Plan.

All gas department personnel are given annual refresher OQ training, which includes notification of what OQ sub-tasks the personnel are, and are not, qualified to perform. As a result of this discovery, the employee has received the list of sub-tasks that he is currently qualified for and has been reminded that he can only perform work that he is

qualified for. The employee will be given training on the use of the service valve changer equipment, and upon the successful completion of the evaluation process, will be qualified for this sub-task per PG&E's OQ Plan.

PG&E will notify the local authorities for the City of Rancho Cordova and the County of Sacramento where the affected services are located and 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: Julie Halligan, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC
Dennis Lee, CPUC
Redacted PG&E
Redacted PG&E
Shilpa Ramaiya, PG&E
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March 30, 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
Incorrect Relief Valve Set Point on Gas Distribution System in Solano County

Dear Ms. Cooke:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding an improperly set relief valve pressure resulting from incorrect Maximum Allowable Operating Pressure (MAOP) documentation of a distribution system serving the Redacted Given the properly functioning pressure regulator PG&E has in place, the operating pressure of the system never exceeded the correct MAOP.

On March 14, 2012, a PG&E senior gas distribution engineer discovered that the MAOP on the District Regulator Data Sheet for the distribution system serving the Redacted Redacted was incorrectly specified to be 50 pounds per square inch gauge (psig) since 1990, and as a result of this incorrect value, the relief valve set point for the system was set at 53 psig. The MAOP of this 0.83 mile (4,400 feet) distribution system is 25 psig. However, the pressure regulator was correctly set at 23 psig and thus, the system was protected from exceeding its correct MAOP. PG&E has reviewed the pressure regulator maintenance records and found that the regulator has no history of failure. Thus, the first line of regulating pressure (the regulator) was properly employed and the second line of regulating pressure (the incorrectly set pressure relief valve) has not had to operate.

49 CFR §192.13(c) states, "Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part." In this instance, PG&E is not in compliance with PG&E's Utility Work Procedure WP4540-01, *District Regulator Station Maintenance*.

On March 21, PG&E replaced the relief valve with a new valve having a set point of 25 psig. PG&E also lowered the set point of the working regulator to 20 psig and performed a capacity calculation of the new relief valve.

PG&E is conducting a review of all North Bay Division District Regulator Data Sheets to ensure the correct MAOP of distribution systems is specified. The review is expected to be complete by April 13, 2012. The overpressure protection set points will be confirmed to be within the limits specified in WP4540-01. PG&E will report to the CPSD any additional instances of overpressure protection set points discovered to be above appropriate levels.

As discussed above, PG&E discovered this issue on March 14, 2012, and took immediate corrective action to replace the relief valve with one having a set point of 25 psig to provide the correct overpressure protection for the system. However, PG&E did not identify this issue as reportable under CPUC Resolution ALJ-274 until after ten calendar days had elapsed and apologizes for this notification delay.

PG&E will notify the local authorities for the County of Solano where the affected regulator station is located and 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,

for

Bill Gibson
Director, Regulatory Compliance and Support

cc: Julie Halligan, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC
Dennis Lee, CPUC
Redacted PG&E
Redacted PG&E
Shilpa Ramaiya, PG&E
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April 4, 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
Missed Cathodic Protection Area Resurveys in the County of Santa Cruz

Dear Ms. Cooke:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding missed distribution cathodic protection area (CPA) resurveys in various locations in the County of Santa Cruz.

49 CFR 192.465(a) requires that pipelines be tested periodically to determine that an adequate level of cathodic protection is being provided. PG&E is in compliance with this regulation. However, as explained below, in addition to the periodic cathodic protection (CP) tests, PG&E's procedures require that distribution CPAs be resurveyed once every six nominal years. It is this additional procedure, which goes beyond the requirements of 49 CFR 192.465(a), that PG&E failed to follow.

When the CPAs are originally established, PG&E selects at least two test points within each CPA based on the minimum levels of adequate cathodic protection (i.e., by monitoring and testing the levels of cathodic protection at the locations with the lowest levels of cathodic protection, PG&E ensures that the entire CPA is adequately protected). The purpose of the six-year resurvey is to ensure that pipeline changes within a CPA (e.g., main extensions, pipeline replacements or upgrades, repair work) do not inadvertently affect cathodic protection levels.

On March 26, 2012, a records review by a maintenance supervisor discovered that 24 CPAs within the County of Santa Cruz had not been resurveyed within the specified six year period. Recently, PG&E's Central Coast Division completed the migration from the old PC-based Gas Facility Maintenance program to the new SAP Preventative Maintenance scheduling system for CPA resurveys. One advantage of the new SAP system is that it will send automatic reminders when scheduled maintenance work is due. In this case, the supervisor was reviewing the SAP records to ensure that the CPA resurvey records were successfully migrated to the SAP scheduling system when he discovered that 24 CPAs had missed their most recent sexennial resurveys.

This is not in compliance with PG&E's Utility Work Procedure WP4133-02, *Cathodic Protection Area Assessment/Resurvey Procedures for Gas Distribution,* which states, "Review CPA's, as defined in the work procedure, at least once every 6 nominal years." (WP4133-02, Section 1, page 1)

PG&E took immediate action to complete the resurveys of these 24 CPAs by assigning additional personnel from the Central Coast Division as well as from adjacent Divisions to perform the resurvey work. The 24 CPAs have been resurveyed as of April 2, 2012. Three CPAs were found to have short sections of steel pipe disconnected from their CP. Corrective work orders have been prepared to excavate these short sections and restore cathodic protection by reconnecting the CP locating wires or installing a protective anode. Assuming excavation permits are issued by local jurisdictions, we expect to complete corrective work for all three CPAs by the end of next week.

In addition, we will conduct a system wide check to ensure that all divisions have completed the CPA resurveys timely. We will report the results to CPSD when complete.

PG&E will notify the local authorities for the Cities of Santa Cruz, Capitola, Scotts Valley, and Watsonville, and the County of Santa Cruz of this issue and 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: Julie Halligan, CPUC
Dennis Lee, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC
Redacted PG&E
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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 at Redacted or 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 PG&E
Redacted PG&E
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

#	Work Type	Non-Compliance Finding	No. of Findings	Location (City)	Location (County)	Affected Code or PG&E Standard	Corrective Action
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.

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May 11, 2012

Brigadier General Jack Hagan, Director
Consumer Protection and Safety Division
California Public Utilities Commission
505 Van Ness Avenue, Room 2205
San Francisco, CA 94102-3298

Re: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
High Pressure Regulators not Maintained Annually

Dear Brigadier General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding high pressure regulators serving three or more services not being maintained annually. The non-compliance occurred at nine locations throughout PG&E's service territory.

PG&E defines a pressure limiting or regulating station to include a high pressure regulator (HPR) that serves three or more distribution service lines. 49 CFR §192.739(a) requires that each pressure limiting or regulating station must be maintained annually. HPRs serving one or two service lines are known as "farm taps" or "industrial taps." As part of PG&E's 2009-2011 effort to identify and inspect approximately 4,700 HPRs in its system for atmospheric corrosion per 49 CFR §192.481(a), a small number of HPR sets were identified as possibly serving three or more service lines.

PG&E has confirmed that nine HPR sets meet the definition of a pressure limiting or regulating station and performed annual maintenance of these HPR sets per §192.739(a) as of April/May 2012. See the attached table for the locations and completed scheduled maintenance dates of the nine HPR sets.

By May 15, 2012, these HPR sets either will have been placed into PG&E's preventative maintenance scheduling system for annual maintenance going forward, or will be planned for elimination later this year by installing distribution main and transferring the services onto the new main. PG&E has completed its system-wide review of its HPR sets, identified the non-compliant population of HPRs, and put corrective actions in place.

PG&E will notify the local authorities for the cities and counties where the affected HPRs are located and 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,

/S/
Bill Gibson
Director, Regulatory Compliance and Support

Attachment

cc: Julie Halligan, CPUC
Dennis Lee, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC
Redacted, PG&E
Redacted PG&E
Shilpa Ramaiya, PG&E
Frances Yee, PG&E

CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
High Pressure Regulators Not Maintained Annually
May 11, 2012

Actual or Planned Date Reg Station Maintained	Actual or Planned Date of Adequate Relief Valve Capacity Documented	Division	City	County
5/15/12	5/15/12	Mission	Fremont	Alameda
5/9/12	not required*	Sacramento	Unincorporated	Colusa
5/15/12	5/15/12	Sacramento	Unincorporated	Sacramento
5/11/12	5/14/12	Central Coast	Unincorporated	Santa Cruz
5/11/12	5/14/12	Central Coast	Unincorporated	Santa Cruz
5/9/12	5/11/12	North Valley	Unincorporated	Butte
5/10/12	5/11/12	North Valley	Unincorporated	Butte
1/22/11	5/7/12	De Anza	Mtn View	Santa Clara
4/12/12	5/4/12	Sierra	Unincorporated	Yolo

* - this station has a monitor providing over pressure protection

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May 18, 2012

Brigadier General Jack Hagan, Director
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California Public Utilities Commission
505 Van Ness Avenue, Room 2205
San Francisco, CA 94102-3298

Re: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
Underrated Valves Discovered in Santa Clara County

Dear Brigadier General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding inlet valves at high pressure regulators (HPRs) found not rated for the existing operating pressure. The non-compliance occurred at 12 locations on a pipeline in the County of Santa Clara.

PG&E's Redacted Distribution Feeder Main (DFM) has a Maximum Allowable Operating Pressure (MAOP) of 335 psig. On May 10, 2012, PG&E determined that ten ¾-inch inlet valves to HPRs tapped directly off of the Redacted DFM have a manufacturer's shell test pressure of 400 pounds per square inch gauge (psig) and a maximum working pressure rating of 200 psig which is below the MAOP of the Redacted Redacted DFM. The rating of another two ¾-inch inlet valves to HPRs tapped directly off of the Redacted DFM cannot be determined. This is not in compliance with 49 CFR §192.145(a), which states, "Except for cast iron and plastic valves, each valve must meet the minimum requirements of API 6D (incorporated by reference, *see* § 192.7), or to a national or international standard that provides an equivalent performance level. A valve may not be used under operating conditions that exceed the applicable pressure-temperature ratings contained in those requirements."

Over the years, the Redacted DFM has had several upratings. In 1988, the operating pressure was uprated from 146 to 250 psig. Then again in 1998, the operating pressure was uprated from 250 to 335 psig. In both uprates, the inlet valves were not reviewed to ensure their maximum working pressure was adequate for the system uprate.

PG&E lowered the operating pressure of the Redacted DFM to 200 psig on May 17, 2012 and has inspected each valve for operability and has found no leakage. The

operating pressure of the Redacted DFM will remain at 200 psig until all 12 valves are replaced or eliminated. This work is expected to be completed by October 31, 2012.

PG&E is in the process of issuing a work procedure to inspect all farm tap regulator sets and to conduct a pressure regulator diagnostic on a three-year periodic basis. PG&E will include in this work procedure the requirement to review and document the specifications for all regulator set equipment.

PG&E will notify the local authorities for the County of Santa Clara and 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,

for

Bill Gibson
Director, Regulatory Compliance and Support

cc: Julie Halligan, CPUC
Dennis Lee, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC
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May 25, 2012

Brigadier General Jack Hagan, Director
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505 Van Ness Avenue, Room 2205
San Francisco, CA 94102-3298

Re: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
Distribution Feeder Main 401-01 Missed Leak Surveys, Marin County

Dear Brigadier General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding missed annual leak surveys on a gas distribution feeder main located in Mill Valley, Marin County.

Distribution Feeder Main (DFM) 401-01 runs through the Redacted Redacted The DFM does not run under Redacted A special leak survey was conducted on DFM 401-01 on May 7, 2012. After the leak survey was conducted, PG&E was reviewing prior leak survey records and discovered that leak surveys for DFM 401-01 were being conducted on a five year leak survey schedule when they should be conducted annually, per the requirements of General Order 112-E, Section 143.1. The high pressure regulator (HPR) set serving Redacted has been leak surveyed annually. In 2010, the DFM was leak surveyed along with lines operating above 60 psig after the San Bruno Incident. This special leak survey satisfied the public assembly requirements for 2010. However, this DFM did not get included on an annual leak survey schedule going forward, and the annual leak survey for 2011 was missed. For both leak surveys conducted in 2010 and on May 7, 2012, no leaks were found.

General Order 112-E, Section 143.1 states, "a gas detector survey must be conducted in business districts and in the vicinity of schools, hospitals and churches, including tests of the atmosphere in gas, electric, telephone, sewer and water system manholes, at cracks in pavement, and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year." Because DFM 401-01 runs through the Redacted property, it should be leak surveyed annually, rather than every five years.

DFM 401-01 has since been placed on an annual leak survey schedule. PG&E plans to conduct leak surveys on, and review leak survey records of, all DFMs in close proximity to churches, schools and hospitals. Any such DFM found on a 5 year schedule will be placed on an annual. Also, PG&E's procedure for conducting leak surveys on gas transmission and distribution facilities, Utility Operating Standard S4110, will be evaluated for language clarity specific to conducting annual leak surveys on DFMs in the vicinity of schools and public assembly areas. This work will be completed by July 31, 2012. If PG&E finds additional instances of the above issue, we will report them to the CPSD.

Furthermore, PG&E has started a system-wide quality assessment of its Leak Survey Program to identify areas in need of improvement. The assessment includes a review of processes, procedures and field personnel training. PG&E plans to have this assessment completed by June 30, 2012 in conjunction with an overall improvement plan. PG&E plans to begin implementation of this Leak Survey Improvement Plan shortly thereafter.

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

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