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June 5, 2012

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
Inadequate Cathodic Protection Not Promptly Addressed – Various Locations

Dear General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding inadequate cathodic protection (CP) levels not promptly addressed on transmission pipelines at various locations throughout PG&E's gas system territory.

PG&E's Gas Standard and Specification O-16, "Corrosion Control of Gas Facilities" specifies that test locations for monitoring CP effectiveness will be established at locations with the lowest pipe-to-soil (P/S) potentials (measured in millivolts). These established test locations are monitored either annually for backbone transmission lines, or every two months for local transmission lines.

In addition to the regular monitoring noted above, PG&E measures CP levels along its transmission system at locations other than the regular monitoring points for integrity management purposes, such as part of a corrosion assessment. These non-routine measurements typically involve many readings being recorded along the gas transmission route.

PG&E has discovered that 180 of these non-routine pipe-to-soil measurements were recorded as outside of PG&E's established criteria and did not have an associated remedial action plan. This is not in compliance with PG&E's Gas Standard and Specification O-16, "Corrosion Control of Gas Facilities", which states that a corrective action plan describing the required actions to restore adequate levels of CP will be created within 30 or 60 days (local versus backbone transmission) after inadequate levels of CP are discovered. Please see the attached table for the 180 locations that did not have a corrective action plan in place per Gas Standard & Specification O-16.

General Jack Hagan
June 5, 2012
Page 2

In response, PG&E has created action plans to address each of these low readings. The action plans include a validation of CP levels, an engineering analysis to achieve adequate levels of CP, and remediation work such as adjusting existing equipment, the installation of additional anodes, excavating and re-coating pipe, or mitigation of interference issues. These action plans anticipate that all remediation work will be completed by December 15, 2012.

PG&E has confirmed that all of these facilities were leak surveyed as part of the special leak survey conducted on all lines operating greater than 60 psig after the San Bruno accident. In addition, PG&E is reviewing the list of transmission pipelines to determine whether any additional special leak surveys are warranted. Leak surveys will be conducted wherever necessary to ensure that all of these segments are operating safely. Any leakage found during these special leak surveys will be repaired promptly. The special leak surveys are planned to be completed by June 30, 2012.

Lastly, PG&E will review its cathodic protection records to determine if any additional records have non-routine pipe-to-soil measurements recorded outside of PG&E's established criteria and if appropriate remedial action was taken. PG&E will provide the Consumer Protection and Safety Division an update after this review is complete, expected in August 2012.

PG&E will notify the local authorities for the cities and counties where the affected pipeline segments 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
Dennis Lee, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC

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

**CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
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June 5, 2012**

Summary of Findings

Line #	Route	Mile Point	Inspection Year	County	City
1	2408-11	0.03	2012	Alameda	Dublin
2	105A	38.97-44.56	2012	Alameda	Emeryville
3	Irvington	Station	2008	Alameda	Fremont
4	2402-01	2.43-2.90	2007	Alameda	Hayward
5	105N	27.38-36.34	2005 & 2012	Alameda	Oakland
6	153	18.31- 22.81	2005 & 2012	Alameda	San Leandro
7	DREG4875	0.0019	2012	Alameda	San Leandro
8	Fairway	17.65-17.67	2010	Alameda	San Leandro
9	GCUST5901	0-0.11	2005 & 2012	Alameda	San Leandro
10	X6460	17.65-19.28	2005	Alameda	San Leandro
11	2	148.24	2012	Alameda	Unincorporated
12	107	17-22	2012	Alameda	Unincorporated
13	222	2.28	2012	Alameda	Unincorporated
14	303	34.41-34.65	2012	Alameda	Unincorporated
15	114	26.14-33.55	2012	Alameda	Unincorporated & Livermore
16	197C	23.02	2012	Amador	Sutter Creek
17	050A	16.81-17.59	2006/2007	Butte	Gridley
18	303	2.8	2012	Contra Costa	Antioch
19	SP5	4.29-4.92	2012	Contra Costa	Antioch
20	3010-01	0.12-0.51	2011	Contra Costa	Antioch & Unincorporated
21	057A	14.79	2012	Contra Costa	Brentwood
22	301H	1.09	2012	Contra Costa	Brentwood
23	316-20	0.76	2012	Contra Costa	Brentwood
24	191-1	14.18-35.00	2005	Contra Costa	Concord, Walnut Creek & Martinez
25	3002-01	4.91	2011	Contra Costa	Orinda
26	San Pablo	Station	2008	Contra Costa	San Pablo
27	2408-11	5.08-5.80	2012	Contra Costa	San Ramon
28	2408-12	5.18-5.88	2012	Contra Costa	San Ramon
29	191	1.33-6.59	2012	Contra Costa	Unincorporated
30	303	13.78-25.49	2011 & 2012	Contra Costa	Unincorporated
31	021H	0.13-0.17	2011 & 2012	Contra Costa	Unincorporated
32	131	20.88, 36.28 & 39.17	2012	Contra Costa & Alameda	Unincorporated & Livermore
33	0617-10	4.29-5.79	2012	El Dorado	El Dorado Hills
34	134A	33.61-34.33	2006/2007	Fresno	Firebaugh
35	138	45.18-45.20	2012	Fresno	Fresno
36	111A	19.52-20.02	2006/2007	Fresno	Fresno
37	111A	27.31-27.53	2006/2007	Fresno	Fresno
38	118A	0.00-3.85	2006/2007	Fresno	Fresno
39	118A	7.15-8.64	2006/2007	Fresno	Fresno
40	134A	25.31-25.55	2006/2007	Fresno	Mendota
41	002	50.39	2008	Fresno	Unincorporated
42	002	59.38	2008	Fresno	Unincorporated
43	401	418.56	2012	Fresno	Unincorporated
44	111A	2.195	2012	Fresno	Unincorporated
45	1209-02	0.57-0.93	2012	Fresno	Unincorporated
46	DCUST10014	0.0006	2012	Fresno	Unincorporated
47	GCUST5926	0.00	2012	Fresno	Unincorporated
48	GCUST5927	0.00	2012	Fresno	Unincorporated
49	1212-01	2.04-7.19	2012	Fresno	Unincorporated & Coalinga
50	118A	12.58-15.18	2006/2007	Fresno and Madera	Fresno & Madera
51	128	14.58-14.68	2008	Glenn	Unincorporated
52	167	0.56-0.84	2006/2007	Glenn	Unincorporated
53	400	180.8	2012	Glenn	Unincorporated
54	169-101	3.12-3.28	2012	Glenn	Unincorporated
55	177A	173.00-174.89	2008	Humboldt	Fortuna
56	300B	263.46-264.22	2006/2007	Kern	Arvin

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June 5, 2012**

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Line #	Route	Mile Point	Inspection Year	County	City
57	375	1.53	2012	Kern	Bakersfield
58	142N	8.69-13.86	2006/2007	Kern	Bakersfield
59	142S	9.97-11.48	2006/2007	Kern	Bakersfield
60	300A	197.41-198.18, 198.93-199.49, 200.70-201.22	2006/2007	Kern	Unincorporated
61	300A	245.85-248.41	2006/2007	Kern	Unincorporated
62	306	0-0.17	2012	Kings	Avenal
63	300A	344.22-345.26	2006/2007	Kings	Unincorporated
64	118A	40.71-41.03	2006/2007	Madera	Chowchilla
65	118A	22.88-26.36	2006/2007	Madera	Madera
66	021F	14.03-16.08	2005	Marin	Novato
67	X6338	16.66	2005	Marin	Novato
68	X6342	16.66	2005	Marin	Novato
69	021E	104.82 & 106.86	2007	Mendocino	Unincorporated
70	118A	67.40-67.55	2006/2007	Merced	Atwater
71	118-1	0.00-0.02	2006/2007	Merced	Livingston
72	DREG4387	0.00	2006/2007	Merced	Livingston
73	118A	58.40-60.95	2006/2007	Merced	Merced
74	DF3334	0.00	2006/2007	Merced	Merced
75	DREG4388	0.00	2006/2007	Merced	Merced
76	002	73.77	2008	Merced	Unincorporated
77	1813-02	8.85-9.26	2006/2007	Monterey	Marina
78	1813-02	12.17-16.40	2006/2007	Monterey	Seaside
79	0407-01	3.54-4.28	2006/2007	Napa	Napa
80	1519-01	0.43-2.54	2006/2007	Placer	Rocklin
81	DREG4563	0.31-0.34	2006	Placer	Rocklin
82	173	0.07-1.11	2006/2007 & 2012	Placer	Rocklin & Roseville
83	173-1	0.35-1.09	2006/2007	Placer	Roseville
84	173	11.66-11.76	2012	Placer	Unincorporated
85	123	0.144	2012	Sacramento	Unincorporated
86	123	0.12-0.38, 3.49-3.75 & 5.42-5.74	2006	Sacramento	Unincorporated
87	0618-03	2.53	2012	Sacramento	Citrus Heights
88	0607-01	2.45	2012	Sacramento	Elk Grove
89	0617-06	13.00	2012	Sacramento	Folsom
90	0617-10	0.576	2012	Sacramento	Folsom
91	0617-14	0.0215	2012	Sacramento	Folsom
92	0609-03	0.00	2012	Sacramento	Sacramento
93	0613-01	1.81	2012	Sacramento	Sacramento
94	0614-20	0.011	2012	Sacramento	Sacramento
95	0615-01	3.39	2012	Sacramento	Sacramento
96	0639-01	0.67	2012	Sacramento	Sacramento
97	119A	13.12-13.90	2012	Sacramento	Sacramento
98	119B	0.64	2012	Sacramento	Sacramento
99	119B	9.72-10.17	2012	Sacramento	Unincorporated
100	SP4Z	3.30	2012	Sacramento	Unincorporated
101	108	58.42-68.71	2012	Sacramento	Unincorporated, Elk Grove & Sacramento
102	103	3.82	2011	San Benito	Hollister
103	301A	4.37	2012	San Benito	Unincorporated
104	300A	0.29-0.94	2006/2007	San Bernardino	Unincorporated
105	57A	15.37-16.32	2005	San Bernardino	Unincorporated
106	109	48.68-52.67	2012	San Francisco	San Francisco
107	1401-01	0.00-0.74	2006/2007	San Francisco	San Francisco
108	GCUST6984	0.00-0.12	2012	San Francisco	San Francisco
109	Potrero	0.00-0.74	2008	San Francisco	San Francisco

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June 5, 2012**

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110	108	33.0053	2012	San Joaquin	Stockton
111	1606-01	0.0568	2012	San Joaquin	Stockton
112	1607-01	0.55 & 1.64	2012	San Joaquin	Stockton
113	1608-03	0.2237	2012	San Joaquin	Stockton
114	1611-01	0.87-1.70	2012	San Joaquin	Stockton
115	1641-01	0.01-0.43	2012	San Joaquin	Stockton
116	GCUST5842	0.00-0.22	2006/2007	San Joaquin	Stockton
117	1601-04	0.002	2012	San Joaquin	Tracy
118	1601-09	0.31 & 0.43	2012	San Joaquin	Tracy
119	1617-01	0.61-0.88	2006/2007	San Joaquin	Tracy
120	162A	1.53-1.82	2006/2007	San Joaquin	Tracy
121	162A	5.85-7.23	2006/2007	San Joaquin	Tracy
122	176	16.88	2012	San Joaquin	Unincorporated
123	304	11.28	2012	San Joaquin	Unincorporated
124	057A-MD1	0.66-1.03	2006/2007	San Joaquin	Unincorporated
125	057A-MD3	0.03-0.29	2006/2007	San Joaquin	Unincorporated
126	057A-MT	0.13-0.58	2006/2007	San Joaquin	Unincorporated
127	1609-01	2.8 & 3.84	2012	San Joaquin	Unincorporated
128	197B	4.07-4.52	2006/2007	San Joaquin	Unincorporated
129	DREG4906	0.013	2012	San Joaquin	Unincorporated
130	306	68.49-68.83	2006/2007	San Luis Obispo	Morro Bay
131	0211-01	0.388 & 0.63	2004	San Mateo	Burlingame
132	132B	0.00-0.09	2012	San Mateo	Daly City
133	0210-01	4.11-4.20	2006/2007	San Mateo	Half Moon Bay
134	109	37.34 & 38.28	2012	San Mateo	San Bruno
135	132	42.04-51.44	2012	San Mateo	South San Francisco, Colma, Daly City & San Francisco
136	132	29.80	2012	San Mateo	Unincorporated
137	0207-01	0.5 & 0.51	2012	San Mateo	Woodside
138	101	30.33-44.60	2012	San Mateo & San Francisco	Burlingame, Brisbane, Daly City, San Francisco
139	100	149.02	2010	Santa Clara	Milpitas
140	132	1.23-1.35	2006/2007	Santa Clara	San Jose
141	0813-08	2.21	2012	Santa Clara	San Jose
142	0817-01	0.00-0.96	2005	Santa Clara	San Jose
143	300A	488.92	2012	Santa Clara	San Jose
144	0804-01	1.07	2012	Santa Clara	Santa Clara
145	101	5.03	2012	Santa Clara	Sunnyvale
146	GCUST5813	0.39	2012	Santa Clara	Sunnyvale
147	300A	482.92	2012	Santa Clara	Unincorporated
148	1816-15	0.00-0.54, 0.73-0.98, 4.65-4.91	2006/2007	Santa Cruz	Santa Cruz
149	1818-01	3.12-4.45	2006/2007	Santa Cruz	Santa Cruz
150	1816-01	3.44-3.72, 6.79, 8.44	2006/2007	Santa Cruz	Unincorporated
151	1817-01	1.87-2.09, 2.59-2.96	2006/2007	Santa Cruz	Watsonville
152	402	32.68-37.59	2006/2007	Shasta	Shasta Lake & Redding
153	177A	88.02-88.94	2008	Shasta	Unincorporated
154	210C-1	2.67-3.76	2006/2007	Solano	Benicia
155	DREG5267	0.00	2006/2007	Solano	Benicia
156	210A	19.69-20.09	2006/2007	Solano	Fairfield
157	220	19.91	2012	Solano	Unincorporated
158	0602-01	1.47	2012	Solano	Unincorporated
159	0403-01	0.62-1.52	2004	Solano	Vallejo
160	210C	28.55-32.11	2006/2007	Solano	Vallejo
161	021E	84.85-96.02	2007	Sonoma	Cloverdale
162	021E	69.08	2007	Sonoma	Healdsburg

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 June 5, 2012**

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163	021G	1.63	2012	Sonoma	Petaluma
164	021E	53.79	2012	Sonoma	Santa Rosa
165	7221-15	3.06-3.52	2012	Stanislaus	Ceres
166	7220-01	4.14-4.56	2006/2007	Stanislaus	Modesto
167	7223-01	0.05-1.41	2006/2007	Stanislaus	Modesto
168	7216-01	0.99	2012	Stanislaus	Newman
169	7222-01	1.03-1.63	2006/2007	Stanislaus	Turlock
170	7231-01	1.70	2012	Stanislaus	Unincorporated
171	050A	5.27	2006/2007	Sutter	Live Oak
172	1509-01	1.02-1.37	2006/2007	Sutter	Yuba City
173	119A	0.00-1.48	2006/2007	Yolo	Davis
174	DCUST2316	0.0016	2012	Yolo	Davis
175	172-A	71.75	2006	Yolo	Unincorporated
176	172A	74.75-78.55	2006/2007	Yolo	West Sacramento
177	X6395	9.60	2006/2007	Yolo	West Sacramento
178	172A	61.97	2012	Yolo	Woodland
179	124B	21.20-21.61	2006/2007	Yuba	Unincorporated
180	124B	9.74-10.95	2006-2007	Yuba	Wheatland