



Bill Gibson
Director, Regulatory Compliance
and Support
Gas Operations

375 N. Wiget Lane, Suite 250
Walnut Creek, CA 94598

925-974-4210
Fax: 925-974-4102
Internet: WLG3@pge.com

June 26, 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
Missed Distribution Leak Survey in Butte County

Dear General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding a missed leak survey of distribution facilities located in Butte County.

On May 23, 2012, PG&E's local Mapping Department discovered distribution facilities on one plat map in an unincorporated area of Butte County near Chico had not been leak surveyed when due in November 2009. The map includes approximately 1,800 feet of distribution gas main and two services that were last leak surveyed on August 17, 2004. The distribution facilities on the map that are on a five-year distribution leak survey schedule should have been surveyed again in 2009 but were not. Upon discovery, PG&E took immediate action by conducting a leak survey of these facilities on May 24, 2012. One non-hazardous leak indication (Grade 3) was discovered, and will be monitored per PG&E's standard to ensure safety. This map will be leak surveyed again in September 2012 in order to align it with the 2012 five-year leak survey schedule.

All of the distribution facilities on this map were leak surveyed on August 17, 2004 in conjunction with the annual leak survey of facilities in the vicinity of a school¹. The annual leak survey for facilities in the vicinity of the school after 2004, including 2009, did not include all distribution facilities on this map. Due to human error, the remainder of the map was not placed on a five-year distribution leak survey schedule; therefore the majority of the gas facilities on the map, with the exception of the service to the school, were not scheduled for leak survey in 2009.

¹ The annual leak survey for facilities in the vicinity of the school on this map has been and continues to be performed each year per CPUC General Order 112-E, paragraph 143.1.

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In January 2011, a leak survey schedule database for the Chico area was created for the five-year cycle of 2011-2015. As part of this process, the developer entered an incorrect future date for the map's "Last Surveyed Date" into the schedule (a date in 2014 rather than 2004). By having a date for this map entered into the "Last Surveyed Date" field in the scheduling database, it did not get flagged for review during PG&E's recent system-wide evaluation that was shared with the Consumer Protection and Safety Division (CPSD) on February 1, 2012.

PG&E is self-reporting this map separately from its December 30, 2011 self-report (and February 1, 2012 update of that self-report) because the missed leak survey in the Chico area arises from a different cause than the previously reported missed leak surveys.

PG&E will conduct a system-wide review of its five-year distribution leak survey scheduling database to identify any other potential data entry errors in the "Last Surveyed Date" field and will investigate potential errors immediately. PG&E will provide an update to CPSD by July 31, 2012.

PG&E will notify the local authorities for Butte County of this issue 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: 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