



**Pacific Gas and
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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 of
Missed Seven-Year Integrity Reassessment in Yolo County

Dear General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue involving a missed seven-year integrity reassessment for covered segments on a transmission pipeline in [Redacted]. These missed reassessments are not in compliance with 49 CFR §192.939(a).

A baseline integrity assessment was conducted on approximately 30 miles of Line 172A on May 24, 2005, using a magnetic flux leakage in-line-inspection (ILI) tool. This included four segments that are classified as covered segments, or high consequence areas, totaling approximately 5.22 miles. Two of the covered segments are located in the City of Woodland, and the other two covered segments are located near the community of Zamora and near the City of Davis. The integrity reassessment of these covered segments, while appropriately scheduled, was not conducted by the required seven year reassessment date of May 24, 2012. This is in violation of 49 CFR 192.939 (a) which states, "**An operator must comply with the following requirements in establishing the reassessment interval for the operator's covered pipeline segments: (a) Pipelines operating at or above 30% SMYS. An operator must establish a reassessment interval for each covered segment operating at or above 30% SMYS in accordance with the requirements for this section. The maximum reassessment interval by an allowable reassessment method is seven years. If an operator establishes a reassessment interval that is greater than seven years, the operator must, within the seven-year period, conduct a confirmatory direct assessment on the covered segment, and then conduct the follow-up reassessment at the interval the operator has established. A reassessment carried out using confirmatory direct assessment must be done in accordance with §192.931.**"

PG&E's Transmission Integrity Management Department reviewed this issue to determine the cause of these missed reassessments and to implement measures to prevent a recurrence. They found that a change was made from ILI, the method used for conducting the baseline integrity assessment, to External Corrosion Direct Assessment (ECDA) for the reassessment, and as a result, the reassessment due date was not properly checked and verified in the tracking tool before scheduling the ECDA reassessment. Additionally, they found that more formal procedures, employee refresher training, and computer controls for integrity reassessment work tasks and due dates would enhance the process.

PG&E provided immediate process training to employees in the transmission integrity management group, and additional training on the process is planned. The additional training will focus on running query reports for reassessment work tasks and associated due dates, and identifying an assessment method change. Additionally, more formalized procedures will be developed. The refresher training and formalized procedures are planned for completion by September 30, 2012.

As a longer term corrective action, to strengthen the controls component of the reassessment scheduling process, PG&E will implement checks and controls on reassessment scheduling and associated due dates. Reassessment schedules are being reviewed to assure other reassessment intervals were met. The improved reassessment guidelines developed as a result of this finding will be incorporated into an integrity management planning tool that is part of a software improvement effort expected to be completed by December 31, 2013.

The reassessment work for the four covered segments on Line 172A began in March 2012, and the first and second phases have been completed. Phase three of the reassessment work, which is direct assessment, is continuing and is planned to be completed by August 31, 2012.

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] 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

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Shilpa Ramaiya, PG&E
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