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July 27, 2012

TRANSMITTED VIA EMAIL

Subject: Notification of Strength Tests without Spike Tests

Dear Deputy Director Halligan,

In compliance with Consumer Protection and Safety Division's September 12, 2011 letter, PG&E is providing notice of upcoming strength tests wherein a spike test is infeasible. PG&E has completed most of the underlying engineering analysis for tests in 2012, and has identified two such test locations. Both of these tests present elevation and environmental challenges which are explained below. PG&E will perform both of these tests to the maximum allowable pressure levels.

Hydrostatic test T-055-12 near Tehachapi is on Line 300A from mile point 230.32 to 231.2 The pipeline is operating at 70.01% of SMYS. This test contains elevation and environmental challenges. This test has already been split into two sections to avoid exceeding 100% of SMYS. A severe elevation change (500 feet in less than one mile) and insufficient test range prevents a spike in either half of this test. However, the test pressure reaches between 87.53% and 100% SMYS, depending on the elevation, and should be adequate to prove the safety of the pipeline. In order to perform a spike test, the test would have to be split into four tests which is unadvisable since the steep terrain is environmentally sensitive and has limited access. In addition, a test head location, if the test were further split, would be located in a wind farm presenting construction challenges.

Hydrostatic test T-037-11 is between Redacted

RedactedThe test has been engineered to split the test at mile point 44.52 to allow a spiketest on the two test segments between mile points 44.52 and 46.57. However, the test between milepoint 43.61 and 44.52 cannot be spike tested.There is 924 feet of elevation change overRedactedand spike testing would exceed 100% SMYS on six elbows, which are being tested to 100%SMYS at the maximum test pressure.The majority of the existing pipeline will be tested to 67.3%SMYS at the maximum test pressure of 875 psig.The pipeline will be seeing between 2.91 timesMAOP to 1.5 times MAOP during the test depending on the elevation of the pipeline segment.Theterrain for this test has a very steep grade that is dangerous for construction equipment, has no accessroad or water source, and has endangered species of plants, insects and animals including butterfliesthat are only found on RedactedPermits to dig in the area needed to conduct a test splitfrom mile point 43.61 to 44.52 would require 18 months to 3 years to acquire.The access road thatwould need to be graded through pristine habitat and the excavation to install test heads could create apermanent scar on this highly visible land.

Please find attached the engineering drawings and STPRs for these two tests. Both tests are currently planned for August 21, 2012.

As of July 27, 2012, PG&E's strength testing program has tested and tied in about 51 miles, has tested but not yet tied in about 26 miles, and about 20 miles of records have been verified. As stated previously, we are committed to providing spike tests wherever it is safe and reasonable to do so. Exceptions, such as those described here, have been and continue to be infrequent.

I will be on vacation from 7/29 to 8/15. In my absence, please contact Shilpa Ramaiya with any questions and she will coordinate a response from PG&E.

Best Regards,

Ben Carpbell Ben Campbell

Director, PG&E PSEP Hydrotest Engineering

Attachments