From: Redacted

Sent: 10/31/2012 1:25:21 PM

To: 'sunil.shori@cpuc.ca.gov' (sunil.shori@cpuc.ca.gov)

Cc: Johnson, Kirk (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=MKJ2); Lewis IV, Charles (Law) (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=CRL2); Ramaiya, Shilpa R (/o=PG&E/ou=Corporate/cn=Recipients/cn=SRRd); Vallejo, Alejandro (Law) (/o=PG&E/ou=Corporate/cn=Recipients/cn=AXVU); Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC); 'Malkin, Joseph M. (jmalkin@orrick.com)' (jmalkin@orrick.com)

Bcc:

Subject: RE: Line 300B Suspension Bridge Pressure Test

Sunil,

Thanks for the call last Thursday. Here are PG&E's answers to the questions you raised during our conversation.

1. You asked about an apparent discrepancy in the SMYS specification for the section of Line 300B on the Redacted shown in PG&E's pipeline records and as described in a 1966 letter from a PG&E manager to the El Paso Natural Gas Company (EPNG) (Attachment 4 to the email below). This 1966 letter to EPNG, which appears to indicate a Minimum Yield Strength of 46,000 psi for the suspension bridge segment, is contrary to PG&E's official records for this pipeline segment. All earlier and later communication; whether internal PG&E documents, or EPNG documents, or between the two companies; are entirely consistent – all indicate "X-52" pipe and the original design specified X-52. This includes various invoices and purchase order documents for this project also indicate 34-inch, 0.500 wall, X-52 pipe. All .500 wall thickness pipe associated with this job is X-52, including the coupon removed for actual destructive testing of the pipe.

Attached is a summary of PG&E's records which cover the design specifications for the Redacted the mill records for the pipe, the shipping documents for the pipe and the receipt and construction documents. Again, all of the PG&E records are consistent – the pipe we ordered, the pipe that was milled and shipped and the pipe that was received and used in construction, was API X-52 pipe.

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Based on our research, it is PG&E's conclusion that the March 4, 1966 letter is not part of PG&E's system of pipeline records. Until we recently discovered this copy in the files of the EPNG office in Topock, Arizona, PG&E did not have a copy of this letter. PG&E does not know why this letter with the incorrect material grade was sent almost ten years after the pipe was installed. Further, we are not sure that the PG&E manager Redacted actually reviewed and approved the letter as it

was apparently signed and sent by his assistant. Not only is the reference to 46,000 psi at variance with the entire API X-52 record for this pipeline, it is inconsistent with the physical evidence from destructive testing of the actual pipeline. For these reasons, we conclude that the 1966 letter sent by the manager's assistant was in error and is not and never has been part of the PG&E pipeline validation records for this pipeline.

2. In April of 2011, PG&E arranged to borrow some experienced gas engineers from El Paso Natural Gas Company to assist in PG&E's MAOP validation process while providing additional training for the EPNG engineers. As a result, 6 EPNG engineers worked at PG&E offices in Redacted tely April to August of 2011. During this time, the Line 300B s discussed and the EPNG engineers agreed to use internal contacts and resources at El Paso in an attempt to locate additional information about the Redacte d Ultimately, the EPNG engineers found the memos provided in our original email, but did not find any additional strength test information on the Redacte , such as the full versions of pressure charts found on the second page of Attachment 2, below.

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While these EPNG memos clearly indicate a series of pressure tests, including a 24-hour test of the Redacte segment at 880 psig, PG&E did not included this EPNG information as part of our official pipeline validation records because they did not meet PG&E's four-part test of a complete and verifiable record – test pressure, test duration, test medium and name of the person responsible for the test. In fact, it was as a result of a further effort to try to locate full pressure test wheels for the three tests referenced in the EPNG memo that we recently uncovered the 1966 letter to EPNG that we provided in the interests of full disclosure.

3. You asked about the figures on page 3 of Attachment 2 (above). PG&E has determined that the figures to the right of the date refer to El Paso Natural Gas Company job numbers and the figures on the far right are line markers used by EPNG.

4. During the call last week, we discussed the distinction in D.11-09-006 between the pressure restoration records required for HCA and non-HCA pipe segments. We noted that PG&E's Topock Compressor Station itself met the requirements of an HCA (based on 20 or more employees five days a week for 10 weeks per year) but that that high consequence area did not extend all the way to the suspension bridge. However, you asked whether development along the river was sufficiently dense and close to the suspension bridge that that pipeline segment should be classified as an HCA. In fact, PG&E had conducted an analysis and concluded that this area does not qualify as an HCA. Attached below is confirmation that the portion of L300B which crosses the Colorado River over the Redacted is not

considered an HCA area. The attached map, which depicts the Potential Impact Radius (plus conservative buffer of 40'), does not encompass a well-defined area (WDA). The closest WDA (a Redacted s more than 500 feet outside the PIR. You asked whether traffic on the river would qualify as an HCA, however, like freeways or highways, waterways are considered avenues of transit unless there is a designated area for permanent or semi-permanent residences, such as house boats at a marina. This portion of the river contiguous to t Redacted e crossing has no such area. The closest boat docking area is north of the restaurant on the Arizona side of the river.

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5. Finally, you asked for a copy of the AECOM study of the engineering feasibility of hydrotesting the pipeline on the Redacted well as other pipeline testing or replacement options. This study, which includes sensitive pipeline information covered by the Critical Infrastructure Information Act of 2002 (6 U.S.C. §§131-134), will be provided to you pursuant to Section 583 of the California Public Utilities Code and is not for public release. Due to the size of the file, the study will be delivered to the Commission to your attention on a CD tomorrow afternoon.

Please let me know if you need any additional information. We look forward to hearing back soon.

Thanks,

Redacted

Regulatory Affairs

Redacted

From: Redacted
Sent: Tuesday, October 16, 2012 5:11 PM
To: sunil.shori@cpuc.ca.gov
Cc: Lewis IV, Charles (Law); Ramaiya, Shilpa R; Johnson, Kirk; Vallejo, Alejandro (Law); Horner, Trina; Malkin, Joseph M. (jmalkin@orrick.com)
Subject: Line 300B Redacted Pressure Test

Sunil,

Last month PG&E filed a motion to restore 660 psig pressure to Line 300B Redacted Redacted pursuant to CPUC Decision 11-09-006. Consistent with Ordering Paragraph 4 of that decision, PG&E submitted Supporting Information including complete hydrostatic pressure test results for that portion of the line in the High Consequence Area (HCA) from the station to the expansion joint at the base of the Redacted OP 4D) and MAOP validation records for the non-High Consequence Area

segment over the suspension bridge itself. As explained, PG&E did not pressure test that portion of Line 300B over the Colorado River because independent engineers had advised that such testing could compromise the bridge and threaten public safety. However, while PG&E did not pressure test the suspension bridge section of the line this year, this section of line was previously pressure tested immediately following construction in 1957. The purpose of this note is to describe that 1957 test.

As you know, Line 300B was built from the Redacted
Redacted
Station in 1956. (See Attachment 1, Redacted .)
Thereafter, EPNG and PG&E conducted a series of pressure tests to Line 300B (known as Line 1113 in the EPNG system) which are detailed in the 1974 memo and attachments from J.W. Rowland of EPNG (Attachment 2) including: a hydrostatic test on the upstream (Arizona) side of the suspension bridge (February 10, 1957) and a gas test from the E Redacted
Redacted (February 11, 1957).

Of particular relevance to the present PG&E pressure restoration motion was the gas pressure test conducted on March 1, 1957 from Valve 15 in the Redacted through the
Redacted (Line 300B) to the Valve 0.45B near the Redacted
Compressor Station. (See Attachment 3, the annotated Redacted
Co. map showing the location of the valves.) As stated in the 1974 memo, "The [Line 1113/300B pressure] test was to a minimum pressure of 880 psig for a period of 24 hour in March, 1957."

The 880 psig pressure test included the pipeline section over the Colorado River suspension bridge. This pressure test was more than 130% of the standard 660 psig MAOP for this line. More significantly, the pressure test was more than 120% of the February 1, 2011 pressure exceedance. This would demonstrate that the brief 727 psig event would not over-stress the line.

In addition to the 1957 test, a factory hydrotest of the pipe on the L300B suspension bridge was conducted at 1215 psi. (See Attachment 4).

More importantly, however, we continue to believe that CPUC D. 11-09-006 clearly distinguishes between pressure restoration Supporting Information requirements for HCA and non-HCA pipelines, requiring pressure test results in HCAs (OP 4D) and MAOP validation records in non-HCAs (OP 4E). PG&E's Line 300B pressure restoration motion complies with these requirements. Nevertheless, we include the above referenced 880 psig gas pressure test information to confirm that the Redacted ortion of Line 300B (EPNG Line 1113) was pressure tested in 1957.

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