



**Pacific Gas and  
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December 14, 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  
Over-pressure Event in Mendocino County

Dear General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding an over-pressure event that occurred on September 1, 2012 on distribution facilities in Mendocino County.

Due to a faulty regulator set bypass valve, which separates pipe operating at transmission pressure from pipe operating at distribution pressure, the distribution facilities were inadvertently over-pressurized. The distribution facilities, which consisted of both steel and plastic pipe, were temporarily out of service prior to and during this over-pressure event.

On August 30, 2012, a Measurement & Control (M&C) crew reported to 2163 Kunzler Ranch Road, Ukiah to perform a scheduled repair of a non-hazardous leak at a customer service high pressure regulator set (referred to as a Farm Tap Regulator set). This Farm Tap Regulator set is fed off of the 6-inch transmission line L-21E-2, and includes bypass piping with a normally-closed bypass valve. The crew determined that a permanent repair would require material not on-hand, and since the customer was not using natural gas, the inlet and outlet valves to the Farm Tap Regulator set were closed to isolate and eliminate the leak until a permanent repair could be completed.

On September 1, 2012, an M&C Mechanic returned to the site, noticed soil movement close to the Farm Tap Regulator set, and called for an immediate sub-surface leak investigation. A residual non-hazardous amount of gas was detected and a gas crew was scheduled for repairs several days later. On September 5, 2012, a gas crew excavated the 4-inch plastic service downstream of the Farm Tap Regulator set and discovered that the 4-inch plastic service had ruptured.

PG&E conducted an investigation and determined that the normally-closed Farm Tap Regulator set bypass valve did not maintain an adequate seal, allowing gas to flow past it and pressure to build up in the shut in section of distribution piping. The Maximum Allowable Operating Pressure (MAOP) of the transmission line is 610 psig, with a high operating pressure during this period of 395 psig. Although the maximum pressure realized in the distribution line is undetermined, it may have reached as high as 395 psig. The build-up in pressure eventually caused the plastic pipe to rupture, and resulted in the soil movement observed on September 1, 2012. The rupture relieved the pressure in the shut in section of distribution piping. Due to the remote location of this piping, PG&E did not receive a call of the escaping gas. Further, this distribution piping is not remotely monitored via SCADA.

The plastic service was pressure tested prior to being put in service in 1987 per 49 CFR §192.513(c), which included a 100 pounds per square inch (psig) pressure test. This established the Maximum Allowable Operating Pressure (MAOP) for this service at 60 psig. Operating the plastic service above its MAOP is a violation of 49 CFR §192.619(a)(2).

On September 5, 2012, the PG&E gas crew cut and removed a portion of the steel bypass piping, and welded caps on both ends. The piping serving the Farm Tap Regulator set was also isolated from the transmission piping. These physical separations serve to deactivate 100% of the distribution piping that was over-pressurized. The customer fed by this service has indicated the need for gas service starting in the spring of 2013. Therefore, PG&E has initiated a project to design and build a new transmission tap, a new Farm Tap Regulator set, and a new service to serve the customer.

PG&E is exploring measures to prevent events such as this. These measures may include the replacement, or whenever possible, elimination of high pressure regulator sets throughout its system, and issuing a work procedure to inspect and service high pressure regulator sets on a three-year periodic basis. This would include Farm Tap Regulator sets.

PG&E will notify the local authorities in Mendocino County of this issue and will provide confirmation of notification as a supplement to this letter.

Please feel free to contact Redacted for any additional questions you may have regarding this notification.

Sincerely,



Frances Yee  
Acting Director, Regulatory Compliance and Support

cc: Julie Halligan, CPUC  
Dennis Lee, CPUC  
Mike Robertson, CPUC  
Sunil Shori, CPUC

Redacted

Shilpa Ramaiya, PG&E