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January 3, 2013

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 Annual Leak Survey in San Mateo and Santa Clara Counties

Dear General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding a missed annual leak survey of distribution facilities located in the Cities of Menlo Park and Palo Alto.

During a recent review of business district leak survey records in San Mateo County, PG&E's local Mapping Department for the Peninsula Division discovered distribution facilities on one plat map along El Camino Real at the Menlo Park – Palo Alto border that had not been leak surveyed when due in October 2011. The plat map includes 1,062 feet of distribution gas main and three services that were last leak surveyed on October 1, 2010. Upon discovery, PG&E took immediate action by conducting a leak survey of the 1,062 feet of main and three services on July 31, 2012, with no leaks found. The missed annual leak survey is not in compliance with 49 CFR §192.723(b)(1), which states, "A leakage survey with leak detection equipment must be conducted in business districts...at intervals not exceeding 15 months, but at least once each calendar year."

The missed annual leak survey of the Menlo Park-Palo Alto area on the plat map was due to a scheduling error. As part of the annual business district leak survey, the Peninsula Division surveys a portion of the facilities on this particular plat map in January and a portion in October. When scheduling the October 2011 annual business district leak survey, this map was not included because it was mistakenly believed to have been fully surveyed in January 2011. The remaining distribution facilities on this map that are within a business district (i.e., those that have been scheduled for annual leak surveys in January rather than October) have been timely leak surveyed each January, including in 2011 and 2012, as required by 49 CFR §192.723(b)(1).

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PG&E is conducting a root cause analysis regarding the missed leak survey and based on the results of the analysis, will develop the appropriate corrective actions to address this event on a longer term or system-wide basis, if warranted.

PG&E will notify the local authorities for the Cities of Menlo Park and Palo Alto, and the Counties of San Mateo and Santa Clara of this issue and will provide confirmation of notification as a supplement to this letter.

Please contact [Redacted] at [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] &E  
[Redacted] PG&E  
Shilpa Ramaiya, PG&E