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January 15, 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 Semi-Annual Leak Surveys in San Mateo County

Dear General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding missed semi-annual leak surveys for 1,875 feet of Line 147 transmission pipeline in San Mateo County.

During a recent review of leak survey records in San Mateo County, PG&E's leak survey team for the Peninsula Division discovered plat maps 3287-G2 and 3287-H2 had missed semi-annual leak surveys that were due December 3, 2012 (7½ months from the last date the survey was conducted). The plat maps were last leak surveyed on April 18, 2012. The plat maps include 1,875 feet of transmission Line 147, east of Interstate 280 in the County of San Mateo.

PG&E's Utility Operations Standard 4110, Attachment 1, "Leak Survey and Repair Procedures," requires semi-annual leak surveys for gas transmission facilities in Class 3 locations. These missed leak surveys result in non-compliance with 49 CFR § 192.13(c), which states, "Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part."

Upon discovery, PG&E took immediate action by conducting a leak survey on December 31, 2012 of the 1,875 feet of Line 147, with no leaks found.

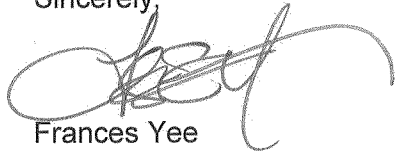
PG&E is conducting a causal evaluation on this event and based on the results of the evaluation, will develop the appropriate corrective actions to address this event on a longer term or system-wide basis, if warranted.

PG&E will notify the local authorities for the County of San Mateo of this event and will provide confirmation of notification as a supplement to this letter.

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Please contact [Redacted] at [Redacted] or [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