



Frances Yee
Acting Director,
Regulatory Compliance and
Support
Gas Operations

375 N. Wiget Lane, Suite 200
Walnut Creek, CA 94598

925-974-4316
Fax: 925-974-4232
Internet: FSC2@pge.com

March 27, 2013

General Jack Hagan, Director
Safety and Enforcement 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 Maintenance of Distribution Emergency Shutdown Valves in San Jose

Dear General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding missed annual maintenance of 15 distribution emergency shutdown valves in the City of San Jose.

49 CFR §192.747 requires that "each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year."

A review of San Jose Division's Distribution Emergency Shutdown Zone Manual determined that 15 distribution emergency zone valves had not been included in the maintenance plan for annual maintenance. Not maintaining these 15 valves is a violation of 49 CFR §192.747.

Valve #	Location	Installation Date
13-C4MM	Redacted San Jose	7/18/1990
13-C5M	Redacted San Jose	10/21/1997
13-C5N	Redacted San Jose	10/21/1997
13-C5O	Redacted San Jose	11/26/1997
13-C5P	Redacted San Jose	9/12/1997
13-C5R	Redacted San Jose	10/21/1981
13-C5S	Redacted San Jose	11/30/1987
13-D4S	Redacted San Jose	11/6/1987
13-D5Q	Redacted San Jose	No Valve installed

13-D6C	Redacted	San Jose	2/14/2006
13-D6D	Redacted	San Jose	Unknown
13-H5F	Redacted	San Jose	10/12/1988
13-H5H	Redacted	San Jose	Unknown
76-C4E	Redacted	San Jose	4/15/1981
76-C4F	Redacted	San Jose	Unknown

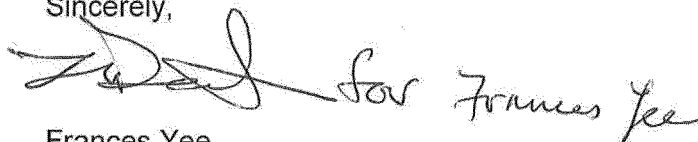
Upon discovery, these locations were scheduled for locating the valve in the field, servicing, and completing of documentation on February 8, 2013. The valves were entered into the SAP Preventative Maintenance scheduling tool for annual maintenance on February 26, 2013. 14 valves were found to be accessible and operational. As noted in the table above, for one of these locations, no valve exists. Not having an emergency zone valve at this location does not follow PG&E's Utility Operations Standard S5000 "Gas Distribution Emergency Shutdown Zones", which calls for the creation and operation of distribution shutdown zones by the closure of valves. It is believed that when this distribution shutdown zone was established, this location was designated as an isolation point. It is not known why a valve was not installed. For this location, a valve installation job package is being prepared, and a valve will be installed by June 30, 2013. The shutdown zone manual has been revised, in the interim, specifying the need to squeeze the gas main at this one location, in order to isolate the distribution zone.

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

PG&E will notify the local authorities for the City of San Jose and Santa Clara County of this issue and will provide confirmation of notification as a supplement to this letter.

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: Dennis Lee, CPUC
Liza Malashenko, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC

Redacted PG&E
Redacted PG&E
Shilpa Ramaiya, PG&E