



**Pacific Gas and
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June 13, 2013

Brigadier 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 Transmission Leak Surveys in the City of Redding

Dear Brigadier General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding missed leak surveys for transmission facilities in the City of Redding, County of Shasta, California.

While scheduling the 2013 Transmission Leak Survey Plan, a PG&E contractor discovered that transmission facilities for DFM 1035-05 on four plat maps (1151-B1, 1151-A1, 1081-J1, and 1081-I1) had missed transmission leak surveys for the year 2012. The facilities were last leak surveyed on December 29, 2011. This results in non-compliance with PG&E's Utility Operations Standard TD-4110S, "Leak Survey and Repair of Gas Transmission and Distribution Facilities," and 49 CFR 192.706 for conducting leakage surveys at least once each calendar year.

Prior to 2012, DFM 1035-05 (formerly DREG 5468) was operating at a distribution pressure of 55 psig. In December 2011, PG&E began operating the line at a transmission pressure of 580 psig. A Maximum Allowable Operating Pressure (MAOP) uprate was not required, as sections either had previously been tested to an MAOP of 720 psig or were replaced with pipe tested to an MAOP of 720 psig. However, PG&E followed the requirement for conducting an uprate of a pipeline, including a review of the operating history, review of as-built drawings and incremental pressure increases with leak surveys in between. Following the increase in operating pressure in December 2011, the changes to the DFM 1035-05 facilities were not processed in a timely manner and consequently missed inclusion in the 2012 Transmission Leak Survey Plan.

Upon discovery of the missed leak surveys, PG&E took immediate action by conducting a leak survey of the missed facilities on January 18, 2013, with no leaks found. Furthermore, the facilities have been added to the 2013 Leak Survey Plan and will be resurveyed in 2013 in accordance with PG&E's Standard TD-4110S.

Brigadier General Jack Hagan
June 13, 2013
Page 2

PG&E will evaluate this issue to identify and address the pertinent safety and compliance risks on a longer term or system-wide basis, as warranted.

PG&E will notify the local authorities for the City of Redding and the County of Shasta of this event 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: Dennis Lee, CPUC
Liza Malashenko, CPUC
Mike Robertson, CPUC
Sunil Shori, CPUC

[Redacted] &E
[Redacted], PG&E
Shilpa Ramaiya, PG&E