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June 18, 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 Atmospheric Corrosion Inspection of Exposed Piping in Vaults in Berkeley

Dear General Hagan:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified noncompliance issue regarding missed atmospheric corrosion inspections of exposed piping in two vaults in the City of Berkeley.

While a Transmission & Regulation (T&R) Technician was performing maintenance in Berkeley, he recalled the installation of non-emergency valves and associated piping in two nearby vaults and brought them to the attention of his supervisor. Upon further investigation, it was determined that two vaults in close proximity to each other contained pressurized piping and equipment that is exposed to the atmosphere. No record of atmospheric corrosion inspections for these facilities has been discovered. This piping and equipment is part of the distribution system, and were installed in 1998.

49 CFR §192.481(a) requires that each portion of pipeline that is exposed to the atmosphere be inspected for atmospheric corrosion "at least once every 3 calendar years, but with intervals not exceeding 39 months."

Upon discovery, atmospheric corrosion inspection of these facilities was performed on June 14, 2013 and documented by qualified employees. No loss of wall thickness or blistering of metal on the piping or equipment was observed. These assets will be placed into SAP preventative maintenance program to ensure regularly-scheduled maintenance.

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PG&E is conducting an 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 Berkeley and Alameda County of this issue and will provide confirmation of notification as a supplement to this letter.

Please contact Redacted for any additional guestions 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

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Shilpa Ramaiya, PG&E	