BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanisms	R.11-02-019 (Filed February 24, 2011)

ERRATA TO PACIFIC GAS AND ELECTRIC COMPANY'S SUPPORTING INFORMATION FOR LIFTING OPERATING PRESSURE RESTRICTIONS ON LINES 101 AND 147

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PG&E provided pipeline specifications and other information in support of Decision 11-12-048 in its October 31, 2011 Supporting Information For Lifting Operating Pressure Restrictions on Lines 101, 132A and 147. After receiving Decision 11-12-048, PG&E identified errors in some of the supporting information for Lines 147 and 101.[1]

The errors do not raise a safety issue, as each affected segment has been successfully hydro tested to a pressure that supports the prior MAOP. However, after correcting these errors the affected segments will have a lower MAOP than approved in D.11-12-048. Both segments are currently operating below the new, lower MAOP.

I. Line 147

The MAOP validation records submitted on October 31, 2011, in support of PG&E's request to increase pressure on Line 147 contained errors for sections of pipe in San Carlos and the surrounding area. The MAOP records incorrectly indicated that certain sections were Double

[1] Decision 11-12-048 authorized PG&E to operate Lines 101, 132A and 147 with a Maximum Allowable Operating Pressure (MAOP) of 365 psig.

Submerged Arc Welded (DSAW) and other sections were seamless, which have a joint efficiency factor of 1.0. During the investigation and repair of a non-hazardous gas leak found during a scheduled leak survey, PG&E visually inspected the pipe and determined that a section was not DSAW, but early vintage A.O. Smith pipe installed in 1957, which has a joint efficiency factor of 0.8 pursuant to PG&E standards. PG&E conducted further field investigations as a result of this finding and identified additional sections of pipe in the same area that are early vintage A.O. Smith pipe and others that are Single Submerged Arc Welded (SSAW), which also has a joint efficiency factor of 0.8 pursuant to PG&E standards.

Using a 0.8 joint efficiency factor, the MAOP for this segment is 330 psig, 35 psig below the 365 psig authorized by D.11-12-048. However, this segment had a pressure test in 2011 to 612 psig, including a spike test to approximately 669 psig, which would support an MAOP of 408 psig in a class 3 location (above the authorized MAOP of 365 psig).

The operating pressure of Line 147 has been limited to 300 psig since May 2012, well below the MAOP authorized by D.11-12-048 and the MAOP supported by the 2011 pressure test. Line 147 did experience an operating pressure of 355.4 psig after D.11-12-048 was issued, and prior to the May 2012 reduction and the discovery of pipe with a 0.8 joint efficiency factor. PG&E plans to replace these sections of Line 147. The operating pressure of Line 147 will remain limited to 300 psig until the sections are replaced.

II. Line 101

The error on Line 101 does not involve pipe specifications, but rather the ability of a segment to operate "one class out" following a class change and valid pressure test.

This error likewise does not raise a safety issue, as this segment has been successfully hydro tested to a pressure that supports the MAOP authorized by D.11-12-048. However, due to

the relative timing of the pressure test on this segment and the date of class change, PG&E is revising the MAOP of this segment as outlined below and is currently operating the segment below this revised pressure level.

The MAOP validation records submitted in support of PG&E's request to increase pressure on Line 101 identified certain "one class out" segments; i.e., where the records showed class 3 segments deemed to be operating in class with an MAOP above 50 percent of the Specified Minimum Yield Strength (SMYS) but below 60 percent in light of a valid pressure test.

Generally, the regulations allow operators to operate pipeline segments that have experienced a change in class at the hoop stress permissible one class lower where the segment has been pressure tested for a minimum of 8 hours at a sufficient pressure level. *See* 49 C.F.R. § 192.611(a). However, this only applies where a change in class occurred after 1971. Under 49 C.F.R. Section 192.607, since repealed, operators were required to make an initial determination of class location by April 15, 1971, and to confirm or revise the MAOP of segments that were not commensurate with their initial class on or before December 31, 1974. Accordingly, PG&E does not believe it is correct to rely upon a post-1974 pressure test under Section 192.611(a) for segments that experienced a class change prior to 1971.

In reviewing its records, PG&E realized that the class change for one section of Line 101 occurred prior to 1971 and the pressure tests took place after 1974.[2] Although the relative timing of the class change and the pressure test makes no difference as a matter of public safety or to the steel pipe itself, it does impact PG&E's interpretation of whether it is permissible to operate "one class out."

[2] PG&E has simultaneously filed an Errata in I.11-11-009 identifying this same issue. PG&E is currently analyzing its entire gas transmission system to identify any other segments that may be affected and will update the Commission of the results.

One section of Line 101 in Millbrae (0.44 miles) changed to class 3 in approximately 1952. The segment had a pressure test in 1989 to 650 psig, which would support an MAOP of 433 psig in a class 3 location (above the authorized MAOP of 365 psig). The MAOP validation records submitted in October 2011 showed the segment operating at 55.3% SMYS with a Feature MAOP of 365 psig, and indicated it was "operating in class" in light of the pressure test. However, if the 1989 pressure test cannot be used to allow the segment to operate one class out (i.e., as in a class 2 location, between 50 and 60 percent SMYS), then the segment was not operating in class and has a Feature MAOP of 330 psig.

PG&E has taken action to make this segment commensurate with its current class location. The operating pressure of Line 101 has been limited to 300 psig since April 2013 and PG&E is revising the MAOP of this segment of Line 101 from 365 psig to 330 psig, making it commensurate with its class 3 location. In addition to revising the MAOP of this segment, PG&E has accelerated plans to replace it. PG&E is currently planning to replace the affected portion of Line 101 in 2014-15.

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