

PUBLIC UTILITIES COMMISSION

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August 15, 2013

STEPHEN GARBER, Attorney
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VIA U.S. MAIL & E-MAIL

**RE: AMENDMENT TO PACIFIC GAS AND ELECTRIC COMPANY'S
SECOND UPDATE TO RESPONSE TO ORDER INSTITUTING
INVESTIGATION filed in I.11-11-009 on August 2, 2013**

Dear Mr. Garber:

Please find enclosed CPSD's Data Requests concerning PG&E's Amendment to the record in the Class Location OII (I.11-11-009), submitted by PG&E on August 2, 2013. Please provide answers to these Data Requests within 10 days.

Please feel free to contact me at Patrick.Berdge@cpuc.ca.gov if you have any questions or concerns.

Sincerely,

/s/ PATRICK S. BERDGE

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cc: Harvey Y. Morris, Asst. Gen. Counsel
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DEFINITIONS

Unless the request indicates otherwise, the following definitions are applicable in providing the requested information.

1. “Document” or “documents” refers to all writings or records of every type in PG&E’s possession, control or custody, including, but not limited to: testimony and exhibits, memoranda, correspondence, letters, reports (including drafts, preliminary, intermediate, and final reports), survey, written analyses, studies, summaries, pamphlets, books, charts, tabulations, notes, photographs, maps, bulletins, corporate or other minutes, diaries, transcripts, microfilm, microfiche, computer data, computer files, computer tapes, computer inputs, computer outputs and printouts, accounting statements, workpapers, engineering diagrams, speeches, and all other records. “Documents” include copies of documents, including copies of documents containing handwritten notes. “Documents” also includes any attachments or appendices to documents.
2. “Relating to” means concerning, addressing, referring, discussing, commenting upon, analyzing, mentioning or involving in any way.
3. “Identify”:
 - a. When used in reference to a person includes stating his or her full name, his or her most recent known business address and telephone number, and his or her present title or position;
 - a. When used in reference to documents includes stating the nature of the document (e.g., letter, memorandum), the date (if any), the title of the document, the identity of the author and/or the document, the location of the document, the identity of the person having possession, control or custody of the document, and the general subject matter of the document.
4. “CPUC” as used herein refers to the California Public Utilities Commission.
5. “CPSD” as used herein refers to the Consumer Protection and Safety Division of the CPUC.
6. “PG&E” as used herein refers to Pacific Gas and Electric Company and/or PG&E Corporation or its affiliates.

INSTRUCTIONS

Pursuant to Cal. Pub. Util. Code §§ 314.5 and 581 which, among other things, requires a public utility to furnish all information as required by the commission in such form and detail as demanded, shall make specific answers to all commission questions, and shall fully and correctly answer each question propounded and if it is unable to answer any question, shall give a good and sufficient reason for such failure, CPSD propounds the questions below. These statutes require utilities to respond to requests even when there is no ongoing proceeding, i.e., at anytime.

Further, these questions are propounded under staff's broad discovery authority specifically recognized by the Commission in each of the three investigations and Resolution L-403. For example, in Resolution L-403 the Commission stated:

“Even without the compulsion of a subpoena, the Commission hereby confirms that under Public Utilities Code §§ 313, 314, 314.5, 315, 581, 582, 584, 701, 702, 771, 1794, and 1795 the Commission staff may obtain information from a public utility like PG&E, and that staff is already deemed to have the general investigatory authority of the Commission.” Commission Resolution L-403, p. 6.

Similar language is found in each of the OIIs. See, e.g., Order Instituting Investigation, I.11-11-009, 2011 Cal. PUC LEXIS 506, at *23-4 and 39-40.

BACKGROUND

On August 2, 2013, PG&E filed with ALJ Yip-Kikugawa in I.11-11-009 a cover letter and "AMENDMENT TO PACIFIC GAS AND ELECTRIC COMPANY'S SECOND UPDATE TO RESPONSE TO ORDER INSTITUTING INVESTIGATION". In the Amendment, PG&E states, "Since filing its Second Update, PG&E has identified a portion (0.15 miles) of an additional segment that changed up in class and had an MAOP inappropriate for its current class location. PG&E has taken action to make this segment commensurate with its current class location."

QUESTIONS

- 1) Please identify the portion (0.15 miles) of the additional segment that changed up in class and had an MAOP inappropriate for its current class location.
 - a. Please provide the location of this portion of the segment.
 - b. Please provide the Segment # and Line # for this segment portion.

- 2) Please state the date PG&E first realized this portion of segment changed up in class and had an MAOP inappropriate for its current class location.

- 3) What actions were taken by PG&E to make the segment described in the Amendment “commensurate with its current class location”?
 - a. Please provide the date(s) the action(s) was or were taken.

The Amendment also states that, “This error does not raise a safety issue, as this segment has been successfully hydro tested to a pressure that supports the prior MAOP.”

- 4) When was this portion (0.15 miles) of the segment described in the Amendment hydro tested?

The Amendment also states that, “As explained in PG&E’s June 30, 2011 Class Location Study Report, PG&E initially did not know the date of class change for the affected segments.”

- 5) When did PG&E first learn of “the date of class change for each of the affected segments”?

Further, the Amendment states, “Generally, the regulations allow operators to operate pipeline segments that have experienced a change in class at the hoop stress permissible one class lower (i.e., “one class out”) where the segment has been pressure tested for a minimum of 8 hours at a sufficient pressure. See 49 C.F.R. § 192.611(a). However, this only applies where a change in class occurred after 1971.”

- 6) In the referenced pipeline segments which “have experienced a change in class at the hoop stress permissible one class lower

(i.e., “one class out”) where the segment has been pressure tested for a minimum of 8 hours at a sufficient pressure” why does this “only appl[y] where a change in class occurred after 1971”?

The Amendment also states, “Accordingly, PG&E does not believe it is correct to rely upon a post-1974 pressure test for segments that experienced a class change prior to 1971.”

- 7) Please explain why PG&E “does not believe it is correct to rely upon a post-1974 pressure test for segments that experienced a class change prior to 1971.”

In its Amendment, PG&E also refers to “Line 300B, segment 164.1, a class 2 segment in the City of Daggett.” Segment 164.1 on Line 300B “was operating one class out with an incorrect MAOP of 688 psig (71.9% SMYS).”

- 8) Please provide the date PG&E first learned that Line 300B, segment 164, was operating one class out with an incorrect MAOP?

In contrast to PG&E’s Amendment to PG&E’s Second Update of April 2012, filed on August 2, 2013, PG&E President Christopher P. Johns’ letter of January 31, 2013, to Deborah Hersman, Chairman of the NTSB, stated that with respect to NTSB Recommendation P-10-3 (MAOP Validation),

“PG&E has completed the determination of the valid maximum allowable operating pressure (MAOP), based on the weakest section of the pipeline or component. The purpose of the MAOP validation is to ensure safe operation of natural gas transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas (HCA) that have not had a MAOP established through prior hydrostatic testing.”

- 9) Please explain how PG&E validated all class locations on PG&E’s gas transmission system as alleged in President Johns’ letter to the NTSB on January 31, 2013, , in light of the recent Amendment and the statement at page 2, footnote 1, of the Amendment which provides,

“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.”

- 10) Did PG&E’s letter to the NTSB on January 31, 2013, take into account or include pipe segments that were reclassified after September 9, 2010, including but not limited to those subject to I.11-11-009?
 - a. If yes, please provide the dates these reclassifications occurred and all relevant documents demonstrating these reclassifications were performed. Also, please indicate what actions were taken due to reclassification, e.g., lowering MAOP.
 - b. If no, please explain how PG&E can still be validating classification location levels on its gas transmission system when President Johns of PG&E alleged that validation had been completed on January 31, 2013?
- 11) Given your statement on page 2, footnote 1, of the Amendment, please acknowledge that PG&E could not have validated all HCA areas and class 3 and class 4 locations on January 31, 2013.
- 12) Of the 898 misclassified segments at pages 56-58 of CPSD’s Investigative Report in I.11-11-009, how many of these 898 segments have “traceable, verifiable, and complete records” pursuant to the NTSB’s Recommendation P-10-3 (Urgent) validating MAOP under 49 C.F.R. Subpart J section 192.505?
 - a. As of January 31, 2013?
 - b. As of March 14, 2013?
 - c. As of March 28, 2013?
 - d. Have any of these 898 segments been hydrostatically tested after September 9, 2010, pursuant to 49 C.F.R. Subpart J 192.505?

- END -