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August 2, 2013

Amy C. Yip-Kikugawa
Administrative Law Judge
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: I. 11-11-009

Dear Judge Yip-Kikugawa:

Enclosed is a copy of Pacific Gas and Electric Company's filing dated July 3, 2013 in I.11-11-009:

"AMENDMENT TO PACIFIC GAS AND ELECTRIC COMPANY'S SECOND UPDATE TO RESPONSE TO ORDER INSTITUTING INVESTIGATION"

This filing was re-submitted to the Docket Office using the e-filing system on August 2, 2013. It is being re-submitted to correct the document title from Errata (which is NOT filed in accordance with Rule 1.12) to Amendment. The document was re-served electronically on this date, on all parties listed on the official service lists for I.11-11-009. Thank you.

Very truly yours,

/s/

Redacted
for Alejandro T. Vallejo/Redacted

cc: Commissioner Michel P. Florio
Official Service List I.11-11.009

Enclosures

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with Higher Population Density	I.11-11-009 (Filed November 10, 2011)

AMENDMENT TO PACIFIC GAS AND ELECTRIC COMPANY'S SECOND UPDATE TO RESPONSE TO ORDER INSTITUTING INVESTIGATION

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Dated: July 3, 2013

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AMENDMENT TO PACIFIC GAS AND ELECTRIC COMPANY'S SECOND UPDATE TO RESPONSE TO ORDER INSTITUTING INVESTIGATION

PG&E reported in its April 2, 2012 Second Update to Response to the OII (Second Update) that it had determined that 9.1 miles (0.2%) of PG&E's gas transmission pipelines (57 segments) had a Maximum Allowable Operating Pressure (MAOP) inappropriate for their current class location. 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.

This error does not raise a safety issue, as this segment has been successfully hydro tested to a pressure that supports the prior MAOP. 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 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. *See* June 30, 2011 Report, at pages 5-6. PG&E completed its analysis of the approximate dates of class change before filing

its Second Update to Response to the OII. As noted in the Second Update, 162 segments appear to have changed class by 1971.

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. 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 for segments that experienced a class change prior to 1971.[1]

One of the 162 segments where the class changed prior to 1971 was incorrectly assigned an MAOP "one class out" based upon Section 192.611(a). That segment is Line 300B, segment 164.1, a class 2 segment in the City of Daggett. Segment 164.1 had a pressure test in 2001 at a test pressure of 872 psig, and was operating one class out with an incorrect MAOP of 688 psig (71.9% SMYS). In March 2012, PG&E reduced the MAOP of this segment to 574 psig (60.04% SMYS). PG&E is reducing the MAOP an additional one pound to 573 psig (59.9% SMYS), which is commensurate with its class 2 status, and is currently operating the segment below this pressure.

As stated above, although this error does not raise a safety issue because the relative timing of a class change (e.g., a class change in 1970 versus in 1974) and a subsequent pressure

[1] PG&E has simultaneously filed an Errata in R.11-02-019 in part 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.

test makes no difference as a matter of public safety or to the steel pipe itself, it does impact PG&E's understanding of whether it is permissible to operate "one class out" pursuant to Section 192.611(a).

Respectfully submitted,

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