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January 13, 2012

Ms. Michelle Cooke, Director
Consumer Protection and Safety Division
California Public Utilities Commission
505 Van Ness Ave., Room 2005
San Francisco, CA 94102-3298

Re: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification
MAOP Exceeded and Missed Leak Survey in City of Williams, Colusa County

Dear Ms. Cooke:

Pursuant to Resolution ALJ-274, PG&E is providing notification of two self-identified non-compliance issues.

On January 3, 2012, PG&E discovered a ½-inch plastic gas service to a single gas customer connected directly to Distribution Feeder Main (DFM) 0632-01 without pressure regulation at [Redacted]. The issue was identified as part of a three-year program, initiated by PG&E in 2009, to identify and inspect all 4,700 customer service High Pressure Regulator (HPR) sets throughout PG&E's system. In this instance, after visiting the site four times in an effort to locate the HPR, PG&E determined that the service line was connected directly to the DFM without an HPR installed.

DFM 0632-01 has a Maximum Allowable Operating Pressure (MAOP) of 180 psig, and normally operates at approximately 175 psig. It is believed that this ½-inch plastic service has been subjected to this operating pressure since its installation in 1984. The pressure regulator at the customer meter set was functioning properly at a standard gas delivery pressure of 7 inches water column (0.25 psig).

The ½-inch plastic service was pressure tested prior to being put in service in 1984 per 49 CFR §192.513(c), which included a 100-pound pressure test. This established the MAOP for this service at 60 psig. Operating the plastic service above its MAOP is a violation of 49 CFR §192.123(a) and §192.619(a)(2).

As part of this investigation, on January 10, 2012, PG&E reviewed the leak survey history for this service line which is located on plat map 2146-E5. PG&E discovered that this service line, along with three other service lines that are tapped off of the same DFM have not been leak surveyed since July 25, 2005. 49 CFR §192.723(b)(2) requires a leakage survey to be conducted on gas service lines at least once every five calendar years at intervals not exceeding 63 months. Accordingly, PG&E has not complied with 49 CFR §192.723(b)(2) for these four service lines since October 25, 2010.

Since the discovery of these findings, PG&E has performed the following corrective actions:

January 3, 2012

- Immediately lowered pressure in DFM 0632-01 to less than 60 psig.
- De-activated the gas service without pressure regulation by cutting and capping the service tee at the 3-inch distribution feeder main.
- Rebuilt the gas meter set at the single customer's residence.
- Restored service to the customer by connecting the meter set to compressed natural gas tanks.

January 11, 2012

- Conducted leakage survey on the three active service lines on plat map 2146-E5. One non-hazardous leak was discovered and is scheduled to be repaired by April 10, 2012, per PG&E's leak repair procedure.

Additional Steps to be taken:

- Initiate a job to install a new gas service to be branched off the adjacent gas service. Expected completion date is by the end of February 2012, pending permitting issues. PG&E will inform CPSD when the new service is installed.
- PG&E will report the results of its HPR inspection program to CPSD as soon as it is completed, including whether any other farm taps are determined to lack appropriate pressure regulation.
- A work procedure to inspect all HPR sets and to conduct a pressure regulator diagnostic on a three-year periodic basis is scheduled to be issued in the first quarter of 2012.
- Sacramento Division Mapping is in the process of updating the leak survey schedule to include map 2146-E5.
- PG&E is addressing the system-wide review of its distribution gas facility maps for potential missed leak surveys as part of the effort described in PG&E's December 30, 2011 self-identified non-compliance notification regarding missed leak surveys in Contra Costa County. The results of this evaluation will be reported to the CPSD.

The local authorities for the city of Williams and Colusa County will be notified, and PG&E will provide confirmation of notification as a supplement to this notification.

Please contact Redacted for any additional questions you may have regarding this notification.

Sincerely,



Bill Gibson

cc: Redacted

Dennis Lee, CPUC
Quang Phan, CPUC
Mike Robertson, CPUC
Frances Yee