

From: Malashenko, Elizaveta I.
Sent: 10/4/2013 6:33:42 PM
To: Doll, Laura (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=LRDD)
Cc: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7);
Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov); Clanon, Paul
(paul.clanon@cpuc.ca.gov); Hagan, Jack (Brigadier General – CA)
(emory.hagan@cpuc.ca.gov); Bottorff, Thomas E
(/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3); Soto, Jesus (SVP)
(/O=PG&E/OU=Corporate/cn=Recipients/cn=J81K); Turner, Brian
(Brian.Turner@cpuc.ca.gov)

Bcc:

Subject: RE: City of San Carlos concerns about Line 147

Laura,

Thank you.

Just to clarify the initial SED data request, PG&E should specifically address the engineer's concern that "recent hydro test [have] contributed to additional cracking in this pipe and essentially activated a threat". PG&E should list all of the steps that were taken to ensure that there is "no evidence of crack growth during service or hydrotesting". SED also requests that PG&E provides a copy of the Anamet study mentioned below.

Regards,

Elizaveta

From: Doll, Laura [LRDD@pge.com]
Sent: Friday, October 04, 2013 6:14 PM
To: Malashenko, Elizaveta I.
Cc: Cherry, Brian K; Clanon, Paul; Hagan, Jack (Brigadier General – CA); Prosper, Terrie D.; Soto, Jesus (SVP); Bottorff, Thomas E
Subject: RE: City of San Carlos concerns about Line 147

Liza

We will work quickly to provide the information you requested, and we expect to be able to provide the majority of it on Monday. We will inform you if that estimate changes.

We also are preparing a written response to the City of San Carlos, and I will share that with

you just as soon as it is completed this evening. We are communicating to the City that, while we are confident of the safety of Line 147, we are proceeding to implement an **immediate pressure reduction of an additional 20%** below the already reduced MAOP of 330 psig. We also are continuing to evaluate the possibility of any additional pressure reductions that can be implemented without impacting customers along the Peninsula, and we commit to continuing to work with the CPUC on its review and evaluation of Line 147's fitness for service.

Laura

From: Malashenko, Elizaveta I. [mailto:elizaveta.malashenko@cpuc.ca.gov]
Sent: Friday, October 04, 2013 4:34 PM
To: Doll, Laura
Cc: Cherry, Brian K; Clanon, Paul; Hagan, Jack (Brigadier General – CA); Prosper, Terrie D.
Subject: RE: City of San Carlos concerns about Line 147

Laura,

Thank you for the update. In response, SED is requesting the following information:

1. Analysis of the impact of shutting down L-147.

Include safety, customer, economic, logistical, electrical generation and any other relevant impacts.

2. List of actions taken to ensure integrity and safety of L-147.

List can be provided in a bullet-point format, with specific dates when the action was taken.

Due to the high urgency of this situation, SED is requesting for P&G to respond as soon as possible. Please reply to this e-mail and let us know when we can expect a reply from PG&E.

Sincerely,

Elizaveta Malashenko

From: Doll, Laura [LRDD@pge.com]
Sent: Friday, October 04, 2013 3:26 PM
To: Clanon, Paul; Malashenko, Elizaveta I.; Hagan, Jack (Brigadier General – CA); Prosper, Terrie D.
Cc: Cherry, Brian K
Subject: City of San Carlos concerns about Line 147

The City of San Carlos, through City Manager Jeff Maltbie, today requested that PG&E stop operating Line 147 until the CPUC reviews and approves its continued operation. The city is citing concerns about a November 2012 email that PG&E provided to the it yesterday. (Line 147 is a central focus of the recent OSC because the pipeline characteristics were determined to have been incorrectly identified.)

Over several meetings since late August, PG&E has explained to the city the detailed basis for our conclusion that the line is safe. We have provided information about the results of hydrotesting and the detailed metallurgical assessment by an independent materials testing lab, Anamet.

This week, as part of our ongoing discussions with San Carlos, we shared a November 17, 2012 email from a PG&E contract engineer named [Redacted] in which he asks questions of the internal PG&E team including “Could the recent hydro test [have] contributed to additional cracking in this pipe and essentially activated a threat? Are we sitting on a San Bruno situation?”.

PG&E had previously taken steps to address these questions, including the Anamet study that, in part, concluded that there was no evidence of crack growth during service or hydrotesting.

We have stressed to the city that Line 147 was hydrostatically strength tested to a pressure greater than 600 psig in 2011, and that those tests support MAOPs above 400 psig. Line 147 today continues to operate at 300 psig.

We have been told that the city may call an emergency meeting today and that they have been in communication with the offices of Senator Hill and Representative Speier and a joint statement may be issued.

Laura Doll

Director, Regulatory Relations

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