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Sent: 10/4/2013 3:26:11 PM
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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.

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