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December 5, 2013

Brigadier General Jack Hagan, Director  
Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 2205  
San Francisco, CA 94102-3298

Re: Resolution ALJ-274 Self-Identified Non-Compliance Notification  
Failure to Repair, Re-check and Document Leaks – Expanded Review Update

Dear Brigadier General Hagan:

PG&E is providing an update to its self-identified non-compliance notification submitted on February 6, 2013, regarding failure to repair, re-check and document leaks in the Mission Division. PG&E provided a previous update on March 11, 2013, which presented the results of a system-wide review of distribution and local transmission leaks identified in 2012. Both the initial discovery in Mission Division and subsequent system-wide review focused on leaks where information was recorded on the back side of a manual leak log, not entered timely into PG&E's leak database (IGIS – Integrated Gas Information System), and consequently missed repair or recheck timeframes per PG&E's Utility Procedure TD-4110P-09, "Leak Grading and Response." Following the system-wide review, PG&E initiated a second review to validate 2013 distribution and local transmission leak logs and maps against IGIS to identify any leaks that missed timely entry into IGIS, regardless of where or how they were manually recorded.

From this expanded system-wide review, PG&E has identified 85 leaks that were appropriately found and graded through leak surveys, but were not repaired or rechecked within the timeframe required by TD-4110P-09 due to not being timely entered into IGIS. These 85 leaks represent approximately 0.4% of all leaks identified system-wide in 2013 through PG&E's leak surveys. As of November 22, 2013, these remaining leaks have been rechecked or repaired.

An additional 401 leaks also missed timely entry into IGIS, but did not miss recheck or repair deadlines required by TD-4110P-09. The late IGIS entries are not in compliance with TD-4110P-09, which requires leaks to be entered into IGIS within 14 days of discovery. All of these leaks have been entered into IGIS as of November 22, 2013. A summary of PG&E's findings is provided in Attachment 1.

These late leak repairs and rechecks result in non-compliance with TD-4110P-09, which requires the following actions:

- Grade 1** – Immediate repair or continuous action. There were no Grade 1 leaks that missed a recheck or repair date.
- Grade 2+** – A scheduled priority repair completed within 90 days.
- Grade 2** – Rechecks before repair at intervals of 6 months, not to exceed the last day of the 7<sup>th</sup> month, to the date, and repaired within 15 months.
- Grade 3** – Recheck at 15 months to the date found or during the next scheduled survey, whichever comes first.

Due to the number of late leak rechecks and repairs identified from the expanded review, PG&E plans to complete a review of the remaining system-wide survey cycle (2009-2013) in order to ensure that all identified leaks have been appropriately entered into IGIS, repaired, and rechecked. This system-wide validation will include leak surveys from 2009 to 2013, and is expected to be completed by April 30, 2014.

In addition to the distribution and local transmission leak records, PG&E is also reviewing backbone transmission leak records to verify that identified leaks have been rechecked and repaired within the required timeframe, in accordance with TD-4110P-09. This review is expected to be completed by December 31, 2013.

PG&E is performing a causal evaluation to determine the causes of the missed IGIS entries and leak responses. This causal evaluation is expected to be completed by January 15, 2014. Based on the results of the evaluation, PG&E will develop appropriate corrective actions to address the issues on a longer term and system-wide basis.

PG&E will notify the local authorities for the appropriate cities and counties where leaks were rechecked or repaired late and will provide confirmation of notification as a supplement to this letter.

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

Sincerely,



Bill Gibson  
Director, Codes and Standards

Attachment

cc: Dennis Lee, CPUC  
Liza Malashenko, CPUC  
Mike Robertson, CPUC  
Sunil Shori, CPUC

Redacted  
Shilpa Ramaiya, PG&E  
Frances Yee, PG&E

**Attachment 1**  
**2013 Distribution and Local Transmission**  
**Leak Monitoring Review Findings**

| <b>Leak Grade</b> | <b>Late entry into IGIS</b> | <b>Late Recheck</b> | <b>Late Repair</b> |
|-------------------|-----------------------------|---------------------|--------------------|
| <b>1</b>          | 11                          |                     | 0                  |
| <b>2+</b>         | 44                          |                     | 27                 |
| <b>2</b>          | 228                         | 58                  | 0                  |
| <b>3</b>          | 203                         | 0                   |                    |
| <b>TOTAL</b>      | <b>486</b>                  | <b>58</b>           | <b>27</b>          |