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January 27, 2014

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: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification  
Update to June 7, 2013 Self-Report: Distribution Emergency Valve Missed  
Maintenance in the City of San Jose

Dear General Hagan:

PG&E is providing an update to its self-identified non-compliance notification submitted on June 7, 2013, regarding a distribution emergency valve in the City of San Jose that had been identified as inoperable and had not been maintained and partially operated in compliance with General Order 112-E, paragraph 143.2. As stated in that notification, PG&E committed to evaluating the issue to identify and address the pertinent safety and compliance risks on a longer term or system-wide basis, as warranted.

PG&E is conducting a system wide review of the valve maintenance records in its 18 divisions and 11 transmission districts. There are approximately 12,000 emergency valves maintained by PG&E's 18 divisions, consisting of 6,000 zone valves, fire valves, and station valves on its distribution (D) system and 6,000 emergency valves on its local transmission (LT) lines. There are approximately 3,000 additional emergency valves used in PG&E's backbone transmission system which are maintained by its 11 transmission districts.

In the event an emergency shutoff valve is not working as it should, an alternate means, or backup control, is used to reduce pressure as necessary, and as the federal code allows for. While our crews make these repairs across the system, we are able to maintain a high level of safety through the use of backup controls.

Preliminarily, PG&E has completed analysis of the valve maintenance records in the East Bay Division and Tracy District. Based on this analysis, eight distribution or local transmission emergency valves and five backbone transmission emergency valves that had been reported as inoperable exceeded the required annual maintenance cycle per PG&E's Utility Procedure WP-4430-04 "Gas Valve Maintenance Requirements and

Procedures”, and Gas Information Bulletin 4430B-001, “Establishing Alternate Means of Control (AMC) for Inoperable Valves.”

The eight inoperable distribution or local transmission valves are located in the City of Oakland. Specific details on these eight valves are listed in Table 1 below. Seven of these inoperable valves are currently out of compliance and are being evaluated for repair or replacement. Work to complete repair or replacement of the seven non-compliant inoperable valves is planned to be completed by 3<sup>rd</sup> Quarter 2014. The eighth inoperable valve was maintained on December 12, 2013 and is currently back in compliance.

Table 1: East Bay Division Inoperable Valves

Valve	Date Maintenance Completed	Required Maintenance Due Date	Date Next Maintenance Completed
B-37 (D)	5/26/2011	6/25/2013	By Q3 2014
B-38 (D)	5/26/2011	6/25/2013	By Q3 2014
B-44 (D)	12/22/2011	12/10/2013	By Q3 2014
F-12 (D)	4/30/2011	6/11/2013	By Q3 2014
F-62 (D)	5/26/2011	6/25/2013	By Q3 2014
T-16 (D)	4/30/2011	6/11/2013	By Q3 2014
W-22 (D)	9/12/2012	11/6/2013	By Q3 2014
X-40 (LT)	7/14/2011	9/4/2013	12/12/2013

The five inoperable backbone transmission emergency valves are located in the City of Tracy and the community of Bethel Island (Contra Costa County). Specific details on these five valves are listed in Table 2 below. All five emergency valves have since been repaired and have been operated within the last 15 months.

Table 2: Tracy District Inoperable Valves

Valve	Date Maintenance Completed	Required Maintenance Due Date	Date Next Maintenance Completed
V-43 at Vernalis Field	6/10/2010	9/10/2011	6/29/2012
V-44 at Vernalis Field	6/10/2010	9/10/2011	6/29/2012
V-45 at Vernalis Field	6/10/2010	9/10/2011	6/29/2012
V-144.3 at Line-2	5/4/2011	8/4/2012	5/29/2013
V-3 at Line-316	6/13/2011	6/11/2013	6/19/2013

PG&E will evaluate the incomplete valve maintenance and corrective work process in both the divisions and districts. 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 continue the system-wide review of the remaining 17 divisions and 10 districts and will provide an update on its progress by the end of 2<sup>nd</sup> Quarter 2014.

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PG&E will notify the local authorities for the affected cities and counties of this update 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

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

Redacted

Shilpa Ramaiya, PG&E