



March 5, 2014

Elizaveta Malashenko
Deputy Director
Safety and Enforcement Division
California Public Utilities Commission

Re: Line 181B Maximum Allowable Operating Pressure

Dear Ms. Malashenko,

This letter provides background information on a section of pipe that was recently identified as having an incorrect Maximum Allowable Operating Pressure (MAOP). On January 28, 2014, as part of a 2014 MAOP Audit, the Safety and Enforcement Division (SED) identified a discrepancy on Line 181B between the MAOP of 400 psig included on the Pipeline Features List (PFL) and the current MAOP of 500 psig. Though this does not meet the criteria for CPUC or DOT reporting, PG&E is providing SED with a courtesy notification regarding this finding.

Line 181B is located in San Benito, Monterey, and Santa Cruz counties near Watsonville and Aromas, and is tied to Line 301G. The 10.8-mile long L-181B runs between Anzar Station and Front Street Regulator Station in Watsonville. The 2.2 mile section of pipeline involved with the MAOP issue, located in a non-HCA Class 1 and Class 2 area, is between Anzar Station (Mile Point 0) and Cole Road Regulator Station (Mile Point 2.2) in San Benito County.

PG&E has reviewed test records that established the MAOP of the given section, including its history of successful strength tests, leak surveys, and pipeline design. As a result of this review, we have concluded that the pipeline can operate safely at an MAOP of 492 psig. Specifically:

- L-181B was strength tested up to 1240 psig when it was installed in 1960. This qualified the pipeline for an MAOP of 826 psig per the GO 112 MAOP qualification requirements implemented in July 1961. The line was operated at an MAOP of 300 psig from 1960 to 1975.
- In 1975, PG&E strength tested L-181B under 49 CFR Part 192, Subpart J in order to raise the MAOP from 300 psig to 400 psig. The pipeline was pressure tested up to 684 psig, qualifying for an MAOP of up to 498 psig, including adjustments associated with elevation differences.
- In 1995, PG&E updated L-181B pursuant to 49 CFR Part 192, Subpart K to establish an MAOP of 500 psig from the prior MAOP of 400 psig. However, PG&E has determined that the test conducted in 1995 did not take the pressure high enough to establish the full 500 psig MAOP for all of L-181B, as the pressure at

Anzar Station reached a level of 492 psig, based on the 1995 pressure chart associated with the uprate job at this location. This established an MAOP of 492 psig for the 2.2 mile section of line described above.

PG&E is taking a conservative approach to 49 CFR Part 192, and establishing the MAOP by using the 1995 uprate test results, rather than the test pressure from the previous Subpart J pressure test to establish the MAOP of L-181B. On February 26, 2014, PG&E reduced the MAOP of L-181B to 492 psig, or a reduction of 8 psig. This was accomplished by lowering the overpressure protection set point pressure in L-301G at Hollister Meter Station. PG&E will be updating the PFL for L-181B as well as PG&E's Drawing 086868, "Pipeline - Datasheet, Maximum Allowable Operating Pressure (MAOP) of Lines operating at or Over 20% SMYS"¹ to reflect this change.

Since 2013, L-181B has operated at 492 psig or less except for January 1-2, 2013. On these days, the maximum pressure on L-181B reached 494.9 psig.

Attached is a report which summarizes PG&E's review of L-181B, and a draft version of this was shared with members of the SED on February 6, 2014. Please let me know if you have any questions or require further information.

Sincerely,

/S/
Bill Gibson

Attachment

Cc: Michael Robertson, CPUC
Dennis Lee, CPUC
Carolina Contreras

Redacted

Laura Doll, PG&E

Redacted

Sumeet Singh, PG&E

¹ PG&E Drawing 086868, "Pipeline - Datasheet, Maximum Allowable Operating Pressure (MAOP) of Lines operating at or Over 20% SMYS", lists the Maximum Operating Pressure (MOP), MAOP, and Future Design Pressure (FDP) of backbone and local transmission pipelines, Distribution Feeder Mains (DFM), and pipe-type high pressure gas underground holders operating at or over 20% SMYS.