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Senior Manager
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April 14, 2014

Denise Tyrrell, Acting 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; Incorrect Classification of a Pipeline Facility in Brisbane, San Mateo County

Dear Ms. Tyrrell:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding incorrect classification of a transmission pipeline facility located in the City of Brisbane, San Mateo County.

The pipeline, designated "DCUST 1430," is a three-inch diameter pipeline that receives gas directly from Transmission Line 132. It extends approximately 1,800 feet to provide natural gas to a single large volume customer.¹ DCUST 1430 was installed and pressure tested to qualify a maximum allowable operating pressure (MAOP) of 400 psig in 1968. The pipeline operates at a hoop stress not exceeding specified minimum yield strength (SMYS) of 4.1% and a pressure of 128 psig.

DCUST 1430 has been maintained as a distribution service line since installation. However, the line serves a large volume customer that is not downstream from a distribution center, and

¹ PG&E currently defines a "large volume customer" as a customer whose usage qualifies as a noncore end-use customer according to Tariff schedule G-NT. To qualify, a customer must: 1) have an average historical use through a single meter of greater than 3,000,000 therms/yr for the previous three years and a historical use of greater than 2,500,000 therms/yr in the most recent 12-month period or be able to document an increase in gas use due to permanent changes in the operations of the Customer's facility that will cause usage to exceed 3,000,000 therms/year. Transmission Integrity Management Program RMP-06, Rev 8, Appendix A published August 14, 2012.

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therefore should have been classified as a transmission line per 49 CFR §192.3 and PG&E's procedures².

PG&E discovered the incorrect designation of DCUST 1430 on February 18, 2014, while researching records as part of its system-wide high pressure regulator (HPR) replacement project. PG&E will take the necessary steps to ensure that the reclassification of DCUST 1430 complies with transmission standards, including leak surveying on a semi-annual basis as required by Utility Operations Standard TD-4110S, "Leak Survey and Repair of Gas Transmission and Distribution Facilities," and 49 CFR §192.706 and §192.935 for conducting leak surveys on transmission lines. The pipeline will be patrolled in accordance with Utility Operations Standard TD-4412P-07, and 49 CFR §192.705 patrolling transmission lines. Additionally, the High Pressure Regulator (HPR) set, which reduces pressure from 300 psig to 128 psig, will receive annual pressure regulator station maintenance per Utility Operations Standard TD-4540P-01, and 49 CFR §192.739. The pipeline is being analyzed to determine whether it will be within an HCA, and will be scheduled for assessment accordingly.

The pipeline is located in a remote area over San Bruno Mountain, and the Right of Way (ROW) must be cleared prior to performing maintenance work (Attachment A). PG&E will perform an aerial leak survey on April 22, 2014, and, subsequent to ROW clearance, patrol the line, and conduct a foot leak survey. Additionally, PG&E updated its Geographic Information System (GIS) to include DCUST 1430 and the HPR set as transmission facilities.

As part of its multi-year HPR replacement project, PG&E will be replacing the regulator set with a company approved regulator station as identified in Gas Standard H-00, "Gas Regulator Approval Status", and adequately document the relief valve calculations per Gas Standard H-70, "Pressure-Relief Devices". Construction for this location is scheduled to be completed by the end of the 3rd quarter of 2015.

PG&E will be conducting an extent of condition evaluation to ensure all pipelines serving large volume customers tapped directly off of transmission lines have been identified and adequately maintained. PG&E will notify the local authorities for the City of Brisbane and San Mateo County of this non-compliance issue 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,

/S/

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Senior Manager, Regulatory and Field Compliance

Attachments

cc: Dennis Lee, CPUC
Liza Malashenko, CPUC

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² While DCUST 1430 should have been classified as a transmission line, it has never operated with a hoop stress above 20% of SMYS, which is the minimum transmission pipeline standard defined by 49 CFR §192.3. Even at its MAOP, the hoop stress on the pipeline would not exceed 13% SMYS.

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Mike Robertson, CPUC
Sunil Shori, CPUC

Shilpa Ramaiya, PG&E
Bill Gibson, PG&E

ATTACHMENT 1: DCUST 1430 MAP

