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Manager
Regulatory Compliance
Gas Operations

Redacted

June 12, 2014

Denise Tyrrell, Interim 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; Pipeline Facilities Not Properly Deactivated or Maintained in Kern County

Dear Ms. Tyrrell:

Pursuant to Resolution ALJ-274, PG&E is providing notification of a self-identified non-compliance issue regarding gas transmission pipeline facilities not properly disconnected in Kern County.

On May 20, 2014, while exploring design options to serve a new large industrial customer from an existing tap off of transmission line L-300B, it was determined that the PG&E tap station facilities had not been properly disconnected. These facilities had fed a large industrial customer that terminated service in the early 1990s, and originally consisted of aboveground piping, valves, a large orifice meter, and pressure regulating equipment. PG&E had removed the meter and adjacent piping in the center of the tap station sometime after the discontinuance of service.¹

While the tap valve directly off of L-300B has been maintained annually per 49 CFR §192.745 and PG&E Utility Procedure TD-4430P-04 (Gas Valve Maintenance), approximately 30 feet of piping and another valve continued to be connected to the L-300B tap without being maintained. In addition, while disconnected from the L-300B tap piping, PG&E's pressure regulating equipment and adjacent piping continued to be pressurized with gas from the former customer's piping system. The former customer's piping continues to be pressurized with natural gas from a different source.

This is a violation of §192.727(c), which states, "Except for service lines, each inactive pipeline that is not being maintained under this part must be disconnected from all sources and supplies of gas; purged of gas; in the case of offshore pipelines, filled with water or inert materials; and sealed at the ends. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard."

¹PG&E is continuing to research its records for the removal date of the meter and adjacent piping in the tap station.

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Upon discovery, PG&E took the following immediate actions:

- Performed maintenance on the 30-foot section of piping connected to L-300B on May 30, 2014. This included leak survey, atmospheric corrosion inspection, and valve maintenance. No leaks or atmospheric corrosion were detected, and the valve was maintained and operated per PG&E's gas valve maintenance procedure.
- Physically disconnected the pressure regulating equipment and adjacent piping from the former customer's piping, and purged these facilities of natural gas on June 11, 2014.

The local authorities for Kern County will be notified, and PG&E will provide confirmation of notification as a supplement to this notification.

Please contact [Redacted] at [Redacted] or [Redacted] for any additional questions you may have regarding this notification.

Sincerely,

/S/

[Redacted]

cc: Dennis Lee, CPUC
Liza Malashenko, CPUC
Ken Bruno, CPUC
Sunil Shori, CPUC

[Redacted]
Shilpa Ramaiya, PG&E
Bill Gibson, PG&E