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May 9, 2011

Mr. Paul Clanon Executive Director California Public Utilities Commission 505 Van Ness Avenue, 5<sup>th</sup> Floor San Francisco, CA 94102

Subject: Update to Report of SoCalGas and SDG&E on Actions Taken in Response

to the National Transportation Safety Board Recommendations

Dear Mr. Clanon:

This letter provides a second update to SoCalGas' and SDG&E's April 15, 2011, report on actions taken in response to the NTSB safety recommendations. In our first update, dated April 26, 2011, we informed you that we had located complete documentation of hydrostatic pressure testing for an additional 24 miles of pipelines installed after 1970. This reduced SoCalGas' post-1970 Category 4 miles from 42 to 18 miles.

We are pleased to report that since April 26<sup>th</sup>, we have located additional complete documentation of hydrostatic pressure testing, reducing SDG&E's post-1970 Category 4 pipelines from 3 miles to 2 miles. For SoCalGas we have reduced the post-1970 Category 4 pipelines from 18 miles to 12 miles by either confirming the complete hydrostatic testing documentation or re-categorizing to pre-1970 based on additional information. We expect these numbers to decrease further as we complete our records review and analysis.

As a result of the ongoing analysis and records review we confirmed that 30 miles of SoCalGas' pipelines previously included in Category 2 were hydrostatically pressure tested. These pipeline miles have been moved to Category 1.

The following table updates SoCalGas and SDG&E's record review as of May 9, 2011:

## Table 1 (Revised May 9, 2011)

## SoCalGas and SDG&E Records Search To Validate Safe Operating Pressures of Pipelines In Class 3 and Class 4 Locations and Class 1 and Class 2 High Consequence Areas

	Demonstrated Safety Margin			Safety Margin to Be Verified		
	Category 1	Category 2	Category 3	Category 4  Activities in Progress to Validate Safety Margin (NTSB P-10-4)		
	Hydro- Statically Tested (NTSB P-10-2)	Strength Tested with Nitrogen or Other Medium	In-Service Strength Tested with MAOP Reduction			Total <sup>3</sup>
				Pre-1970	Post-1970	
SoCalGas	793	242	27	342 <sup>1</sup>	12	1415
SDG&E	135	8	0	61 <sup>2</sup>	2	206

<sup>&</sup>lt;sup>1</sup> For SoCalGas, 173 miles of pre-1970 pipe and 2 miles of the post-1970 pipe in Category 4 have been smart pigged.

<sup>2</sup> Maximum operating pressures have been reduced.

<sup>3</sup> May not add due to rounding.

All supporting pipeline files and information used to prepare our report and follow-up letters are immediately available for review by the Commission. Should you have any questions or concerns, please contact me at your earliest convenience.

Sincerely,

Richard M. Morrow

Vice President

Engineering & Operations Staff

Liebar DM. Morrow

cc: Ms. Michelle Cooke, Interim Deputy Executive Director, CPUC

Mr. Richard Clark, Director, Consumer Protection and Safety Division, CPUC

Ms. Julie Halligan, Deputy Director, Consumer Protection and Safety Division, CPUC