



**Pacific Gas and  
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September 20, 2010

Paul Clanon, Executive Director  
California Public Utilities Commission  
505 Van Ness  
San Francisco, CA 94102-3298

Re: Safety Response to the San Bruno Pipeline Explosion

Dear Mr. Clanon:

I am in receipt of your letter dated September 13, 2010 directing PG&E to take several actions with respect to its natural gas pipelines. This letter is intended to confirm and communicate PG&E's specific actions in response to your letter. Unless otherwise specified in this response, PG&E will apply its actions and information provided to its gas transmission system as defined by 49 CFR 192.3.

- 1) Reduce the operating pressure on PG&E's Line 132 to a pressure level of 20% below the operating pressure at the time of the failure and retain that lower pressure level until such time as the Commission allows you to return to Line 132's normal operating pressure***

#### PG&E's Response

The operating pressure of Line 132 was reduced by 10 percent from the maximum operating pressure of 375 psig on September 10, 2010. PG&E further reduced the operating pressure by another 10 percent on September 16, 2010. At this lower pressure level, noncore customers may be curtailed if average daily temperatures drop below about 53 degrees F in San Francisco. Based on historical temperature data there is a low probability of temperatures below 53 degrees F until late-October.

With the damaged section of Line 132 out of service and lowered San Francisco Peninsula system operating pressures of either 10 percent or 20 percent, there is risk that the system has insufficient capacity to meet the demands of both core and noncore customers during very cold weather. We are currently performing detailed analysis of the impacts of these changes to the system and identifying possible strategies to reduce or avoid customer curtailments this winter. We will share the results of our analysis with you and your staff.



- 2) ***Ensure that there are no additional risks to the residents of San Bruno by conducting an integrity assessment of all gas facilities in the impacted area***

#### PG&E's Response

PG&E completed a leak survey of the gas transmission facilities in San Bruno and the distribution system in and 200 feet around the impacted San Bruno neighborhood. In addition, we inspected and repaired (where necessary) all risers and meters, conducted a full leak investigation at each home that was returned to service (including both an inside and outside sweep using a gas detection device), and performed safety checks on all gas appliances prior to relighting pilots. All corrective action needed was taken.

In addition, PG&E will conduct instrument surveys to provide a more detailed assessment of the pipe and pipe line coating for all transmission mains in San Bruno and report results on or before October 12, 2010.

- 3) ***Conduct an accelerated leak survey of all transmission lines in your service territory, giving priority to segments in class 3 and class 4 locations, within one month of the date of this letter and take corrective action as required and report the results to me on or before October 12, 2010***

#### PG&E's Response

PG&E already completed a leak survey of the accessible areas on four of its gas transmission lines emanating from PG&E's Milpitas Terminal, specifically, Lines 100, 101, 109 and 132. One leak was found at a valve on one of the transmission lines and quickly repaired. An aerial inspection using laser detection technology of the remaining segments of these lines was started September 15, 2010. PG&E will complete an aerial leak survey using laser detection technology of its entire gas transmission system by October 12, 2010. PG&E will also complete leak surveys using traditional methods for all Class 3 and Class 4 locations on its system and report the results by October 12, 2010. Leak surveys using traditional methods for Class 1 and Class 2 pipelines will be completed by December 15, 2010. PG&E will notify the Commission of any impacts the weather may have on its planned surveys.

- 4) ***Evaluate records of customer leak-complaint response times and response effectiveness system-wide, take immediate mitigation measures if deficiencies are found, and report the results to me***

#### PG&E's Response

During the period of July 1 through September 15, 2010, PG&E did not receive any complaints related to our response to gas leak or gas odor calls. However, to assure we are



fully responsive to this request, PG&E will evaluate all records of customer gas leak or gas odor calls and response times for gas leak or gas odor investigations completed between July 1, 2010 and September 15, 2010, take appropriate mitigation measures (if deficiencies are found) and report to the Commission by October 12, 2010.

- 5) *Prepare a plan for a complete safety inspection of PG&E's entire natural gas transmission pipeline system and provide the plan to me no later than September 23, 2010*

PG&E's Response

PG&E will submit the safety inspection plan as directed by September 23, 2010.

- 6) *Make all employees and contractors available for interviews with federal and state investigators, including if requested, examinations under oath*

PG&E's Response

PG&E will make employees and contractors available as directed.

- 7) *Preserve all records related to the incident, including work at the Milpitas Terminal during the month of September 2010*

PG&E's Response

PG&E will preserve all records specified as directed.

- 8) *Preserve all records related to the maintenance or modification of Line 132 by PG&E and/or its contractors performed within the City of San Bruno over the past ten (10) years*

PG&E's Response

PG&E will preserve all records specified as directed.

- 9) *Review the classification of natural gas transmission lines and determine if the classification has changed since the initial designation and report the results to me*

PG&E's Response

PG&E interprets this directive to mean that it will review its facilities and records to determine if field conditions have changed to warrant a reclassification of any segment of its pipelines.



PG&E will complete the review, change its records and practices accordingly and report the results as directed.

***10) Investigate and report to me PG&E's forecasted versus actual levels of spending on pipeline safety and pipeline replacements from 2005 to present***

PG&E's Response

PG&E will complete a comparison of authorized versus actual levels of spending on pipeline safety and pipeline replacements as directed and include the results in PG&E's October 12, 2010 report to the Commission.

***11) Conduct a review of all gas transmission line valve locations in order to determine locations where it would be prudent to replace manually operated valves with automated valves and report the results to me***

PG&E's Response

PG&E will conduct the review requested, develop recommendations and report the results by October 12, 2010.

We recognize that the results of the NTSB and CPUC investigations regarding the root cause of the pipeline rupture may lead the CPUC to redirect some of the efforts described above. We are prepared to respond quickly to any request that you may have to conduct a higher-priority activity.

Please contact Brian Cherry or me if you have any questions regarding this letter.

Sincerely,

Christopher P. Johns

cc: President, Michael R. Peevey  
Commissioner, Timothy A. Simon  
Commissioner, Dian M. Grueneich  
Commissioner, John A. Bohn  
Commissioner, Nancy Ryan  
Julie Fitch, Director, Energy Division  
Richard Clark, Consumer Protection Safety Division