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May 11, 2015

Mr. Ken Bruno
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: State of California – Public Utilities Commission
General Order 112-E Audit – PG&E’s Sierra Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E’s Sierra Division from April 28 through May 2, 2014. On April 9, 2015, the SED submitted their audit report, identifying probable violations, findings and areas of concern. Attached is PG&E’s response to the CPUC audit report.

Please contact Cheryl Dizon at (925) 328-5721 or c1dz@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Larry Deniston

Attachments

cc: Aimee Cauguiran , CPUC
Dennis Lee, CPUC

Mike Falk, PG&E
Sumeet Singh, PG&E

2014 Sierra Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
Internal NOV	2	Regulator Stations: inoperable valves >12 months 1 valve is scheduled for maintenance in 2014	PB-09 Station Valve V-11 was replaced on 12/20/2014 (reference notification 41901888)	N/A
Internal NOV	3	Valves: Plug valves were not lubricated in due to grease extension issue One valve is pending maintenance scheduled for 2014	Valve 7 grease extension has not been replaced, however a mechanic was able to reach down and grease the valve on 4/5/2013, 4/17/2014 and 4/10/15. A corrective work order (notification 10319414) was created, and is scheduled for repair in 2015.	N/A
Internal NOV	5	Corrosion Control: CPA Areas down more than 15 months Maintenance for 3 remaining downed areas are pending completion in 2014	These 3 CP Areas have been restored as follows: 15 - P - 005A was restored on 4/1/14 06 - C - 007A was restored on 6/1/14 15 - B - 0003A was restored on 3/11/15 Maintenance work has been migrated to SAP, and work tickets are generated ahead of due dates. Actions plans, as of 3/23/14, have also migrated to SAP.	Sierra_Int NOV5_15-B-003A 2014_CONF.pdf Sierra_Int NOV5_15-B-003A 2015_CONF.pdf Sierra_Int NOV5_15-P-005A 2015_CONF.pdf Sierra_Int NOV5_15-P-005A 2014_CONF.pdf Sierra_Int NOV5_06-C-007A 2015_CONF.pdf Sierra_Int NOV5_06-C-007A 2014_CONF.pdf
Internal NOV	7	A manual plat-by-plat review, when implementing Pathfinding will be performed to identify and incorporate these service stubs into existing idle stub review process. This is expected to be completed in 2014	The Pathfinder GIS system was implemented in Sierra Division in March 2015. Pathfinder generated stub lists are expected mid-2015 and will be reviewed and validated as stubs or not by 12/31/2015. The confirmed stubs subject to 5 year review and cut-off will be incorporated into the 2016 annual review. Upon their review in 2016 they will have one year to be cut-off. It is expected these cut-offs will occur throughout 2017.	N/A
Internal NOV	A	Provide corrosion monitoring records including the remedial action plan documents for CPA 15-M-002B: Church@ 658 Whiting St., Grass Valley which was down between 02/02/11 and 08/19/11,08/03/12-12/03/12, and 04/02/13-till May, 2014.	Please find the requested documents attached	Sierra_Int NOVA_15-M-002B 2014_CONF.pdf Sierra_Int NOVA_15-M-002B 2015_CONF.pdf
Internal NOV	B	Provide corrosion monitoring records including the remedial action plan documents for CPA 15-B-003A: 807 Dairy Rd. and 1577 Lilac Lane, Auburn, pipe-to-soil (PIS) was down between 03/01/2011 and 05/2012, but went down again in 11/2012 and it's been down since then. CPA follow up recorded on 04/01/2011 stated "possible contact off secondary electric" "Depleted anode". There was no corrosion engineer review after 90 days and nothing till May, 2014. 2013 follow up record stated that "Needs a rectifier & Anode".	15B003A restored 1/7/2015. Please find the requested documents attached	Sierra_Int NOVB_15-B-003A 2015.XLS Sierra_Int NOVB_15-B-003A 2014.XLS

2014 Sierra Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV	1.1	<p>Title 49 CFR §192.605 Procedural manual for operations, maintenance, and emergencies. §192.605 states in part: "(a) Each operator shall prepare and follow for each pipeline, a manual of written procedures for conduction operations and maintenance activities and for emergency response ... " PG&E's Gas Standard 0-16, Table 1- Schedule of Monitoring Intervals defines the schedule for performing corrosion monitoring: Distribution and Local Transmission: P/S Monitoring - Bimonthly and Rectifier Monitoring - Annually Backbone and Gathering: P/S Monitoring - Annually and Rectifier Monitoring - Bimonthly "Bimonthly" means six times each calendar year with intervals not to exceed 2-1/2 months. "Annually" means once each calendar year with intervals not to exceed 15 months. Rectifiers, bonds, and other sources of protective current shall be read bimonthly for transmission (backbone) only.SED reviewed Division's rectifier monitoring records and identified four late rectifier reads</p> <p>CPA 15-M-006, Rectifier 7, Read 3/3/11 and 11/7/12, Time Interval 20 CPA 15-P-001, Rectifier 43, Read 5/30/09 and 10/28/10, Time Interval 17 CPA 15-P-005, Rectifier 41, Read 5/10/12 and 10/16/13, Time Interval 17 CPA 15-S-005A, Rectifier 49, Read 4/4/12 and 11/7/13, Time Interval 19</p>	<p>Maintenance work has been migrated to SAP, and work tickets are generated ahead of due dates. All rectifiers maintained by Sierra Division now are scheduled for the annual Rectifier Site Evaluation, including rectifier output readings, in SAP.</p>	N/A
NOV	1.2	<p>SED also noted that Division did not take readings of Rectifier#1 located in CPA# 15-T-123 in 2013.</p>	<p>Maintenance work has been migrated to SAP, and work tickets are generated ahead of due dates. All rectifiers maintained by Sierra Division now are scheduled for the annual Rectifier Site Evaluation, including rectifier output readings, in SAP.</p>	N/A

2014 Sierra Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV	1.3	<p>PG&E Standard 0-16: Corrosion Control of Gas Facilities, 6. CPA Restoration, A. Cathodic Protection Restoration for Distribution and Local Transmission states in part: "(3) If the CPA restoration work is (or is expected to be) over 30 days, the "CPA Follow-Up Action Plan" form (Attachment B) must be used and developed within 30 calendar days from the date the CPA is found below adequate levels of protection, as defined by the current 49 CFR 192, Subpart I.</p> <p>SED noted that Division did not create CPA Follow-up Action Plans within 30 days for the following CPAs CPA 15-M-003, Country Bldg & Willow Valley Rd Nevada City, Date Found below adequate protection level 12/03/2013 CPA 15-P-001A, 230 D St & 779 D Street in Lincoln, Date Found below adequate protection level 12/03/2013 CPA 15-S-003A, Hardning & Douglas Black wire and S/Bridge Galleria in Roseville Date Found below adequate protection level 09/04/2013 Transmission, L-173: ETS 106042623 Old State Hwy (HPR 132) by tunnel in Newcastle Date Found below adequate protection level 10/2011, 12/2013 Transmission, L-202: ETS 107402605 (Squirrel Creek Reg Station), Date Found below adequate protection level 10/2012, 04/2013, 12/2013 CPA 15-S-004A, 6995 Whyte Ave in Roseville, Date Found below adequate protection level 9/4/13 (action plan was created on 12/16/13)</p> <p>Please provide a copy of the action plans created for the listed CPAs along with the remedial actions completed to restore the CPAs.</p>	<p>Please see the attached associated files for copies of the completed action plans: CPA 15-M-003, Country Bldg & Willow Valley Rd Nevada City was restored on 4/15/14. CPA 15-P-001A, 230 D St & 779 D Street in Lincoln was restored on 4/8/14. CPA 15-S-003A, Hardning & Douglas Black wire and S/Bridge Galleria in Roseville restored on 3/11/15 Transmission, L-173: ETS 106042623 Old State Hwy (HPR 132) by tunnel in Newcastle was restored on 2/5/14. Transmission, L-202: ETS 107402605 (Squirrel Creek Reg Station), was restored on 5/5/14. CPA 15-S-004A, 6995 Whyte Ave in Roseville, restored on 3/11/15</p>	<p>Sierra_NOV1.3_CPA 15-M-003_CONF.pdf Sierra_Nov1.3_CPA 15-P-001A_CONF.pdf Sierra_Nov1.3_CPA 15-S-003A_CONF.pdf Sierra_Nov1.3_CPA 15-T-173 Transmission_CONF.pdf Sierra_Nov1.3_CPA 15-T-202 Transmission_CONF.pdf Sierra_Nov1.3_CPA 15-S-004A_CONF.pdf</p>
NOV	1.4	<p>PG&E 0-16- Corrosion Control of Gas Facilities, 6. CPA Restoration, A. Cathodic Protection Restoration for Distribution and Local Transmission states in part: "(3) ... If the action plan exceeds 90 days, the action plan needs to be reviewed and approved by corrosion engineering personnel, the area superintendent, and the manager of technical services within 120 days. Updates to the action plan shall document the incremental work that has been completed to date, detailed status updates of needed actions that have not had any significant progress from previous updates, and the work that needs to be completed to achieve adequate protection ... "</p> <p>PG&E's 0-16, CPA Restoration procedures requires that if the action plan exceeds 90 days, the action plan be reviewed and approved by corrosion engineering personnel, the area superintendent, and the manager of the technical services within 120 days. SED reviewed Division's CP records and identified that PG&E's corrosion engineer did not review or approve the CPA follow-up action plans created for the down CPAs listed below within 120 days.</p> <p>A- CPA 15-B-008A: Church @ Barton & Brace, Loomis: down from 11/2/11 - 9/5/2012 & 05/02/2013- 09/03/2013</p> <p>B- CPA 15-B-009A: 4178 Cavitt-Stalleman Rd., Rocklin: down 05/03/2011-07/02/2013</p> <p>C- CPA 15-B-013A: 6787 Eureka Rd., Granite Bay has been down since 09/04/13 till now.</p> <p>Please provide a copy of the updated action plans for the CPAs listed above and explain what actions Division has taken to address these deficiencies.</p>	<p>Please see the attached associated files for copies of the completed action plans: A- CPA 15-B-008A: Church @ Barton & Brace, Loomis was restored on 7/30/13. Refer to the attached action plan B- CPA 15-B-009A: 4178 Cavitt-Stalleman Rd., Rocklin was restored on 7/2/13. Refer to the attached action plan C- CPA 15-B-013A: 6787 Eureka Rd., Granite Bay was restored on 3/5/2014</p>	<p>Sierra_NOV1.4_CPA 15-B-008A_CONF.pdf Sierra_Nov1.4_CPA 15-B-009_CONF.pdf Sierra_Nov1.4_CPA 15-B-013A_2014_CONF.pdf</p>

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Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV	1.5	<p>Division took yearly reading and recorded low P/S on 1/9/13 and then removed the electronic test station (ETS) for this CPA located on 10701 E. Bennet Rd., Grass Valley from its system in April 2013. Division replaced the ETS with a new test location; however, it did not take any reads after that. SED conducted a field visit to the new location and recorded-. 734 Von 5/1/14 during the audit.</p> <p>SED found that the system had been down from 1/9/13 until 5/1/14 when SED and Division took the field reading. SED noted that Division did not take any corrective action after it recorded low P/S on 1/9/13 and did not take any reads after the addition of the new ETS to its system even though the CPA was discovered to be down.</p> <p>Please inform SED of the preventive and mitigative (P&M) measures taken to address these deficiencies.</p>	Maintenance work has been migrated to SAP, and work tickets are generated ahead of due dates.	N/A
NOV	1.6	<p>SED found that Division took only four reads in calendar year 2012 and did not record any dates for the reads taken for the CPA 15-S-005A: 802 Elisa Way, Roseville.</p> <p>Please inform SED of the P&M measures taken to address this deficiency.</p>	Maintenance work has been migrated to SAP, and work tickets are generated ahead of due dates.	N/A
NOV	1.7	<p>PG&E Utility Work Procedure WP4540-01 states "Supervisors must review and approve all records for work performed at each district regulator station within 30 days of the completion of maintenance."</p> <p>SED discovered seven instances where the Division failed to review and approve regulator maintenance within the 30-day interval required by PG&E's Work Procedure WP 4540-01. Below is a listing of the regulator stations with supervisor reviews exceeding 30 days after maintenance work has been performed.</p> <p>Reg Station MRC-08, Maintenance Date 9/7/11, Supervisor Review Date 2/9/12 Reg Station MRC-11, Maintenance Date 6/6/12, Supervisor Review Date 4/10/13 Reg Station MRC-22, Maintenance Date 11/17/11, Supervisor Review Date 2/9/12 Reg Station MRC-24, Maintenance Date 11/18/11, Supervisor Review Date 2/9/12 Reg Station MRC-70, Maintenance Date 9/6/11, Supervisor Review Date 2/9/12 Reg Station MRC-73, Maintenance Date 10/18/11, Supervisor Review Date 2/9/12</p>	Local supervision has been instructed to perform required review and sign off of all maintenance documentation within the time limits prescribed in applicable work procedures.	N/A
NOV	2	<p>Title 49, CFR, §192.481 Atmospheric corrosion control: Monitoring Section 192.481 (c) states that "If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion ... "</p> <p>2.1 On 5/1/14, SED and PG&E conducted field inspections and noted the exposed span at 6125 Brace Road, Loomis had a condition of generalized rust and scaling. SED also noted that Division identified the same deficiency on 1/3/2012; however, it did not take any corrective actions.</p> <p>Please inform SED of the P&M measures taken for this deficiency.</p>	On 5/1/14, no indication of blistering, peeling, or flaking metal was observed. Therefore, this does not constitute active atmospheric corrosion as noted in PHMSA Interpretation PI-91-03. This location will be scheduled for re-coating by December 31, 2016. PG&E will continue to monitor the condition of the pipe through regular inspection.	Sierra_NOV2_Span Inspection - 6125 Brace Road_CONF.pdf
NOV	2.2	<p>SED reviewed Division's exposed transmission lines and found that Division inspected 8-inch transmission line, L-124B, at mile point (MP): 12.87 on 3/22/12 and noted that there was no wrap and no paint on the 4-ft. span. Division records also stated that sections of the transmission line have flaked off and transition from exposed to underground was poor.</p> <p>SED noted that Division did not take any corrective actions for the deficiencies identified during the exposed span inspection.</p>	This location has been identified for remediation (reference PSRS #34353) and is scheduled for completion in 2016. PG&E will continue to monitor the condition of the pipe through regular inspection.	N/A

2014 Sierra Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV	2.3	On 5/1/14, SED and PG&E visited Regulator Station, MRB-99, located on 61 " Street and Walnut Street in Marysville to exercise valves. SED observed Atmospheric Corrosion (AC) on bleed sense part of the regulator station.	Valve 5 corrosion area was cleaned and painted. See attached photo.	2014_Sierra_Audit_NOV2.3_MRB99_CONF.pdf
NOV	3	<p>Title 49, CFR. §192.481 Atmospheric corrosion control: Monitoring</p> <p>(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:</p> <p>If the pipeline is located:</p> <p>Then the frequency of inspection is:</p> <p>Onshore At least once every 3 calendar years, but with intervals not exceeding 39 months ..</p> <p>(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.</p> <p>(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by §192.479.</p> <p>§192.805 Qualification program.</p> <p>Each operator shall have and follow a written qualification program. The program shall include provisions to: (b) Ensure through evaluation that individuals performing covered tasks are qualified;</p> <p>(e) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task;</p> <p>SED reviewed Division's leak repair records and found that Division discovered a Grade 1 leak, Leak No: 11-11-20091-1, on 10/30/11 and repaired it on the same day. Form A indicates that the leak was caused by AC. SED also reviewed the AC inspection records and discovered that the most recent AC inspection was conducted at the leak location on May 6, 2011; however, Division did not identify any AC indications. Approximately, five months after the AC inspection was conducted in the same area, Division discovered the Grade 1 leak caused by AC.</p> <p>SED determined that Division needs to improve the quality of the AC inspections by providing adequate training and testing for its assigned employees (both company and contractor) to ensure that they are qualified to be able to identify current and potential AC indications and any other AC related abnormal operating conditions (AOCs) and react to them appropriately.</p> <p>SED also noted that it is very important to capture AC related deficiencies during inspections since the AC evaluations are only conducted once in three years for on-shore facilities and the same area may not be inspected again for AC indications for as long as 39 months after the previous evaluation.</p> <p>PG&E must train its company or contractor employees properly to perform AC inspections, identify AOCs correctly, and react to them properly and timely.</p>	<p>PG&E respectfully disagrees with this finding. As stated in the inspection letter, the most recent AC inspection, prior to the Grade 1 leak, was conducted at the leak location on May 6, 2011; however, Division did not identify any AC indications as indicated on the inspection record. The individual performing the inspection was properly qualified for AC inspection during the May 6, 2011 inspection and completed the required documentation associated with the work. It is not verifiable that there was AC at the time of the May 6, 2011 inspection therefore to conclude that the Division needs to improve the quality of their AC inspection is pure speculation based on this event. PG&E performs routine Quality Control Atmospheric Corrosion inspections in accordance with Utility Procedure TD-4021P-02, "Gas Quality Control Distribution Assessment Procedure". PG&E appreciates the comments and will take this concern into consideration.</p>	N/A

2014 Sierra Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV	4	<p>Title 49, CFR, §192.615 Emergency Plans states in part (a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following: (6) Emergency shutdown and pressure reduction in any section of the operator's pipeline system necessary to minimize hazards to life or property.</p> <p>SED reviewed Division's Emergency Shutdown Zone binders and noted that Sierra Division Engineering Planner created a new Emergency Shutdown Zone binder for the PG&E's Colusa District in 2013. SED also noted that PG&E was unable to locate the Colusa District Emergency Shutdown Zone binders for years 2011 and 2012.</p> <p>Per PG&E UO Standard S5000, Gas Distribution Emergency Shutdown Zones, the GD&TS area senior engineers are responsible for the following:</p> <ul style="list-style-type: none"> • Establishing and maintaining Emergency Zone Curtailment binder, except for maps. • Reviewing the Emergency Zone Curtailment binder annually. Reviews are to occur not more than 15 months apart. <p>SED determined that Division failed to establish an Emergency Shutdown Zone binder for Colusa District prior to 2013. Please inform SED of the P&M measures taken to address this deficiency.</p>	<p>To prevent reoccurrence, PG&E is developing a long term process, with associated procedures, to confirm Emergency Shutdown Zone reviews are scheduled, tracked and completed using an automated system with controls to ensure completion within the required timeframe. Gas Standard S5000 will describe this process. It is scheduled for revision by December 31, 2015.</p> <p>In the interim, PG&E has implemented a method for system wide review & confirmation by the local Gas Planning Supervisor to ensure reviews are completed within the required timeframe.</p>	N/A
AOC	1	<p>1. On 5/1/14, SED and PG&E visited Regulator Stations, MRB-73A and MRB-73 located on Township & Almandra in Yuba City. SED noted the following deficiencies at these regulator stations:</p> <ul style="list-style-type: none"> • Station diagram for both stations shows Valve 13 which no longer exists since PG&E removed it. Division needs to update the station diagram. Please provide SED with a copy of the revised diagram. • During the field check, PG&E crews found a fuzz leak on the stand-by (left) side of the monitor (upstream vault) of the Regulator Station MRB-73A and repaired it by removing the old ball valve, shown in Photo 3 (see letter), and replaced it with ½" ball valve. After the repair, crew soap tested it and did not find any leaks. <p>Photo 3 (see letter)- Leaking valve located at the bottom of the filter cylinder that was replaced during field visit on May 1, 2014 at Regulator Station MRB-73A</p> <ul style="list-style-type: none"> • SED also observed AC on the upstream side of Regulator Station MRB-73. 	<p>V 13 has been removed from the Station MRB-73 diagram indicated in the attachment.</p> <p>The station has surface rust only. Pitting on the pipeline was not observed by the Sierra M&C Mechanic that was dispatched to review the findings in May 2015. The local Supervisor will create a notification to buff, prime and paint the piping located in the vault.</p>	Sierra_AOC1_AlmandraTownship_CONF.pdf

2014 Sierra Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	2	<p>SED reviewed Division's Pressure Limiting Station records and noted that for multiple stage regulator stations, Division does not have the data sheet for the primary cut regulators to record the design pressure set point for the first stage regulator.</p> <p>SED is concerned because the field personnel currently rely on the previous pressure set points documented as "As Left" values on the maintenance sheets rather than the calculated pressure set points determined by the Gas Engineering and System Planning. As a result, in cases where previous pressure set point on the maintenance record is not accurate, this may cause to continue the same incorrect setting for the regulator.</p> <p>Additionally, for new regulator stations which do not have prior maintenance records, technicians will have no reference point to verify and set correct pressure set points during maintenance of the regulators.</p> <p>SED noted this problem with the following regulator stations:</p> <ul style="list-style-type: none"> • R-406 (New station installed on 03/11/2014) • R-130 (Pilot-Operated) • R-112 (Last alteration on 09/15/05) <p>During the audit, PG&E explained that a new standard, TD-4128S, "Station Pressure Set Points" that would be released within one year would resolve these issues.</p> <p>Please inform SED of the P&M measures to address this deficiency.</p>	<p>The Regulator Station Datasheet is intended to capture both the working set point and over-pressure protection set point of the monitor under the "Monitor" field (for example, 58/200). However, as mentioned this is not specified on the datasheet. This will be clarified in the next revision to the datasheet.</p> <p>The working monitor configuration is used to spread the pressure cut across a station into two stages, to reduce noise and temperature drop. The working set point of the monitor does not directly affect its over-pressure protection capability, and does not need to be a precise value. Field technicians are provided with desired set points by Gas Engineering and System Planning.</p> <p>Engineers may find guidance in existing standards, and may request assistance from the Codes & Standards department. Additional guidance on set points will be added to the standards, either in a new document (TD-4128S) or revision to the existing document TD-4125P-07. However, some guidance for the working monitor configuration is already available in Gas Design Standard H-14 (section 3.E), which provides the maximum allowable pressure cut across a single regulator.</p>	N/A
AOC	3	<p>During a review of regulator maintenance records, SED observed that the Division uses a regulator set point of 34 psig when the recommended range of the installed spring listed 35-80 psig for regulator station, MRC-09. During the audit, Division personnel explained that even though the regulator operated normally at the set point of 34 psig, Division planned to install another regulator spring with a recommended range that matched the set point.</p> <p>Please provide SED with a status update on the corrective work order to install a new regulator spring.</p>	<p>In January 2015, an effort was launched in Sierra Division to review and change regulator range springs that were not in tolerance of set pressures. This work happens as the annual station maintenance is due. MRC-09 is scheduled for correction in May 2015.</p>	N/A
AOC	4	<p>SED conducted a field visit to V-389 (6" Plug Valve) at Douglas & Hardling St., located in Drum District and noted that the field personnel were not able to turn it without greasing it. SED reviewed maintenance records for this valve and found that the valve was last maintained on 3/3/14 which was about two months prior to SED's field visit in May.</p> <p>SED is concerned because even though the valve, V-389, was recently lubricated and maintained, it did not turn without lubrication.</p> <p>Please explain any P&M measures taken to address this deficiency.</p>	<p>On 1/31/2015, during a supervisory field observation of the annual valve maintenance, the valve operated properly and was lubricated per PG&E standard. PG&E will continue to monitor the performance of this valve through preventative maintenance</p>	N/A

2014 Sierra Division Audit Findings and Responses

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AOC	5	<p>PG&E's Gas Valve Maintenance, Utility Procedure: TD-4430P-04, (Publication Date: 09/25/2013 Rev: 00) states in part: Procedure Steps 3. Maintenance Record Keeping and Review "3. 3 Maintenance supervisor, upon completion of valve maintenance, will accomplish the following: 1. Review, within 3-working days, each Gas Utility Form TD-4430P-04-F02, "Gas Valve Maintenance Record Form-Service History" for accuracy and completeness. Return Service History Form to personnel that performed maintenance to correct errors and omissions. 2. During review, inspect for any erasures, obliterations, or other document changes. • Review "Valve Maintenance Record" with personnel who performed the maintenance to ensure required compliance. SED reviewed PG&E "Valve Maintenance Record Form (F4430-04-1, Rev. 5/13/09)" and noted the following: a. Maintenance record of transmission valve V-7 Tap SAP WM NO. 41431641 was incomplete. Division staff didn't check the box on transmission valve type (EMERGENCY or OTHER). b. Maintenance record of transmission valve V- 38.05 SAP WM NO. C-A010 42577652 was incomplete. Division staff didn't fill out the service history completely on 5/28/2013, missing information on columns (OPERATE and VALVE POSITION).</p>	<p>Additional controls for proper maintenance documentation will be implemented with the deployment of mobile devices to capture maintenance activities electronically. The mobile devices will directly update the SAP Preventative Maintenance tool. SAP will have validations that will not allow for preventative maintenance to be prematurely or inadvertently closed without proper inputting by maintenance personnel. Anticipated deployment is December 2015.</p>	N/A
AOC	6	<p>On May 2, 2014, during a field visit to a pipe span on Line 1249, SED observed a comprised pipe hanger on the north side of the span, shown in Photo 4 (see letter). The concrete around the anchor bolts supporting the pipe hanger appeared to be crumbling. Additionally, pipeline markers were not visible at the time of the field visit. Photo 4 (see letter)- Span L-1249 at MP 22.59 Please provide SED with an update on the Division's follow up actions.</p>	<p>Based on engineering analysis, the pipe hanger on the north side of the span is a redundant support and is not necessary for the structural integrity of the pipe span and therefore will be removed. (Reference Notification 107996341) PG&E will provide an update on the installation of pipeline markers at this location once the information is available.</p>	N/A
AOC	7	<p>SED reviewed Division's Leak Repair, Inspection and Gas Quarterly Incident Report (Form "A") and found that Division identified two aboveground Grade 1 leaks which were caused by AC. Leak # 11-11-20091-1, Discovery Date 10/30/11, 100% Gas, Grade 1, Repaired by Installing clamp on riser, Root Cause - Atmospheric Corrosion, Yuba City Leak # 11-11-20034-1, Discovery Date 3/20/11, 100% Gas, Grade 1, Repaired by Installing clamp on riser, Root Cause - Atmospheric Corrosion, Olivehurst A Form also indicated that leak surveyor identified these leaks on the risers below service valves and repaired them by installing clamps on the risers. SED noted that even though these leaks were aboveground leaks, repairman marked "heavy rust" under internal inspection under "Metallic Pipe Condition" section on A Form. SED noted that this may be related to training issue; therefore, PG&E must train its employees not only to be able to perform the covered tasks but also capable of recognizing the AOCs correctly, and recording the indications on the forms accurately. Please inform SED of the P&M measures taken to address the deficiencies identified above.</p>	<p>The Mariner Asset Maintenance Local Transmission and Distribution deployment started in May 2014. As part of the Mariner Program, additional controls for proper maintenance documentation were implemented with deployment of mobile devices to electronically record leak repair (A-Form) by crew foremen in the field. Mobile Devices for leak repair and inspections were deployed system-wide October 13, 2014. The mobile devices directly update the SAP Corrective Maintenance tool. SAP has validations that will minimize the option of long text information by maintenance personnel. The software will prompt personnel to enter only the relevant information for each entry of the A-Form. User training was also conducted as part of the roll-out of the mobile platform for entering A-form information.</p>	N/A
AOC	8	<p>During the field visits, SED noticed that Division's pipeline markers for underground gas pipeline facilities do not have any One-call or 811 stickers to inform the public about how to learn the location of underground pipelines before excavation activities are begun as per 192.614 (c)(2)(ii). SED recommends that Division place 811 stickers on the pipeline markers where the public can get more information in addition to the other Public Awareness activities that PG&E currently has.</p>	<p>The attached standards include the most current decals used on pipeline markers and include the one-call and 811 information.</p>	2014_Sierra_Audit_AOC8_PipelineDecal_CONF.pdf

2014 Sierra Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	9	<p>Title 49, CFR, §192.463 External corrosion control: Cathodic protection. Section 192.463(a) states that "Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of the criteria."</p> <p>a. On 5/1/14, SED and PG&E took P/S reading at CPA L-202, Squirrel Creek Regulator Station and recorded -.736 V which did not meet the minimum -850 mV criteria.</p> <p>b. On 5/1/14, during a field visit to CPA L-121, SED observed that Division measured a PIS read of -824 mV that did not meet the -850 criteria at the Acacia Street, Rice Dryer meter. Please provide SED with a status update for the corrective actions for these locations.</p>	<p>CPA L-202, Squirrel Creek Regulator Station - Last read 4/7/2015 at -1230mV</p> <p>Acacia Street, Rice Dryer meter - Reading -875mV on 2/2/2015 and -764mV on 4/2/2015. A work order (Reference Notification 107994678) is open for remediation.</p>	N/A
AOC	10	<p>On 08/03/2012 Division identified that the CPA 15-P-005A: 110 East 8th Street, Lincoln was down due to broken wire on the anode. During the audit, Division personnel explained that the action plan has been created and Division has been working on the corrective action. However, SED noted that at the time of the audit, the area was still down since the discovery of the broken wire in August 2012 which was more than 20 months. Please inform SED of the P&M measures taken to address this deficiency and explain the reason why it takes PG&E a long time to take remedial actions in order to bring up the CPA into compliance level.</p>	PG&E has automated the corrective notification creation of CPA Follow-Up Action Plans and work tickets to monitor open plans. This will ensure CPA Follow-Up Actions Plans are created and updated timely and in accordance with PG&E's procedure	N/A
AOC	11	<p>On May 1, 2014, during a field visit to CPA L-121, SED observed that Division measured an AC Voltage (ACV) of 127 ACV at Rectifier #120026, which is greater than the 126 ACV limit listed on the maintenance sheet. Please provide SED with a status update on the AC Voltage condition.</p>	129 ACV read on 5/7/2015. Corrosion Engineering has been contacted to investigate.	N/A
AOC	12	<p>On May 1, 2014, during a field visit to CPA 12S008, SED observed that Division measured a ground rod resistance of 92 ohms that exceeds the 25 ohm criteria for a second ground rod to be installed at Rectifier #120036 located at Jefferson e/o Hooper. The Division was aware of the high ground rod resistance and had a corrective work order scheduled. Please provide SED with a status update on the corrective work order.</p>	A second ground rod was installed on 5/21/2014	N/A
AOC	13	<p>On May 1, 2014, during a field visit to CPA 12M002, SED observed that Division measured an unusual ground rod resistance fluctuation between 48-56 ohms at Rectifier #120073 located at Ahern St, s/o 24th. The Division was aware of a high ground rod resistance at the location and issued a new corrective work order to troubleshoot the fluctuation. Please provide SED with a status update on the corrective work order.</p>	A second ground rod was installed 1/29/2015	N/A

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AOC	18	<p>PG&E's Corrosion Control of Gas Facilities (0-16), Section 4: Impressed Current (Rectified) Cathodic Protection Systems, Part E. Rectifier Monitoring and Maintenance states in part: "A "Rectifier Test and Site Evaluation" form (Attachment A of Numbered Document 0-11.1, Form F0-11.1-A) shall be completed to ensure that rectifiers are functioning correctly and that there are no safety violations. Forms must be filed in the CPA file or equivalent, each calendar year and retained for 5 years, with intervals not to exceed the day of the previous read on the 15th month."</p> <p>a. SED reviewed Division's Pole MounVPedestal Mount Rectifier Test and Site Evaluation Forms (GT&D, 01/09, F0-11.1-A) and found that, several rectifiers with Ground Resistance as found (in ohms) above 25 ohms. If Ground Resistance is above 25 ohms, 2nd ground rod should be installed 6' apart. Division informed SED that it has created work tickets for the corrective actions for the following rectifiers: CPA#: 12S008, Rectifier# 120036, located at Jefferson E/O Hooper, Yuba City. High resistance was recorded on 9/16/2013. Division created a work ticket to install a second ground rod on 05/12/14. CPA#: 12m002, Rectifier# 120073, located at Ahem St. s/o of 24th, Marysville. The (Ohms) reading was not high from 2011 to 2013. The high reading came during maintenance in 2014. Corrective work form for the installation of a second ground rod is to be completed by Corrosion Mechanic and T&D 2-Man Crew by 5/31/14. CPA#: 12m003, Rectifier# 120088, located at 14th and Walnut, Marysville. The (Ohms) reading was not high from 2011 to 2013. The high reading came during maintenance in 2014. Corrective work form for the installation of a second ground rod is to be completed by Corrosion Mechanic by 5/16/14.</p> <p>b. Also on during rectifier maintenance record review, SED found rectifier with CPA# 12S017 has AC Breaker or Fuse size 5A. Fuse should be rated 10% above the maximum amp rating of rectifier or next highest size. The rectifier DC Amps Rating is 5A, which means the AC Breaker or Fuse size should be 10% above, which is 5.5A, or next highest size, 6.25A. Division informed SED that the fuse was corrected but due to age of the switch box, a corrective work ticket will be issued to replace the switch box and fuse with new one. Please inform SED when the corrective actions are completed for the deficiencies identified above.</p>	<p>CPA # 12S008, Rectifier# 120036, located at Jefferson E/O Hooper, Yuba City - Second ground rod installed 5/21/2015</p> <p>CPA # 12m002, Rectifier# 120073, located at Ahem St. s/o of 24th, Marysville. Second ground rod installed 1/29/2015</p> <p>CPA #12m003, Rectifier# 120088, located at 14th and Walnut, Marysville. Second ground rod installed 5/22/2014</p> <p>CPA# 12S017 PG&E will provide an update on the work associated with replacement of the switch box and fuse once the information is available.</p>	N/A
AOC	19	<p>SED reviewed Division's Meter Protection Program and noted that in March 2013, Division identified a total of 16 hazardous meter locations with pending remedial actions and a total of eight locations with pending inspections as of May 2014. After the audit, PG&E informed SED that Division resolved 10 of the 16 locations identified during the audit and completed all the remaining inspections. PG&E also stated that Division was still working on resolving the issues at the remaining six locations, shown below, where remedial actions were necessary but not completed due to customer refusals or not being able to contact the customer. Please inform SED of the remedial actions taken for the remaining hazardous meter locations in Sierra Division. Identified 3/21/2013, Last Review 6/25/2014, 1309 Buchanan St in Marysville Identified 3/21/2013, Last Review 7/1/2014, 1158 Nadine Dr in Marysville Identified 3/21/2013, Last Review 7/8/2014, 1126 Brookline Cir in Roseville Identified 3/21/2013, Last Review 7/2/2014, 1960 Monterey Pines Dr in Roseville Identified 3/21/2013, Last Review 7/7/2014, 268 B St in Yuba City Identified 3/21/2013, Last Review 6/23/2014, 1765 Messina Dr in Yuba City</p>	<p>The listed locations are being tracked as part of the CGI locations in the Meter Protection Program and are scheduled for completion by the end of year 2016. PG&E will continue attempts to contact the customers per its procedures, including discontinuing gas service if necessary</p>	N/A

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AOC	20	<p>SED reviewed Division's equipment calibration records and noted that Division did not calibrate the following pressure recorders on an annual basis as required per its Utility Procedures and Standards such as DCS Standard D-S0456, Recording Pressures in Distribution Systems, effective 4/99, Utility Procedure: TD-4125P-05, Recording Pressures in Distribution Gas Systems, Publication Date: 03/31/2010, UO Standard S5351, District Regulator Station Maintenance, effective date 8/01, Utility Work Procedure WP4540-01, District Regulator Station Maintenance, effective Aug, 2009.</p> <p>PRC-16, no 2012 and 2013 annual calibration records, PRC-21, no 2012 annual calibration records.</p> <p>In response to SED's audit follow-up data request, PG&E explained that these pressure recorders were not used in those years; however, Division's Test Instrument Calibrations sheets PG&E provided did not show any record confirming such statement.</p> <p>SED recommends that Division should properly document out of service pressure recorders along with the justification for not using them on the calibration records sheet.</p> <p>Please inform SED of the preventive measures taken to address the deficiency.</p>	<p>PG&E plans to implement a system-wide process to generate regular work notification tickets in SAP for the calibration of each pressure recorder. Along with the inputting of calibration completion, preventative work notifications cannot be prematurely closed without calibration of associated equipment. This will help ensure instrumentation calibration and/or confirmation of the unit being out of service is documented. Anticipated deployment is December 2015.</p>	N/A