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November 26, 2014

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 Sonoma Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E's Sonoma Division from April 14 through 18, 2014. On October 23, 2014, the SED submitted their audit report, identifying violations and findings. Attached is PG&E's response to the CPUC audit report.[1]

Please contact Charles Chang at (925) 328-5727 or cyc8@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Bill Gibson

Attachments

cc: Terence Eng, CPUC
Dennis Lee, CPUC
Alin Podoreanu, CPUC
Sumeet Singh, PG&E
Larry Berg, PG&E
Larry Deniston, PG&E

[1] To the extent, if at all, that SED's Sonoma Division Audit Report pertains to matters that may be determined to be within the scope of the Commission's November 20, 2014 Order Instituting Investigation and Order to Show Cause directed to PG&E, PG&E reserves the right to supplement its response in the course of that proceeding.

2014 Sonoma Division Audit
PG&E Responses

Finding Type	Finding #	Finding	Response	Associated Attachment (File Name)
Internal Finding	Table 1	Valves - 192.13(c) - Corrective work noted on maintenance record not completed - 1 instance.	As noted on the internal review summary provided to the CPUC during the Sonoma Division audit, the one pending item was corrective work for Valve V-1 at Regulator Station R-555 Shainsky Rd, which has "no stop." PG&E has created a job to replace the facilities at regulator station R-555 Shainsky Rd with improved facilities and configuration (PM #31065513). This work will resolve the issue of the valve with "no stop." The work is expected to be completed by the end of 2016.	
NOV	1-1	PG&E's Standard O-16, Corrosion Control of Facilities dated March 2009 states in part: p.10, 6.A.3 CPA Restoration "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." SED reviewed cathodic protection area (CPA) records and found that the Division did not develop a "CPA Follow-Up Action Plan" within 30 calendar days from the date the CPA was found to have below adequate levels of protection at the following locations listed in Table 2. 1 - 635-02A - Discovered 1/7/2013 - Action Plan Developed 4/10/2014 - 458-day interval 2 - 636-01 - Discovered 1/7/2012 - Action Plan Developed 4/1/2014 - 815-day interval	Action plans are now generated automatically in SAP and are being tracked via periodic SAP Compliance Reports (See attached sample screenshot).	SO_NOV_1-1_SampleSAP_ActionPlans_CONF.pdf
NOV	1-2	PG&E's Standard O-16, Corrosion Control of Facilities dated March 2009 states in part: p.9, 5.A.(1) Annual: "Any P/S potential that is found to be less negative than –850 mV must be restored within 30 calendar days from the day it was discovered. If the CPA restoration work is expected to require more than 30 days to complete, a written action plan must be created and maintained current using the "CPA Follow-Up Action Plan" form (Attachment B)." SED reviewed cathodic protection records and found that the Division did not develop a "CPA Follow-Up Action Plan" when work was expected to require more than 30 days to complete at the following annual location listed in Table 3. 633-04 - 4008 Jobe Ln, Annual ETS - Date of Low CP 6/10/2013 - Date of Action Plan 8/16/2013	Action plans are now generated automatically in SAP and are being tracked via periodic SAP Compliance Reports (See attached sample screenshot).	SO_NOV_1-1_SampleSAP_ActionPlans_CONF.pdf

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NOV	1-3	PG&E's Standard O-16, Corrosion Control of Facilities dated March 2009 states in part: p.10, 5.A. (3) 10%er Monitoring: "Any "10%er" read that is found to be less negative than –850 mV must be restored within 30 calendar days from the day it is discovered. If the CPA restoration work is expected to require more than 30 days to complete, a written action plan must be created and maintained current using the "CPA Follow-Up Action Plan" form (Attachment B) until adequate P/S potentials are restored." The Division provided SED with one CPA Follow-Up Action Plan dated January 2, 2013 for all 10%ers listed in Table 4; however most 10%ers were determined to be out of compliance after the date the action plan was developed. SED believes that preemptive development of CPA Follow-Up Action Plans does not adequately address the requirements of PG&E's standard. Table 4: Missing CPA Follow-Up Action Plans Item Location P/S Reading Date (mV) Restored P/S Reading Date (mV) 1 7180 HWY 116, Forestville -580 (1/4/2012) -1306 (2/29/2012) 2 7164 HWY 116, Forestville -580 (1/4/2012) -1360 (2/29/2012) 3 453 Healdsburg Ave., Healdsburg -452 (8/15/2012) -1004 (12/21/2012) 4 5165 Aldo Ct., Sebastopol -612 (5/24/2013) -1232 (9/26/2013) 5 915 Santa Dorotea Cir., Rohnert Park -848 (5/21/2013) -1548 (1/3/2014) 6 236 Carleton Dr., Ukiah -733 (5/17/2013) -1646 (8/6/2013) 7 1920 North State Str., Ukiah -356 (5/17/2013) -1622 (10/5/2013) 8 245 Carleton Dr., Ukiah -846 (5/17/2013) -1409 (8/23/2013) 9 1798 Elm Dr., Ukiah -550 (5/17/2013) -990 (8/6/2013) 10 1112 Elm Str., Ukiah -789 (5/17/2013) -1376 (8/6/2013) 11 1150 Elm Str., Ukiah -820 (5/17/2013) -1520 (10/22/2013) 12 289 Freitas Ave., Ukiah -846 (5/16/2013) -1515 (10/5/2013) 13 1351 Lily Str., Healdsburg -849 (3/5/2013) -853 (12/3/2013) 14 916 Baird Rd., Santa Rosa -390 (11/13/2013) -1443 (1/14/2014) 15 9672 Sonoma Hwy., Kenwood -81 (6/5/2013) -1645 (1/3/2014) 16 3289 Old Gravenstein Hwy., Santa Rosa -291 (6/5/2013) -1648 (8/5/2013) 17 6039 Dolores Dr., Rohnert Park -590 (6/5/2013) -965 (1/3/2014) 18 1776 Las Pravadas Ct., Santa Rosa -770 (6/6/2013) -1680 (1/13/2014) 19 4045 Princeton Dr., Santa Rosa -639 (6/6/2013) -1600 (8/12/2013)	As noted in the CPUC finding, the locations were restored in 2013 and 2014 and thus require no further actions. Action plans are now generated automatically in SAP and are being tracked via periodic SAP Compliance Reports (See attached sample screenshot).	SO_NOV_1-1_SampleSAP_ActionPlans_CONF.pdf
NOV	1-4	PG&E's Utility Standard EMER-6010S dated December 19, 2011, p.6, states in part: 5.2.2 "Each of PG&E's 18 divisions that provide gas service to customers must conduct an annual exercise involving PG&E first responders, gas control or gas dispatch, and relevant agency first responders." ... 5.2.4 "For each exercise, an after action report (AAR) must be completed. The AAR must evaluate if the exercise objectives were met, what worked well, what needs improvement, and assign follow-up actions where appropriate." The Division could not provide SED the Division's 2012 after action report (AAR) as required by PG&E's Utility Standard EMER-6010S Section 5.2.4.	PG&E respectfully disagrees with this finding. The AAR for Sonoma Division's 2012 exercise was provided via e-mail to SED on April 15, 2014 during the audit (Request Index No. 4934.06). The AAR is also provided as an attachment to this response.	SO_NOV_1-4_2012AAR_CONF.pdf

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NOV	1-5	PG&E's Document O-11.1, Cathodic Protection Rectifiers, Installation and Purchasing Data, dated March 19, 2009 p.1 states in part: "7. Use a continuous wire with no splices to connect the ground rod to the solid, neutral bus inside the disconnect switch box. Test the resistance of the grounding system. If the ground resistance of the ground rod is greater than 25 ohms, install a second ground rod (with a continuous wire from the ac disconnect switch) 6' apart from the first ground rod." SED found rectifier maintenance documentation showing ground resistance greater than 25 ohms in the following instances: Table 5: Rectifier ground resistance Rectifier # - CPA - 2012 (Ohms) - 2013 (Ohms) 1005 - 129-02 - 28 - 26.7 1007 - L21-N-01E - 27 - 27.3 262 - 129-03 - 25 - 39 312 - 130-01 - 34 - 29 PG&E should install a second ground rod at these locations.	PG&E has installed a 2nd ground rod at each location in accordance with PG&E's Document O-11.1 (See attachment).	SO_NOV_1-5_Rectifiers_CONF.pdf
NOV	2	Title 49 CFR §192.227(a) states: "Except as provided in paragraph (b) of this section, each welder must be qualified in accordance with section 6 of API 1104 (incorporated by reference, see §192.7) or section IX of the ASME Boiler and Pressure Vessel Code (incorporated by reference, see §192.7). However, a welder qualified under an earlier edition than listed in §192.7 of this part may weld but may not requalify under that earlier edition." API 1104 "Welding of Pipelines and Related Facilities": (20th edition, October 2005, 6.7 Retesting) states: "If, in the mutual opinion of the company and the contractor's representatives, a welder fails to pass the qualification test because of unavoidable conditions or conditions beyond his control, the welder may be given a second opportunity to qualify. No further retests shall be given until the welder has submitted proof of subsequent welder training that is acceptable to the company." The Division could not provide SED proof of subsequent welder training required for the retests given on February 25, 2013 and August 26, 2013 listed in tables 6A and 6B, respectively. Table 6A: Welder Qualification Tests KAMH 2/7/2013 - 12" Exx10/Butt - Failed KAMH 2/25/2013 - 12" Exx10/Butt - Passed Table 6B: Welder Qualification Tests KAMH 8/8/2013 - 12" Exx10/Butt - Failed KAMH 8/26/2013 - 12" Exx10/Butt - Failed	PG&E's practice has been to allow verbal inquiry and confirmation to serve as proof of subsequent welder training, when required. PG&E will revise and enhance its welder qualification and training procedures to ensure clear and consistent documentation is maintained for subsequent welder training. PG&E will complete and begin implementing these improvements by December 31, 2015.	
NOV	3	Title 49 CFR §192.491(a) states: "Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, galvanic anodes, and neighboring structures bonded to the cathodic protection system. Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode." SED reviewed cathodic protection records for CPA-634-20 and found that records failed to show the location of galvanic anodes for the following isolated sections of pipe: a. Camellia Court, Santa Rosa, between Southwood Drive and Gloria Drive b. Gloria Drive, Santa Rosa, between Camellia Court and Westwood Drive	PG&E has updated its maps and mapping systems to include these anode locations (See attachment).	SO_NOV_3_Anodes_CONF.pdf

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NOV	4	Title 49 CFR §192.605(a) states in part: "Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response…" PG&E's Standard O-16, Corrosion Control of Facilities dated March 2009 states in part: p.7, D. Yearly Reads: "Yearly P/S on-potential monitoring points shall be established on distribution piping CPAs in the following circumstances: ⍰ Establish yearly monitoring points at all locations where the failure of a locating wire will cause a section of steel main to become isolated and not be detected by bi-monthly monitoring. ⍰ Where a regulator station is tied to a CPA via a wire, the regulator station shall be established as a yearly read. These yearly read locations do not have an "anniversary month," but shall be read at least once during each calendar year." The division failed to read pipe-to-soil potentials at the following Yearly electrolysis test stations (ETS) in 2013: a. 792 Liana Drive, Santa Rosa b. 517 Southwood Drive, Santa Rosa c. 1122 Valerie Way, Santa Rosa d. 20523 Palmer Avenue, Sonoma e. ETS on Leveroni Road west of Fryer Creek Drive, Sonoma f. Harrington Drive at 5th Street, Sonoma	PG&E has entered these into SAP to be tracked as Yearly test points in SAP and has recorded reads (See attachment).	SO_NOV_4_Yearlys_CONF.pdf
NOV	5	Title 49 CFR §192.615(b)(2) states: "Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective." SED could not locate documentation to verify that the following training conducted during 2012 and 2013 was effective: a. GAS-9006 b. GAS-9007 c. GAS-9008 d. TECH-003	PG&E respectfully disagrees with this finding. PG&E conducts exercises to ensure the employees use the Gas Emergency Response Plan (GERP) during the exercise, review the training aids, and use the principles located in the GERP. An After Action Review (AAR) is completed after each exercise to ensure all of these aspects were used during the exercise and that training is effective. After Action Reviews are available for the 2012 and 2013 Sonoma Division exercises (See attachment).	SO_NOV_5-2012-13AARs_CONF.pdf
NOV	6	Title 49 CFR §192.707(c) states: "Pipelines aboveground. Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public." During the field inspection, SED found the following sections of aboveground mains or transmission lines with missing line markers: a. Ukiah Exposed Span #2, East Commercial and Lenore, Willits, CA b. Ukiah Exposed Span #3, Easthill Road, Willits, CA	PG&E has installed appropriate markers for both spans (attached).	SO_NOV_6_EastHillRd.pdf; SO_NOV_6_Commercial

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AOC	1	PG&E's response to CPUC's June 4-8, 2012 Sonoma Division audit report, dated February 1, 2013 p.21 (Finding AOC-4) regarding Regulator Station R-212 states: "The annual maintenance on this station is due in February 2013. The station is due for an A-type inspection (external). However, PG&E will perform a B-type internal inspection to look for any signs of sulfur on the internal components of the regulators and pilots." SED reviewed maintenance records for Regulator Station R-212 and noted that PG&E performed an A-type inspection in February 2014. However, PG&E should consider performing a B-type inspection as stated in its previous audit response.	PG&E completed a B-inspection on Station R-212 on November 12, 2014 and found no issues (See attachment).	SO_AOC_1_R-212_B-insp_CONF.pdf
AOC	2	On April 17, 2014, SED observed the Division perform an A-type inspection at Regulator Station R-468, Stony Point Road & Jewitt Road in Petaluma. During the inspection, the Division found the right-run regulator unable to lock up due to sulfur on the diaphragm. Maintenance records indicated the left-run regulator at the same station was unable to lock up due to sulfur during an inspection performed on May 2, 2013. Please explain how the Division plans to address potential issues caused by sulfur at this regulator station.	On November 12, 2014, PG&E installed filters with a sulfur-removing element on the pilot supply lines at Regulator Station R-468 to mitigate against issues caused by sulfur.	
AOC	3	On April 17, 2014, SED observed the Division inspect Regulator Station R-637 at 18715 Sonoma Highway in Sonoma. During the inspection, the single-run regulator was found unable to lock up. Although the regulator data sheet documented a ½-inch orifice, the Division discovered a 3/8-inch orifice with a defect. The Division replaced it with a ½-inch orifice as stated in the regulator data sheet. Maintenance records documented metal shavings in the pipeline on January 20, 2011 and indicated the regulator was unable to lock up on January 20, 2011 and January 6, 2014. Please advise if the Division will take any additional action to address the recurring issue of the regulator's inability to lock up.	On April 17, 2014, PG&E replaced the regulator seat as well as the orifice and verified successful lock-up prior to completing maintenance. PG&E will continue to perform annual maintenance of Regulator Station R-637, and will take additional actions if warranted in consideration of the facility's performance history.	
AOC	4	The Division documented four valve pin-down tees as hard to operate on Corrective Work Form Order # 41840712-0010 for Regulator Station R-408 at Gravestein Hwy. and Occidental Rd. The Division informed SED that as a corrective action it scheduled the regulator station for a rebuild. Please provide SED the Division's schedule for completing corrective action work as documented on the corrective work form.	PG&E expects to complete the R-408 station rebuild work (PM #41840712) by December 31, 2015.	
AOC	5	On April 16, 2014, SED observed a deflection in a service line span supported by tension cables at 15571 Tomki Road in Willits. The Division should evaluate whether the deflection is a safety concern and provide its results to SED.	PG&E reviewed the span conditions in accordance with PG&E Standard A-12, "Pipe Bending Stress and Deflection" and determined that the deflection is not a safety concern. The span length is approximately 30 feet in length, less than the 42 feet maximum length prescribed per evaluation completed in accordance with PG&E Design Standard A-12, "Pipe Bending Stress and Deflection."	
AOC	6	During the field inspection, SED found sections of bare pipeline on the L-21B Sonoma Dumps Hill Area aboveground pipe span due to disbonded coating. Please provide SED the Division's plan for corrective action.	The span was inspected by PG&E contractor CorrPro in October 2014. PG&E will complete an engineering review of the span, then prioritize and schedule appropriate mitigation work, with expected completion by the end of 2015.	