



Mike Bradley
Senior Manager
Compliance
Gas Operations

6121 Bollinger Canyon Rd.
San Ramon, CA 94583
Phone: 925.328.5724
E-mail: M0BJ@pge.com

January 19, 2017

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 Audit – PG&E’s Tracy/McDonald Island District

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112 audit of PG&E’s Willows District from February 2nd to February 5th, 2016. On December 20th, 2016, the SED submitted their audit report, identifying violations and findings. Attached is PG&E’s response to the CPUC audit report.

Please contact Cheryl Quijano at cldz@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Mike Bradley

Attachments

cc: Dennis Lee, CPUC
Aimee Cauguiran, CPUC
Terence Eng, CPUC
Susie Richmond, PG&E

Finding Type [Internal, NOV, AOC]	Finding #	Finding		Associated Attachment (File Name)																														
NOV - PG&E's Internal Review Findings		At the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the Division. Some of PG&E's internal review findings are violations of PG&E's standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.605(a). SED is aware that PG&E corrected all of its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review.	See attachment " Tracy_McDonald_Island_IRSF_Update.pdf " for updates to items that were pending at the end of the audit.	"Tracy_McDonald_Island_IRSF_Update.pdf"																														
NOV	1	<p>1. Title 49 CFR §192.745(b) states in part:</p> <p>“Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.”</p> <p>SED reviewed the District's Valve Maintenance records and noted that the District did not perform valve maintenance on the following valves in the calendar year 2014. In addition to the missed maintenance, the District failed to provide supervisory review of the valve maintenance in 2013:</p> <table border="1" data-bbox="317 913 1544 1130"> <thead> <tr> <th>Valve Number</th> <th>Binder</th> <th>Previous Maintenance</th> <th>Next Maintenance</th> <th>Supervisor Review</th> </tr> </thead> <tbody> <tr> <td>V-13.05</td> <td>20,L-114</td> <td>10/18/2013</td> <td>1/15/2015</td> <td>11/25/2013</td> </tr> <tr> <td>V-1</td> <td>20, L-114</td> <td>10/18/2013</td> <td>1/15/2015</td> <td>11/25/2013</td> </tr> <tr> <td>V-2</td> <td>20, L-114</td> <td>10/18/2013</td> <td>1/15/2015</td> <td>11/25/2013</td> </tr> <tr> <td>V-A</td> <td>20, L-114</td> <td>10/18/2013</td> <td>1/15/2015</td> <td>11/25/2013</td> </tr> <tr> <td>V-C</td> <td>20, L-114</td> <td>10/18/2013</td> <td>1/15/2015</td> <td>11/25/2013</td> </tr> </tbody> </table> <p>PG&E is in violation of 49 CFR §192.745(a).</p>	Valve Number	Binder	Previous Maintenance	Next Maintenance	Supervisor Review	V-13.05	20,L-114	10/18/2013	1/15/2015	11/25/2013	V-1	20, L-114	10/18/2013	1/15/2015	11/25/2013	V-2	20, L-114	10/18/2013	1/15/2015	11/25/2013	V-A	20, L-114	10/18/2013	1/15/2015	11/25/2013	V-C	20, L-114	10/18/2013	1/15/2015	11/25/2013	<p>PG&E recognizes this finding and has taken appropriate steps to address this issue. As communicated during the audit, all valves were maintained in 2015. No issues were identified for these valves during the 2015 maintenance.</p> <p>To prevent reoccurrence, all Districts have been using the AMBBS version of SAP as of March 1, 2016 to assign maintenance to District personnel and store maintenance data on all emergency valves. All information captured on TD-4430P-04-F02 (valve service history form) is captured and viewable in AMBBS as well as on the valve cards. The supervisor is required to review all completed records within 30 days and ensure they are documented accurately and completely. PG&E also has a Quality Control Group which performs record reviews on 100% of completed maintenance on a monthly basis to identify any deficiencies and communicating this information to the Supervisor for resolution. This is performed by Operation Specialists from the Gas T&D Compliance Department.</p>	N/A
Valve Number	Binder	Previous Maintenance	Next Maintenance	Supervisor Review																														
V-13.05	20,L-114	10/18/2013	1/15/2015	11/25/2013																														
V-1	20, L-114	10/18/2013	1/15/2015	11/25/2013																														
V-2	20, L-114	10/18/2013	1/15/2015	11/25/2013																														
V-A	20, L-114	10/18/2013	1/15/2015	11/25/2013																														
V-C	20, L-114	10/18/2013	1/15/2015	11/25/2013																														
NOV	2	<p>2. Title 49 CFR §192.605(a) states in part:</p> <p>“Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”</p> <p>Utility Procedure TD-4430P-04: Gas Valve Maintenance states the maintenance frequency requirements of valves:</p> <table border="1" data-bbox="317 1497 1544 1568"> <thead> <tr> <th>Valve Type</th> <th>Valve Use</th> <th>Type of Maintenance</th> <th>Required Frequency</th> </tr> </thead> <tbody> <tr> <td>Power-Actuated</td> <td>Standby</td> <td>Regulators & Monitors</td> <td>Partially Operate, Inspect Once per month</td> </tr> </tbody> </table> <p>The District failed to partially operate and inspect valve V-65 at the Brentwood Terminal in April 2015.</p> <p>PG&E is in violation of 49 CFR §192.605(a).</p>	Valve Type	Valve Use	Type of Maintenance	Required Frequency	Power-Actuated	Standby	Regulators & Monitors	Partially Operate, Inspect Once per month	<p>PG&E respectfully disagrees with this violation. The required 2015 monthly maintenance was completed on V-65 at Brentwood Terminal. V-65 was a newly installed valve in 2015. It was pre-commissioned on March 18, 2015 and placed in service on April 29, 2015 as such the valve maintenance was not required until May 2015. All subsequent monthly maintenance was completed and documented. See attached, "NOV2_V-65.pdf" for commissioning documentation and all 2015 maintenance.</p>	"NOV2_V-65.pdf"																						
Valve Type	Valve Use	Type of Maintenance	Required Frequency																															
Power-Actuated	Standby	Regulators & Monitors	Partially Operate, Inspect Once per month																															

Finding Type [Internal, NOV, AOC]	Finding #	Finding		Associated Attachment (File Name)
AOC	1	1. During field verification of the Newman regulator station, SED noted minor atmospheric corrosion on the station piping. The station operating diagram at the station was also outdated and needs to be changed out for the most current diagram. Please provide SED with an update on the remedial action taken by the District to the address this concern.	<p>PG&E agrees that the corrosion is minor and has taken appropriate actions to address this concern. Corrosion engineering has included the piping at Newman Regulator Station in the atmospheric corrosion mitigation program; the piping is being evaluated in accordance with program criteria.</p> <p>On February 5, 2016 the on site station diagram at Newman Regulator Station was replaced with the most current version. Subsequently, all field copies of station diagrams in Tracy District were verified and if necessary, replaced with the most current version as of February 2016.</p>	N/A
AOC	2	2. During field verification at McDonald Island, SED noted pressure relief valve PRV-C-26 did not relieve at the set pressure. SED also noted water accumulation at this pressure relief valve. Please provide SED with an update on the work request to address this concern.	PRV-C-26 was rebuilt and tested on the installation date of April 5, 2016. A rain cap was also installed on April 5, 2016 and PRV-C-26 was tested again successfully on November 29, 2016.	N/A