

**PG&E's Responses to SED Inspection Report (dated 9-25-16)**  
**SED Ref. (GI-2016-01-PGE29-03)**

Section I - Probable Violations					
Paragraph No	Probable Violation cited	PG&E's response / commitment (as recorded by SED during the 2016 O&M Audit)	SED Letter Request	PG&E's response	Accompanying Attachments
1	PG&E failed to update its procedure (D-34, rev 4) to reflect the requirements of the new amendment (Amdt. 192-120, 80 FR 12779) which became effective Oct. 1, 2015.	In email correspondence, dated 02/27/2016, PG&E reported that it will issue a bulletin in this regard, and this requirement will also be included in the next iteration of PG&E's qualification procedure for joining plastic pipe.	Did PG&E issue a bulletin in February/March 2016? Please provide an update and copy of the bulletin.  Also has the procedure been updated?	PG&E did not issue a Bulletin as stated in its February 2016 communication. To prevent recurrence, if a bulletin requires immediate action and needs to be published, the action will be entered and tracked in ECTS.  PG&E developed and implemented Gas Design Standard D-34, Rev 5, which became effective on 08/15/16, to reflect the changes to 49 CFR §192.285(c).  While PG&E did not update its Standard D-34 coincident with the effective date of the federal rule change (October 1, 2015), in the interim it should be noted that PG&E continued to operate under a more stringent model of requalifying all applicable individuals no later than one calendar year, to the end of the month (i.e., every 12 months), from the date of an individual's last successful evaluation, rather than one calendar year not to exceed 15 months as directed in the revised 49 CFR §192.285(c). Please see PG&E's response to NOPV 2 for additional detail.	D-34 Rev 5.pdf
2	SED referenced PG&E's self-identified violation letter dated July 7, 2014 that currently it does not track the connection failure rate of employees performing plastic fusion in the field, as required for the implementation of §192.285(c) [as applicable at that time] and as outlined in section 8 of PG&E procedure D-34.  In order to meet the provisions of the code, PG&E should have started keeping the records after reporting the self-identified violation for future implementation. However, from PG&E's email dated 02/27/2016 it appears that after the special exercise of requalifying the joiners, PG&E has failed to keep the records of plastic pipe joint failures for implementation of §192.285(c) [as applicable at that time].	In response to Nathan Sarina (SED) question below, Larry Berg (email sent 2/27/16) provided the following:  QUESTION 7839.04: Please also confirm that is PG&E keeping all records of the failed joints since then for all plastic joiners?  RESPONSE 7839.04: PG&E has not retained records of production joint failures during a leak test, per 49 CFR §192.513. As noted in the attachments provided in Response 7839.03, individuals whose production joints fail a leak test per 49 CFR §192.513 are to be re-qualified before continuing to join plastic. The bulletin noted above in PG&E Response 7839.02 will provide instructions on tracking such failures and re-qualifying individuals.	Please confirm or else if records are available, please provide the same.	PG&E respectfully disagrees with this finding for the following reason. Tracking the connection failure rate of employees performing plastic fusion in the field was required for the implementation of §192.285(c) [in effect prior to October 1, 2015] only if PG&E were relying on the failure rate to determine the need to requalify an individual. Instead, effective June 27, 2014, PG&E chose to requalify each individual on a yearly basis, using visual and, for heat fusion joints, destructive methods. See Extended Leadership Team and 5 Minute Meeting memos provided in data response 7839.03. Once the new qualification program was adopted, the requirement to track connection failure rates of employees performing plastic fusion in the field did not apply.	Index 7839.03_5MM PlasticQualification_June 2014.pdf  Index 7839.03_Immediate Changes to Plastic Qualifications.pdf
3	Through Amdt. 192-120, 80 FR 12779, Mar. 11, 2015, §192.285(c) requires that, "A person must be re-qualified under an applicable procedure once each calendar year at intervals not exceeding 15 months, or after any production joint is found unacceptable by testing under §192.513". In addition, §192.517(b) requires that each operator must maintain a record of each test required by §192.509, 192.511, and 192.513 for at least 5 years.  PG&E through its email dated 02/27/2016 reported that it has not retained records of production joint failures during a leak test, per 49 CFR §192.513. Hence, PG&E failed to keep the necessary records to implement the requirements of §192.285(c) and also meet the requirements of §192.517(b).	PG&E through its email dated 02/27/2016 reported that it has not retained records of production joint failures during a leak test, per 49 CFR §192.513.	SED has two questions: (a) Has PG&E requalified all his plastic joiners once each calendar year at intervals not exceeding 15 months to meet the requirements of new amended language in the code since its effective date of October 1, 2015? If yes, please provide the record.  (b) PG&E through its email dated 02/27/2016 reported that it has not retained records of production joint failures during a leak test, per 49 CFR §192.513. Please confirm or if else the records are available, please provide the same.	(a) Yes, as noted above, PG&E has requalified all joiners each calendar year. However, there is not a single record detailing the evaluation of all qualified joiners. Instead, each individual evaluation results have been captured in Form FD-34-A (prior to 8/15/16) or Form D-34-F01 (or equivalent digital record of evaluation). If given individual(s)' names, we can either a) provide copies of their current and/or historical record of evaluation forms or b) look up their test records in our physical files and enter their test dates into an Excel file (or equivalent) to be shared. We do not have historical qualification test reports indexed such that we can provide a comprehensive overview of employee test records, but can provide historical records of individuals upon request.  (b) PG&E does not interpret 192.517(b) as requiring the Company to keep records of production joint failures during a leak test; PG&E only keeps records of the successful tests required prior to putting the assets into service. As stated in NOPV 2, PG&E does not track failure rates of employees. Instead, PG&E identifies personnel for re-evaluation under 192.285(c), and in accordance with D-34 Rev 5, Step 10, without necessitating the retention of failed pressure-test records.	
4	During the 2016 O&M audit, SED found that procedure TD-4413P-01 had not been updated by 1/31/15 (per commitment made by PG&E to address NOV 1.1 in PG&E's letter dated 11/12/14).	PG&E submitted that it is in the process of update with a target completion date of 03/31/2016.	Please provide an update. If the procedure has not been updated, an immediate action is required.	Necessary changes to Procedure TD-4413P-01 have been made, with an expected issue date of November 15, 2016.	
5	During the 2016 O&M audit, SED found that procedure A-38 had not been updated by 7/31/15 (per commitment made by PG&E to address NOV 3.5 in PG&E's response submitted on 11/12/14).	PG&E submitted that it is in the process of updating the procedure with a target completion date of 12/31/2016.	Please provide an update.	PG&E issued Bulletin TD-A-38B-001 on 6/27/2016 to incorporate the changes needed to address NOV 3.5.	A-38-B-001.pdf
Section II - Areas of Concern / Observations / Recommendations					
Paragraph No	Areas of Concern/Observations/Recommendations to be addressed	PG&E's response / commitment (as recorded by SED during the 2016 O&M Audit)	SED Letter Request	Measures taken by PG&E (to date)	Accompanying Attachments
1	A number of documents that have been revised or replaced with new procedure or standard are still referenced in other documents that are currently in use.		Note: Only item 1(c) has a specific question. Other items are discrepancies they noted.	PG&E reviews documents that are part of the Company operations and maintenance (O&M) plan or emergency plans once each calendar year, not to exceed 15 months to the date. PG&E reviews all other gas guidance documents at least once every 5 calendar years, not to exceed 63 months, to the date. Review dates are tracked by the Company's online compliance tracking system, Enterprise Compliance Tracking System (ECTS). These reviews determine if there is a need to update a document and set the revision priority.  Low priority document revisions often include addressing issues like outdated links or references and such revisions are often often deferred due to higher priority work. Alternative options are being investigated, including the possibility of removing links from documents but no timeline has been established at this time.	
1 (a)	Bulletin 304 in Corrosion Volume 4180M Rev 0 still references O-16 which has been superseded			Please see response to paragraph 1	
1 (b)	TD-4570P-01 refers to the governing document TD-4350S, which has been superseded by TD-4570S.			Please see response to paragraph 1	
1 (b)	Similarly, TD-4580 also refers to TD-4350S.			Please see response to paragraph 1	
1 (c)	WP4350-02 also exists. Does it need to be removed or renamed?		Does it need to be removed or renamed?	PG&E is in the process of reviewing procedures within the O&M Manual to determine if a procedure needs to be removed or renamed.	
1 (d)	Other documents such as S4431, D-40, WP-4170 are also not active, but are referred in other active documents.			Please see response to paragraph 1	
1 (e)	Outdated documents such as D-40, WP-4170P-08 are still referenced in a number of current documents.			Please see response to paragraph 1	
1 (f)	Documents A-34, S4112 and S0353 refer to outdated corrosion document O-16.			Please see response to paragraph 1	
2	SED in AOC-6 for the PG&E's O&M audit in 2014 pointed out that for standard H-70, PG&E should provide examples of changes when relief capacity calculations are required in addition to annual capacity calculations. SED during the 2016 audit observed that PG&E procedures TD-4430P-02 and S4433 should have the same information.	PG&E in response reported that these two documents are planned for cancellation in 2016.	Please provide an update.	H-70 will be updated next year to reflect the recommendation. S4433 will be cancelled by the end of next year. Also, the duplicate relief valve material will be removed from TD-4430P-02 when the document is revised, planned for EOY 2017.	
3	PG&E procedure TD-4430P-04 Gas Valve Maintenance work procedure, Appendix B, section B, Parts 1e and 3 state, "...Gas Engineering periodically reviews each division's application of this criteria ..." SED suggested that it should be more specific about how often this review is performed.	PG&E responded that this procedure is being revised in 2016. Requirements of the engineering review described in Attachment B will be expanded upon, including frequency of the review and required documentation.	Please provide an update.	PG&E's update of TD-4430P-04 is in progress. Target publication date is Q4 2017.	
4	SED observed that some PG&E documents do not have consistent definition of transmission line. For example, document A-34 incorporates full definition as outlined in 49 CFR §192.3, whereas TD-4540S has only part (1) from the code.	PG&E responded that they are planning to introduce one consistent definition that will apply to all processes and procedures. PG&E is currently conducting implementation activities to ensure all facilities covered by the revised definition are in GIS and Work management (SAP) systems to ensure meeting all the transmission line applicable requirements and maintenance frequencies.	Please provide an update.	Please see attached TD-4125S and TD-4125S Guidance Tailboard. The definitions for gas transmission line supersede any other definitions for this term in previously published guidance documents. These documents will be updated with this definition at their next regular update cycle.	TD-4125S, Rev 2 TAILBOARD.pdf  TD-4125S, Rev2.pdf

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Section II - Area	5	SED observed that PG&E documents A-34 and TD-4125S define low pressure distribution system as per 49 CFR §192.3, however, additional clarification included in both documents is inconsistent.	PG&E submitted that the next revision to Gas Standard A-34 will not have pressure term definition, and TD-4125S will be the governing guidance document for pressure term definitions.	Please provide an update on any changes made.	Please see attached TD-4125S and TD-4125S Guidance Tailboard. TD-4125S incorporates the content in TD-4125B-002, "Low Pressure MAOP," which institutionalized the Company's low pressure gas system maximum allowable operating pressure (MAOP) at 12-inches water column.	TD-4125S, Rev 2 TAILBOARD.pdf TD-4125S, Rev2.pdf
	6	SED observed that some of the operations and maintenance procedures related to plastic pipework are on a 5-year review instead of an annual review.	PG&E responded that the procedures TD-4170P-53, TD-4170P-52, TD-4170P-50 will be moved to an annual cycle.	Please provide an update.	The review cycle for procedures TD-4170P-50, TD-4170P-52, and TD-4170P-53 have been changed to annual within ECTS. Enterprise Compliance Tracking System ("ECTS") is a company software system used to track and manage compliance to regulatory requirements.	TD-4170P-53 annual review-Document #95078.pdf TD-4170P-52 annual review-Document #95079.pdf TD-4170P-53 annual review-Document #95078.pdf
	7	PG&E standard TD-4800S, section 3.1, states, "Report AOCs, unsafe conditions, supervisory control and data acquisition (SCADA) incidents, overpressure events, unusual situations such as blasting, boring operations, heavy equipment crossings, land leveling, construction parallel to and in close proximity to Company facilities, and encroachments."  SED recommends that PG&E standard should clearly state that how and to whom this information should be reported.			On January 14, 2016, PG&E submitted the following response in an email to Mr. Willard Lam:  "When PG&E personnel encounter AOC's while performing duties as required in the procedures identified in Appendix A of TD-4800S, they follow the requirements in those procedures for reacting to AOC's and reporting AOC's. Additionally, all Gas Operations personnel have been made aware of Gas Operations Corrective Action Program(CAP), and are encouraged to submit CAP notifications for issues identified."  The CAP Program is reviewed by a panel of subject matter experts to assign the appropriate organization and personnel who will address the AOC. As such, PG&E believes adequate administrative controls are in place.	
	8	SED observed that PG&E's procedure TD-4413P-01 has the outdated contact information for CPUC in sections 2.4(1) (a) and (b). SED recommends that PG&E should update the CPUC contact information in this procedure and other documents as the person(s) listed as contact person(s) may no longer be affiliated with CPUC's Gas Safety and Reliability Branch.			Necessary changes to Procedure TD-4413P-01 have been made, with an expected issue date of November 15, 2016 .	
	9	PG&E's document A-38 (page 1) refers to federal code §192.727 as a section of CPUC General Order 112. This needs to be corrected.			PG&E agrees that this error still needs to be corrected. This change will be incorporated into the next revision of A-38, along with the contents of Bulletin TD-A-38B-001.	