

2017 Fresno Division CPUC Audit Responses

| Finding Type<br>[Internal, NOPV,<br>AOC] and # | Finding  | Response  | Associated<br>Attachment<br>(File Name) |
|--|--|---|---|
| NOPV- PG&E's<br>Internal Review<br>Findings    | <p>Prior to the start of the audit, PG&amp;E provided SED its findings prior to the start of the inspection, PG&amp;E provided SED its findings from the internal review it conducted of the Division. Some of PG&amp;E's internal review findings are violations of PG&amp;E's operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c) or §192.605(a). The table in SED's letter lists all of the violations from PG&amp;E's internal review.</p> <p>SED staff noted that some of the findings were corrected prior to the inspection. For those items not corrected prior to the inspection, please provide an update on PG&amp;E's progress to complete the corrective actions. The one pending items requiring an update is:</p> <p>1) 1 instance of Not Following Company Procedures: CFR Title 49 192.201 and TD-4125P-07 Section 2.1: Monitor Set point set above acceptable limit.<br/>2016 Regulator Stations- monitor set point set above acceptable limit at K-25 Kettleman City Town Station.</p> | <p>Per the attached summary of PG&amp;E's Fresno Internal Review, there was 1 finding that was awaiting resolution. Please see below for status of the finding:</p> <p>A temporary pressure set point reduction was completed on 2/9/17 and a project has been created to uprate the MAOP to 25 psig by the end of 3rd quarter of 2017.</p> |   |
| NOPV 1   | <p>SED reviewed records for Valve Project V-286 on Line 1209-05 in Fresno, CA noted in PG&amp;E's internal review findings. Construction documentation indicated that 12 welds were produced with Grade B base material using Welding Procedure Specification (WPS) 222SC-G Rev. 2. The WPS was qualified in accordance with the requirements of the Twentieth Edition of API 1104 for a base material with</p>  | <p>PG&amp;E recognizes this finding and has taken the following corrective actions:</p> <p>PG&amp;E reviewed the weld records and determined that the welds are not a safety concern. The destructive testing results recorded in the Procedure Qualification</p>   | 5MM_WPSCo<br>mpliance.pdf               |

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|        | <p>specified minimum yield strength (SMYS) greater than 42,000 psi but less than 65,000 psi. The table in SED's letter lists the 12 welds in Table 2.</p> <p>PG&amp;E is in violation of Title 49 CFR §192.225 (a) because it produced the welds indicated in Table 2 using WPS 222SC-G Rev. 2 which is not qualified for welding Grade B material.</p> | <p>Records (PQR) for these WPS were reviewed. The two welds were tested on California Steel (CSI) 12" 0.375" pipe that only differed in grade (the 222 used X60 and the 122 used X42). When the tensile test results for both PQR's are compared, they both broke in the 70 ksi range, making them both compatible for welding the API grade grouping 1 (used for X42 pipe or below). The 222Sc-G procedure tested out stronger than expected for an X60 tensile test, compared to an X42 tensile test. Since they used the same filler metals (the only difference being the electrode diameters), as expected the metallurgical test results were very similar. The conclusion of this is that the 222Sc-G PQR meets all of the destructive testing requirements for the 122Sc-G PQR, with the exception of the base material used in the testing, but if we switched out the base materials (which was done on this job), our destructive testing data proves the welds would meet all the code requirements and design strengths needed for safe pipeline operation.</p> <p>A 5 minute meeting was distributed on March 10, 2017 to reinforce the requirement to adhere to weld procedure specifications.</p> |                        |
| NOPV 2 | PG&E is in violation of Title 49 CFR §192.241 (a)(1) because PG&E failed to ensure that the welding was performed in accordance with the correct welding procedure when it performed the visual inspections for the welds listed in Table   | <p>PG&amp;E recognizes this finding and has taken the following corrective actions:</p> <p>As noted during the audit, the incorrect</p>   | 5MM_WPSCo mpliance.pdf |

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|  | <p>2 in the SED's letter.</p> | <p>welding procedure was used to perform visual inspections for the welds listed in Table 2 in the SED's letter.</p> <p>As noted in NOV 1, the destructive testing results recorded in the Procedure Qualification Records (PQR) for these WPS were reviewed and the welds listed in table 2 were found to be safe.</p> <p>A 5 minute meeting was distributed in March 2017 on the adherence to weld procedure specifications.</p> |  |
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