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October 12, 2012

Mr. Michael Robertson
Gas Safety and Reliability Branch
Consumer Protection and Safety Division
California Public Utilities Commission
320 West 4th Street, Suite 500
Los Angeles, CA 90013

Re: General Order 112-E Audit of PG&E's Operations, Maintenance, and Emergency Plan

Dear Mr. Robertson:

The Consumer Protection and Safety Division (CPSD), Gas Safety and Reliability Branch (GSRB) of the CPUC conducted a General Order 112-E audit of PG&E's Operations, Maintenance, and Emergency Plan (OM&E) from February 14 - 17, 2012. The attachment to this letter provides PG&E's detailed responses to the inspection findings listed in your audit letter, dated August 29, 2012.

Please contact Larry Berg at (925) 974-4084 or LMB5@pge.com for any additional questions you may have regarding this notification.

Sincerely,

/S/
Frances Yee
Acting Director, Regulatory Compliance and Support

Attachment

cc: Aimee Cauguiran, CPUC
Julie Halligan, CPUC

Larry Berg, PG&E
Larry Deniston, PG&E
Karen Roth, PG&E
Jane Yura, PG&E

**General Order 112-E Findings
CPUC Inspection Report, dated August 29, 2012
Operations, Maintenance, & Emergency Plan**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
February 14-17, 2012	NOV – 1	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

CPUC Finding	<p>49 CFR §192.605 – Procedural manual for operations, maintenance, and emergencies.</p> <p style="text-align: center;"><i>"Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. The manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year."</i></p> <p>a) PG&E explained that its standards and procedures are identified as either maintenance and operations (M&O) or non-maintenance and operations (non-M&O). PG&E M&O documents are reviewed annually while non-M&O documents, described as mostly design and construction standards, are reviewed once every 5 years. PG&E's current four subject-matter volumes (Corrosion Control, Plastic, Damage Prevention, and Field Services) are also reviewed the same way, with M&O documents reviewed annually and non-M&O documents reviewed every five years. Document reviews are also tracked using ECTS.</p> <p>In the 2010 OM&E audit, PG&E was cited by CPSD for not including Gas Standards and Specification (GS&S) documents in its annual review. As a result, PG&E reviewed its GS&S documents and included 36 GS&S documents in its annual OM&E reviews.</p> <p>However, during the audit conducted from February 14-17, 2012, CPSD staff identified additional documents that should have been included in the annual reviews. As such, PG&E is in violation of §192.605 for failing to review OM&E documents once a year, not to exceed 15 months.</p>
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	<p>PG&E needs to continue reviewing its GS&S manual and the subject-matter volumes to identify documents that must be included in the annual reviews. The following are examples of documents not currently included in the annual reviews:</p> <ul style="list-style-type: none">• Bulletin 304 – refers to Job Aid “Gas Construction and Maintenance – Demonstration of Compliance with 100 mV Shift Criteria Using a Coupon Test Station”• A-93.1 Plastic Gas Distribution System Construction and Maintenance – This document contains repair procedures which meet §192.605(b)(1). <p>b) In 2010, PG&E was also cited for not including standards and work procedures for Gas Field Services (GFS) personnel in its scheduled annual reviews. In particular, PG&E was cited for not including WP6435-04 Procedure for Discontinuing Gas Service in its annual review.</p> <p>PG&E responded stating that it had identified four standards and work procedures that meet the requirements of §192.605(b)(11):</p> <ul style="list-style-type: none">• S6434 Gas Leak and Odor Response• S6436 Gas and Electric Field Service and Dispatch and Scheduling Operating Practices• S6437 Seismic Automatic Gas Service Shut-Off (Earthquake) Valve Devices and Earthquake Preparedness• WP6434-01 Gas Leak and Odor Investigation <p>Furthermore, in 2010, PG&E stated that it was performing a review of all GFS documents as it prepared to release the Field Services manual in 2011. As a part of its extensive review, PG&E committed to identifying any field services documents that met the criteria of §192.605(b) and included them in the scheduled annual review. However, it does not appear that any documents and work procedures within the Field Services manual, except for TD-6436P-28 Gas Regulator Servicing and Pressure Determination and TD-6437S Seismic Automatic Gas Service Shut-Off</p>
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(Earthquake) Valve Devices and Earthquake Preparedness, are included in the annual review as they are not reflected in the 2011 Annual Document Review spreadsheet provided to us during the audit.

The field services manual includes standards and work procedures to be followed by PG&E Gas Service Representatives (GSRs) as they respond to customer calls, encounter abnormal conditions while performing their tasks, and respond to emergencies. GSRs play an important role in PG&E's operations and emergency response. Therefore, many of the standards and work procedures that pertain to PG&E's GSR's tasks must be considered part of PG&E's OM&E and included in the annual reviews. This includes WP6435-04 Procedures for Discontinuing Gas Service which is a requirement under Subpart M §192.727(d).

- c) CPSD staff observed that not all bulletins are included in the annual review list. Bulletins that have not been converted into a new standard or procedure must be included in the annual review until they are formally adopted into the standards. Examples of bulletins that meet the requirements of §192.605, but were not included in the annual review are:

- Document 274 Rev 1 Leak Repair Option – Skinner Pipe Joint Clamps
- Document 304 Reading Coupon Test Stations
- Document 310 Replace District Regulator Station Maintenance Forms
- TD-A-34B-001 A-34 Test Requirements Revision
- TD-H-70B-001

PG&E must review its list of bulletins to ensure that all bulletins that have not been converted into a new or existing standard or procedures are included in the annual review. PG&E should also identify those that can be easily incorporated into an existing standard or procedures to avoid having active bulletins for a long period of time.

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PG&E RESPONSE

a. O&M Document Reviews

PG&E agrees with this finding that the company should continue to determine whether its gas guidance documents need to be reviewed annually per §192.605(a). PG&E has implemented an industry leading application, called the Enterprise Compliance Tracking System (ECTS), to facilitate tracking document reviews of its 941 published gas guidance documents. Currently 257 documents (27% of the total number of gas guidance documents) make up the Company's gas operations and maintenance manual which need the annual reviews. PG&E continues to review its documents to determine which ones should be part of its operations and maintenance manual. This is an on-going task that is part of the overall maintenance of the Company's gas operations guidance documents. Some documents have historically been part of the Company's design and build manual, but can have some related operations or maintenance requirements. PG&E agrees with CPSD that any guidance document that references an operations or maintenance function should be classified as part of the Company's operations and maintenance manual, and put into the annual review process.

Gas Information Bulletin (GIB) 304 is part of the Corrosion Control Volume of the Gas Transmission & Distribution (Gas T&D) Manual, and Gas Standards & Specification (GS&S) A-93.1 is part of the Plastic Volume of the Gas T&D Manual. Both volumes of the Gas T&D Manual have been reviewed at least annually by their respective Technical Teams. However, PG&E did not track the annual review of these individual guidance documents prior to 2012. PG&E is implementing ECTS to ensure the annual review of all individual documents that comprise the operations and maintenance manual. The annual review of GS&S A-93.1 was completed and documented in ECTS on September 10, 2012 (See Attachment 1). The annual review of GIB 304 will be completed and documented in ECTS by November 19, 2012.

b. Gas Field Services Document Reviews

PG&E agrees with this finding. PG&E has entered all the Field Services Manual documents into ECTS and has determined which documents require an annual review to comply with §192.605(a). Please see the attached listing of documents and their specified review interval (Attachment 2).

Work Procedure WP6435-04, now referred to as TD-6435P-04, was reviewed in 2010 and 2011, and was revised three times during that period (current version is Revision 3 dated September 14, 2011).

c. Bulletins

PG&E agrees with this finding that bulletins need to be reviewed on required timeframes

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and that their content should be placed in the parent guidance document as soon as feasible. To help with the administrative review burden caused by too many bulletins, Procedure TD-4001P-02, "Gas Guidance Document Review and Update," is being updated to include the requirement for document stewards to review all relevant attachments and bulletins as part of the process of reviewing a guidance document (e.g., Standard, Work Procedure, Gas Standard & Specification Document). In this way, bulletins will no longer have to be specifically listed in ECTS as a separate document. PG&E has also made a focused effort to reduce the number of bulletins being produced. Year-to-date through September 2012, PG&E has published only 7 new bulletins, compared to 49 in the same time period in 2011. The Gas Guidance Document Review and Update work procedure, TD-4001P-02, is expected to be revised and published by December 31, 2012.

ATTACHMENTS

Attachment #	Title or Subject
1	ECTS Completed Review of GS&S A-93.1
2	2012 List of Field Service Guidance Documents

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Complete review of GIB 304 & document in ECTS	November 19, 2012		Integrity Management
Revise and publish TD-4001P-02	December 31, 2012		Codes & Standards

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INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
February 14-17, 2012	NOV – 2	Aimee Cauguiran	(415) 703-2055

INSPECTION FINDING

CPUC Finding	<p>49 CFR §192.614 Damage prevention program.</p> <p><i>“(a)...[E]ach operator of a buried pipeline shall carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities...</i></p> <p><i>(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:</i></p> <p><i>(1) Include the identity, on a current basis, of persons who normally engage in excavation activities in the area in which the pipeline is located.”</i></p> <p>CPSD staff found that PG&E’s damage prevention program does not have a written procedure addressing how PG&E maintains a current list of excavators or those who normally engage in excavation activities. PG&E needs to describe how it identifies excavators and how it maintains a current list of excavators for its damage prevention program.</p>
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PG&E RESPONSE

<p>PG&E agrees with this finding.</p> <p>As a recommendation from the Public Awareness Program (PAP) audit in November 2011, PG&E’s PAP is being revised to describe the process/methodology used to identify and communicate with intended stakeholder audiences, including excavators. The revised PAP will include a requirement to obtain on a quarterly basis, a current listing of excavators who have used the Underground Service Alert (USA) service. The PAP will include instructions to download and archive current excavator data.</p>
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ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

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Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Revise/Improve PG&E's Public Awareness Program to include collection of current excavator data	December 31, 2012		Public Safety & Integrity Management

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Inspection Dates	Finding	CPUC Contact	CPUC Phone #
February 14-17, 2012	NOV – 3	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

CPUC Finding	<p>49 CFR §192.14 Conversion of service subject to this part.</p> <p><i>“(a) A steel pipeline previously used in service not subject to this part qualifies for use under this part if the operator prepares and follows a written procedure to carry out the following requirements...”</i></p> <p>PG&E’s gap analysis shows this portion of the code as “N/A”. PG&E needs to clarify why this section of the code is not applicable. Review of documents from PG&E’s Tariff Application Guide (TAG) requires PG&E personnel to obtain records of design, construction, operation and maintenance of the pipeline being considered for acquisition. This implies that PG&E could possibly consider conversion of steel pipeline into service.</p> <p>If it is company policy not to convert steel pipeline not previously subject to code, then PG&E must clearly state so. Otherwise, PG&E needs to prepare and follow a written procedure as required by 49 CFR §192.14 to guide its personnel through the review, evaluation, test, and record-keeping requirements for conversion.</p>
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PG&E RESPONSE

<p>PG&E disagrees that this finding is a violation of §192.14.</p> <p>PG&E’s current procedures for complying with §192.14(a) are contained in the company’s Tariff Application Guide Manual. However, PG&E’s “gap analysis” (now referred to as PG&E’s Gas Transmission & Distribution Requirements Matrix), which is a cross reference of 49 CFR paragraphs and PG&E’s applicable manuals, standards and work procedures, and used throughout this audit to direct the auditors to the appropriate PG&E documents, incorrectly specified this section of the code as not requiring a PG&E document to ensure its compliance. The Gas Transmission & Distribution Requirements Matrix has been corrected to specify the Tariff Application Guide Manual for this code paragraph.</p>

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PG&E does agree with CPSD's recommendation for PG&E to clearly state its policy on the possible acquisition of pipeline not previously covered by 49 CFR 192, and to clearly state what requirements must be met to consider such an acquisition. This will be accomplished by issuing a Gas Transmission and Distribution Work Procedure specific to conversion to service. This Work Procedure expected publication date is February 14, 2013.

ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Issue a Work Procedure to carry out the requirements necessary for the possible acquisition of pipelines not previously covered by 49 CFR 192.	February 14, 2013		Codes & Standards

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Inspection Dates	Finding	CPUC Contact	CPUC Phone #
February 14-17, 2012	NOV – 4	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

CPUC Finding	<p>49 CFR §192.605(e) and §192.613 Continuing Surveillance</p> <p><i>“(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.”</i></p> <p>PG&E currently does not have a specific written procedure addressing Continuing Surveillance. PG&E has certain standards and work procedures such as patrolling, class location study, leak survey, cathodic protection monitoring, and cathodic protection area resurvey. These specific procedures describe PG&E’s performance of the various operations and maintenance tasks, but it remains unclear how or whether the various tasks relate to PG&E’s continuing surveillance efforts.</p> <p>PG&E must clearly describe how it uses and coordinates the various operations and maintenance tasks in its continuing surveillance. PG&E’s written procedure should describe how findings from failure investigations, leak surveys, cathodic protection monitoring, and other operating and maintenance tasks are gathered and analyzed as a part of its continuing surveillance. The written procedure must also describe the actions to take if changes are found as a result of its data gathering and analysis.</p>
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PG&E RESPONSE

<p>PG&E agrees with this finding and will publish a specific work procedure to address the Company’s continuing surveillance of its gas facilities as required by §192.613.</p>

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ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Publish a new Continuing Surveillance Procedure	July 31, 2013		Integrity Management

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INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
February 14-17, 2012	AOC – 1	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

<p>Area of Concern / Recommendation</p>	<p>Annual review of documents and bulletins</p> <ul style="list-style-type: none"> a) PG&E’s OM&E plan includes standards, work procedures, bulletins, and job aids, etc. PG&E explained that the various documents are reviewed separately and can be assigned a different compliance review due date. b) CPSD staff recommends that all documents related to one OM&E area or subject (i.e. leak survey standard, leak survey work procedures, bulletins related to leak surveys, etc.) be reviewed concurrently to ensure that all documents associated with a gas utility standard are properly referenced and that necessary updates, such as those issued via a bulletin, are incorporated in a timely manner. c) PG&E’s current list of bulletins identifies active bulletins issued since 1994. CPSD staff is concerned that having active bulletins for a long period of time can lead to confusion as other documents are updated and the bulletins are left as stand-alone documents. We understand bulletins are issued in some instances where it is important to immediately inform personnel of changes that impact their work and public safety. However, bulletins should be converted into a new standard or procedure or incorporated into the applicable existing gas utility standard, work procedure, or job aid. The annual review and update process should provide a good opportunity to create a new document or incorporate such bulletins.
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PG&E RESPONSE

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| <p>a) PG&E agrees with this recommendation. Procedure TD-4001P-02, “Gas Guidance Document Review and Update” is being updated to include the requirement for document stewards to review all relevant attachments and bulletins as part of the process of reviewing a guidance document (e.g., Standard, Procedure, Numbered Document).</p> <p>b) PG&E agrees with this concern and has made a focused effort to reduce the number of bulletins being produced. This year, through September 2012, PG&E has published only 7 bulletins, compared to 49 in a comparable period in 2011. PG&E also is converting bulletins (or including their contents) into the appropriate guidance document as their reviews are completed.</p> |
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ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Revise TD-4001P-02 to require document stewards to include review related documents concurrently	March 30, 2013		Codes and Standards

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February 14-17, 2012	AOC – 2	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

<p>Area of Concern / Recommendation</p>	<p>Updating Documents</p> <p>CPSD staff reviewed certain standard review plan records generated from PG&E’s ECTS. We understand that not all documents with a standard review plan using ECTS would have an Update Plan generated via PG&E’s ECTS. Some review plan records contain notes regarding update plans within the Comments section of the review plan, while others only identify changes that needed to be made on the standard without detailing an update plan. We also observed some documents identified as needing updates have target completion dates that are more than one year from the date of the document review.</p> <p>Please explain how the various documents that have been identified for a change or update are prioritized and how the subject matter expert and/or technical team determine the target date of completion.</p>
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PG&E RESPONSE

<p>Currently, as document stewards complete document reviews, they prioritize the documents that need changes based on high, medium, or low priorities. A high priority ranking is used for changes that are needed to address public safety, personnel safety, compliance and some major operational needs. Medium priorities include some minor and major operational changes. Low priorities would include changes needed for some minor operational changes, or to reflect current organizational structures or address minor editorial corrections. PG&E continually updates its guidance document work priorities with the results of on-going document reviews and document change requests.</p> <p>PG&E currently uses these priorities to formulate annual workload plans that are then assigned to various team members in the Codes and Standards Department within Gas Operations. Target dates are based both on the priority of the changes and the resources needed to implement the changes. Another factor is the planned publication of subject-based Gas T&D Manual volumes, where document changes of all priorities are completed to ensure the publication of an updated Gas Transmission and Distribution Manual.</p>
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ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
None			

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Inspection Dates	Finding	CPUC Contact	CPUC Phone #
February 14-17, 2012	AOC – 3	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

<p>Area of Concern / Recommendation</p>	<p>UO Standard S4411 Inspection of Underground Gas Holders</p> <p>CPSD staff found that UO Standard S4411 was reviewed on 4/29/2011; however, the document content appears to have not been updated since August 2000. The UO Standard S4411 primarily consists of the various forms used for the monthly, annual, and 10-year inspections and lacks written procedures on to how to perform the inspections. For instance, Exhibit A used during monthly inspections requires a check of the regulators for proper operations. However, the document does not describe the specific steps PG&E personnel would take to perform this task. Similarly, item #8 in Exhibit B used for the annual inspections only asks for the results of operating tests on relief equipment, but does not include written procedures describing how to perform tests on relief devices. If PG&E has a separate work procedure to perform such operating tests on its regulating and over pressure protection equipment, the appropriate work procedures should be referenced in the document.</p> <p>UO Standard S4411 currently requires monthly and annual inspection reports to be retained for a period of 3 years. CPSD staff requests that the record retention for the monthly and annual inspection reports be changed to 10 years, at a minimum, to allow CPUC inspectors to review the inspection reports during scheduled audits.</p>
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PG&E RESPONSE

<p>PG&E agrees with this concern.</p> <p>PG&E will overhaul this standard to fit the guidance document format and separate it into a technical document, work procedures, and job aids; and will extend the record retention of inspection reports per CPSD’s recommendation. The expected publication date of these documents is December 31, 2013.</p>
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ATTACHMENTS

**General Order 112-E Findings
 CPUC Inspection Report, dated August 29, 2012
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Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Revise Standard S4411 – Inspection of Underground Holders	December 31, 2013		Codes and Standards

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Inspection Dates	Finding	CPUC Contact	CPUC Phone #
February 14-17, 2012	AOC – 4	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

<p>Area of Concern / Recommendation</p>	<p>Pipeline purging practice</p> <p>PG&E’s GS&S A-38 describes two methods that can be used to determine absence of air and determine whether further purging is necessary. The first method uses Combustible Gas Indicator (CGI), while the second method involves blowing a small amount of gas into a bucket of soapy water and igniting the gas contained in the bubbles to check the color of the flame. An orange and yellow flame indicates completion of purging, while a blue flame indicates need for further purging.</p> <p>Please explain if PG&E still uses the latter method described above. If so, PG&E should explain and provide documentation on how PG&E trains its employees to safely execute this purging method.</p>
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PG&E RESPONSE

<p>Per PG&E’s Code of Safe Practices, version 2010, an open flame flash is no longer the primary method for determining the presence of combustible gases, but is allowed for use in the PG&E system per Gas Standard & Specification A-38 when a portable combustible gas indicator instrument is not available for use. PG&E intends to keep this open flame flash method of combustible gas indication in practice, and will continue to give training to its employees, contractors, and other involved individuals to ensure the practice is conducted in the safest manner possible.</p> <p>The PG&E Academy teaches this method by demonstration at the Apprentice Fitter Secondary class taught to all Title 200 Apprentice Fitters. At the Academy, the students first observe a Senior Instructor bleed natural gas through a 10% soap-to-water solution creating bubbles in a steel bucket. Then the bucket is set on the ground and wooden matches are tossed into the bucket from a reasonable safe distance. The instructor stresses safely bleeding gas into the bucket to create the bubble, the placement of the bucket into a safe location / environment, that a fire extinguisher must always be present when attempting this method, use the furthest distance possible while still being able to hit the bucket with a lit wooden match, always stand up wind, and notify any surrounding persons prior to use of</p>

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this technique to ensure the safest ignition of this gas. After watching the instructor complete the demonstration, the students each have the opportunity to try this in the class setting.

ATTACHMENTS

Attachment #	Title or Subject
None	

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None			

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February 14 – 17, 2012	AOC – 5	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

Area of Concern / Recommendation	<p>Joining Procedures</p> <p>a) CPSD staff found that PG&E Procedures WP4170-04 through WP4170-07 for Polyethylene Heat Iron Socket, Saddle, Butt Fusion, and Electrofusion couplings and connections, do not take weather conditions into consideration in determining heating and cooling times. Specifically, Table 1 on page 3 of WP4170-04 shows the required heating, holding, and cooling times for heating iron socket fusion. Similarly, Table 1 on page 6 of WP4170-05, Tables 1-3 on page 5 of WP4170-06, and Tables 2 & 3 on page 10 of WP4170-07 identifies required heating, holding, and cooling times for saddle fusion, butt fusion, and electrofusion respectively. However, there is no mention of the need to adjust the modifying heating and cooling times depending on ambient temperature.</p> <p>CPSD staff is concerned that adverse weather conditions such rain, cold, hot, wind, or snow, may adversely affect fusion quality. CPSD staff requests that PG&E review and adjust the recommended heating and cooling times to reflect weather conditions in order to achieve high quality fusion.</p> <p>b) TD-4170B-06 was published on 7/27/2011 (Rev 0) to correct the cooling times listed in WP4170-05 Polyethylene Heat Iron Saddle Fusion. Corresponding job aid TD-4170P-05-JA01 should also be changed to reflect the corrected cooling time in the bulletin.</p>
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PG&E RESPONSE

<p>a) PG&E agrees with this concern and will revise its work procedures as noted below by February 14, 2013.</p> <p>PG&E polyethylene heat iron fusion procedures are controlled by the confirmation of proper heat iron temperature prior to fusion, and by the appearance of either a melt pattern on the polyethylene pipe and fitting or by the appearance of an initial bead on the pipe. An acceptable melt pattern or initial melt bead is required to ensure an acceptable heat iron</p>
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fusion connection.

PG&E will complete laboratory testing to ensure that the heat iron fusion procedures produce sound connections in all ambient temperature ranges normally encountered within PG&E's service territory. Personnel will be guided to use alternative connections such as electrofusion or mechanical connections for connections made in extreme ambient temperatures outside of the acceptable range as determined by laboratory testing.

As PG&E's service territory is subject to adverse weather conditions, instructions will be added to work procedures WP4170-04: *Polyethylene (PE) Heating Iron Socket-Fusion*, WP4170-05: *Polyethylene (PE) Heating Iron Saddle-Fusion*, WP4170-06: *Polyethylene (PE) Heating Iron Butt-Fusion* and WP4170-07: *Polyethylene (PE) Electrofusion Coupling and Saddle Connections* specifying that heat iron fusion connections must be protected from contamination by blowing dust and rain, and to seal open ends of the pipe during high winds.

b) PG&E agrees with this concern and will revise and re-issue the affected work procedure and job aid, WP4170-05 and TD-4170P-05-JA01, to reflect the corrected cooling times listed in TD-4170B-006.

ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Work Procedures WP4170-04 through -07 & Job Instruction TD-4170P-05-JA01 will be revised	February 14, 2013		Codes and Standards

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February 14-17, 2012	AOC – 6	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

Area of Concern / Recommendation	UO Standard S4110 The Current version of UO Standard S4110 is silent about conducting leak surveys of transmission pipelines transporting unodorized gas in Class 4 locations. If PG&E does not have any transmission pipelines in Class 4 locations currently transporting unodorized gas, then it should clearly state so in its standard.
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PG&E RESPONSE

PG&E agrees with this concern. PG&E is currently conducting an end to end process review of its entire leak survey program. As part of this review, PG&E is updating and revising many of its Leak Survey documents. The revised leak survey standard will clearly reflect the frequency requirements for un-odorized transmission facilities in a Class 4 location. It is anticipated that the revised standard will be released by April 1, 2013.

ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Revise and publish S4110	April 1, 2013		Codes & Standards

**General Order 112-E Findings
CPUC Inspection Report, dated August 29, 2012
Operations, Maintenance, & Emergency Plan**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
February 14-17, 2012	AOC – 7	Aimee Cauquiran	(415) 703-2055

INSPECTION FINDING

Area of Concern / Recommendation	<p>Damage Prevention and Operator Qualification</p> <p>PG&E’s damage prevention manual does not require PG&E employees to be operator qualified when performing excavation. In addition, PG&E’s list of covered tasks also does not include excavation. Please explain why PG&E does not include excavation as a covered task despite PHMSA’s issuance of Advisory Bulletin ADB-06-01, which states in part:</p> <p><i>“Furthermore, PHMSA reminds pipeline operators that although excavation is not explicitly addressed in 49 CFR parts 192 and 195, excavation is considered a covered task under the pipeline operator qualifications regulations (49 CFR 192.801-809 and 195.501-509). These regulations require that pipeline operators and contractors be qualified to perform pipeline excavation activities. A qualified individual is one who has been evaluated and can perform assigned covered tasks and can recognize and react appropriately to abnormal conditions.”</i></p>
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PG&E RESPONSE

<p>PG&E has in place a number of Operator Qualification (OQ) evaluations that are directly or indirectly focused on excavation activities and safety. Currently, PG&E has 3 OQ sub-tasks and 3 compliance-related training courses to cover safe behavior in and around excavations. However, PG&E generally agrees with this area of concern and is taking actions to further strengthen the skills of our workforce. PG&E is in the process of re-qualifying 921 employees this year under the “Excavation – Competent Person” role to further solidify the field employees’ knowledge of safe operations when working with an excavation, including excavating around gas pipelines. PG&E is also conducting a gap analysis between our current OQ program and ASME B31Q, which includes additional OQ-covered tasks relating to excavation. Once this analysis is completed, we will update our OQ program accordingly. We are currently forecasting this to be completed by the end of 2013, but will provide a status update and schedule for completion of the associated excavation OQ sub-tasks by July 1, 2013.</p>

**General Order 112-E Findings
 CPUC Inspection Report, dated August 29, 2012
 Operations, Maintenance, & Emergency Plan**

ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Provide status update & schedule for revision of OQ Program to incorporate safe excavation	July 1, 2013		Work Methods Implementation