



Frances Yee
Acting Director
Regulatory Compliance & Support
Gas Operations

375 N. Wiget Lane, Suite 200
Walnut Creek, CA 94598

925-974-4316
Fax: 925-974-4102
Internet: FSC2@pge.com

October 15, 2012

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

Re: State of California – Public Utilities Commission
General Order 112-E Inspection – PG&E’s Rio Vista and Los Medanos Districts

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 inspection of PG&E’s Rio Vista and Los Medanos Districts, from May 7-11, 2012. The attached documents respond in detail to each of the inspection findings listed in your September 14, 2012 letter.

Please contact [Redacted] at [Redacted] or [Redacted] for any additional questions you may have regarding this notification.

Sincerely,

/s/
Frances Yee

Attachments

cc: Terence Eng, CPUC
Julie Halligan, CPUC
Dennis Lee, CPUC
Sunil Shori, CPUC

Jane Yura, PG&E

[Redacted]

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
May 7-11, 2012	AIR – 1	Terence Eng	(415) 703-5326

INSPECTION FINDING

CPUC Finding	<p>PG&E’s Internal Audit Findings</p> <p>Prior to the start of the May 7-11, 2012 audit, PG&E provided CPSD its findings from the internal audits it conducted of the Rio Vista and Los Medanos Districts. Some of PG&E’s internal audit findings are violations of PG&E’s operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c). All of the violations that PG&E identified are noted in Tables 1 and 2. CPSD also identified violations of Title 49 CFR, 192 in relation to PG&E’s internal audit findings.</p> <p>CPSD is aware that some of PG&E’s Internal Review findings have already been corrected or were in the process of being corrected at the time of the audit. Please provide CPSD with an update on items that had pending corrective actions as of May 11, 2012.</p> <p>Table 1, Rio Vista District Internal Review Summary</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Title 49 CFR Part 192</th> <th>Topics - Findings</th> <th>Number of Violations</th> <th>Number of Violations</th> <th>Number of Pending Violations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>192.745(b)</td> <td>Emergency Valves – No action plan for inoperable emergency valve</td> <td>17</td> <td>17</td> <td>0</td> </tr> <tr> <td>2</td> <td>192.745(b)</td> <td>Emergency Valves – No action plan for inoperable relief valve</td> <td>1</td> <td>1</td> <td>0</td> </tr> <tr> <td>3</td> <td>192.13(c)</td> <td>Emergency Valves – Missing valve data</td> <td>2</td> <td>2</td> <td>0</td> </tr> <tr> <td>4</td> <td>192.743(a)</td> <td>Emergency Valves – Missing relief valve calculation review</td> <td>1</td> <td>1</td> <td>0</td> </tr> <tr> <td>5</td> <td>192.13(c)</td> <td>Emergency Valves – Incorrect form used to document annual relief</td> <td>2</td> <td>2</td> <td>0</td> </tr> </tbody> </table>					Item	Title 49 CFR Part 192	Topics - Findings	Number of Violations	Number of Violations	Number of Pending Violations	1	192.745(b)	Emergency Valves – No action plan for inoperable emergency valve	17	17	0	2	192.745(b)	Emergency Valves – No action plan for inoperable relief valve	1	1	0	3	192.13(c)	Emergency Valves – Missing valve data	2	2	0	4	192.743(a)	Emergency Valves – Missing relief valve calculation review	1	1	0	5	192.13(c)	Emergency Valves – Incorrect form used to document annual relief	2	2	0
Item	Title 49 CFR Part 192	Topics - Findings	Number of Violations	Number of Violations	Number of Pending Violations																																				
1	192.745(b)	Emergency Valves – No action plan for inoperable emergency valve	17	17	0																																				
2	192.745(b)	Emergency Valves – No action plan for inoperable relief valve	1	1	0																																				
3	192.13(c)	Emergency Valves – Missing valve data	2	2	0																																				
4	192.743(a)	Emergency Valves – Missing relief valve calculation review	1	1	0																																				
5	192.13(c)	Emergency Valves – Incorrect form used to document annual relief	2	2	0																																				

Definitions: NOV – Notice of Violation
AOC – Area of Concern
AIR- Additional Information Requested

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

		valve maintenance			
6	192.13(c)	Emergency Valves – Pencil used on records Calculations (3)	Not Listed	All	0
7	192.13(c)	Emergency Valves – Missing chains and locks on valve	Not Listed	All	0
8	192.13(c)	Emergency Valves – Missing valve number	1	1	0
9	192.13(c)	Station Maintenance – Missing maintenance documentation for dehydrator	1	1	0
10	192.13(c)	Station Maintenance - Work not performed on the same pieces of equipment	1	1	0
11	192.13(c)	Station Maintenance - Outdated station maintenance and valve card form being used	Not Listed	All	0
12	192.13(c)	Station Maintenance - No documentation for pressure regulation device	3	3	0
13	192.465(a)	Cathodic Protection – No pipe-to-soil reads documented	2	2	0
14	192.13(c)	Cathodic Protection – No action plan for possible casing short	1	1	0
Table 2, Los Medanos District Internal Review Summary					
Item	Title 49 CFR Part 192	Topic – Finding	Number of Violations	Number of Violations Corrected	Number of Pending Violations
1	192.13(c)	Emergency	2	2	0

Definitions: NOV – Notice of Violation
 AOC – Area of Concern
 AIR- Additional Information Requested

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

			Valves – Missing maintenance documentation			
2	192.13(c)		Emergency Valves – Outdated cards and forms being used	Not Listed	All	0
3	192.13(c)		Emergency Valves – Missing information on Relief Valve records	Not Listed	All	0
4	192.745 (b)		Emergency Valves – No action plan for inoperable emergency valve	1	1	1
5	192.13(c)		Station Maintenance – Capacity review missing supervisor signature	4	4	0
6	192.13(c)		Station Maintenance – Relief record missing supervisor signature	1	1	0
7	192.739(a)		Station Maintenance – Annual inspection not completed	1	1	0
8	192.13(c)		Odorization – No odorization reports for 2 months	Not Listed	All	0
9	192.613(c)		Damage Prevention – Line marker needed replacement	1	1	0
10	192.481(c)		Cathodic Protection – No action plan for corrosion found during span	1	1	0

Definitions: NOV – Notice of Violation
 AOC – Area of Concern
 AIR- Additional Information Requested

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

		inspection			
11	192.461(a)(2)	Cathodic Protection – No action plan for disbanded coating	1	1	0
12	192.469	Cathodic Protection – Electrolysis Test Station (ETS) needed	1	1	0
13	192.613(c)	Damage Prevention – No action plan for discovered 3 rd party damage to ETS and vent	1	1	0
14	192.13(c)	Cathodic Protection – Unofficial forms used	Not Listed	All	0
15	192.465(d)	Cathodic Protection – No action plan for zero reads on rectifier	1	1	0
16	192.13(c)	Cathodic Protection – Action plan needed to be updated	1	1	0

PG&E RESPONSE

As noted above, the one outstanding corrective action which was pending as of the May 7 – 11, 2012 audit was in Table 2, Los Medanos District Item #4.

In response to the Table 2 Item #4 finding, PG&E created work requests 165035 and 181463 to replace the valve. A replacement valve was ordered and received. Clearance LMM-12-10 was prepared and the valve is scheduled for replacement in December 2012.

ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
--------------------	----------	-----------------	-------------------

Definitions: NOV – Notice of Violation
AOC – Area of Concern
AIR- Additional Information Requested

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

Replace V-AB at Antioch Terminal	December 31, 2012		Los Medanos District
----------------------------------	----------------------	--	----------------------------

Definitions: NOV – Notice of Violation
 AOC – Area of Concern
 AIR- Additional Information Requested

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
May 7-11, 2012	NOV – 1	Terence Eng	(415) 703-5326

INSPECTION FINDING

CPUC Finding	<p><u>Title 49 CFR, §192.13(c) states:</u></p> <p><i>“Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”</i></p> <p>i) PG&E’s WP4430-04 Attachment 1, Gas Valve Maintenance Requirements and Procedures, for Service History states :</p> <p><i>“Use this portion of the ‘Valve Maintenance Record’ to document the maintenance performed on the valve, as well as document any required repairs and action taken.”</i></p> <p>The Los Medanos District did not record the service history for Valve C on L-191 at mile point 9.46 on the Valve Maintenance Record. Therefore, the Los Medanos District was in violation of Title 49 CFR, §192.13(c) for not following PG&E Work Procedure WP4430-04.</p> <p>ii) PG&E’s WP4430-04 Attachment 1, Gas Valve Maintenance Requirements and Procedures, states:</p> <p><i>“Ensure that all natural gas block valves (2” and greater for gas transmission district-maintained facilities) requiring maintenance per this work procedure and ball or plug valve regulators have a completed ‘Valve Maintenance Equipment Card.’”</i></p> <p>CPSD reviewed the Valve Maintenance Cards (e.g. Valve No. V-7C9, H06, MLV-3.86) and determined that the Los Medanos District did not complete and include information such as the make, model, pressure rating, and/or serial number. Therefore, the Los Medanos District was in violation of Title 49 CFR, §192.13(c) for not following PG&E Work Procedure WP4430-04, Attachment 1.</p> <p>iii) PG&E’s Pole Mount/Pedestal Mount Rectifier Test and Site Evaluation Form states:</p> <p><i>“All defective items must be corrected within 30 days, initiate an action plan for items not corrected within 30 days.”</i></p>
--------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Definitions: NOV – Notice of Violation
AOC – Area of Concern
AIR- Additional Information Requested

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

	<p>CPSD reviewed the Pole Mount/Pedestal Mount Rectifier Test and Site Evaluation Form for Rectifier #156 / Rio Vista / CPA# L-200, and noted that the checkbox under <i>Items of Inspection > Verify AC disconnect switch enclosure is locked</i> was not filled in each year from 2009-2012, indicating an ongoing issue. On the form, a PG&E inspector noted “Tab Broken”. CPSD had not received acknowledgment that an action plan had been created. CPSD verified in the field that the tab was broken, leaving the enclosure unlocked. Therefore, the Los Medanos District was in violation of Title 49 CFR, §192.13(c) for not following required instructions on PG&E’s Pole Mount/Pedestal Mount Rectifier Test and Site Evaluation Form.</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

PG&E RESPONSE

PG&E agrees with this finding.

- i. Los Medanos District failed to record the maintenance of this valve on the valve maintenance form as specified in work procedure WP4430-04. However, valve V-C was maintained on March 17, 2011 and March 23, 2012. Please see Attachment 1 – the Pipeline Maintenance database printout documenting the completion of this maintenance task, and Attachment 2 – the employee’s timecard of March 17, 2011, indicating his time spent completing the maintenance of this valve. Immediately after this audit finding, the Los Medanos District Supervisor held a discussion with the employee involved to insure that there is a complete understanding of the required documentation process, and on October 13, 2012, a crew tailboard was conducted reviewing PG&E’s Utility Work Procedure WP4430-04, with an emphasis on the documentation requirements (See Attachment 3).
- ii. Rio Vista District has not had all valve specifications available to it for these three buried valves, and therefore has not populated the valve maintenance record with all valve specifications. Work Procedure 4430-04 Attachment 3 discusses how maintenance departments can attempt to identify buried valves for maintenance purposes, but has not required positive identification of make, model, rating, or serial number. WP 4430-04 and its associated attachments are included here as Attachment 4. The effort under way by PG&E’s MAOP Validation team, as described below in PG&E’s Response to NOV-2, will provide valve specification data for PG&E’s maintenance organizations to populate valve maintenance records. This system-wide effort is expected to be complete December 31, 2013.
- iii. Please note that you reference Los Medanos District above. This rectifier is maintained by Rio Vista District. Rio Vista District created a corrective work request ticket on February 18, 2009 to replace the switch box at this rectifier but did not take corrective action promptly. The A/C disconnect switch box for rectifier #156 on L-200 was replaced on October 2, 2012 (See Attachment 5). The Rio Vista District personnel have been reminded that defective components at rectifier sites require corrective action within 30 days.

Definitions: NOV – Notice of Violation
 AOC – Area of Concern
 AIR- Additional Information Requested

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

ATTACHMENTS

Attachment #	Title or Subject
1	PLM Printout of V-C maintenance
2	Employee Timecard with valve maintenance
3	Tailboard Briefing of WP 4430-04
4	WP 4430-04 and attachments
5	Work Request to Replace Rectifier Switch Box

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Finalize valve & fitting identification and transfer data to maintenance departments	December 31, 2013		MAOP Validation Team

Definitions: NOV – Notice of Violation
 AOC – Area of Concern
 AIR- Additional Information Requested

**General Order 112-E Findings
CPUC Inspection Report, dated September 14, 2012
Rio Vista & Los Medanos Districts**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
May 7-11, 2012	NOV – 2	Terence Eng	(415) 703-5326

INSPECTION FINDING

CPUC Finding	<p>Title 49 CFR §192.145(c) states:</p> <p><i>“Each valve must be able to meet the anticipated operating conditions.”</i></p> <p>CPSD also noted that on several Valve Maintenance Cards that the Los Medanos District did not indicate the pressure rating value. The Los Medanos District indicated that the pressure ratings for these valves are currently being researched as part of PG&E’s MAOP validation project; therefore, it could not determine if each valve was able to meet its anticipated operating condition. As a result, the Los Medanos District was in violation of 49 CFR, §192.145(c). CPSD requests an update on PG&E’s MAOP validation project with respect to these valves.</p>
--------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

PG&E RESPONSE

<p>PG&E agrees with this finding. PG&E’s MAOP Validation team is continuing to create Pipeline Features Listings for all pipeline facilities operating over 60 psig, and expects completion in December 2013. The team is researching as-built records and determining pressure ratings of valves and fittings throughout PG&E’s gas system operating over 60 psig. This information will be transferred to the maintenance organizations responsible for valve maintenance, and Work Procedure WP 4430-04 will need to be revised to specify the valve information that will be made available. The revision to the procedure is expected to be complete by June 30, 2013.</p>

ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Complete Pipeline Features Listings and provide valve specification information	December 31, 2013		MAOP Validation Team
Revise WP 4430-04	June 30, 2013		Codes and Standards

Definitions: NOV – Notice of Violation
 AOC – Area of Concern
 AIR- Additional Information Requested