



**Pacific Gas and
Electric Company**

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January 23, 2013

Redacted

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

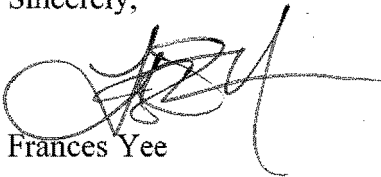
Re: State of California – Public Utilities Commission
General Order 112-E Inspection – PG&E’s Kettleman District

Dear Redacted

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 Kettleman District, from October 8 to 12, 2012. On December 13, 2012, the CPSD submitted their audit report, identifying violations and findings. Attached is PG&E’s response to the CPUC audit report.

Please contact Redacted at (925) 974-4084 or Redacted for any questions you may have regarding this response.

Sincerely,


Frances Yee

Attachments

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

Jane Yura, PG&E
Redacted, PG&E
Redacted PG&E

**General Order 112-E Findings
CPUC Inspection Report, dated December 13, 2012
Kettleman District**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
October 8-12, 2012		Terence Eng	(415) 703-5326

INSPECTION FINDING

CPUC Finding	<p><u>A. PG&E's Internal Audit Findings</u></p> <p>Prior to the start of the October 8-12, 2012 audit, PG&E provided CPSD its findings from the internal audits it conducted of Kettleman District (District). 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 Table 1.</p> <p>All of PG&E's Internal Review findings were corrected prior to the start of the CPSD audit.</p>
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PG&E RESPONSE

<p>As noted above, all corrective actions taken as a result of PG&E's Internal Review findings were finalized by the time of the October 2012 GO 112-E audit.</p>

ATTACHMENTS

Attachment #	Title or Subject

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
No further action required.			

Definition: NOV – Notice of Violation

**General Order 112-E Findings
CPUC Inspection Report, dated December 13, 2012
Kettleman District**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
October 8-12, 2012	NOV – 1	Terence Eng	(415) 703-5326

INSPECTION FINDING

CPUC Finding	<p><u>B. Audit Findings and Violations</u></p> <p>1. <u>Title 49 CFR, §192.13(c)</u> states:</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, states :</p> <p><i>“Ensure that all natural gas block valves(2” and greater for 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 District’s Valve Maintenance Cards (e.g. PLS4A: V-4, V-5, V-6, V-C) and determined that it did not complete and include information such as the make, model, pressure rating, and/or serial number. Therefore, the District is in violation of Title 49 CFR, §192.13(c) for not following PG&E Work Procedure WP4430-04, Attachment 1.</p> <p>ii) PG&E Standard O-16, Section 6-A.-(3), states in part:</p> <p><i>“If the CPA restoration work is (or is expected to be) over 60 days, the “CPA Follow-Up Action Plan” form (Attachment B or equivalent) must be used and developed within 60 calendar days from the date the CPA is found below adequate levels of protection, as defined by the current 49 CFR 192, Subpart I.”</i></p> <p>The cathodic protection for KTCP20200/ETS L-300A, Mile Point 251.34 did not meet the -850 mV criteria as specified in Title CFR Part 192 Appendix D. On 10/8/12, the District recorded a pipe-to-soil potential reading of -759 mV for this section of pipeline. CPSD observed that the Cathodic Protection Area (CPA) Follow-Up Action Plan was developed on 1/24/2011, outside the 60-day timeframe required by PG&E Standard O-16. Therefore, the District is in violation of Title 49 CFR, §192.13(c) for not following PG&E Standard O-16, Section 6-A.-(3).</p>
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**General Order 112-E Findings
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Kettleman District**

PG&E RESPONSE

PG&E agrees with this finding.

- i. PG&E has researched construction records and updated Valve Maintenance Cards for PLS4A: V-4, V-5, V-6, and V-C. Please see Attachment 1. Please see response to NOV-2 for the corrective action on the remaining emergency valve maintenance cards in Kettleman District.

- ii. Please note that the 10/8/12 date listed in your inspection finding above is in error. The date should be 10/8/2010. In this instance a Cathodic Protection Area (CPA) Follow-Up Action Plan was developed 109 days after the initial reading of -768mV.

On January 9, 2013, PG&E conducted a tailboard of Standard O-16 "Corrosion Control of Gas Facilities" Section B, Cathodic Protection Restoration for Backbone Transmission and Gathering Lines and FO-16-B CPA Follow-Up Action Plan. See Attachment 2 for the tailboard communication.

ATTACHMENTS

Attachment #	Title or Subject
1	Updated Valve Cards
2	January 9, 2013 Corrosion Control Tailboard

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
No further action required.			

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**General Order 112-E Findings
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Kettleman District**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
October 8-12, 2012	NOV – 2	Terence Eng	(415) 703-5326

INSPECTION FINDING

CPUC Finding	<p>B. Audit Findings and Violations</p> <p>2. 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 noted that the District did not indicate the pressure rating value on several Valve Maintenance Cards (e.g. PLS4A: V-4, V-5, V-6, V-C). The valves with missing pressure rating values are currently being researched as part of PG&E’s MAOP validation project; therefore, the District could not determine if each valve was able to meet its anticipated operating condition. As a result, the District is in violation of 49 CFR, §192.145(c). CPSD requests an update on PG&E’s MAOP validation project with respect to the valves at this District.</p>
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PG&E RESPONSE

<p>PG&E agrees with this finding. Kettleman District will continue to research construction records to retrieve missing data. Of the 386 Emergency Valves in the Kettleman District, 167 have been verified. PG&E plans to reconcile the remaining valve cards by July 31, 2013.</p>
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ATTACHMENTS

Attachment #	Title or Subject
None	

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Research records to retrieve missing valve data	July 31, 2013		Kettleman District

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**General Order 112-E Findings
CPUC Inspection Report, dated December 13, 2012
Kettleman District**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
October 8-12, 2012	NOV – 3	Terence Eng	(415) 703-5326

INSPECTION FINDING

CPUC Finding	<p><u>B. Audit Findings and Violations</u></p> <p>3. <u>Title 49 CFR §192.201 states:</u></p> <p><i>“Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline must have enough capacity, and must be set to operate, to insure the following:</i></p> <p style="padding-left: 40px;"><i>(2) In pipelines other than a low pressure distribution system:</i></p> <p style="padding-left: 80px;"><i>(i) If the maximum allowable operating pressure is 60 p.s.i. (414 kPa) gage or more, the pressure may not exceed the maximum allowable operating pressure plus 10 percent, or the pressure that produces a hoop stress of 75 percent of SMYS, whichever is lower.”</i></p> <p>CPSD observed that the following pressure limiting/relief stations, shown in Table 2, were not set to operate to insure downstream pressure may not exceed the maximum allowable operating pressure plus 10 percent. Both the listed maximum permissible relief set pressure, and more importantly, in some years ‘As Left’ set pressures were set at over MAOP plus 10 percent. As a result, the District is in violation of Title 49 CFR, §192.201.</p> <p>Table 2. Non-Compliant Pressure Relief Stations</p> <table border="1"> <thead> <tr> <th rowspan="2">Station</th> <th rowspan="2">System</th> <th rowspan="2">MAOP (psig)</th> <th colspan="2">Relief Set Pressure (psig)</th> <th rowspan="2">Year Highest 'As Left' Set Pressure was recorded</th> <th rowspan="2">Highest 'As Left' % over MAOP</th> </tr> <tr> <th>Maximum Permissible Recorded</th> <th>Highest 'As Left' Recorded</th> </tr> </thead> <tbody> <tr> <td>PLS5A</td> <td>V-299.00A Power Gas</td> <td>126</td> <td>144</td> <td>144</td> <td>2009, 2010</td> <td>14.3</td> </tr> <tr> <td>PLS5A</td> <td>V-299.01 Power Gas</td> <td>126</td> <td>144</td> <td>147</td> <td>2012</td> <td>16.7</td> </tr> <tr> <td>PLS5A</td> <td>V-3 Power Gas</td> <td>112</td> <td>128</td> <td>150</td> <td>2011</td> <td>33.9</td> </tr> <tr> <td>PLS5B</td> <td>V-6 Power Gas</td> <td>112</td> <td>128</td> <td>144</td> <td>2012</td> <td>28.6</td> </tr> <tr> <td>PLS5B</td> <td>V-298.99B Power Gas</td> <td>126</td> <td>144</td> <td>142</td> <td>2012</td> <td>12.7</td> </tr> <tr> <td>PLS5B</td> <td>V-298.00B Power Gas</td> <td>126</td> <td>144</td> <td>142</td> <td>2012</td> <td>12.7</td> </tr> </tbody> </table>	Station	System	MAOP (psig)	Relief Set Pressure (psig)		Year Highest 'As Left' Set Pressure was recorded	Highest 'As Left' % over MAOP	Maximum Permissible Recorded	Highest 'As Left' Recorded	PLS5A	V-299.00A Power Gas	126	144	144	2009, 2010	14.3	PLS5A	V-299.01 Power Gas	126	144	147	2012	16.7	PLS5A	V-3 Power Gas	112	128	150	2011	33.9	PLS5B	V-6 Power Gas	112	128	144	2012	28.6	PLS5B	V-298.99B Power Gas	126	144	142	2012	12.7	PLS5B	V-298.00B Power Gas	126	144	142	2012	12.7
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PG&E RESPONSE

PG&E agrees with this finding. PG&E identified this issue in its CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification, "Inadequate Venting of Pressure Relief Devices at Various Station Locations," dated March 12, 2012.

Pressure Limiting Station 5 was not listed in the report but was discovered during a follow-up assessment. PG&E engineering has been working on a solution to correct this issue and on September 9, 2012, Work Packages were approved for:

1. PLS-5A, V-299.00A
2. PLS-5A, V-299.01A
3. PLS-5A, V-3
4. PLS-5B, V-298.99B
5. PLS-5B, V-299.00B
6. PLS-5B, V-6

PG&E is in the process of scheduling the work, with construction planned to be completed by December 2013. See Attachment 3 for a typical "Work Package."

ATTACHMENTS

Attachment #	Title or Subject
3	PLS5 Power Gas Cabinet Retrofit Work Package

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Retrofit Power Gas Cabinets at PLS5	December 31, 2013		Kettleman District

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**General Order 112-E Findings
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INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
October 8-12, 2012	NOV – 4	Terence Eng	(415) 703-5326

INSPECTION FINDING

CPUC Finding	<p><u>B. Audit Findings and Violations</u></p> <p>4. <u>Title 49 CFR §192.745(a) states:</u></p> <p><i>“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.”</i></p> <p>CPSD observed that PG&E’s ‘Valve Maintenance Cards’ maintained by the District documented that no partial operation had taken place in 2011 without providing an explanation for the following seven emergency valves:</p> <ol style="list-style-type: none"> 1. L-190, MP 8.39, V-1 2. L-190, MLV 16.08 3. L-306, MP 43.30 4. L-300B, MP 231.27, V-1 5. L-300B, AKA T-279.63-13, T-280.06 6. L-300B, MP 345.03, V-1 7. PLS5, Valve 299.00A <p>As a result, the District is in violation of Title 49 CFR, §192.745(a).</p>
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PG&E RESPONSE

<p>PG&E agrees with this finding, which PG&E believes is the result of incorrect or incomplete documentation as indicated below. See Attachment 4 for details.</p> <ol style="list-style-type: none"> 1. L-190, MP 8.93, V-1 was partially operated on June 1, 2012. Careless documentation “Y” looks like an “N” for “Valve Operated?”. However, the fact that the mechanic noted “P” (partially operated) confirms that he partially operated the valve. 2. L-190, MLV 16.08: this valve was out of service during 2010 and the first part of 2011. The valve was not operated during its May 19, 2011 maintenance because it was considered “Not Required for Service”. On April 27, 2011 MLV 16.08 was returned to service at the request of a large customer. The valve was partially operated on June 1, 2012.
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3. L-306, MP 43.30: It is unknown why the 2011 and 2012 documentation shows the valve having not been operated. The valve was partially operated on January 8, 2013.
4. L-300B, MP 231.27, V-1: It is unknown why the 2011 and 2012 documentation shows the valve having not been operated. The valve was partially operated on December 6, 2012
5. L-300B, AKA T-279.63-13, T-280.06: It is unknown why the 2011 documentation shows the valve having not been operated. The valve was partially operated May 26, 2012.
6. L-300B, MP 345.03, V-1: This valve has been out of service since 2004. This valve will be deactivated in accordance with Utility Procedure TD-9500P-16, "Deactivation and/or Retirement of Underground Gas Facilities," by July 1, 2013.
7. PLS5, Valve 299.00A: This is a power-actuated monitor valve that is operated routinely to maintain gas flow, and is operated (bump checked) monthly. The crew has been instructed that the proper entry for an automated valve is Y(es) T(hrottling). To prevent recurrence of incorrect or incomplete valve maintenance documentation, an informal tailboard was conducted during the Kettleman 2012 CPUC audit and a Job Aid was prepared and handed out. On January 9, 2013, a tailboard was conducted on WP4430-04 "Operating Valves During Maintenance". See Attachment 5 for the tailboard communication.

ATTACHMENTS

Attachment #	Title or Subject
4	Valve Documentation
5	1-9-13 Valve Maintenance Work Procedure Tailboard

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Deactivate V-1 at MP 345.03 L-300B per work procedure TD-9500P-16	July 1, 2013		Kettleman District

Definition: NOV – Notice of Violation

