



Redacted  
Manager  
Regulatory Compliance  
Gas Operations

Redacted  
Phone: Redacted  
E-mail: Redacted

July 1, 2014

Denise Tyrrell, Acting Director  
Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 2205  
San Francisco, CA 94102-3298

Re: CPUC Resolution ALJ-274 Self-Identified Non-Compliance Notification  
Update to June 7, 2013 Self-Report: Distribution Emergency Valve Missed  
Maintenance in the City of San Jose

Dear Ms. Tyrrell:

On January 27, 2014, PG&E provided an update to its self-identified non-compliance notification submitted on June 7, 2013, regarding a distribution emergency valve in the City of San Jose that had been identified as inoperable and had not been maintained and partially operated in compliance with General Order 112-E, paragraph 143.2. In its January 27, 2014 update, PG&E provided the results of its analysis of valve maintenance records in the East Bay Division and Tracy District, and committed to completing a system-wide review of the emergency valves maintained by the remaining 17 divisions and 10 transmission districts.

PG&E has completed this system-wide review, identifying a total of 15 distribution valves, 6 local transmission valves, and 25 backbone transmission valves that had been reported as inoperable and had exceeded the required annual maintenance cycle per PG&E's Utility Procedure WP-4430-04 "Gas Valve Maintenance Requirements and Procedures", and Gas Information Bulletin (GIB) 4430B-001, "Establishing Alternate Means of Control (AMC) for Inoperable Valves" (see Attachments 1 and 2). These 46 valves include the 13 valves reported as preliminary findings in PG&E's January 27, 2014 notification.

Through this system-wide review, PG&E also identified six distribution emergency valves that have been operated annually, but were not lubricated due to mechanical issues (See Attachment 3). These missed lubrications result in non-compliance with General Order 112-E, paragraph 143.2.

Lastly, PG&E identified 11 inoperable backbone transmission valves which had been retired in place according to maintenance records, but did not have their operators or actuators removed or tagged in accordance with Utility Work Procedure WP 4100-11, "Deactivation and/or Retirement of Underground Gas Facilities" (See Attachment 4).

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Several of these identified valves have already been properly resolved by repair, replacement, or removal. PG&E will resolve each of the inoperable distribution valves by December 2014. The identified inoperable local and backbone transmission valves will be evaluated and prioritized for resolution based on safety and operational risk, and each will be resolved by December 2015.

In the event an emergency shutoff valve is not working as it should, an alternate means, or backup control, is used to reduce pressure as necessary, and as the federal code allows for. (See 49 CFR Sections 192.745(b) and 192.747(b).) While our crews make these repairs across the system, we are able to maintain a high level of safety through the use of backup controls.

PG&E is evaluating the incomplete valve maintenance and corrective work process in both the divisions and districts. Based on the results of the evaluation, PG&E will develop appropriate corrective actions to address the issues on a longer term and system-wide basis.

PG&E will notify the local authorities for the affected cities and counties of this update and will provide confirmation of notification as a supplement to this letter.

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

Sincerely,

**/S/**

[Redacted]  
Manager, Regulatory Compliance

#### Attachments

cc: Kenneth Bruno, CPUC  
Dennis Lee, CPUC  
Liza Malashenko, CPUC  
Sunil Shori, CPUC  
[Redacted], PG&E  
[Redacted], PG&E  
Bill Gibson, PG&E  
Shilpa Ramaiya, PG&E

**Attachment 1**

**Distribution Emergency Valves  
Missed Maintenance**

<b>Division</b>	<b>Valve</b>	<b>Location</b>	<b>Years Missed Maintenance</b>
East Bay	A-82	Redacted	2013
East Bay	B-37		2012, 2013
East Bay	B-38		2012, 2013
East Bay	B-44		2012, 2013
East Bay	F-12		2012, 2013
East Bay	F-62		2012, 2013
East Bay	T-16		2012, 2013
East Bay	V-1		2013
East Bay	W-22		2013
Sacramento	V-10		2012
Sacramento	V-2		2013
Sacramento	V-8		2012, 2013
Sacramento	V-9		2013
Sacramento	V-3		2013
Yosemite	V-1		2011, 2012

**Local Transmission Emergency Valves  
Missed Maintenance**

<b>Division</b>	<b>Valve</b>	<b>Location</b>	<b>Years Missed Maintenance</b>
East Bay	X-40	Redacted	2012
Stockton	V-10		2011, 2012, 2013
Stockton	V-5		2011
Stockton	V-A		2011
Yosemite	V-1		2013
Yosemite	V-B		2009, 2010, 2011, 2012, 2013

**Attachment 2**  
**Backbone Transmission Emergency Valves**  
**Missed Maintenance**

District	Valve	Location	Years Missed Maintenance
Willows	V-6	Delevan Station	2011
Meridian	V-B	L-174 V-3	2011
Meridian	V-A	L-169 MLV-230	2013
Meridian	V-D	L-169 MLV-230	2010, 2011, 2013
Meridian	V-B	Kirkwood	2010, 2011
Meridian	V-B	Rice Creek	2010, 2011, 2012
Meridian	V-C	L-167 MLV-9.31	2009, 2010, 2011, 2012
Meridian	V-233	Ursula Zimmerman	2011, 2013
Meridian	V-4.75	L-177 MLV 4.75	2010, 2011, 2012
Rio Vista	V-B	Kirby Junction Dehy	2011, 2013
Rio Vista	V-A	Kirby Junction Dehy	2011, 2012, 2013
Rio Vista	V-C	Tyler Island	2012, 2013
Rio Vista	V-A	Heater Station	2012, 2013
Rio Vista	V-1	Rio Vista "Y" Valve Lot	2013
Tracy	V-43	Vernalis Field	2011
Tracy	V-44	Vernalis Field	2011
Tracy	V-45	Vernalis Field	2011
Tracy	V-144.3	L-2	2012
Tracy	V-3	L-316	2012
Milpitas	V-5	Irvington	2012
Hollister	T-461.60A	Redacted	2012
Hollister	T-472.28A	300A/B South Valves	2012
Kettleman	V-1	L-300A MP 285.36	2011
Kettleman	V-1	Redacted	2011, 2013
Topock	V-D	PLS-1B	2013

**Attachment 3**  
**Distribution Emergency Valves**  
**Missed Lubrication**

<b>Division</b>	<b>Valve</b>	<b>Location</b>	<b>Years Missed Lubrication</b>
Central Coast	V-E05	Pasatiempo	2011, 2012, 2013
De Anza	V-3474-D7C	Redacted	2012, 2013
Fresno	DH-01		2013
Mission	F-43		2013
Peninsula	V-295		2012, 2013
Sacramento	V-3		2012, 2013

**Attachment 4**  
**Backbone Transmission Valves Improperly Retired-in-Place**

<b>District</b>	<b>Valve</b>	<b>Location</b>	<b>Date Retired (Per Maintenance Record)</b>
Meridian	V-C	Arbuckle	9/9/2009
Meridian	V-D	Arbuckle	9/9/2009
Meridian	V-10	Rice Creek	9/9/2009
Meridian	V-1.65	L-128 MLV-1.65	9/9/2009
Meridian	V-12.52	L-128 MLV 12.52	9/9/2009
Meridian	V-D	L-167 MLV-9.31	9/9/2009
Meridian	V-A	L-169 MLV 301	9/9/2009
Meridian	V-B	L-169 MLV 301	9/9/2009
Meridian	V-26	L-193 MLV 26	9/9/2009
Meridian	V-A	L-302E V-22.90	9/9/2009
Rio Vista	V-P	Las Vinas	5/16/2011