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Finding Type [Internal, NOPV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOPV - PG&E's Internal Review Findings	I.A.1	<p>Prior to the start of the audit, PG&E provided SED its findings from the internal review it conducted of North Bay Division (Division). Some of PG&E's internal review findings are violations of PG&E's standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c) or §192.605(a). SED is aware that PG&E corrected some of its findings prior to SED's inspection. Two items of concern from PG&E's Internal Review Findings identified in this letter include;</p> <p>Item 7: Plastic joining was performed while plastic joining qualifications were lapsed from 2011-2014.</p> <p>Item 10: 8 Regulator stations have been identified as non-compliant per H-70 due to inadequate relief capacity per updates made to H-70.</p>	<p>For Item 7, please see PG&E's responses to Potential NOPV item I.B.2 below.</p> <p>For Item 10, please see PG&E's responses to Potential NOPV item I.B.1 below.</p>	n/a
NOV	I.B.1	<p>Title 49 CFR §192.605(a) states: "Each operator shall prepare and follow for each pipeline, a manual of written procedures for conduction operations and maintenance activities..."</p> <p>During regulator station review, station R46 (Los Carneros) was found to be non-compliant with the current revised PG&E Gas Standard H-70. The new PG&E standard includes additional considerations when performing capacity reviews that may result in a change in operational limits or replacement of the relief. This station is an addition to the 8 regulator stations presented in PG&E's internal review under Item 10.</p> <p>PG&E needs to add regulating station R46 to the list of stations needing change, and make the necessary corrective actions to bring it into compliance with PG&E Standard H-70.</p>	<p>PG&E recognizes this oversight for not having performed the relief valve capacity reviews. As noted during the CPUC audit, PG&E performed relief calcs for all 8 stations that had open notifications and determined the changes needed and made the appropriate field adjustments.</p> <p>For the immediate corrective actions at district regulator station DR-46, the the capacity review was performed as noted above and the set point was adjusted from 55 psig to 47 psig on October 27, 2016. Please see attached relief valve capacity review NOPV B.1 (Reg-46)_CONF.pdf which shows the capacity review and new relief valve set point.</p> <p>To prevent recurrence, PG&E's Quality Control Group assists with record reviews of completed maintenance to ensure compliance, which includes supervisor review and approval being completed in a timely manner. The goal is to identify any errors and have them corrected real time in order to drive quality and provide timely feedback/instruction. This review includes a verification that if a relief valve is indicated on the Datasheet or Station Diagram, a relief calculation review is performed. In the North Bay Division, these reviews of the prior month's work were first started in June 2016. Please note that the Quality Control Group did not go back to review maintenance performed greater than 30 days prior to this start date or the previous year's maintenance.</p> <p>Please note that the corrective actions tracking the relief valve capacity reviews should be CAP 7035502, not 7025502.</p>	NOPV B.1 (Reg-46)_CONF.pdf

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NOV	I.B.2	<p>Title 49 CFR §192.285(a) states: “No person may make a plastic pipe joint unless that person has been qualified under the applicable joining procedure by:....”</p> <p>During SED’s audit, Item #7 from the above list of PG&E internal review was examined in more depth. PG&E identified an unqualified employee performing joining. The employee was qualified on 3/24/2010 to perform plastic joining (stab connections). The employee continued to make joints and oversee construction after June 2011, while their qualifications were lapsed. Upon discovery, PG&E excavated three couplings, and PG&E’s Gas Methods and Procedures (GM&P) group examined the three couplings. All three couplings failed visual inspection with one of the failures being a short stab condition (plastic pipe is not fully inserted into the mechanical coupling). In this case the plastic pipe was inserted through the first O-ring seal, but not the second O ring seal. The other two failed visual inspections due to the absence of stab depth marks on either side of the coupling. After conducting the visual inspections, PG&E leak surveyed 12 jobs where the employee was identified as having performed plastic joining with no leaks found due to a failed coupling.</p> <p>Subsequent to the SED inspection, PG&E explained that it has taken initial steps to review the extent of issue, and that the employee had been requalified in June 2015. Nonetheless, SED is concerned that PG&E was unable to detect the lapse in the joiner’s qualification until four years later. Additionally, SED is concerned about the quality and safety of the joints performed by the employee during the said time period especially since PG&E’s own investigation found a short stab on one of the three joints examined.</p> <p>Please describe actions taken by PG&E to prevent recurrence. Also, please provide responses to the following: 1. How were the three couplings identified for excavation? Describe the factors considered in the selection of the three locations. 2. Please provide a list of jobs and joints performed or inspected by the employee during the time he was unqualified for the task. 3. Has PG&E confirmed that the required leak checks and/or pressure tests have been conducted for the jobs identified in question #2 above? 4. Please provide status of any additional corrective actions PG&E is taking, or plans to take, to address this violation.</p>	<p>PG&E recognizes this finding and provides the following responses to the four (4) questions:</p> <ol style="list-style-type: none"> 1. Because of the number of plastic joints involved for each project and the time lapsed from the work, the individual who performed the work was only able to identify, with limited certainty, a small number of joints. PG&E then excavated the three (3) locations for testing. 2. Please see attachment NOPV B.2.2_CONF.pdf for a list of jobs for which the employee was involved in performing or inspecting plastic joining work during the time he was unqualified for the task. Because of the manner in which Applicant Install work was performed, PG&E cannot specifically identify each plastic joint individuals install. Please refer to the assumptions in NOPV B.2.2_CONF.pdf. 3. PG&E has confirmed that leak surveys at each project location for which the individual performed work has been and/or are being conducted for the last two years since the non-compliance issue was discovered (see NOPV B.2.3_CONF.pdf). <p>With respect to leak checks and/or pressure tests having been conducted for the jobs identified in question #2 above, PG&E’s installation practice is to perform pressure tests for all new plastic joints. While PG&E does have pressure test records for these projects, PG&E cannot associate a pressure test for each plastic joint installed by the unqualified individual who installed the plastic joint. In some cases, PG&E has discovered that the individual also performed the pressure tests on these projects, but he did not possess proper qualifications for performing this work.</p> <p>4. In addition to the annual leak surveys currently in place for the affected areas, PG&E will continue perform the leak surveys for another 3 years. If leaks are identified that were caused by an incorrect joint assembly, Distribution Integrity will evaluate the extent of condition and determine if additional actions are required.</p> <p>To prevent recurrence, PG&E has taken the following steps: * Reference self-report letter and use of DCRs. PG&E is no longer using Designated Company Representatives (DCRs) to qualify personnel plastic joining work. This was explained in the ALJ-274 letter we submitted for the OQs. *Qualifications for plastic joining work is now managed under the Company’s Operator Qualifications (OQ) Program for administering and monitoring individuals’ qualifications for performing of various tasks. * PG&E is also in the process of adopting a new OQ verification process, utilizing Qualifications Cards and scanning technology (see Gas Qual Card.pdf for a description) to ensure personnel and supervisors have real-time information concerning an individual’s qualifications.</p>	<p>NOPV B.2.2_CONF.pdf NOPV B.2.3_CONF.pdf NOPV Gas OQ Card.pdf</p>