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April 15, 2015

Mr. Ken Bruno
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

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

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E’s Willows District from February 09 through February 13, 2015. On March 17, 2015, the SED submitted their audit report, identifying violations and findings. Attached is PG&E’s response to the CPUC audit report.

Please contact Glen Allen at (925) 244-3388 or gmad@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Larry Deniston

Attachments

cc: Aimee Cauguiran , CPUC
Dennis Lee, CPUC

Mike Falk, PG&E
Sumeet Singh, PG&E

2015 Willows District Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV Internal Findings	1	Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of Willows District. 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), §192.605(a). SED is aware that PG&E corrected some of its findings prior to SED's inspection.	All corrective actions associated with the Internal Review findings provided for the Willows District CPUC audit have been completed. Attached, please find Attachment 1 -Internal Findings and Attachment 2 - Willows Audit Internal Review, indicating the findings, corrective actions taken and the closure date.	Att 1 Internal Findings.pdf Att 2 Willows Audit Internal Review_CONF.pdf
NOV	2	<p>During a field visit to Line 400 MP 246.49, SED found casing (vent pipe) to soil potentials of -391mV at the south end and -619mV at the north end of what was thought to be a single casing by HWY 16. However, PG&E's as-built drawing (#385200 sheet # 48 of 58 dated 8-20-71) confirmed the existence of two separate casings. The district has been monitoring only one casing at this location.</p> <p>Therefore, PG&E is in violation of 192.467(d) for failing to inspect and electrically test its casings to assure electrical isolation is adequate.</p>	<p>During the Willows audit field inspections, two vent pipes were read at the Highway 16 crossing on L-400. One was located on the south side of the highway and the other was located on the north side of the canal. Field results showed two different readings on the north vent pipe and on the south vent pipe. After reviewing the as-built drawings (Dwg 385200 sht 48 of 58), two separate casings were found to be installed. PG&E is currently only monitoring one of the casings (Bar ID WLCP08490), the south casing located at the highway crossing, and not the north casing at the Canal crossing. PG&E had a Bar ID in PLM for the north casing asset (WLCP09120) which was identified as "not in service" in PLM. As a corrective action, PG&E has changed this asset to "in service" and will monitor the vent for the casing read and use Valve #246.49, which is approximately 150' away from the casing, for the pipe to soil read. The casing has been added to Route ID WLWDP-CPO-ETS-S and will come due for an annual read in June, 2015. This casing was inspected at the time of the audit and has been added to the maintenance plan for future monitoring. The testing during the audit showed this casing was electrically isolated.</p> <p>In addition, since there was an existing Bar ID for this asset in PLM, further research was conducted to help provide historical data and maintenance at this location. The only reading entered for this casing (Bar ID WLCP09120) occurred on 6/7/2000 with readings of -1295 mv pipe potential and -433 mv casing potential. No additional preventative maintenance associated with this casing could be found.</p>	Att 3 Dwg 385200_CONF.pdf
AOC	1	The district did not have any monitoring test locations over an 11-mile pipeline stretch on Line 401 between Mile Points 186.82 (Casing) and 197.84 since installation (A-Form for coupon test station work noted 1970 as an installation year). On October 2013, after exposing this section of the pipe for installation of coupon test stations, the following pipe to soil reads were taken and found less negative than -850mV as shown in Table 2. The pipe-to-soil reads at these locations indicate inadequate cathodic protection in accordance with Part 192 Appendix D. Please explain the basis for establishing monitoring points 11 miles apart. In addition, please provide the corrective actions taken to address the above out of compliance pipe-to-soil reads.	<p>Below, please find the timeline for Line-401 between MP 186.88 – 197.73 which details the identified gap in CP monitoring and the corrective actions taken:</p> <p>5/10/2012 –Willow District personnel identified a gap in CP monitoring. A project was created to mitigate the issue.</p> <p>8/16/2012 – Close Interval Survey (CIS) was completed to determine the proper monitoring locations. Six integrity digs were selected and seven test locations were identified based on the results of the CIS.</p> <p>10/18/2013 – The seven Coupon Test Stations (CTS) were installed.</p> <p>11/2/2013 – The six Integrity digs were completed. CTS's were installed at these locations for possible future monitoring. No corrosion greater than 16.4% was found. No remaining strength calculations were needed. See attached H-forms</p> <p>2/12/2014 – The seven CTS's were commissioned after a 90 day "seasoning" period.</p> <p>4/9/2014 – A new rectifier at Delevan Compressor Station was made operational.</p> <p>2/25/2015 – Initial reads were taken at new test locations. All reads are in compliance see attached Excel Spreadsheet.</p> <p>2/26/2015 – The identified locations were assigned to a maintenance plan, confirmed annual monitoring will be on going in the month of June each year.</p> <p>During the 6 integrity digs that were conducted as part of the CTS installation project low reads were identified during construction. The pipeline was inspected and found no integrity concerns. The pipe section was recoated and CTS's were installed. There was a rectifier installation that was already under way during the time the low reads were identified. The reads were taken 2/25/2015 and were found in compliance with no adjustments needed.</p>	Att 4 L-401 CTS reads.pdf Att 5 L-401 with H-forms_CONF.pdf

2015 Willows District Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	2	SED reviewed the District’s casing monitoring records and found the following 3 locations, shown in Table 3 below, with casing-to-soil potential readings that, according to PG&E’s standard, indicate the presence of pipe-to-casing electrical contacts. Please indicate the corrective actions taken to address these conditions, and any testing done to determine the pipeline condition after the discovery of the contacts.	<p>The two casings identified on L400 MP 143.6 and 143.68, have been identified as gelled. These casings have been added to the contacted casing master list and will continue to be annually monitored. Monitoring will include measurements for Pipe to Soil, Casing to Soil and %LEL.</p> <p>L401 MP 213.07 has been added to the contacted casing list and will be added to the contractors scope of work to assess contact type through a ACVG/PCM survey. Until this assessment can be completed, the casing will continue to be annually monitored for %LEL, PTS, and CTS. Based on risk ranking, this casing will be scheduled for remediation or removal.</p>	
AOC	3	The atmospheric corrosion monitoring records of Line 400, Spans 043 and 508, at MP 178.8 and 247.55 respectively, indicated poor paint condition during 2013 and 2014 inspections. The corrosion department assigned a priority number 2 for remediation without specifying a timeframe for completion. Please provide an update to address this concern along with expected completion dates.	<p>The scope of work for Spans 043 and 508 Span Recoat Project includes the following:</p> <ul style="list-style-type: none"> • Temporarily remove all crossing guards and pipe supports • Hand dig bell holes at the air-to-soil transitions to expose the pipeline • Abrasive blast the pipeline to SSPC-SP 6 • Evaluate potential damages found and repair if necessary • Recoat with appropriate coating and re-establish the air-soil transition • Restore the site to its original condition <p>Currently Span 043 (PSRS 35855) estimated time for construction is 2016, due to water district permitting and other issues.</p> <p>Span 508 (PSRS 33978) estimated time for construction is Mid-April 2015.</p>	
AOC	4	On the Gerber Compressor Station Emergency Shut Down (ESD) System Test Record (Test Date: 2/28/2014), the District noted a failure of HMI, which displays station operations to field personnel, during the “PLC Redundancy Test”. Please provide a plan of corrective action to resolve this issue. In addition, please provide a list of other stations that have the same issue along with their planned corrective actions and expected completion dates.	<p>The Station Programmable Logic Controller (PLC) hardware for that generation PLC does not have built in redundancy by design. Software was developed in-house by Controls Engineering to allow transfer between PLC’s if one experienced a failure. The intent of the transfer system is to maintain the station operational in the event of a PLC failure. No safety systems are compromised as the result of a PLC redundancy/transfer “failure”. In the event of a transfer failure the station goes to a fail safe mode, which results in a Station Emergency Shutdown (ESD). It is important to note that at no point in a redundancy failure is the SCADA communication between Gerber Compressor Station and Gas Control compromised. As a corrective action, PG&E will upgrade the Station PLC to the latest generation PLC, similar to what was installed at the Delevan Compressor Station in 2010. Estimated completion of the project is Q3 2016.</p> <p>With input from the other Facility Engineers and the Controls Engineering group, there are no other stations in our system that have the same Human Machine Interface (HMI) issue during a PLC redundancy test. The action plan for Gerber Compressor Station is to perform the redundancy test during the upcoming ESD test, scheduled for April 23, 2015 and have a Controls Engineer monitoring the program logic at the same time the test takes place. The plan is to identify the issue live during the test and address it at that time.</p>	