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February 13, 2014

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

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

Dear Mr. Robertson:

The Safety and Enforcement Division (SED), Gas Safety and Reliability Branch (GSRB) of the CPUC conducted a General Order 112-E audit of PG&E’s Peninsula Division, from October 28-November 1, 2013. On January 13, 2014, the SED submitted their audit report, identifying violations and findings. Attached is PG&E’s response to the CPUC audit report.

Please contact Larry Berg at (925) 328-5758 or [LMB5@pge.com](mailto:LMB5@pge.com) for any questions you may have regarding this response.

Sincerely,

/S/  
ChristiAne Mason

Attachments

cc: Aimee Cauquiran, CPUC  
Terence Eng, CPUC  
Dennis Lee, CPUC  
Liza Malashenko, CPUC

Larry Berg, PG&E  
Larry Deniston, PG&E  
Bill Gibson, PG&E  
Sumeet Singh, PG&E

**General Order 112-E Findings  
CPUC Inspection Report, dated January 13, 2014  
Peninsula Division**

**INSPECTION INFORMATION**

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
October 28- November 1, 2013	Internal Review	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

CPUC Finding	<p><b>A. PG&amp;E's Internal Audit Findings</b></p> <p>Prior to the start of the audit, PG&amp;E provided SED its findings from the internal review it conducted of the Division. Some of PG&amp;E's internal review findings are violations of PG&amp;E's operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c). Table 1 lists all of the violations that PG&amp;E noted. SED is aware that PG&amp;E corrected some of its findings prior to SED's audit. Please provide SED an update on the items that were still pending corrective actions as of October 28, 2013.</p> <p>Table 1: Findings from PG&amp;E's Internal Review</p> <table border="1"> <thead> <tr> <th>Topic</th> <th>Code</th> <th>Finding</th> <th>Instances</th> <th>Corrected?</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Leak Survey Distribution</td> <td>192.723</td> <td>Services exceeded compliance due dates due to restricted access "can't get in" (CGI) locations</td> <td>31</td> <td>Yes</td> </tr> <tr> <td>192.723</td> <td>3-year map missed compliance due date</td> <td>1</td> <td>Yes</td> </tr> <tr> <td>Leak Survey Transmission</td> <td>192.706</td> <td>Semi-annual leak survey exceeded compliance due dates</td> <td>33</td> <td>Yes</td> </tr> <tr> <td rowspan="2">Leak Repair</td> <td>192.614</td> <td>USA ticket missing when one was required number when required</td> <td>35</td> <td>Yes</td> </tr> <tr> <td>192.13(c)</td> <td>Leaks with late action</td> <td>3</td> <td>Yes</td> </tr> <tr> <td rowspan="4">Regulator Stations</td> <td>192.13(c)</td> <td>Monitor set point was documented incorrectly on the maintenance form</td> <td>1</td> <td>Yes</td> </tr> <tr> <td>192.13(c)</td> <td>Missed "B" inspection in pre-audit years</td> <td>2</td> <td>Yes</td> </tr> <tr> <td>192.13(c)</td> <td>Supervisor signed off maintenance document greater than required 30 days</td> <td>9</td> <td>Yes</td> </tr> <tr> <td>192.13(c)</td> <td>Corrective work to install filter not completed during B inspection</td> <td>1</td> <td>Yes</td> </tr> <tr> <td rowspan="2">Valves</td> <td rowspan="2">192.745/747</td> <td>Valves have unknown maintenance history</td> <td>3</td> <td>Yes</td> </tr> <tr> <td>Missing record of</td> <td>10</td> <td>Yes</td> </tr> </tbody> </table>				Topic	Code	Finding	Instances	Corrected?	Leak Survey Distribution	192.723	Services exceeded compliance due dates due to restricted access "can't get in" (CGI) locations	31	Yes	192.723	3-year map missed compliance due date	1	Yes	Leak Survey Transmission	192.706	Semi-annual leak survey exceeded compliance due dates	33	Yes	Leak Repair	192.614	USA ticket missing when one was required number when required	35	Yes	192.13(c)	Leaks with late action	3	Yes	Regulator Stations	192.13(c)	Monitor set point was documented incorrectly on the maintenance form	1	Yes	192.13(c)	Missed "B" inspection in pre-audit years	2	Yes	192.13(c)	Supervisor signed off maintenance document greater than required 30 days	9	Yes	192.13(c)	Corrective work to install filter not completed during B inspection	1	Yes	Valves	192.745/747	Valves have unknown maintenance history	3	Yes	Missing record of	10	Yes
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AOC – Area of Concern

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		calibration for T&R instruments		
	192.13(c)	Leak Survey maps missing a record of calibration for various dates	22	Yes
Corrosion Control	192.13(c)	Action plans not updated or created in the required 30 day time limit	20	Yes
	192.13(c)	CPA not resurveyed within 6-yr interval	4	Yes
	192.13(c)	Rectifier test and evaluation form not filled out completely	6	2010: No detail for 2 instances; 2012: 2 completed, 1 no detail, 1 pending
	192.13(c)	Casing not monitored annually	3	Yes
	192.13(c)	10%er read down, greater than 30 days before restoration without an action plan	38	Yes
	192.13(c)	CPAs down for 15 months	4	Yes
	Instrument Calibrations	192.13(c)	Gas Distribution Leak Survey instrument calibration records missing.	5
Idle Stubs	192.13(c)	Idle stubs did not meet the criteria of being reviewed by Engineering within required time limits	3	Pending
MAOP	192.619	Distribution system with a pressure chart supporting a Maximum Allowable Operating Pressure (MAOP) less than the documented	1	Yes

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			MAOP		
	Emergency Zones	192.13(c)	Emergency zone plan did not contain record of review. One year does not contain the updated list of valves and sizes	3	Yes

**PG&E RESPONSE**

As an initial clarification, the “Code” column in Table 1 references the incorrect code paragraph in three instances as follows:

- 1) Transmission Leak Survey. The code paragraph requiring semi-annual transmission leak survey for a subset of transmission pipelines is §192.935(d).
- 2) Leak Repair. Recording USA ticket numbers on the Leak Repair A-Form is a PG&E requirement and is not a requirement of §192.614. The appropriate code paragraph is therefore §192.13c.
- 3) MAOP. For this one finding, the pressure record to establish the MAOP of this distribution system shows a pressure less than what was recorded to be the MAOP of the system. PG&E has no evidence to indicate that the system operated above the pressure on the record, and therefore is not a violation of §192.619. The error in the recorded MAOP value does not comply with PG&E’s Utility Procedure TD-4125P-01, therefore the appropriate code paragraph is §192.13c.

Going forward, PG&E will include the appropriate code paragraph and PG&E guidance document associated with findings in its internal reviews.

Updates of the pending items are as follows:

**Rectifier Test and Site Evaluation form not filled out correctly:**

Subsequent rectifier test and site evaluations have been completed and no corrective actions are necessary. The corrosion supervisor conducted a briefing with the crew shortly after the findings, calling attention to that all fields on the rectifier test and site evaluation form must be populated and any anomalies must also be explained on the work description page. Beginning in April 2012 Peninsula Division began piloting the use of a mobile technology that electronically captured and validated maintenance and repair information thus eliminating incomplete data entry and supervisors review/approval.

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**Idle Stubs not completed by Engineering within Required Timeframe:**

The engineering review of the three idle stubs were completed as follows:

1. 363 Green Oaks- Engineering Review Completed October 28, 2011
2. 161 Tuscaloosa, Engineering Review Completed October 28, 2011
3. 179 Kings Mountain Engineering Review Completed November 16 ,2011

A long-term preventative measure to ensure gas service stubs are identified and reviewed per Utility Standard TD-9500P-16, Deactivation and/or Retirement of Underground Gas Facilities, will be the implementation of the Pathfinder Program. Pathfinder will use a Geographical Information System (GIS) to store gas assets data, and will interface with SAP for scheduling of certain maintenance activities such as the review of service stubs. The Pathfinder Program is expected to be fully functional by the end of 2015.

**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
None	

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
Implement Pathfinder Program including tracking and review of idle gas service stubs	December 31, 2015	Gas Operations – Technology and R&D

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October 28- November 1, 2013	NOV – 1	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

CPUC Finding	<p><b>B. Audit Findings and Violations</b></p> <p>1 <u>Title 49 CFR §192.13(c)</u> states:</p> <p style="padding-left: 40px;"><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>1.1 PG&amp;E’s Form FO-16-D, Standard Cathodic Protection Maintenance Report Instructions, states in part:</p> <p style="padding-left: 40px;"><i>Page 3: “Record the initials of the person reviewing the maintenance sheet for completeness and accuracy. A Supervisor or other corrosion mechanic initials are required for each bimonthly and annual read cycle”</i></p> <p>The Division did not record the initials of the person reviewing the maintenance sheet at the following yearly locations listed below for the indicated maintenance date.</p> <ul style="list-style-type: none"> <li>a. CPA 3214-59, 424 Studio Circle X/S Woodside Way, 9/29/11</li> <li>b. CPA 3214-50, 824 Humboldt S/O Peninsula Ave, 12/7/11</li> <li>c. CPA 3214-69, 520 Kentucky Ave W/O Alameda, 9/29/11</li> </ul> <p>1.2 PG&amp;E’s Standard O-16, Corrosion Control of Gas Facilities, states in part:</p> <p style="padding-left: 40px;"><i>Page 8: “Cased pipeline crossings that are found to be contacted (the casing is in electrical contact with the pipeline) shall be reported to corrosion engineering personnel within 30 days of discovery of the contact. Contacted casing reported to corrosion engineering personnel will be remediated as part of the contacted casing remediation program administered by corrosion engineering personnel. Once included in the contacted casing remediation program, the cased crossing will be evaluated and assigned a priority number and listed on the current list of contacted cased crossings.”</i></p> <p>The Division found a contacted cased pipeline at 3278-E8, L-101, Mile Point 20.60, Creek crossing, Industrial Way west of G St. in 2011 with a pipe-to-soil read of -519 mV and a casing-to-soil read of -523 mV. The Division did not remediate the casing as part of the</p>
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	<p>contacted casing remediation program, nor assign a priority number.</p> <p>1.3 PG&amp;E’s Utility Work Procedure TD4540-04 Pilot-Operated Regulator Station Maintenance (Outlet Pressures &gt; 60 psig) states in part:</p> <p><i>“B. Supervisors must review and approve all records for work performed at each regulator station within 30 days of the completion of maintenance.”</i></p> <p>The Division performed maintenance of Station B-03, Highway 92 and Highway 280, Belmont, on 4/17/12. The supervisor did not review and approve the records until 7/9/12, 93 days later. The Division failed to have the supervisor review and approve the record of work performed within 30 days of the completion of maintenance.</p>
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**PG&E RESPONSE**

PG&E agrees with these findings.

**1.1:** Peninsula Division’s corrosion supervisor reviewed and signed off the Standard Cathodic Protection Maintenance Reports:

CPA 3214-59, 424 Studio Circle X/S Woodside Way, 9/29/11 signed on October 2, 2013

CPA 3214-50, 824 Humboldt S/O Peninsula Ave, 12/7/11 signed on November 26, 2013

CPA 3214-69, 520 Kentucky Ave W/O Alameda, 9/29/11 signed on November 26, 2013

Please see Attachment A.

In April 2012, Peninsula Division began piloting the use of a mobile technology that electronically captures and validates preventive maintenance information thus preventing incomplete data entry to be submitted. Additionally supervisor sign-off is no longer required in the mobile platform.

**1.2:** In November 2013, Corrective Work Notification #107387755 was created in SAP. Investigation of a possible contacted casing is expected to be completed by March 31, 2014. Preliminary indications are that the test lead wires used to take these potential voltage readings are not connected to the pipeline and only the casing. Results of the investigation will be shared with SED.

To prevent recurrence, a new pipeline casing standard will be published in the fourth quarter of 2014. It will specify test lead wires to be labeled at casing test stations. Additional testing methods will be required for electrical isolation verification for locations with partial monitoring facilities. Maintenance scheduling in SAP will be programmed so that when a

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potential reading is recorded in SAP which indicates a possible contacted casing, the corrosion mechanics will be required to perform an additional test to verify the indication. This will help to rule out any erroneous data that is entered into the system.

**1.3:** In April 2012 Peninsula Division began piloting the use of a mobile technology that electronically captures preventive maintenance information thus eliminating incomplete data entry, and additionally supervisor review/approval is no longer required in the mobile platform.

**ATTACHMENTS**

Attachment #	Title or Subject
A	Standard Cathodic Protection Maintenance Reports

**ACTION REQUIRED**

Action To Be Taken	Due Date	Responsible Dept.
Provide results of possible casing contact	March 31, 2014	Corrosion Engineering
Publish new pipeline casing standard and enhanced maintenance requirements for casing locations	December 31, 2014	Corrosion Engineering

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**INSPECTION INFORMATION**

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
October 28- November 1, 2013	NOV – 2	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

CPUC Finding	<p><b>B. Audit Findings and Violations</b></p> <p>2 <u>Title 49 CFR §192.145(c) states:</u></p> <p style="text-align: center;"><i>“Each valve must be able to meet the anticipated operating conditions.”</i></p> <p>The Division failed to indicate a value for the pressure rating of numerous valves maintained by the Division. Listed below are just 3 examples.</p> <ul style="list-style-type: none"> <li>a. Transmission valve V-046, East Hillside Blvd and Norfolk / San Mateo</li> <li>b. Transmission valve V-070, Alameda De Las Pulgas &amp; Ralston / Belmont</li> <li>c. Transmission valve V-095, Holly St. &amp; El Camino Real / San Carlos</li> </ul>
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**PG&E RESPONSE**

	<p>PG&amp;E respectfully disagrees with this finding for these three valves.</p> <p>The pressure rating for transmission valve V-046 has been found on the Maximum Allowable Operating Pressure (MAOP) Validation - Pipeline Features List and has been entered on the Valve Maintenance Record.</p> <p>Valves V-070 and V-095 are distribution zone valves. Please see Attachment C for the type of valves installed, and the updated valve maintenance records for the pressure rating for those types of valves. These Dresser butterfly valves are rated for 150 psig.</p> <p>PG&amp;E recently completed its MAOP Validation effort and is in the process of communicating asset data to its maintenance organizations to input on appropriate records, including valve maintenance cards. For valves throughout its gas system which PG&amp;E has not identified records to verify pressure ratings, these valves will be addressed through a corrective action plan that is being developed to determine appropriate risk-based priorities and actions.</p>
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
B	V-046 Valve Maintenance Record
C	1972 Job Installation and updated Valve Maintenance Records

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
Develop action plan to specify pressure rating of valves.	April 30, 2014	Gas T&D Operations

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October 28- November 1, 2013	NOV – 3	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

CPUC Finding	<p><b><u>B. Audit Findings and Violations</u></b></p> <p>3 <u>Title 49 CFR §192.459 states in part:</u></p> <p><i>“Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated.”</i></p> <p>a. To repair leak number 58-10-20015-1, the Division exposed a portion of buried bare pipeline. The Division failed to examine the pipe for evidence of external corrosion.</p> <p>b. The Division discovered an 8’ span at mile point 29.78 of L-109, 2100’ N/W of Bunker Hill and Highway 280 to be exposed as a “washout”, a previously buried pipe that had been exposed due to erosion or other factors, during a pipeline patrol in 2011. The Division did not perform an inspection of the exposed pipe until SED brought it to their attention during the audit on 10/30/13.</p>
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**PG&E RESPONSE**

<p>PG&amp;E agrees with this finding.</p> <p><b>3a:</b> The repair was on a copper service (See Attachment D). The service was subsequently replaced on November 2, 2011 (See Attachment E). To prevent recurrence of missing inspection data, in January 2014 Peninsula Division began piloting the use of mobile devices to electronically record leak repair and inspection (the A-Form) by crew foremen in the field. This software requires certain fields, such as external corrosion inspection on exposed metallic pipe, to be completed in order to close out the maintenance activity. System-wide roll-out of the mobile devices and software for leak repair and inspection is anticipated by the end of July 2014.</p> <p><b>3b:</b> This exposed main observed during the audit on October 30, 2013 has been inspected for atmospheric corrosion and entered into Peninsula Division’s Exposed Main Inspection Manual and has also been entered in SAP for atmospheric corrosion monitoring on a regularly scheduled basis (See Attachment F).</p> <p>Additionally, under PG&amp;E’s Pipeline Safety Enhancement Program (PSEP), L-109 from mile point 29.60 to 31.11 is scheduled to be replaced in 2014.</p>
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
D	A-Form 58-10-20015-1
E	Service Replacement Record
F	AC Inspection L-109 MP 29.78

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
System-wide Rollout of mobile devices to record leak repair and inspections	July 31, 2014	Work Management Solutions

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**INSPECTION FINDING**

CPUC Finding	<p>4 <u>Title 49 CFR §192.475(b) states:</u></p> <p><i>“Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion.”</i></p> <p>To repair leak number 58-12-20187-1, the Division removed a portion of pipe. The Division failed to inspect the internal surface for evidence of corrosion.</p>
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**PG&E RESPONSE**

<p>PG&amp;E agrees with this finding.</p> <p>The cause of this leak was external corrosion. PG&amp;E recognizes that the internal corrosion inspection section of this leak repair record was left blank. However, the natural gas supplied to Peninsula Division has been dry (dry natural gas contains less than 7 pounds of water vapor per million cubic feet), and Peninsula Division has not observed evidence of internal corrosion of steel gas facilities. Therefore, PG&amp;E will not be excavating and removing this main section from service in order to inspect for internal corrosion.</p> <p>To prevent recurrence of missing inspection data, in January 2014 Peninsula Division began piloting the use of mobile devices to electronically record leak repair and inspection (the A-Form) by crew foremen in the field. This software requires certain fields, such as internal corrosion inspection of metallic pipe, to be completed in order to close out the maintenance activity. System-wide roll-out of the mobile devices and software for leak repair and inspection is anticipated by the end of July 2014.</p>
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
None	

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
System-wide Rollout of mobile devices to record leak repair and inspections	July 31, 2014	Work Management Solutions

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**INSPECTION FINDING**

CPUC Finding	<p>5 <u>Title 49 CFR §192.481(a) states:</u></p> <p style="padding-left: 40px;"><i>“Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:</i></p> <p style="padding-left: 40px;"><i>If the pipeline is located onshore, then the frequency of inspection is at least once every 3 calendar years, but with intervals not exceeding 39 months.”</i></p> <p>The Division failed to inspect a 55’ span at mile point 29.82 of L-109, 2192’ northwest of Bunker Hill and Highway 280 for evidence of atmospheric corrosion between 1971 (when the requirement was first issued) and 2013. The Division performed the first and only atmospheric corrosion inspection of the span on 10/30/13, after SED notified the Division of the issue. The aboveground span was installed in 1936.</p>
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**PG&E RESPONSE**

<p>PG&amp;E agrees with this finding.</p> <p>This exposed main observed during the audit on October 30, 2013 has been inspected for atmospheric corrosion and entered into Peninsula Division’s Exposed Main Inspection Manual and has also been entered in SAP for atmospheric corrosion monitoring on a regularly scheduled basis. Please see Attachment G for the atmospheric corrosion inspection record.</p> <p>Additionally, under PG&amp;E’s Pipeline Safety Enhancement Program (PSEP), L-109 from MP 29.60 to 31.11 is scheduled to be replaced in 2014.</p>
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**ATTACHMENTS**

Attachment #	Title or Subject
G	AC Inspection of L-109 MP 29.82

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**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
No further action required		

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**INSPECTION FINDING**

<b>CPUC Finding</b>	<p>6 <u>Title 49 CFR §192.747(b) states:</u></p> <p style="text-align: center;"><i>“Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.”</i></p> <p>The Division did not take prompt remedial action to correct valve V-264 of Plat 3348-B1 which was found inoperable on 6/6/12; nor did it designate an alternative valve until 4/25/13, over 10 months later.</p>
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**PG&E RESPONSE**

<p>PG&amp;E agrees with this finding.</p> <p>This valve was repaired and maintained on May 29, 2013. Please see Attachment H.</p> <p>To prevent recurrence, PG&amp;E will be deploying mobile devices to capture valve maintenance activities electronically, throughout division operations by the summer of 2014. Programming the entry of valve maintenance activities into SAP will have validations that will not allow for preventative maintenance to be prematurely or inadvertently closed when corrective actions are required.</p>
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
H	Valve Maintenance Record – V-264

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
System-wide Rollout of mobile devices to record valve maintenance	July 31, 2014	Mobile Solutions

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October 28- November 1, 2013	AOC – 1	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

<b>CPUC Finding</b>	<p><b>C. Observations and Concerns</b></p> <p>1. On the Leak Repair, Inspection and Gas Quarterly Incident Report (Form “A”) for leak number 58-10-20167-1, the welder indicated that he “welded over defective weld”. CFR § 192.245(b) states that “Each weld that is repaired must have the defect removed down to sound metal and the segment to be repaired must be preheated if conditions exist which would adversely affect the quality of the weld repair”. Welding over a defective weld, without removing the defect down to sound metal would be a non-compliant method to repair a weld. During the audit, the Division spoke with the welder who confirmed that he did in fact remove the defect down to sound metal before welding, and that “welded over defective weld” is not representative of the entire procedure that he followed. The Division should have clear records to indicate the work performed.</p>
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**PG&E RESPONSE**

<p>PG&amp;E agrees with this concern.</p> <p>On November 1, 2013, the Peninsula Division supervisor spoke with the welder and verified that he removed by grinding out the defective weld prior to completing the repair. The supervisor conducted a briefing with those employees involved in weld repairs, emphasizing the importance to record accurate descriptions of the weld repairs on the A-form to avoid miscommunications. (See Attachment I)</p>
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
I	Tailboard Briefing on documenting weld repairs

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
No further action required.		

Definitions:      NOV – Notice of Violation  
                            AOC – Area of Concern

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Peninsula Division**

**INSPECTION INFORMATION**

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October 28- November 1, 2013	AOC – 2	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

<b>CPUC Finding</b>	<p>2. During SED’s field inspection, the Division discovered that the regulator at station A-47, Wall Map 3214-G4, failed to achieve lock-up. The Division subsequently replaced the diaphragm to achieve lock-up. Maintenance records show that the regulator had failed to achieve lock-up during each annual inspection from 2010 through 2012, and the Division replaced the diaphragm each time as a solution. PG&amp;E is performing a root cause analysis to determine what is causing the regulator not to lock-up. Please provide SED with a report on PG&amp;E’s root cause analysis and what measures it will implement to ensure that the regulator properly locks-up.</p>
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**PG&E RESPONSE**

<p>PG&amp;E agrees with this concern.</p> <p>The Peninsula Division supervisor submitted a Material Problem Report (MPR) for engineering investigation of the regulator diaphragm. This MPR is still under investigation and the status will be checked regularly. PG&amp;E will report its findings and any corrective actions as they become available. The station continues to operate properly and does not pose a safety concern.</p>
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
None	

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
Provide results of investigation to SED	June 1, 2014	Codes and Standards

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October 28- November 1, 2013	AOC – 3	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

<b>CPUC Finding</b>	<p>3. The Division uses PG&amp;E’s Yearly Cathodic Protection Maintenance Report form to record pipe-to-soil potential measurements in millivolts. When recording pipe-to-soil readings on the form, the Division indicated the readings as positive instead of negative. The issue was found on almost all handwritten records for the following binders and Division personnel for 2010 to 2012:</p> <ul style="list-style-type: none"> <li>a. Colma Yearly Reads – Anthony Montalvo</li> <li>b. Colma Annual Reads – Anthony Montalvo</li> <li>c. Yearly Reads/ Annual Reads – Walt Lee</li> <li>d. Yearlys – Gartner</li> </ul>
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**PG&E RESPONSE**

<p>PG&amp;E agrees with this concern.</p> <p>Converting to electronic entry of pipe-to-soil potentials will eliminate the inconsistent use of the negative value when recording pipe-to-soil potentials.</p> <p>Beginning in April 2012 Peninsula Division began piloting the use of a mobile technology that electronically captures pipe-to-soil potentials. PG&amp;E plans to roll out this technology throughout division operations by July 31, 2014, thus eliminating hand-written values of pipe-to-soil potentials.</p>
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
None	

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
Roll out mobile devices throughout	July 31, 2014	Mobile Solutions

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division operations for the entry of pipe-to-soil potentials		
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October 28- November 1, 2013	AOC – 4	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

<b>CPUC Finding</b>	4. During SED's field inspection, the Division discovered that the casing at 3278-E8, L-101. Mile Point 20.60, Creek crossing, Industrial Way west of G St., was in contact with the pipe. The pipe had a potential of -501 mV; the casing had a potential of -500 mV. These reads are similar to those the Division read in 2011. The Division is not adequately cathodically protecting the pipe at this location; therefore the pipe must be electrically isolated from the casing. Please provide SED a status report and action the Division engaged in to correct this.
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**PG&E RESPONSE**

Please see PG&E's response to NOV-1.2 above.
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
None	

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
See response to NOV-1.2		

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October 28- November 1, 2013	AOC – 5	Terence Eng	(415) 703-5326

**INSPECTION FINDING**

CPUC Finding	<p>5. SED reviewed the following three Plat Maps for meter atmospheric corrosion:</p> <ul style="list-style-type: none"> <li>a. 3214-H8 (dated 6/12/12 and 6/14/12)</li> <li>b. 3214-G7 (dated 6/14/12 and 6/15/12)</li> <li>c. 3278-F7 (dated 6/7/12)</li> </ul> <p>SED requested more information on 14 locations on the maps that had notations of either “AC” for atmospheric corrosion, or “CGI” for can’t get in. SED has yet to receive the information as of this writing. Please provide SED the information requested.</p>
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**PG&E RESPONSE**

<p>PG&amp;E agrees with this concern.</p> <p>There are actually 17 locations on the three plat maps that had a notation for atmospheric corrosion remediation or a Can’t Get In (CGI). Please see Attachment J listing the 17 locations. 16 of the 17 locations have been remediated by cleaning and painting the meter set piping. One location could not be accessed. PG&amp;E is following its procedures to contact the customer and make arrangements to access and remediate. This work is expected to be complete by March 31, 2014.</p> <p>In 2014, PG&amp;E is embarking on significant improvements to the Atmospheric Corrosion Inspection Program. Personnel will record these inspections, along with other meter set conditions in a mobile device that is capable of data retrieval by meter badge or address. The software will interface with PG&amp;E’s work scheduling systems to ensure corrective notifications are assigned as required. A new work procedure specifying these Atmospheric Corrosion Inspection program enhancements is expected to be published by August 31, 2014.</p>
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**ATTACHMENTS**

<b>Attachment #</b>	<b>Title or Subject</b>
J	Summary of AC Inspection Remediations

**ACTION REQUIRED**

<b>Action To Be Taken</b>	<b>Due Date</b>	<b>Responsible Dept.</b>
Gain access to inspect and remediate for atmospheric corrosion at one location.	March 31, 2014	Field Services
Implement improvements in AC Inspection program	August 31, 2014	Corrosion Engineering

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