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June 03, 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 Fresno Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E’s Fresno Division from March 02 through March 06, 2015. On May 08, 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 Fresno Division 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 the Fresno 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), §192.605(a). SED is aware that PG&E corrected all of its findings prior to SED’s inspection. Table 1 lists all of the violations from PG&E’s internal review.	All corrective actions associated with the Internal Review findings provided for the Fresno Division CPUC audit have been completed. Attached, please find Attachment 1 - Internal Inspection Findings and Attachment 2 - Fresno Division Internal Review, indicating the findings, corrective actions taken and the closure date.	Att 1_Internal Inspection Findings.pdf Att 2_Fresno Division Internal Review_CONF.pdf
NOV	1.1	Distribution and local transmission rectifier monitoring should take place annually, where annually is defined as once each calendar year with intervals not to exceed 15 months. The Division did not perform an inspection of the following rectifier annually: Rectifier 448 in CPA 3868-03 was inspected on March 11, 2013 and subsequently on June 12, 2014, over 15 months apart.	Rectifier 448 was scheduled for maintenance in March, 2014. The corrosion Mechanic started the annual site inspection on March 22, 2014. During the inspection he found that the grounding wire from the rectifier to the grounding bed had been stolen. At this point he stopped the annual inspection and shut the rectifier off (as a safety precaution) and created a corrective repair tag (42099602) to replace the missing ground wire. Once the ground wire was replaced, he completed the annual maintenance on June 12, 2014, 15 months and 1 day following the previous maintenance. See Attachment 3 - NOV1.1.	Att 3_NOV 1.1_CONF.pdf
NOV	1.2	The Division did not document on-site evaluation forms when the following rectifiers had been installed: Rectifier 551 in CPA 3803-07 installed between 2014 and 2015 Rectifier 448 in CPA 3868-40 installed between 2013 and 2014 Rectifier 622 in CPA 3869-15 installed between 2013 and 2014 Rectifier 513 in CPA 3869-17 installed between 2013 and 2014 Rectifier 237 in CPA 3869-24 installed between 2013 and 2014 Rectifier 264 in CPA 3869-45 installed between 2013 and 2014	Rectifier Test & Site Evaluation forms were not filled out at the time of installation for these rectifiers. To prevent reoccurrence, a tailboard with the Corrosion Mechanics was held on 5/14/15 to reinforce that this is part of the installation process for record keeping. This included reviewing Gas Design Standard-Pole Mount Rectifiers: Installation & Purchasing Data O-11.1, Rev.10 and Utility Procedure Form TD-4181P-301-F01, “Pole-Mount Rectifier Test and Site Evaluation” & Utility Procedure Form TD-4181P-101-F02, “Cathodic Protection Station Report and Interference Test”. See attachments 4, 5, 6 and 7.	Att 4_Pole-Mount Rectifiers_CONF.pdf Att 5_TD-4181P-301-F01.pdf Att 6_TD-4181P-101-F02.pdf Att 7_NOV 1.2 Tailboard_CONF.pdf
NOV	2	The Division was unable to provide inspection records for the following rectifiers: Inspection records prior to 2014 for Rectifier 385 in CPA 3803-03 Inspection records prior to 2014 for Rectifier 423 in CPA 3803-10 Inspection records prior to 2014 for Rectifier 520 in CPA 3803-11 Inspection records prior to 2014 for Rectifier 195 in CPA 3868-12 Inspection records prior to 2014 for Rectifier 368 in CPA 3869-23	Inspection records prior to 2014 for these rectifiers (Rectifier 385 in CPA 3803-03, Rectifier 423 in CPA 3803-10, Rectifier 520 in CPA 3803-11, Rectifier 195 in CPA 3868-12 and Rectifier 368 in CPA 3869-23) had been filed incorrectly. These records have been copied and scanned. See Attachment 8 - NOV 2. To prevent reoccurrence, all 2015 rectifier maintenance reports will be stored in SAP and printed upon request. In addition, all corrosion records utilizing mobile technology will be stored electronically in SAP. See attachment 9 - Utility Bulletin TD-4001B-003, "Permitted Use of Electronic Record Keeping for Gas M&O Activities".	Att 8_NOV 2_CONF.pdf Att 9_TD-4001B-003_CONF.pdf
NOV	3	The Division removed a portion of its steel pipeline, but did not conduct an inspection on the internal surface during the following leak repairs: Leak 109962157 (Pilot A-Form) found on 12/19/2014 Leak 70-14-30107-B (A-form) found on 02/25/2014	For leak 109962157 found on 12/19/14, an internal inspection was not completed. The A-Form in SAP indicated that the internal surface was not visible. This is shown in SAP under notification 109962157 checklist “Inspect/Pipe Cond: Metal”, "Internal Inspection", "Internal Surface is Visible - No". See attachment 10, page 5, "Internal Inspection" for A-form documentation. For leak 70-14-30107-B, the A-Form was printed out and repairs indicated that the crew cut out a leak to the drip and installed 18” of 3” steel main. An external inspection was performed and there was no indication of rust, pitting or gouging. The section on the A-Form for internal inspection was not completed. See attachment 10, pages 6-9, "Internal Inspection" for A-form documentation. To prevent reoccurrence, a tailboard was held on 5/12/15 with crew leads which reinforced that any pipe that is removed must be inspected for internal corrosion and the inspection results indicated on the hard copy A-Form or in Mariner under Pipe Condition. See attachment 10, "Internal Inspection" for Tailboard and A-form documentation. In addition, PG&E published new internal corrosion guidance documents (consisting of one new internal corrosion control standard and five new internal corrosion control procedures) in July 2014 with an effective date of January 1, 2016. Please see attachment 11, “TD-4186S_CONF.zip” for a copy of PG&E’s internal corrosion standard (“TD-4186S_CONF.pdf”) and the five associated procedures (“TD-4186P-100_CONF.pdf” through “TD-4186P-500_CONF.pdf”). PG&E is currently revising the existing internal corrosion inspection instructions (Job Aids), which will be completed by September 2015. This will improve the internal processes used for reviewing internal corrosion inspection data and making future improvements. PG&E is currently evaluating potential changes to the A-Form to improve work processes.	Att 10_Internal Inspection_CONF.pdf Att 11_TD-4186S_CONF.zip

2015 Fresno Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	1	As part of the records review, the Division provided SED with printed electronic records from the SAP system for various maintenance activities. In some instances, SED found the electronic records to be incomplete or containing incorrect information. The Division explained that some of the errors were transcription errors during data entry. Fortunately, during this inspection the Division also had hand written paper records as evidence to substantiate the correct information. PG&E must ensure that when using electronic records as the official records for future inspections, the data is validated to ensure completeness and accuracy.	The issue referenced in AOC 1 was determined to be a SAP software programming issue. During the audit, readings were not included in the SAP print outs of the CPA reports. However, the information had been entered correctly as the hand written paper documents confirmed. In order to correct the software issue, several report fixes were implemented during the 5/17/2015 SAP release. See attachment 12 - SAP and Mobile Release Changes. These included the following: <ul style="list-style-type: none"> • The equipment "start-up" and "removed from" dates have been programmed to determine when an asset became active/was removed and show accordingly on the report. • The issue that CP reads (measurement docs) were not showing in all instances when downloaded from mobile devices was resolved. • The issue that multiple reads captured on the same day were not appearing in the report was resolved. 	Att 12_5-17-2015 SAP and Mobile Release Changes_CONF.pdf
AOC	2	During SED's field verification of pipe-to-soil readings, the Division recorded pipe-to-soil readings that did not meet the -850mV criteria required by PG&E's Standard O-16 and 49 CFR Part 192 Appendix D. Westlawn and Muscat, Fresno, Bi-Monthly -743mV 806 S Garfield, Fresno, Bi-Monthly -664mV 2242 Arrants, Selma, Bi-Monthly -760mV 2225 Arrants, Selma, Bi-Monthly -591mV Sanger Meter Station, Sanger, Bi-Monthly -475mV 3072 E Simpson, Fresno, Bi-Monthly -824mV	The following corrective actions have been taken to address the low pipe-to soil-readings: Westlawn & Muscat, Fresno: Restored per Troubleshoot (T/S) order 42346653 on 4/1/15, P/S - 945mv 806 S. Garfield, Fresno: Restored per Troubleshoot (T/S) order 42346653 on 4/1/15, P/S - 938mv 2242 Arrants, Selma: Restored per Troubleshoot (T/S) order 42349238 on 3/11/15, P/S - 900mv 2225 Arrants, Selma: Restored per Troubleshoot (T/S) order 42351304 on 3/11/15, P/S - 851mv Sanger Meter Station, Sanger: Restored per Troubleshoot (T/S) order 42380224 on 5/21/15 , P/S -863mv 3072 E. Simpson, Fresno: Restored per Troubleshoot (T/S) order 42348632 on 5/19/15, P/S - 870mv See attachments 13, 14 and 15.	Att 13_AOC 2_CONF.pdf Att 14_3869-07_CONF.pdf Att 15_Sanger Meter Station_CONF.pdf
AOC	3	During SED's field verification of rectifiers, Rectifier 447 in CPA 3868 was found with an output reading of 0 Amps.	Rectifier # 447 is located in CPA 3869-41. See attachment 16, "Rectifier 447". As a corrective action, Rectifier Troubleshoot (T/S) order 42342189 was created on 3/4/15 to address the issue(s). Work is pending. See Att 17, "Rectifier 447 TS Order".	Att 16_Rectifier 447_CONF.pdf Att 17_Rectifier 447 TS Order_CONF.pdf