



**Pacific Gas and
Electric Company®**

Glen Carter
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June 16, 2010

Mr. Paul Penney
Utilities Safety and Reliability Branch
Consumers Protection and Safety Division
California Public Utilities Commission
505 Van Ness Avenue, 2nd Floor
San Francisco, CA. 94102-3298

Re: State of California – Public Utilities Commission
General Order 112-E Inspection – PG&E's Meridian District

Dear Mr. Penney:

The Utilities Safety and Reliability Branch (USRB) of the CPUC conducted a General Order 112-E inspection of PG&E's Meridian District, from April 5 through 9, 2010. The documents attached provide a detailed response to each of the inspection findings listed in your April 26, 2010 letter.

If you have any questions concerning this report, please contact Larry Berg at (925) 974-4084.

Sincerely,

Glen Carter
Senior Director, Gas Engineering

Attachments

cc: Raffy Stepanian, California Public Utilities Commission

**General Order 112-E Findings
CPUC Inspection Report dated April 26, 2010
Meridian District**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
April 5-9, 2010	NOV - 1	Paul Penney	(415) 703-1817

INSPECTION FINDING

CPUC Finding	<p><u>Title 49 Code of Federal Regulations (CFR) §192.745:</u> Title 49 CFR §192.745 (valve maintenance, transmission lines) states in part: <i>"(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.</i> <i>"(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve."</i></p> <p>We found that valve 116 missed it's maintenance in 2008 due to flooding. The valve was again operated in 2009. PG&E is in violation of this code section.</p> <p>Where valves are inoperable, 192.745(b) allows an alternate valve to be designated. PG&E should designate and alternative valve for operation on the valve card even if the circumstances are temporary, as was the flooding in the case.</p>
Location(s):	Valve 116

PG&E RESPONSE

PG&E agrees with this finding.

To prevent recurrence, the Meridian District Gas Maintenance Supervisor has reviewed the requirements to address inaccessible valves with the Gas Mechanics during a tailboard briefing conducted April 29, 2010 (Attachment 1). The tailboard briefing instructed the gas mechanics to complete a corrective work request to ensure that the valve is retained in PG&E's maintenance scheduling system for maintenance at a later date. PG&E is also working on a procedure to provide direction for how and when to designate an alternative valve. This administrative work procedure should be published by the end of August, 2010.

ATTACHMENTS

Attachment #	Title or Subject
1	Tailboard Briefing Sign-up Sheet

Definitions: NOV – Notice of Violation
 AOC – Area of Concern
 AIR- Additional Information Requested

**General Order 112-E Findings
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ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Tailboard requirements for inaccessible valves	4/29/2010	4/29/2010	Meridian District Gas Maintenance
Develop procedure for designation of alternate valves	8/31/10		Gas Engineering

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**General Order 112-E Findings
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INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
April 5-9, 2010	NOV - 2	Paul Penney	(415) 703-1817

INSPECTION FINDING

CPUC Finding	<p><u>Title 49 CFR §192.13 (c):</u> Title 49 CFR §192.13 (c) states in part: <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>According to PG&E’s UO Standard S4110, Table 1, pg. 12, CGT transmission pipelines in class 3 and 4 areas should be leak surveyed twice each calendar year.</p> <p>We found that a segment of pipe on Line L-172A was not leak surveyed twice in calendar year 2008 per PG&E’s UO Standard S4110. The pipeline segment is further identified as sequence 126, book 38. A class location change was recorded on 9-11-2007. However, the requirement for two leak surveys per calendar year was not implemented until 2009. We believe PG&E should have implemented the change in class location in 2008 by doing two leak surveys.</p>
Location(s):	Sequence 126, book 38, L-172A survey group.

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**General Order 112-E Findings
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PG&E RESPONSE

PG&E agrees with this finding.

PG&E missed a semi-annual survey in survey group L-172A in 2008. The survey frequency changed from annual to semi-annual due to a class location change for this segment of pipe from class 1 to a class 3 in 2007 but it was not leak surveyed semi annually until 2009. With the implementation of WP 4110-05 (May, 2009), changes to a class location in a given year will be incorporated into the leak survey plan for the following year. Had WP 4110-05 been implemented in 2007, we believe this line would have been semi-annually leak surveyed in 2008. (Attached is a copy of the latest approved version of WP 4110-05 for your reference.)

ATTACHMENTS

Attachment #	Title or Subject
2	WP 4110-05

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
N/A			

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