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April 22, 2016

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 Meridian District

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E's Meridian District from September 14 through September 17th, 2015. On March 23, 2016, the SED submitted their audit report, identifying violations and findings. Attached is PG&E's response to the CPUC audit report.

Please contact Stephen Ramos at (925) 413-7311 or s3rc@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Michael Falk

Attachments

cc: Nathan Sarina, CPUC
Aimee Cauguiran, CPUC
Dennis Lee, CPUC
Susie Richmond, PG&E
Larry Deniston, PG&E
Mike Falk, PG&E

2015 Meridian District Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
PG&E Internal Audit Findings		PG&E's Internal Audit Findings: Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of Kern 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 some of its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review. Please provide SED a status update on the internal findings that remediation showed was pending as of September 17, 2015.	Please see attached "Att 1_Merian District 2015 Internal Review_CONF.xlsx" for a status update of the pending items as of September 17, 2015.	Att 1_Meridian District 2015 Internal Review_CONF.xlsx
NOV	1	1. Title 49 CFR §192.605(a) states: "Each operator shall prepare and follow for each pipeline, …"	See responses in NOV 1.1, in NOV 1.2, and in NOV 1.3	N/A
NOV	1.1	1.1. PG&E's Standard O-16, Corrosion Control of Gas Facilities, page 14, states in part: 9. Internal Corrosion: "All electrical resistance probe readings should be taken and logged at monthly intervals, but not to exceed an interval of 90 days, for the life of the system or until the probe is retired from service." Corrosometer exceeded a read interval of 90 days. Location: Area 1, Pass Rd drip Reading Gap: 12/4/14 - 4/1/15 Interval (days): 178 days	Please see attached "NOV 1.1 - Corrosometer Probe Data Sheet_CONF.pdf." The reading was transferred from the Technician's time card to the attached Corrosometer Probe Data Sheet.	NOV 1.1 - Corrosometer Probe Data Sheet_CONF.pdf
NOV	1.2	1.2 In PG&E's letter dated October 14, 2013 responding to SED's 2013 Meridian District Audit, it was noted that the corrosometer probes listed in Table 3 needed to be replaced in order to maintain compliance and had an expected repair date of December 31, 2013. Location & Work Repair ID (PLM): a. South Butte Rd @ MU 2-1, 198116 b. N/ of Minor Jones 5 @ Line Marker, 198118 c. Dry Slough Road, 198119 During SED's 2015 audit of PG&E's Meridian District, those same items still show as "open" in the internal review with expected completion of October 2015. Please provide an explanation on why these items were not repaired by December 31, 2013 as stated in PG&E's response letter. Additionally, please provide information regarding the current status of these repairs.	PM# 42370766 was generated to perform the Meridian Internal Corrosion Investigations. The projects were in its planning stages in September 2015. The scope is to expose the pipe and determine whether test leads or the probe itself is malfunctioning. If the probes need to be replaced, the locations will be transferred to the Shorts Replacement Workstream as a separate project. When the crews mobilized in October 2015, the crews found the corrosometers under water. Due to the wet conditions, the project was pushed to the dry season. The projects are on track to mobilize between May and June of 2016. These items were not repaired by December 31, 2013 for the following reasons: - The schedule and prioritization of the investigation projects are based on the risk and consequences associated with the project. - Historically, the corrosometer probes were installed to monitor internal corrosion in gas gathering areas. Since the installation, there is a reduced risk of internal corrosion because of the increased quality of gas. - The addition of two projects (stub investigation) to the scope. These two projects presented a higher risk of internal corrosion. These two projects were completed in December 2015.	
NOV	1.3	1.3 PG&E's Standard O-16, Corrosion Control of Facilities dated March 2009 (page 10, 6.A.3 CPA Restoration) states in part: "If the CPA restoration work is (or is expected to be) over 30 days, the "CPA Follow-Up Action Plan" form (Attachment B) must be used and developed within 30 calendar days from the date the CPA is found below adequate levels of protection, as defined by the current 49 CFR 192, Subpart I." SED reviewed cathodic protection area (CPA) records and found that the Division did not develop a "CPA Follow-Up Action Plan" within 30 calendar days from the date the CPA was found to have below adequate levels of protection at the following location: CPA: L-169 Date Low CP discovered: 1/8/2013 Date of Action Plan: 4/9/2013	1/8/2013 – Fell station L-169 read 0 voltage 2/27/2013 – Work request updated with comments to transition to the Corrosion Engineer to set-up a job to install a new anode bed . Please see attached NOV 1.3 - Cathodic Protection Data Review_CONF.pdf") 4/19/2013 – Action Plan updated to reflect the corrective 2/5/2016 - Contact was fixed in January 2016. Area up with the following readings: 1.25 amps, 7.39 volts, -867 mV. Please see attached "NOV 1.3 - Work Ticket_CONF.pdf" Please note that Fell Station Line 169 is classified as a Backbone Transmission Line, which indicates a 60-day restoration time period and action plan. Please see attached "PG&E Standard O-16_CONF.pdf", Section B – Cathodic Protection Restoration for Backbone Transmission and Gathering Lines.	NOV 1.3 - Cathodic Protection Data Review_CONF.pdf NOV 1.3 - Work Ticket_CONF.pdf PG&E Standard O-16_CONF.pdf

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2015 Meridian District Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	1	1. During SED's field visit, the following locations did not meet the -850 mV criteria: Location, Field Observation P/S Reading: a. L-169 Mobil 20-3 MM RdR, -802 mV b. L-169 Fell Station (V-2), -650 mV Please provide status of corrective actions taken for the locations identified above.	a. L-169 Mobil 20-3 MM RdR, -867 mV See attached "AOC 1a - L-169 Mobil 20-3 MM RdR_CONF" b. L-169 Fell Station (V-2), -1414 mV read at valve V-2 was taken on this day, valve was re-read on corrosion personnel on 4/416, read location is not in a monitoring point for pipe intergrity. Please see attached "AOC 1b - L-169 Fell Station_CONF"	a. AOC 1a - L-169 Mobil 20-3 MM RdR_CONF.pdf
AOC	2	2. During SED's field visit, SED observed the following: Location, Asset, Field Observation: a. Area 7 Arbuckle Station, Corrosion Probe, Wire cut from a previous bell hole dig b. L-169 Fell Station, Rectifier/ME 1691140, Rectifier down Please provide status of corrective actions taken for the observations made above.	a. Work request #219871 created to excavate, replace frame & cover, and corrosometer cable. See attached "AOC 2a - Arbuckle Station_CONF.pdf" b. Fell Station Rectifier correctives completed an 2/5/16. Rectifier set at 1.25 Amps, 7.39 Volts	a. AOC 2a - Arbuckle Station_CONF.pdf b. AOC 2b - L-169 Fell Station Rectifier_CONF.pdf