

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 7, 2012

Ms. Jane Yura
Vice President, Gas Operations, Standards and Policies
Pacific Gas & Electric Company
P.O. Box 770000, Mailcode N15F,
San Francisco, CA 94177

File #: GA2011-03

SUBJECT: General Order 112-E Gas Audit of PG&E's Hollister District

Dear Ms Yura:

On behalf of the Consumer Protection and Safety Division (CPSD) of the California Public Utilities Commission, Ivan Garcia, George Carter, and Willard Lam conducted a General Order 112-E audit of Pacific Gas and Electric Company's (PG&E) Hollister District (District) from March 21-25, 2011. The audit included a review of the District's operation and maintenance records for the years 2008-2010, and a random field inspection of some of the District's facilities. CPSD's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter.

Within 30 days of your receipt of this letter, please provide a written response indicating measures taken by PG&E to address the violations, issues, and concerns noted in the Summary. If you have any questions, please contact Ivan Garcia at (916) 928-5875.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael Robertson".

Michael Robertson
Program Manager
Gas Safety and Reliability Branch
Consumer Protection and Safety Division

Enclosures:

- I. PG&E's Internal Audit Findings
- II. Audit Findings and Violations

cc: Bill Gibson, PG&E Director, Regulatory Compliance
Frances Yee, PG&E Gas Engineering and Operations
Larry Berg, PG&E Quality Assurance
Larry Deniston, PG&E Quality Assurance
Dennis Lee, CPSD
Ivan Garcia, CPSD

SUMMARY OF INSPECTION FINDINGS

I. PG&E's Internal Audit Findings

Prior to the start of the March 21-25, 2011 audit, PG&E provided CPSD the findings from its internal audit of the District, which was conducted on January 19, 2011. Some of PG&E's internal audit findings are violations of PG&E's operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c). All the violations that PG&E identified are noted in the Hollister District Internal Review Summary Table. GSRB also identified violations of Title 49 CFR, 192 in relation to PG&E's internal audit findings.

CPSD is aware that some of PG&E's Internal Review findings have already been corrected or were in the process of being corrected at the time of our audit. Please provide GSRB with an update on items that had pending corrective actions as of March 25, 2011 as noted in the following table.

Hollister District Internal Review Summary Table

Item	Title 49 CFR Part 192	Topic/(Finding)	Number of Violations	Number of Violations Corrected	Number of Pending Corrections
1	N/A	Pipeline Patrol – Form not completed	0	0	0
2	N/A	Pipeline Patrol – Form not completed/ updated	0	0	0
3	192.13(c) 192.465(d)	Abnormal CP reads – No Action Plan, External corrosion control, Monitoring	1	1	1
4	192.195(a) 192.201(a)(2)(i)	Station Maintenance – Form not completed, Protection against accidental overpressuring, Required capacity of pressure relieving and limiting stations	3	3	3

Hollister District Internal Review Summary Table (continued)

Item	Title 49 CFR Part 192	Topic/(Finding)	Number of Violations	Number of Violations Corrected	Number of Pending Corrections
5	N/A	Station Maintenance – Form not completed	0	0	0
6	N/A	Station Maintenance – Several outdate forms being used	0	0	0
7	N/A	Emergency Valves-Form not completed	0	0	0
8	192.13(c)	Emergency Valves-Form not completed and missed valve inspection cycles	8	8	0
9	192.13(c)	Instrument Calibrations-monthly calibration missed	1	1	0

1. CPSD discovered in its review of Item #5, that the District recorded the set pressures for relief valves #19 at the Dolan Road Station, between the range of 146-152 psig, #20 at the Dolan Road Station, between the range of 149.2-150.2 psig, and # 18 at the Bolsa Station, between the range of 198.5-209 psig. These ranges of pressures exceeded the MAOP plus 10 percent which is a violation of Title 49 CFR, §192.195(a), Protection Against Accidental Overpressuring, which states:

“Except as provided in §192.197, each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure, must have pressure relieving or pressure limiting devices that meet the requirements of §192.199 and §192.201”

Title 49 CFR, §192.201 (a)(2)(i), Required capacity of pressure relieving and limiting stations states, in part:

“Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline must have enough capacity, and must be set to operate, to insure the following: ...

In pipelines other than low pressure distribution system: If the maximum allowable operating pressure is 60 p.s.i. (414 kPa) gage or more the pressure may not exceed the maximum allowable operating pressure plus 10 percent or the pressure that produces a hoop stress of 75 percent of SMYS, whichever is lower; ... ”

Please advise CPSD on the corrective measures the District implemented to prevent this violation from recurring.

2. CPSD discovered in its review of Item #8, that the District did not fully follow PG&E's Utility Work Procedure WP4430-04, Gas Valve Maintenance Requirements and Procedures., which states, in part: "Power-actuated ball and plug valve regulators used frequently during normal operations must be lubricated and inspected at least once every 2 weeks." Regulator Station PLS 6A/6B , Valve 3, MLV-436.74A, and Valve 8 are listed as plug valve regulators and were not documented as being lubricated and inspected at least once every two weeks.

Utility Work Procedure WP4430-04 also states in part: "Power-actuated valves used for overpressure protection (monitors) must be partially operated and inspected once a month." Hollister Regulator Station, Valve 19 and Valve 20 are listed as power-actuated monitor valves and were not documented as being partially operated and inspected once a month.

The District's failure to follow PG&E's Utility Work Procedure WP4430-04 in both cases was a violation of Title 49 CFR, §192.13(c). Please advise CPSD on the corrective measures the District implemented to prevent these violations from recurring.

II. Audit Findings and Violations

1. Title 49 CFR, §192.706 Transmission lines: Leakage surveys states in part:

"Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year."

The District's Transmission leak surveys are outlined with sequence numbers, with each number specifying a map plat number for the corresponding section of the transmission line. CPSD identified in the 2009 Transmission Leak Survey Log that sequence 54, plat map #3-3778-D01, on Line 301G was missing the 2009 leak survey.

2. Title 49 CFR, §192.707(c) Line markers for mains and transmission lines for pipelines above ground states:

"Line markers must be placed and maintained along each section of a main and transmission line that is located above ground in an area accessible to the public."

CPSD found that there was no line marker at mile-point 436.73 on Line 300A where the transmission pipeline is in an area that is accessible to the public. Please advise CPSD on the measures the District engaged in to correct this violation.