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April 16, 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 Tracy District

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E’s Tracy District from February 02 through February 06, 2015. On March 20, 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 Tracy District Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV Internal Findings	1	During the inspection, PG&E provided SED staff with its findings from the internal review it conducted of Tracy District. Table 1 lists all of the findings from PG&E's internal review. 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), §192.13(c). SED staff noted that some of the findings were corrected prior to the inspection. For those items not corrected prior to the inspection, please provide an update on PG&E's progress to complete the corrective actions.	Attached, please find PG&E's update to its internal review findings for the Tracy District (Table 1) and McDonal Island (Table 2).	Att 1 Internal Findings Table 1 and 2_CONF.pdf Tracy IF 8A_CONF.pdf Tracy IF 8B_CONF.pdf Tracy IF 11_CONF.pdf Tracy IF 12_CONF.pdf O-11.4_CONF.pdf Tracy IF 13_CONF.pdf Tracy IF 14_CONF.pdf Tracy IF 15_CONF.pdf Tracy IF 16_CONF.pdf Tracy IF 17_CONF.pdf Tracy IF 18_CONF.pdf
AOC	1	While doing field work along transmission line L-114 at mile point (MP) 27.28 to take a cathodic protection read (-1338mV), we noted some slide activity a short distance from the pipeline. Title 49 CFR §192.705(a) requires operators to have a patrolling program to observe surface conditions along and adjacent to transmission right-of-ways for factors affecting safety and operation, and Title 49 CFR §192.705(b) requires operators to patrol pipelines in class 1 and 2 locations (which appears to be the case at this location) once each calendar year, not to exceed 15 months. Please provide documentation showing when PG&E first observed the slide activity, and records showing subsequent patrols in compliance with Title 49 CFR §192.705(b).	PG&E's first formal identification and report of the erosion issues on L114 near MP 27.28 was written on 12/15/2014; with the identifying patrol taking place on 12/14/2014. Attached are the initial notification and photographs taken of the area of concern to document the condition.  Aerial Patrol also took hi-res photographs of the erosion concern on 2/11/2015 in order to continue to monitor the situation. Please see attached aerial observation photographs and depth of cover details at the referenced location. Monitoring of the erosion area via aerial patrol will continue monthly.	Att 2 Erosion Notification_CONF.pdf Att 2-1 Pics_CONF.pdf Att 3 Ground Patrol Report_CONF.pdf Att 4 Aerial 1_CONF.pdf Att 5 Aerial 2_CONF.pdf Att 6 Aerial 3_CONF.pdf Att 7 L-114 depth of cover_CONF.pdf
AOC	2	While doing field work to take cathodic protection reads along transmission line L-114 at MP 27.28 (-1338mV) and transmission line L-131 at MP 26.36 (-1378mV), we observed two line markers for each transmission line were leaning over. Title 49 CFR §192.707(a) requires line markers to be placed and maintained over each buried transmission line. Please provide documentation showing if the condition of the line markers was previously noted. Also, please provide an estimated date to complete repair of the line markers.	A PLM work request to replace the two line markers was generated on 02/04/2015. The markers were installed on 02/11/2015. See attached PLM work request and photo of the newly installed line markers. There is no documentation that this issue was identified prior to the audit.	Att 8-WR 210189_CONF.pdf Att 9-Line Markers.pdf
AOC	3	While doing field work to take cathodic protection reads along transmission line L-107 at MP 14.58, we found a low read at -783mV. Title 49 CFR §192.463(a) requires operators to provide cathodic protection consistent with one or more of the applicable criteria in Appendix D, and Title 49 CFR §192.465(d) requires operators to take prompt remedial action to correct deficiencies found. Please provide documentation verifying that PG&E has restored cathodic protection levels to one or more criteria identified in Appendix D.	There is a project to retire this section of Line 107, PM 30677708 – "L-107 MP 13.08-15.07 Retire". Prior to this line being retired, PG&E investigated the low reading and determined that coating degradation is the cause for the low readings. The current was increased from the rectifier at Arroyo Rd to provide adequate CP protection on this line. Current output of rectifiers along L-107 will be reviewed once the line is retired from Vargas to Livermore Junction.  Final State: 107 MP 14.58 Pipe to Soil ON: -878 mV (2.18.15) Rectifier Arroyo Road As Found: 16.3 A / 19.3 V (Omni Data 2.16.15) As Left: 34.2 A / 35.1 V (Omni Data 2.18.15)	
AOC	4	While doing field work to take cathodic protection reads along transmission line L-114 at the Los Vaqueros reservoir, we found a high read at -1744mV. PG&E's standard, O.16 requires a pipe-to-soil read with Cathodic Protection being applied to not exceed -1600mV. Please update us on bringing the high read into compliance with PG&E's own standard.	It was determined that there is possible interference / measurement error due to a foreign anode voltage gradient between PG&E and Contra Costa Water District. ON / OFF reads in a area both upstream and downstream of the test point were found to be more negative than -1600 mV when interrupting PG&E's rectifiers. PG&E has contacted the Contra Costa Water District to initiate plans to perform cooperative testing on the subject line.	

2015 Tracy District Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	5	While doing field work to take cathodic protection reads at McDonald Island along transmission line 57A-MD1, we noted the transmission line was exposed and was crossing a small stream. This location is adjacent to a resort area. SED staff has two concerns with the pipeline at this location: (1) there is a palm tree at this location directly over the transmission line near the banks of the small stream. PG&E has identified this issue and created a Corrective Action Plan (CAP) Notification. Please update us on when PG&E has scheduled the tree for removal; (2) there is a type of covering draped over a portion of the exposed span of transmission pipeline identified as rock guard. This covering appears to provide a way for moisture to become trapped and held in place on the surface of the pipeline, potentially accelerating atmospheric corrosion. Please identify what actions PG&E will take to address this concern.	Gas CAP Notification 7008726 was previously generated to address the removal of the palm tree. Pipeline Services has been assigned the task of removing the tree. They have scheduled removal discussions with the County of San Joaquin. A removal date has not yet been scheduled. In addition, PG&E Pipeline Services has removed the rock guard covering on the exposed span. Work Request 211753 was completed on 3/30/2015. The rock guard was pulled off and cut away to the bank.	Att 10-WR 211753_CONF.pdf
AOC	6	While engaged in field activities, SED staff noted that at times PG&E corrosion staff appeared unsure about which ETS locations were associated with the various mile points on the transmission lines. PG&E mentioned that the corrosion staff was new to the area, and therefore unfamiliar with the various Cathodic Protection monitoring points. However, marking the various ETS locations with mile points or GPS coordinates would enhance efficiency in the future. We therefore recommend that PG&E mark the ETS locations with mile points or GPS coordinates to make identification easier for current staff as well as staff that may be temporarily filling in for regular corrosion staff.	Corrosion Services will work with the Corrosion Compliance group for Tracy District to determine the best solution for that area to assist in field identification of monitoring test stations.	