

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
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October 12, 2015

GI-2015-07-PGE-03-02A

Mr. Sumeet Singh, Vice President (s1st@pge.com)
Pacific Gas and Electric Company
Gas Asset and Risk Management
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

SUBJECT: General Order 112 Gas Inspection of PG&E's Mission Division

Dear Mr. Singh:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Joel Tran and Nathan Sarina conducted a General Order 112 inspection of Pacific Gas & Electric Company's (PG&E) Mission Division (Division) from July 6-10, 2015.¹ The inspection included a review of the Division's operation and maintenance records including corrosion control for the years 2013 through 2014, and a field inspection of a representative sample of the Division's facilities. SED staff also reviewed the Division's operator qualification records, which included a field observation of randomly selected individuals performing covered tasks.

SED'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 the measures taken by PG&E to address the violations and observations noted in the Summary. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the inspection.

If you have any questions, please contact Joel Tran at (415) 515-3442 or by email at joel.tran@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

cc: Larry Berg, PG&E Gas Regulatory Support (lmb5@pge.com)
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SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Inspection Findings

At the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the 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.

Table 1: Findings from PG&E's Internal Review

Code	Finding	Instances
192.605(a)	No remedial action for low pipe-to-soil read	4
192.605(a)	No Action Plan for corrective work requiring more than 30 days to complete	55
192.605(a)	Action Plan not reviewed every 30 days	37
192.605(a)	Reference electrodes not checked quarterly	4
192.605(a)	Multimeters not checked annually	3
192.605(a)	Reference test instruments not calibrated annually	1

B. SED Findings

1. Title 49 CFR §192.605(a) states:

"General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response."

- i) PG&E Procedure J-95 requires installation of meter protection if a meter is within 8 feet of a commercial driveway/parking area. SED found during the field inspection on 7/8/2015 that the meters located at 1396 B St. in the City of Hayward were within 8 feet of a commercial driveway/parking area but did not have meter protection installed.
- ii) PG&E Procedure WP4133-04 requires PG&E to create an action plan if a casing is suspected to be in electrical contact with the pipeline. During its records review, SED found that the casing for CPA 27-01 at Mile Point 0.01 was in electrical contact with the pipeline on 9/9/2013, but the Division did not create an action plan for investigation and remediation.

2. Title 49 CFR §192.475(b) states:

"Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion."

The Division removed portions of its steel pipeline, but did not conduct an inspection on the internal surface during the following projects:

- Leak #24-09-23068-1; 6/28/2013
- Leak #24-12-20276-1; 6/8/2012
- Leak #24-12-23407-1; 4/29/2014
- Leak #24-13-20537-1; 6/26/2013
- Leak #24-13-20612-1; 5/28/2013
- Leak #24-13-20720-1; 11/15/2013
- Leak #24-13-21806-1; 11/1/2013
- Leak #24-13-40058-1; 7/1/2013
- Leak #24-13-77067-1; 9/23/2013
- Leak #24-14-35003-1; 2/11/2014
- Leak #24-91-21568-1; 5/10/2013

3. Title 49 CFR §192.475(b)(1) states:

"Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion. If internal corrosion is found, the adjacent pipe must be investigated to determine the extent of internal corrosion"

The Division found internal corrosion in portions of its steel pipeline, but did not investigate adjacent pipe to determine the extent of internal corrosion during the following projects:

- Leak #109234020; 11/12/2014
- Leak #24-14-41031-1; 7/11/2014

II. Areas of Concern / Recommendations

1. During SED's field verification of pipe-to-soil readings, the Division recorded pipe-to-soil readings that did not meet Title 49 CFR Part 192, Appendix D. Table 12 lists all of the out-of-compliance readings.

Table 2: Out of Compliance ETS Stations

Location	P/S reading
20900 Birch St	-693 mV
4 th St/D St (CPA 12-37)	-626 mV
821 Corburn Ct	-841 mV
957 Joaquin St	-823 mV
16103 Via Arriba	-820 mV
3228 Kerr St	-833 mV
18400 Watters Dr	-678 mV
2809 Fountainhead Dr	-358 mV
2889 Fountainhead Dr	-346 mV
2891 Fountainhead Dr	-341 mV
958 Portola Ave	-763 mV
3909 Presidio Bldg #3	-704 mV

Please provide SED a status report on the cathodic protection at these locations.

2. During SED's field verification of casing readings, the Division recorded a casing reading that was more negative than the -800 mV criteria listed in PG&E's Work Procedure WP4133-03.
 - CPA 2402-1 MP 4.56. Casing: -920 mV; Pipe: -1050 mV

Please provide SED a status report on this casing.

3. During SED's review of rectifier maintenance records, SED noted that Rectifier #766 in CPA M-17-2 had a Voltage reading of 42 Volts but the rectifier was only rated for 40 Volts.

Please provide SED the corrective actions taken to address this issue.