

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 3, 2016

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

GI-2015-10-PGE11-02A

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

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112 inspection of Pacific Gas & Electric Company's (PG&E) North Bay Division (Division) on October 26-30, 2015.<sup>1</sup> The inspection included a review of the Division's records for the period of 2013-2014, as well as a representative field sample of the Division's facilities in Novato, Mill Valley, Fairfax, Larkspur, Vallejo, Benicia, San Rafael, Belvedere, Greenbrae, San Anselmo, Corte Madera, Marin, Novato, Sausalito, Napa, St Helena, Yountville, and Calistoga. SED staff also reviewed the Division's operator qualification records, which included 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. The Summary reflects only those particular records and pipeline facilities that SED inspected during the inspection.

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 Quang Pham at (415) 703-4763 or by email at quang.pham@cpuc.ca.gov.

Sincerely,

Kenneth Bruno  
Program Manager  
Safety and Enforcement Division

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

Enclosure: Summary of Inspection Findings

cc: Mike Falk, PG&E Compliance  
Larry Deniston, PG&E Gas Regulatory Compliance

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

## SUMMARY OF INSPECTION FINDINGS

### I. Probable Violations

#### A. PG&E's Internal Audit Findings

Prior to the start of the audit, PG&E provided SED its findings from the internal review it conducted of North Bay Division (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), §192.13(c) or §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.

**Table 1: PG&E's Internal Review**

<b>Code Section</b>	<b># of Non-Compliance</b>	<b>Finding Description</b>	<b>Corrective Action</b>	<b>Remediation Date</b>
192.13(c)	9	Leak survey of services that were not completed within the 36 hours window	The Leak Indication Search Areas (LISAs) have since been investigated and completed.	2/2/2015
	3	Farm tap HPR sets were not A/C inspected in 2014	Inspections have been completed.	1/28/2015
	17	Late leak repairs/recheck	All leaks have either been checked or repaired	12/24/2014
	2	No EFV Installed	Scheduled for EFV's to be installed	01/31/2016
	8	CPA's not restored within 15 months	Use compliance dashboard and CP corrective dashboard to track and execute work to restore CPAs in a more timely manner.	12/31/2015
	9	10%ers missing action plans	Tailboard employees on filling out and updating 30 day action plans and updating maintenance log for troubleshooting low reads. Action plans tracked and maintained in SAP with required due dates and tasks	3/31/2015
	2	Rectifier output outside interference test results	Tailboard timely closure of troubleshoot requests generated by SAP to check and complete a new interference test if the prior test is exceeded.	3/31/2015
	13	Written action plan missing	Areas restored w/o action plans. Action plans created automatically in SAP based upon date of discrepancy	3/31/2015

**Table 2 continued: PG&E's Internal Review**

<b>Code Section</b>	<b># of Non-Compliance</b>	<b>Finding Description</b>	<b>Corrective Action</b>	<b>Remediation Date</b>
192.13(c)	142	Written action plan missed 30 day update	Tailboard employees on filling out and updating 30 day action plans and updating maintenance log for troubleshooting low reads. Action plans tracked and maintained in SAP with required due dates and tasks	3/31/2015
	1	CPA not resurveyed within a 6-year interval	CPA Resurvey procedure has been cancelled. A system-wide 6-year program has been initiated to account for and ensure adequate protection of all steel distribution pipe.	09/01/2015
	5	Casing missing action plans	Casing action plans initiated by corrosion services. Ensure all contacted casings are prioritized for remediation and action plans are created.	12/31/2015
192.465(a)	1	Did not read 10% of the total 10%ers for 2013 and 2014	New SAP processes in development to no longer count 0 reads toward total. New report sent out periodically for visibility of 10% work completed and needed to complete to reach 10% goal.	03/31/2015
192.467(d)	21	Casings not monitored annually	Casings are in the maintenance plan for annual inspection. Arrangements with Pipeline Engineering will be made in case of pipeline work preventing inspection. 2 locations without vents will be inspected by consultant using specialized equipment.	Ongoing

## B. SED Findings

1. Title 49 CFR §192.481(a) states in part:

*“Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: Onshore - At least once every 3 calendar years, but with intervals not exceeding 39 months”*

SED reviewed the Division’s Meter Set Atmospheric Corrosion inspection records and found that the Division did not meet the 39 months requirement for the following plat maps:

<b>Plat Map</b>	<b>Survey Date</b>	<b>Subsequent Survey</b>
2571-F04	4/26/2011	1/22/2015
2571-G3	4/26/2011	1/22/2015
2907-A5	4/26/2011	1/26/2015

The following locations were inspected in 2009 during leak surveys and subsequent atmospheric corrosion inspections performed in 2012 with multiple CGI locations. The CGI locations were then not re-inspected until 2014, a timeframe outside of the 39 months requirement:

<b>Plat Map</b>	<b>MSAs</b>
2985-A02	3 MSAs recorded as CGI on 8/1/2012
2986-H04	6 MSAs recorded as CGI on 8/7/2012

PG&E is in violation of 49 CFR §192.481(a).

2. Title 49 CFR §192.475(b) states in part:

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

SED reviewed the Division’s Leak Repair records and found that the Division did not perform an internal pipeline inspection for sections of pipe that were exposed during the leak repair process for the following:

<b>Leak Number</b>	<b>Repair Date</b>
40-01-00727-1	10/8/2014
40-12-30542-1	7/16/2013
40-12-30615-1	1/22/2013
43-14-10019-B	7/8/2014
43-13-30383-1	10/11/2013
43-10-00133-1	2/12/2014
43-10-00105-1	10/28/2013
43-13-30242-1	7/27/2013
42-13-20006-B	11/5/2013
40-10-30766-1	6/5/2013

PG&E is in violation of 49 CFR §192.475(b).

3. Title 49 CFR §192.465(a) states in part:

*“However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.”*

SED reviewed the Division’s 10%ers records and noted that location 124 Carroll Street in Vallejo was monitored outside the 10 year requirement. The location was initially monitored on 10/24/2002 and the next read was on 03/18/2013.

PG&E is in violation of 49 CFR §192.465(a).

## II. Areas of Concern/ Observations/ Recommendations

1. SED reviewed the Division's 10%ers records and found that the Division did not take prompt remedial action to correct deficiencies found during monitoring of 10%er location 73 Orange Ave in Larkspur. A low P/S reading of -925mV was taken on 01/29/2014 but the Division failed to take remedial action until after the location was identified during the audit. A good P/S read of -1711mV was taken on 11/18/2015.
2. During SED's field verification, SED noted low pipe-to-soil reads at the following locations:

### Vallejo

Location	P/S Readings	Type
305 W. H St, Benicia	-745mV	Bi-Monthly
1416 Gordon	-432mV	10%er
135 Loma Vista	-711mV	10%er

### San Rafael

Location	P/S Readings	Type
49 Las Tardes Court, Novato	-875mV	10%er
28 San Miguel Way, Novato	-820mV	10%er
16A Oliva Drive, North Marin	-811mV	10%er
36A Oliva Drive, North Marin	-753mV	10%er
786 Eucalyptus, North Marin	-757mV	10%er
116 Wild Horse Valley, North Marin	-549mV	10%er
1928 & 1930 5h St, San Rafael	-520mV	10%er
1561 Novato Blvd, Novato	-780mV	Bi-Monthly
DFM Reg Station L-51G, San Rafael	-690mV	Bi-Monthly
11 Fern Way, Greenbrae	-489mV	Annual
50 Elaine Ave, Marguerite	-536mV	Annual

### Napa

Location	P/S Readings	Type
2267 Second St, Napa	-922mV	10%er
454 Montgomery St, Napa	-920mV	10%er

Please provide SED an update on the action(s) taken to bring the pipe-to-soil readings at these locations back into compliance.

3. During SED's field verification, SED noted atmospheric corrosion on the meter set at the following locations:
  - a. 900 Quency Alley, Vallejo
  - b. 1004 Mariposa, Vallejo
  - c. 1 San Ynez Circle, Marin.

Please provide SED an update on the action(s) taken to address the atmospheric corrosion.

4. During SED's field verification, SED noted exposed span #20: 3/4" steel along bridge at 20-24 Pacheco Creek Drive in Novato was covered by other pipes and could not be completely visually inspected. Please explain how previous visual inspections sufficiently monitored for atmospheric corrosion or any other conditions, if portions of the span were not visible. Also, please describe how PG&E intends to conduct future inspections of the span.
5. During SED's field verification, SED noted the pipe wrap to be in poor condition on the following exposed spans:
  - a. Span #16: 3/4" steel along bridge at 568 Wilson Avenue, Novato
  - b. 60 feet 3/4 inch steel at 129 Wood Lane, Fairfax, Marin Division, Map 2984 - A5
  - c. 2" at Pope St and Silverado Trail in St. Helena

Please provide SED an update on the action(s) taken to address the condition of the pipe wrap at the above locations.

6. During SED's field verification, SED noted out of compliance reads on the following casings:

Location	Pipe	Casing
DFM 0404-04 MP 0.75 (7303 Redwood Blvd, Novato)	-820mV	
DFM 0405-01 MP 27.56 (Hwy 29 n/o Heitz)		-902mV
NBC027020 (2 casing Vents)	-1164mV	Casing 1: -624mV; Casing 2: -1100mV

Please provide SED an update on the action(s) taken to address the out-of-compliance reads at the casing locations above.

7. During SED's field verification, SED noted high ground resistance readings from the following rectifiers:

Locations	Ground Resistance
Rect# 137 CPA# 927-16 Farm @ Circle Road, San Rafael	41 Ohms
Rectifier # 045, CPA # 508-11, Rectifier serial # 71F7150, Lincoln @ Myrtle, Calistoga	28 Ohms

Please provide SED an update on the action(s) taken to address the high ground resistance readings at the rectifier locations identified above.

8. During SED's field verification, SED noted the meter set at 9 Upper Ardmere Ave in Larkspur needed a meter support. Please provide SED an update on the action(s) taken to address this concern.
9. During SED's field verification, SED noted the meter sets at 1928&1930 5<sup>th</sup> St in San Rafael and 900 Quency Alley in Vallejo needs to be vented. Please provide SED an update on the action(s) taken to address the concerns at these two locations.