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October 7, 2012

Mr. Mike Robertson
Gas Safety and Reliability Branch
Consumers Protection and Safety Division
California Public Utilities Commission
320 West 4th Street, Suite 500
Los Angeles, CA. 90013

Re: State of California – Public Utilities Commission
General Order 112-E Inspection – PG&E’s Humboldt Division

Dear Mr. Robertson:

The Gas Safety and Reliability Branch (GSRB) of the CPUC conducted a General Order 112-E inspection of PG&E’s Humboldt Division from April 11-15, 2011. The attached documents respond in detail to each of the inspection findings listed in your September 7, 2012 letter.

Please contact Larry Berg at (925) 974-4084 or LMB5@pge.com for any additional questions you may have regarding this notification.

Sincerely,

/S/

Frances Yee

Attachments

cc: Dennis Lee, CPUC
Sunil Shori, CPUC
Jane Yura, PG&E

**General Order 112-E Findings
CPUC Inspection Report dated September 7, 2012
Humboldt Division**

INSPECTION INFORMATION

Inspection Dates	Finding	CPUC Contact	CPUC Phone #
April 11 – 15, 2011	AIR – 1	Paul Penney	(415) 703-1817

INSPECTION FINDING

CPUC Finding	<p>Prior to the start of the April 11-15, 2011 audit, PG&E provided CPSD the findings from its internal audit of the Humboldt Division (Division). 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 Humboldt Division Internal Review Summary Table. CPSD also identified violations of Title 49 CFR 192 in relation to PG&E’s internal audit findings.</p> <p>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 the audit. Please provide CPSD with an update on items that had pending corrective actions as of April 15, 2011 as noted in the following table.</p> <p style="text-align: center;">Humboldt Division Internal Review Summary Table</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Item</th> <th>Title 49 CFR Part 192</th> <th>Topic/ (Finding)</th> <th>Number of Violations</th> <th>Number of Violations Corrected</th> <th>Number of Pending Corrections</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">192.13(c)</td> <td>Leak Survey Distribution-Missing Gas Mapping Signature</td> <td style="text-align: center;">8</td> <td style="text-align: center;">8</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">192.13(c)</td> <td>Leak Survey Distribution-Missing supervisor signature</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">192.13(c)</td> <td>Leak Survey Distribution–Leak number not recorded on plat map</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">N/A</td> <td>Leak Survey Distribution–Leak Survey Maps not highlighted</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">192.13(c)</td> <td>Leak Survey Distribution-Mappers initials missing</td> <td style="text-align: center;">55</td> <td style="text-align: center;">55</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>					Item	Title 49 CFR Part 192	Topic/ (Finding)	Number of Violations	Number of Violations Corrected	Number of Pending Corrections	1	192.13(c)	Leak Survey Distribution-Missing Gas Mapping Signature	8	8	0	2	192.13(c)	Leak Survey Distribution-Missing supervisor signature	4	4	0	3	192.13(c)	Leak Survey Distribution–Leak number not recorded on plat map	1	1	0	4	N/A	Leak Survey Distribution–Leak Survey Maps not highlighted	0	0	0	5	192.13(c)	Leak Survey Distribution-Mappers initials missing	55	55	0
Item	Title 49 CFR Part 192	Topic/ (Finding)	Number of Violations	Number of Violations Corrected	Number of Pending Corrections																																				
1	192.13(c)	Leak Survey Distribution-Missing Gas Mapping Signature	8	8	0																																				
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	18	192.13(c)	Corrosion Control-No Explanation for Rectifiers Raised above Interference Test Settings	2	2	0
	19	N/A	Corrosion Control-Casing Tests	0	0	0
	20	192.465	Corrosion Control-Missed Pipe-To-Soil Reads on Isolated Services (10%ers)	2	2	60
	21	N/A	Corrosion Control-Equipment Calibrations	0	0	0
	22	192.13(c)	Combustible Gas Indicators(CGI's) calibrations not completed	3	3	0
	23	N/A	HFI, RMLD, OMD Calibrations	0	0	0
	24	192.13(c)	Leak Repair-Late Leak Repair	1	1	0
	25	192.13(c)	Leak Repair-Late Leak Repair Check	1	1	0
	26	192.13(c)	Leak Repair-Weld Inspection Stamp Not Completed	1	1	0
	27	192.283	Leak Repair-Excess Flow Valves Not Installed	4	3	1
	28	N/A	Deactivation Program and Records	0	0	0
	29	192.13(c)	Odorization-No Action Noted For Abnormal Odorization Reads	2	2	0
	30	192.13(c)	Ground Patrols-Patrol Records Missing	8	0	7

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		Additional Documentation			
31	192.13(c)	Ground Patrols-Patrol Missing Corrective Action	1	1	0
32	N/A	Aerial Patrols	0	0	0
33	N/A	Emergency Plan	0	0	0
34	192.13(c)	Emergency Zone Valves-Annual Review Not Complete	1	1	0
35	192.479(a)	Atmospheric Corrosion-Corrective Action Not Completed	1	1	1
36	192.13(c)	Atmospheric Corrosion-Correction Action Not Completed	1	1	0
37	192.13(c)	MAOP-Missing Additional Documentation	1	1	0
38	N/A	Test Instruments Calibrations-Pressure and Temperature Test Gauges	0	0	0
39	N/A	Test Instrument Calibrations-Recorders	0	0	0
40	192.13(c)	Test Instrument Calibrations-Miscellaneous Instruments	1	1	0
41	N/A	Test Instrument Calibrations-EC-ER Test Instruments	0	0	0
42	N/A	Test Instrument Calibrations-Cathodic Protection Instruments	0	0	0
43	N/A	Joiner	0	0	0

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			Qualification			

PG&E RESPONSE

Listed below is an update of the four pending items identified in your table above.

Item 20. – The table above incorrectly lists 60 pending corrections. PG&E had listed this item as a finding in its Internal Review Summary because at the time of its review it was believed that the total number of 10%ers (isolated steel risers) in Humboldt Division was 62. Therefore, per §192.465(a), at least seven 10%ers should be monitored each year, and only six had been monitored in both 2009 and 2010. Further investigation revealed that one of the 62 10%er locations had been cut-off (deactivated) in 1996, and one location was recorded twice. The actual total count of 10%er locations in Humboldt Division is 60. The monitoring of six locations in 2009 and 2010 is therefore compliant with §192.465(a). Additionally, while the standard requires that a minimum of 10% of isolated steel risers be monitored each year, PG&E crews actually monitored all 10%ers in Humboldt Division in 2006.

To avoid this confusion and ensure the list of 10%er locations is kept up-to-date, the Humboldt gas employees responsible for their maintenance were briefed via a tailboard training on March 17, 2011. Please see the attached list of deleted locations, the total list of 10%er locations, and the tail board briefing documentation. (Attachments 1, 2, and 3).

Item 27. – All four Excess Flow Valves (EFV) that were identified as not being installed during a leak repair were installed as of April 1, 2011. Please see Attachment 4 for a summary of the EFV installations. To prevent recurrence of leak repairs on applicable gas services without the installation of an EFV, Gas Information Bulletin 323 was tailboarded to crews on February 1, 2011 (See Attachment 5). GIB 323 specifies the requirement to install EFVs on gas services serving single-family residences.

Item 30. – All 7 Ground Patrol records were updated with missing minor information on March 16, 2011 and April 5, 2011. Please see Attachment 6. To ensure the proper completion of ground patrol forms by the three Humboldt Division employees who are qualified to perform patrols, a tail board briefing was conducted on March 16, 2011. See Attachment 7 for the sign-up sheet of the briefing.

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Item 35. – PG&E’s Internal Review Summary listed 3 locations (C42, C74, and C82) that required atmospheric corrosion remediation. Upon further research, the C42 location is actually C52, and there is a fourth location, C64, that also required atmospheric corrosion remediation. All four locations have had the remediation work completed as of May 13, 2011. Please see Attachments 8-11 for details on the completed work.

ATTACHMENTS

Attachment #	Title or Subject
1	Item 20-Deleted 10ERS.TXT
2	Item 20 -10ERS.xlsx
3	Item 20-O-16 and 10%ers Tailboard 3-17-11.pdf
4	Item 27-EFV Installation Summary.xlsx
5	Item 27-EFV Bulletin 323 Tailboard 2-1-11.pdf
6	Item 30-Patrol Forms w minor info revisions.pdf
7	Item 30-Pipeline Patrol Tailboard 3-16-11.pdf
8	Item 35-C52 Svc AC Correction.pdf
9	Item 35-C64 HPR AC Correction.pdf
10	Item 35-C74 HPR AC Correction.pdf
11	Item 35-C82 HPR AC Correction.pdf

ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Complete all corrective actions of findings identified in PG&E’s Internal Review Summary		May 13, 2011	Humboldt Div M&C

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April 11 - 15, 2011	NOV – 1	Paul Penney	(415) 703-1817

INSPECTION FINDING

CPUC Finding	<p>CPSD found an abnormal odor intensity reading, not within PG&E’s Gas Standard 4350S requirements, at Cummings Creek location on April 2, 2009, in which there was no action taken by the Division.</p> <p>PG&E Gas Standard 4350S, Odorization of Natural Gas states in part, “If odor intensity reading is over 0.6% gas in air (too weak), or below 0.1% gas in air (too strong), a confirmation test with a different operator will be performed and the System Gas Control supervisor, or GT&D district supervisor, shall be notified immediately.” The Division did not follow this Standard and perform the required corrective action; therefore, it was in violation of Title 49 CFR §192.13(c), which states:</p> <p style="text-align: center;"><i>“Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”</i></p> <p>Please advise CPSD on the action the District implemented in to prevent this violation from recurring.</p>
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PG&E RESPONSE

<p>PG&E agrees with this finding. PG&E identified and self-reported 2 sniff tests (weeks of April 17 and 23, 2009) where odor intensity levels were below 0.1% (too strong) with no action noted. PG&E Gas Standard TD-4350S states:</p> <p><i>“If gas odor is not readily detectable at 0.6% gas-in-air, the person conducting the test must immediately notify the appropriate supervisor. The supervisor may verify the reading, if appropriate, and must immediately notify the GT district supervisor and/or the M&C distribution gas T&R supervisor, who ensure that immediate and continuing actions are taken to restore adequate odor concentration levels.”</i></p> <p>PG&E noted that all prior and subsequent sniff test readings showed appropriate levels of odorization. The three Humboldt Division employees qualified to take odorant intensity readings were tailboarded on Gas Standard TD-4350S focusing on actions to be taken for low or high intensity levels. This was completed on March 16, 2011. (See Attachment 12)</p>
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12	NOV-1 Odorization -Tailboard.pdf
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ACTION REQUIRED

Action To Be Taken	Due Date	Completion Date	Responsible Dept.
Conduct tail board training on actions to take for odorant level readings outside range		March 16, 2011	Humboldt Div M&C

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