

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 4, 2013

Ms. Jane Yura, Vice President  
Pacific Gas and Electric Company  
Gas Operations – Standards and Policies  
6121 Bollinger Canyon Road, Office #4460A  
San Ramon, CA 94583

GA2012-14

Subject: General Order 112-E of Pacific Gas and Electric Company's San Francisco Division

Dear Ms. Yura:

The staff of the Safety and Enforcement Division (SED) of the California Public Utilities Commission (Commission) conducted a General Order 112-E audit of Pacific Gas and Electric Company's (PG&E) San Francisco Division (Division) from October 8-12, 2012. The audit consisted of a review of the Division's gas distribution and transmission system operations and maintenance records for the period of 2009-2011. SED also reviewed 2012 records where the maintenance was completed (i.e. Valve maintenance records, Cathodic protection records). SED conducted field inspections in the city of San Francisco.

Attached is a Summary of Inspection Findings which contains PG&E internal review findings, and violations and areas of concerns identified by SED during the audit. Please provide a written response within 30 days from the date of this letter indicating the measures taken by PG&E to address the pending items found during its internal review, as well as those violations and areas of concern identified during the audit.

Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the audit. SED will notify PG&E of the enforcement action it plans to take after it reviews PG&E's audit response. If you have any questions, please contact Aimee Cauguiran at (415) 703-2055 or by email at [aimee.cauguiran@cpuc.ca.gov](mailto:aimee.cauguiran@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Michael Robertson".

Michael Robertson, Program Manager  
Gas Safety and Reliability Branch  
SED/CPUC

Enclosure: Summary of Inspection Findings

cc: Frances Yee, PG&E  
Larry Berg, PG&E

## Summary of Inspection Findings

### A. PG&E Internal Audit Findings

Prior to start of the audit, PG&E provided the results of their internal audit of the San Francisco Division's (Division) records. Many of PG&E's internal audit findings are violations of PG&E's own standards, and therefore a violation of Title 49 Code of Federal Regulations (CFR) §192.13(c) or §192.605(a). Other issues found are violations of Title 49 CFR 192 as shown in Table 1.

We note that the Division corrected several of the findings, while some were addressed during their subsequent scheduled maintenance. Please provide updates on items that were still pending corrective actions as of the last day of the audit.

Table 1: PG&E's Internal Audit Findings

	<b>GO-112E Section or 49 CFR Part 192</b>	<b>Topic</b>	<b># of Violations</b>	<b># of Violations Corrected</b>	<b># of Pending Corrections (as of 10/12/2012)</b>
1	192.723(b)(1) and 192.723(b)(2)	Distribution Leak Survey (2009-2010) – Missed or Late Surveyed	19	19	0
2	192.706	Transmission Leak Survey- semi-annual (Late survey)	2	2	0
3	192.605(a)	Distribution Leak Repairs (2011) – Soap test not indicated on form when needed, missing P/S reads, missing USA info	236	0	236
4	192.703(c)	Distribution Leak Repairs - Late repair	2	2	0
5	192.503(a)	Pressure test after repairs	1	1	0
6	192.605(a) and 192.467	Casings not monitored annually	13	13	0
7	192.465(a)	Missed rectifier read	1	0	1
8	192.605(a)	Yearly P/S location not established, missing signature on maintenance sheet, missing pre/post rectifier reads, no actions noted for P/S over -1600mV, missing calibration records for P/S electrode	12	3	9 (2011 GTS review)
9	192.605(a) and 192.739(a)	Late B inspection, chart recorder calibration missing, Station diagrams needing updates; Regulating station maintenance – NOP/MAOP limits	42	42	0
10	192.749	Missing confined space forms (Regulator Stations)	47	47	0

Table 1: PG&E's Internal Audit Findings Continued

	<b>GO-112E Section or 49 CFR Part 192</b>	<b>Topic</b>	<b># of Violations</b>	<b># of Violations Corrected</b>	<b># of Pending Corrections (as of 10/12/2012)</b>
11	192.743(a)	Missing relief capacity calculations	2	2	0
12	192.605(a)	Valves – Did not lubricate valve, plat maps needs update, missing information on valve card, maintenance forms not initialed and dated, Emergency zones not reviewed annually	2577	2577	0
13	192.625(f) and 192.13 (c)	Missed odorant tests	6	6	0
14	192.727 and 192.605(a)	Deactivation of facilities (cannot locate record for deactivation in 2011)	1	0	1
15	192.619(a)	MAOP record for Bayview HP system does not support MAOP pressure rating	1	1	0
16	192.605(a)	Emergency Liaison missing record (2009/2010), Leak survey records not completed correctly (2011), MAOP review documents not completed correctly (2011), Deactivation records not completed corrected	159	159	0

B. Areas of Violations

1. Title 49 CFR §192.605(a) states in part:

*“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.”*

PG&E UO Standard S4110 requires recheck of existing Grade 3 leaks during the next scheduled leak survey. The interval shall not be less than 6 months or greater than the next required scheduled leak survey.

a) The Division did not have records of rechecks for the following Grade 3 leaks on Plat 2-E01:

- Leak # 07204811 – 1570 Clay St. San Francisco: Initially found in 2007, but no record of recheck during the annual surveys in 2008 and 2009.
- Leak # 07204851 – 1450 Bush St., San Francisco: Initially found in 2007, but no record of recheck during the annual surveys in 2008 and 2009.
- Leak # 08208541 – 1460 Clay St, San Francisco: Initially discovered in 2008, but no record of recheck during the annual leak survey in 2009.
- Leak # 04206921 – 1248 Leavenworth St, San Francisco: Discovered in 2004, but no record of recheck during the annual leak survey in 2009.
- Leak # 08204281 – 1115 Polk St, San Francisco: Initially found in 2008, but no record of recheck during succeeding annual leak surveys.

b) The Division found the following leaks during its accelerated leak survey on 6/16/2009:

- Leak #09900701 at 679 23<sup>rd</sup> Avenue, San Francisco
- Leak #09900621 at 3315 Anza Street, San Francisco
- Leak #09900611 at 3309 Anza Street, San Francisco

The Division included the leaks in the list of open leaks that it scheduled to recheck for Plat 3-A08, which recently was 5-year leak surveyed on 5/5/2012. During the recent survey, the Division noted the leaks were “not on map”, and thus the Division did not recheck the leaks. The Division later discovered that the leaks should have been included in the list of open leaks for the adjacent Plat 3-A09, which it leak surveyed in May 2012. The next 5-year leak survey for this plat is scheduled for 2017. Thus, the Division missed rechecking the leaks at the interval specified in PG&E Standard S4110.

2. 49 CFR § 192.747(a) states:

*“Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.”*

The Alternate Means of Control (AMC) established for Valves 8004 and 8025 include Valve 8054, which does not have a maintenance record showing that the Division has maintained the valve and it is operable. This is a violation of 49 CFR §192.747(a).

3. 49 CFR § 192.747(b) states:

*“Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.”*

The Division personnel found Valve # 859 inoperable on 3/4/2010. The Division created an AMC on 4/13/2011, which is eight months after PG&E published Gas Information Bulletin TD-4430B-001 on 8/26/2010 and 13 months after the Division identified the valve as inoperable in March of 2010. This is a violation of 49 CFR §192.747(b) for failing to take prompt remedial action either by correcting the valve found inoperable or designating an alternative valve upon discovery of the inoperable valve.

C. Field Review

1. Regulator Station 113 at Bowdoin Street and Woolsey Street

The Division maintenance record indicated that it was concerned regarding the condition of the piping at the regulator station from 2010 to 2012. SED inspected the regulator station and verified the condition of the pipe at the station, which appeared to have significant atmospheric corrosion and may need a sandblast to properly clean the pipe prior to painting.

2. The following locations had pipe-to-soil (P/S) readings that did not meet the -850mV criterion:

- Cathodic Protection Area (CPA) 2504: Bimonthly location at 1772 Cayuga, San Francisco - 530mV
- CPA L-132C: ETS at 1195 Evans Ave, San Francisco: The P/S reads were fluctuating between -500mV and -900mV, but appeared to settle at around -700mV.

D. Areas of Concern/Recommendations

The Division installed new regulators at Regulator Station 113 located at Bowdoin Street and Woolsey Street on 12/22/11. However, there was no record of “As Left” regulator settings or a note showing that the Division conducted a lock-up check after it installed the regulators. SED recommends that at a minimum, the Division should indicate in its records the “As Left” settings for the new regulators as a reference for its personnel who will be performing maintenance on the station subsequent to the new installation.