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May 11, 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 Sierra Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E’s San Francisco Division from August 11-22, 2014. On April 9, 2015, the SED submitted their audit report, identifying probable violations, findings and areas of concern. Attached is PG&E’s response to the CPUC audit report.

Please contact Cheryl Dizon at (925) 328-5721 or c1dz@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

2014 San Francisco Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV Internal Findings	1	Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of San Francisco 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 some of its findings prior to SED's inspection.	All corrective actions associated with the Internal Review findings provided for the San Francisco Division CPUC audit have been completed. Attached, please find the San Francisco Audit Internal Review, indicating the findings, corrective actions taken and the closure date.	SF_IF 1 Div Internal Review 2012-13_CONF.pdf
NOV	1	<p>Title 49 CFR §192.13(c) states: "Each operator shall maintain, modify as appropriate, and follow the plans, procedures and programs that it is required to establish under this part. "</p> <p>PG&E's Utility Procedure TD-4133P-OI, Section 5 (Troubleshooting and T&R Restoration), Step B.CP.37 requires the gas distribution specialist and corrosion mechanic to escalate the process when restoration takes longer than 30 days. This requires that the steps in Section 6 [Escalation of Overdue Actions (CPA Down Longer Than 30 Days)] be followed. Section 6, Step B.CP .48 requires a corrosion mechanic to fill out a CP action plan that must be updated at least once every 30 days. The details for the non-compliances are as follows:</p> <p>On 2/3/2012, two low pipe-to-soil reads were discovered by a corrosion mechanic in CPA 2405_A during routine CP reads. The two monitoring locations were 61 Minerva St, San Francisco [Bi-monthly ETS], and "3' N/S/L Niagara 19' E/W/L Howth, San Francisco" [Bimonthly ETS]. The CPA was restored on 4/3/12. As noted above, if the CPA is down for 30 days, a written CPA action plan must be created and updated at least once every 30 days. Although actions to restore the CPA are identified in the SAP printout, a written CP action plan was not found for this CPA.</p> <p>On 12/9/2013, a low pipe-to-soil read was found by a corrosion mechanic in CPA 2405_B during routine CP reads. The monitoring location was described as: "12' E/WIL ILLINOIS 25' S/SIL 22ND STREET, SAN FRANCISCO" [Bi-Monthly ETS]. Trouble shooting activities were required by 1/9/2014; however there were no troubleshooting activities or corrective actions documented in the SAP Jog until/30/2014. As noted above, if the CPA is down for 30 days, a written CPA action plan must be created and updated at least once every 30 days.</p>	Although not noted in a formal CPA Follow-Up Action Plan, actions were taken on the areas read down in 2012 and 2013 and they have since been restored? In accordance with the attached bulletin, TD-4001B-003 PG&E may use electronic record keeping for gas maintenance and operations activities. In March 2014 SF Division began using mobile devices for entry of pipe-to-soil readings. Information from the mobile platform is directly uploaded to SAP. Action plan notifications are then generated automatically in SAP and are being tracked via periodic SAP Compliance Reports.	SF_NOV1_TD-4001B-003_CONF.pdf
NOV	2	<p>Title 49 CFR § 192.491 states: "Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, galvanic anodes, and neighboring structures bonded to the cathodic protection system. Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode. " [Underline Added]</p> <p>As required by this code section, records or maps of anode locations shall be maintained. However, PG&E did not have documentation on the maps to show anode locations for CPAs 2106 or 2207. If PG&E has other records that indicate the locations of anodes on isolated steel sections of pipe in these two CPAs, please provide a copy of them. Also, please indicate how PG&E will ensure compliance with this code section going forward.</p>	<p>The pipe in these two CP Areas has been under adequate cathodic protection and the required inspections were performed. The anode locations have been mapped in GIS. (See attached screen shot of GIS map highlighting the anode locations.) Note, CPA 2106 is now 2302.</p> <p>The Division now uses an operation change form process for all anode installation projects. New assets are entered into SAP and a notification is sent directly to Mapping to ensure anodes are identified and recorded in the GIS mapping system at the time of installation.</p>	SF_NOV2_2106 (NOW 2302)_CONF.pdf SF_NOV2_2207_CONF.pdf

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NOV	3	<p>Title 49 CFR § 192.74 7(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. "</p> <p>While reviewing emergency isolation zone valve maintenance for 2012 and 2013, SED engineers noted that certain valves were not in the maintenance spreadsheet provided. PG&E personnel stated that certain valves are maintained with the regulator station maintenance folders. For those valves listed below and being maintained with the regulator stations, please provide the maintenance records showing the 2012 and 2013 maintenance of these valves. Also, please confirm which valves were already being maintained at the time of the audit and those that were missed and have now been added to the maintenance schedule.</p> <p>Zone SF-SFH-009-B Valve 339 Zone SF-SFH-021-C Valve 449 Zone SF-SFH-045-C Valve 1405 Zone SF-SFH-049-C Valve 930 Zone SF-SFH-235-C Valve 263</p>	<p>At the time of the audit, V-339 was no longer an Emergency Shutdown (ESD) valve. It has been officially removed from the maintenance list and the distribution shutdown zone binder. The associated ESD Zones 9, 233, 274, 319 have been updated and the change is reflected in the ESD Zone binder and planning model.</p> <p>Valves 263, 449, 930, and 1405 were being maintained at the time of the audit. No maintenance was missed. Attached are the valve maintenance forms.</p>	<p>SF_NOV3_V263_VMR_CONF.pdf SF_NOV3_V449_VMR_CONF.pdf SF_NOV3_V930_VMR_CONF.pdf SF_NOV3_V1405_VMR_CONF.pdf</p>
NOV	4	<p>Title 49 CFR § 192.803 states under qualification: "Qualified means an individual has been evaluated and can: (a) Perform assigned covered tasks; and (b) Recognize and react to abnormal operating conditions."</p> <p>SED engineers asked for Operator Qualification (OQ) records for JXVY. He did repairs and joining in 2013. OQ records were provided, including plastic qualification records. They show that JXVY was not qualified to do "electro-fusion", but he performed "electro-fusion" during the leak repair of a leak (Leak Number 60-02-50237-1). PG&E personnel confirmed that JXVY was not qualified for this repair.</p> <p>We have two follow-up questions: (1) did JXVY do any other "electro-fusion" repairs while he was unqualified? If so, please provide a listing of these repairs by leak number; (2) what remedial actions will PG&E perform for each of the identified leak repairs?</p>	<p>59 locations were identified where JXVY performed electro fusion repairs</p> <p>(1) A listing of the repairs by leak number are attached.</p> <p>(2) PG&E performed a special leak survey and no leaks were detected at each of the identified leak repairs. Additionally, PG&E cut out and destructively tested 2 connections. The results are attached.</p> <p>To prevent reoccurrence, PG&E will include the plastic joining qualification as part of the OQ program.</p>	<p>SF_NOV 4_LeakLocations_CONF.pdf SF_NOV 4_EF Joints_CONF.pdf</p>

2014 San Francisco Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	1	<p>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 for the following locations.</p> <p>1.1 724 San Bruno: -670mV (10%'er) 1.2 32 Lupine: -650mV 1.3 44th and Pacheco: -800mV (Bi-monthly) 1.4 38th and Rivera: -750m V (Bi-monthly) 1.5 4th and Welsh: -800mV 1.6 4th and Bluxome: -580m V 1.7 Myra and Sherwood: -650mV 1.8 460 Eucalyptus (Bi-monthly, ETS): -400-600mV</p>	<p>As a result of observing the low reads listed below during the audit, corrective orders were created and the following reads at each location have been restored as follows.</p> <p>724 San Bruno - New reading was -1554mV on 10/31/2014. 32 Lupine (& Wood): New reading was -923mV on 12/18/14 44th and Pacheco: -1035mV on 9/8/14 38th and Rivera: -892mV on 12/18/14 4th and Welsh (Bryant): on-975mV 3/23/15 4th and Bluxome: -1052mV on 5/7/15 Myra and Sherwood: -950mV on 12/22/14 460 Eucalyptus: -912mV on 1/6/15 The associated CPA Maintenance Forms or SAP screen shots are attached.</p>	<p>SF_AOC1_CPA 2324_A -44th and Pacheco 2014_CONF.pdf SF_AOC1_CPA 2320_B- Myra and Sherwood 2014_CONF.pdf SF_AOC1_CPA 2331_A - 460 Eucalyptus 2015_CONF.pdf SF_AOC1_724 San Bruno 10-31-14 up read_CONF.pdf SF_AOC1_20 Wood St CPA 2105 12-18-14 up read_CONF.pdf SF_AOC1_CPA 2324_B -38th and Rivera 2014_CONF.pdf SF_AOC1_4th bluxome_bryant_CONF.pdf</p>
AOC	2	<p>Two monitoring points in CPA 2106 (Rutland and Tioga) have been out of compliance for 2.5 years. Those points are: "14' WIE/L DELTA, 1' N/N/L Leland (White wire)" [San Francisco; bi-monthly] and #149 Ankeny, [San Francisco; Bi-monthly ETS]. As noted in our discussion with PG&E personnel, the reason for the length of time to restore the CPA is multiple contacts and insulation problems. PG&E personnel indicated that they have been continuously working on restoring the CPA. Please update us on PG&E's progress to date and an estimated date to bring the CPA into compliance (if known).</p>	<p>Please note the correct CPA is 2601 instead of 2106 as noted in the CPUC letter.</p> <p>The rectifier setting was adjusted and the new readings at the two locations were -955mV and -871mV on 8/29/14 and -958mV and -930mV on 9/2/14 as indicated on the attached CPA maintenance form.</p>	<p>SF_AOC2_2601_B restored 2014_CONF.pdf</p>
AOC	3	<p>While doing field work, SED engineers noted that it appeared valve V212 was paved over. This valve is located in CPA 2207 at 4th and Welsh. Please update us on the status of this valve.</p>	<p>V212 was uncovered and raised on 4/18/15 with a new frame and cover (Reference Notification 42361182). Attached for reference is the corrective work form to complete the work.</p>	<p>SF_AOC3_CorrectiveWorkFormGD_CONF.pdf</p>
AOC	4	<p>While doing a random non-monitored pipe-to-soil read at 757 Portola Street, we noted that the riser appears to be non-corrodible. However, the map shows a steel riser. Please confirm that the riser is non-corrodible and that a map change has been made if the latest map is not up to date.</p>	<p>The riser is indeed non-corrodible. The attributes have been updated in GIS and a screenshot of the correct map is attached.</p>	<p>SF_AOC4_757 Portola_CONF.pdf</p>

2014 San Francisco Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	5	<p>Title 49 CFR §192.481 states: "Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: " If the pipeline is located: ONSHORE, Then the frequency of Inspection is: At least once every 3 calendar years, but with intervals not exceeding 39 months If the pipeline is located: OFFSHORE, The the frequency of Inspection is: At least once each calendar year, but with intervals not exceeding 15 months As noted during our compliance review of this code section, PG&E has a global program to identify and correct non-compliances with this code section. The global program was identified in PG&E' s response to data request # 16 (SF_ 082 Self Report Update - Corrosion; SF_ 082 Att I -Corrosion Control Self-Report; SF_ 082 Att 2- Corrosion Program Summary).</p> <p>These follow-up questions are related to the Corrosion Program Summary. They are: 5.1 How many Can't Get In (CGI) locations are there in San Francisco? 5.2 Has PG&E gained access to each of the CGI locations? If not, how many locations still need to be inspected? 5.3 How many ofthe CGI locations had atmospheric corrosion that needed to be remediated? 5.4 For calendar years 2012 and 2013, how many locations were not in compliance with the maximum 39 month time interval where the cause was not a CGI?</p>	<p>5.1 There were approximately 19,000 CGI location in San Francisco during the 2012 or 2013 inspections 5.2 PG&E gained access to 2849 services during the 2012 or 2013 inspections 5.3 PG&E has not yet determined how many CGI locations, from the 2012 and 2013 inspections, had atmospheric corrosion that needed to be remediated. PG&E will provide an update once this information is available. 5.4 Approximately 6,000 meter locations missed the 39 month time interval during the 2013 inspections and were not attributable to CGI.</p>	N/A
AOC	6	<p>Title 49 CFR § 192.465(e) states: "After the initial evaluation required by§§ 192.455(b) and (c) and 192.457(b), each operator must, not less than every 3 years at intervals not exceeding 39 months. reevaluate its unprotected pipelines and cathodically protect them in accordance with this subpart in areas in which active corrosion is found. The operator must determine the areas of active corrosion by electrical survey. However, on distribution lines and where an electrical survey is impractical on transmission lines, areas of active corrosion may be determined by other means that include review and analysis of leak repair and inspection records, corrosion monitoring records, exposed pipe inspection records, and the pipeline environment. " Title 49 CFR § 192.603(b) states: "Each operator shall keep records necessary to administer the procedures established under § 192.605." This is also a follow-up to the corrosion issues identified in PG&E's response data request # 16 related to cathodically unprotected pipe (Item #6 from the SF_ 082 Att I - Corrosion Control Self-Report). The questions related to this self-identified violation are as follows: 6.1 Has PG&E created standards and procedures related to evaluation and monitoring of unprotected steel pipe? If so, please provide a copy of all relevant procedures. 6.2 Has PG&E completed its evaluation of unprotected steel pipe in the San Francisco Division? If not, when does PG&E expect to complete its evaluation? 6.3 How many steel sections in the San Francisco Division have been cathodically protected as a result of the evaluation? 6.4 How many steel sections have been replaced in the San Francisco Division as a result of the evaluation?</p>	<p>6.1 Attached is PG&E's TD-4181S, "External Corrosion Control of Gas Facilities." Section 6.5 is related to Unprotected Pipe. 6.2 PG&E has not completed its evaluation of unprotected steel pipe in the San Francisco Division. PG&E began its evaluation in 2014 with completion expected in 2016. 6.3 None yet. Once PG&E completes its evaluation remedial actions will be implemented as warranted 6.4 None yet. Once PG&E completes its evaluation remedial actions will be implemented as warranted</p>	SF_AOC6_TD4181S_CONF.pdf

2014 San Francisco Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	7	<p>Title 49 CFR §192.465(a) states: "Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463. 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 "[Underline Added]</p> <p>The follow-up questions are related to PG&E's response to data requests #13 and #14 from the audit.</p> <p>The questions are: 7.1 In its response to the data requests, PG&E indicates that the main reason for no previous reads is the Isolated Steel Service Program (ISSP) program. Does this mean that the 10%'ers were created (i.e., by installing a plastic main) greater than 10 years ago, less than 10 years ago, or a combination of the two? If it is a combination of the two, please identify which addresses from the two spreadsheets were created greater than 10 years ago. 7.2 Some rows from the 2012 and 2013 spreadsheets have no reads listed, instead they have N/A's listed across the rows. Does this mean that the 10%'ers no longer exist? Please explain.</p>	<p>7.1 PG&E is investigating which addresses may have been created greater than 10 years ago and will provide an update once the information is available.</p> <p>7.2 "N/A" indicates that the 10%'er no longer exists, because upon inspection, it was determined to have been previously replaced with a non-corrodible riser, or was removed from the database due to a duplicate entry.</p>	N/A