

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 28, 2014

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

GA2013-13

Subject: General Order 112-E of Pacific Gas and Electric Company's Mission 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) Mission Division (Division) from July 15-19, 2013. The audit consisted of a review of the Division's gas distribution and transmission system operations and maintenance records for the period of 2010-2012. SED also reviewed 2013 records where the maintenance was completed (i.e. Valve maintenance records, Cathodic protection records), as well as a representative field sample of the Division's facilities.

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 SED 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.

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
Regulatory Support, 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 Mission 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 the following Table.

SED notes that the Division corrected several of PG&E's internal audit findings and addressed others during their subsequent scheduled maintenance. Please provide updates on items that were still pending corrective actions as of the last day of the audit.

PG&E's Internal Audit Findings

	GO-112E Section or 49 CFR Part 192	Topic	# of Violations	# of Violations Corrected	# of Pending Corrections (as of 7/19/2013)
1	192.723(b)(1) and 192.723(b)(2)	Distribution Leak Survey (2010-2011) – Missed or Late Surveyed	58	58	0
3	192.605(a)	Distribution Leak Survey and Repairs (2010-2012) – Daily Leak Logs missing information, missing USA info	61	61	0
4	192.703(c)	Distribution Leak Repairs (2010-2012) - Late repair	160	160	0
5	192.481	Atmospheric Corrosion Monitoring (2010) – Not inspected, corrective action not completed	9	9	0
6	192.605(a) and 192.467	Casings not monitored annually	147	147	0
7	192.465(a)	10%ers (2010) – less than 10% of total population monitored in 2010	9	9	0
8	192.605(a)	Missing pre/post rectifier reads, no actions CPA resurvey conducted beyond 6-years, missing calibration records for P/S electrode	36	36	0
9	192.605(a) and 192.739(a)	Regulator station maintenance - working and standby runs not swapped during maintenance	1	1	0
10	192.605(a) and 192.747(b)	Valve Maintenance – inoperable valve not repaired or no alternate valve designated, valves requiring lubrication not lubricated, improper documentation of maintenance	4	4	0

PG&E's Internal Audit Findings Continued

	GO-112E Section or 49 CFR Part 192	Topic	# of Violations	# of Violations Corrected	# of Pending Corrections (as of 7/19/2013)
11	192.727 and 192.605(a)	Review of idle gas stubs not conducted to determine need	272	0	272
12	192.605(a)	Instrument calibration (2010-2012) – missing records	464	464	0
13	192.615 (e) and 192.605(a)	2010 Emergency Exercise – no record of attendees	1	1	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.”

- a) PG&E Procedure O-16 requires yearly monitoring of areas where a section of the distribution steel main is tied to a cathodic protection system using a locating wire. SED found that during the Division’s cathodic protection area (CPA) resurvey in 2009, it did not include the following locations as yearly monitoring locations per PG&E standard O-16 in the CPAs listed:

- CPA M26-2: Yearly locations on Castello Court and Telles Lane
- CPA M22-1: Yearly location on Olympia Fields Court

- b) PG&E Procedure O-16 states in part:

“Schedule CPAs for restoration on distribution and local transmission lines when the areas show P/S on-potentials to be below adequate levels of protection. Check and record rectifier readings on the “Standard Cathodic Protection Maintenance Report,” Attachment D, or in PLM before restoring a CPA...If the CPA restoration work is (or is expected to be) over 30 days, the “CPA Follow-Up Action Plan” form (Attachment B) must be used and developed within 30 calendar days from the date the CPA is found below adequate levels of protection, as defined by the current 49 CFR 192, Subpart I. Please note that action plans shall also be established and maintained for short-term remedial actions that are in place for over 30 days.”

The Division found CPA M12-4 to have an inadequate level of cathodic protection on 1/7/2012, but the Division did not have a properly documented CPA follow-up action plan containing supervisory acknowledgement and signature until 8/7/2012, seven months after it first discovered the inadequate cathodic protection level. The Division eventually restored the CPA on 2/4/2013.

- c) PG&E Standard S4110 requires a Grade 2+ leak to be repaired, cleared or downgraded, if applicable, within 90 calendar days.

During a routine leak survey, the Division found a Grade 2+ leak (Leak # 12-23047-1) on 7/21/2012. Division records showed the leak as 0.01% gas in air, which it detected 20 feet from a house over the service line. The Division classified the leak as a Grade 2+ due to its proximity to the house. However, the Division did not have records of repair or corrective action taken within 90 calendar days in accordance with their procedure. The Division eventually repaired the leak on 7/19/2013.

- d) PG&E’s TD-4110P-11-F03 Daily Leak Survey Log requires completion of the “Info Code” data field for leaks graded as 1, 2+, and 2 with a reading of 2% or less. The information code provides a general explanation for determining the leak criteria. SED reviewed the 2012 leak logs for Plats 20B-16, 20-C6, 20-C10, 20-C12, 20-D05, 20-D07 and found leaks that the Division graded as either 1, 2+, or 2 and with readings of 2% or less of gas in air that were missing the information code.

2. 49 CFR § 192.465(a) states in part:

“Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months...”

CPA M26-4 has a section of steel main on Vargas Road that the Division cathodically protects with galvanic anodes. The Division did not have any records to demonstrate cathodic protection monitoring for this section of steel main.

3. General Order 112-E Rule 143.1 states:

“Leakage Surveys and Procedures – A gas detector survey must be conducted in business districts and in the vicinity of schools, hospitals, and churches, including tests of the atmosphere in gas, electric, telephone, sewer and water system manholes, at cracks in pavement, and sidewalks, and at other locations providing opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.”

SED found the 2012 annual distribution leak survey of Plat 13D12 does not include the services to a business district at the intersection of Hesperian Avenue and Tennyson Avenue, and a Kaiser hospital on Sleepy Hollow in Hayward.

Furthermore, the Division must review its distribution leak survey plats to ensure that all services in business districts, schools, hospitals, and churches are leak surveyed annually as required by General Order 112-E. The Division must also remind the leak surveyors to notify appropriate Division personnel of any map changes or updates observed while conducting leak surveys as stated in PG&E’s standard S4110.

4. 49 CFR Part 192.709 states in part:

*“Each operator shall maintain the following records for transmission lines...
(b)The date, location, and description of each repair made to parts of the pipeline system other than pipe must be retained for at least 5 years...”*

The Division found leak # 11-30274 during its 2011 transmission leak survey, which it documented on the sequence sheet instead of the leak log. During the audit, the Division personnel mentioned that since the leak was in a regulator station it was likely eliminated during a routine maintenance. However, the Division does not have records to demonstrate completion of the repair.

5. Title 49 CFR 192.703(c) states:

“Hazardous leaks must be repaired promptly.”

Title 49 CFR 192.603(b) states:

“Each operator shall keep records necessary to administer the procedures established under 192.605.”

The Division initially found a leak at 20175 San Miguel Lane in Castro Valley on 6/29/2010 (Leak #10-20298-1) during its leak survey. The Division leak surveyor graded the leak as Grade 1 due to its proximity to a housing structure. The Division eventually downgraded the leak about three hours later on the same day, noting that the leak was on the customer's houseline.

The Division did not have records to demonstrate that it conducted a gas leak investigation in accordance to its work procedure WP6434-01 Gas Leak and Odor Investigation¹ which describes PG&E Gas Service Representative's (GSR) responsibility for responding to and investigating gas leaks². Additionally, the Division did not have records to show that it had informed the customer about the leak as required by its procedure, or that a subsequent recheck was conducted to verify that a corrective action was taken either by the customer or the Division.

Subsequent to the SED audit, the Division contends that WP6434-01 does not contain a record-retention requirement. However, without these records or any record of a follow-up leak survey demonstrating corrective action taken to address the hazardous leak, the Division cannot provide assurance that it corrected the Grade 1 leak.

C. Field Review

1. SED found a high pressure regulator at 7010 Niles Canyon Road in Sunol which is located in an area close to a private roadway frequently traversed by motor vehicles that needed protection. Subsequent to the audit, the Division provided photos showing that it installed protection for the regulator which satisfies SED's audit field review finding.
2. SED observed that the service regulator vent at 580 Joaquin Avenue in San Leandro needed a protective screen to avoid dirt or debris from entering the regulator. Subsequent to the audit, the Division provided a copy of the work order for the installation of a regulator vent screen and possible re-positioning of the regulator vent. Please provide status of the corrective work.

¹ Issued/Updated June 2009

² GSRs tracked their leak investigations using the Field Automation System (FAS).