

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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May 8, 2015

GI-2015-03-PGE15-02A

Mr. Sumeet Singh, Vice President (s1st@pge.com)
Pacific Gas and Electric Company
Gas Asset and Risk Management
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

SUBJECT: General Order 112-E Gas Inspection of PG&E's Fresno Division

Dear Mr. Singh:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Joel Tran and Jason McMillan conducted a General Order 112-E inspection of Pacific Gas & Electric Company's (PG&E) Fresno Division (Division) from March 2-6, 2015. The inspection included a review of the Division's operation and maintenance records including corrosion control for the years 2013 through 2014, as well as a field inspection of a representative sample of the Division's facilities. SED staff also reviewed the Division's operator qualification records, which included a 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.

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 Joel Tran at (916) 928-9838 or by email at joel.tran@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth Bruno" with a date "5/8/15" written below it.

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

cc: Larry Berg, PG&E Gas Regulatory Support (lmb5@pge.com)
Larry Deniston, PG&E Gas Regulatory Support (lcd1@pge.com)
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SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Inspection Findings

At the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the 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 all of its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review.

Table 1: Findings from PG&E's Internal Review

Code	Finding	Instances
192.605(a)	Late or Missing CP readings	6
192.605(a)	Late or Missing Rectifier maintenance	7
192.605(a)	Late, Missing, or incomplete Action Plans	6
192.465(a)	Inadequate number of 10%er readings	1

B. SED Findings

1. 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."

1.1 PG&E's Procedure O-16, Corrosion Control of Gas Facilities, p.7, Section E states:

"Rectifiers shall be monitored and maintained per Table 1 on Page 7."

Table 1 states that Distribution and Local Transmission rectifier monitoring should take place annually, where annually is defined as once each calendar year with intervals not to exceed 15 months. The Division did not perform an inspection of the following rectifier annually.

- Rectifier #448 in CPA 3868-03 was inspected on March 11, 2013 and subsequently on June 12, 2014, over 15 months apart.

1.2 PG&E's Procedure O-11.1, Cathodic Protection Rectifiers, Installation and Purchasing Data, p.2 states:

"16. Complete the "Pole-Mount/Pedestal-Mount Rectifier Test and Site Evaluation Form" (Attachment A) or "Underground Rectifier Test and Site Evaluation Form" (Attachment B) before closing the job."

The Division did not document on Site Evaluation Forms when the following rectifiers had been installed:

- Rectifier #551 in CPA 3803-07 installed between 2014 and 2015
- Rectifier #488 in CPA 3868-40 installed between 2013 and 2014
- Rectifier #622 in CPA 3869-15 installed between 2013 and 2014
- Rectifier #513 in CPA 3869-17 installed between 2013 and 2014
- Rectifier #237 in CPA 3869-24 installed between 2013 and 2014
- Rectifier #264 in CPA 3869-45 installed between 2013 and 2014

2. Title 49 CFR §192.491(c) states:

"Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465 (a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service."

The Division was unable to provide inspection records for the following rectifiers:

- Inspection records prior to 2014 for Rectifier #385 in CPA 3803-03

- Inspection records prior to 2014 for Rectifier #423 in CPA 3803-10
- Inspection records prior to 2014 for Rectifier #520 in CPA 3803-11
- Inspection records prior to 2014 for Rectifier #195 in CPA 3868-12
- Inspection records prior to 2014 for Rectifier #368 in CPA 3869-23

3. Title 49 CFR §192.475(b) states:

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

The Division removed a portion of its steel pipeline, but did not conduct an inspection on the internal surface during the following leak repairs:

- Leak#109962157 (Pilot A-Form) found on 12/19/2014
- Leak#70-14-30107-B (A-Form) found on 02/25/2014

II. Areas of Concern / Recommendations

1. As part of the records review, the Division provided SED with printed electronic records from the SAP system for various maintenance activities. In some instances, SED found the electronic records to be incomplete or containing incorrect information. The Division explained that some of the errors were transcription errors during data entry. Fortunately, during this inspection the Division also had hand written paper records as evidence to substantiate the correct information. PG&E must ensure that when using electronic records as the official records for future inspections, the data is validated to ensure completeness and accuracy. Instances of incomplete or incorrect electronic records include:
 - Action Plans for the CP Maintenance Report of Pipe-to-Soil readings. The Division explained to SED that the dates listed in the Action Plans did not correspond to when the mechanic completed work, but instead, represent when a clerk entered in the information into the Action Plan. SED did not record specific examples as this seems to be a systemic problem rather than an isolated incident.
 - Casing readings for Line 1213-01 MP 1.52 in 2014
 - Location of pipe-to-soil read, formerly 8990 W North E/S Westlawn, Fresno
2. During SED's field verification of pipe-to-soil readings, the Division recorded pipe-to-soil readings that did not meet the -850 mV criteria required by PG&E's Standard O-16 and 49 CFR Part 192, Appendix D.

Location	Type	P/S reading
Westlawn and Muscat, Fresno	Bi-Monthly	-743mV
806 S Garfield, Fresno	Bi-Monthly	-664mV
2242 Arrants, Selma	Bi-Monthly	-760mV
2225 Arrants, Selma	Bi-Monthly	-591mV
Sanger Meter Station, Sanger	Bi-Monthly	-475mV
3072 E Simpson, Fresno	Bi-Monthly	-824mV

Please provide SED a status report on the cathodic protection at these locations.

3. During SED's field verification of rectifiers, Rectifier #447 in CPA 3868 was found with an output reading of 0 Amps.