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July 13, 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 Humboldt Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E’s Humboldt Division from April 27 through May 1, 2015. On June 11, 2015, SED issued its audit report summarizing its inspection findings. Attached is PG&E’s response to the SED audit report.

Please contact Glen Allen at (925) 244-3388 or gmad@pge.com for any questions you may have regarding this response.

Sincerely,

/S/  
Larry Deniston

Attachments

cc: Alin Podoreanu, CPUC  
Dennis Lee, CPUC

Mike Falk, PG&E  
Sumeet Singh, PG&E

2015 Humboldt Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	SED's Finding	Response	Associated Attachment (File Name)
NOV Internal Findings	A	<p>“Prior to the start of the inspection, PG&amp;E provided SED its findings from the internal review it conducted of the Division. Some of PG&amp;E’s internal review findings are violations of PG&amp;E’s operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR) §192.13(c) or §192.605(a). Table 1 lists all of the violations that PG&amp;E noted.”</p>	<p>All corrective actions associated with the Internal Review findings provided for the Humboldt Division CPUC audit have been completed. Please refer to Attachment 1 - Internal Inspection Findings (excerpt from SED’s June 11, 2015 Humboldt Division Inspection Letter), and Attachment 2 - Humboldt Division Internal Review, indicating the findings, corrective actions taken, and the closure date.</p>	<p>Att 1_Internal Inspection Findings.pdf Att 2_ Humboldt Division Internal Review_CONF.pdf</p>
NOV	B.1	<p>“SED reviewed construction records for the service line and main at 1442 G Street in Eureka. Construction records indicated the steel service line became isolated after a plastic main was installed in 1976. The Division failed to provide records to demonstrate it monitored the isolated steel service line in accordance with Title 49 CFR §192.465(a) between 1976 and 2015.”</p>	<p>PG&amp;E has replaced the service line (PM # 31152291) on May 12, 2015. See Attachment 3 for the Gas Service Record.</p>	<p>Att 3_PM31152291GSR_CONF.pdf</p>
NOV	B.2	<p>“Cathodic protection records indicate that L-177A has no monitoring points between mile points (MP) 102.52 and 150.5. The Division failed to demonstrate it has sufficient test stations to determine the adequacy of cathodic protection required under Title 49 CFR §192.469. PG&amp;E informed SED that it has initiated a system-wide program to evaluate and improve cathodic protection monitoring on its transmission system and plans to install additional monitoring locations on L-177A.”</p>	<p>L-177A has been routinely monitored with the existing cathodic protection (CP) monitoring locations and no significant cathodic protection deficiencies have been found. This pipeline also received an In-Line Inspection assessment in 2011 and no external corrosion immediate anomalies were found.</p> <p>PG&amp;E is nevertheless committed to enhancing and improving its monitoring abilities for this pipeline. In 2015 PG&amp;E launched a system-wide five-year planned program to evaluate and improve CP monitoring on its transmission system. PG&amp;E will prioritize the monitoring of transmission pipelines with the greatest difference between pipeline mileage and existing CP monitoring points.</p> <p>Based on this criterion, PG&amp;E has already selected L-177A for installation of over 150 additional CP monitoring points. PG&amp;E plans to begin installation for 40 to 60 CP monitoring locations on L-177A in November 2015 between MP 0.0 through MP 191.3, and provisionally plans to install the remaining locations in 2016, pending land and environmental permitting.</p>	<p>N/A</p>

2015 Humboldt Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	SED's Finding	Response	Associated Attachment (File Name)
NOV	B.3	"Division failed to provide internal corrosion inspection records for leak repair numbers #3512503571, #3514300591 and #3614300331."	<p>a) Internal inspections were not documented on A-forms for leak number 3512503571 (PM #31052533) and leak number 3614300331 (PM #31068816). See Attachment 4 "Leak3512503571_A-Form_CONF.pdf" and Attachment 5 "Leak3614300331_A-Form_CONF.pdf." To prevent reoccurrence, tailboards were held throughout the Division on 5/5/15, 5/8/15, and 6/4/15. Crew leads reinforced that any pipe that is removed must be inspected for internal corrosion and the inspection results must be recorded on the hard copy A-Form or in Mariner under "Pipe Condition." See Attachment 6 - "Tailboard" for Tailboard documentation.</p> <p>In addition, PG&amp;E published new internal corrosion guidance documents (consisting of one new internal corrosion control standard and five new internal corrosion control procedures) in July 2014, with an effective date of January 1, 2016. Please see Attachment 7 "TD-4186S_CONF.zip" for a copy of PG&amp;E's internal corrosion standard ("TD-4186S_CONF.pdf") and the five associated procedures ("TD-4186P-100_CONF.pdf" through "TD-4186P-500_CONF.pdf"). PG&amp;E also is currently revising the existing internal corrosion inspection instructions (Job Aids). The revision will be completed by September 2015 and implemented by December 2015, and will enhance the internal processes used to review internal corrosion inspection data and make other improvements. PG&amp;E is also currently evaluating potential changes to the A-Form to improve work processes.</p> <p>A Corrective Action Program (CAP) Notification (7012817) has also been generated to develop a 5 Minute Meeting to inform personnel in all Divisions of the need to fill out the Internal Inspection portion of the A-form whenever the inside surface of the steel pipe is visible, and also to reinforce that all employees qualified for 03-05, ("Pipe Inspection"), are qualified to perform this inspection. Planned completion and implementation is estimated for 3rd quarter 2015.</p> <p>b) An internal inspection of leak number 3514300591 (PM #42160142) was performed and documented on a hard copy A-form but not transferred to SAP. SAP has now been updated to reflect this information. See Attachment 8 "Leak3514300591_A-Form_CONF.pdf" (hard copy of A-form) and Attachment 9 "SAP_PM42160142_CONF.pdf" (SAP screen shot).</p>	<p>Att 4_Leak3512503571_A-Form_CONF.pdf                      Att 5_Leak3614300331_A-Form_CONF.pdf                      Att 6_Tailboard_CONF.pdf                      Att 7_TD-4186S_CONF.zip                      Att 8_Leak3514300591_A-Form_CONF.pdf                      Att 9_SAP_PM42160142_CONF.pdf</p>
AOC	C.1	"A Pipe-to-Soil potential of -756mV was found at 227 Clark Street, Eureka during the field inspection."	On May 14, 2015 a corrosion mechanic installed an anode at this location and took a pipe-to-soil reading of -884mV. See Attachment 10 (work ticket) and Attachment 11(SAP screenshot of pipe-to-soil reading).	Att 10_PM42380324_WorkTicket_CONF.pdf Att 11_PM42380324_Reading_CONF.pdf
AOC	C.2	"During the field inspection, SED found that exposed span FC02 in Scotia was missing line markers."	On April 29, 2015 (during the field inspection), PG&E installed pipeline stickers to exposed span FC02 in Scotia. See Attachment 12 "FC02 Scotia.JPG" for a photo.	Att 12_FC02 Scotia.JPG
AOC	C.3	"During the field inspection, SED found that the line marker along exposed span AC29 in Arcata was missing the operator telephone number."	<p>The SED observed only a partial sticker on AC29. The intact sticker would have included the operator telephone number. See Attachment 14 "Intact Sticker.jpg" for the intact version of the pipeline sticker found on exposed span AC29.</p> <p>On April 30, 2015 (during the field inspection), PG&amp;E installed pipeline stickers with emergency contact information on the exposed span. See Attachment 13 "AC29 G St Arcata.JPG" for a photo.</p>	<p>Att 14_Intact Sticker.jpg                      Att 13_AC29 G St Arcata.JPG</p>