

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 13, 2015

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

GI-2015-06-PGE07-02A

SUBJECT: General Order 112 Gas Inspection of PG&E's De Anza Division

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a Corrosion Control inspection of Pacific Gas & Electric Company's (PG&E) De Anza Division (Division) on June 8-12, 2015.<sup>1</sup> The inspection included a review of the Division's corrosion records for the period of January 1, 2013 through June 8, 2015, as well as field visits with corrosion technicians. The technicians were observed while performing Covered Tasks.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those particular records and facilities that SED inspected during the inspection.

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 Fred Hanes at (415) 703-5264 or by email at [fred.hanes@cpuc.ca.gov](mailto:fred.hanes@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

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

Enclosure: Summary of Inspection Findings

<sup>1</sup> General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

cc: Mike Falk, PG&E Gas Compliance  
 Larry Deniston, PG&E Gas Regulatory Compliance

**SUMMARY OF INSPECTION FINDINGS**

**I. Probable Violations**

A. PG&E's Internal Audit Findings

<b>Topic</b>	<b>Code Violation</b>	<b>Finding(s)</b>	<b>Instances</b>	<b>Completed</b>
2014 Rectifier Yearly and Bimonthly Maintenance	192.605(a)	High ground resistance reading required installation of second ground rod at CPA 3410-21	1	Yes
		A written action plan developed and in file for all corrective work requiring more than 30 days to complete was not done one time. CPA 3348-10, 3349-14	2	Yes
		Missed yearly read CPA 3411-37	1	Yes
2014 10%er Reads	192.465(a)	Missed 10% read req't, only 8.46% read; 285 read out of 337 required.	52	Yes
2013 Rectifier Yearly and Bimonthly Maintenance	192.605(a)	No post-restoration rectifier reads in CPA 3411-21	1	Yes
		Action Plan Not Reviewed Every 30 Days CPA 3476-06	1	Yes
		Missing Action Plans for areas down over 30 days in CPAs 3474-03; 3411-32; 3411-21	3	Yes
	192.473	Rectifier output not within interference limits in CPAs 3349-03, 3350-02, 3412-24, 3350-11, 3350-13, 3410-02, 3411-04	7	Yes
2013 Resurvey	192.605(a)	13 resurveys were performed in 2013; only 11.1% of the total 117 candidates. De Anza Division did not meet the minimum requirement of 12%.	1	Yes
2013 10%er Reads	192.465(a)	No action for reads that fail -850 mV: 42638903; 42638985; 42638995.	3	Yes
	192.465(a)	Missed 10% read req't, only 8.88% read; 302 read out of 340 required.	38	Yes
	192.605(a)	No written action plans for 10%ers down or missed in 2014	3	Yes

2013 OQ	192.805(b)	Tech. not OQ'd for Leak Survey	1	Yes
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2013 Reg. Station	192.605	Information on operating diagrams doesn't match data sheets for stations C42; C04; A28; B42; C16.	5	Yes
		Class "B" Reg. Station Inspection not completed.	1	Yes
		Pressure Chart Recorder calibration not checked or not documented for stations C42, B32, D/24, B04, A24.	5	Yes
2013 Valve Maint.	192.747	Valve Maintenance missed or late for 10.D3A Emer. Valves Jan-March; 50-F3C Emer. Valves Jan-March	2	Yes

## B. SED Findings

### 1. Title 49 CFR §192.465(d) states:

*"Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring."*

SED found that an Annual CP Area in Cupertino, CPA 3410-21, was identified as down during the annual reading on March 8, 2012, and was not restored until August 23, 2013.

SED examined the Corrective Action Plan and saw that restoration was delayed for nine months while waiting for Engineering to secure a construction permit to install new anodes. After nine months without progress, a corrosion tech chose to perform intensive trouble shooting and discovered (from review of an old as-built drawing) that this portion of the pipeline had been electrically isolated in 1972 with a Kerotest insulator; thus the area should have been identified as a "10%-er" that could be cathodically protected by simple hand installation of drivable anodes (not requiring a permit for a deep well).

Protection of the isolated area was restored by driving in new anodes by hand. If the decision to troubleshoot or a review of the as-built drawings had been performed earlier, the CP area could have been brought up promptly. PG&E is in violation of 49 CFR §192.465(d).

### 2. Title 49 CFR §192.475(b) states in part:

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

During the records review, SED found that during repair of leak #12305841 at 1039 Sladky Avenue in Mountain View on 9/18/2012, the technician did not check the box on

the A-Form or enter a comment to indicate that the internal pipe condition had been examined. PG&E is in violation of 49 CFR §192.475(b).

## **II. Areas of Concern/ Observations/ Recommendations**

### **1. ATMOSPHERIC CORROSION**

a. During the field visit, SED observed scaling at the following meter locations:

- 4955 Bel Escou Dr. San Jose - Riser
- 4965 Bel Escou Dr – Bottom part of riser (soil-to-air transition)

- SED recommends that PG&E examine the risers at the above locations and take corrective actions, as needed, to prevent further atmospheric corrosion.

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b. During the inspection, SED requested a copy of the Division's Atmospheric Corrosion Records. A binder was provided which appear to contain the 2012 Quality Control report of the Atmospheric Corrosion work performed by PG&E's contractors. The binder contained some plats covering some portions of the Divisions in which quality check of the PG&E's contractors was conducted. According to Division representative, the complete 2012 Atmospheric Corrosion binder cannot be located and may have been retained at another location. Thus, SED was able to review only those plats that were in the QC binder for compliance with 49 CFR §192.481(a).

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- PG&E should ensure that complete records of Atmospheric Corrosion monitoring are made available during future SED inspections.

### **2. PIPE-TO-SOIL READS**

During the field visit, SED observed readings that did not meet the -850 millivolt criterion at:

- 265 Santa Rosa Ave. (-0.730),
- 495 Margo Dr (-0.801),
- 1175 Altamead (-0.797).

Please describe corrective action(s) taken to restore cathodic protection at these locations.

### **3. ISOLATED STEEL SECTIONS**

SED's review of 2012 CPA Action Plan for CPA 3349-10 found an identified isolated steel section of pipe (10%er) at 1631 Ernestine Ln in Mountain View. This location was identified in September 2012 during a PG&E's contractor's survey of isolated steel services. However, this location was not entered into SAP until it was brought up by SED on 6/11/2015. SED is concerned that PG&E's review of the CPA Action Plan failed to capture the field personnel's

discovery of the condition, which should have prompted the addition of this location to PG&E's 10%er's list.

Please describe action(s) planned or taken by PG&E to ensure that all known isolated steel sections of pipe (10%ers) are accounted for and entered into PG&E's database for scheduling and maintenance.

#### 4. LEAK REPAIR

PG&E identified and repaired an external corrosion leak (Leak# 8014300721) with a full circle clamp on 1/27/2014 at 135 Acalanes Drive in Sunnyvale. The repair record noted that a full service replacement form has been completed. SED reviewed the work order which shows that this location is scheduled for construction on 6/30/2015. Please provide a status update on the replacement work and if completed, provide record(s) to show completed work (i.e. Gas Service Record, A-form).

#### 5. CASING POTENTIAL

During the field inspection, pipe-to-soil readings were taken at Casing #13 in CPA 3349-19, MP 1.22. The readings on the casing wire and vent pipe were -18 and -17 millivolts, respectively. Those readings were significantly more positive than typical native potentials, possibly indicating that the true casing voltage could not be measured accurately. Please investigate the casing potential and provide a status update to confirm there is adequate isolation between the pipe and casing at this location.