

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 29, 2016

GI-2015-08-PGE01-02A

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

SUBJECT: General Order 112 Gas Inspection of PG&E's East Bay Division

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112 inspection of Pacific Gas & Electric (PG&E) Company's East Bay Division (Division) from August 31 through September 4, 2015.<sup>1</sup> The inspection included a review of the Division's records for the period of 2014, as well as a representative field sample of the Division's facilities in the cities of Oakland, Richmond, Berkeley, Emeryville and Hercules. SED staff also reviewed the Division's operator qualification records, which included 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. The Summary reflects only those particular records and pipeline facilities that SED inspected during the audit.

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 Sikandar Khatri at (415) 703-2565 or by email at [Sikandar.Khatri@cpuc.ca.gov](mailto:Sikandar.Khatri@cpuc.ca.gov).

Sincerely,

Kenneth Bruno - Program Manager  
Safety and Enforcement Division

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

Enclosure: Summary of Inspection Findings

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

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

## SUMMARY OF INSPECTION FINDINGS

### I. Probable Violations

#### A. PG&E's Internal Audit Findings

Prior to the start of inspection, PG&E provided SED its finding from the internal review it conducted of East Bay Division (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), §192.13(c) or §192.605(a). SED is aware that PG&E corrected some of its findings prior to SED's inspection. For those items not corrected prior to the inspection, please provide an update on PG&E's progress to complete the corrective actions.

Table 1 lists all of the corrosion related violations from PG&E's internal review.

**Table 1:** PG&E's Internal Review

<b>Code Section</b>	<b>Asset Type</b>	<b>Year: # of Non-Compliance(s)</b>	<b>Finding Description</b>	<b>Corrective Action</b>	<b>Remediation Date</b>
192.605 (a)	Bimonthly/ Yearly/ Annual	2014: 137	Action Plans Present But not updated every 30 days	Found during recent deep dive document comparison review. Begin utilizing compliance report to track pending maintenance and document progress in more timely manner	12/31/2015
		2015: 31	Missing Action Plans		
		2014: 4	CPA Down Over 15 months		
		2015: 1	Late Maintenance		
2014: 14					
2014: 3					
192.605 (a)	10%ers	2014: 127	Isolated Steel 10% read below - 850 with missing action plans or action plans not updated every 30 days	None. Upon identification, CP had already been restored. Found during recent deep dive document comparison review. Begin utilizing compliance report to track pending maintenance and document progress in more timely manner	8/17/2015
192.605 (a)	Casings	2014: 10	Casings Not Monitored Annually	Validate in the field. Validate correct maintenance type and maintenance plan	8/31/2015

192.605 (a)	Instrument Calibration	2014: 7	Reference Electrodes Not Checked Quarterly	Potential Findings, still validating	
		2014: 6	Multimeters Not Checked Annually		

## B. SED Findings

### 1. Title 49 CFR §192.605 states in part:

*(a) 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... ”*

*(b) Maintenance and normal operations.*

*The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.*

*(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part... ”*

#### **1.1 Internal surface not inspected**

Title 49 Code of Federal Regulations §192.475 (b) states that:

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

PG&E Standard TD-4186S, Section 1.2 (1) states:

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

SED staff reviewed leak repair forms (A-forms), and it was observed that for the following leak numbers, the ‘internal inspection’ part of the forms was not filled:

Leak #: 2814841561, 2614411981 and 2814841821

#### **1.2. Annual Location not monitored**

Title 49 Code of Federal Regulations §192.465 (a) states that:

*“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. ... ”*

PG&E Standard TD-4181S, Section 6.3 (2), “Annual P/S monitoring” states that:

*(a) Galvanically protected isolated distribution and local transmission piping segments that are over 100 feet long, but less than or equal to 8 blocks of steel main or 1 mile of steel main must be monitored as follows:*

*(1) Monitoring Frequency: P/S monitoring tests must be conducted at least once each calendar year, but with intervals not exceeding 15 months to the date. ...*

SED found that for CPA area C7-31, there were two Annuals on the map; however, only one location at 2683 Monterey Blvd., Oakland was being monitored. PG&E later through email dated 09/18/2015 informed that it has been tied to rectifier and therefore now it will be monitored as a yearly location. Please verify the same, and provide a recent Pipe-to-Soil (P/S) read.

### **1.3. Meter Protection**

Title 49 Code of Federal Regulations §192.353 (a) states that:

*“Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage, including, if installed outside a building, vehicular damage that may be anticipated ...”*

SED staff during field visit observed that meter sets at locations 9910 E St. and 9920 E St., Oakland (CPA area, C10-15 REC) needed protection against vehicular damage.

## II. Areas of Concern/ Observations/ Recommendations

### 1. CP criteria not met– field visit

SED during field visit found that the following locations had low P/S values and some other issues as mentioned. Please provide an update on remedial measures taken to address low P/S values and other issues.

Address	Read Type	Field P/S Reading (mV) and comments
C5-10 ANN, 42056399, 3815 SAN PABLO AVE, OAKLAND, Annual ETS	Annual	-606 mV
C7-10A ANN, 42722124, 4520 MONTGOMERY, OAKLAND, Annual ETS	Annual	-618 mV
C10-13 ANN; 43236660, 10114 LONGFELLOW AVE, OAKLAND, Annual ETS, (INSV on 11/26/2014 );	Annual	-755 mV
43175270, 1790 POST, SAN PABLO, Annual ETS, (INSV on 02/19/2014 )	Annual	There was no house with address 1790 Post. <b><u>Hence, records were not accurate.</u></b> We checked 1740 Post but it has a plastic service. Read was taken on ETS in front of 1740 Post, it was -709 mV. <b><u>It failed to meet the required criteria of -850mV.</u></b>
C10-15 REC, 42042154, 9910 E ST, OAKLAND, Bi-Monthly ETS	Bimonthly	Reads were -528 mV at 9910 E St. and -550 mV on 9920 E St. <b><u>Reads are Low.</u></b>
C7-30 REC, 42047338, 30 RAMONA, PIEDMONT, Bi-Monthly ETS	Bimonthly	P/S read <b><u>low</u></b> and <b><u>fluctuated</u></b> between -835 to -905 mV
C7-61 REC; 42721454, 2215 BRAEMER, OAKLAND, Bi-Monthly ETS, (INSV on 09/22/2011 )	Bimonthly	P/S read was -368 mV. Another read was taken at 2200 Breamer, it was -400 mV. <b><u>Reads are Low.</u></b>
42003742, 969 CURTIS ST, BERKELEY, Bi-Monthly ETS, (INSV on 10/08/2007 )	Bimonthly	P/S read -725 mV. <b><u>Read is Low and Meterset also needs paint</u></b>
42002656, 1341 JOSEPHINE ST, BERKELEY, Bi-Monthly ETS, (INSV on 10/08/2007 )	Bimonthly	PG&E staff after looking at the location on site, mentioned that it has changed to plastic but <b><u>records have not been updated.</u></b> It has

		changed to Plastic. Read was taken at 1330 Josephine which fluctuated between -750 to -950 mV. Read was also taken at 1331 Josephine which fluctuated between -790 to -810 mV). Therefore, <b><u>Low</u></b> and <b><u>fluctuating</u></b> reads.
43172614, 1500 MARIN, BERKELEY, Yearly ETS, (INSV on 02/06/2014 )	Yearly	P/S read -515 mV. <b><u>Low read</u></b>
42719219, 1103 HIGH CT, BERKELEY, Yearly ETS, (INSV on 08/30/2011 )	Yearly	PG&E staff after looking at the location on site, mentioned that it has changed to plastic but <b><u>records have not been updated</u></b> . Read taken on ETS, which was -809 mV, which is <b><u>low</u></b>
1426 Sherman St. Alameda	10%er	P/S read -806 mV. <b><u>Low read</u></b>

For the above, please provide update on:

- (a) Measures taken to address low P/S reads
  - (b) Reasons for not updating the records, such as the status of each service line to plastic (for those mentioned above), and action taken
  - (c) Painting of the meter set (where pointed out above)
  - (d) Results of investigation of the fluctuating reads and measures taken to address it
2. During field inspection, a resident of 1068, 66<sup>th</sup> Street Oakland brought attention to PG&E and SED staff about inappropriate location of shut off valve on meter set. PG&E assured resident to take care of it. Please provide an update.
  3. During records review, SED staff observed that the electronic records provided for the CPA area C9-2 shows the name of city as "Oakland". However, all the information pertains to the city of Alameda. A correction in the record will avoid confusion and possibility of mishaps.
  4. SED reviewed Atmospheric Corrosion (AC) records for meter sets. It was observed that in addition to monitoring atmospheric corrosion, staff provides additional information in the form of comments. Please provide information that who is responsible for reviewing and taking remedial measures for these comments (if needed). What is the timeframe for addressing the safety situations such as:
    - (i) Buried risers
    - (ii) Vents inside, and others

In addition, SED made following observations:

- (a) A number of meter set inspections had status “Can’t Get In (CGI)”. Please provide information on steps taken to address such cases since if the CGI status remains for a longer time and it exceeds 39 months inspection timeline, it will be a violation of Title 49 Code of Federal Regulations, §192.481. What measures are taken to avoid such a condition?
  
- (b) The electronic file provided for Richmond District showed comments such as “Buried Riser” for a number of meter sets, examples are:
  - 610 ADAMS ST, ALBANY
  - 706 CERRITO ST, ALBANY
  - 831 CERRITO ST, ALBANY
  - 721 GATEVIEW AVE, ALBANY, and othersPG&E in a follow up email provided information that some of the above has already been fixed. Please provide the dates of findings together with the dates the remedial actions took place.
  
- (c) The electronic record for Richmond District also had following comments:
  - 816 STANNAGE AVE, ALBANY, (unable to verify reg venting inside cabinet cannot open cabinet door)
  - 419 ASHBURY AVE, EL CERRITO (Reg vent inside)

Please provide an update on the status. Please provide the dates of findings together with the dates the remedial actions took place.

(5) SED observed a high Pipe-to-Soil potential of -1710 mV at 100’ East of Sycamore Ave and Palm Ave, Hercules. PG&E explained that since the contractor, Corpro was working on the pipe at the time of read, probably the reading is high for that reason. Please verify that read meets the specified criteria outlined in PG&E procedure after restoration of the rectifier to normal settings.

(6) PG&E provided information that the gas pipeline from Oakland to Alameda at High street is under consideration for the replacement, and will be in design phase during 2016. Please provide an update on this project.