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December 30, 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 Audit – PG&E’s San Francisco Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112 audit of PG&E’s Sacramento Division from August 3-7, 2015. On November 30, 2015, the SED submitted their audit report, identifying violations and findings.

As an initial matter, PG&E respectfully objects to the extent the letter contemplates duplicative statutory, regulatory, or other alleged violations, and thus potentially duplicative penalties, premised on the same underlying facts as any other incidents or allegations, including those to be addressed in the current Gas Distribution Recordkeeping OII, I.11-02-016. PG&E also reserves the right to assert any and all applicable factual and legal defenses to the incidents or to related findings and allegations by SED.

Notwithstanding these objections and reservations, PG&E submits Attachment A in response to the November 30, 2015 letter.

Please contact Cheryl Dizon at (925) 328-5721 or c1dz@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Michael Falk

Attachment

cc: Wai Yin (Franky) Chan, CPUC
Aimee Cauquiran, CPUC
Dennis Lee, CPUC

Larry Deniston, PG&E
Sumeet Singh, PG&E

2015 San Francisco Division CPUC Audit Responses

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Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV Internal Findings		<p>Prior to the start of the audit, PG&E provided SED its findings from the internal review it conducted of San Francisco 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). Table 1 lists all of the violations from PG&E’s internal review.</p> <p>SED is aware that some of the items may have been completed by the time of this letter. Please provide an update on the corrective status on the items that were pending as of August 7, 2015.</p>	<p>One item was pending as of August 7, 2015.</p> <p>With regards to the missed annual “A” maintenance at a Low Pressure System Relief (LPSR) in 2014, the proposed action to prevent reoccurrence stated "Asset Strategist is currently working through all requests for work to ensure completeness of maintenance records" with a completion date of 12/31/2015.</p> <p>All work associated with adding this LPSR to a Maintenance Plan for future maintenance is complete per Reference Notification 107201380.</p>	N/A
NOV	1.1	<p>1. Title 49 CFR §192.605(a) states in part:</p> <p>“Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”</p> <p>1.1 Gas Standard O-16, Section 6(A), Cathodic Protection Restoration for Distribution and Local Transmission, states in part:</p> <p>“If the [Cathodic Protection Area (CPA)] restoration work is (or is expected to be) over 30 days, the “CPA Follow-Up Action Plan” form must be used and developed within 30 calendar days from the date the CPA is found below adequate levels of protection...”</p> <p>In reviewing the Division’s corrosion records, SED discovered the Division did not develop a “CPA Follow-up Action Plan” for CPA 2324-B within 30 calendar days from 12/5/2013; when the CPA was found to have below adequate level of protection. The Division restored CPA 2324-B on 3/24/2014.</p>	<p>In 2014, PG&E automated the corrective notification creation of CPA Follow-Up Action Plans and work tickets to monitor open plans. This will help ensure CPA Follow-Up Actions Plans are created and updated timely and in accordance with PG&E’s procedures</p>	N/A

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NOV	1.2	<p>1. Title 49 CFR §192.605(a) states in part:</p> <p>“Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”</p> <p>1.2 Utility Procedure TD-4133P-01, Section 2, Monitoring, Troubleshooting, and T&R Restoration, states in part:</p> <p>“Monitoring, Troubleshooting, and T&R Restoration work consists of a number of steps as follows... B.CP.6 – The operating clerk receives the completed work ticket and job package, and enters all applicable readings and comments into SAP.”</p> <p>In reviewing the Division’s corrosion records, SED discovered the Division did not update its SAP database to reflect the addition of a new annual Cathodic Protection (CP) test location. The Division installed galvanic anodes to a newly isolated section of main while troubleshooting CPA 2204-A; thus creating a new annual CP read location at the intersection of Geary Street and Powell Street in San Francisco . A base read of -1496 millivolts (mV) was found on 6/6/2014 at this new test location, however the new CP test location was not entered into SAP resulting in the test location not being scheduled in the 2015 maintenance plan. The Division did not realize the work order to create the new CP test location until SED requested clarification on why the new annual CP test did not appear on the test location list for CPA 2204-4. After the discovery, the Division promptly scheduled this test location to be read before the end of the 15 months compliance window.</p>	<p>The annual read at the intersection of Geary Street and Powell Street has been entered in SAP to capture the 2015 Read of -1538 mV on 8/12/2015. The annual read location is now on a maintenance plan for future annual maintenance per Reference Notification # 110584342.</p>	N/A

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NOV	1.3	<p>1. Title 49 CFR §192.605(a) states in part:</p> <p>“Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”</p> <p>1.3 PG&E’s GS&S A-93.1 Revision #07 states in part:</p> <p>“Inserting Plastic Pipe Into a Casing, Bore Hole, or Bridge Structure</p> <p>5. The following general requirements apply when plastic pipe is installed in any casing...</p> <p>E.(3) The installation is mapped according to the provisions in UO Standard D-S0457, which require that both the casing size and casing material be identified...”</p> <p>PG&E’s Bulletin Number 05-01 dated 4/10/2013 also states in part:</p> <p>“Gas Map Correction documents:</p> <p>Any of the following documents may be used to report map corrections</p> <ul style="list-style-type: none"> • Map Correction Form • “A” or “A1” Form <p>Mapping Process</p> <p>2.0 The assigned mapper will:</p> <p>A) Update the record(s) within 60 days of receipt of the map correction document(s)...”</p> <p>SED’s review of recent repair work (A-Forms) shows that the repair work of inserted plastic inside a steel casing was not reflected on the requested record printout from GD GIS as of 8/3/2015 for the following two addresses:</p> <ul style="list-style-type: none"> • 2200 46th Avenue San Francisco – Repair work that inserted 1.25-inch steel service with 20 feet of 0.5-inch plastic service completed on 5/29/2013 • 1515 21st Avenue San Francisco – Repair work that inserted 1.5-inch steel service with 0.5-inch plastic service from the main to the gas valve box completed on 12/19/2013 <p>The Division is in violation of 49 CFR 192.605(a) for failing to update its records to reflect the repair work completed in the above addresses within the timeframe required by PG&E Bulletin Number 05-01.</p>	<p>PG&E mapped both locations on August 19, 2015 as indicated in the following attachments:</p> <ul style="list-style-type: none"> • 2200 46th Avenue San Francisco GSR_CONF.pdf • 1515 21st Avenue San Francisco GSR_CONF.pdf <p>Mapping has also enacted the following preventative measures:</p> <ul style="list-style-type: none"> • Mapping Inserts Project - In August 2015, the Gas Distribution Mapping Department began a pilot project in the San Francisco and North Bay Divisions to analyze available historical leak information dating from the 1970s to December 31, 2013 contained in PG&E’s leak management database, known as Integrated Gas Information System (IGIS). This information includes locations of leaks, readings, repairs, inspections, and dig-ins. The goal of this analysis is to identify leak repairs that involved partial replacements of service lines. Those results are searched with the word “insert” to identify potential plastic inserts. In the North Bay, the Mapping Department reviewed 438 records that resulted from this search, and in San Francisco, it reviewed 149 records, for a total of 587 records. Of these 587 records, 565 were determined to be either correctly mapped or not requiring mapping because repairs had been on a riser. The remaining search results were provided to the relevant division mapping offices, which have been investigating further and updating records as needed to reflect partial plastic inserts. • After completing this pilot initiative, the Mapping Department is enhancing the analysis by using data from the SAP system, including data contained in leak repair work orders that are not available in IGIS, to identify replacement work orders where plastic replaced steel, and then comparing that information to GD GIS. Mapping plans to complete this analysis early next year and will send the results to Local Offices for further validation against GD GIS, including a review of GSRs. • As part of Gas Distribution Mapping’s workflow management process, mapping updates are now tracked in SAP. As of the last quarter of 2015, SAP currently tracks certain new expense jobs, such as those noted in this NOPV, with a target to complete mapping updates of such expense jobs of an average of 30 days. 	<p>2200 46th Avenue San Francisco GSR_CONF.pdf 1515 21st Avenue San Francisco GSR_CONF.pdf</p>
AOC	1	<p>1. SED reviewed the 10%er corrosion records from the SAP system and conducted field inspections at the three locations listed below in Table 2. The three locations were included in the 2014 maintenance plan with pipe-to-soil readings reported as more negative than -900mV.</p> <p>15-17 Holloway Ave, San Francisco -963 8/20/1997 2939-41 Fillmore St, San Francisco -994 10/14/1998 180 Turk St, San Francisco -955 7/1/2009</p>	<p>Refer to AOC 2 and response.</p>	<p>N/A</p>

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AOC	2	<p>Table 2: Locations of low Pipe-to-Soil reading Location, Pipe-to-soil Reading (mV) in 2014, Date of Completion of Plastic Replacement 15-17 Holloway Ave, San Francisco, -963, 8/20/1997 2939-41 Fillmore St, San Francisco, -994, 10/14/1998 180 Turk St, San Francisco, -955, 7/1/2009</p> <p>However during the SED field inspection, the Division's corrosion mechanics were not able to obtain pipe-to-soil readings at these locations. A review of the Gas Service Records after SED's field inspection found that these locations were all replaced with plastic at least 5 years ago. The readings in the 10%er corrosion records do not accurately reflect the condition of the assets found during SED's field inspection.</p> <p>SED cannot ascertain what was reported in the PG&E records as pipe-to-soil readings at these locations in 2014. SED recommends that the Division validate the 10%er corrosion records for accuracy and ensure that the records accurately represent the condition of its assets. Please provide SED with the result of its findings.</p>	<p>All three locations were verified as plastic services with non-corrodible risers.</p> <p>The corrosion supervisor directed San Francisco Division mechanics to review Gas Service records for all reads taken on 10%er locations.</p> <p>On September 4, 2015, San Francisco corrosion mechanics held a tailboard which directed them to review Gas Service Records prior to completing the 10%er notifications in SAP to verify the location to be inspected is an isolated steel riser.</p> <p>As a long term preventative measure, PG&E is working on identifying control points within the mapping process to flag any 10%er locations that are replaced with plastic or non-corrodible risers so that those locations can be evaluated and, if necessary, removed from the 10%er SAP maintenance plan in a timely manner. This corrective action is being tracked in CAP Notification 7016291.</p>	N/A
AOC	3	<p>3. During SED's field inspection, the Division recorded the following pipe-to-soil readings that did not meet the 850mV criterion, as listed below in Table 3.</p> <p>Table 3: Locations of low Pipe-to-Soil reading Location Type Pipe-to-soil Reading (mV) 706 Kansas St, San Francisco 10%er -564 3508 Clay St, San Francisco 10%er -775 149 Ankeny Ave, San Francisco Bi-monthly -680</p> <p>Please provide SED an update on action(s) taken by PG&E to bring the pipe-to-soil readings at these locations back into compliance.</p>	<p>706 Kansas St, San Francisco: PM#42449881/Notification# 110572267 was completed 8/26/15. Corrosion Mechanic installed a new anode and the final read was -1051mV</p> <p>3508 Clay St, San Francisco: PM# 42449279 Notification# 110572180 was completed on 8/12/2015. Corrosion Mechanic installed a new anode and the final read was -1283mV</p> <p>149 Ankeny Ave, San Francisco: CPA 2601_B Restored on 11-7-15, see attached CPA Report "2601-B CPA Report 2014.XLS"</p>	2601-B CPA Report 2014_CONF.XLS
AOC	4	<p>4. During SED's field inspection, the Division's corrosion mechanic was not able to obtain an amperage reading from the rectifier at the intersection of Bayshore Blvd and Augusta St in San Francisco. After a brief troubleshooting session, the mechanic suspected that the anode wire was broken. Please provide SED a status update on the remediation.</p>	<p>On August 12, 2015, the Division's corrosion mechanic visited the rectifier and read: 20 Volts / 1 Amp A broken anode wire was found and repaired. Rectifier restored to normal operating condition. Pipe-to-Soil read at Bayshore & Augusta: -1330mV Ref Notification #110585077 PM# 42454191</p>	N/A
AOC	5	<p>5. During SED's field inspection, the Division's corrosion mechanic recorded a pipe-to-soil reading of -780mV from the ETS location at the intersection of Bridgeview Dr and Topeka Ave in San Francisco. After adjusting the rectifier at the intersection of Ledyard St and Silver Ave from 2.5A/31V to 3A/36V, a reading of -980mV was obtained while the CPA was still polarizing. The Division's corrosion supervisor informed SED that the Division would still submit a work order to troubleshoot this area. Please provide SED a status update on the cathodic protection condition and the result of the troubleshooting.</p>	<p>On September 2, 2015 a pipe-to-soil reading of -1074 mV was taken. SAP has been updated to capture the rectifier adjustment on August 5, 2015. Refer to attached report, "2415-B CPA Report 2015.XLS"</p>	2415-B CPA Report 2015_CONF.XLS

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AOC	6	6. During SED's field inspection, SED inspected the surface condition of exposed gas facilities and found that the coating on the exposed span at 300 Edgehill Way in San Francisco was deteriorating with noticeable atmospheric corrosion along the pipe. After reviewing the maintenance records and maps, the Division determined that the three exposed pipes could possibly be inserted with plastic. Please provide SED a status update on the atmospheric corrosion condition or a clarification on the material of the pipes.	300 Edgehill is confirmed to be plastic pressurized pipe inserted in steel. Atmospheric Corrosion inspection is not required since the carrier pipe is plastic.	N/A
AOC	7	7. During SED's field inspection, the Division recorded a casing-to-soil reading of -980mV for L132A at MP 48.7. Please provide SED a status update of the remediation of this contacted casing.	Confirmed shorted case pipe by performing interruption test on August 27, 2015. Added to Corrosion Engineering's casing remediation program per Ref Notification # 110584520/PM# 42454100	N/A
AOC	8	8. During field inspection, SED found an invalid emergency phone number on a pipeline warning sticker by the L101 casing at the intersection of Bayshore Blvd and Sunnydale Ave in San Francisco. Please provide SED an update on the corrective action(s) taken by PG&E to address this concern.	Installed Sticker on 8/20/15 by Corrosion Mechanic see attached photo, "Bayshore_and_SunnydaleVent.jpg"	Bayshore_and_SunnydaleVent.jpg