

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 15, 2016

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-2015-12-PGE06-02A

SUBJECT: General Order 112 Gas Inspection of PG&E's Central Coast 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 Company's (PG&E) Central Coast Division (Division) on December 7-10, 2015.¹ The inspection included a review of the Division's records for the period of 2013-2014, as well as a representative field sample of the Division's facilities in Santa Cruz, Watsonville, Felton, Ben Lomand, Carmel, Monterey, and Pacific Grove. 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 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 Quang Pham at (415) 703-4763 or by email at quang.pham@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

cc: Mike Falk, PG&E Compliance
Susie Richmond, PG&E Gas Regulatory Compliance

¹ 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 the audit, PG&E provided SED its findings from the internal review it conducted of Central Coast 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. Table 1 lists all of the violations from PG&E's internal review.

Table 1: PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date	
192.605(a)	7	Missing Action Plans in 2013 and 2014	All local mechanics have been tailboarded on the Action Plan Procedures. Frequent department compliance meetings along with working with asset strategist and engineering dept. to ensure maintenance is scheduled and completed in timely manner.	12/31/2015	
	3	Action Plans not updated every 30 days in 2013 and 2014			
	2	Missed rectifier maintenance in 2013			
	3	CPA down over 15 months in 2013 and 2014			09/22/2014 and 12/19/2014
	2	CPA not resurveyed within 6-year interval			Ongoing
192.481(a)	13,624	Meter sets were out of compliance with the 3-year, not to exceed 39 months requirement	12,996 meter sets were inspected but outside of the frequency requirement. 628 meter sets do not have current inspections but will be inspected in 2016.	Ongoing	

Table 2 (cont'd): PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a)	1	Regulator Stations: Exceptions for monitor location not documented and not swapping working / standby runs	Tailboard group to be sure to swap runs on dual run stations. Make sure to take notes on reverse	03/28/2014
	1	Emergency Zone Valves Not Correctly Labeled on Plat Map	Correct plat map to reflect Emergency Zone binder labeling	12/04/2015
	3	Incorrect work procedure related to wrought-steel welding elbows and transverse segments	Corrective Action Plan created to ensure preventative actions, including tailboards.	10/27/2015
	1	Use of outdated work procedure for welds being performed	Corrective Action Plan created to address a causal evaluation be performed which includes an extent of condition and corrective actions taken for all instances and also corrective actions taken to prevent reoccurrence.	11/20/2015

B. SED Findings

1. 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.”

SED reviewed the Division’s Leak Repair records and found that the Division did not perform an internal pipeline inspection for sections of pipe that were exposed during the leak repair process for the following:

Leak Number	Repair Date
413402921	11/23/2013
513504511	6/24/2013
7613104371	12/13/2013

PG&E is in violation of 49 CFR §192.475(b).

2. Title 49 CFR §192.465(a) states in part:

“However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.”

SED reviewed the Division’s 10%ers records and noted that location 11065 Panoche Road in Hollister (SAP Equipment# 41257518) was not monitored in 2013 as required. The Division noted that a read was performed in 2009 but a pipe-to-soil value was not recorded in the system. Without pipe-to-soil values from either 2009 or 2013, SED is unable to verify that monitoring occurred at this location. Therefore PG&E is in violation of 49 CFR §192.465(a).

3. Title 49 CFR §192.467(d) states in part:

“Inspection and electrical tests must be made to assure that electrical isolation is adequate.”

SED reviewed the Division’s casing records and noted the following locations were not monitored annually to ensure that no electrical contact exists between the casing and pipeline:

SAP Equipment ID	Equipment Description	Missing Maintenance
41472060	ETS, POTENTIAL, CASING, L301G. MP 12.04 63571.20 63572.26	2014
*41402489	ETS, POTENTIAL, CASING, 1812-13. MP 0.02 105.60 106.66	2014
41471834	ETS, POTENTIAL, CASING, L301F. MP 4.45 23496.00 23497.06	2013, 2014

*The Division noted that a 0mV read was taken on 10/13/2014 due to a broken vent pipe but failed to take any further actions until 12/08/2015.

PG&E is in violation of 49 CFR §192.467(d).

4. Title 49 CFR §192.605(a) states in part:

“Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”

Procedure O-16: Corrosion Control of Gas Facilities, Section 6: CPA Restoration states:

“If the 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.”

The Division failed to create an action plan for Cathodic Protection Area (CPA) 3678-17 in 2013 when restoration work extended beyond 30 days. CPA 3678-17 was found to have inadequate level of cathodic protection on 11/06/2013; the area was restored on 03/27/2014.

PG&E is in violation of 49 CFR §192.605(a).

II. Areas of Concern/ Observations/ Recommendations

1. During field verification, SED noted a large tree branch was wedged in between the pipe and bridge for Span Santa Cruz D19 Small Craft Harbor. There were also visible signs of pitting along the span.

The Division has removed the branch of as 12/09/2015 and a previous notification was already created to address the pitting. Please provide SED with an update on the action(s) taken to address this concern.

2. During field verification, SED noted the wrap was peeling on Span Monterey B06 Boranda Rd / Carmel River.

A previous notification was already created to address the pipe wrap. Please provide SED with an update on the action(s) taken to address this concern.

3. During field verification, SED noted pitting on the pipe on Span Salinas S01 Boranda Rd 1000' n/o Sal Coast Road.

A previous notification was already created to address the pitting on the pipe. Please provide SED with an update on the action(s) taken to address this concern.

4. During field verification, SED noted low pipe-to-soil reads at the following locations:

Type	Description	Reads
10%er	111 Fountain Ave, Pacific Grove	-919mV
Annual	920 Fountain Ave, Pacific Grove	-508mV
10%er	596 Fillmore St, Monterey	-898mV

As per PG&E's standard TD-4181S, to ensure 10%er facilities are protected until the next monitoring cycle, a driveable anode must be installed if the P/S is less negative than -950mV.

The Division has provided SED with updates on remedial actions taken to address all of the low reads and brought the locations back into compliance. No follow-up response is required for this observation.