

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 5, 2025

Mr. Austin Hastings
Vice President, Gas Engineering
Pacific Gas and Electric Company
Gas Transmission and Distribution Operations
6121 Bollinger Canyon Road
San Ramon, CA 94583

GI-2025-03-PGE-05-02ABC

SUBJECT: SED's Closure Letter for General Order (GO) 112-F Gas Inspection of PG&E's San Francisco Division

Dear Mr. Hastings:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Pacific Gas & Electric Company's (PG&E) response letter dated May 27, 2025, for the findings identified during the General Order 112-F inspection of PG&E's San Francisco Division (Division) which was conducted from March 10 to 21, 2025.

A summary of the inspection findings documented by SED, PG&E's response to our findings, and SED's evaluation of PG&E's response taken for each identified Violation and Area of Concern is attached.

This letter serves as the official closure of the 2025 GO 112-F inspection of PG&E's San Francisco Division and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

Thank you for your cooperation in this inspection. If you have any questions, please contact James Zhang at (415) 603-1310 or by email at james.zhang@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Post-Inspection Written Findings

cc:

[REDACTED] – PG&E
Claudia Almengor, Dennis Lee, & James Zhang – SED

Post-Inspection Written Findings

Dates of Inspection: 03/10/2025 – 03/21/2025

Operator: PACIFIC GAS & ELECTRIC CO

Operator ID: 15007 (primary)

Inspection Systems: GD

Assets (Unit IDs) with results in this report: PGE San Francisco Division

System Type: GD

Inspection Name: 2025 PG&E San Francisco Division Inspection

Lead Inspector: James Zhang

Operator Representative: [REDACTED]

Unsatisfactory Results

Assessment and Repair: Repair Criteria (O and M) (AR.RCOM)

Question Title, ID Repair of Corroded Pipe, AR.RCOM.REPAIR.R

Question 2. Do records document the repair or replacement of pipe that has been internally corroded to an extent that there is not sufficient remaining strength in the pipe wall?

References 192.491(c) (192.487, 192.489)

Assets Covered PGE San Francisco Division (San Francisco)

Issue Summary PG&E Procedure TD-4188S (revision 1, effective date 01/01/2017) Section 4 "Mitigation" states:

"The mitigation timeline of atmospheric corrosion-related abnormal operating conditions (AOCs) found during monitoring must not exceed thirty-nine months from the date of the AOC identification, except assets that meet requirements in Section 1.4."

Section 1.4 of this procedure states:

"Per 49 CFR §192.479 (c), the Company need not protect from atmospheric corrosion any pipeline (except portions of pipelines in off-shore splash zones or soil-to-air interfaces) for which the Company demonstrates by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will meet at least one of the following criteria:

- Only be a light surface oxide.

- Not affect the safe operation of the pipeline before the next scheduled inspection."

Title 49 Code of Federal Regulations (49 CFR) §192.605(a) states in part:

"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."

PG&E failed to remediate an atmospheric corrosion-related AOC within thirty-nine months from date of AOC identification for DR-114 from 08/12/2020 to 09/14/2024, totaling forty-nine months. PG&E is in violation of 49 CFR 192.605(a) for failing to follow PG&E's procedure TD-4188S to remediate within the specified timeframe.

PG&E's Response:

PG&E agrees with this finding and acknowledges that a corrective notification should have been created after abnormal operating conditions (AOC) were identified during a routine annual ("A") inspection on August 12, 2020, per TD-4188S. On June 7, 2021, the same AOCs were identified again during an atmospheric corrosion inspection, and Corrective Maintenance Notification 121513819 was created to remediate the AOCs. This notification is provided as Attachment 1. The remediation work was completed on September 14, 2024 (see Attachment 2). During the San Francisco Division inspection, SED confirmed the remediation work as part of their field inspection on March 13, 2025. A tailboard meeting was conducted on May 16, 2025, with new PG&E GPOM crew members in the San Francisco Division to discuss Unsatisfactory Result #1 and to review the importance and process of creating a corrective notification once an AOC has been identified. The tailboard meeting details are provided as Attachment 3.

SED's Conclusion:

SED has reviewed PG&E's response and accepts the corrective action. SED has decided not to impose a fine or penalty at this moment. SED will review the records of the corrective action during future inspections.

Concerns

Time-Dependent Threats: Atmospheric Corrosion (TD.ATM)

Question Title, ID Atmospheric Corrosion Monitoring, TD.ATM.ATMCORRODEINSP.R

Question 4. Do records document inspection of aboveground pipe for atmospheric corrosion?

References 192.491(c) (192.481(a), 192.481(b), 192.481(c), 192.481(d))

Assets Covered PGE San Francisco Division (San Francisco)

Issue Summary Because a large number of meter set assemblies (MSAs) in San Francisco are inside locked doors or gates, the Division has a significant number of MSAs that are overdue for atmospheric corrosion (AC) inspections and leakage surveys (LS). Since the issue was reported in the 2017 SED inspection of this Division, PG&E provided monthly updates on the statistics of these AC and LS "can't get in" (CGI) situations. Based on the latest update, SED acknowledges that the total number of AC and LS CGIs in San Francisco has reduced. The table below provides a summary.

	<u>AC CGI</u>	<u>LS CGI</u>
2017 SED Inspection	75,004	19,975
2021 SED Inspection	1,218	9,398
2025 SED Inspection	255	427

While SED recognizes the challenge to completely eliminate these AC inspections and LS backlogs, SED is still concerned with the significant number of current overdue AC inspections and leakage surveys. SED is requesting PG&E to continue providing monthly updates on the statistics of AC and LS CGIs by divisions until resolution of this issue.

PG&E's Response:

PG&E will continue submitting its monthly can't get in (CGI) status report to the CPUC, providing total past due and past due completed CGIs for both Leak Survey and Atmospheric Corrosion inspections for all divisions system wide. Since the 2017 SED Inspection, PG&E has reduced the number of past due

inspections by over 99.2% and continues to work to get the last <1% of the most difficult to reach locations.

In addition, PG&E will continue the process in place to reduce these numbers, which includes individual outbound calls, letters, texts, emails, specialized links for customers to schedule with a click, additional field visits, and utilizing disconnects.

PG&E is committed to continuous improvement, constantly seeking ways to optimize our process across the CGI inspections. Some recent process improvements include updating letter verbiage and envelopes, so these stand out from other mailers and improving internal reporting tools. A portion of these past due locations are for buildings that are vacant/abandoned, and for these situations, we are looking into discontinuing the gas service with potential gas cut offs to eliminate the risk.

SED's Conclusion:

SED has reviewed PG&E's response and acknowledges the proposed corrective actions plan articulated by PG&E. SED will continue to monitor PG&E's progress on remediating the AC and leakage survey CGIs with PG&E's monthly updates.