

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 8, 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-2015-03-
PGE25-01A

SUBJECT: General Order 112-E Gas Audit of PG&E's Hinkley District

Dear Mr. Singh:

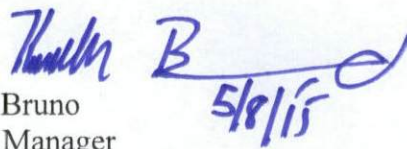
The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112-E inspection of Pacific Gas & Electric Company's (PG&E) Hinkley District (District) on March 17-20, 2015. The inspection included a review of the District's records for the period of 2013 through 2014, as well as a representative field sample of the District's facilities in the cities of Hinkley, Barstow, and Victorville. SED staff also reviewed the District'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 reviewed 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 audit.

If you have any questions, please contact Willard Lam at (415) 703-1327 or by email at wlm@cpuc.ca.gov.

Sincerely,


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

Enclosure: Summary of Inspection Findings

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

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Audit Findings

Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of Hinkley District (District). 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 audit. 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)	5	Action Plans for Cathodic Protection Areas missing or late	District corrosion related work transitioned to PG&E's Corrosion Control Department, which is a centralized workgroup focused on corrosion related work.	7/1/2014
192.605(a)	1	Annual Rectifier Site Evaluations forms inconsistent for 2013 and 2014	District corrosion related work transitioned to PG&E's Corrosion Control Department, which is a centralized workgroup focused on corrosion related work.	Pending
192.605(a)	1	Rectifier test and evaluation form FO-11.1-A not used for 2013 maintenance	The rectifier inspection was performed on 7/5/13 as documented in PLM however the employee did not document work on correct form.	7/5/2013
192.605(a)	9	Air-to-soil transitions were not visible during the August 2014 span inspections on L-300A at various locations	PLM work request #211117 was created to dig expose air-to-soil transitions	Pending
192.745(a) 192.745(b)	6	Inoperable valves with late or no alternate means of control (AMC)	Valves will be replaced, repaired, or AMC created.	Pending
192.605(a)	1	Maintenance for Pisgah PSV-9 is being documented on form TD-4430P-02-F02 when form TD-4430P-02-F06 should be used	Self-Contained Relief Valve Maintenance Record, TD-4430P-02-F06 is being created for PSV-9 and will be used in the next 2015 maintenance cycle	Pending
192.605(a)	3	Procedure not followed for documenting valve maintenance tasks on Pisgah V-9, V-10, and V-B valve cards	Valve maintenance has since been documented on the valve cards and signed off by employee with comment stating maintenance records have been transferred from PLM.	3/5/2015

Table 1 (cont'd): PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a)	41	Valve maintenance supervisor review missing or not within 30 days of maintenance performed	All valve cards have been reviewed for completeness and signed by the Hinkley Supervisor	3/5/2015
192.605(a)	4	Valve type and maintenance frequencies on valve cards did not match PLM. Additionally, the valves were missing Actuator cards	PLM valve maintenance frequency was changed from annual to semi-annual. Annual actuator maintenance tasks were created in PLM and actuator cards were created and placed in maintenance binders.	3/5/2015
192.605(a)	5	Valve cards missing PSIG information	Missing PSIG valve card ratings were entered into PG&E's corrective action program.	Pending
192.605(a)	2	Patrolling documentation incomplete	Aerial patrol reported two commercial operations near the pipeline which the District was aware of them and therefore did not perform a follow up foot patrol. This clarification was not recorded on the paperwork	Pending
192.605(a)	9	2013 Leak Survey documentation missing	2013 leak surveys completed as documented in PLM however TD4430P-02-F08 form not used to document leak surveys.	Pending
192.605(a)	2	2013 and 2014 leak repairs with no pipe to soil reads recorded on A-Forms	A refresher briefing will be given to review the requirement to take a pipe to soil read when pipe is exposed	Pending
192.605(a)	1	Grade 2+ leak not repaired within 90 days	Job Order # 30660992. Estimated completion date of 3/27/15	Pending
192.605(a)	9	Instrument Calibration deficient	A refresher briefing reviewing calibration and documentation procedures was given 1/14/2014 and another briefing 3/15/2015	1/14/2014

SED is aware that the District may have completed some of the items by the time of this letter. Please provide an update on the corrective status on the items that were pending as of March 20, 2015.

B. SED Findings

1. 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."

1.1 Gas Standard O-16, Section 6, Paragraph (B)(3), states:

"If the Cathodic Protection Area (CPA) restoration work is (or expected to be) over 60 days, the [CPA Follow-Up Action Plan] form must be used and developed within 60 calendar days from the date the CPA is found below adequate levels of protection..."

During a review of the District's corrosion records, SED discovered the "CPA Follow-Up Action Plan" form (Action Plan) was created late for CPA Hinkley Compressor Station Intake A. The District originally found the area to have below adequate levels of protection on 1/14/13, however, the District did not create the Action Plan until 6/11/13, exceeding the 60 days allowed by Gas Standard O-16.

II. Areas of Concern/ Observations/ Recommendations

- A. On 3/18/2015, SED discovered an exposed section of Line 300A at Mile Post (MP) 115.18 while traveling along the pipeline right-of-way between pipe-to-soil read locations. This section of Line 300A traverses perpendicular under a culvert spillway. The top portion of Line 300A became exposed when the sand cover eroded away. The District notified PG&E Engineering to develop and action plan for this area. Please provide SED with an update on the remediation of the exposed section of Line 300A.
- B. On 3/19/2015, SED observed a pipe-to-soil reading of about -2000mV (On potential) at Line 314 MP35.55 where PG&E's Line 314 intersects with a Southern California Gas (SoCalGas) transmission line and rectifier. PG&E records show a previous pipe-to-soil read of -2430mV on 12/10/2014 and noted a possible anodic interference at this location. According to District personnel, a subsequent reading was taken on 2/25/2015 with the SoCalGas rectifier turned off, and the On potential reading was reported to be -932mV. PG&E met with SoCalGas on 3/23/2015 and 3/24/2015 to troubleshoot the location and discovered that the two pipelines were bonded and mismarked at the test station terminal. The bond was removed, the test station lead labels were corrected, and respective rectifier outputs were lowered. As a result, the pipe-to-soil readings for the two pipelines were reportedly returned to acceptable levels of protection. Please describe actions taken or planned by PG&E to prevent a similar event from reoccurring in its system.
- C. During a review of the District's maintenance record for rectifier HNCPA0490, SED observed a recorded amperage setting of 12.4amps on 1/4/2013 and 23.1amps on 11/21/2014. In approximately two years, the rectifier amperage has almost doubled. Please provide SED with a clarification on the reason for the dramatic increase of amperage at rectifier HNCPA0490.
- D. During a field visit to Electrolysis Test Station (ETS) L-314 MP 4.16 on 3/19/2015, SED observed the handhole that houses the test wires appeared to have been ripped off the ground, and was missing identifying tags or labels on the ETS. According to District personnel the ETS seems to have been vandalized since taking the last pipe-to-soil reading. Please provide SED with an update on the repair of the ETS.
- E. While visiting field locations throughout the District, SED observed many instances of the warning stickers on the pipeline markers fading or peeling from the exposure to the elements. SED recommends installing new stickers on pipeline markers where needed throughout the district as soon as practicable.