

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 2, 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

GA2014-09

SUBJECT: General Order 112-E Gas Inspection of PG&E's Hollister 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) Hollister District from August 25 through 29, 2014. The inspection included a review of the District's records for the period of 2011 through 2013, as well as a representative field sample of the District's facilities. SED staff also reviewed the District's operator qualification records, which included a 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 a citation for each violation found during the inspection.

If you have any questions, please contact Alula Gebremedhin at (415) 703-1816 or by email at ag5@cpuc.ca.gov.

Sincerely,

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

Kenneth Bruno
Program Manager - GSRB
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 Inspection Findings

Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of Hollister 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), §192.605(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.

Please provide SED an update on the items that were still pending corrective actions as of August 29, 2014.

Table 1: PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a) Station Maintenance	All	2013 and 2014 annual station maintenance was documented on outdated forms	Maintenance information transferred to current form	06/01/2014
	3	Incomplete station maintenance forms	Refreshing tailboard and supervisor review	08/22/2014
	12	Supervisor review exceeds 30 days of station maintenance	Hired a full time supervisor and gave responsibility	08/22/2014
192.605(a) Patrolling	All	Vegetation around exposed pipeline sent to HQ Pipeline Patrol Compliance Program with no follow-up action to the district	A scheduled to remediate is developed by HQ pipeline patrol compliance program	Pending
192.605(a) Emergency Valve	2	Inoperable valves	Plan to replace or remove	12/31/2014 pending
	93	Supervisor review exceeds 30 days	Reviewed and signed	06/01/2014
	83	Missing data on valve cards	CAP created	Pending
192.605(a) Corrosion Control	8	Corrosion found on Meter Set Assembly with no corrective action	Work Orders created to correct	12/31/2014 pending
	29	Rectifier site evaluation were missing for 2011	Corrected in 2012	11/30/2012
	15	No annual rectifier evaluations	Work request created	Pending
	17	No action plan for work requests	This work completed and fulltime supervisor hired with responsibilities to review	06/01/2014

	11	Action plan created beyond 60 days	“	06/01/2014
--	----	------------------------------------	---	------------

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a) Leak repair	2	Late repair of grade 2+ leaks	The section of the pipe replaced	03/26/2012
162.605(a) Equipment Calibration	2	Calibration was not documented	A refresher tailboard for crew conducted	08/22/2012

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. PG&E’s Procedure TD-4110P-01, Table 1, Leak Survey Frequency, shows Transmission Stations in Class III and IV will be leak surveyed Semi-Annually, twice each year not to exceed 7 ½ months.

The district performed leak surveys at Hollister Meter Station on 11/22/2011 and on 09/06/2012. The leak survey interval exceeded 7 ½ months.

1.2. PG&E’s Procedure TD-4110P-21, Calibration Verification for Leak Survey Instruments states:

“2.2. Regularly verify the calibration of portable HFI units, OMDS, RMLDS, and IR detectors according to the frequencies specified in Table 1 below”

Table 1. Required Frequencies of Calibration Verification

Unit	Calibration Verification Frequency	Operational Test Frequency
HFI	Weekly	NA

The District failed to calibrate the following Hydrogen Flame Ionization Units (HFIs) during the indicated weeks, as listed in Table 2.

Table 2: HFIs with Missed Calibration

Serial Number	Week(s)
1500549014	The last two weeks of 12/2011 and the 2 nd week of 03/2012
1500549013	The last two weeks of 12/2011

II. Areas of Concern/ Observations/ Recommendations

1. Title 49 CFR §192.465(d) states in part:

“Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.”

SED reviewed cathodic protection records for L-300A between MP 456.8 and 466.3 and found pipe-to-soil reads less negative than -850mV in the following instances listed below in Table 3.

Table 3. Pipe-to-Soil Readings

ETS	MP	2012 P/S reads (mV) and date	2013 P/S reads (mV) and date	2014 P/S reads (mV) and date
MH3AA9150	460.1	-832 (3/27/2012)	-840 (3/20/2013)	-796 (3/5/2014)
MH3AA9160	461.07	-807 (3/27/2012)	-813 (3/20/2013)	-730 (3/5/2014)
MH3AA9165	462.1	-759 (3/27/2012)	-762 (3/20/2013)	-709 (3/5/2014)
MH3AA9170	462.24	-817 (3/27/2012)	-813 (3/20/2013)	-739 (3/5/2014)
MH3AA9180	463	-783 (3/27/2012)	-791 (3/20/2013)	-699 (3/5/2014)
MH3AA9200	465.36	-741 (3/28/2012)	-745 (3/21/2013)	-612 (3/5/2014)
MH3AA9210	466.3	-775 (3/28/2012)	-773 (3/21/2013)	-611 (3/5/2014), -880 (7/2/2014)
MH3AA9230	468.8	-840 (3/28/2012)	-846 (3/21/2013)	-790 (3/10/2014)

PHMSA interpretation #PI-89-006 dated May 19, 1989 states that cathodic protection deficiencies are expected to be addressed and corrected by the next monitoring cycle (once each calendar year, but with intervals not exceeding 15 months) under normal conditions.

SED found that the District created Work Requests to correct the CP deficiencies in March of 2012. On August 12, 2013, PG&E created CPA Follow-Up Action Plans. In August 2014, PG&E reviewed the Action Plans and created a comprehensive correction plan. As part of the August 2014 correction plan, PG&E conducted a close-interval-survey (CIS) from 09/23/2014 to 10/08/2014 (an SED representative observed work performed on 09/23). PG&E has not yet reported the results of the CIS.

PG&E has not corrected the deficiencies found in March 2012 within the next monitoring cycle (once each calendar year, with intervals not to exceed 15 months). Please provide details of PG&E’s effort to correct the deficiencies since discovery, and an explanation for its delay. In addition, please provide future planned corrective actions along with expected completion dates.

2. SED found that valve maintenance cards for T-435.34A, T-429.42A, T-426.55A, and T-415.93A showed a valve pressure rating of 720 psi while the MAOP of the system, where these valves are located, is 840 psi. The District found that this was due to a document error on the valve cards and provided source documentation that showed acceptable valve pressure rating for valves T-435.34, T-426.55, T-415.93. Please provide documentation to demonstrate an acceptable valve rating for Valve T-429.42A.
3. During SED's field visit, the District recorded the following low pipe-to-soil readings, as listed below in Table 4.

Table 4: Low pipe-to-soil (PTS) reads

Location	Pipe-to-soil reads during field visit
L-300B MP 468.3	-832mV
L-103 MP 17.98	-835mV

Please provide an update on the above out of compliance pipe-to-soil reads.

4. SED found that L-301A MP16.85 patrol record dated August 13, 2013 reported a shallow cover on a 20-inch pipeline that runs in the backyard of a house located at 572 Echo Valley Road in Salinas, which was reported to the District by the house owner. During a field visit, SED measured the depth of cover to be approximately 5 inches at one location. Please advise PG&E's plan to address this safety concern.
5. The valve maintenance record for MLV-22.51 on L-301A showed that the valve could not be greased since 2011 due to a corroded fitting. PG&E created a work order (WR 179276) on June 27, 2013. The same issue was recorded on a June 25, 2014 maintenance record. Please provide an update on PG&E's progress in addressing this concern.
6. During the field visit, SED observed the pipeline markers at L300B MP435.57 and Wright Road Station with outdated emergency contact information. PG&E replaced the stickers during the field visit. SED recommends verifying the accuracy of pipeline marker information at other locations throughout the district.