

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 23, 2017

Mr. Sumeet Singh, Vice President
Pacific Gas and Electric Company
Portfolio Management & Engineering
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

GI-2017-06-PGE07-02A, 02B, & 02C

Re: SED's closure letter for the General Order 112 Inspection of PG&E's De Anza Division

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (Commission) reviewed Pacific Gas and Electric Company's (PG&E) response letter dated August 28, 2017 for the findings identified during the General Order (GO) 112¹ Inspection of PG&E's De Anza Division (Division) which was conducted from June 25 through 30, 2017.

A summary of the inspection findings documented by the SED, PG&E's response to SED's findings, and SED's evaluation of PG&E's response taken for each finding are outlined for each identified Violation, Area of Concern and Recommendation.

This letter serves as the official closure of the 2017 GO 112 Inspection of PG&E's De Anza 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. Please contact Alula Gebremedhin at (415) 703-1816 or by email at alula.gebremedhin@cpuc.ca.gov if you have any questions.

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

cc: Kenneth Bruno, CPUC
Alula Gebremedhin, CPUC
Ronda Shupert, PG&E
Mike Bradley, PG&E
Susie Richmond, PG&E

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

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 the Division. Some of PG&E's internal review findings are violations of PG&E's operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.605(a). Table 1 lists PG&E's internal findings

Table 1: De Anza Division Internal Review Findings

Topic	Code Section	Finding	Instances	Completion Date
2016 Valves	192.605(a)	Missed maintenance: valve 3410-F8B. Valve was not maintained in May 2016 (valve paved over). Upon discovery on 6/2/17 that maintenance was not performed, permit was requested to dig up street and maintain valve	1	Pending
	162.605(a)	Maintenance documents improperly filled out: without LanID and Date per standard, and sign-off. Valve #'s: 3350-E5A; 3410-G7A.	2	12/2/2016
2016 Regulation Station	192.605(a)	Non Compliance with Internal Requirements (1)Corrections made to maintenance document without LanID and Date per standard.District Reg: B-03 File Folder; Escuela-El Canino Real, Mtn. View	1	5/25/2016

SED is aware that PG&E corrected some of its findings prior to SED's audit. Please provide SED an update on the item that is still pending corrective action.

PG&E's Response:

The one item which was pending corrective action, valve 3410-F8B, has been completed. The valve, which had been paved over, was uncovered and maintenance performed on 6/30/2017

SED's Conclusion:

SED has opted not to impose a fine or penalty, since PG&E identified and remediated the violations. However, recurrence of the same violations in the future may result in enforcement action.

B. SED Findings

I. Probable Violations

1. Title 49 CFR §192.481(a) states:

“Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:”

<i>If the pipeline is located:</i>	<i>Then the frequency of inspection is:</i>
<i>Onshore</i>	<i>At least once every 3 calendar years, but with intervals not exceeding 39 months</i>
<i>Offshore</i>	<i>At least once each calendar year, but with intervals not exceeding 15 months</i>

After reviewing the Division’s corrosion control records, SED found that the Division did not complete 5,940 meter inspections for evidence of atmospheric corrosion within a frequency of 39 months. PG&E’s inspectors documented a number of meter sets as inaccessible (“CGI” or “can’t get in”) in their 2015 and 2016 inspection records. As of June 30, 2017, there were still 5,940 meter inspections shown as incomplete without evidence of them being inspected within the 39 months prior to June 30, 2017.

Therefore, PG&E is in violation of Title 49 CFR §192.481(a) for its failure to inspect 5,940 meter sets for evidence of atmospheric corrosion once every 3 calendar years, but with intervals not exceeding 39 months.

PG&E’s Response:

Per the revised spreadsheet, there are a total of 5,331 meters in the De Anza Division which have not met the inspection requirement of once every 3 calendar years, but with intervals not exceeding 39 months due to the locations being CGI (Can’t Get In). PG&E recognizes that this is a system wide issue and has instituted a recovery plan under our Corrective Action Program (CAP 7001726). To prevent reoccurrence and ensure compliance, starting in 2014, PG&E has incorporated an electronic system to track AC inspections by date and time, so that inspections are performed within the 3 year, not to exceed 39 month compliance requirement. This includes utilizing electronic mobile tablets to record inspection results, rather than manually tracking the inspections on plat maps.

SED’s Conclusion:

SED has opted not to impose a fine or penalty since PG&E created the necessary corrective action plans. However, recurrence of the same violation in the future may result in enforcement action.

2. Title 49 CFR §192.187 states:

“Each underground vault or closed top pit containing either a pressure regulating or reducing station, or a pressure limiting or relieving station, must be sealed, vented or ventilated, as follows:”

(a) When the internal volume exceeds 200 cubic feet (5.7 cubic meters)”

During the field visit of a pressure limiting station B-34 located at Whisman & Middlefield Road in Mountain View, SED observed that both vaults, including a combination of working and monitoring regulators, did not have adequate ventilation.

Therefore, PG&E is in violation of Title 49 CFR §192.187 (a) for its failure to provide adequate ventilation in the vaults.

PG&E’s Response:

A project to install vents at Reg Station B-34 is in progress. A FIMP scoping document has been created and project number 42817846 to install the vents has been approved and funded. The project is currently awaiting scheduling. A completion date of 2nd quarter 2018 is estimated

SED’s Conclusion:

SED has opted not to impose a fine or penalty since PG&E created the necessary corrective action plans. However, recurrence of the same violation in the future may result in enforcement action.

3. Title 49 CFR §192.605(a) states:

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

PG&E’s procedure TD-4801S, Service Replacement Criteria, states,

*“ 2.1 For the following gas service asset types and conditions, **replace service** during initial response to a leak, scheduled leak repairs, and reconstruction projects: .*

- *All copper services... ”*

While reviewing the leak repair records, SED found that leak #110583940 on Alford Ave, Los Altos had been on a copper service. PG&E repaired the leak on 10/23/2015.

However, the Division had not yet replaced or scheduled for the replacement of the copper service as of June 26th 2017. Therefore, PG&E is in violation of Title 49 CFR §192.605(a) for failing to replace or schedule for the replacement of the copper service identified as required by PG&E’s procedure.

PG&E's Response:

The address for this service is actually supposed to be 1585 Holt Ave in Los Altos (not Alford Ave). A clerical error occurred and the address was mistakenly recorded as 1621 Alford Ave in the notification and order address fields. Alford Ave is the cross street and the service comes off of Alford Ave. The address of the home (the service address) is actually 1585 Holt. Attached, please find attachment 7 - "GSR Leak 110583940" which indicated in the As-Built section that the service address is 1585 Holt Ave. However, due to the clerical error with the address, a order was not generated to replace this copper service at 1585 Holt Ave. On 6/28/17 order 31334338 was generated to replace this copper service at 1585 Holt Ave. The replacement is currently scheduled for 9/20/17.

SED's Conclusion:

SED has opted not to impose a fine or penalty since PG&E created the necessary corrective action plans. However, recurrence of the same violation in the future may result in enforcement action.

II. Areas of Concern/ Observations/ Recommendations

AOC-1

During SED's field visit of a leak survey on Plat Map 3349-I2, PG&E identified 8 leaks along Appletree Lane, Mountain View.

Please provide an update on the status of corrective measures taken or planned as of this date.

PG&E's Response:

The two above ground riser thread leaks were repaired by the local Maintenance and Construction crew on 7/14/2017. Attached, please find attachments 9 and 10 - "Order 43057075 1824 Appletree" and "Order 43057076 1835 Appletree". The six meter set leaks have been repaired by Gas Field Services

SED's Conclusion:

SED opted not to impose any fine or penalty at this time since PG&E corrected the issue.

AOC-2

During SED's field observation, PG&E could not achieve lockup at the two working or one monitoring regulators at station B-34, Mountain View. Later, PG&E rebuilt all three regulators and provided a pressure record of the next day.

Please provide the cause of the multiple instances of failure to lockup and PG&E's measures to prevent recurrence.

PG&E's Response:

On 6/29/17, a B inspection was performed on the two working and one monitor regulators at Station B-34 (Whisman Station). Attached, please find attachment 17 - "B-34 Maintenance Record". The cause of the failure of the regulators to lock up was due to debris in the system caused from recent pigging operations on L-132 which occurred approximately between February of 2016 and June of 2017. Attached, please find attachments 18 and 19 - "Regulator Debris 1" and "Regulator Debris 2" showing the debris on the rubber boots. On several occasions during the pigging operations, the station filters were removed and an external filter was installed at this station. Attached, please find attachment 20 - "External Filter". Each time this was performed, newly welded pipe on the outlet of the filter was connected directly to the regulators. This pipe contained scale and slag as a result of the welding that was introduced into the station each time the external filter was installed. This buildup on the boots did not allow for a full lock-up of the regulators. Prior to this, the station has had no prior history of lock-up problems. CAP 113147645 was created and assigned to the ILI team to investigate methods to prevent this issue from reoccurring at this station and others during pigging operations where external filters are installed.

SED's Conclusion:

SED opted not to impose any fine or penalty at this time, since PG&E created the necessary corrective action plans.

AOC-3

During records review of valve maintenance, SED found that on January 13, 2016, PG&E had identified valve number 3411-E1B, a Critical Main Distribution Valve, as being inoperable. An Alternate Method of Control (AMC) was implemented on June 3, 2016 which combined Emergency Shutdown Distribution (ESD) Zones DA-17 and DA-19. On May 4, 2016 valve number 3410-F8B was discovered to be inoperable and an AMC was implemented on June 6, 2016 which combined ESD DA-4, DA-17, and DA-19. SED is concerned that when valve 3411-E1B was made operable again that the AMC for valve 3410-F8B was not modified.

SED recommends PG&E update its AMCs soon after the issue is resolved to reflect the current situation, as it could improve emergency response

PG&E's Response:

Both valves V-3410-F8B and V-3411-E1B have been repaired and their AMC's removed on 6/30/17 with the completion of work on valve 3410-F8B. Attached, please find attachment 21 – "AMC & Valve Card V-3410-F8B" and attachment 22 – "AMC & Valve Card V-3411-E1B". A hard copy of this documentation had previously been provided to the CPUC on 6/30/17 as completed data request #93

SED's Conclusion:

SED opted not to impose any fine or penalty at this time since PG&E corrected the issue.

AOC-4

During SED's field visit of valve maintenance on V-11-E1A, PG&E identified a leak at nearby pressure limiting station D-04 at the corner of Stevens Creek Blvd and Stelling Road in Sunnyvale. PG&E later repaired the leak at the Valve-1 greasing pin.

This note serves only for the purpose of record and PG&E need not to respond.

AOC-5

During SED's field visit, the Division recorded the following two low pipe-to-soil readings:

1. 1228 Crescent Terr, Sunnyvale (Isolated service, 10%er): -830mV
2. 450 Mathilda, Bldg B, Sunnyvale (Annual): -762mV

On July 18, 2017; PG&E submitted the following update on the status:

1. 1228 Crescent Terr, Sunnyvale (10%er): -830mV – This area has been corrected. The read is now -1068mV – Notification in SAP is 113005453

2. 450 Mathilda, Bldg B, Sunnyvale (Annual): -762mV – This area has been corrected. The read is now -1093mV – Notification is 113005608”

This note serves only for the purpose of record and PG&E need not respond.

AOC-6

During SED’s field visit of the exposed span, “DFM over Permanent Creek at Ranch San Antonio Park”, SED observed that the blowdown valve V-082 did not have any locking mechanism and the area was accessible to the public. SED found that the valve did not have adequate security.

On July 18, 2017, PG&E provided documentation with a picture of the valve with a lock installed.

This note serves only for the purpose of record and PG&E need not to respond.