

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 19, 2017

GI-2017-02-PGE01-02C

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

SUBJECT: General Order 112 Gas Inspection of PG&E's East Bay 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 (PG&E) Company's East Bay Division (Division) from February 6 through 8, and March 8 through 9, 2017.¹ The inspection included a review of the Division's operation and maintenance records related to Patrolling and Leak Survey for the years 2014 through 2016. A few selected sections of the buried gas pipelines in the cities of the Division were inspected for its history of leaks, construction activities, line markers, and leak surveys. 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 audit.

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.

If you have any questions, please contact Mohammad Ali at (916) 928-2109 or by email at ma5@cpuc.ca.gov.

Sincerely,

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

Kenneth Bruno - Program Manager
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

cc: Mike Bradley, PG&E Compliance Gas Operations
Susie Richmond, PG&E Gas Operations Regulatory Compliance and Risk Analysis

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 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 standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR)§192.605(a). SED is aware that PG&E corrected all of its findings prior to SED's inspection.

Table 1 Lists all of the audit related violations from PG&E's internal review.

Table 1: PG&E’s Internal Review

Topic	Item #	CF Code	# of Non-Compliances.	Finding Description	Corrective Action	Remediation Date
2014 Leak Repair	1	192.605(a)	12	Leak Repaired, checked, downgraded Late (12) a) Gr 2+ : Lk #: 109980355 b) Gr 2's: Lk#s: 2613243451; 2614540331 c) Gr 1's: 109764371 - (2); 2614140291; 2614140431; 2614141901; 2814841561; 2814241001; 2814247211; 2814410821	Migrated Leak management system from IGIS to SAP in 2014. All identified Leak work is now scheduled based upon grade and dates found and input.	12/31/2014
2015 Leak Survey	2		5	Not Following Company Procedures (5) Late Leak Investigation of Non-hazardous leak in HCA Leak #: 110870796, 110870791, 110866794, 111219401	Lk#110870796: Gr 3 leak on valve stem L 105A, -eliminated by lubricating . Leak#110870791: Gr 3 leak on valve stem in vault-eliminated by lubricating. Leak#110866794: Gr 2+ leak on sensing line cap, eliminated by tightening. Leak#111219401: Gr 3 leak on 3/4" valve gage tap - eliminated by tightening.	12/31/2016
2015 Leak Repair	3		21	Not Following Company Standards (21) Sketch missing from SAP Lk #s: 110175843; 110148527; 110154423; 110154424; 110161597; 110167871; 110173307; 110174898; 110175683; 110179616; 110212159; 110385088; 110390107; 110392581; 110406884; 110408575; 110410621; 110411262; 110411315; 110414825; 110414826.	System wide issue. Tailboarded construction and clerical as to the correct place to attach sketches.	9/30/2015
2016 Leak Survey	4		17	Not following Company procedures(10)-Completed maps not reviewed/signed off by Supervisor: Map/ Plat:5D02; 41F02;2A10;5C06;5D04;2B15;2C14;5C07;42B01, 2B10,10A01. Not following Company procedures(7)-25' of main not surveyed within compliance time frame (Richmond)Map/Plat 41F02;2A10;2B15;2C14;5C07;42B01;2B10.	Surveyed additional 25' of main on either side of the service tee. In an effort to comply with change of procedure, additional footage was surveyed along Main. Team reopened annual maps and had worked done after due date.	8/31/2016
OQ – Leak Survey -Trans.	5		1	Not following Company Standards: (1) Employee's qualifications were removed for work being performed. Qualification removed on 10-15-15 and employee performed survey on 10-17-15	Upon discovery, OQ'd employee was assigned task of performing leak survey in area. Records of survey completed by unqualified surveyor were invalid. Records of qualified surveyor were recorded.	3/12/2016

B. SED Findings

1. Title 49 Code of Federal Regulation §192.707: Line markers for mains and transmission lines states:

(a) Buried pipelines. Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

(1) At each crossing of a public road and railroad; and

(2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference....

a) During SED's field inspection of transmission line on route 0126-01 (1410 Kelsey Street, Richmond), no visible line markers or decals were observed within five blocks from the pipeline. The 22" Transmission line runs along Gertrude Ave. and was asphalt paved. Therefore, PG&E is in violation of CFR §192.707(a).

b) During SED's field inspection of transmission line on route 105A (920 Allston Way, Berkley), no visible line markers or decals were observed within five blocks from the pipeline. The line runs along 7th Street between Allston Way and Parker Street and was asphalt paved. Therefore, PG&E is in violation of CFR §192.707(a).

c) During SED's field inspection of transmission line on route 105A (515 Silver Ave, Richmond), no visible line markers or decals were observed within five blocks from the pipeline. The 24" transmission line runs along Market Street through the residential areas. Therefore, PG&E is in violation of CFR §192.707(a).

d) During SED's field inspection of transmission line on route identified as DREG 4275 (1528 Pomona Street, Crockett), no visible line markers or decals were observed within five blocks from the pipeline. The pipeline was roughly identified by a small temporary yellow flag on the ground. Therefore, PG&E is in violation of CFR §192.707(a).

PG&E responded to the findings noted above [1(a) – 1(d)] that they will need to follow up the issues with a Subject Matter Expert (SME) for an explanation and response. PG&E also indicated that exceptions stated in §192.707 may provide a part of the explanation. As of today, SED has not received any response from PG&E. PG&E is in violation of the aforementioned code sections.

II. **Areas of Concern/ Observations/ Recommendations**

- 1) During SED's leak survey field inspection on 3/8/17, PG&E could not locate the service addresses of 1207 16th Ave. and 1223 16th Ave. in Oakland, listed on PG&E's plat map 7F08-76, published on 10/01/2014. However, PG&E performed a leak survey on a nearby gas service located at 1223 16th Street, Oakland instead. Please explain the discrepancy of the addresses on the plat map.

- 2) During SED's leak survey field inspection on 3/8/17, a gas leak was encountered at 1622 E. 12th Street in Oakland. The Leak Surveyor identified the leak inside a curb meter box located within 5 feet of a building, and classified the leak as Grade 1 per PG&E Procedure TD-4110P-09, Section 4.1. PG&E leak surveyed this service on 2/3/2016 and the next leak survey is due by May of 2017. The Leak Surveyor reported the leak to General Construction (GC). GC personnel arrived at the site within an hour. PG&E, upon further investigation of the leak condition, determined that the measured gas was due to the venting of gas from the regulator. PG&E downgraded the leak to Grade Zero and no repairs were needed. SED requests a response on how PG&E plans to reduce accumulation of venting gas in the meter box.

- 3) During SED's record review of Plat maps IB13, IC10, and IC12, SED observed that several gas services in the cities of Richmond and San Pablo were not leak surveyed in 2014 or 2016. PG&E responded indicating that these services were not leak surveyed due to a Business District and Public Assembly (BD/PA) revision. Please provide SED with the effective date of the BD/PA revision.