

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 21, 2018

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

GI-2018-09-PGE-06

SUBJECT: General Order (GO) 112-F Gas Inspection of PG&E's Central Coast Division

Dear Mr. Christopher:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112-F inspection of Pacific Gas & Electric Company's (PG&E) Central Coast Division (Division) between September 10, 2018 and September 21, 2018. The inspection included a review of the Division's records for the period of 2015 through 2017, as well as a representative field sample of the Division's facilities in the Central Coast area. 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 Post-Inspection Written Preliminary Findings (Summary) which is enclosed with this letter. The Summary reflects only those particular records and pipeline facilities that SED inspected.

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 concerns noted in the Summary.

If you have any questions, please contact Jason McMillan at (916) 928-2271 or by email at Jason.McMillan@cpuc.ca.gov.

Sincerely,

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

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

Enclosure: Post-Inspection Written Preliminary Findings

cc: Bhavini Shah, PG&E
Susie Richmond, PG&E Gas Regulatory Compliance
Aimee Cauguiran, SED
Kelly Dolcini, SED

Post-Inspection Written Preliminary Findings

Dates of Inspection: 09/10/2018 – 09/21/2018

Operator: PACIFIC GAS & ELECTRIC CO

Operator ID: 15007 (primary)

Inspection Systems: PG&E Central Coast Division

Assets (Unit IDs): PG&E Central Coast Division (Unit #06)

System Type: GD

Inspection Name: PG&E Central Coast Division

Lead Inspector: Jason McMillan

Operator Representative: Jaime Hidalgo

Unsatisfactory Results

Records : Corrosion Control (PRR.CORROSION)

1. Question Do records adequately document electrical isolation of each buried or submerged pipeline
Text from other metallic structures unless they electrically interconnect and cathodically protect the pipeline and the other structures as a single unit?
References 192.491(c) (192.467(a), 192.467(b), 192.467(c), 192.467(d), 192.467(e))

Assets Covered PG&E Central Coast Division (Central Coast)

Issue Summary Title 49 CFR §192.491 states, in part:

"(a) Each buried or submerged pipeline must be electrically isolated from other underground metallic structures, unless the pipeline and the other structures are electrically interconnected and cathodically protected as a single unit.

(b) One or more insulating devices must be installed where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control.

(c) Except for unprotected copper inserted in ferrous pipe, each pipeline must be electrically isolated from metallic casings that are a part of the underground system. However, if isolation is not achieved because it is impractical, other measures must be taken to minimize corrosion of the pipeline inside the casing.

(d) Inspection and electrical tests must be made to assure that electrical isolation is adequate."

During the records review, within the response to data request CC-44, PG&E reported that the Central Coast Division has 181 casings on mains, and 31 casings on services. PG&E was

unsure if these casings were electrically isolated from the carrier pipes, and these casings have not been monitored for electrical isolation. PG&E had previously self-reported this to the CPUC and is addressing the issue of electrical isolation system-wide as a part of their EDSP (Enhanced Distribution Survey Program), which is a multi-year program planned for 2017-2021.

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

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

Assets Covered PG&E Central Coast Division (Central Coast)

Issue Summary Title 49 CFR §192.481(c) states:

"If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by §192.479."

SED reviewed Central Coast Division's Atmospheric Corrosion Inspections Records (exposed piping and spans in Santa Cruz) and found two spans with major coating issues that had no documentation or evidence of any corrective work performed, as conditions observed and detailed description found in 2014 appear to be the same found in 2017.

1. 44463623 (D 04), date of inspection 12/20/14, and 11/16/17

PG&E's 2014 inspection noted major coating issues, and that a corrective ticket had been generated, but no corrective ticket was found associated with either the 2014 or 2017 inspections. PM 43236387 was generated on 9/12/2018 under PR Notification 113708046.

2. 44463654 (D 15), date of inspection 12/30/14 and 11/17/17

PG&E's 2014 inspection noted major coating issues, and that a corrective ticket had been generated, but no corrective ticket was found associated with either the 2014 or 2017 inspections. PM 43236388 was generated on 9/12/2018 under PR Notification 113708077.

Pipeline Field Inspection : Pipeline Inspection (Field) (FR.FIELDPIPE)

3. Question Are distribution line valves being installed as required of 192.181?
Text

References 192.141 (192.181(a), 192.181(b), 192.181(c))

Assets Covered PG&E Central Coast Division (Central Coast)

Issue Summary SED observed many regulator stations and valve lots, each regulator station had an inlet fire valve. However the high pressure regulator station J-37 had an identified fire valve that was too close, within 20 feet of the station. This is not compliant with PG&E's "GAS DESIGN STANDARD H-10: HIGH-PRESSURE REGULATOR-TYPE STATIONS AND FARM TAP REGULATOR SETS," which requires inlet fire valves to be at least 20 feet away from stations of this type. There is another line valve that is more than 20 feet away that may be the correct fire valve. PG&E does have a corrective action for this issue, CAP# 11498384, and a work order, OCW #114987952, to either identify a different fire valve, or install one that is compliant with H-10.

Please provide a status update on the corrective action and completion of work order.

4. Question Text Is pipe that is exposed to atmospheric corrosion protected?

Text

References 192.481(b) (192.481(c), 192.479(a), 192.479(b), 192.479(c))

Assets Covered PG&E Central Coast Division (Central Coast)

Issue Summary During field observations, SED found three exposed spans whose coating was inadequate. The coating issues on these spans had been recorded previously as inadequate by PG&E, but it seems no corrective work has been performed. 49 CFR 192.481(c) states: If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by §192.479.

Please provide status on the remedial work on these spans.

WALL 3533 PLAT OH07	1137080 46	431733 56	D04 EXPOSED PIPE IRWIN WAY S AND SAN LOR
WALL 3675 PLAT OE02	1137080 76	431733 56	D78 EXPOSED PIPE MUNICIPAL WHARF, SANTA
WALL 3675 PLAT OC03	1137080 77	431733 56	D15 EXPOSED PIPE WATER ST BRIDGE AND BRA

Concerns

Records : Corrosion Control (PRR.CORROSION)

1. Question Text Do records adequately document actions taken to correct any identified deficiencies in corrosion control?

References 192.491(c) (192.465(d))

Assets Covered PG&E Central Coast Division (Central Coast)

Issue Summary SED observed cathodic protection (CP) survey measurements that were lower than compliance levels during the review of maintenance records spanning 2015 to 2017. There were records showing remedial actions performed for the low CP levels. SED selected several test locations and performed field inspections, which confirmed that the CP measurements were still below compliance levels.

SED's field inspections on September 19 and 20, 2018 found low CP reads for the following test locations:

1. 115 Pearl St., King City: -0.833 V (records show -0.783 V measured on 12/3/15).
2. 10 Hitchcock Road, Salinas :-0.693 V (records show -0.562 V measured on 3/10/16)
3. 3056 #13 California, Marina, (Galvanic) -0.796 V
4. 124 Fountain Ave, Pacific Grove, 10%er -0.784 V
5. 120 Ocean view Blvd., Pacific Grove, -0.798 V
6. 1081 Hart St., Seaside, -0.754 V

Please provide status on remedial actions, and follow-up CP voltage measurements to

confirm compliance.