

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 28, 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-2018-06-PGE75-01ABC

**SUBJECT: Safety and Enforcement Division closure letter for the General Order 112-F
Inspection of Pacific Gas and Electric Company's Gas Storage Facilities**

Dear Mr. Christopher:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Pacific Gas and Electric Company's (PG&E) response letter dated August 23, 2018 for the findings identified during the General Order (GO) 112-F inspection of PG&E's Gas Storage (Gas Storage) which was conducted from June 4-15, 2018.

A summary of the inspection findings documented by SED, PG&E's response to SED findings, and SED's evaluation of PG&E's response taken for each finding are outlined for each identified violation, concern, and recommendation.

This letter serves as the official closure of the 2018 PG&E Gas Storage safety inspection 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 audit. Please contact Joel Tran at (415) 515-3442 or by email at joel.tran@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 Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission

cc: Susie Richmond, PG&E
Bhavini Shah, PG&E
Kenneth Bruno, SED
Terence Eng, SED
Kelly Dolcini, SED
Claudia Almengor, SED

I. PG&E's Internal Inspection Findings

At the start of the inspection, PG&E provided SED its findings from the internal review it conducted of Gas Storage. 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 began remediation of all its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review.

Table 1: Gas Storage Internal Review Findings

Code Section	Finding	Instances
192.605(a)	Pressure limiting valves went beyond the 45 day compliance timeframe outlined in TD-4545S	23
192.605(a)	Pressure relief valve capacity not recalculated as outlined in H-70	8
192.743(a)	Missed annual review of relief valve capacity calculation	6
192.805(b)	Valve maintained by individual without proper qualifications	1
192.731(b)	Defective pressure relief valve in a compressor station was not promptly repaired or replaced	1

PG&E's Response:

All internal review findings were addressed and corrective actions outlined within the Internal Review Summary of Findings (IRSF) provided in pre-inspection data request GS#02.

SED's Conclusion:

SED has opted not to issue a fine or penalty since PG&E took the appropriate remedial actions.

II. SED Findings

Probable Violation 1.1 – 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: Onshore - At least once every 3 calendar years, but with intervals not exceeding 39 months"

During record review of exposed spans in McDonald Island, SED discovered nine McDonald Island exposed spans originally inspected for atmospheric corrosion on 2/10/2015 with subsequent inspection dates listed in Table 2 below.

Table 2: Exposed Spans Inspection Dates

Equipment ID	Subsequent Inspection
49932222	6/6/2018
49932224	6/6/2018
49932225	6/6/2018
49932226	6/6/2018
49932227	6/6/2018
49932228	6/6/2018
49932220	Removed from Spans List 6/12/2018
49932223	Removed from Spans List 6/12/2018
49932221	Removed from Spans List 6/12/2018

Because the nine spans were last inspected on 2/10/2015, the next inspections were due by 5/10/2018. PG&E failed to complete an atmospheric corrosion inspection of these spans within the required 39 month interval.

PG&E's Response:

PG&E recognizes that the 39 month maximum duration between span inspections was exceeded. A scheduling discrepancy that resulted from the transition of electronic work management systems (PLM to SAP) has been resolved. All nine McDonald Island exposed spans inspected for atmospheric corrosion on 02/10/2015 were revisited as of 06/06/2018. Note that three of them no longer classify as spans: 2 were removed when a portion of L-57A was retired and 1 is now fully covered; these have been removed from the span list.

The following action has been taken to avoid reoccurrence: SAP work management system has scheduled span re-inspection notifications to automatically alert corrosion supervisor of upcoming deadline(s).

SED's Conclusion:

SED has opted not to impose a fine or penalty since PG&E took the appropriate remedial actions, and the violations did not create any hazardous conditions for the public or utility employees.

III. Area of Concern/Observations/Recommendations

AOC-1

During the field verification of pipe-to-soil readings, SED noted a low pipe-to-soil reading (outside the -850mV requirement) at the following location:

- Turner Cut Station Mainline at end of vault: -789mV

PG&E's Response:

PG&E generated a troubleshoot (notification# 114704855) for the unsatisfactory CP reading after initial identification, and is now targeting resolution no later than the end of Q4 2018 (corrective notification # 114690834).

SED's Conclusion:

SED will check in future inspections to ensure that PG&E has followed through with its response.