

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 7, 2019

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

GI-2018-10-PGE-11

SUBJECT: SED's Closure Letter for General Order 112-F Gas Inspection of PG&E's North Bay Division

Dear Mr. Christopher:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Pacific Gas & Electric Company's (PG&E) response letter dated January 15, 2019 for the findings identified during the General Order 112-F inspection of PG&E's North Bay Division on October 1 – October 12, 2018.

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

This letter serves as the official closure of the 2018 GO 112-F Inspection of PG&E's North Bay 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. If you have any questions, please contact Shuai (James) Zhang at (415) 603-1310 or by email at James.Zhang@cpuc.ca.gov.

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: Susie Richmond, PG&E
Bhavini Shah, PG&E
Claudia Almengor, SED
Aimee Caguiran, SED

Post-Inspection Written Findings

Dates of Inspection: 10/01/2018 – 10/12/2018

Operator: PACIFIC GAS & ELECTRIC CO

Operator ID: 15007 (primary)

Inspection Systems: North Bay Division

Assets (Unit IDs): North Bay Division (Unit #11)

System Type: GD

Inspection Name: PG&E North Bay Division

Lead Inspector: James Zhang

Operator Representative: Daniel Rakin

Unsatisfactory Results

A. Records: Corrosion Control (PRR.CORROSION)

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

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

Assets Covered North Bay Division (North Bay)

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

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

SED reviewed North Bay Division's exposed span inspections records and found that a span at 72 Foothill Rd, San Anselmo had an inspection on 1/30/18 showing light surface rust, pitting, and disbonded coating. Previous records show that PG&E performed an inspection on 1/12/15 and noted damage to coating and rust. A Corrective Work Ticket (Notification #110403231) required corrective maintenance by 5/20/15, and a second corrective work ticket (notification #110545233) required repair by 11/3/15 with a start date of 8/10/15. Both tickets indicated that the entire service will be

replaced. However, there were no records to show that corrective actions have been completed. PG&E created an active ticket to replace the service at the time of this SED inspection.

PG&E's Response:

PG&E respectfully disagrees actions weren't taken to protect against corrosion; please refer to inspection and scheduled work history below:

On 1/12/2015, a technician noted an exposed service pipe at 72 Foothill Rd in San Anselmo under notification 109891672.

Notification 110403231 was created on 5/20/2015 to replace exposed service with a required repair date by 3/31/2016. On 1/21/2016, it was field verified that the service was no longer exposed resulting in the cancellation of corrective maintenance.

Notification 110545233 was created on 7/31/2015 to replace exposed service with a required repair date of 10/31/2018. The corrective maintenance ticket was cancelled on 6/19/2017 due to "no driver for service replacement 1957 steel 3/4 atmospheric corrosion." Furthermore, this notification was created by a Construction Supervisor who was unaware of the existence of active notification 110403231 detailing the same corrective tasks.

A 2018 span inspection was performed on 1/30/18 under maintenance notification 114073545 indicating light surface rust, pitting and disbonded coating.

Notification 114306490 was created on 2/13/2018 to repair exposed pipe with a required repair date of 2/13/2021. This corrective maintenance ticket was cancelled on 11/2/2018 due to creating new corrective maintenance ticket 115079721 on 10/22/2018. The target date for full service replacement is Q1 of 2019. Please view attachment "ID 1_UR_72 Foothill Rd Exposed SVC.pdf" for a snapshot of the comments for each notification number.

SED's Conclusion:

SED has reviewed records provided and opted not to impose a fine or penalty at this time since PG&E provided clarification to address this issue. SED may opt to confirm completion of the replacement work at a future date.

Concerns

A. Records: Corrosion Control (PRR.CORROSION)

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

References 192.491(c) (192.465(d))

Assets Covered North Bay Division (North Bay)

Issue Summary SED reviewed North Bay Division's Cathodic Protection Maintenance Records and found two cathodic protection areas (CPA) with pipe-to-soil potentials that do not meet the -850mV criterion that are approaching their required repair date.

Napa:

CPA 710-01 REC has two monitoring points (44165330 and 42136557) that were found to be down on 10/3/2018 and have been down since September 2017. PG&E initially discovered the low reads during a leak repair in September 2017 and was later confirmed to affect the entire CPA during the annual CP reads conducted on 10/23/2017. PG&E has not worked on restoring this CPA since 2017. PG&E created a work notification to restore the CPA by 10/31/2018.

San Rafael:

CPA 985-25 REC has a monitoring point 42718426 that is approaching its required repair date. PG&E found the location to be non-compliant with the -850mV criterion by PG&E on 8/11/2017. During its field inspection, SED found a pipe-to-soil of -425 mV on 10/11/2018. PG&E has created PM 43330253 to restore the CPA by 11/11/2018.

Please provide SED with an update on the corrective action(s) taken by PG&E for the CPAs identified above.

PG&E's Response:

PG&E recognizes this concern and has taken the following corrective actions:

Napa: Please note that the CPA is 710-09, not 710-01 as listed in the finding. Troubleshoot notification 114574443 restored CPA 710-09 on 10/23/2018. Pipe-to-soil reads were taken on 10/23/2018 for 44165330 and 42136557

which yielded -902 mV and -863 mV, respectively. Please review attachment "ID 1_Concern_CPA Down.pdf"

San Rafael: Troubleshoot notification 114890726 restored CPA 985-25 yielding a pipe-to-soil read of -1270 mV on 11/3/2018 for monitoring point 42718426. Please review attachment "ID 1_Concern_CPA Down.pdf"

SED's Conclusion:

SED has reviewed PG&E's response and determined that the corrective actions articulated by PG&E sufficiently address SED's concern. SED may check the implementation of the corrective actions at a future date.

B. Records: Pressure Test (PRR.PT)

2. Question Do records indicate that pressure testing is conducted in Text accordance with 192.511?

References 192.517(b) (192.511(a), 192.511(b), 192.511(c))

Assets Covered North Bay Division (North Bay)

Issue Summary SED reviewed North Bay Division's leak repair records and found that PG&E deactivated partial service for leak repair #112685065 without pressure test on the A-form. PG&E responded that the repair activity was incorrectly documented as PG&E only replaced the valve at the meter with no deactivation, therefore no pressure test was required per §192.511(a). PG&E will correct and add explanation for the repair on A-form. SED recommends PG&E make sure the correct information is entered for repair activity.

PG&E's Response:

PG&E recognized this concern and performed the following corrective actions the same day of the finding:

Mapping revised the A-Form to account for the correct repair activity and included a comment under the installation completion details capturing the revision. Please note that this A-form was provided to the SED on 10/9/18, during the inspection. Please review attachment "ID 2_Concern_A-Form_Redacted.pdf" to review the redacted A-Form.

SED's Conclusion:

SED has reviewed PG&E's response and determined that the corrective actions articulated by PG&E sufficiently address SED's concern. SED may check the implementation of the corrective actions at a future date.

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

3. Question Are meters and service regulators being located consistent Text with the requirements of 192.353?

References 192.351 (192.353(a), 192.353(b), 192.353(c), 192.353(d))

Assets Covered North Bay Division (North Bay)

Issue Summary During the field inspection in North Bay Division, SED visited two locations (PM 42390964 and PM 42387034) identified by PG&E where gas meter protection will be added under the Gas Meter Protection Program. This note serves as a record of the observation.

PG&E's Response:

PG&E recognizes this concern and has taken the following corrective actions: Order 42390964 was a duplicate of order 42500523 (notification 105891595). The long text in notification 105891595 states that the customer remediated the risk on their own and PG&E engineer approved the customers remediation method on 11/19/2018. Both orders were cancelled. View attachment "ID 3_C_Meter Protection.pdf" for SAP snapshot.

Meter protection installation under order 42387034 was completed on 12/29/2018. View attachment "ID 3_C_Meter Protection.pdf" for SAP snapshot.

SED's Conclusion:

SED has reviewed PG&E's response and determined that the corrective actions articulated by PG&E sufficiently address SED's concern. SED may check the implementation of the corrective actions at a future date.

4. Question Are meters and service regulators being installed consistent Text with the requirements of 192.357?

References 192.351 (192.357(a), 192.357(b), 192.357(c), 192.357(d))

Assets Covered North Bay Division (North Bay)

Issue Summary SED observed following during its field inspection:

- a) The customer meter at 1003 Green Oak, Novato is not sufficiently supported. The meter is located in an unlocked shed
- b) SED observed heavy vegetation around the meters at 25 Castle Rock Dr, Mill Valley and 1930 4th St, San Rafael.

Please provide an update on any corrective action(s) taken by PG&E.

PG&E's Response:

PG&E recognizes the concern of part a and has taken the following corrective actions:

1003 Green Oak, Novato: Field Order ID 3951042324 relocated the meter outside of the cabinet on 10/10/2019. Please view snapshot of field order in attachment "ID 4_C_Meter Relocated and Heavy Vegetation.pdf"

PG&E respectfully disagrees with part b of this concern for the following reason:

Although both locations, 25 Castle Rock Drive in Mill Valley and 1930 4th Street in San Rafael, present heavy vegetation surrounding the meter, the meters are compliant per referenced codes 192.351 and 192.357. Upon inspection of both locations, the meters were accessible showing no visible sign of atmospheric corrosion and are properly vented to the outside atmosphere.

SED's Conclusion:

SED has reviewed PG&E's response and determined that the corrective actions articulated by PG&E sufficiently address SED's concern. SED may check the implementation of the corrective actions at a future date.

5. Question Are methods used for taking CP monitoring readings that Text allow for the application of appropriate CP monitoring criteria?

References 192.465(a) (192.463(b), 192.463(c))

Assets Covered North Bay Division (North Bay)

Issue Summary SED observed the following cathodic potential readings during its field inspection:

-742mV @ 3151 Rita CT, Napa (10%er), PG&E replaced new anode with P/S read -1314 on 10/05/18

-642mV@ 3154 Rita CT, Napa (10%er), PG&E replaced new anode with P/S read -1105 on 10/05/18

-580mV@ 2531 Whitman St, Napa

-575mV@ 2551 Whitman St, Napa

-484mV @ 2074 West Lincoln Ave, Napa

-790 mV @ 675 East K St, Benicia

-837 mV @ 654 East L St, Benicia

-683mV @ 2034 El Dorado Ct, Novato (10%er)

-633mV @ 30 Arrowhead Ln, Novato (10%er)

-663mV@ 21 Arrowhead Ln, Novato (10%er)

-845mV @ 18 Balra Dr, Novato

-515mV @ 200 Johnstone Dr., San Rafael

-486mV @ 3 Mt. Burney Ct, San Rafael

-800mV @ 4 Yosemite Rd, San Rafael

-3700mV @ 64 Mountain View, Fairfax

-839mV @ 24 Matilda Ave, Mill Valley

-426mV @ 337 Melrose, Mill Valley

Please provide SED an update on any corrective action(s) taken and include documentation of the corrective action.

PG&E's Response:

PG&E recognizes this concern and has taken the following corrective actions:

1. 3151 Rita CT, Napa (10%er): PG&E installed a new anode on 10/05/2018 resulting in a P/S read of -1105 mV.

2. 3154 Rita CT, Napa (10%er): PG&E installed a new anode on 10/05/2018 resulting in a P/S read of -1314 mV. This address is not a monitoring point; therefore, it is not tracked on SAP. Verbal communication of repair was made to CPUC on 10/05/2018.
3. 2531 Whitman St, Napa: Troubleshoot notification 114574443 restored CPA 710-09 on 10/23/2018. A P/S read of -1270 mV was taken on 11/9/2018. This address is not a monitoring point; therefore, it is not tracked on SAP. However, photos were taken by the corrosion mechanic as proof of inspection.
4. 2551 Whitman St, Napa: Troubleshoot notification 114574443 restored CPA 710-09 on 10/23/2018 yielding a P/S read of -863 mV.
5. 2074 West Lincoln Ave, Napa: Troubleshoot notification 114574443 restored CPA 710-09 on 10/23/2018 yielding a P/S read of -902 mV.
6. 675 East K St, Benicia: A P/S read of -871 mV was taken on 10/20/2018.
7. 654 East L St, Benicia: A P/S read of -855 mV was taken on 10/20/2018.
8. 2034 El Dorado Ct, Novato (10%er): PG&E installed a new anode on 10/12/2018 resulting in a P/S read of -1508 mV.
9. 30 Arrowhead Ln, Novato (10%er): PG&E installed a new anode on 10/12/2018 resulting in a P/S read of -1045 mV.
10. 21 Arrowhead Ln, Novato (10%er): PG&E installed a new anode on 10/12/2018 resulting in a P/S read of -1371 mV.
11. 18 Balra Dr, Novato: Troubleshoot notification 113829033 restored CPA 862-01 on 10/18/2018 yielding a P/S read of -982 mV. Another P/S read was taken on 11/28/2018 yielding -1020 mV.
12. 200 Johnstone Dr., San Rafael: Troubleshoot notification 115052204 restored CPA 927-02 on 1/10/2019 yielding a P/S read of -1149 mV.
13. 3 Mt. Burney Ct, San Rafael: Troubleshoot notification 115052260 restored CPA 927-02 on 1/10/2019 yielding a P/S read of -996 mV.
14. 4 Yosemite Rd, San Rafael: PG&E installed a new anode on 10/12/2018 resulting in a P/S read of -1447 mV.
15. 64 Mountain View, Fairfax: A P/S read of -3946 mV was taken on 11/27/2018.
16. 24 Matilda Ave, Mill Valley: Troubleshoot notification 115058804 restored CPA 985-26 on 11/16/2018 yielding a P/S read of -924 mV.
17. 337 Melrose, Mill Valley: Troubleshoot notification 114574443 restored CPA 710-09 on 10/23/2018 yielding a P/S read of -1270 mV.

Documentation of corrections can be viewed in "ID 5_Concern_Monitoring Points.pdf" and "Follow-up_Concern_Monitoring Point_CONF.pdf"

SED's Conclusion:

SED has reviewed PG&E's response and determined that the corrective actions (except for item 15) articulated for by PG&E sufficiently address SED's concern. SED may check the implementation of the corrective actions at a future date.

Regarding to #15, SED requested PG&E to provide corrective action to the high pipe to soil potential reads at 64 Mountain View, Fairfax:

- A P/S read of -3700 mV was taken on 10/11/2018
- A P/S read of -3946 mV was taken on 11/27/2018

On January 31, 2019 PG&E responded to SED's request for corrective action:

"PG&E recognizes this concern and has taken the following corrective actions:

64 Mountain View (EQ# 42735640) in Fairfax was removed as a pipe-to-soil monitoring point on 1/30/2019 under RW# 115757364. In 2015, PM 30967918 replaced over 3,700 ft of steel main and 59 steel services with plastic piping. The completion of the project included the replacement of the 1958 3/4" steel service located at 64 Mountain View with new 1" plastic piping.

In review of the high negative reads taken, corrosion personnel concluded that the current output was not properly adjusted and the monitoring points, affected by PM 30967918, were not removed from the maintenance log. The current output to the CPA has been reduced to provide sufficient protection for all remaining steel main and services within the protected area. Similar to 64 Mountain View, many monitoring points have been removed from the maintenance log due to the replacement of the steel main and service with plastic piping. In response to reducing the current output, three (3) new monitoring locations have been added yielding the below readings.

- 30 Valley Rd, Fairfax: Pipe-to-soil read of -1352 mV taken on 1/29/2019
- 126 Frustruck Ave, Fairfax: Pipe-to-soil read of -1421 mV taken on 1/29/2019
- 241 30 Valley Rd, Fairfax: Pipe-to-soil read of -1352 mV taken on 1/29/2019"

SED has reviewed PG&E's response to the concern and determined that the corrective actions articulated for by PG&E sufficiently address SED's concern. SED may check the implementation of this corrective actions at a future date.