PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

December 31, 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-2018-07-PGE-04-02A, 02B, 02C

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

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 October 1, 2018 for the findings identified during the General Order (GO) 112-F Inspection of PG&E's Peninsula Division which was conducted from July 9-13 and 16-20, 2018.

A summary of the audit 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 Peninsula 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 Sikandar Khatri at (415) 703-2565 or by email at Sikandar.Khatri@cpuc.ca.gov if you have any questions.

Sincerely,

Dennis Lee

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

cc: Bhavini Shah, PG&E
Susie Richmond, PG&E Gas Regulatory Compliance
Kelly Dolcini, SED
Kenneth Bruno, SED
Claudia Almengor, SED

SUMMARY OF INSPECTION FINDINGS

Probable Violations:

Based on information reviewed during the inspection, no violations were observed.

Areas of Concern:

(1) Following sections of Title 49, CFR – Parts 191 and 192 require operators to submit report on “Mechanical Fitting Failures”.

§191.12 Distribution Systems: Mechanical Fitting Failure Reports

Each mechanical fitting failure, as required by §192.1009, must be submitted on a Mechanical Fitting Failure Report Form PHMSA F-7100.1-2. An operator must submit a mechanical fitting failure report for each mechanical fitting failure that occurs within a calendar year not later than March 15 of the following year (for example, all mechanical failure reports for calendar year 2011 must be submitted no later than March 15, 2012). Alternatively, an operator may elect to submit its reports throughout the year. In addition, an operator must also report this information to the State pipeline safety authority if a State has obtained regulatory authority over the operator's pipeline.

§192.1009 What must an operator report when a mechanical fitting fails?

(a) Except as provided in paragraph (b) of this section, each operator of a distribution pipeline system must submit a report on each mechanical fitting failure, excluding any failure that results only in a nonhazardous leak, on a Department of Transportation Form PHMSA F-7100.1-2. The report(s) must be submitted in accordance with §191.12.

PG&E submits “Mechanical Fitting Failure” information as required by the above referred Code provisions. SED made following observations:

(a) PG&E considers Grade 1 leaks (hazardous) and MPR (Material Problem Reports) to extract the information for “Mechanical Fitting Failure” reporting. It was discussed and is recommended that PG&E should include in analysis “Investigation failure reports”, when applicable to determine the correct cause.

(b) In some instances, it was found that there was a discrepancy in “Apparent cause of leak” reported in provided “Mechanical Fitting Failure” spreadsheet and A-forms. Examples are:

- Leak # 112677526 (Leak cause should be “construction defect” as in A-from, and not “unknown” as Mechanical Fitting Failure spreadsheet)
- Leak # 113256336 (Leak cause should be “construction defect” as in A-from, and not “unknown” as Mechanical Fitting Failure spreadsheet).

Additionally,

For leak # 113064413 - Leak was originally Grade 1, but A-form shows that it was later zeroed out. Mechanical Fitting Failure spreadsheet shows repair information. Please clarify.

SED discussed with PG&E and recommends that:

(i) Better filters should be applied to extract correct information from all possible sources

(ii) Rigorous quality checks should be performed to make sure that the correct information is submitted in the “Mechanical Fitting Failure” reports.

PG&E’s Response:

PG&E agrees with these recommendations and created a task in CAP #114869865 to track the process update. The update includes a review of incident investigation reports when applicable to determine correct cause, applied filters for SAP data, and quality checks.

As for leak #113064413, the repair was performed under notification #113073650. The leak was at the EFV and a new EFV along with 1 ft of 1/2" plastic was installed to repair the leak. Please see attached "Att #1 - LK 113064413 Repair Notif 113073650_CONF.pdf".

SED’s Conclusion:

PG&E has taken actions to address the identified issues.

(2) PG&E A-form:

(a) SED, for leak number 112672387, observed a discrepancy between "repair type" provided in pre-audit data request, PN#7 (Leak History) and A-form. The PN#7 reports “Repair Type” as “Fill weld- weld”, however, in A-form under “Repair Remarks” it says “Installed 2 Bolt Clamp to Repair Leak”. At the same time, in A-form under “Maintenance (Expense)”, “Fill weld- weld” is checked out.
After SED made this observation, A-form was corrected. However, relevant employee(s) should be tail-boarded to avoid this in future.

(b) SED observed that for Leak # 113870685, the A-form reports leak cause as "Stab Type Fittings". The repair remark is "installed cap".
Further review of documents showed that leak was not on fitting but on pipe connected to the fitting. Therefore, it is correct that it does not need to be reported in “Mechanical Fitting Failure” report, however the reported "leak cause" on A-form was wrong. The relevant employee(s) should be tail-boarded to avoid this in future.

PG&E’s Response:

(a) PG&E corrected the A-form during the audit and provided SED a copy of the revised A-form. The Gas Service Supervisor also tailboarded the employee who made the documentation error on 8/21/18.
(b) PG&E updated the A-form on 8/20/18 by changing the leak source from "Stab Type Fittings" to "Body of Pipe". Please see "Att #2 - Updated 113870685 AForm_

CONF.pdf". The M&C Supervisor spoke to the employee on 8/13/18 regarding this matter.

SED's Conclusion:

PG&E has taken actions to address the identified issues.

(3) During field visit, SED observed that meter protection is needed at 108 Birch Street, Redwood City.

PG&E's Response:

PG&E installed meter protection posts at 108 Birch St, Redwood City on 9/18/18 under PM #43484494. Please see "Att #3 - Birch St MP.pdf".

SED's Conclusion:

PG&E has taken actions to address the identified issues.

(4) The pipe-to soil reads at following locations were found to be low:

S.No.	Address	Pipe-to Soil Read (mV)
1	341 Occidental Ave, Burlingame	-708 mV (10%)
2	3090 Oak Knoll Rd, Redwood	-656 mV (10%)
3	514 Beresford Ave, Redwood City	-434 mV (10%)
4	Hillcrest Rd, San Carlos	-420 mV (10%)
5	715 Orange Street, San Carlos	-545 mV (Rectified CPA area)

PG&E's Response:

PG&E has done the following to remedy the low pipe-to-soil reads:

1. 341 Occidental Ave, Burlingame: New driveable anode installed under PM #43410217. The P/S read is now -1,599mV.

2. 3090 Oak Knoll Rd, Redwood City: PM #43410262 and troubleshoot ticket #114799589 have been created to remedy the issue.

3. 514 Beresford Ave, Redwood City: PM #43410263 and troubleshoot ticket #114799620 have been created to remedy the issue.

4. 230 Hillcrest Rd, San Carlos: A new 9 lb. anode will be installed under PM #43425264.

5. 715 Orange Street, San Carlos: PM #43344268 and troubleshoot ticket #114593114 have been created to remedy the issue.

SED's Conclusion:

PG&E has taken actions to address the identified issues.