

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 4, 2018

Mr. Sumeet Singh, Vice President  
Pacific Gas and Electric Company  
Portfolio Management & Engineering  
6111 Bollinger Canyon Road, Room 4590-D  
San Ramon, CA 94583

GI-2018-07-PGE-04-02A, 02B, 02C

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

Dear Mr. Singh:

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) Peninsula Division (Division) during July 9-13 and 16-20, 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 various cities. 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 inspection.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by PG&E to address the concerns noted in the Summary.

If you have any questions, please contact Sikandar Khatri at (415) 703-2565 or by email at [Sikandar.Khatri@cpuc.ca.gov](mailto:Sikandar.Khatri@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink, reading "Kenneth A. Bruno", is positioned above the typed name.

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

Enclosure: Summary of Inspection Findings

cc: Mike Bradley, PG&E Compliance  
Susie Richmond, PG&E Gas Regulatory Compliance  
Kelly Dolcini, 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-form, and not “unknown” as Mechanical Fitting Failure spreadsheet)
  - Leak # 113256336 (Leak cause should be “construction defect” as in A-form, 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.

(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.

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

(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)