

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 30, 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-2019-02-PGE-78

SUBJECT: General Order (GO) 112-F Gas Inspection of PG&E's Central South Transmission Area

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 South Transmission Area (Area), which included the Kettleman District and the local transmission assets of the Fresno Division, between February 25 and March 8, 2019. The inspection included a review of the Area's records for the period of 2016 through 2018, as well as a representative field sample of the Area's facilities in the Kettleman District and Fresno Division. SED staff also reviewed the Area'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 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 violations and concerns noted in the Summary.

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

Enclosure: Post-Inspection Written Preliminary Findings

cc: Susie Richmond, PG&E Gas Regulatory Compliance
Kenneth Bruno, SED
Aimee Cauguiran, SED
Claudia Almengor, SED

Post-Inspection Written Preliminary Findings

Dates of Inspection: 02/25/2019 – 03/08/2019

Operator: PACIFIC GAS & ELECTRIC CO

Operator ID: 15007

Inspection Systems: Kettleman District, Kettleman Compressor, and Fresno Division Local Transmission

Assets (Unit IDs): Central South Transmission (86289 (78))

System Type: GT

Inspection Name: PG&E Central South Transmission

Lead Inspector: Jason R. McMillan

Operator Representative: Glen Allen

Unsatisfactory Results

Maintenance and Operations: Gas Pipeline Odorization (MO.GOODOR)

Question Text Do records indicate appropriate odorization of its combustible gases in accordance with its processes and conduct of the required testing to verify odorant levels met requirements?

References 192.709(c) (192.625(a), 192.625(b), 192.625(c), 192.625(d), 192.625(e), 192.625(f))

Assets Covered Central South Transmission (86289 (78))

Issue Summary PG&E Procedure TD-4570P-03 states that odor intensity readings must be taken each month, and the meter serial number must be recorded each month. On 05/01/2018 the odor intensity level at the Paramount Station was not recorded. Additionally, there has not been a meter serial number recorded in PG&E's inspection records since 05/01/2018 at the Paramount Farms odor test station (7 months missing; June-December 2018). Coincidentally, the odor tester which is usually used at this station (S# 2001430006) was out of calibration window between 9/11/18 and 12/27/18.

Maintenance and Operations: Gas Pipeline Overpressure Protection (MO.GMOPP)

Question Text Do records indicate inspection and testing of pressure limiting, relief devices, and pressure regulating stations?

References 192.709(c) (192.739(a), 192.739(b))

Assets Covered Central South Transmission (86289 (78))

Issue Summary PG&E did not follow their procedure to exercise the inlet station valve at the Paramount Farms regulator station.

The inlet valve to the Paramount Farms Regulator Station is not controlled by PG&E; it is controlled by a gas storage operator, so PG&E was unable to exercise the inlet valve during station maintenance. CAP #112608953 was created on 02/17/2017 to address this issue. On 10/27/2017, a note added to the CAP stated that section 3.7 within the agreement between PG&E and the gas storage operator states "The parties shall cooperate in the day-to-day operation of their respective facilities to ensure efficient and coordinated operation(s) and maintenance". This should include the coordination for operation the upstream and downstream fire valves for maintenance of the station"

However, the 2018 and 2019 station maintenance records noted "No Inlet Fire Valve". There were no records to show that PG&E coordinated with the gas storage operator and that the inlet fire valve was operated and maintained.

Time-Dependent Threats: Atmospheric Corrosion (TD.ATM)

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

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

Assets Covered Central South Transmission (86289 (78))

Issue Summary I. Nine (9) spans exceeded the span remediation period required by TD-4188S "Atmospheric Corrosion Control of Gas Facility" (Published on 01/01/2017), Section 4.1, which requires to remediate issues found during inspections in 3 years not to exceed 39 months.

- a. EQ # 41452045, L-300A MP 401.98; The inspection recorded on 5/21/15 noted "Coating worn off, surface rust present" and the technician created Work Order #213303. There was a similar comment recorded on the 5/17/18 inspection. PG&E responded that there is a corrective work notification (#114666767) in SAP, which is pending completion.
- b. EQ # 41452056, L-300A MP 402.05; The inspection recorded on 5/21/15 noted "Coating worn off, surface rust present" and created the technician created Work Order #213304. There was a similar comment recorded on the 5/17/18 inspection. PG&E responded that there is a corrective work notification (#114666956) in SAP, which is pending completion.
- c. EQ # 41452072, L-300A MP 402.08; The inspection recorded on 5/21/15 noted "Coating worn off, surface rust present" and created the technician created Work Order #213305. There was a similar comment recorded on 5/17/18 inspection. PG&E responded that there is a corrective work notification (#114666994) in SAP, which is pending completion.
- d. EQ # 41452136, L-300A MP 404.87; The inspection recorded on 5/21/15 noted "Air/soil trans, wrap disbonding, span coating flaking off, both sides" and the technician created Work Order #213310. There was a similar comment recorded on the 5/12/18 inspection. PG&E responded that there is a corrective work notification (#114670656) in SAP, which is pending completion.
- e. EQ # 41452143, L-300A MP 404.9; The inspection recorded on 5/21/15 noted "Air/soil trans, wrap disbonding, both sides" and created the technician created Work Order #213309. There was a similar comment recorded on the 5/12/18 inspection. PG&E responded that there is a corrective work notification (#114671149) in SAP, which is pending completion.
- f. L-300A MP 405.06; The inspection recorded on 5/21/15 noted "Air/soil trans, wrap disbonding, both sides" and the technician created Work Order #213311. PG&E responded that there is a corrective work notification

(#114671203) in SAP, which is pending completion.

g. EQ # 41452170, L-300A MP 405.2; The inspection recorded on 5/21/15 noted "Air/soil trans, wrap dis-bonding, bullet strike along span, both sides" and the technician created Work Order #213314. There was a similar comment recorded on the 5/12/18 inspection. PG&E responded that there is a corrective work notification (#114661496) in SAP, which is pending completion.

h. EQ # 49931138 L-300B MP 405.22; The inspection recorded on 5/14/14 noted "span is being buried work request to dig out", and the technician created work order #207652. There was a similar comment, "span coating flaking off, surface rust," recorded on the 5/21/15 inspection, and WRs #213444 and 213445 were created. The span was again inspected on 5/12/18. PG&E responded that there is a corrective work notification (#114716176) in SAP, which is pending completion.

i. EQ # 41455559 L-300A MP 396.45; The inspection recorded on 5/20/15 noted "BDV 396.45A Air/soil transition wrap dis-bonding/ surface rust present" and the technician created work order #213218. PG&E responded that there is a corrective work notification (#116637715) in SAP, which is pending completion. This equipment is a blowdown valve in the vicinity of a span.

II. Two spans were not inspected within the required inspection interval per 192.481(a)

a. EQ 41452706 L-300A MP 353.54; The inspection performed on 4/11/15 noted that the "span needs to be dug out, Entire span" and the technician created work order (#212126), but there was no record of a full span inspection during 2015. PG&E responded that it was not inspected in 2015 due to the span being partially buried. The Span was previously inspected on 4/21/14. The span was uncovered in 2016. The span was next inspected on 4/25/18.

b. EQ # 41476301 L-306 MP 68; The Inspection record dated 5/27/15 noted "Not accessible due to vegetation & pass OAK"; There was no record provided to SED for the 2015 inspection. PG&E responded that it was not inspected on 5/27/15 due to vegetation cover and poison oak. The span was again not inspected on 5/17/18 due to vegetation cover. Corrective work notification 110491644 was created in SAP and is pending completion.

Time-Dependent Threats: External Corrosion - CP Monitoring (TD.CPMONITOR)

Question Text Do records adequately document cathodic protection monitoring tests have occurred as required?

References 192.491(c) (192.465(a))

Assets Covered Central South Transmission (86289 (78))

Issue Summary There were no available records to show that cathodic protection monitoring point 41247439 was tested in calendar year 2018.

Generic Questions: Generic Questions (GENERIC.GENERIC)

Question Text Generic question - please provide context in result notes.

References 192.13(c)

Assets Covered Central South Transmission (86289 (78))

Issue Summary Two valves within the intermediate pressure area of regulator station K-16 have a pressure rating below the inlet MAOP of that station. Although these valves are downstream of the primary regulators, those regulators do not have independent overpressure protection, and thus a single point of failure would cause the valves to experience a pressure higher than their stated rating.

The configuration of this station does not comply with PG&E's Gas Design Standard H-14: "Gas Regulator Stations - Spring-loaded and Pilot Operated Systems," which states that all components of a regulator station up to and including the outlet valve downstream of the final regulator must be designed to withstand the inlet MAOP of the station.

Concerns

Time-Dependent Threats: Atmospheric Corrosion (TD.ATM)

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

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

Assets Covered Central South Transmission (86289 (78))

Issue Summary

- I. SED found several instances of disbonded coating at the air to soil transition, bare pipe with surface rust, and one span with two sections of pitting. SED's review of the PG&E's 2015 inspection records of these spans show the same issues noted by PG&E personnel.
 - a. Span 49931138 on Line 300B MP 405.22 - The exposed section of this span has large sections with no coating and surface rust.
 - b. Span on Line 300A MP 404.83 – The air to soil transition has severe coating disbonding with large sections of bare pipe. Two sections of bare pipe near the air to soil transition had pitting.
 - c. Span 41452136 on Line 300A MP 404.87 – The air to soil transition has coating disbonding with sections of bare pipe and some surface rust.
 - d. Span on Line 300A MP 404.90 – The air to soil transition has coating disbonding with sections of bare pipe and some surface rust.
 - e. Span on Line 300A MP 405.06 - The span has a new wrap on the air to soil transition but there are sections of the old wrap that extend past the new one. The previous wrap had disbonded and there are sections of bare pipe with some surface rust.
 - f. Span on Line 300A MP 405.16 – The air to soil transition has coating disbonding with sections of bare pipe and some surface rust.
 - g. Span 41452170 Line 300 MP 405.20 – The air to soil transition has coating disbonding with sections of bare pipe and some surface rust. There are also sections of the span that have no coating with surface rust.
- II. SED found 2 spans that were in contact with the soil which prevents PG&E from properly inspecting the entire span for atmospheric corrosion. SED's review of the PG&E's 2015 inspection records of these spans show the same issues noted.
 - a. Span 49931138 on Linen 300B MP 405.22 - The bottom and on side of this span was covered in soil.
 - b. Span on Line 300A MP 404.90 - The bottom of this span is in contact with

soil.

III. SED found 1 span where the support was not touching the span as well as some surface rust on the bottom of the span where the support would rest.

a. Span 41466413 on L-300B MP 241.71 - The support at this span was not in contact with the span and there was some surface rust at that location.

Time-Dependent Threats: External Corrosion - Cathodic Protection (TD.CP)

Question Text Do records adequately document electrical isolation of each buried or submerged pipeline 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 Central South Transmission (86289 (78))

Issue Summary I. SED's review of records found indication of casing/pipe contacts per the PG&E standard TD-4181P-601, which states that any casing found with a voltage of less than -800 mV indicates a contact short.

a. EQ # 41460058 L-300B MP 368.79; the 2018 CTS read recorded was -819mV

b. EQ # 41444726 L-300A MP 392.83; the 2016 and 2018 CTS reads recorded were -845mV and -877mV respectively.

Please provide status of corrective action to address the possible contacts.