

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 14, 2020

Ms. Christine Cowsert, Vice President
Pacific Gas and Electric Company
Gas Asset Management and System Operations
6121 Bollinger Canyon Road
San Ramon, CA 94583

GI-2019-09-PGE-12

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

Dear Ms. Cowsert:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Pacific Gas & Electric Company's (PG&E) response letter dated January 6, 2020 for the findings identified during the General Order 112-F inspection of PG&E's North Valley Division, which included the included a review of the Division's records for the period of 2016 through 2018, as well as a representative field sample of the Division's facilities, between September 30 and October 11, 2019.

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 2019 GO 112-F Inspection of PG&E's North Valley 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 Victor Muller at (916) 327-6780 or by email at victor.muller@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee". The signature is fluid and cursive.

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

cc: Susie Richmond, PG&E
Vincent Tanguay, PG&E
Claudia Almengor, SED
Terence Eng, SED

Post-Inspection Written Preliminary Findings

Dates of Inspection: 9/30/19-10/11/19

Operator: PACIFIC GAS & ELECTRIC CO

Operator ID: 15007 (primary)

Assets (Unit IDs): North Valley Division (86279)

System Type: GD

Inspection Name: 2019 PG&E North Valley Distribution

Lead Inspector: Victor Muller

Operator Representative: Mike Lang

Unsatisfactory Results

Records: Corrosion Control (PRR.CORROSION)

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 North Valley Division (86279 (12))

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

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

SED found records of 4 exposed pipe spans where PG&E found indications of major corrosion during the 2016 atmospheric corrosion inspections. Those indications were still present on the 2019 inspections of those spans. SED find PG&E in violation of §192.481(c) for allowing an entire inspection cycle to pass before providing the corrosion protection required.

The following outlines the specific issues observed:

Pentz Ave, South of Butte College, EQ#44464609: The AC inspection performed on 9/15/2016 found holidays with pitting on the span. Those indications were still present on the 2019 inspection. PG&E created a corrective order for this span (Corrective Notification 112055294) on 10/18/2016 and estimates the work will be completed on 10/09/2019. SED observed this span in the field and confirmed remedial work had been performed.

PARK AVE N/O W. 11TH ST., EQ#44464604: The AC inspection performed on 9/15/2016 found major issues on the span, including disbonding, or missing coating. Those indications were still present on the 2019 inspection. PG&E created a corrective order for

this span (Corrective Notification 112055207) on 10/18/2016 and estimates the work will be completed on 10/15/2019.

GRAND AVE @ 14TH STREET, EQ#44464624: The AC inspection performed on 9/15/2016 found major issues on the span, including missing coating and a "field bend that may need to be looked at". Those indications were still present on the 2019 inspection. PG&E created a corrective order for this span (Corrective Notification 117880853) on 9/13/2019 and estimates the work will be completed prior to 12/15/2019. SED observed this span in the field and confirmed remedial work had been performed.

OPHIR RD W/O LINCOLN STREET, EQ#44464616: The AC inspection performed on 9/15/2016 found major issues on the span, and the notes stated that the pipe "needs repainting" and had "no protection." Those indications were still present on the 2019 inspection. PG&E created a corrective order for this span (Corrective Notification 112132663) on 11/01/2016 and estimates the work will be completed prior to 12/15/2019.

PG&E Response PG&E respectfully disagrees that corrosion protection was not addressed in a timely manner for these spans. Attached, please find attachment "TD-4188S Rev 1", Atmospheric Corrosion Control of Gas Facilities", which became effective on 01/01/2017. Prior to this revision of the procedure, there was no timeline for mitigation of AOC's (Abnormal Operating Conditions) identified during inspections. Please see page 6 of 8, "Revision Notes" Section 4. The new section for mitigation was added to the current Rev. 1. In addition, please find attachment "TD-4188S Rev 0", Atmospheric Corrosion Control of Gas Facilities". Therefore, any inspections performed prior to 01/01/2017 did not have a required timeline for mitigation of AOC's. Please note that only AOC's and not minor issues fall under this requirement. Please review the latest exposed pipe span details below:

1. Pentz Ave, South of Butte College, EQ #44464609: Corrective notification 112055294 was created on 10/18/16 and was completed on 10/9/2019. Span was remediated by prepping and coating bridge crossing. Please see attachment "Notif 112055294.pdf" for a screenshot of SAP completion data.

2. Park Ave N/O W. 11th Street, EQ #44464604: Corrective notification 112055207 was created on 10/18/16 and was completed on 11/7/2019. Span was remediated by prepping and coating span at Park Ave & 11th St. Please see attachment "Notif 112055207.pdf" for a screenshot of SAP completion data.

3. Grand Ave and 14th Street, EQ #44464624: Corrective notification 117880853 was created on 9/13/19 and was completed on 10/24/2019. Span was remediated by prepping, coating, and wrapping span at Grand Ave & 14th St. Please see attachment "Notif 117880853.pdf" for a screenshot of SAP completion data.

4. Ophir Rd W/O Lincoln Street, EQ #44464616: Corrective notification 112132663 was created on 11/1/16. This span was recoated on 12/15/2019. Please see photo in attachment "Span 44464616_Recoat.jpg". A permit has been requested from Union Pacific Railroad and is pending to perform a complete remediation including air to soil transitions and pipe supports.

SED Conclusion SED recognizes that PG&E has completed work on the relevant spans. However, SED believes that not performing remedial work or an engineering analysis supporting a decision to not perform remedial work for these spans within the three-year inspection cycle is a violation of Title 49 CFR §192.481(c).

Although Title 49 CFR §192.481(c) does not explicitly specify a timeframe to provide protection against corrosion once it is found, SED believes that not acting to provide remediation before the next required inspection does not demonstrate that PG&E adequately protected against corrosion.

Since the identified corrosion on the exposed lines did not result in any harm to the public or to utility employees, SED has opted not to impose a fine or penalty.

Concerns

Records: Operations And Maintenance (PRR.OM)

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 North Valley Division (86279 (12))

Issue Summary Odorometer S/N 2001623004 went out of calibration on 12/21/2018 and was calibrated by ATS on 12/27/2018. During that time, records indicate this odorometer was used on 12/26/2018.

Per conversation with supervisors, it is not possible for this particular odorometer to have been used 1 day before it was calibrated by ATS. SED agrees that this was likely a mistake in the records. The confusion is caused by technicians using quotation marks " " to signify they were using the same odorometer as used on the previous test, rather than writing the full S/N each time.

SED recommends cautioning technicians against this approach, and encouraging technicians to record the entire serial number, or the last 4 digits.

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

To further promote awareness, the Gas Transmission and Distribution Pipeline Operations and Maintenance Supervisor recommunicated to his team the requirements detailed within PG&E Utility Procedure TD-4570P-03 section 5 covering "Odorization Records and Reports", emphasizing the importance of documenting the entire serial number of the instrument and eliminating the use of quotation marks.

Please see attachment "NV GPOM tailboard.pdf" of the tailboard roster for review.

Assets Covered SED has reviewed the response from PG&E and determined that the corrective actions articulated by PG&E sufficiently address SED's concern.

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

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 North Valley Division (86279 (12))

Issue Summary SED observed that the exposed span at 1424 Hwy 45 had several holidays. These holidays were initially found in 2017. SED recognizes that PG&E has a current corrective order open for this span, and the estimated time of completion is of 3/17/2020.

PG&E Response PG&E recognizes this finding and has taken the following actions:

Corrective Notification 112693944 for exposed pipe span EQ #44464626 at 1424 HWY 45, was created to remediate this span and is scheduled for the 1st quarter of 2020, prior to the next scheduled atmospheric corrosion inspection.

Assets Covered SED has reviewed the response from PG&E and determined that the corrective actions articulated by PG&E sufficiently address SED's concern.