

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 12, 2019

GI-2019-03-PGE-14

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

SUBJECT: SED's Closure Letter for General Order 112-F Gas Inspection of PG&E's Sierra 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 May 30, 2019 for the findings identified during the General Order 112-F inspection of PG&E's Sierra Division (Division) on March 18-22, and March 25-29, 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 Sierra 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 Mohammad Ali at (916) 928-2109 or by email at ma5@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 Gas Regulatory Compliance
Claudia Almengor, SED
Aimee Cauguiran, SED
Matt Epuna, SED
Kenneth Bruno, SED

Post-Inspection Written Preliminary Findings

Dates of Inspection: [3/18/19-3/22/19, and 3/25/19-3/29/19]

Operator: PACIFIC GAS & ELECTRIC CO

Operator ID: 15007 (primary)

Inspection Systems: Comprehensive Standard Distribution

Assets (Unit IDs): Sierra Division (86280)

System Type: GD

Inspection Name: PG&E Sierra Division

Lead Inspector: Molla Mohammad Ali

Operator Representative: Daniel Rakin

Unsatisfactory Results

Records : Operations And Maintenance (PRR.OM)

Question Text Do records indicate periodic review of the work done by operator personnel to determine the effectiveness, and adequacy of the processes used in normal operations and maintenance and modifying the processes when deficiencies are found?

References 192.605(a) (192.605(b)(8))

Assets Sierra Division (86280 (14))
Covered

Issue Title 49 CFR §192.605(a) states in part:

Summary

"Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response."

Utility Procedure TD-4540B-004, Effective Date: 02/12/2018, states in part:

"1 Background

1.1 Numerous material failures of carbon steel bolts have been reported for Fisher 627 Series regulators. These failures have resulted in Grade 1 leaks including several failures reported in 2016. Fisher 627 regulator codes were modified to include stainless steel bolts starting in 2012.

1.2 All Fisher 627 regulators with a manufacture year of 2011 or prior must have the bolts replaced.

2 Bolt Replacement

2.1 Identify Fisher 627 regulators during routine maintenance.

2.2 Check the date of manufacturer.

1. IF the manufacturer year is 2011 or prior, THEN replace the bolts using one of the following methods:

3. SAP Operations

3.1 SAP Corrective Operations will be assigned to each GD.STAT.FTAP functional location. SAP Corrective Operations will also be assigned to each regulator asset within all GD.STAT.HPRS functional locations.

3.2 Close the SAP Operation with appropriate long text to document the completed work. Note which option was performed, i.e., replaced bolts with stainless steel bolts, installed a new Fisher 627 regulator, bolt replacement not required."

SED reviewed Sierra Division's regulator station maintenance records and found that Sierra Division failed to provide any evidence of corrective actions performed in maintenance records or SAP since the effective date of Utility Procedure TD-4540B-004 (02/12/2018) till SED's finding on 3/25/2019. PG&E did not create notification or replace the bolts of Fisher 627 regulators with a manufacture year of 2011 during routine maintenance for the following regulator stations:

R-103 Notification 116845546 replaced the Fisher 627 bolts on 3/26/2019. (Maintenance occurred on 5/8/18)

R-213 Notification 116840990 replaced the Fisher 627 bolts on 3/26/2019. (Maintenance occurred on 2/1/19)

R-219 Notification 116851443 replaced the Fisher 627 bolts on 3/27/2019. (Maintenance occurred on 1/2/19)

R-222 Notification 116840991 replaced the Fisher 627 bolts on 3/26/2019. (Maintenance occurred on 1/4/19)

PG&E's Response:

"PG&E respectfully disagrees with this concern for the following reason:

Fisher 627 Bolt Replacement Bulletin, TD-4540B-04, does not require bolt replacement at the time of the routine maintenance. As detailed in section 2, the bulletin specifies to identify those Fisher 627 regulators that meet the criteria for bolt replacement. Upon discovery during routine maintenance, the technician will replace the carbon steel bolts if the specified replacement material is available. Otherwise, procurement of the specified material will need to be requested and fulfilled prior to bolt replacement.

To further promote awareness, the Gas Transmission and Distribution Pipeline Operations and Maintenance Director re-communicated to his organization the requirements detailed within PG&E Utility Procedure TD-4540B-004, Fisher 627 Bolt Replacement, on May 21, 2019."

SED's Conclusion:

SED reviewed PG&E's response to this unsatisfactory result and clarifies that the finding was not issued for failure to replace the bolts, but for failure to identify the need for replacement. There were no available records that showed that the Division identified the need to replace the bolts during its most recent maintenance prior to the March 2019 SED inspection. SED notes that the notifications were created during the SED inspection week. SED opted not to impose a fine or penalty at this time since PG&E provided clarification to address this issue.

Concerns

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

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

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

Assets Sierra Division (86280 (14))
Covered

Issue PG&E Gas Standard TD-4181S requires isolated segments of
Summary steel pipeline to have a minimum cathodic protection of -950 mV. During the field inspection, three locations did not meet the requirement of TD-4181S and TD-4181P-202:

The following pipe-to-soil readings were not in compliance:

122 Oak St -576 mV

9715 Oak Leaf Way -849 mV

551 Coyote St. -2801 mV On / -1328 mV Off

PG&E's Response:

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

122 Oak St, Auburn: An uninsulated meter was identified within the CPA. After insulating, the CPA was restored on 4/9/2019 yielding a P/S read of -896 mV under troubleshoot notification 116958256.

9715 Oak Leaf Way, Granite Bay (10%er): An electrical ground contact was identified and removed under corrective work notification 116951032 on 4/15/2019 resulting in a P/S read of -1082 mV.

551 Coyote St, Nevada City: On 04/12/2019, an instant-on (-2903mV) and instant-off (-1188mV) read was taken under troubleshoot notification

117087162. With the known galvanic anodes in the area, the rectifier was turned off for a slightly longer off cycle to reduce influence from any residual current.

Documentation of corrections can be viewed in "ID 1_Concern_CP Monitoring.pdf"

SED's Conclusion:

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