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June 8, 2020

Mr. Terence Eng
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: State of California – Public Utilities Commission
General Order 112-F Gas Inspection of PG&E's Diablo Division

Dear Mr. Eng:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112F inspection of PG&E's Diablo Division from 20 to 24-April-2020. On May 18, 2020, the SED submitted their inspection report, identifying concerns. Attached is PG&E's response to the CPUC inspection report.

Please contact Ed Sentigar at (925) 357-7146 or George.Sentigar@pge.com for any questions you may have regarding this response.

Sincerely,

/s/ Vincent Tanguay
Director, Regulatory Compliance Gas Operations

Attachments: Responses to post-inspection written preliminary findings

cc: Terence Eng, SED
Dmitriy Lysek, SED
Claudia Almengor, SED
Vincent Tanguay, PG&E
Susie Richmond, PG&E
Ed Sentigar, PG&E

2020 Diablo Division (D) SED Inspection Responses

| # | Finding Type | Topic | Code Reference | SED Finding | PG&E Response | Associated Attachment (File Name) |
|---|--------------|-----------------------------------|---|--|--|---|
| 1 | Concerns | Corrosion Control (PRR.CORROSION) | 192.491 (c) (192.467(a), 192.467 (b), 192.467 (c), 192.467 (d), 192.467 (e)) | <p>Question: 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?</p> <p><u>Title 49 CFR §192.491(c) states:</u> "Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465(a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service."</p> <p>SED inspected casing isolation records. PG&E's distribution casings are a new part of their inspection as of 2019. PG&E is running the Enhanced CP Survey Project running until 2021 to develop the procedures and standards for distribution casing inspections.</p> <p>Two distribution casings read in 2019 had casing to soil potential more negative than -800mV, however no corrective notifications were generated for these casings. According to PG&E, since criteria for distribution casings has not yet been finalized, contractor testing in 2017 and 2018 were used to determine isolation.</p> <p>SED reviewed contractor inspections for both casings and equipment # 44647877 showed a pipe to soil potential of -1226mV and a casing to soil potential of -1021mV. The contractor was using PG&E's transmission casing criteria to test for isolation. According to PG&E's transmission casing criteria, if a casing to soil potential is more negative than -800, it is possibly not isolated. Equipment # 44647877was marked as isolated even though the casing to soil potential exceeded -800mV.</p> <p>PG&E stated that the contracted did further testing to determine isolation for this casing but it was not documented. PG&E will have contractor retest the casing for isolation and provide results to SED.</p> | <p>On 4/27/2020 a PG&E contractor revisited the site to repeat testing. Upon further testing of this casing, it was discovered that there is no accessible casing lead as once thought. Therefore, the original tests of casing to soil potential, as well as, casing-to-soil and pipe-to-soil potential difference are invalid as the data collected was on a locate wire attached through the bridge to the plastic system to the north rather than a casing lead. This locate wire runs adjacent and separate from the casing. The CP on the steel pipeline system was discovered to still be more negative than -850mV, as was indicated on the original testing.</p> <p>To further perform complete testing, a PG&E CP specialist attempted to use AC current attenuation and A-Frame testing to help determine the electrical isolation of the carrier pipe and casing. However, due to the installed configuration of the pipe and wires, not enough current could be pushed through to obtain accurate test data. Attached, please find the Attachment 1 - "2-390 Casing Retest" record.</p> <p>Since the CP levels on the steel pipeline system are within compliant levels, PG&E believes that the casing and pipe are not contacted. This casing has been added to our casing test lead installation program to add a wire at the steel to plastic transition and the casing in order to obtain conclusive data. Additionally, this casing will be added to the annual leak survey program.</p> | Atch _1 - 2-390 Casing Retest.pdf |
| 2 | Concerns | Corrosion Control (PRR.CORROSION) | 192.491 (c) (192.475(a), 192.475 (b)) | <p>Question: Do records document examination of removed pipe for evidence of internal corrosion?</p> <p><u>Title 49 CFR §192.475(b) states:</u> “(b) Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion. If internal corrosion is found- (1) The adjacent pipe must be investigated to determine the extent of internal corrosion: (2) Replacement must be made to the extent required by the applicable paragraphs of §§192.485, 192.487, or 192,489; and, (3) Steps must be taken to minimize the internal corrosion.”</p> <p>SED observed that additional inspection form(A-form) with Order Number 3133142 had record of a steel pipe cutoff with plastic insert afterwards. PG&E performed a corrosion inspection of the external surface of the pipe, but not the internal surface. The A-form is a leak repair form which also captures records for internal inspections. Part 192.475(b) states in part, "Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion..." TD-4186S 1.2.1 states, "Whenever any pipe is removed from a pipeline for any reason, or whenever the interior surface of the pipeline is exposed, the internal surface must be inspected for evidence of corrosion." SED believes that, based on the record, an inspection for internal corrosion was possible. The A-form question states: Is the internal surface of the pipe visible? Neither 192.475(b) or TD-4186S 1.2.1 refers to the visibility of the interior surface. The criteria for inspection in 192.475(b) and TD-4186S is for any pipe that is removed for any reason, and the exposure of the interior surface by TD-4186S, which would still include the steel which housed a plastic insert in Order 3133142.</p> <p>SED recommends that PG&E updates the relevant forms and procedures so that more information is captured when an internal corrosion inspection is unable to be performed due to lack of visibility.</p> | <p>After reviewing current company forms, it has been determined that they are appropriate and accurate for recording internal inspections on pipelines according to Federal regulations and company procedures. The A-Form question "Is the internal surface of the pipe visible? " is specific to occasions when pipeline is exposed externally but neither cut nor removed from the pipeline, thus negating the need to perform an internal inspection. If the answer to the A-Form question is "Yes", an internal inspection is required. The question does not relate to an inability to perform an internal corrosion inspection due to a lack of visibility.</p> <p>In response to SED's concern, PG&E delivered a 5MM systemwide to reinforce that internal inspections must be performed on metallic pipelines when removed from a system for any reason as required per CFR 192.475(b) and company procedures TD-4186S and TD-5100P-01. Attached, please find attachment 2 - "5MM Internal Inspection of Steel Pipe" record.</p> | Atch_2 - 5MM Internal Inspection of Steel Pipe.docx |