

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



August 19, 2014

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

GA2012-14

Re: SED closure letter for the General Order 112-E Comprehensive Operation and Maintenance Audit of Pacific Gas and Electric's San Francisco Division facilities

Dear Mr. Singh:

The Safety and Enforcement (SED) of the California Public Utilities Commission reviewed Pacific Gas and Electric's (PG&E) response letter dated November 19, 2013 for the findings identified during the General Order (GO) 112-E Comprehensive Operation and Maintenance Audit. This audit of PG&E's San Francisco Division (Division) was conducted from June 8-12, 2012.

A summary of the audit findings documented by the SED, PG&E's response to our findings, and SED's evaluation of PG&E's response taken for each finding are outlined for each identified Violation and Area of Concern.

This letter serves as the official closure of the 2012 GO 112-E Audit 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 Audit. Please contact Aimee Cauquiran at (415) 703-2055 or by email at aimee.cauquiran@cpuc.ca.gov if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kenneth Bruno".

Kenneth Bruno
Acting Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission

cc: Redacted

Probable Violations

1. **Probable Violation #1(a) - 49 CFR §192.605(a):** The Division did not have records of rechecks for the following Grade 3 leaks on Plat 2-E01 as required by PG&E's UO Standard S4110:

- Leak #07204811 – Redacted
- Leak #07204851 –
- Leak #08208541 –
- Leak #04206921 –
- Leak #08204281 –

PG&E's Response: "PG&E agrees with the finding. Documentation for the leak rechecks were not completed as specified in PG&E's leak survey standards. The locations of all five of these Grade 3 leaks have been subsequently leak surveyed as recognized in the CPUC report and no indication of gas was found. These leaks have been "zeroed out" in PG&E's leak management system (IGIS). This means that they are no longer considered to be leaks. In January of 2012, PG&E revised its process to include rechecking of new Grade 3 leaks within 15 months. This was communicated through the Maintenance & Construction and Mapping organizations, including the need to provide open leak logs to leak survey personnel prior to conducting leak surveys to ensure that Grade 3 leaks are checked at the time of the leak survey. To ensure continued understanding of these requirements to provide leak survey personnel with open leak logs prior to conducting leak surveys, a refresher tailboard briefing will be provided to San Francisco Division leak survey and mapping personnel."

SED's Conclusion:

SED recommends that no fine or penalty be imposed since the violation did not create any hazardous conditions for the public or utility employees.

2. **Probable Violation #1(b) - 49 CFR §192.605(a):** During its accelerated leak survey on 6/16/2009, the Division found the following Grade 3 leaks:

- Leak #09900701 – Redacted
- Leak #09900621 –
- Leak #09900611 –

During the Division leak survey of Plat 3-A08 on 5/5/2012, the Division noted that the above leaks were "not on map", and thus the Division did not recheck the leaks. The Division later discovered that the leaks should have been included in the list of open leaks for the adjacent Plat 3-A09 which was leak surveyed in May 2012. The next 5-year leak survey for Plat 3-A09 is scheduled for the year 2017. Thus, the Division missed rechecking the leaks at the interval specified in PG&E Standard S4110.

PG&E's Response: "PG&E agrees with this finding that the May 2012 leak survey of Map 3-A09 did not include the list of these open leaks to reference. However, no indication of gas was found at these three locations during the May 2012 leak survey and the 2009 leaks have therefore been "zeroed out"."

SED's Conclusion:

SED recommends that no fine or penalty be imposed since the violation did not create any hazardous conditions for the public or utility employees.

3. **Probable Violation #2 - 49 CFR §192.747(a):** SED found that the Alternate Means of Control (AMC) established for Valves 8004 and 8025 include Valve 8054, which does not have a maintenance record showing that the Division has maintained the valve and it is operable. This is a violation of 49 CFR §192.747(a).

PG&E's Response: "PG&E agrees with this finding. A Gas Mechanic was sent to perform and document maintenance of V-8054 on January 4, 2013...The Gas Mechanic verified that the valve was

accessible, operable, and properly labeled. The previous maintenance record for this valve was lost. This valve continues to be scheduled for annual maintenance in the SAP Preventative Maintenance program. The inoperable valves V-8004 and V-8025 have been replaced. V-8004 was replaced in December 2012...V-8025 was replaced with V-8061 in September of 2012. To prevent recurrence, San Francisco Division Gas T&R and local engineering will provide a tailboard briefing to ensure that designating an alternative means of control (AMC) of an inoperable valve needs to select other existing operable emergency valves."

SED's Conclusion:

SED recommends that no fine or penalty be imposed since the violation did not create any hazardous conditions for the public or utility employees.

- 4. Probable Violation #3 - 49 CFR §192.747(b):** The Division personnel found Valve 859 inoperable on 3/4/2010. The Division created an AMC on 4/13/2011, eight months after PG&E published Gas Information Bulletin TD-4430B-001 on 8/26/2010 and 13 months after the Division identified the valve as inoperable in March of 2010. This is a violation of 49 CFR §192.747(b) for failing to take prompt remedial action either by correcting the valve found inoperable or designating an alternative valve upon discovery of the inoperable valve.

PG&E's Response: *"PG&E agrees with this finding. After the August 2010 publication of Gas Information Bulletin TD-4430B-001, which establishes an Alternate Means of Control (AMC) for inoperable valves, San Francisco Division did not immediately apply it to valves that were previously determined to be inoperable. The valve has since been repaired...All AMC forms are now filled out and reviewed by engineering personnel for the appropriate alternate valve designation and appended in the Emergency Shutdown Zone binder. To prevent recurrence, San Francisco Division Gas T&R and local engineering will provide a tailboard briefing to ensure that designating an alternative means of control for inoperable emergency valves is processed promptly."*

SED's Conclusion:

SED recommends that no fine or penalty be imposed since the violation did not create any hazardous conditions for the public or utility employees.

Areas of Concern / Recommendations / Observations

1. **Field Observation #1:** The Division maintenance record for Regulator Station 113 at Bowdoin and Woolsey Streets in San Francisco indicated of a concern on the condition of the piping at the regulator station from 2010 to 2012. SED inspected the regulator station and verified the condition of the pipe at the station, which appeared to have significant atmospheric corrosion and may need a sandblast to properly clean the pipe prior to painting.

PG&E's Response: *"PG&E agrees with this concern. A corrective work order ticket was created in February 2013...Regulator Station DR113 was sandblasted and painted in March of 2013..."*

SED's Conclusion:

SED has reviewed your response and the corrective actions taken by PG&E sufficiently address the field observation.

2. **Field Observation #2:** SED found the following locations had pipe-to-soil (P/S) readings that did not meet the -850mV criterion:
 - Cathodic Protection Area (CPA) 2504: Bimonthly location at 1772 Cayuga, San Francisco: -530mV
 - CPA L-132C ETS at 1195 Evans Ave, San Francisco: The P/S reads were fluctuating between -500mV and -900mV, but appeared to settle around -700mV.

PG&E's Response: *"Cathodic Protection Area (CPA) 2504 was rechecked during its bi-monthly read on October 15, 2012...The pipe-to-soil reading at 1772 Cayuga was -1024mV. This reading is consistent with the bi-monthly read trends in the months of August, October and December 2012. Troubleshooting in the area was performed with no indication of any contact issues. It is not uncommon to observe low pipe-to-soil readings due to temporary contacts, such as a bicycle resting on a meter set and shorting the electrical insulation, and subsequent troubleshooting determines no indication of inadequate cathodic protection. CPA L-132C was part of a system of transmission mains that were in the process of being downrated (converted to distribution)...An insulator was in the process of being installed in the time-frame of the October 2012 field visit. Additional anodes were also installed as part of this project. This piping is now part of CPA 2411. Pipe-to-soil readings were confirmed to be "up" (providing an adequate level of cathodic protection of more negative than -850mV reading) after all work was completed in the area and insulator installation in June of 2013..."*

SED's Conclusion:

SED has reviewed your response and feels the proposed corrective actions articulated by PG&E sufficiently address the field observation.

3. **Area of Concern/Recommendation #1:** The Division installed new regulators at Regulator Station 113 located at Bowdoin Street and Woolsey Street on 12/22/11. However, there was no record of "As Left" regulator settings or a note showing that the Division conducted a lock-up check after it installed the regulators. SED recommends that at a minimum, the Division should indicate in its records the "As Left" settings for the new regulators as a reference for its personnel who will be performing maintenance on the station subsequent to the new installation.

PG&E's Response: *"PG&E agrees with this concern. All in-service regulator stations are to have the Regulator Station Datasheet TD-4540P-01-F01 completed and on file for Gas T&R department personnel to reference. This form requires that regulator station setpoints be noted...All equipment must be checked for proper operation prior to being placed in service. This includes regulator lock-up. A tailboard reminder to ensure that the regulator setpoints for newly installed regulator stations be recorded will be given to the San Francisco Division Gas T&R Department by December 6, 2013. To ensure these items are documented, the next version of Gas Standard TD-4540S, Gas Pressure*

Regulation Maintenance Requirements, will specify what documentation is required when stations are first put into service.

SED's Conclusion:

SED has reviewed your response and feels the proposed corrective actions articulated by PG&E sufficiently address the AOC if implemented as indicated in your response. SED may opt to test this stated corrective action at a future date.