

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 20, 2015

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

GI-2015-02-PGE27-01A

SUBJECT: General Order 112-E Gas Transmission Inspection of PG&E's Tracy District

Dear Mr. Singh:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Paul Penney and James Zhang conducted a General Order 112-E inspection of Pacific Gas & Electric Company's (PG&E) Tracy District (District) from February 2-6, 2015. The inspection included a review of the District's records for the period of 2012 through 2014, as well as a representative field sample of the District's facilities at the Brentwood terminal, McDonald Island and other randomly selected locations throughout the District. SED staff also included field observations of a selected individual performing a covered task.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those 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, concerns and recommendations noted in the Summary. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the inspection.

If you have any questions, please contact Paul Penney at (415) 703-1817 or by email at Paul.Penney@cpuc.ca.gov.

Sincerely,

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division


3/20/15

Enclosure: Summary of Inspection Findings

cc: Mike McLaughlin, PG&E Gas Regulatory Support
Larry Deniston, PG&E Gas Regulatory Support

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Audit Findings

During the inspection, PG&E provided SED staff with its findings from the internal review it conducted of Tracy District.

Table 1 lists all of the findings from PG&E's internal review. Some of PG&E's internal review findings are violations of PG&E's standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c).

SED staff noted that some of the findings were corrected prior to the inspection. For those items not corrected prior to the inspection, please provide an update on PG&E's progress to complete the corrective actions.

Table 1: PG&E's Tracy District Internal Review

Item	Finding Description	# of findings	# of Pending Corrections (as of 2/6/15)	Remediation Date
1	Transition inspections for 2013 were not in binder at time of review at the following sites: Riopn-Medesto (Book 5, Tab 10), Owens Illinois (Book 1, Tab 10), Brentwood (Book 4B, Tab 10) McMullin Ranch (Book 5, Tab 10)	Multiple	0	1/29/15
2	Transition inspections for 2014 were not in binder at time of review at the following sites: Tracy Station (Book 1, Tab 10), Bixler (Book 12, Tab 10)	Multiple	0	1/29/15
3	2013 Transition inspections for Bethany (Book 3, Tab 10), were not documented.	Multiple	0	1/30/15
4	All Span inspections for Tracy District in 2013 and 2014 were documented electronically. Form TD-4412P-07-F02 was not used.	Multiple	0	1/30/15

Table 2: PG&E's Tracy District Internal Review (continued)

Item	Finding Description	# of findings/ Violations	# of Pending Corrections (as of 2/6/15)	Remediation Date
5	During 2013 and/or 2014 inspections bad paint was noted at the following sites: Dos Palos (Book 2, Tab 4 & Tab 10), Bayview (Book 2, Tab 10), Crows Landing (Book 2, Tab 10), Bethany (Book 3, Tab 10), McMullin Ranch (Book 5, Tab 10), Riopn-Medesto (Book 5, Tabs4 & 10), Cesa (Book 6, Tab 10) L-316 Transitions (Book 7, Tab 10) & (Book 21 , Tab 10), Oak Flat (Book 8, Tab 4), Patterson (Book 8, Tab 10), Westley (Book 8, Tab 10), Newman (Book 9, Tab 2, 4 & 10),Gustine (Book 9, Tab 10), Bixler (Book 12, Tab 4 & 10), Old River (Book 7, Tab 10), Lines 107, 303, 131 & 114 (Book 19, Tab 10), Lines 304 & 208 (Book 21 , Tab 10), Macarthur (Book 1, Tab 8) Line 2 Book 14, Tab, 13)	Multiple	0	1/30/15
6	No action plan created for low reads on L401, MP 329.8 within 60 days. (Book 14, Tab 3)	1	0	8/11/14
7	Brentwood Terminal, Rectifier 20, Note on Back of Maintenance form broken Cathode wire since 12/11 /2013 not completed yet. Could not find Work request for repair. Action plan in binder is only for 2013 No job number to repair wire.	1	0	1/29/15
8	Pipe-to-soil and case-to-soil potentials of cased pipeline crossings for Tracy District where a case-to-soil potential equal to or more negative than -800 mV or a difference between the case-to-soil potential and pipe-to-soil potential of 100 mV or less. L-002 MP 128.25 TY0028560 L-401 MP 325.67 TY4015660	2	2	Pending
9	Line 114, ETS Reads for 2014, Low read taken on 4/7/2014 (-804) at mile point 11.5/ ets N/O Shell Crossing @ Gate no re-read or action plan to bring read back up.	1	0	12/8/14
10	Open 2013 work request L-131, MP 29.3 Rectifier missing bonding screw and jumper on AC disconnect box. The resistance of the rectifier ground is higher than 25 Ohms and a second ground should be installed .(Book 14, Tab 8)	1	1	Pending

Table 3: PG&E's Tracy District Internal Review (continued)

Item	Finding Description	# of findings/ Violations	# of Pending Corrections (as of 2/6/15)	Remediation Date
11	Line 131 , Rectifier 145, Note maintenance report Shows ground resistance to high. Work request number 195427 not completed yet.	1	1	Pending
12	Line 114, Rectifier 39, Maintenance report states high ground resistance need 2nd ground rod in 2013 work has not been completed; yet no work request noted.	1	1	Pending
13	Livermore Junction, Rectifier 54, No Station report in Folder. Also note on maintenance report (no Ground rod installed) no work request noted to have repaired.	1	1	Pending
14	Line 114, Rectifier 123, Note on Maintenance report says need 2nd ground rod installed no work request is noted. Work is not completed.	1	1	Pending
15	Line 131, Rectifier 140, Note on Maintenance report says need 2nd ground rod installed no work request is noted; work is not completed.	1	1	Pending
16	Line 131, Rectifier 36 Note on Maintenance report says need 2nd ground rod installed no work request is noted; work is not completed.	1	1	Pending
17	Line 131, Rectifier 166, Note on Maintenance report says need 2nd ground rod installed no work request is noted; work is not completed.	1	1	Pending
18	Line 131, Rectifier 45, Note on Maintenance report says need 2nd ground rod installed no work request is noted; work is not completed.	1	1	Pending

Table 2: PG&E's McDonald Island Internal Review

Item	Finding Description	# of findings/ Violations	# of Pending Corrections (as of 2/6/15)	Remediation Date
1	During the 2013 and 2014 transition inspection, paint was indicated to be unacceptable on the piping for the following wells: ZUC3 TILDEN1 MCD12 LIL MAC	4	4	Pending
2	During the 2014 transition inspection of 57B, pipe wrap was noted as not visible due to mud and water.	1	1	Pending
3	During the 2013 and 2014 transition inspection of 57A MD1, pipe wrap was indicated to be unacceptable.	1	1	Pending
4	During the 2013 and 2014 transition inspection, paint at observation wells ZUC1 and Zuch Henning was indicated to be unacceptable.	2	2	Pending
5	During the 2014 inspection on observation well MCD6, paint was indicated to be unacceptable.	1	1	Pending
6	57B, MP 0.00 had a high ETS read on 6/2014.	1	0	1/29/15
7	57A TCS pipe trench had a low CP read on 5/2014.	1	0	1/29/15
8	1W WSS had a low CP read on 5/2014	1	0	1/29/15
9	K7-9; pipe-to-soil reads not performed in 2013 and 2014.	Multiple	0	1/30/15
10	Equipment calibration: Q2 2014 calibration missed for two copper copper-sulfate reference electrodes (the crew was calibrating for each use though). The units are: 26976 and 090220381.	2	0	1/30/15
11	During the 2013 CPUC audit, a finding was made indicating bad paint on the following well piping: MCD9, MCD14, MCD15, Roberts 1, Roberts 2 and Tilden 1.	6	6	Pending
12	During the 2013 and 2014 transition inspection of all North and South well heads at TCS, wrap was indicated to be unacceptable	Multiple	0	Pending
13	During the 2013 and 2014 transition inspection at Turner Cut, paint at all North and South well heads was termed unacceptable.	Multiple	0	Pending

14	During the 2014 transition inspection, paint was indicated to be unacceptable on piping for the following wells: 1E, 2E, 4E, 6E, 10E, 14E, 15W, 16W, 17W, 18W, 19W and 20W	Multiple	0	Pending
15	For all East and West wells, during the 2013 and 2014 transition inspection, paint was indicated to be not acceptable.	Multiple	0	Pending
16	During the 2013 and 2014 transition inspections, paint was indicated to be unacceptable for V-2, V-22, V-36, V-48, V-51, V-52 and V-53.	Multiple	0	Pending
17	During the 2014 transition inspection, paint was indicated to be unacceptable on piping for wells MCD9 and MCD5A	Multiple	0	Pending
18	During the 2013 transition inspection, paint was indicated to be unacceptable on the piping for the following wells: MCD13, MCD14, Roberts 1 and Roberts 2.	Multiple	0	Pending

B. SED Findings

There were no violations found during the inspection.

II. **Concerns and Recommendations**

1. While doing field work along transmission line L-114 at mile point (MP) 27.28 to take a cathodic protection read (-1338mV), we noted some slide activity a short distance from the pipeline. Title 49 CFR §192.705(a) requires operators to have a patrolling program to observe surface conditions along and adjacent to transmission right-of-ways for factors affecting safety and operation, and Title 49 CFR §192.705(b) requires operators to patrol pipelines in class 1 and 2 locations (which appears to be the case at this location) once each calendar year, not to exceed 15 months. Please provide documentation showing when PG&E first observed the slide activity, and records showing subsequent patrols in compliance with Title 49 CFR §192.705(b).
2. While doing field work to take cathodic protection reads along transmission line L-114 at MP 27.28 (-1338mV) and transmission line L-131 at MP 26.36 (-1378mV), we observed two line markers for each transmission line were leaning over. Title 49 CFR §192.707(a) requires line markers to be placed and maintained over each buried transmission line. Please provide documentation showing if the condition of the line markers was previously noted. Also, please provide an estimated date to complete repair of the line markers.
3. While doing field work to take cathodic protection reads along transmission line L-107 at MP 14.58, we found a low read at -783mV. Title 49 CFR §192.463(a) requires operators to provide cathodic protection consistent with one or more of the applicable criteria in Appendix D, and Title 49 CFR §192.465(d) requires operators to take prompt remedial action to correct deficiencies found. Please provide documentation verifying that PG&E has restored cathodic protection levels to one or more criteria identified in Appendix D.

4. While doing field work to take cathodic protection reads along transmission line L-114 at the Los Vaqueros reservoir, we found a high read at -1744mV. PG&E's standard, O.16 requires a pipe-to-soil read with Cathodic Protection being applied to not exceed -1600mV. Please update us on bringing the high read into compliance with PG&E's own standard.
5. While doing field work to take cathodic protection reads at McDonald Island along transmission line 57A-MD1, we noted the transmission line was exposed and was crossing a small stream. This location is adjacent to a resort area. SED staff has two concerns with the pipeline at this location: (1) there is a palm tree at this location directly over the transmission line near the banks of the small stream. PG&E has identified this issue and created a Corrective Action Plan (CAP) Notification. Please update us on when PG&E has scheduled the tree for removal; (2) there is a type of covering draped over a portion of the exposed span of transmission pipeline identified as rock guard. This covering appears to provide a way for moisture to become trapped and held in place on the surface of the pipeline, potentially accelerating atmospheric corrosion. Please identify what actions PG&E will take to address this concern.
6. While engaged in field activities, SED staff noted that at times PG&E corrosion staff appeared unsure about which ETS locations were associated with the various mile points on the transmission lines. PG&E mentioned that the corrosion staff was new to the area, and therefore unfamiliar with the various Cathodic Protection monitoring points. However, marking the various ETS locations with mile points or GPS coordinates would enhance efficiency in the future. We therefore recommend that PG&E mark the ETS locations with mile points or GPS coordinates to make identification easier for current staff as well as staff that may be temporarily filling in for regular corrosion staff.