

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 11, 2015

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

GA2015-04-PGE09-2A

SUBJECT: General Order 112-E Inspection of PG&E's Humboldt Division

Dear Mr. Singh:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Terence Eng, Alin Podoreanu and Wai Yin (Franky) Chan conducted a General Order 112-E inspection of Pacific Gas and Electric Company's (PG&E) Humboldt Division (Division) from April 27 through May 1, 2015.

A Summary of Inspection Findings (Summary), which contains probable violations and areas of concerns and recommendations identified by SED staff, is included as an attachment to this letter.

Please provide a written response indicating the measures taken by PG&E to address the probable violations and areas of concerns and recommendations within 30 days from the date of this letter. SED will notify PG&E of the enforcement actions it plans to take in regard to each of the violations found during the inspection, pursuant to Commission Resolution ALJ-274, after it has an opportunity to review PG&E's response to the findings included in the Summary.

If you have any questions, please contact Alin Podoreanu at (916) 928-2552 or by email at alin.podoreanu@cpuc.ca.gov.

Sincerely,

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

K. B. 6/11/15

Enclosure: Summary of Inspection Findings

cc: Larry Deniston, PG&E Gas Regulatory Support
Wini Chen, PG&E Gas Regulatory Support
Mike Falk, PG&E

SUMMARY OF INSPECTION FINDINGS

A. PG&E's Internal Audit Findings

Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the Division. Some of PG&E's internal review findings are violations of PG&E's operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR) §192.13(c) or §192.605(a) . Table 1 lists all of the violations that PG&E noted.

Table 1: Humboldt Division Internal Findings Summary

Topic	Code	Finding	Instances	Corrected?
Corrosion Control	192.605(a)	Missed bi-monthly P/S read	1	Yes
	192.605(a)	Missed read on CPA 1055-F11	1	Yes
	192.605(a)	No corrective action for casing	1	Yes
	192.463(a)	No corrective action for -541 mV P/S read at 10%-er	1	Yes
Leak Repair	192.605(a)	EFV not installed	1	Yes
Leak Survey Distribution	192.605(a)	Late re-check on grade 3 leaks	4	Yes
Regulator Stations	192.13(c)	Maintenance record not reviewed by supervisor within required 30 days	1	Yes
Odorization	192.605(a)	Missing odorization report	1	Yes

B. Inspection Findings and Probable Violations

1. Title 49 CFR §192.465(a) states:

"Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period."

SED reviewed construction records for the service line and main at 1442 G Street in Eureka. Construction records indicated the steel service line became isolated after a plastic main was installed in 1976. The Division failed to provide records to demonstrate it monitored the isolated steel service line in accordance with Title 49 CFR §192.465(a) between 1976 and 2015.

Please provide SED with the date PG&E initiated corrective action and the expected completion date.

2. Title 49 CFR §192.469 states:

“Each pipeline under cathodic protection required by this subpart must have sufficient test stations or other contact points for electrical measurement to determine the adequacy of cathodic protection.”

Cathodic protection records indicate that L-177A has no monitoring points between mile points (MP) 102.52 and 150.5. The Division failed to demonstrate it has sufficient test stations to determine the adequacy of cathodic protection required under Title 49 CFR §192.469.

PG&E informed SED that it has initiated a system-wide program to evaluate and improve cathodic protection monitoring on its transmission system and plans to install additional monitoring locations on L-177A.

Please provide SED with an expected completion date for this remedial action or provide a technical justification demonstrating there are sufficient test stations to determine the adequacy of cathodic protection on L-177A.

3. Title 49 CFR §192.475(b) states:

“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.”

Division failed to provide internal corrosion inspection records for leak repair numbers #3512503571, #3514300591 and #3614300331.

C. Areas of Concern / Observations

1. Title 49 CFR §192.463(a) states:

“Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.”

A Pipe-to-Soil potential of -756mV was found at 227 Clark Street, Eureka during the field inspection.

Please provide SED the Division's plan for corrective action.

2. Title 49 CFR §192.707(c) states:

"Pipelines aboveground. Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public."

During the field inspection, SED found that exposed span FC02 in Scotia was missing line markers.

3. Title 49 CFR §192.707(d) states:

"(d) Marker warning. The following must be written legibly on a background of sharply contrasting color on each line marker:

(1) The word "Warning," "Caution," or "Danger" followed by the words "Gas (or name of gas transported) Pipeline" all of which, except for markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high with 1/4 inch (6.4 millimeters) stroke.

(2) The name of the operator and the telephone number (including area code) where the operator can be reached at all times."

During the field inspection, SED found that the line marker along exposed span AC29 in Arcata was missing the operator telephone number.