



Michael Falk
Director
Compliance
Gas Operations

6111 Bollinger Canyon Rd.
San Ramon, CA 94583
Phone: 925.244.3276
E-mail: mdfl@pge.com

September 14, 2015

Mr. Ken Bruno
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 Audit – PG&E’s Peninsula Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112 audit of PG&E’s Peninsula Division from June 1-5, 2015. On August 13, 2015, the SED submitted their audit report, identifying violations and findings. Attached is PG&E’s response to the CPUC audit report.

Please contact Cheryl Dizon at (925) 328-5721 or c1dz@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Michael Falk

Attachments

cc: Franky Chan, CPUC
Aimee Cauguiran, CPUC
Dennis Lee, CPUC

Larry Deniston, PG&E
Sumeet Singh, PG&E

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV Internal Findings		<p>Prior to the start of the audit, PG&E provided SED its findings from the internal review it conducted of Peninsula Division (Division). 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) or §192.605(a). SED is aware that PG&E corrected some of its findings prior to SED’s inspection.</p> <p>Table 1 [in 8/13/15 CPUC inspection letter] lists all of the violations from PG&E’s internal review.</p> <p>Please provide SED a status update on the internal findings that remediation were not completed as of June 5, 2015.</p>	See attached "2015 Peninsula IRSF Pending Responses.xlsx"	2015 Peninsula IRSF Pending Responses_CONF.pdf
NOV	1.1	<p>1. Title 49 CFR §192.605(a) states in part: “Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”</p> <p>1.1 Gas Standard O-16, Section 6(A), Cathodic Protection Restoration for Distribution and Local Transmission, states in part: “If the CPA restoration work is (or is expected to be) over 30 days, the “CPA Follow-Up Action Plan” form must be used and developed within 30 calendar days from the date the CPA is found below adequate levels of protection...”</p> <p>SED reviewed the Division’s corrosion records and found that the Division did not develop a “CPA Follow-up Action Plan” for each of the following nine monitoring locations, listed in Table 2 [in 8/13/15 CPUC inspection letter] within 30 calendar days from the date the CPA was found to have below adequate level of protection.</p> <p>Locations: Line 0210-01 Half Moon Bay Corrosion, CPA 327632 Bi-monthly 3/11/2013 4/23/2013 S/O Broadway Between Vancouver & California, CPA 3213-57 Bi-monthly and yearly 1/14/2013 8/19/2013 San Mateo & Hillsborough, CPA 3214-69B Bi-monthly 2/7/2013 4/5/2013 517 Crescent Ave, San Mateo, SAP Equipment #41262714 10%er 9/23/2013 8/8/2014 281-85 Roble Ave, Redwood City, SAP Equipment #41265859 10%er 10/3/2013 3/5/2014 2892 Hillside Dr, Burlingame, SAP Equipment #41265929 10%er 5/24/2013 1/6/2014 108 Wildwood Ave, San Carlos, SAP Equipment #41265286 10%er 2/22/2013 8/6/2013 935 B St, San Mateo, SAP Equipment #41265648 10%er 10/8/2013 7/6/2014 134 Beachpark Blvd, Foster City, SAP Equipment #41267927 10%er 12/9/2013 7/30/2014</p>	<p>All action plans for the listed locations have been found and were provided during the recent audit except for L-0210-01 Half Moon Bay. The Half Moon Bay line was down for 1 month and 12 days without an action plan. Please refer to the attachment for the other eight CPA follow up action plans.</p> <p>To prevent reoccurrence, action plans are now managed in the work management system, SAP. Automatic notifications are generated and sent to appropriate parties, alerting them of the need to initiate action plans and to subsequently make any updates to the action plans in a timely manner.</p>	ACTION PLANS_CONF.pdf

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)										
NOV	1.2	<p>1.2 Gas Standard O-71, Section Calibration for Crystal and Gel Electrodes, states in part: “Check each reference electrode for calibration four times each calendar year, not to exceed 4-1/2 months. Follow the steps below when calibrating the electrode... 5. Read the multimeter with the electrodes within 2” of each other in the bath... 6. Record the calibration check results on Form FO-71-A.”</p> <p>SED reviewed the Division’s electrode calibration records and found that the Division did not check each of the following reference electrodes, listed in Table 3 [in 8/13/15 CPUC inspection letter] for calibration four times each calendar year.</p> <p>Table 3: Reference electrodes not calibrated four times a year</p> <table border="1"> <thead> <tr> <th>Reference Electrode</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>K</td> <td>The Division only checked this electrode for calibration three times in 2014.</td> </tr> <tr> <td>Y</td> <td>The Division only checked this electrode for calibration three times in 2013.</td> </tr> <tr> <td>B</td> <td>The Division only checked this electrode for calibration three times in 2013.</td> </tr> <tr> <td>D</td> <td>The Division only checked this electrode for calibration three times in 2013.</td> </tr> </tbody> </table>	Reference Electrode	Description	K	The Division only checked this electrode for calibration three times in 2014.	Y	The Division only checked this electrode for calibration three times in 2013.	B	The Division only checked this electrode for calibration three times in 2013.	D	The Division only checked this electrode for calibration three times in 2013.	<p>The listed reference electrodes are governed by TD-4180P-202 Eff 06/01/15, which supersedes O-71. All equipment requiring calibration are now on an annual schedule. This equipment is sent out to various groups to be calibrated and a verification of calibration is sent back with the equipment. There are two units per mechanic for each type of equipment that needs to be calibrated. Every six months a unit is sent out which provides six months of valid calibration for every piece of equipment.</p>	TD-4180P-202_CONF.pdf
Reference Electrode	Description													
K	The Division only checked this electrode for calibration three times in 2014.													
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D	The Division only checked this electrode for calibration three times in 2013.													
NOV	2	<p>2. Title 49 CFR §192.467(d) states: “Inspection and electrical tests must be made to assure that electrical isolation is adequate.”</p> <p>In addition, Gas Standard O-16, Section 4(G), Casing Monitoring and Maintenance, states in part: “Local transmission, backbone transmission pipelines, and gas gathering pipeline cased crossings must be monitored annually (once each calendar year with intervals not to exceed 15 months) and recorded in PLM.”</p> <p>SED reviewed the Division’s casing monitoring records and found that the Division did not inspect the following three casings, listed in Table 4 [in 8/13/15 CPUC inspection letter], annually.</p> <table border="1"> <tbody> <tr> <td>L109 MP 33.0823</td> <td>Eq # 42832373</td> <td>The casing was not monitored in 2013.</td> </tr> <tr> <td>L132 MP 42.76</td> <td>Eq #41418420</td> <td>Mechanic reported missing casing test facilities in 2013. The casing was added to the 2014 casing without leads testing scope. The casing was not monitored in 2013.</td> </tr> <tr> <td>DCUST796 MP 0.00</td> <td>Eq#41416975</td> <td>Mechanic reported missing casing test facilities in 2013. The casing was added to the 2015 casing without leads testing scope. The casing was not monitored in 2013 and 2014.</td> </tr> </tbody> </table>	L109 MP 33.0823	Eq # 42832373	The casing was not monitored in 2013.	L132 MP 42.76	Eq #41418420	Mechanic reported missing casing test facilities in 2013. The casing was added to the 2014 casing without leads testing scope. The casing was not monitored in 2013.	DCUST796 MP 0.00	Eq#41416975	Mechanic reported missing casing test facilities in 2013. The casing was added to the 2015 casing without leads testing scope. The casing was not monitored in 2013 and 2014.	<p>Casing equipment # 42832373 has been placed back into the maintenance schedule and was monitored in 2014. These results were shown during our audit.</p> <p>Casing equipment # 41418420 has an electrolytic contact and is now on the maintenance plan to be inspected by corrosion engineering as a casing without leads.</p> <p>Casing equipment # 41416975 RW 109247790 was created in 2014 to remove this casing from the Peninsula Division’s maintenance list, as there are no vents or ETS stations for division personnel to take reads. This is now on the maintenance plan to be inspected by corrosion engineering as a casing without leads.</p>	N/A	
L109 MP 33.0823	Eq # 42832373	The casing was not monitored in 2013.												
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AOC	1	<p>1. SED reviewed the electronic corrosion records from the SAP system and found that the Division’s San Carlos transmission and distribution electronic corrosion records to be incomplete because the initial SAP query setting did not generate a complete set of records and the transcription process of the result was interrupted. The Division was able to provide additional hand written paper records and new electronic corrosion records during this inspection. SED recommends that PG&E validate the electronic records for completeness and accuracy or present hardcopy records, whichever PG&E considers as its “official records”, to avoid delays and confusion during future inspections.</p>	<p>Going forward local corrosion supervision will review the SAP generated corrosion records prior to submittal to the CPUC. Additionally, hardcopy records will be available if necessary for review and inspection if electronic records are not complete.</p>	N/A												
AOC	2	<p>2. During SED’s field verification, the Division recorded the following pipe-to-soil readings that did not meet the -850mV criterion, as listed [in 8/13/15 CPUC inspection letter] in Table 4.:</p> <p>Table 4: Locations of low Pipe-to-Soil reading</p> <table border="1" data-bbox="326 687 1370 808"> <thead> <tr> <th>Location</th> <th>Type</th> <th>Pipe-to-soil Reading (mV)</th> </tr> </thead> <tbody> <tr> <td>931 B St, San Mateo</td> <td>10%er</td> <td>-749</td> </tr> <tr> <td>406 Niantic Ave, Daly City</td> <td>Bi-monthly</td> <td>-541</td> </tr> <tr> <td>788 Skyline Dr, Daly City</td> <td>Bi-monthly</td> <td>-620</td> </tr> </tbody> </table> <p>In addition , PG&E’s Utility Standard TD-4181S requires a drivable anode to be installed at a 10%er location if pipe-to-soil reading is less negative than -950mV. SED observed the following 10%er locations that meet this criterion:</p> <ul style="list-style-type: none"> • 18 Linbergh St, San Mateo, 10%er, -940mV • 962 El Camino Real, San Mateo, 10%er, -916mV <p>Please provide SED an update on action(s) taken by PG&E to bring the pipe-to-soil readings at these locations in compliance with 49 CFR §192.463 and PG&E’s Utility Standard TD-4181S.</p>	Location	Type	Pipe-to-soil Reading (mV)	931 B St, San Mateo	10%er	-749	406 Niantic Ave, Daly City	Bi-monthly	-541	788 Skyline Dr, Daly City	Bi-monthly	-620	<p>All reads have been restored to within compliance CP levels except for 788 Skyline Drive in Daly City. Please note the area was restored on 6/22/15 and is currently down again.</p> <p>There is an open corrective notification #110584906 to remove a meter set contact at 788 Skyline. This contact is most likely responsible for the low read.</p> <p>See attachments for up reads and for status on the notification for 788 Skyline Daly City.</p>	<p>10%ERS_CONF.xlsx 406 Niantic_CONF.pdf 788 Skyline_CONF.pdf</p>
Location	Type	Pipe-to-soil Reading (mV)														
931 B St, San Mateo	10%er	-749														
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AOC	3	<p>3. During SED’s field verification, SED inspected the surface condition of exposed gas facilities and found atmospheric corrosion at the following residential locations, as listed [in 8/13/15 CPUC inspection letter] in Table 5.</p> <p>Table 5: Locations of atmospheric corrosion</p> <table border="1" data-bbox="326 1272 1370 1393"> <thead> <tr> <th>Location</th> <th>Description</th> <th>Date of last Atmospheric Corrosion Inspection</th> </tr> </thead> <tbody> <tr> <td>1555 Sullivan Ave, Broadmoor</td> <td>Pitting</td> <td>4/28/2014</td> </tr> <tr> <td>788 Skyline Dr, Daly City</td> <td>Flaking above the union</td> <td>5/13/2014</td> </tr> <tr> <td>324 Keith Ave, Pacifica</td> <td>Pitting</td> <td>5/5/2014</td> </tr> </tbody> </table> <p>Please provide SED a status update on the atmospheric corrosion condition at these locations.</p>	Location	Description	Date of last Atmospheric Corrosion Inspection	1555 Sullivan Ave, Broadmoor	Pitting	4/28/2014	788 Skyline Dr, Daly City	Flaking above the union	5/13/2014	324 Keith Ave, Pacifica	Pitting	5/5/2014	<p>1555 Sullivan Ave, Broadmoor: On 09/01/2015 all fittings were replaced and the meter set was painted. (Reference Order # 5582471560)</p> <p>788 Skyline Dr, Daly City: On 6/17/2015 regulator and fittings were replaced. Meter set was painted. (Reference Order # 5364227920)</p> <p>324 Keith Ave, Pacifica: On 06/17/2015 meter set was painted. (Reference Order #6073810685)</p>	N/A
Location	Description	Date of last Atmospheric Corrosion Inspection														
1555 Sullivan Ave, Broadmoor	Pitting	4/28/2014														
788 Skyline Dr, Daly City	Flaking above the union	5/13/2014														
324 Keith Ave, Pacifica	Pitting	5/5/2014														
AOC	4	<p>4. During SED’s field verification, the Division recorded a pipe-to-soil reading of -1673mV in an impressed current system at 3520 El Camino Real, San Mateo. PG&E’s Utility Procedure TD-4181P-202 requires corrective actions for an impressed current system if the pipe-to-soil measurement is more negative than -1600mV. The mechanic informed SED that a new anode was recently installed at this yearly test location causing the overprotection condition. Please provide SED an update on actions taken by PG&E to bring the pipe-to-soil reading at this location in compliance with PG&E’s Utility Procedure TD-4181P-202.</p>	<p>The read at 3520 El Camino Real in San Mateo is representative of an Annual CPA system with galvanic anodes. During the field visit, the corrosion mechanic mentioned to SED the high reading was taken on the anode itself. The actual reading for the pipe is -1345mv taken on 7/13/2015 and is within the required compliance levels. See annual maintenance report in the attachment for reference.</p>	3520ElCaminoRealAnnual_CONF.pdf												