

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 23, 2016

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-2015-08-PGE16-02A

SUBJECT: General Order 112 Gas Audit of PG&E's Kern Division

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112 inspection of Pacific Gas & Electric Company's (PG&E) Kern Division (Division) on August 10-14, 2015.¹ The inspection included a review of the Division's records for the period of January 1, 2013 through December 31, 2014, as well as a representative field sample of the Division's facilities. SED staff also reviewed the Division's operator qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those particular records and facilities that SED inspected during the audit.

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 and observations noted in the Summary. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the audit.

If you have any questions, please contact Fred Hanes at (415) 703-5264 or by email at fred.hanes@cpuc.ca.gov.

Sincerely,

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

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

Enclosure: Summary of Inspection Findings

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 156-06-044.

cc: Mike Falk, PG&E Compliance
Larry Berg, PG&E Gas Regulatory Support
Larry Deniston, PG&E Gas Regulatory Support
Glen Allen, PG&E Gas Regulatory Support
Mary Molich, PG&E Gas Regulatory Support

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Audit Findings

Prior to the start of the audit, PG&E provided SED its findings from the internal review it conducted of Kern 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). The table below lists all of the violations from PG&E's internal review.

Topic	Code Violation	Finding(s)	Instances	Completed
2014 Rectifier Yearly and Bimonthly Maintenance	192.605(a)	Written Action Plan not updated every 30 days	8	Yes
		No written Action Plan for work requiring more than 30 days to complete	5	Yes
	192.465 (d)	CPA down for over 1 year	1	pending
		Rectifier maintenance not completed within 15 months	1	Yes
2014 Casings	192.467 (c)	Casing not monitored annually (need to verify if casing exists)	1	Yes
		No investigation for potentially contacted casing (<100mv difference or >800mv)	1	Yes
2013 Rectifier Yearly and Bimonthly Maintenance	192.605(a)	No written Action Plan for work requiring more than 30 days to complete	20	Yes
		Written Action Plan not updated every 30 days	4	Yes
	192.465 (d)	CPA down for over 1 year	1	Yes
	192.465 (b)	Bi-monthly Pipe-to-Soil reads not taken every 2 months	2	Yes
2013 Casings	192.467 (c)	No investigation for potentially contacted casing (<100mv difference or >800mv)	6	pending
2013 10% 'er	192.465(a)	Missed 10% read req't by 2 reads; 136 read of 138 required.	2	Yes
2014 Instrument Calibration	192.605(a)	"VC-1" Voltage Calibration standard device not itself calibrated annually	3	Yes
		Calibration Records not complete	3	Yes
2013 Instrument Calibration	192.605(a)	Reference Electrodes not checked quarterly	1	Yes

Topic	Code Violation	Finding(s)	Instances	Completed
2014 Leak Survey	192.605 (a)	Distribution Leak checks late	4	Yes
2013 Leak Survey	192.605 (a)	Distribution leak checks late	6	Yes
	192.706 (a)	Transmission bi-annual survey late	4	Yes
2014 Reg. Station	192.605 (a)	No maintenance for HPR meter set	1	Yes

SED is aware that some of the items may have been completed by the time of this letter. Please provide an update on the corrective status on the items that were pending as of August 14, 2015.

B. SED Findings

1. Title 49 CFR §192.707(c) states:

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

During the field inspection, SED found:

- a) The pipeline marker was illegible at the north bank of the Kern River where Line 142 N has an exposed span. There was no visible marker at the south end of the same span.
- b) The aboveground transmission pipeline span across the canal at North Chester Ave. north of Columbus St. had no line markers on either side of the span.

The Division is in violation of 49 CFR §192.707(c).

2. Title 49 CFR §192.481(a) states:

“Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: ... at least once every 3 calendar years but with intervals not exceeding 39 months.”

The Kern Division performs atmospheric corrosion inspection of the above ground piping at individual gas service locations on a plat map basis. The inspections are documented by handwritten notations on the back of the individual plat maps. After the SED inspection, PG&E provided their review for the years 2013-2014 entitled: “Kern Division AC Plat Comparison”. The PG&E review includes a total of 1,067 plat maps covering approximately 150,000 services in the Division.

The review found that 91 plat maps totaling 5,866 services had not been inspected for atmospheric corrosion within the 39-month required period, with an additional 1,420 services that had not been inspected due to “CGI” (Can’t Get In). In sum, 7,286 services had not been inspected within the 39-month period.

The Division is in violation of 49 CFR §192.481(a).

II. Areas of Concern/ Observations/ Recommendations

A. LOW PIPE-TO-SOIL READINGS

During the field visit, SED observed the following readings that did not meet the -850 millivolt criteria:

City	ETS Location	Reading, millivolts
Desert Lakes	El Mirage	-844
Boron	Anderson/Cote	-746
Boron	Lane	-710
Maricopa	Elkhorn/Tulare	-840
Bakersfield (west side)	25 Williamson	-827

Please provide SED an update on action(s) taken by PG&E to bring the pipe-to-soil readings at these locations back into compliance.

B. EXPOSED PIPE

During the field inspection, SED observed a portion of the coating was missing at the north end of the exposed span of transmission line L142 across the canal on N. Chester Ave. north of Columbus St. The missing coating area was about 12 inches by 8 inches, located near the air-to-soil transition and appeared to have some rust. PG&E representatives offered that the pipe is a convenient stepping spot for people walking near the canal, so the coating has worn off.

SED recommends that a remediation program, such as more frequent patrolling, should be adopted for this particular span.