

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-2015-09-PGE28-01A

SUBJECT: General Order 112 Gas Inspection of PG&E's Meridian District

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) Meridian District (District) on September 14-17, 2015.¹ The inspection included a review of the District's records for the period of 2013 through 2015, as well as a representative field sample of the District's facilities. SED staff also reviewed the District'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 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 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 inspection.

If you have any questions, please contact Nathan Sarina at (415) 703-1555 or by email at Nathan.Sarina@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

cc: Mike Falk, PG&E Compliance
Larry Deniston, PG&E Gas Regulatory Compliance

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

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 Meridian District (District). 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. Table 1 lists all of the violations from PG&E's internal review.

Table 1: PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a)	1	P/S read in April 2015 found to be below adequate. No Action Plan on file.	This location was sold to Texcal on 5/12/2008 and was removed from PLM in September of 2015.	9/3/2015
192.605(a)	1	P/S read in March 2013 found to be below adequate. Repairs exceeded 60 days without an action plan.	W/R 194169 shows repairs completed on 5/23/2013.	5/23/2013
192.605(a)	1	P/S reads in March 2014 found low. Late Action plan for Rectifier 165.	Action Plan was created 7 days late. All corrosion related work has transitioned to PG&E's Corrosion Control Department	5/19/2014
192.605(a)	2	During the 2013 inspection cycle spans were found to have either pitting, mechanical damage, coating, or documentation issues.	Corrosion Engineering currently has a program to remediate existing atmospheric corrosion conditions for exposed spans. Spans have been prioritized based on available information and either scheduled for remediation or placed back on the regular inspection cycle.	Pending
192.605(a)	2	During the 2014 inspection cycle spans were found to have either pitting, mechanical damage, coating, or documentation issues.		Pending
192.605(a)	1	During the 2015 inspection cycle spans were found to have either pitting, mechanical damage, coating, or documentation issues.		Pending
192.605(a)	3	Corrosion was noted on the Station Maintenance form without indication of follow-up.	Meridian District will work with Station Engineering to evaluate and mitigate conditions.	Pending

Table 2 (cont'd): PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a)	3	The following finding from 2013 Meridian Audit is still open: Corrosometer readings exceeded the 90 day interval at 3 locations.	Construction was scheduled for October, 2015 for replacement of probes.	Pending
192.605(a)	22	In 2014 22 valves had a supervisor review date that exceeded the 30 day period.	In 2014 Meridian District has a change in Supervision. The current Supervisor reviewed all past unsigned valve maintenance records. In 2015 PG&E implemented a program to have Operation Specialist review the documentation with the district supervisor.	1/1/2015
192.605(a)	25	In 2013 25 valves had a supervisor review date that exceeded the 30 day review period		
192.605(a)	5	5 valves are not listed on the OM&I for Sutter Calpine Station	Station Engineering is updating the O&MI for Sutter Calpine.	Pending
192.605(a)	3	3 Valves has unknown for make/model	A system wide CAP item (7014384) has been created to research missing valve card information.	Pending
192.605(a)	9	9 instances of valve maintenance not documented for 2013 and 2014	In June of 2015 the Gas Operations Specialist began weekly internal records reviews of the maintenance from the prior week. Gas Ops and Meridian District Supervisor to review and track any findings.	6/1/2015
192.745(a)	4	4 instance of valves not being operated in 2013		6/1/2015
192.605(a)	5	5 instances of deficiencies noted in valve maintenance. Regular maintenance completed in same year or in the following year	In June of 2015 the Gas Operations Specialist began weekly internal records reviews of the maintenance from the prior week. Gas Ops and Meridian District Supervisor to review and track any findings. Deployment of mobile devices and conversion to SAP for preventative maintenance is expected to prevent reoccurrence.	6/1/2015
192.605(a)	1	Work Record closed, but date not updated on the valve card		
192.605(a)	11	Plug valves not lubed per Work Procedure in 2013.		
192.605(a)	4	Plug valves not lubed per Work Procedure in 2014.		
192.605(a)	2	Plug valves not lubed per Work Procedure in 2015.		

192.605(a)	6	6 books where the FH-70-C standard form had a different format than the standardized form in the technical library	All years for the relief valves are in compliance. The word and pdf formatted versions are slightly different. Deployment of mobile devices and conversion to SAP for preventative maintenance is expected to prevent reoccurrence.	8/26/2015
192.605(a)	1	O&MI review for Orland Asphalt reviewed late.	The Orland Asphalt OM&I has a status of obsolete. PLM does not have a job to review the Orland Asphalt O&MI. Meridian District is researching the issue.	Pending
192.605(a)	3	Instances of missing RTU Inspection forms from the 2015 Annual Station Maintenance.	2015 RTU maintenance was completed on time, but documented on the Station Maintenance Form instead of RTU inspection form. Deployment of mobile devices and conversion to SAP for preventative maintenance is expected to prevent reoccurrence.	Pending
192.605(a)	6	Instances where equipment was logged as not in use when used for leak survey for 2013.	In June of 2015 the Gas Operations Specialist began weekly internal records reviews of the maintenance from the prior week. Gas Ops and Meridian District Supervisor to review and track any findings.	6/1/2015
192.605(a)	38	Instances where deficiencies in the equipment calibration logs from 2013-2015	Deployment of mobile devices and conversion to SAP for preventative maintenance is expected to prevent reoccurrence.	6/1/2015
192.605(a)	1	Instance of leak survey report missing for a station.	Employee did not document work on required Station Leak Survey Form. Station Leak survey will be redone and documented.	Pending
192.605(a)	3	Instances where odor intensity fell in the marginal range 0.61% - 1.0%.	District Supervisor noted stations were shut in.	4/1/2015
192.605(a)	2	Instances where weekly reads for odorization report are missing.	All reads were taken, but not documented. District Supervisor and Employee are reviewing work notes to obtain missing reads.	Pending

Please provide SED a status update on the internal findings that remediation showed was pending as of September 17, 2015.

B. SED Findings

1. Title 49 CFR §192.605(a) states: "Each operator shall prepare and follow for each pipeline, ..."

- 1.1. PG&E's Standard O-16, Corrosion Control of Gas Facilities, page 14, states in part:

9. Internal Corrosion

"All electrical resistance probe readings should be taken and logged at monthly intervals, but not to exceed an interval of 90 days, for the life of the system or until the probe is retired from service.

Table 2 show a location where the corrosometer exceeded a read interval of 90 days.

Table 2. Location Where Readings Exceeded the 90 day interval.

Location	Reading Gap	Interval (days)
Area 1, Pass Rd drip	12/4/14 - 4/1/15	178

- 1.2 In PG&E's letter dated October 14, 2013 responding to SED's 2013 Meridian District Audit, it was noted that the corrosometer probes listed in Table 3 needed to be replaced in order to maintain compliance and had an expected repair date of December 31, 2013.

Table 3.

Location	Work Repair ID (PLM)
South Butte Rd @ MU 2-1	198116
N/ of Minor Jones 5 @ Line Marker	198118
Dry Slough Road	198119

During SED's 2015 audit of PG&E's Meridian District, those same items still show as "open" in the internal review with expected completion of October 2015.

Please provide an explanation on why these items were not repaired by December 31, 2013 as stated in PG&E's response letter.

Additionally, please provide information regarding the current status of these repairs.

- 1.3 PG&E's Standard O-16, Corrosion Control of Facilities dated March 2009 (page 10, 6.A.3 CPA Restoration) states in part:

"If the CPA restoration work is (or is expected to be) over 30 days, the "CPA Follow-Up Action Plan" form (Attachment B) must be used and developed within 30 calendar days from the date the CPA is found below adequate levels of protection, as defined by the current 49 CFR 192, Subpart I."

SED reviewed cathodic protection area (CPA) records and found that the Division did not develop a "CPA Follow-Up Action Plan" within 30 calendar days from the date the CPA

was found to have below adequate levels of protection at the following location listed in Table 4.

Table 4: Late CPA Follow-Up Action Plans

Item	CPA	Date Low CP discovered	Date of Action Plan
1	L-169	1/8/2013	4/19/2013

II. Areas of Concern / Recommendations

1. During SED’s field visit, the following locations in Table 5 did not meet the -850 mV criteria:

Table 5: SED Field inspection - CP

Location	SAP ID Asset	Field Observation P/S Reading (mV)
L-169 Mobil 20-3 MM RdR	ME1695040	-802
L-169 Fell Station (V-2)		-650

Please provide status of corrective actions taken for the locations identified above.

2. During SED’s field visit, SED observed the following in Table 6:

Table 6: SED Field inspection - Other

Location	Asset	Field Observation
Area 7 Arbuckle Station	Corrosion Probe	Wire cut from a previous bell hole dig.
L-169 Fell Station	Rectifier / ME1691140	Rectifier down

Please provide status of corrective actions taken for the observations made above.