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May 27, 2016

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-E Audit – PG&E's North Bay Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E's North Bay Division from October 26th through October 30, 2015. On May 3rd, 2016, the SED submitted their audit report, identifying violations and findings. Attached is PG&E's response to the CPUC audit report.

Please contact Stephen Ramos at (925) 413-7311 or s3rc@pge.com for any questions you may have regarding this response.

Sincerely,

/S/  
Michael Falk

Attachments

cc: Quang Pham, CPUC  
Aimee Cauquiran, CPUC  
Dennis Lee, CPUC

Susie Richmond, PG&E  
Larry Deniston, PG&E

**2015 North Bay Division CPUC Audit Responses**

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Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV - PG&E's Internal Review Findings		Prior to the start of the audit, PG&E provided SED its findings from the internal review it conducted of North Bay 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. Table 1 lists all of the violations from PG&E's internal review.	Per Attachment 1 - "Internal inspection findings," there were four pending items at the time of the audit. Please see below for an update on these items.  a) After further review, it was determined that the EFVs that were not installed during leak repair in 2013 met the standard at the time. Per PG&E Standard A-93.3 (2013), Limitations Section, 5. "EFVs are not required on services that have more than one meter." The two services identified have multiple meters and were not required to have EFVs installed at the time of the leak repair. Please see attachment 2 "A-93.3_2013.pdf"  b, c, d) All pending corrective actions within the Internal inspection findings for the North Bay Division CPUC audit have been completed.	Att 1 _Internal Inspection Findings.docx Att 2 _A-93.3_2013.pdf
NOV	1	<p>1. Title 49 CFR §192.481(a) states in part: "Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: Onshore - At least once every 3 calendar years, but with intervals not exceeding 39 months"</p> <p>SED reviewed the Division's Meter Set Atmospheric Corrosion inspection records and found that the Division did not meet the 39 months requirement for the following plat maps: Plat Map, Survey Date, Subsequent Survey 2571-F04, 4/26/2011, 1/22/2015 2571-G3, 4/26/2011, 1/22/2015 2907-A5, 4/26/2011, 1/26/2015</p> <p>The following locations were inspected in 2009 during leak surveys and subsequent atmospheric corrosion inspections performed in 2012 with multiple CGI locations. The CGI locations were then not re-inspected until 2014, a timeframe outside of the 39 months requirement: Plat Map, MSAs 2985-A02, 3 MSAs recorded as CGI on 8/1/2012 2986-H04, 6 MSAs recorded as CGI on 8/7/2012</p> <p>PG&amp;E is in violation of 49 CFR §192.481(a).</p>	<p>After further review of additional records, AC inspections were performed on the following dates: 2571-F04 3/13/14 to 3/15/14 330 inspections 2571-G3 2/19/14 to 5/19/14 505 inspections 2907-A5 3/15/14 to 4/17/14 1280 inspections Please see attachment 3 - "3 Plats - 2014 AC Inspections_CONF.xlsx." These records were not available at the time of the audit.</p> <p>To ensure compliance, starting in 2014, PG&amp;E implemented an electronic system to track each individual meter inspection by date and time, so that inspections are performed within the 3 year, not to exceed 39 month compliance requirement. This includes utilizing electronic mobile tablets to record inspection results of each meter rather than manually tracking the inspections on plat maps.</p> <p>During AC inspections, each meter is rated by a qualified inspector utilizing an electronic mobile tablet. If the meter set and/or riser is rated as a severe condition, then the result is loaded into Asset Management Program (AMP) to be completed by Field Services Gas Service Representatives (GSR) before the next scheduled Atmospheric Corrosion (AC) inspection. When a "Can't Get In" (CGI) is encountered for AC inspections, the qualified inspector records the meter/riser as a CGI in his or her tablet device and continues to the next meter. The CGIs are exported from the AC Inspection database and uploaded into the AMP database for PG&amp;E's Field Services GSR to perform the AC inspections. If the GSRs are unsuccessful, the AC CGI will go into the CGI tracker and appropriate steps are followed to gain access. These steps include calls during non-working hours and weekends and leaving a door hanger for the resident to call into PG&amp;E to schedule an appointment when the resident is available to provide access to the meter and riser. If the CGI continues, the Centralized CGI Team (CCT) is contacted for assistance. The CCT will send a customer communication letter and notification using certified mail return receipt requested to the customer and property owner. If the CGI is not resolved within the compliance timeframe, Regulatory Compliance is notified and the CCT will work with the M&amp;C supervisor to discontinue gas service. The CCT will send the customer an Interruption of Gas Service Notification. If needed, a crew will interrupt the gas service at the tee and the call center is notified to record the location and situation. A CGI card and letter are left at the door.</p>	Att 3_3 Plats - 2014 AC Inspections_CONF.xlsx

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NOV	2	<p>2. Title 49 CFR §192.475(b) states in part:                      “Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion.”</p> <p>SED reviewed the Division’s Leak Repair records and found that the Division did not perform an internal pipeline inspection for sections of pipe that were exposed during the leak repair process for the following:                      Leak Number, Repair Date                      40-01-00727-1, 10/8/2014                      40-12-30542-1, 7/16/2013                      40-12-30615-1, 1/22/2013                      43-14-10019-B, 7/8/2014                      43-13-30383-1, 10/11/2013                      43-10-00133-1, 2/12/2014                      43-10-00105-1, 10/28/2013                      43-13-30242-1, 7/27/2013                      42-13-20006-B, 11/5/2013                      40-10-30766-1, 6/5/2013</p> <p>PG&amp;E is in violation of 49 CFR §192.475(b).</p>	<p>To prevent reoccurrence, PG&amp;E published a new internal corrosion control standard and five new internal corrosion control procedures in July 2014, with an effective date of January 1, 2016. Please see attachment 4 - “TD-4186S.zip” for a copy of PG&amp;E’s internal corrosion standard (“TD-4186S.pdf”) and the five associated procedures (“TD-4186P-100.pdf” through “TD-4186P-500.pdf”).</p> <p>In addition, PG&amp;E revised the existing internal corrosion inspection instructions (Job Aids) on 7/16/2015. The new revision will enhance the internal processes used to review internal corrosion inspection data. See attachment 5 - "A-Form Job Aid.pdf." PG&amp;E is also currently evaluating potential changes to the A-Form to improve work processes.</p> <p>A Corrective Action Program (CAP) Notification (7012817) was also generated to develop a 5 Minute Meeting to reinforce to personnel in all Divisions of the requirement to fill out the Internal Inspection portion of the A-form whenever the inside surface of the steel pipe is visible, and also to reinforce that all employees qualified for 03-05, ("Pipe Inspection"), are qualified to perform this inspection. This 5 Minute Meeting has been completed and was issued on 8/10/2015. See attachment 6 - "5MM A Form Internal Inspection."</p>	<p>Att 4_TD-4186.zip                      Att 5_ "A-form Job Aid"                      Att 6_5MM A-form Internal Inspection_CONF.pdf</p>
NOV	3	<p>Title 49 CFR §192.465(a) states in part:                      “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.”</p> <p>SED reviewed the Division’s 10%ers records and noted that location 124 Carroll Street in Vallejo was monitored outside the 10 year requirement. The location was initially monitored on 10/24/2002 and the next read was on 03/18/2013.</p> <p>PG&amp;E is in violation of 49 CFR §192.465(a).</p>	<p>To prevent reoccurrence, isolated steel locations (10%er) are now managed in the work management system, SAP. Automatic notifications are generated and sent to appropriate parties, alerting them of the need to perform the monitoring and restoration activities in a timely manner.</p> <p>In addition, weekly SAP Compliance Reports tracking the preventative maintenance required for each asset on a maintenance plan are automatically generated and reflect upcoming due dates. The items may be filtered by supervisor, location or work type. These SAP Compliance Reports also capture open corrective work orders associated with the maintenance notifications and include remedial work due to low pipe-to-soil readings. The weekly SAP Compliance Reports are reviewed regularly by the local supervisor and asset strategist to maintain oversight of pending actions by the required due date.</p>	
AOC	1	<p>SED reviewed the Division’s 10%ers records and found that the Division did not take prompt remedial action to correct deficiencies found during monitoring of 10%er location 73 Orange Ave in Larkspur. A low P/S reading of 925mV was taken on 01/29/2014 but the Division failed to take remedial action until after the location was identified during the audit. A good P/S read of -1711mV was taken on 11/18/2015.</p>	<p>Please see response to NOV 3.</p>	

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Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	2	<p>During SED’s field verification, SED noted low pipe-to-soil reads at the following locations:</p> <p>Vallejo Location, P/S Readings, Type a) 305 W. H St, Benicia -745mV Bi-Monthly b) 1416 Gordon -432mV 10%er c) 135 Loma Vista -711mV 10%er</p> <p>San Rafael Location, P/S Readings, Type d) 49 Las Tardes Court, Novato -875mV 10%er e) 28 San Miguel Way, Novato -820mV 10%er f) 16A Oliva Drive, North Marin -811mV 10%er g) 36A Oliva Drive, North Marin -753mV 10%er h) 786 Eucalyptus, North Marin -757mV 10%er i) 116 Wild Horse Valley, North Marin -549mV 10%er j) 1928 &amp; 1930 5h St, San Rafael -520mV 10%er k) 1561 Novato Blvd, Novato -780mV Bi-Monthly l) DFM Reg Station L-51G, San Rafael -690mV Bi-Monthly m) 11 Fern Way, Greenbrae -489mV Annual n) 50 Elaine Ave, Marguerite -536mV Annual</p> <p>Napa Location, P/S Readings, Type o) 2267 Second St, Napa -922mV 10%er p) 454 Montgomery St, Napa -920mV 10%er</p>	<p>Please see below for a status of the low pipe-to-soil reads:</p> <p>Vallejo Location, P/S Readings, Type a) 305 W. H St, Benicia -1022 mV Bi-Monthly b) 1416 Gordon -1171 mV 10%er c) 135 Loma Vista -1147 mV 10%er</p> <p>San Rafael Location, P/S Readings/Status, Type d) 49 Las Tardes Court, Novato - Work Ticket 111630944 generated to install an anode, 10%er e) 28 San Miguel Way, Novato -Work Ticket 111630908 generated to install an anode, 10%er f) 16A Oliva Drive, North Marin -1074 mV 10%er g) 36A Oliva Drive, North Marin -956 mV 10%er h) 786 Eucalyptus, North Marin -1016 mV 10%er i) 116 Wild Horse Valley, North Marin -865 mV. This was determined to be tied to CPA 861-02. RW 111633794 was submitted to remove this location from the 10%er program. This will be monitored with the CPA. j) 1928 &amp; 1930 5h St, San Rafael -Work Ticket 111630693 generated to install an anode, 10%er k) 1561 Novato Blvd, Novato -878 mV Bi-Monthly l) DFM Reg Station L-51G, San Rafael -904 mV Bi-Monthly m) 11 Fern Way, Greenbrae -890 mV Annual n) 50 Elaine Ave, Marguerite -1143 mV Annual</p> <p>Napa Location, P/S Readings, Type o) 2267 Second St, Napa -1086 mV 10%er p) 454 Montgomery St, Napa -1062 mV 10%er</p>	
AOC	3	<p>During SED’s field verification, SED noted atmospheric corrosion on the meter set at the following locations:</p> <p>a) 900 Quency Alley, Vallejo b) 1004 Mariposa, Vallejo c) 1 San Ynez Circle, Marin.</p> <p>Please provide SED an update on the action(s) taken to address the atmospheric corrosion.</p>	<p>a) Please see attached attachment 7 "900 Quency Alley, Vallejo.pdf" b) Please see attached attachment 8 "1004 Mariposa, Vallejo.pdf" c) Please see attached attachment 9 "1 Santa Ynez Circle, Novato.pdf" Please note that the address is 1 Santa Ynez Circle, Novato and not 1 San Ynez Circle, Marin.</p>	<p>Att 7_900 Quency Alley, Vallejo.pdf Att 8_1004 Mariposa, Vallejo.pdf Att 9_1 Santa Ynez Circle, Novato.pdf</p>
AOC	4	<p>During SED’s field verification, SED noted exposed span #20: ¾” steel along bridge at 20-24 Pacheco Creek Drive in Novato was covered by other pipes and could not be completely visually inspected. Please explain how previous visual inspections sufficiently monitored for atmospheric corrosion or any other conditions, if portions of the span were not visible. Also, please describe how PG&amp;E intends to conduct future inspections of the span.</p>	<p>This location has been added as Span 1196. Corrosion Engineering was able to inspect a majority of pipe, looking for visual cues for atmospheric corrosion, for example rust staining or bleeding. However, due to the configuration and state of coating, corrosion engineering will work with the local distribution engineering department to determine if recoating or replacement is more suitable.</p>	
AOC	5	<p>During SED’s field verification, SED noted the pipe wrap to be in poor condition on the following exposed spans:</p> <p>a) Span #16: ¾” steel along bridge at 568 Wilson Avenue, Novato b) 60 feet ¾ inch steel at 129 Wood Lane, Fairfax, Marin Division, Map 2984 - A5 c) 2” at Pope St and Silverado Trail in St. Helena</p> <p>Please provide SED an update on the action(s) taken to address the condition of the pipe wrap at the above locations.</p>	<p>a) Span 1197 PM 31223429 OCW was created to deactivate the steel service, and install new plastic service below grade. b) Span 1195 PM 31229323 OCW was created to deactivate the steel service, and install new plastic service below grade. c) Span 904 at this location has been inspected by corrosion engineering. Due to accessibility, recoating this location might not be the more suitable remediation plan. Corrosion engineering will work with the local distribution engineering department to determine if recoating or replacement is more suitable.</p>	

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AOC	6	<p>During SED’s field verification, SED noted out of compliance reads on the following casings: Location, Pipe, Casing a) DFM 0404-04 MP 0.75 (7303 Redwood Blvd, Novato), Pipe: -820mV b) DFM 0405-01 MP 27.56 (Hwy 29 n/o Heitz) , Casing: -902mV c) NBC027020 (2 casing Vents), Pipe: -1164mV Casing 1: -624mV; Casing 2: -1100mV</p> <p>Please provide SED an update on the action(s) taken to address the out-of-compliance reads at the casing locations above.</p>	<p>Please see below for a status of the pipe and casing reads: a) DFM 0404-04 MP 0.75 (7303 Redwood Blvd, Novato), Pipe: -910 mV, Case: -290 mV b) DFM 0405-01 MP 27.56 (Hwy 29 n/o Heitz) , Pipe: -1040 mV, Casing: -631 mV c) NBC027020 (2 casing Vents), Pipe: -1164mV Casing 1: -624mV; Casing 2: -1100mV - One vent (W12W) reads -624 mV. The other vent (2PL) reads -1100 mV. This is due to the casing being protected by an Anode.</p>	
AOC	7	<p>During SED’s field verification, SED noted high ground resistance readings from the following rectifiers: Locations, Ground Resistance a) Rect# 137 CPA# 927-16 Farm @ Circle Road, San Rafael 41 Ohms b) Rectifier # 045, CPA # 508-11, Rectifier serial # 71F7150, Lincoln @ Myrtle, Calistoga 28 Ohms</p> <p>Please provide SED an update on the action(s) taken to address the high ground resistance readings at the rectifier locations identified above.</p>	<p>a) Work Ticket 110886345 was generated to install a second ground rod. The second ground rod was installed on 1/13/16 and the subsequent ground resistance reading is 14 Ohms. b) Work Ticket 110886288 was generated to install a second ground rod. The second ground rod was installed on 1/21/16, and the subsequent ground resistance reading is 10.5 Ohms. Please see attached attachment 10 "Ohm Readings_CONF.pdf" for the readings at both locations.</p>	Att 10_Ohm Readings_CONF.pdf
AOC	8	<p>During SED’s field verification, SED noted the meter set at 9 Upper Ardmere Ave in Larkspur needed a meter support. Please provide SED an update on the action(s) taken to address this concern.</p>	<p>Please see attachment 11 "Upper Ardmere, Larkspur.pdf" for a photo of the meter set. The meter set is supported by the house connection and riser . In addition, the meter set is located behind a planter area, adjacent to the building, and not exposed to damage from vehicular traffic.</p>	Att 11_Upper Ardmere, Larkspur.pdf
AOC	9	<p>During SED’s field verification, SED noted the meter sets at 1928&amp;1930 5th St in San Rafael and 900 Quency Alley in Vallejo needs to be vented. Please provide SED an update on the action(s) taken to address the concerns at these two locations.</p>	<p>Please see attachment 12 "1928 &amp; 1930 5th St, San Rafael.pdf" and attachment 7 "900 Quency Alley, Vallejo.pdf" for photos of the meter sets being vented.</p>	Att 12_1928 & 1930 5th St, San Rafael.pdf Att 7_900 Quency Alley, Vallejo.pdf