

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 7, 2012

Ms. Jane Yura,
Vice President, Gas Operations, Standards and Policies
Pacific Gas & Electric Company
P.O. Box 770000, Mailcode N15F,
San Francisco, CA 94177

File #:GA2011-04

SUBJECT: Genera; Order 112-E Gas Audit of PG&E's Humboldt Division

Dear Ms Yura:

On behalf of the Consumer Protection and Safety Division (CPSD) of the California Public Utilities Commission, Paul Penney and Ivan Garcia conducted a General Order 112-E audit of Pacific Gas and Electric Company's (PG&E) Humboldt Division (Division) from April 11-15, 2011. The audit included a review of PG&E's records for the years 2008-2010, and field inspections in the cities of Eureka and Arcata. CPSD's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter.

Within 30 days of your receipt of this letter, please provide a written response indicating measures taken by PG&E to address the violations, issues, and concerns noted in the Summary. If you have any questions, please contact Paul Penney at (415) 703-1817.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael Robertson".

Michael Robertson, Program Manger
Gas Safety and Reliability Branch
Consumer Protection and Safety Division

Enclosure:

- I. PG&E Internal Audit Findings
- II. Audit Findings and Violations

cc: Larry Berg, PG&E Quality Assurance
Larry Deniston, PG&E Quality Assurance
Frances Yee, PG&E Gas Engineering and Operations
Bill Gibson, PG&E Director, Regulatory Compliance
Dennis Lee, CPSD

SUMMARY OF INSPECTION FINDINGS

I. PG&E Internal Audit Findings

Prior to the start of the April 11-15, 2011 audit, PG&E provided CPSD the findings from its internal audit of the Humboldt Division (Division). Some of PG&E's internal audit 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). All the violations that PG&E identified are noted in the Humboldt Division Internal Review Summary Table. CPSD also identified violations of Title 49 CFR 192 in relation to PG&E's internal audit findings.

CPSD is aware that some of PG&E's Internal Review findings have already been corrected or were in the process of being corrected at the time of the audit. Please provide CPSD with an update on items that had pending corrective actions as of April 15, 2011 as noted in the following table.

Humboldt Division Internal Review Summary Table

Item	Title 49 CFR Part 192	Topic/(Finding)	Number of Violations	Number of Violations Corrected	Number of Pending Corrections
1	192.13(c)	Leak Survey Distribution– Missing Gas Mapping signature	8	8	0
2	192.13(c)	Leak Survey Distribution – Missing supervisor signature	4	4	0
3	192.13(c)	Leak Survey Distribution – Leak number not recorded on plat map	1	1	0
4	N/A	Leak Survey Distribution – Leak Survey Maps not highlighted	0	0	0
5	192.13(c)	Leak Survey Distribution – Mappers initials missing	55	55	0

Humboldt Division Internal Review Summary Table (continued).

Item	Title 49 CFR Part 192	Topic/(Finding)	Number of Violations	Number of Violations Corrected	Number of Pending Corrections
18	192.13(c)	Corrosion Control – No Explanation For Rectifiers Raised Above Interference Test Settings	2	2	0
19	N/A	Corrosion Control – Casing Tests	0	0	0
20	192.465	Corrosion Control – Missed Pipe-To-Soil Reads On Isolated Services (10%ers)	2	2	60
21	N/A	Corrosion Control – Equipment Calibrations	0	0	0
22	192.13(c)	Combustible Gas Indicators (CGI's) calibrations not completed	3	3	0
23	N/A	HFI, RMLD, OMD Calibrations	0	0	0
24	192.13(c)	Leak Repair – Late Leak Repair	1	1	0
25	192.13(c)	Leak Repair – Late Leak Repair Check	1	1	0
26	192.13(c)	Leak Repair – Weld Inspection Stamp Not Completed	1	1	0
27	192.383	Leak Repair – Excess Flow Valves Not Installed	4	3	1
28	N/A	Deactivation Program and Records	0	0	0
29	192.13(c)	Odorization – No Action Noted For Abnormal Odorization Reads	2	2	0

Humboldt Division Internal Review Summary Table (continued).

Item	Title 49 CFR Part 192	Topic/(Finding)	Number of Violations	Number of Violations Corrected	Number of Pending Corrections
30	192.13(c)	Ground Patrols - Patrol Records Missing Additional Documentation	8	0	7
31	192.13(c)	Ground Patrols – Patrol Missing Corrective Action	1	1	0
32	N/A	Aerial Patrols	0	0	0
33	N/A	Emergency Plan	0	0	0
34	192.13(c)	Emergency Zone Valves- Annual Review Not Complete	1	1	0
35	192.479(a)	Atmospheric Corrosion – Corrective Action Not Completed	1	1	1
36	192.13(c)	Atmospheric Corrosion – Correction Action Not Completed	1	1	0
37	192.13(c)	MAOP – Missing Additional Documentation	1	1	0
38	N/A	Test Instrument Calibrations – Pressure and Temperature Test Gauges	0	0	0
39	N/A	Test Instrument Calibrations - Recorders	0	0	0
40	192.13(c)	Test Instrument Calibrations – Miscellaneous Instruments	1	1	0
41	N/A	Test Instrument Calibrations – EC-ER Test Instruments	0	0	0

Humboldt Division Internal Review Summary Table (continued).

Item	Title 49 CFR Part 192	Topic/(Finding)	Number of Violations	Number of Violations Corrected	Number of Pending Corrections
42	N/A	Test Instrument Calibrations- Cathodic Protection Instruments	0	0	0
43	N/A	Joiner Qualification	0	0	0

II. Audit Findings and Violations

CPSD found an abnormal odor intensity reading, not within PG&E’s Gas Standard 4350S requirements, at Cummings Creek location on April 2, 2009, in which there was no action taken by the Division.

PG&E Gas Standard 4350S, Odorization of Natural Gas states in part, “If odor intensity reading is over 0.6% gas in air (too weak), or below 0.1% gas in air (too strong), a confirmation test with a different operator will be performed and the System Gas Control supervisor, or GT&D district supervisor, shall be notified immediately.” The Division did not follow this Standard and preform the required corrective action; therefore, it was in violation Title 49 CFR §192.13(c) which states:

“Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

Please advise CPSD on the action the District implemented in to prevent this violation from recurring.