

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 18, 2022

Christine Cowsert
VP, Gas Asset Management and System Operations
Pacific Gas and Electric Company
Gas Transmission and Distribution Operations
6121 Bollinger Canyon Road
San Ramon, CA 94583

GI-2022-04-PGE-92-01ABC-18

SUBJECT: General Order (GO) 112-F Gas Inspection of PG&E's Central South Transmission Area

Dear Ms. Cowsert,

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC), Angel Garcia, Andrea Garcia Ruvalcaba, Dylan Glass, Kai Cheung, Paul Penney, and Yi (Rocky) Yang conducted General Order 112-F and Section 114 inspections of Pacific Gas & Electric Company's (PG&E) Central South Transmission Area (Area), which included the Kettleman District and the local transmission assets of the Fresno Division, from April 4-8 and 11-15, 2022. The inspection included a virtual review of the Area's operation and maintenance records for the years 2018 through 2021, PG&E's procedures addressing 2020 Protecting Our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act Section 114, and a field inspection of a representative sample of the Area's facilities. SED staff also reviewed the Area's operator qualification records, which included a field observation of randomly selected individuals performing covered tasks.

SED staff identified two (2) probable violations of G.O. 112-F, Reference Title 49 CFR, Part 192, and noted four (4) areas of concern which are described in the attached "Post-Inspection Written Preliminary Findings" reports. The Summary reflects only those records and pipeline facilities that SED inspected.

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 concerns noted in the Summary.

If you have any questions, please contact Yi (Rocky) Yang at (415) 940-8639 or by email at yi.yang@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Terence Eng".

Terence Eng, P.E.
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Post-Inspection Written Preliminary Findings

cc: Susie Richmond, PG&E Gas Regulatory Compliance
Paul Camarena, PG&E Gas Regulatory Compliance
Matthewson Epuna, SED
Molla Mohammad Ali, SED
Claudia Almengor, SED

Post-Inspection Written Preliminary Findings

Dates of Inspection: 4/4/2022 – 4/8/2022 and 4/11/2022 – 4/15/2022

Operator: PACIFIC GAS & ELECTRIC CO

Operator ID: 15007 (primary)

Inspection Systems: Kettleman/Fresno Transmission

Assets (Unit IDs) with results in this report: Central South Transmission (86289)

System Type: GT

Inspection Name: 2022 PG&E Central South Transmission

Lead Inspector: Yi (Rocky) Yang

Operator Representative: Sajjad Azhar

Unsatisfactory Results

1. Maintenance and Operations: Gas Pipeline Overpressure Protection (MO.GMOPP)

Question Title, ID Pressure Limiting and Regulating Stations Inspection and Testing, MO.GMOPP.PRESSREGTEST.R

Question 6. Do records indicate inspection and testing of pressure limiting, relief devices, and pressure regulating stations?

References 192.709(c)

Assets Covered Central South Transmission (86289 (92))

Issue Summary SED reviewed the regulator station maintenance record of the regulator station at Chestnut & Clay Aves in Fresno district/division.

The left run as left (AL) data (including Regulator Set Point, Regulator Lockup, Monitor Set Point, Monitor Lockup and Working Monitor Pilot Set

Point) was missing for the double-run regulator station maintenance record at Chestnut & Clay Aves on Jan 31, 2020.

PG&E explained that the "as left (AL)" data was the same as the "as found (AF)" data, however, the maintenance personnel did not fill out the checklist.

Per PG&E's Maintenance of Regulator Stations Procedure TD-4540P-01, Section 6.1.2, when inspection is completed, one must document the regulator pilot settings.

TD-4540P-01, Section 6.1.2 states, in part:

"Fill in all fields on station record form.

a. Identify fields for which data entry does not apply with dash (-), slash (/), "N/A," "N.A.," OR "NA."

b. Identify fields for which data would normally be required but where information is unknown with "UNK." "

PG&E did not correctly document the inspection and maintenance activity performed at the regulator station according to their procedure.

Therefore, PG&E violated Title 49 CFR Part 192 Section 192.605(a).

2. Time-Dependent Threats: Atmospheric Corrosion (TD.ATM)

Question Title, ID Atmospheric Corrosion Monitoring, TD.ATM.ATMCORRODEINSP.R

Question 4. Do records document inspection of aboveground pipe for atmospheric corrosion?

References 192.491(c) (192.481(a), 192.481(b), 192.481(c))

Assets Covered Central South Transmission (86289 (92))

Issue Summary After reviewing PG&E Fresno and Kettleman District's span inspection records, SED found that PG&E did not correct the atmospheric corrosion issue identified on span #49931138 as stated in their last audit response. PG&E first identified this span as unintentionally exposed due to erosion in May 2014. In PG&E's last audit response dated May 28, 2019, PG&E stated that they created a corrective work notification (#114716176) in SAP and "All spans are on the Insulation and Coatings remediation list with a due date of 2021 based on the 2018 inspections". PG&E also replied to SED's DR#70 from this audit, that the corrective work was completed. However, after reviewing the coating inspection report, SED found that no corrective work was done for this span. The PG&E Span Inspection report stated in the comment that "SPAN U - Entire Span Rusted - Need Paint Crew to Repair Entire Span". The attached photos also indicate that coating is missing and soil is eroded. Notification 114716176 is the

most updated corrective notification, according to PG&E's response of DR#84.

Title 49 CFR §192.481(c) states:

"If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by § 192.479".

Title 49 CFR §192.479(a) states in part:

"Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere".

PG&E failed to provide protection against the corrosion issue identified on Span #49931138 and therefore violated Title 49 CFR Part 192 §192.481(c).

Question Title, ID Atmospheric Corrosion Monitoring, TD.ATM.ATMCORRODEINSP.O

Question 5. Is pipe that is exposed to atmospheric corrosion protected?

References 192.481(b) (192.481(c), 192.479(a), 192.479(b), 192.479(c))

Assets Covered Central South Transmission (86289 (92))

Issue Summary SED went on a field inspection of the exposed span #49931138 as noted in Unsatisfactory Item 2.1 above. SED observed that the pipe coating showed signs of abrasion and the exposed span showed signs of erosion. SED did not see signs of any remediation work. This observation supports the Atmospheric Corrosion Monitoring records issue identified in the record review portion.

Concerns

1. Design and Construction: Design of Pipe Components (DC.DPC)

Question Title, ID Flanges and Flange Accessories, DC.DPC.FLANGE.O

Question 8. Do flanges and flange accessories meet the requirements of 192.147?

References 192.147 (192.147(a), 192.147(b), 192.147(c), 192.607)

Assets Covered Central South Transmission (86289 (92))

Issue Summary Under PG&E Standard B-45.4, Section 2.1, Part E, "Bolts/studs must be fully engaged and extend completely through their nuts, with a recommended

minimum of two threads exposed, as long as the bolt/stud does not extend beyond 1/2 inch (in.) from the nut face."

During the field visit of PG&E's Kettleman district transmission facilities, SED found multiple occurrences of lack of bolt and nut thread engagement on the pipe flanges

- Flange on valve BD-V-A at Kettleman compressor station
- Flange at the dead end next to M-1 at Helm Junction station.
- Flange on Blowdown valve next to V-B at Panoche station.

PG&E should ensure the bolts and nuts on the flanges are fully engaged to maintain their designed strength. Please provide an update on the corrective actions that have been or will be taken.

2. Maintenance and Operations : Gas Pipeline Odorization (MO.GOODOR)

Question Title, ID Odorization of Gas, MO.GOODOR.ODORIZE.R

Question 2. Do records indicate appropriate odorization of its combustible gases in accordance with its processes and conduct of the required testing to verify odorant levels met requirements?

References 192.709(c) (192.625(a), 192.625(b), 192.625(c), 192.625(d), 192.625(e), 192.625(f))

Assets Covered Central South Transmission (86289 (92))

Issue Summary SED reviewed the Odorization Report and Odor Intensity Report at Kettleman and identified the following issues.

- a) Paramount odorization report for 1/6/2021 was mistakenly recorded as 1/6/2020. PG&E has since corrected the form.
- b) Percentage gas-in-air in Odor Intensity Report for Aug 2021 was documented as 3.5% for L300B, which was outside the acceptable range. SED talked with the district GPOM supervisor, and he confirmed that it was a typo. The percentage gas in air should be 0.35%.
- c) The odor intensity reports were not reviewed/approved by the supervisor since Jan 2019 for Kettleman district.

PG&E should review the Odor intensity records in a timely manner and avoid errors in record documentation.

3. Section 114 : Section 114 - Gas Transmission (114.GT)

Question Title, ID Leaks & Releases - Leak Data Collection and Analysis, 114.114.LKRLSLKDATA.P (also presented in: 114.UNGS, 114.GGBOOST)

Question 10. Do procedures include a methodology to collect, retain and analyze detailed information from detected natural gas leaks, including those

eliminated by lubrication, adjustment, tightening or otherwise below thresholds for regulatory reporting?

References 49 U.S.C. 60108(a)

Assets Covered Central South Transmission (86289 (92))

Issue Summary SED staff believes PHMSA is stating in this question that PG&E needs to consider and track leaks eliminated by "tightening, lubrication and adjustment" going forward. PG&E should consider how these leaks will be tracked going forward.

Question Title, ID in: 114.GGBOOST)
General - Compressor Station, 114.114.GNLCMPSTATION.P (also presented

Question 17. Do procedures contain mechanisms for minimizing natural gas emissions from operations and maintenance activities within a compressor station (i.e., beyond compressor/driver-specific procedures)?

References 49 U.S.C. 60108(a)

Assets Covered Central South Transmission (86289 (92))

Issue Summary PG&E should develop procedures for minimizing natural gas emissions during O&M activities within compressor stations. Alternately, if PG&E currently has procedures in place, please provide references to those procedures in PG&E response to this concern.