



Michael Falk  
Director  
Compliance  
Gas Operations

6111 Bollinger Canyon Rd.  
San Ramon, CA 94583  
Phone: 925.244.3276  
E-mail: mdf@pge.com

February 29, 2015

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 Audit – PG&E’s East Bay Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112 audit of PG&E’s East Bay Division from August 31 through September 4, 2015. On January 29, 2016, the SED submitted their audit report, identifying violations and findings.

As an initial matter, PG&E respectfully objects to the extent the letter contemplates duplicative statutory, regulatory, or other alleged violations, and thus potentially duplicative penalties, premised on the same underlying facts as any other incidents or allegations, including those to be addressed in the current Gas Distribution Recordkeeping OII, I.11-02-016. PG&E also reserves the right to assert any and all applicable factual and legal defenses to the incidents or to related findings and allegations by SED.

Notwithstanding these objections and reservations, PG&E submits Attachment A in response to the January 29, 2016, letter.

Please contact Cheryl Dizon at (925) 328-5721 or c1dz@pge.com for any questions you may have regarding this response.

Sincerely,

/S/  
Michael Falk

Attachment

cc: Sikandar Khatri, CPUC  
Aimee Cauguiran, CPUC  
Dennis Lee, CPUC

Susie Richmond, PG&E  
Sumeet Singh, PG&E

**2015 East Bay Division CPUC Audit Responses**

**CONFIDENTIAL – Provided Pursuant to P.U. Code §583**

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV Internal Findings		<p>Prior to the start of inspection, PG&amp;E provided SED its finding from the internal review it conducted of East Bay Division (Division). Some of PG&amp;E’s internal review findings are violations of PG&amp;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&amp;E corrected some of its findings prior to SED’s inspection. For those items not corrected prior to the inspection, please provide an update on PG&amp;E’s progress to complete the corrective actions.</p> <p>Table 1 lists all of the corrosion related violations from PG&amp;E’s internal review.</p> <p>[PENDING ITEMS LISTED BELOW] Code Section:192.605 (a) Asset Type: Bimonthly/Yearly/Annual Finding Description: Action Plans Present But not updated every 30 days, Missing Action Plans, CPA Down Over 15 months or Late Maintenance Corrective Action: Found during recent deep dive document comparison review. Begin utilizing compliance report to track pending maintenance and document progress in more timely manner. Remediation Date: 12/31/15</p> <p>Code Section: 192.605 (a) Asset Type: Instrument Calibration Finding Description: Reference Electrodes Not Checked Quarterly, Multimeters Not Checked Annually Corrective Action: Potential Findings, still validating</p>	<p>Finding Description: Action Plans Present but not updated every 30 days, Missing Action Plans, CPA Down Over 15 months or Late Maintenance Response: Effective February 27, 2016, Action Plans are no longer tracked under a separate notification in SAP or require manual updates. Corrective actions required for low pipe-to-soil readings are now captured in the long text of the maintenance notification and are updated as progress is made. 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> <p>Finding Description: Reference Electrodes Not Checked Quarterly, Multimeters Not Checked Annually Response: PG&amp;E verified 6 of the 7 listed reference electrodes were calibrated quarterly and 3 of the 6 listed multimeters were calibrated annually in the attached Calibration Reports, "IF_Calibration_Reports_CONF.pdf" Going forward verifications of instrument calibration are placed on maintenance plans in SAP to ensure they are scheduled and tracked for completion within the required timeframe.</p>	IF_Calibration_Reports_CONF.pdf

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV	1.1	<p>1. Title 49 CFR §192.605 states in part:</p> <p>(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response..."</p> <p>(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations. (1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part..."</p> <p>1.1 Internal surface not inspected Title 49 Code of Federal Regulations §192.475 (b) states that: "Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion...."</p> <p>PG&amp;E Standard TD-4186S, Section 1.2 (1) states:  "Whenever any pipe is removed from a pipeline for any reason, or whenever the interior surface of the pipeline is exposed, the internal surface must be inspected for evidence of corrosion..."</p> <p>SED staff reviewed leak repair forms (A-forms), and it was observed that for the following leak numbers, the 'internal inspection' part of the forms was not filled:  Leak #: 2814841561, 2614411981 and 2814841821</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 refer to the attached for a copy of PG&amp;E's internal corrosion standard ("TD-4186S_CONF.pdf") and the five associated procedures ("TD-4186P-100_CONF.pdf" through "TD-4186P-500_CONF.pdf").</p> <p>In addition, the mobile data entry of the A-form prompts the repair person to answer the question whether the Internal Surface of the pipe is visible. The repair person must answer this question before completing the electronic A-form. PG&amp;E has also revised the paper ("Tech DOWN") version of the A-form and the A-Form Job Aid Instructions (see attached A-Form Job Aid.pdf) which specifies that answering this question is a required field to be completed.</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. Refer to the attached "5MM A Form Internal Inspection.doc".</p>	<p>NOV1-1_TD-4186S_CONF.pdf NOV1-1_TD-4186P-100_CONF.pdf NOV1-1_TD-4186P-200_CONF.pdf NOV1-1_TD-4186P-300_CONF.pdf NOV1-1_TD-4186P-400_CONF.pdf NOV1-1_TD-4186P-500_CONF.pdf NOV1-1_5MM A Form Internal Inspection_CONF.pdf NOV1-1_A-Form Job Aid_CONF.pdf</p>

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOV	1.2	<p>1.2. Annual Location not monitored Title 49 Code of Federal Regulations §192.465 (a) states that:</p> <p>“Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. ...”</p> <p>PG&amp;E Standard TD-4181S, Section 6.3 (2), “Annual P/S monitoring” states that:</p> <p>(a) Galvanically protected isolated distribution and local transmission piping segments that are over 100 feet long, but less than or equal to 8 blocks of steel main or 1 mile of steel main must be monitored as follows: (1) Monitoring Frequency: P/S monitoring tests must be conducted at least once each calendar year, but with intervals not exceeding 15 months to the date....</p> <p>SED found that for CPA area C7-31, there were two Annuals on the map; however, only one location at 2683 Monterey Blvd., Oakland was being monitored. PG&amp;E later through email dated 09/18/2015 informed that it has been tied to rectifier and therefore now it will be monitored as a yearly location. Please verify the same, and provide a recent Pipe-to-Soil (P/S) read.</p>	<p>A new asset at 4371 Whittle Ave, Oakland was created in SAP under Notification# 111336094 which will call for yearly inspections beginning in 2016. A pipe-to-soil reading of -963mV was taken by ZJB3 on September 4, 2015.</p>	N/A
NOV	1.3	<p>1.3. Meter Protection Title 49 Code of Federal Regulations §192.353 (a) states that:</p> <p>“Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage, including, if installed outside a building, vehicular damage that may be anticipated ...”</p> <p>SED staff during field visit observed that meter sets at locations 9910 E St. and 9920 E St., Oakland (CPA area, C10-15 REC) needed protection against vehicular damage.</p>	<p>Barrier posts were installed at 9910 E St. and 9920 E St., Oakland (CPA area, C10-15 REC) on February 4, 2016. Refer to attached photos, "NOV1-3_9910 E St_CONF.pdf" and "NOV1-3_9920 E St_CONF.pdf" for verification.</p>	<p>NOV1-3_9910 E St_CONF.pdf NOV1-3_9920 E St_CONF.pdf</p>

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	1	<p>1. CP criteria not met– field visit</p> <p>SED during field visit found that the following locations had low P/S values and some other issues as mentioned. Please provide an update on remedial measures taken to address low P/S values and other issues.</p> <p>Address Read Type Field P/S Reading (mV) and comments                      C5-10 ANN, 42056399, 3815 SAN PABLO AVE, OAKLAND, Annual ETS Annual -606 mV                      C7-10A ANN, 42722124, 4520 MONTGOMERY, OAKLAND, Annual ETS Annual -618 mV                      C10-13 ANN; 43236660, 10114 LONGFELLOW AVE, OAKLAND, Annual ETS, (INSV on 11/26/2014 ); Annual -755 mV                      43175270, 1790 POST, SAN PABLO, Annual ETS, (INSV on 02/19/2014 ) Annual There was no house with address 1790 Post. Hence, records were not accurate. We checked 1740 Post but it has a plastic service. Read was taken on ETS in front of 1740 Post, it was -709 mV. It failed to meet the required criteria of -850mV.                      C10-15 REC, 42042154, 9910 E ST, OAKLAND, Bi-Monthly ETS Bimonthly Reads were -528 mV at 9910 E St. and 550 mV on 9920 E St. Reads are Low.                      C7-30 REC, 42047338, 30 RAMONA, PIEDMONT, Bi-Monthly ETS Bimonthly P/S read low and fluctuated between -835 to -905 mV                      C7-61 REC; 42721454, 2215 BRAEMER, OAKLAND, Bi-Monthly ETS, (INSV on 09/22/2011 ) Bimonthly P/S read was -368 mV. Another read was taken at 2200 Breamer, it was -400 mV. Reads are Low.                      42003742, 969 CURTIS ST, BERKELEY, Bi-Monthly ETS, (INSV on 10/08/2007 ) Bimonthly P/S read -725 mV. Read is Low and Meterset also needs paint                      42002656, 1341 JOSEPHINE ST, BERKELEY, Bi-Monthly ETS, (INSV on 10/08/2007 ) Bimonthly PG&amp;E staff after looking at the location on site, mentioned that it has changed to plastic but records have not been updated. It has changed to Plastic. Read was taken at 1330 Josephine which fluctuated between -750 to -950 mV. Read was also taken at 1331 Josephine which fluctuated between -790 to -810 mV). Therefore, Low and fluctuating reads.                      43172614, 1500 MARIN, BERKELEY, Yearly ETS, (INSV on 02/06/2014 ) Yearly P/S read -515 mV. Low read                      42719219, 1103 HIGH CT, BERKELEY, Yearly ETS, (INSV on 08/30/2011 ) Yearly PG&amp;E staff after looking at the location on site, mentioned that it has changed to plastic but records have not been updated. Read taken on ETS, which was -809 mV, which is low                      1426 Sherman St. Alameda 10%er P/S read -806 mV. Low read</p> <p>For the above, please provide update on:</p> <p>(a) Measures taken to address low P/S reads</p>	<p>Below lists the follow up pipe-to-soil reading, date the reading was taken or SAP notification describing the follow up work required at each location. :</p> <p>C5-10 ANN, 42056399, 3815 SAN PABLO AVE, OAKLAND, Annual ETS: Mechanic is continuing to troubleshoot this location under SAP notification 111140056.                      C7-10A ANN, 42722124, 4520 MONTGOMERY, OAKLAND, Annual ETS: Mechanic is continuing to troubleshoot this location under SAP notification 111338777.                      C10-13 ANN; 43236660, 10114 LONGFELLOW AVE, OAKLAND, Annual ETS, (INSV on 11/26/2014 ): -915mV on December 9, 2015                      C10-15 REC, 42042154, 9910 E ST, OAKLAND, Bi-Monthly ETS: On February 9, 2016 CPA C10-15 was found under adequate protection by EXMN (SAP Notification 110870285). However due to excavations by a 3rd party, 9910 E. St is no longer tied to the impressed current system and will become an annual location. Repair is tracked under SAP Notification 111388299.                      C7-30 REC, 42047338, 30 RAMONA, PIEDMONT, Bi-Monthly ETS: -976mV on February 1, 2016.                      C7-61 REC; 42721454, 2215 BRAEMER, OAKLAND, Bi-Monthly ETS, (INSV on 09/22/2011 ): Mechanic is troubleshooting this location under SAP notification 111110683.                      42003742, 969 CURTIS ST, BERKELEY, Bi-Monthly ETS, (INSV on 10/08/2007 ): Meter set was painted onsite during field inspections. -932mV on February 4, 2016.                      42002656, 1341 JOSEPHINE ST, BERKELEY, Bi-Monthly ETS, (INSV on 10/08/2007 ): -1017 mV on February 23, 2016.                      43172614, 1500 MARIN, BERKELEY, Yearly ETS, (INSV on 02/06/2014 ): Main now plastic. SAP Notification 110801023 tracked removal of this location from cathodic protection maintenance plan on December 26, 2015.                      42719219, 1103 HIGH CT, BERKELEY, Yearly ETS, (INSV on 08/30/2011 ): -1125 mV on February 23, 2016.                      1426 Sherman St. Alameda: -1155 mV on February 4, 2016.</p> <p><b>Prime to review and validate the following response.</b> In regards to the address at 1790 Post St, the correct address was 1740 Post St. There was an error in transposing from handwritten records to SAP which resulted in the incorrect address of 1790 on the 2014 maintenance form.                      The ETS at 1740 was moved to a more appropriate location, 1716 Post St, which is the new annually read location replacing 1740 and is shown in the attached maintenance report.</p>	N/A
AOC	2	<p>During field inspection, a resident of 1068, 66th Street Oakland brought attention to PG&amp;E and SED staff about inappropriate location of shut off valve on meter set. PG&amp;E assured resident to take care of it. Please provide an update.</p>	<p>PG&amp;E reconfigured the meter set to place the service valve away from the structure in a more accessible location. The attachment, "AOC2_1068_66th_St_CONF.pdf" shows a photo of the current configuration.</p>	AOC2_1068_66th_St_CONF.pdf
AOC	3	<p>During records review, SED staff observed that the electronic records provided for the CPA area C9-2 shows the name of city as "Oakland". However, all the information pertains to the city of Alameda. A correction in the record will avoid confusion and possibility of mishaps.</p>	<p>As shown on the attached maintenance report, all read locations in CPA C9-2 show "Alameda" as the City.</p>	AOC3_CPA_C92_Alameda_CONF.XLS

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	4	<p>SED reviewed Atmospheric Corrosion (AC) records for meter sets. It was observed that in addition to monitoring atmospheric corrosion, staff provides additional information in the form of comments. Please provide information that who is responsible for reviewing and taking remedial measures for these comments (if needed). What is the timeframe for addressing the safety situations such as:</p> <p>(i) Buried risers (ii) Vents inside, and others</p> <p>In addition, SED made following observations:</p> <p>(a) A number of meter set inspections had status “Can’t Get In (CGI)”. Please provide information on steps taken to address such cases since if the CGI status remains for a longer time and it exceeds 39 months inspection timeline, it will be a violation of Title 49 Code of Federal Regulations, §192.481. What measures are taken to avoid such a condition?</p> <p>(b) The electronic file provided for Richmond District showed comments such as “Buried Riser” for a number of meter sets, examples are: - 610 ADAMS ST, ALBANY - 706 CERRITO ST, ALBANY - 831 CERRITO ST, ALBANY - 721 GATEVIEW AVE, ALBANY, and others</p> <p>PG&amp;E in a follow up email provided information that some of the above has already been fixed. Please provide the dates of findings together with the dates the remedial actions took place.</p> <p>(c) The electronic record for Richmond District also had following comments: - 816 STANNAGE AVE, ALBANY, (unable to verify reg venting inside cabinet cannot open cabinet door) - 419 ASHBURY AVE, EL CERRITO (Reg vent inside)</p> <p>Please provide an update on the status. Please provide the dates of findings together with the dates the remedial actions took place.</p>	<p>(a) When a CGI is encountered for AC inspections, the qualified inspector records the meter/riser as a CGI in his or her tablet device and moves on to the next meter. The CGIs are exported from the Atmospheric Corrosion (AC) Inspection database and uploaded into the AMP database for PG&amp;E’s Field Services (Gas Service Representatives) 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 (see attached “TD-4110P-03-F15 – CGI card.pdf”) for the resident to call into PG&amp;E to schedule an appointment when 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 send 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 (see attached “TD-4110P-03-F18 - Interruption of Gas Service Notification.pdf”). 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> <p>(b) Field visits were performed at the listed locations and all were verified to have accessible, above-ground service valves. There is no record of corrective work at these locations. After 2014, PG&amp;E improved its training to AC meter inspectors on proper identification of AOCs during their inspections. Training sessions included photo examples of AOCs such as a buried valve or bent riser, which were discussed and trained upon to improve consistency from our contractors. Additionally, the PRONTO forms that are used to record inspection results, including AOCs, have been organized into standardized AOC categories to improve consistency of trained AOC observations and free form text is no longer used. Trainings have been held as recently as February 2016 and are scheduled to occur annually. Further, PG&amp;E currently uses a third party quality control contractor to verify the AOCs recorded are consistent with PG&amp;E standards and training. In April 2015, PG&amp;E completed an internal audit of the process to resolve, track and document resolution of abnormal operating conditions identified during atmospheric corrosion inspections. Gas Operations is developing improved processes and controls to ensure that it resolves all AOCs timely and documents progress or completion. CAP Notification 7015705 is currently tracking corrective actions to address this issue.</p> <p>(c) - 816 STANNAGE AVE, ALBANY, (unable to verify reg venting inside cabinet cannot open cabinet door): Regulator was repaired to vent outside under Field Order ID 2796200963 on February 8, 2016. - 419 ASHBURY AVE, EL CERRITO (Reg vent inside): Regulator was repaired to vent outside under Field Order ID 3082989187 on February 5, 2016.</p>	<p>AOC4_TD-4110P-03 - Performing and Documenting Leak Survey_CONF.pdf</p> <p>AOC4_TD-4110P-03-F15 – CGI card_CONF.pdf</p> <p>AOC4_TD-4110P-03-F18 - Interruption of Gas Service Notification_CONF.pdf</p> <p>AOC4_Accessible_Service_Valves.pdf</p>
AOC	5	<p>SED observed a high Pipe-to-Soil potential of -1710 mV at 100’ East of Sycamore Ave and Palm Ave, Hercules. PG&amp;E explained that since the contractor, Corpro was working on the pipe at the time of read, probably the reading is high for that reason. Please verify that read meets the specified criteria outlined in PG&amp;E procedure after restoration of the rectifier to normal settings.</p>	<p>As shown on the attached maintenance report, "AOC5_Sycamore_and_Palm_CONF.XLS" the current pipe-to-soil reading at "100' E/O SYCAMORE AVE AND PALM AVE, Hercules" is less negative than -1600 mV.</p>	<p>AOC5_Sycamore_and_Palm_CONF.XLS</p>
AOC	6	<p>PG&amp;E provided information that the gas pipeline from Oakland to Alameda at High street is under consideration for the replacement, and will be in design phase during 2016. Please provide an update on this project.</p>	<p>Numerous external stakeholders are involved with this project, therefore additional coordination efforts are necessary. The Division Engineering Project Team will be meeting with Alameda County in March to further discuss project scoping, design options, permitting and community/environmental impact. More details will be available following the meeting; however the design phase of the project has been deferred to 2017.</p>	<p>N/A</p>