

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 12, 2015

GI-2015-08-PGE-23-01A

Mr. Sumeet Singh, Vice President (s1st@pge.com)
Pacific Gas and Electric Company
Gas Asset and Risk Management
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

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

Dear Mr. Singh:

On behalf of the Safety and Enforcement District (SED) of the California Public Utilities Commission, Joel Tran and Nathan Sarina conducted a General Order 112 inspection of Pacific Gas & Electric Company's (PG&E) Hollister District (District) from August 17-21, 2015.¹ The inspection included a review of the District's operation and maintenance records including corrosion control for the years 2013 and 2014, as well as a field inspection of a representative sample of the District's facilities. SED staff also reviewed the District's operator qualification records, which included a 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.

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 Joel Tran at (415) 515-3442 or by email at joel.tran@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

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

cc: Larry Berg, PG&E Gas Regulatory Support (lmb5@pge.com)
Larry Deniston, PG&E Gas Regulatory Support (lcd1@pge.com)
Mike Falk, PG&E (mdfl@pge.com)
Dennis Lee, SED (dennis.lee@cpuc.ca.gov)
Terence Eng, SED (terence.eng@cpuc.ca.gov)

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Inspection Findings

At the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the 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), §192.605(a). SED is aware that PG&E corrected all of its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review.

Table 1: Findings from PG&E's Internal Review

Code	Finding	Instances
192.605(a)	Casing pipe-to-soil readings missing casing potential reads and % LEL reading	4
192.605(a)	Pipe-to-soil missing instant off readings for excessive on potential	3
192.605(a)	No remedial action for low pipe-to-soil read	10
192.605(a)	Late action plan for low pipe-to-soil read	17
192.605(a)	Action Plan for low pipe-to-soil not reviewed within 60 days after being created	5
192.605(a)	No Work Request created for rectifier with ground resistance above 25 ohms	3

B. SED Findings

1. Title 49 CFR §192.605(a) states:

"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."

PG&E Procedure TD-4181P-202 requires cathodic protection overprotection conditions to be remediated within 60 calendar days, or an Action Plan needs to be created if remediation is expected to exceed 60 days. TD-4181P-202 indicates that pipe-to-soil readings must be less negative than -1600 mV to prevent overprotection conditions. The following pipe-to-soil readings were more negative than -1600 mV and PG&E failed to remediate the overprotection conditions as required by TD-4181P-202:

- a. L300A MP 437.80; On Potential of -1860 mV on 3/25/15
 - No remedial action within 60 days; no action plan created
- b. L300B MP 428.40; On Potential of -1624 mV on 3/14/15
 - No remedial action within 60 days; no action plan created

II. Areas of Concern / Recommendations

1. During SED's field verification of pipe-to-soil readings, the District recorded pipe-to-soil readings that did not meet Title 49 CFR Part 192, Appendix D criteria. Table 12 lists the out of compliance readings.

Table 2: Out of Compliance pipe-to-soil readings

Location	P/S reading
Pipeline in casing at L300A MP 462.10	-641 mV
L300B MP 465.00	-643 mV
L300B MP 466.30	-816 mV
L300B MP 422.70	-846 mV
L300A MP 422.75	-772 mV
L300A MP 426.55	-625 mV
L300A MP 429.51	-706 mV
L300B MP 434.26	-516 mV
L300A MP 456.80	-817 mV

Please provide SED a status report on the cathodic protection at these locations.

2. During SED's review of rectifier maintenance records, SED noted rectifiers that had Volt and Amp readings exceeding their rated capacity. Table 3 lists all of the rectifier readings that exceed their rating.

Table 3: Rectifier reads exceeding rating

Rectifier	Reading	Rating
#55; MP 459.64	25.74V, 24.66V, 36V (for 2012, 2013, & 2014 respectively)	18V
#60; MP 459.40	25.45A, 10.92A (for 2012 & 2013 respectively)	8A
#61; MP 473.90	50.6V (for 2014)	50V

Please provide SED the corrective actions taken to address these issues.