

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 4, 2023

Ms. Christine Cowsert
Senior Vice President, Gas Engineering
6121 Bollinger Canyon Road
San Ramon, CA 94583

GI-2023-06-PGE-91-01ABC

SUBJECT: SED's Closure Letter for General Order (GO) 112-F Gas Inspection of PG&E's Bay Area West Transmission

Dear Ms. Cowsert:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC) reviewed Pacific Gas & Electric Company's (PG&E) response letter dated September 14, 2023, for the findings identified during the General Order 112-F inspection of PG&E's Bay Area West Transmission (Milpitas District, San Francisco Division, De Anza Division, and Peninsula Division) from June 05 through June 23, 2023. The inspection included a review of Bay Area West Transmission's records for the period of 2019 through 2022, as well as a representative field sample of Bay Area West Transmission's facilities. SED staff also reviewed Bay Area West Transmission's operator qualification (OQ) records, which included field observation of randomly selected individuals performing covered tasks.

A summary of the inspection findings documented by SED, PG&E's response to our findings, and SED's evaluation of PG&E's response taken for each identified Violation and Area of Concern is attached.

This letter serves as the official closure of the 2023 GO 112-F inspection of PG&E's Bay Area West Transmission and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

Thank you for your cooperation in this inspection. If you have any questions, please contact James Zhang at (415) 603-1310 or by email at james.zhang@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Post-Inspection Written Findings

cc: Susie Richmond, PG&E Gas Regulatory Compliance
Frances Yee, PG&E Gas Regulatory Compliance
Kristina Castrence, PG&E Gas Regulatory Compliance
Paul Camarena, PG&E Gas Regulatory Compliance
Claudia Almengor, SED
Terence Eng, SED

Post-Inspection Written Findings

Dates of Inspection: 6/5/2023 – 6/23/2023

Operator: PACIFIC GAS & ELECTRIC CO

Operator ID: 15007 (primary)

Inspection Systems: GT

Assets (Unit IDs) with results in this report: Bay Area West Transmission (86287)

System Type: GT

Inspection Name: 2023 PG&E Bay Area West Transmission

Lead Inspector: James Zhang

Operator Representative: Paul Camarena

Unsatisfactory Results

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), 192.481(d))

Assets Covered Bay Area West Transmission (86287 (91))

Issue Summary PG&E Procedure TD-4188S (revision 1, effective date 01/01/2017) Section 4 "Mitigation" states:

"The mitigation timeline of atmospheric corrosion-related abnormal operating conditions (AOCs) found during monitoring must not exceed thirty-nine months from the date of the AOC identification, except assets that meet requirements in Section 1.4."

Section 1.4 of this procedure states:

"Per 49 CFR §192.479 (c), the Company need not protect from atmospheric corrosion any pipeline (except portions of pipelines in off-shore splash zones or soil-to-air interfaces) for which the Company demonstrates by test,

investigation, or experience appropriate to the environment of the pipeline that corrosion will meet at least one of the following criteria:

- Only be a light surface oxide.
- Not affect the safe operation of the pipeline before the next scheduled inspection."

Title 49 Code of Federal Regulations (49 CFR) §192.605(a) states in part:

"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 failed to remediate an atmospheric corrosion-related AOC within thirty-nine months from date of AOC identification for span 44447917 from 12/13/2017 to 06/22/2023, totaling sixty-six months. PG&E is in violation of 49 CFR §192.605(a) for failing to follow PG&E's procedure TD-4188S to remediate within the given timeframe.

PG&E's Response:

On December 13, 2017, PG&E performed an Atmospheric Corrosion (AC) inspection of Span #44447917 in San Mateo. Three abnormal operating conditions (AOCs) were identified as "Minor Issue (Small Holiday)" and indicated "No Corrosion Observed." These coating conditions correspond with "Condition 3," which did not require corrective action at that time per TD-4188P-02 (see Figure 1). PG&E evaluated the criteria on January 3, 2018, and determined no remediation was necessary (see Figure 2). In 2019, PG&E issued TD-4188P-02 Revision 1. As part of that procedural update, Table 1 was revised to clarify the required actions for each condition (see Figure 3 below). PG&E visited the span on November 10, 2020, and determined that the span was submerged/partially submerged and set up a Request for Work for a quarterly inspection on February 10, 2021, per TD-4188P-02 Sec. 2.l(c). On May 20, 2021, under notification# 120781387, PG&E performed the AC inspection, noting three coating conditions. As a result, corrective action # 121450630 was generated, which is scheduled to be completed in 2024 or earlier, within the 39 months of identification as required by our internal guidance documents.

SED's Conclusion:

SED has reviewed PG&E's response. Based on procedure TD-4188P-02 Revision 0 (provided in Figure 1), Condition 3 is established as an "Abnormal operating condition consisting of light surface rust or **minor coating damage with no indications of pitting or coating disbondment.**" Page 2 of the Atmospheric Corrosion Inspection Record (TD-4188P-02-F01, Revision 0) from Notification #113722145 on 12/13/2017 describes the AOC as "Wrap Disbonding" and should have been considered a major issue greater than Condition 3 (due to indication of coating disbondment) at the time. Therefore, this instance is still a violation. SED has decided not to impose a fine or penalty at this moment. However, PG&E is responsible to demonstrate through any means to provide adequate atmospheric corrosion control as required by the code and report any non-compliance when occurred. SED will also verify if atmospheric corrosion control is achieved by PG&E when conducting field inspection in the future.

Training and Qualification: Operator Qualification (TQ.OQ)

Question Title, ID Contractor Qualification, TQ.OQ.OQCONTRACTOR.R

Question 5. Are adequate records containing the required elements maintained for contractor personnel?

References 192.807(a) (192.807(b))

Assets Covered Bay Area West Transmission (86287 (91))

Issue Summary Title 49 CFR §192.807 states in part, *"Each operator shall maintain records that demonstrate compliance with this subpart."*

SED reviewed contractors' Operator Qualification (OQ) records of inspector [REDACTED] (Tulsa LLC) for project PM-84008462 in 2019 (see Coating Inspection Report dated 06/05/19), and inspector [REDACTED] for file 74033845 and 74039822, project PM-84013693 in 2021 (see Pipe Inspection Form dated 09/27/21). PG&E was unable to provide adequate or traceable OQ records for the following employees performing covered tasks:

- OQ-0321 General Coating Inspections and OQ-0323 Wrapped & Hot Wax Coating Inspections for inspector [REDACTED]
- OQ-0309 Internal Corrosion/Monitor for inspector [REDACTED].

Therefore, PG&E is in violation of 49 CFR §192.807 for failing to provide records of contractors' qualification documentation, or records identifying the evaluation process used, and the qualification process used to qualify the individual for coating inspection and internal corrosion inspection.

PG&E's Response:

Prior to August 1, 2021, the qualifications for any individual performing PG&E gas pipeline & facility coating inspection work were successful completion of NACE CIP Levels 1, 2 or 3. Contractor coating inspector under alias [REDACTED] was certified as a NACE CIP Level 1, with effective date of September 4, 2018 (see Attachment 1_Qualifications). Therefore, coating inspector C539 was qualified to perform the work on June 5, 2019, under PM# 84008462.

Operator Qualifications OQ-0321 "General Coating Inspections" and OQ-0323 "Wrapped & Hot Wax Coating Inspections", were required dependent on the coating application being inspected with an effective date of August 1, 2021 (see Attachment 2_5MM). PG&E Utility Procedure, TD-5100P-01 specifies only OQ-0305 and OQ-0306 are required for completing the pipe inspection form, TD-5 IOOP-0 I -F03 (see Figure 3). Contractor coating inspector under alias was originally with E2 Consulting Engineers under the alias [REDACTED], then later worked for Gulf Interstate Field Services under the alias [REDACTED]. He qualified for OQ-0305 on August 26, 2021 and OQ-0306 on September 13, 2021 (see Attachment 1_Qualifications). Therefore, coating inspector [REDACTED] was qualified to perform the work on September 27, 2021, under PM# 84013693.

SED's Conclusion:

PG&E is responsible for ensuring that the individuals performing these covered tasks are qualified in accordance with the operator's qualification program required by §192.805. PG&E did not train or qualify contractor's personnel when contractor [REDACTED] began performing covered tasks

of PG&E's pipelines in 2019. Rather than train or qualify the contractor, PG&E were relying solely upon the contractor's NACE CIP Level 1 certification, which does not demonstrate compliance with subpart N, and is in violation of the OQ requirements contained in 49 CFR §192.805 and 192.807. PG&E did not have OQ-0321 "General Coating Inspections" and OQ-0323 "Wrapped & Hot Wax Coating Inspections" until August 1, 2021, and was not able to provide any qualification or supporting documentation (such as evaluation records) for contractor [REDACTED] before that date. The fact that PG&E did not designate coating inspection as a covered task until 2021 and relied on NACE certification only, does not exempt PG&E from meeting the operator qualification requirements.

Concerns

No Preliminary Concerns.