



Michael Falk
Director
Compliance
Gas Operations

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

June 25, 2016

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-E Audit – PG&E’s Milpitas District

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112-E audit of PG&E’s Milpitas District from July 20th through July 24th, 2015. On May 27th, 2016, the SED submitted their audit report, identifying violations and findings. Attached is PG&E’s response to the CPUC audit report.

Please contact Mary Bulich at (925) 332-6918 or m9bi@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Michael Falk

Attachments

cc: Paul Penney, CPUC
Aimee Cauguiran, CPUC
Dennis Lee, CPUC

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

2015 Milpitas District Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
NOPV Internal Findings	2	Finding Description: Rectifier Annual Inspections with noted deficiency and Work Request still open: Rectifiers: #57, #164 Action: Please provide a copy of WR 191501 and WR 191510.	Attached, please see the requested documentation.	IR 02 - WR 191501.pdf IR 02 - WR 191510.pdf
NOPV Internal Findings	4	Finding Description: Rectifier Test and Site Evaluation for rectifier #000 on L-300A at Diana Ave shows ground resistance as found/as left as N/A for 2012 & 2013, and 1130 ohms for 2014. No confirmation of 2nd ground rod. Action: Please provide a copy of WR 205434 and WR 206354.	Attached, please see the requested documentation.	IR 04 - WR 205434.pdf IR 04 - WR 206354.pdf
NOPV Internal Findings	7	Finding Description: L -107 has low P/S reads with no Action Plans at the following locations: 26.01, 26.40, 28.43, 29.00, 29.9, 30.38, 30.4, 30.5, 30.8, 31.5, 31.6 Action: Please provide a copy of the action plans.	Attached, please see the requested documentation.	IR 07 - Action Plans.pdf IR 07 - Action Plans pt 2.pdf
NOPV Internal Findings	24	Finding Description: L-300A MP 496.26 No LEL reading. Gelled casing. WR 209044 indicates no test leads and no vent. WR still open. Corrective Action Stated in Letter: Mechanics measured 0% LEL at L-300B MP 499.26 Action: Please explain the comment under the "Corrective Actions" column, since the comment addresses L-300B but the "Finding Description" discusses a casing along L-300A.	L-300B MP 499.26 is in the same location as the L-300A MP 496.26 (within 20ft.). Per the Corrosion Mechanics notes, the LEL Survey was performed at L-300B MP 499.26 (the same test site location). 0% LEL was measured at L-300B MP 499.26. Attached is the ETS read for L-300A MP 496.26.	IR 24 - L-300A MP 496.26 Reads.pdf
NOPV Internal Findings	31	Finding Description: Span, L-131 MP's 46.10 & 48.94: Pipe wrap disbonding, paint cracking WR183575 and WR183569 dated 3/07/2012 are still open. Action: Please provide a copy of WR 183575.	Attached, please see the requested documentation.	IR 31 - WR 183575.pdf
NOPV Internal Findings	35	Finding Description: Span, L-300A MP 482.45. North pipe support missing, no WR Action: Please provide a copy of the calculation to determine if a support was required.	Attached, please see the requested documentation. PG&E personnel have confirmed the support is not needed.	IR 35 - Pipe Span Stress Calculator.pdf
AOC	1	While doing field work along Line 300A, we took a read at an ETS at MP 482.85. The reads are as follows: Pipe-to-Soil (P/S) = -538mV; Instant off read -529mV; and Native read= -454mV. Title 49 CFR §192.463(a) requires operators to provide cathodic protection consistent with one or more of the applicable criteria in Appendix D, and Title 49 CFR §192.465(d) requires operators to take prompt remedial action to correct deficiencies found. Please provide documentation verifying that PG&E has restored cathodic protection levels to one or more criteria identified in Appendix D. The reads did not meet either the -850mV criteria or the 100mV shift criteria.	On October 20, 2015, the reads taken at the test station at MP 482.85 on L-300A produced an ON potential of -737 mV, an OFF potential of -714 mV and a Fully OFF (native) of -454 mV. See attachment "AOC 01 - Index 9349-05_CPDR_CONF.pdf" for record showing updated reads. ***Please note 100mV shift criteria has been achieved. No corrective action required at this time.	AOC 01 - Index 9349-05_CPDR_CONF.pdf
AOC	2	While doing field work at Irvington Station, we noted four low pipe-to-soil (P/S) reads at the following valves: V-51 (-788mV), V-66 (-690mV), V-67 (-665mV) and V-68 (818mV). Title 49 CFR §192.463(a) requires operators to provide cathodic protection consistent with one or more of the applicable criteria in Appendix D, and Title 49 CFR §192.465(d) requires operators to take prompt remedial action to correct deficiencies found. Please provide documentation verifying that PG&E has restored cathodic protection levels to one or more criteria identified in Appendix D.	A new deep well anode and a new pole mounted rectifier for Irvington Station were installed on June 2, 2016. PG&E will verify that the that the recently installed groundbed has restored adequate levels of protection at each valve at each of the four identified valves within the next two weeks. Results will be submitted to the SED and documented by PG&E personnel. Please see attachment "AOC 02 - Irvington St CP Rpt and Gas Asset RW.pdf" for a copy of the Cathodic Protection Station Report for Irvington Station and the Gas Asset Request for Work (RW) Form.	AOC 02 - Irvington St CP Rpt and Gas Asset RW.pdf

2015 Milpitas District Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
AOC	3	While examining a rectifier located on a pole near the intersection of Bambi Lane and Galahad, there were strength concerns identified with the pole. Please provide an update on repair or replacement of the pole in question.	PG&E power pole 100569779 near the intersection of Bambi Lane and Galahad Avenue in San Jose was not replaced, because it successfully passed inspection on January 6, 2016. Please see attachment "AOC 03 - Index 9349-02_Pole Detail Report_CONF.pdf" for a copy of the pole detail report.	AOC 03 - Index 9349-02_Pole Detail Report_CONF.pdf
AOC	4	While examining Rectifier #000, PG&E personnel mentioned that there was a breaker upgrade of 30Amps was planned. However, during our examination of the breaker, PG&E personnel stated that the upgrade would be cancelled. Please verify that the breaker upgrade was cancelled.	The work order for replacing the rectifier circuit breaker at Milpitas Terminal was inadvertently never cancelled, and the service provider (contractor) was not notified. As a result, the contractor responded to the work request arriving onsite on December 2, 2015, and charging 1 hour to the work order for travel only. This work order was closed on December 30, 2015.	