2015 Kern Division Audit Findings and Responses

Finding Type [Internal, NOV, AOC]	Finding #	Finding	Response	Associated Attachment (File Name)
PG&E Internal Review Findings		PG&E's Internal Audit Findings: Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of Kern Division. 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 some of its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review. SED is aware that some of the items may have been completed by the time of this letter. Please provide an update on the corrective status on the items that were pending as of August 14, 2015.	Per Attachment 1 - Internal inspection findings, there were two pending items at the time of the audit. Please see below for an update on these items. A. CPA down for over 1 year: CPA 4760-02 down 3/6/14 - Present. CPA action plan in place. **Update:** CPA 4760-02 was down due to the project for replacement of the distribution main in the CPA. Upon completion of constuction, bonding wires were installed and the area was read up on 12/28/15. Attached, please see attachment 2 - Down CPA for the restoration reads. B. No investigation for 6 potentially contacted casings (<100mv difference or >800mv). **Update:** Below is a summary of the casings. Each casing is on our contacted casing master list and has been reviewed and evaluated. **41423802** - casing bonded to L142N due to hi P/S reads. **Update:** Currently tracking on Contacted Casing Master List. Contact first identified as electrolytic in 2007 and again in 2013 by ECDA. Remediation attempted (unsuccessful). Casing placed on accelerated leak survey schedule (2016). Attached, please see attachment 3 - L-142N MP 11.519 Action Plan. **43146533** - casing bonded to DCUST due to hi P/S reads. **Update:** Currently tracking on Contacted Casing Master List. Contact first identified in SAP in 2013 and again by JW Survey in 2014 (identified as electrolytic contact). Transmitted to PLE (on 4/1) for review to determine feasibility of line replacement. Attached, please see attachment 4 - DCUST10464 MP 0.05 Action Plan. **41424036** - NO vent pipe/leads. **Update:** Tracking on Contacted Casing Master List. Contact first identified in PLM in 2009 and again in SAP in 2014. Casing placed on accelerated leak survey schedule (2016). Attached, please see attachment 5 - L-142S MP 8.71 Action Plan. **41408848** - casing >-800mv, Tag in to investigate. **Update:** Tracking on Contacted Casing Master List. Contact first identified in PLM in 2012 and again in SAP in 2013. Continuing to annually monitor and conduct leak survey twice annually. Attached, please see attachment 6 - DFM6605-01 MP 3.5 Action Plan. **41408829** - NO vent pipe/leads. **Update:** Tracking on Contacted Casing Master List. Contact first identified as electrolytic in SAP in 2013. Continuing to annually monitor and conduct leak survey twice annually. Attached, please see attachment 7 - DFM6605-01 MP 3.31 Action Plan. **41408840** - casing >-800mv, Tag in to investigate. **Update:** Tracking on Contacted Casing Master List. Contact first identified as electrolytic in 2014. Continuing to annually monitor and conduct leak survey twice annually. Attached, please see attachment 8 - DFM6605-01 MP 3.3 Action Plan.	Att 1_Internal Inspection Findings.pdf Att 2_Down CPA_CONF.pdf Att 3_L-142N_MP 11.519_Action Plan_CONF.docx Att 4_DCUST10464_MP 0.05_Action Plan_CONF.docx Att 5_L-142S_MP 8.71_Action Plan_CONF.docx Att 6_DFM6605-01_MP 3.5_Action Plan_CONF.docx Att 7_DFM6605-01_MP 3.31_Action Plan_CONF.docx Att 8_DFM6605-01_MP 3.3_Action Plan_CONF.docx
SED NOV	1	1. Title 49 CFR §192.707(c) states: "Pipelines aboveground. Line markers must be placed and maintained along each section of a maintained transmission line that is located aboveground in an area accessible to the public. During the field inspection, SED found: a) The pipeline marker was illegible at the north bank of the Kern River (on North Chester) where Line 142 N has an exposed span. There was no visible marker at the south end of the same span. b) The aboveground transmission pipeline span across the canal at North Chester Ave. north of Columbus St. had no line markers on either side of the span.	The lines in question are 12" Distribution mains. The plat maps for these two locations have been provided for reference. Attached, please see attachment 9 - North of Kern River Span and attachment 10 - Chester and W. Columbus St. Span. The line markers have been repaired/replaced on 8/24/2015 per Notification 110577655/Order 42450949. Attached, please see attachment 11 - New Line Markers showing photographs of both spans with the newly installed line markers.	Att 9_North of Kern River Span_CONF.pdf Att 10_Chester and W Columbus St Span_CONF.pdf Att 11_New Line Markers.pdf
SED NOV	2	2. Title 49 CFR §192.481(a) states: "Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: ... at least once every 3 calendar years but with intervals not exceeding 39 months." The Kern Division performs atmospheric corrosion inspection of the above ground piping at individual gas service locations on a plat map basis. The inspections are documented by handwritten notations on the back of the individual plat maps. After the SED inspection, PG&E provided their review for the years 2013-2014 entitled: "Kern Division AC Plat Comparison". The PG&E review includes a total of 1,067 plat maps covering approximately 150,000 services in the Division. The review found that 91 plat maps totaling 5,866 services had not been inspected for atmospheric corrosion within the 39-month required period, with an additional 1,420 services that had not been inspected due to "CGI" (Can't Get In). In sum, 7,286 services had not been inspected within the 39-month period. The Division is in violation of 49 CFR §192.481(a).	In preparation for the 2015 CPUC Kern Division audit, PG&E compiled and analyzed the AC meter data for the entire Kern Division. The PG&E review included a total of 1,067 plat maps covering approximately 147,243 services in the Division. The inspections at this time were documented by handwritten notations on the back of the individual plat maps. The results of this analysis found 91 plat maps, totaling 2,262 meters, in the Kern Division that did not meet the 3 year, not to exceed 39 months, inspection frequency. These meters were last surveyed between April and October, 2013. Please see attachment 12 - "Kern Division - AC Plat Comparison" for completion dates of these inspections. To prevent reoccurrence and ensure compliance, starting in 2014, PG&E has incorporated an electronic system to track each individual meter inspection by date and time, so that inspections are performed within the 3 year, not to exceed 39 month compliance requirement. This includes utilizing electronic mobile tablets to record inspection results of each meter rather than manually tracking the inspections on plat maps. During AC inspections, each meter is rated by a qualified inspector utilizing an electronic mobile tablet. If the meter set and/or riser is rated as a severe condition, then the result is loaded into AMP to be completed by Field Services Gas Service Representatives (GSR) before the next scheduled Atmospheric Corrosion (AC) inspection. When a "Can't Get In" (CGI) is encountered for AC inspections, the qualified inspector records the meter/riser as a CGI in his or her tablet device and continues to the next meter. The CGIs are exported from the AC Inspection database and uploaded into the AMP database for PG&E's Field Services GSR 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 for the resident to call into PG&E to schedule an appointment when the 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&C supervisor to discontinue gas service. The CCT will send the customer an Interruption of Gas Service Notification. 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. After 2014, PG&E improved its training to AC meter inspectors on proper identification of Abnormal Operating Conditions (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 electronic system that is used to record inspection results, including AOCs, has 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. Furthermore, PG&E currently uses a third party quality control contractor to verify the AOCs recorded are consistent with PG&E standards and training. All meter sets and risers are scheduled for AC Inspection in Kern division from May 1st through June 10th, 2016. Total meter count in Kern division is now 158,276. Attached, please find the current atmospheric corrosion meter set procedure, Attachment 13 - Utility Procedure TD-4188P-01.	Att 12_Kern Division - AC Plat Comparison_CONF.xlsx Att 13_Utility Procedure TD-4188P-01_CONF.pdf

2015 Kern Division Audit Findings and Responses

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SED AOC	1	LOW PIPE-TO-SOIL READINGS During the field visit, SED observed the following readings that did not meet the -850 millivolt criteria: **City** **ETS Location** **Reading, millivolts** Desert Lakes El Mirage -844 Boron Anderson/Cote -746 Boron Lane -710 Maricopa Elkhorn/Tulare -840 Bakersfield (west side) 25 Williamson -827 Please provide SED an update on action(s) taken by PG&E to bring the pipe-to-soil readings at these locations back into compliance.	All reads are now in compliance. Attached, please see attachment 14 - Restored Reads. Please note that the Desert Lakes, Maricopa and Bakersfield reads were slightly below the -850 mv compliance requirement. These locations were slightly low due to the expected "summer dry-out conditions" in Kern. All three of these reads were read up within 60 days of being found low during field inspections on 8/12 and 8/13/2015. CPA 5450-03, which includes the two Boron locations, had work completed per OCW 110838336 to replace the rectifier and repair the anode wires and was restored on 11/7/2015. **City** **ETS Location** **Reading, mv** **Restored Read** **Date** Desert Lakes El Mirage -844 -910 10/8/15 Boron Anderson/Cote -746 -954 11/7/15 Boron Lane -710 -929 11/7/15 Maricopa Elkhorn/Tulare -840 -860 9/5/15 Bakersfield (west side) 25 Williamson -827 -854 10/2/15	Att 14_Restored Reads_CONF.pdf
SED AOC	2	B. EXPOSED PIPE During the field inspection, SED observed a portion of the coating was missing at the north end of the exposed span of transmission line L142 across the canal on N. Chester Ave. north of Columbus St. The missing coating area was about 12 inches by 8 inches, located near the air-to-soil transition and appeared to have some rust. PG&E representatives offered that the pipe is a convenient stepping spot for people walking near the canal, so the coating has worn off. SED recommends that a remediation program, such as more frequent patrolling, should be adopted for this particular span.	This 12" Distribution main across the canal on N. Chester Ave. north of Columbus Street was inspected on 11/17/2015. Based on the evaluation of the span performed by Corrosion Engineering, only the air-to-soil transitions require remediation. PG&E is currently in the process of creating and scheduling a distribution span remediation project. Remediation of this span is estimated to be completed by 11/04/2017.	

Michael Falk
Director
Compliance
Gas Operations

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April 14, 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 Audit – PG&E's Kern Division

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the CPUC conducted a General Order 112 audit of PG&E's Kern Division from August 10-14, 2015. On March 23, 2016, the SED submitted their audit report, identifying violations and findings. Attached is PG&E's response to the CPUC audit report.

Please contact Glen Allen at (925) 278-3462 or gmad@pge.com for any questions you may have regarding this response.

Sincerely,

/S/
Michael Falk

Attachments

cc: Fred Haynes, CPUC
Aimee Cauguiran, CPUC
Dennis Lee, CPUC
Susie Richmond, PG&E
Larry Deniston, PG&E
Sumeet Singh, PG&E