

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 7, 2012

Jane Yura, Vice President  
Gas Operations, Standards and Policies.  
Pacific Gas & Electric Company  
P.O. Box 770000, Mail Code N15F,  
San Francisco, CA 94177

File #: GA2011-05

SUBJECT: General Order 112-E Gas Audit of PG&E's Sierra Division

Dear Ms. Yura:

On behalf of the Consumer Protection and Safety Division (CPSD) of the California Public Utilities Commission, Banu Acimis, Dave-Isaiah Larson and Paul Penney conducted a General Order 112-E audit of Pacific Gas and Electric Company's (PG&E) Sierra Division (Division) from April 25-29, 2011.

The audit included a review of the Division's records for the years 2009 and 2010, and random field inspections in the cities of Colusa, Live Oak, Marysville, Wheatland and Yuba City. A Summary of the Inspection Findings is included with this letter.

Within 30 days of your receipt of this letter, please provide a written response indicating measures taken by PG&E to address the violations, issues, and concerns noted. If you have any questions, please contact Paul Penney at (415) 703-1817.

Sincerely,

A handwritten signature in cursive script that reads "Michael Robertson".

Michael Robertson, P.E.  
Program Manager  
Gas Safety and Reliability Branch  
Consumer Protection and Safety Division

Enclosure:

- A. PG&E Internal Audit Findings
- B. Audit Findings/Violations
- C. Field Review

cc: Larry Berg, PG&E  
Larry Deniston, PG&E  
Francis Yee, PG&E  
Bill Gibson, PG&E  
Dennis Lee, CPSD  
Paul Penney, CPSD

## SUMMARY OF INSPECTION FINDINGS

### A. PG&E Internal Audit Findings

Prior to start of the audit, PG&E provided CPSD with its internal audit findings from the Division, dated April 22, 2011. Many of these internal audit findings are violations of PG&E's own standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c). All of the violations PG&E found are noted in the PG&E Sierra Division Internal Review Summary Table. CPSD also identified violations of Title 49 CFR, Part 192.

PG&E Sierra Division Internal Review Summary Table

Item	Title 49 CFR Part 192	Topic / Finding	Number of Violations	Number of Violations Corrected	Number of Pending Violations
1	192.723(b)(2)	Leak Survey – Distribution (1)	?	All	0
2	192.723(b)(1) and 192.723(b)(2)	Leak Survey – Distribution (2)	2	2	0
3	192.723(b)(2)	Leak Survey – Distribution (3)	7	7	0
4	TD-4110P-09	Leak Survey – Transmission (1)	5	5	0
5	192.13(c)	District Regulator Stations – Distribution (1)	1	1	0
6	192.13(c)	District Regulator Stations – Distribution (3)	3	3	0
7	192.747(a)	Emergency Valves – Distribution (1)	5	5	0
8	192.13(c)	Valves – Transmission (1)	7	7	0
9	192.13(c)	Valves – Transmission (2)	1	1	0
10	192.13(c)	Corrosion Control (1-7)	0	0	0
11	192.13(c)	CGI Calibrations (1)	5	5	0
12	192.13(c)	HFI, RMLD, OMD Calibrations	0	0	0
13	192.13(c)	Instrument Calibrations (1)	0	0	0
14	192.13(c)	Leak Repairs (1)	9	9	0
15	192.13(c)	Leak Repairs (2)	1	1	0
16	192.13(c)	Leak Repairs (3)	2	2	0
17	192.13(c)	Leak Repairs (4)	4	4	0
18	192.13(c)	Leak Repairs (5)	4	4	0
19	192.13(c)	Leak Repairs (6)	3	3	0
20	192.13(c)	Leak Repairs (7)	1	1	0

PG&E Sierra Division Internal Review Summary Table (continued)

<b>Item</b>	<b>Title 49 CFR Part 192</b>	<b>Topic / Finding</b>	<b>Number of Violations</b>	<b>Number of Violations Corrected</b>	<b>Number of Pending Violations</b>
21	192.13(c)	Leak Repairs (8)	4	4	0
22	192.13(c)	Leak Repairs (9)	5	5	0
23	192.13(c)	Leak Repairs (10)	1	1	0
24	192.705	Patrolling (1)	1	1	0
25	192.705	Patrolling (2)	6	6	0

Please advise CPSD on the following Items that are within the Sierra Division Internal Review Summary Table:

Item 4: Leak Survey – Transmission: PG&E identified five leaks that were not entered into Integrated Gas Information System (IGIS) at the time they were found. The leak numbers were 09-00490, 10-00070, 10-00073, 10-00074 and 10-00071. Were any of these leaks repaired late as a result of the delay in entering them into IGIS?

Item 7: Emergency Valves – Distribution: After the deactivation of the two regulator stations, what function are the valves serving (i.e., emergency isolation zone valves)?

Item 10: Corrosion Control: The findings for PG&E’s internal review include seven categories with no findings in each category. PG&E did not list the isolated sections of pipeline that are bonded to the CPAs and inspected on a yearly basis as one of these categories. Does the Division have sections of pipeline of this type in its system? If so, did the Division inspect these sections of pipeline for cathodic protection on a yearly basis and what were the findings?

Item 13: Instrument Calibrations: This item was reviewed by PG&E and there were no findings. CPSD is uncertain as to which instruments were included in this review. PG&E's internal audit identified that 140 records were reviewed. Please describe the instruments the PG&E reviewed.

Items 14-23: Leak Repairs, Findings 1-10: What percentage of records did the Division sample during its review?

## **B. Audit Findings and Violations**

Title 49 CFR, §192.803 states:

*“Qualified means that an individual has been evaluated and can:*

*(a) Perform assigned covered tasks; and*

*(b) Recognize and react to abnormal operating conditions.”*

CPSD reviewed the Division’s leak repair records and noted on Form A, for Leak Number 09-93680, that the individual who repaired the leak was not qualified at the time the repair was made. On November 24, 2009, the repair was made with a mechanical repair fitting. The qualification record for “GSL7”, for mechanical repairs, showed that this individual was initially qualified on August 26, 2010, which was after the repair took place. Therefore, the Division was in violation of Title 49 CFR, §192.803.

Please advise CPSD on the actions the Division engaged in to prevent this violation from recurring and to ensure that the pipeline repair that was conducted on November 24, 2009, for Leak Number 09-93680, was done properly.

## **C. Field Review**

1. The following locations had pipe-to-soil reads that did not meet the -850 mV criteria.

916 Lawton St., Roseville was -803 mV.  
628 Clay St., Colusa was -804 mV.  
44 East Clay St., Colusa was -813 mV.  
531 3<sup>rd</sup> St., Colusa was -844 mV.  
705 “J” St., Colusa: This location could not be located.

Please provide an update when the Division restored the cathodic protection at each location to the proper levels. Please also explain why 705 “J” St., Colusa, could not be located.

2. CPSD observed the Division perform a rectifier inspection at rectifier CPS#85 at 9<sup>th</sup> and Maple St., Marysville. During the inspection, the Division used PG&E’s “Rectifier Test and Site Evaluation Form”. CPSD noted that while the Division was performing step 3 of the Form, there was apparently no continuity between the AC disconnect and the DC riser. Please update us on the resolution of this issue.