

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 14, 2012

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

File #: GA2011-07

**SUBJECT:** General Order 112-E Audit of PG&E's Milpitas District

Dear Ms. Yura:

On behalf of the Consumer Protection and Safety Division (CPSD) of the California Public Utilities Commission, Aimee Cauguiran, Kevin Boles, and George Carter conducted a General Order 112-E audit of Pacific Gas and Electric's (PG&E) Milpitas District (District) from May 23 – 26, 2011. The audit included a review of the District's operation and maintenance records for the years 2008 - 2010, and random field inspections of some of the District's facilities. CPSD's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those particular records and pipeline facilities that CPSD inspected during the audit.

Within 30 days of your receipt of this letter, please provide a written response indicating measures taken by PG&E to address the violations noted in the Summary. If you have any questions, please contact Dennis Lee at (415) 703-2214 or by email at [DML@cpuc.ca.gov](mailto:DML@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Michael Robertson".

Michael Robertson  
Program Manager  
Gas Safety and Reliability Branch  
Consumer Protection and Safety Division

Enclosure: Summary of Inspection Findings  
A. PG&E's Internal Audit Findings  
B. Audit Findings and Violations

cc: Larry Berg – PG&E  
Larry Deniston – PG&E  
Frances Yee – PG&E  
Bill Gibson – PG&E

## SUMMARY OF INSPECTION FINDINGS

### A. PG&E's Internal Audit Findings

Prior to start of the audit, PG&E provided CPSD the results of PG&E's internal audit of the District's records dated May 20, 2011. Some of PG&E's internal audit findings are violations of PG&E's operation and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c). All the violations that PG&E identified are noted in Milpitas District Internal Review Summary Table. CPSD also identified violations of Title 49 CFR 192 in relations to PG&E's internal audit findings.

CPSD is aware that some of PG&E's Internal Review findings have already been corrected or were in the process of being corrected at the time of the audit. Please provide CPSD with an update on items that had pending corrective actions as of May 26, 2011.

PG&E Milpitas District Internal Review Summary Table

	Title 49 CFR	Topics	Number of Violations	PG&E Have Remediated The Violation	PG&E Have Not Remediated The Violation
1	192.13(c)	Regulator Stations (9,12)	8	10/13/2010 (9) 5/18/2011 (12)	n/a
2	192.201	Regulator Stations ()	0	n/a	n/a
3	192.619 & 192.621	Regulator Stations (8)	2	8/10/2010 (8)	n/a
4	192.201	Relief Valve Calculations ()	0	n/a	n/a
5	192.13(c)	Relief Valve Calculations ()	0	n/a	n/a
6	192.743	Relief Valve Calculations (3)	0	n/a	n/a
7	192.13(c)	Emergency Valves (1,2,3,5)	24	9/24/2008, (1) 3/18/2009, (2&3) 7/11/2010 (5)	n/a
8	192.747	Emergency Valves (4,6,7,11)	16	6/22/2010 (4) 8/18/2010 (6) 12/23/2010 (7) 1/6/2010 (11)	n/a
9	192.13(c)	Instrument Calibrations (10)	3	5/19/2011 (10)	n/a
10	192.705	Pipeline Patrols (1)	1	(1)	n/a

**B. Audit Findings and Violations**

Title 49 CFR, §192.481 Atmospheric corrosion control: Monitoring states in part:

*“If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by §192.479.”*

CPSD noted the following deficiencies recorded in the Regulator Station records in the section “General Station Condition Issues”:

Regulator Station

Piping Atmospheric Corrosion

Martin Station, Daly City  
Sullivan Ave, Daly City

Surface Rust, Needs Some Attention  
Lots of Atmospheric Corrosion

CPSD verified these conditions during the field portion of the audit. Therefore, the District was in violation of 49 CFR, §192.481 for not taking corrective action to control the atmospheric corrosion at the regulator stations. Please advise CPSD on the status of the atmospheric corrosion found at these regulator stations.