

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 19, 2013

Ms. Jane Yura, Vice President
Pacific Gas and Electric Company
Gas Operations – Standards and Policies
6121 Bollinger Canyon Road, Office #4460A
San Ramon, CA 94583

GA2012-17

Subject: General Order 112-E of Pacific Gas and Electric Company's Diablo Division

Dear Ms. Yura:

The staff of the Safety and Enforcement Division (SED), formerly the Consumer Protection and Safety Division, of the California Public Utilities Commission (Commission) conducted a General Order 112-E audit of Pacific Gas and Electric Company's (PG&E) Diablo Division from November 5-9, 2012. The audit consisted of a review of PG&E's gas distribution and transmission system operations and maintenance records for the period of 2009-2011. SED also reviewed 2012 records where the maintenance has already been completed (i.e. Valve maintenance records, Cathodic protection records). SED conducted field inspections in the cities of Antioch, Concord, and Walnut Creek.

Attached is a Summary of Inspection Findings which contains PG&E internal review findings, and violations and areas of concerns identified by SED during the audit. Please provide a written response within 30 days from the date of this letter indicating the measures taken by PG&E to address the pending items found during its internal review, as well as those violations and areas of concern identified during the audit.

Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the audit. SED will notify PG&E of the enforcement action it plans to take after it reviews PG&E's audit response. If you have any questions, please contact Aimee Cauguiran at (415) 703-2055 or by email at aimee.cauguiran@cpuc.ca.gov.

Sincerely,

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

Michael Robertson, Program Manager
Gas Safety and Reliability Branch
SED/CPUC

Enclosure: Summary of Inspection Findings

cc: Frances Yee, PG&E
Larry Berg, PG&E

Summary of Inspection Findings

A. PG&E Internal Audit Findings

Prior to start of the audit, PG&E provided the results of their internal audit of the Diablo Division's (Division) records. Many of PG&E's internal audit findings are violations of PG&E's own standards, and therefore a violation of Title 49 Code of Federal Regulations (CFR) §192.13(c). Other issues found are violations of Title 49 CFR 192 as shown in the following table.

We note that several findings have already been corrected, while some were addressed during their subsequent scheduled maintenance. Please provide updates on items that were still pending corrective actions as of the last day of the audit.

PG&E Internal Inspection Summary

	GO-112E Section or 49 CFR Part 192	Topic	# of Violations	# of Violations Corrected	# of Pending Corrections (as of 11/9/2012)
1	192.723(b)(1) and 192.723(b)(2)	Distribution Leak Survey (2009-2010) – Missed or Late Surveyed	42	42	0
2	192.706	Transmission Leak Survey- Semi-annual (Late survey)	28	28	0
3	192.13(c)	Distribution Leak Repairs – Missing P/S reads, USA info	44	44	0
4	192.703(c)	Distribution Leak Repairs - Late repair	168	168	0
5	192.483	Leak repairs – Missing pipe-to-soil reads on repairs made due to external corrosion	8	0	8
6	192.503(a)	Pressure test after repairs	2	2	0
7	192.481	Atmospheric corrosion – Late inspection and corrective action	10	10	0
8	192.739(a)	Regulating station maintenance – Late	1	1	0
9	192.743(a)	Inadequate relief capacity	1	0	1
10	192.805(b)	Pipeline Patrols, Odorant tests – Conducted by non-OQ personnel	15	15	0
11	192.625(f) and 192.13 (c)	Missed odorant tests	22	22	0
12	192.727 and 192.13(c)	Deactivation of facilities (stubs, regulator station)	5	5	0
13	192.13(c)	Review of emergency zones, Instrument Calibrations (Pressure chart recorders), Late CPA resurveys, Missing rectifier reads when troubleshooting	17	11	6 (CPA resurveys)

B. Areas of Violations

1. Title 49 CFR §192.13 What general requirements apply to pipelines regulated under this part?

“(c) Each operator shall maintain, and modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

- a) PG&E WP4133-02 requires a Cathodic Protection Area (CPA) resurvey to be conducted once every six years. The Division missed the 6-year CPA resurvey for CPA D48-20 (11/2003 and 2/2010) and D48-26 (11/2004 and 2/2011) as required.
- b) PG&E O-16 requires yearly monitoring of areas where a steel main is cathodically protected via a locating wire. The yearly pipe-to-soil monitoring for CPA D48-26 (Plat# 48-C02) on the distribution main at Concord Ave. and Bisso Ln. is not monitored yearly. The Division needs to add this location as a yearly location per PG&E standard O-16.

2. 49 CFR § 192.723 Distribution Systems: Leakage Surveys.

“(b)(2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months...”

- a) The Division exceeded the 63 month leak survey interval between 1/19/2005 and 4/22/2010 for leak survey plat 43-D07.
- b) Plat 65-D04 reflects a partial service that was leak surveyed in 10/9/2006. There was no record of a leak survey conducted on the partial service after 2006.

3. 49 CFR § 192.481 Atmospheric corrosion control: Monitoring.

“(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

<i>If the pipeline is located:</i>	<i>Then the frequency of inspection is:</i>
<i>Onshore</i>	<i>At least once every 3 calendar years, but with intervals not exceeding 39 months</i>

The following exposed mains were monitored by the Division for atmospheric corrosion beyond the 39-month required frequency:

- 10” DFM at Monument Boulevard and Mohr Lane, Concord – 4/22/2005 and 6/9/2011
- 10” DFM at Bancroft Road W/O Bentley Street, Concord – 4/22/2005 and 6/9/2011
- 12” DFM at 3285 and 3289 Beechwood, Lafayette – 12/20/2007 and 6/14/2011

4. 49 CFR § 192.619 Maximum allowable operating pressure: Steel or plastic pipelines.

“(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following:

(1)The design pressure of the weakest element in the segment...”

SED reviewed the regulator station record for RA-34 Point of Timber and Bixler, and discovered that the pressure rating for inlet fire valve FV-04 was unknown; therefore, the established maximum allowable operating pressure (MAOP) for the valve is unsubstantiated. The Division must ensure that station piping and valves are rated for the MAOP and that the MAOP does not exceed the design pressure of the weakest element of the regulating station.

C. Field Review

The following cathodic protection monitoring locations did not meet the -850 mV criterion:

- Yearly location: 31 Bonita Court, Walnut Creek (CPA D45-24a), -830 mV
- Bimonthly: 2601 Lucy Lane, Walnut Creek (CPA D45-25), -814 mV
- Bimonthly: 29 Acorn Court, Walnut Creek (CPA D45-25), -720 mV
- Isolated (10%er): 1932 Woodmore Court, Concord, -759 mV
- Isolated (10%er): 2070 Bethany Court, Concord, -501 mV
- Isolated (10%er): 733 Mandarin, Walnut Creek, -817 mV

D. Areas of Concern/Recommendations

1. SPA-03 Martinez Meter Station (“C” Street)

The Division maintenance records show that there had been an ongoing concern since 2004 regarding failure of regulators to lock up during station maintenance. Also, Division personnel noted an issue with possible AC induction during the December 2011 maintenance at the station, where PG&E personnel were getting “shocked” while doing maintenance. According to Division representatives, there is a planned replacement for this station in 2013. Please provide status of the work planned for this station.

2. L-191 M.P. 28.18 – Briones Park @ Lafayette Ridge Trail

SED observed an exposed portion of the pipeline located on a hiking trail, accessible to the public. Due to its location, we are concerned that leaving the pipe exposed makes it more susceptible to external damage. Please provide status of the Division’s plan to address the exposed section of the transmission pipeline.

3. CPA D43-07, Casing EB-43-E16, DFM# 3004-01 at M.P. 1.02, Levee Road

SED reviewed the 2011 and 2012 pipeline casing records and found that casing-to-soil readings were less negative than -850 mV indicating possible casing contact with the carrier pipe. Please provide status of work to remediate all casing contacts in the Division.

4. Cathodic protection monitoring: Separately protected short sections/ 10%er monitoring

During the field review, SED observed short sections of pipe which are separately protected and monitored on a 10-year cycle that did not meet the -850 mV criterion. Records of the most recent pipe-to-soil reads in 2011 showed these locations to have met the -850 mV criteria, however all three locations no longer met the -850 mV criterion during the SED field review.

Location	2011 Pipe-to-Soil Read	2012 SED Field Review
1932 Woodmore Court, Concord	-870 mV	-759 mV
2070 Bethany Court, Concord	-872 mV	-501 mV
733 Mandarin, Walnut Creek	-886 mV	-817 mV

Since these locations are monitored on a 10-year cycle, the Division should provide guidance to its Corrosion Mechanics as to when it should consider installing new anodes at the locations to ensure cathodic protection of these sections of pipe until their next monitoring cycle.