

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 27, 2017

Mr. Sumeet Singh, Vice President
Pacific Gas and Electric Company
Gas Asset and Risk Management
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

GI-2016-12-PGE-06-02B

SUBJECT: General Order (G.O.) 112¹ Inspection of PG&E's Central Coast District

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112¹ inspection of Pacific Gas & Electric Company's (PG&E) Central Coast District (Inspection Unit) on December 5-9, 2016. The inspection included a review of the District's records for the period of 2013-2015, as well as a representative field sample of the District's facilities in Santa Cruz, Salinas and Monterey. SED's staff also reviewed the Inspection Unit's operator qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED's staff identified four probable violations of GO 112¹, Reference Title 49 Code of Federal Regulations (CFR), Part 192, which are described in the attached "Summary of Inspection Findings".

Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by PG&E to address the probable violations noted in the "Summary of Inspection Findings". If you have any questions, please contact Durga Shrestha at (213) 576-5763 or by email at durga.shrestha@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Durga Shrestha, GSRB
Dennis Lee, GSRB
Susie Richmond, PG&E Gas Regulatory Compliance

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via 15-06-044

Summary of Inspection Findings
2016 PG&E Central Coast Transmission and Distribution Inspection
December 5-9, 2016

I. PG&E Identified Probable Violations

PG&E's Internal Audit Findings

Prior to the start of the audit, PG&E provided SED its findings from the internal review it conducted of Central Coast 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), §192.13(c) or §192.605(a). The table below lists all of the violations from PG&E's internal review.

SED staff noted that some of the findings were corrected prior to the inspection. For those items not corrected prior to the inspection, please provide an update on PG&E's progress to complete the corrective actions.

Topic	Code Violation	Finding(s)	Instances	Corrected
2015 Leak Survey	192.605(a)	Not Following Company Procedures: Facilities on Map (#3751 B02) do not appear to be surveyed.	1	5/1/2015
2015 Leak Repair	192.605(a)	Not Following Company Procedures: Sketches missing or missing dimensions for Leak #s: 109964099; 110043185; 110146312; 110147965; 109979546; 110085985; 110098397; 109952272; 110536201; 110583296; 110567967; 110653065; 110653067; 110659374;110831809; 110856379; 110866657	17	1/8/16
2013 Regulator Station	192.605(a)	Exceptions for Monitor Location Not Documented and Not Swapping Working / Standby Runs MM09	1	3/28/2014
2015 Regulator Station	192.605(a)	Not Following Company Procedures TD-4540P-01: Information on Station Operating Diagram and Data Sheet mismatch w/o correction. Station Name/Location: HPR M M08 HWY68& BUENA VISTA LN ST-1RU-1; DR M M21 LIGHTHOUSE AV&DAVID AV ST-1RU-1; HPR M M10 HWY68 W/JOSSELYN CYN ST-1RU-1; DR X J17 GRAHAM HILL&W.WOOD RD ST-1RU-1; DR M M05 LA SALLE E/ FERMONT A ST-1RU-1; HPR M M09 HWY68 & JOSSELYN CYN ST-1RU-1; HPR S S43 255 NATIVIDAD ROAD ST-1RU-1; HPR X J11 GRAHAM HILL&MEYERS DR ST-1RU-1; HPR H H10 MISSION VINEYARD RD ST-1RU-1; HPR X J97 MAJOR CREEK AND HWY 1 ST-1RU-1; DR X J15 FAIR AVE & INGALLS ST ST-1RU-1; DR X J03 GRAHAMHIL RD@FELTN SUB ST-1RU-1; DR X J12 NATURAL BRIDGES DR ST-1RU-1; HPR X J06 GRAHAM HIL RD&SIMS RD ST-1RU-1; DR M M03 W/O GIGGLING/OLD FORT ST-1RU-1; DR X J09 BAY ST & MISSION ST ST-1RU-1; HPR X J07 GRAHAM HILL&DEER PATH ST-1RU-1; M M31 HIGHWAY 68 & BOOTS RD; M-32 AGUAJITO RD & HIGHWAY 1; T-19 SOIL SERVICE SOLEDAD; J-96 313 SAN ANDREAS RD; J-98 RAILROAD & WATER; K-13 3900 ANZAR RD AROMAS	23	9/23/2016
2015 Regulator Station	192.743(a)	Non Compliance with existing Standard - Relief Valve Calculation missed: Notification #'s: 106666822; 106876013; 106876014;	8	10/16/2014

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via 15-06-044

		106876015; 107598874; 107908075; 106911114; 108595987		
Topic	Code Violation	Finding(s)	Instances	Corrected
2016 Regulator Station	192.739(a)	Non Compliance with existing Standard - Station Maintenance missed or late Station J-27: No outlet valve and as a result the regulator cannot be checked for lock up.	1	Pending
2015 Valves	192.605(a)	Not following Company Procedure Valve Service History not reviewed timely.	5	7/16/2015
2013 Instrument Calibration	192.605(a)	(CP) Missed Calibrations: Calibration Records missing to verify DPM was calibrated 2013Stubby	1	12/31/2014
2014 Instrument Calibration	192.605(a)	(CP) Missed Calibrations: Calibration Records missing to verify DPM's were calibrated in 2014SGA6; SGA#1; Pollock; DEAN, Stubby	5	12/31/2014
2015 Transmission Patrols	192.605(a)	Not Following Company Procedures: TD-4412P-07 Pipeline locations were identified as having vegetative cover over the ROW, which obscures observation by aerial patrol. Therefore, to supplement the ongoing monthly aerial patrols, ground patrols are also performed on a quarterly basis in accordance with utility procedure TD-4412P-07, "Patrolling Gas Pipelines". Not ground patrolled within 4.5 months.	68	Pending for completion
2015 Distribution Patrols (AC/Slide)	192.605(a)	Not Following Company Procedure Atmospheric Corrosion inspection not performed on Exposed piping.	1	6/1/2016

II. SED Identified Probable Violations

1. Title 49 CFR, Part 192 §192.745 Valve maintenance: Transmission lines

§192.745(a) Valve maintenance: Transmission lines states:

"(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year."

The following table shows PG&E's Valve Maintenance records that were inspected in 2012 and 2014 only.

Valve Number	District	Previous Maintenance	Next Maintenance
V-1	Santa Cruz	7/3/2012	5/16/2014
V-2	Santa Cruz	7/3/2012	5/16/2014

PG&E failed to inspect these two valves in calendar year 2013. Therefore, PG&E is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, §192.745(a).

2. Title 49 CFR, Part 192, Section 192.605 Procedural manual for operations, maintenance, and emergencies

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via 15-06-044

§192.605(a) Procedural manual for operations, maintenance, and emergencies states in part:

“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.....”

PG&E procedure TD-4430P-04, Rev 1, section 3.3 states:

“Maintenance supervisor, upon completion of valve maintenance, will accomplish the following:

1. Review, within 30-working days, each Gas Utility Form TD-4430P-04-F02, “Gas Valve Maintenance Record Form—Service History” for accuracy and completeness. Return Service History Form to personnel that performed maintenance to correct errors and omissions.”

PG&E’s records show that maintenance of the valve MLV-E68-1 was done on April 20, 2015 and the maintenance record had not been reviewed by supervisor as of December 5, 2016. Apparently, the supervisory review was not done during the required timeframe of 30 days.

In addition, PG&E did not provide documentation of supervisory review that was conducted within the calendar the following regulator station maintenance work orders were completed for this Inspection Unit:

Station ID	District	Maintenance Completed	Supervisor Reviewed
S-13	Salinas	7/16/2013	4/1/2014
S-56	Salinas	4/20/2015	5/11/2016

Therefore, PG&E is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, §192.605(a).

3. Title 49 CFR, Part 192, Section 192.605 Procedural manual for operations, maintenance, and emergencies

§192.605(a) Procedural manual for operations, maintenance, and emergencies states in part:

“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal.....”

PG&E procedure TD-4430P-04, Rev 1, section 3.3 states:

“Maintenance supervisor, upon completion of valve maintenance, will accomplish the following:

1. Review, within 30-working days, each Gas Utility Form TD-4430P-04-F02, “Gas Valve Maintenance Record Form—Service History” for accuracy and completeness.

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via 15-06-044

Return Service History Form to personnel that performed maintenance to correct errors and omissions.

3.1 SED noted that a PG&E supervisor signed a blank valve inspection card on April 29, 2016 for valve (SV-15R-B). SED staff investigated further and referenced another Inspection Unit's record for the actual inspection date, which was April 13, 2016. Apparently, the supervisor did not review and identify any errors or deficiencies on the card before approving this inspection. Therefore, PG&E is in violation of 49 CFR, Part 192 §192.605(a).

3.2 SED observed that a maintenance card for regulator station (M-35) did not have the supervisor's name and the name of PG&E's personnel that performed the inspection in 2014. It appears that this maintenance card was not reviewed by PG&E's supervisor. PG&E failed to review the station maintenance inspection card for accuracy and completeness. Therefore, PG&E is in violation of 49 CFR, Part 192 §192.605(a).

4. **Title 49 CFR, Part 192, Section 192.605 Procedural manual for operations, maintenance, and emergencies**

§192.605(b) Procedural manual for operations, maintenance, and emergencies states in part:

(b)(3) "Making construction records, maps, and operating history available to appropriate operating personnel"

SED observed that PG&E did not identify and record its critical valve (V-B) that was installed in October 2013 on its Operating Diagram for MLV 19.09 station. PG&E should have reviewed/verified its records to ensure that the system maps/ drawing are clear and accurate pertaining to the location and the appurtenances. Therefore, PG&E is in violation of General Order 112¹, Reference Title 49 CFR, Part 192 §192.605(b)(3).

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via 15-06-044