



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

**CITATION**  
**ISSUED PURSUANT TO DECISION 16-09-055**

**Gas Corporation (Operator) To Which Citation is issued:** Pacific Gas and Electric (PG&E)

**OFFICER OF THE RESPONDENT:**

Christine Cowser  
VP, Gas Asset Management and System Operations  
Pacific Gas and Electric Company  
Gas Transmission and Distribution Operations  
6121 Bollinger Canyon Road  
San Ramon, CA 94583

**CITATION:**

Operator is cited a financial penalty amount of \$900,000.00 for violating General Order (GO) 112-F which incorporates by reference Title 49 Code of Federal Regulations (CFR) Part 192. The violations resulted in an incident (DOT# 1198192) that occurred on November 27, 2017 at [REDACTED], San Francisco, CA.

**VIOLATIONS:**

General Order 112-F, Section 104.1 states:

*"It is the intent of the California Public Utilities Commission to automatically incorporate all revisions to the Federal Pipeline Safety Regulations, 49 Code of Federal Regulations (CFR) Parts 191, 192, 193, and 199 with the effective date being the date of the final order as published in the Federal Register.."*

The operator violated G.O. 112-F Reference, Title 49 CFR, Part 192 §192.13(c) as identified below.

- 1. U.S. Department of Transportation Chapter 49 CFR §192.13(c) states:**

***"Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part."***



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

PG&E failed to follow PG&E Procedure C-36.1 Rev #00 Grunsky Bag Method for Stopping Off Low Pressure Service Tees when it failed to remove the X-pando plug from the service tee. PG&E also failed to follow PG&E Procedure A-93.2 for failing to use approved methods to seal the cut end. Therefore, the Safety and Enforcement Division (SED) finds PG&E in violation of Title 49 CFR §192.13(c).

The X-pando plug and incorrectly sealed end were in operation from the plug's install date of October 2003 until the incident date of November 2017, a total of 14 years and 1 month.

**PENALTY (#1):**

SED recommends PG&E incur a fine of \$50,000 per year for which the violation spanned, resulting in a total fine of \$700,000 for this violation.

**2. U.S. Department of Transportation Chapter 49 CFR § 192.621 states in part:**

***“(a) No person may operate a segment of a high pressure distribution system at a pressure that exceeds the lowest of the following pressures, as applicable:***

***(1) The design pressure of the weakest element in the segment, determined in accordance with subparts C and D of this part.”***

PG&E failed to properly abandon the service line to [REDACTED] during project 30267522X. PG&E's failure to permanently seal the still live service tee resulted in the X-Pando plug being used for longer than its typical temporary application, subjecting the plug to pressures higher than the component was designed for, especially after the uprate project in 2013 which raised the MAOP from 10.5 inches water column to 60 psi. Therefore, SED finds PG&E in violation of Title 49 CFR § 192.621(a)(1).

PG&E operated the pipeline component at a higher pressure than what it was designed for from the distribution pipeline's uprate in 2013 until the incident date of 2017, a total of 4 years.

**PENALTY (#2):**

SED recommends PG&E incur a fine of \$50,000 per year for which the violation spanned, resulting in a total fine of \$200,000 for this violation.

**Total Penalty Amount**

Decision 16-09-055 adopted an administrative limit of no more than \$8 million for each citation issued under the gas and electric safety citation programs. As a result of the GO 112-F and



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

Public Utilities Code violations determined by SED and identified in this report, the total amount of this citation is \$900,000.

**STATEMENT OF FACTS AND ENCLOSURES:**

PG&E failed to remove the X-pando plug from the service tee.

PG&E failed to use approved methods to seal the cut end.

PG&E subjected the plug to pressures higher than the component was designed for.

The following enclosures were used to establish the findings of fact:

- 1- *Enclosure 1 – SED Incident Investigation Report (G20171127-2428) dated October 28, 2019*
- 2- *Enclosure 2 – Exponent Report – San Francisco Gas Event dated February 2018*
- 3- *Enclosure 3 – SED’s Notice of Gas Incident Violations for Pacific Gas and Electric Company, dated October 28, 2019*
- 4- *Enclosure 4 – SED’s Attachment A: Incident with Probable Violations*
- 5- *Enclosure 5 – PG&E’s response to Notice of Gas Incident Violation for Pacific Gas and Electric Company, dated November 19, 2019*



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

**SED CITATION ANALYSIS**

<b>Element</b>	<b>Staff Finding</b>
Number of violation(s) and duration of violation(s)	<i>One (1) violation of Title 49 CFR Part 192, Section §192.13(c) that occurred in 2003 and spanned until the incident date in 2017. One (1) violation of §192.621 that occurred in 2013, and spanned until the incident date in 2017.</i>
Severity or gravity of the offense	<i>PG&amp;E failed to follow its abandonment procedures by not properly sealing the ends of its pipeline, leaving the X-pando plug in its service tee. Furthermore, PG&amp;E subjected its pipeline to a pressure higher than the component was designed for after the uprate.</i>
Conduct of the utility	<i>The utility is being cooperative and has initiated steps to prevent recurrence.</i>
Self-reporting of the violation	<i>Not self-reported. Violations found as a result of SED's investigation of gas incident G20171127-2428.</i>
Financial resources of the utility	<i>4.3 Million customers, \$715 Million Revenue requirement</i>
The totality of the circumstances	<i>PG&amp;E's violations of 49 CFR 192 directly contributed to the incident which caused a gas leak to migrate into a customer's home. The gas subsequently ignited and caused approximately \$409,000 in property damage. It is fortunate that the incident did not result in any injuries.</i>
The role of precedent	<i>N/A</i>
<b>Resultant Citation Taking All Of These Factors Into Account</b>	<b>\$900,000.00</b>



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

**RESPONSE:**

Respondent is hereby called upon to provide a response to this Citation by: **5:00 PM on May 14, 2020**. By way of such response, Respondent, **within 30 calendar days**, must either agree to satisfy the amount of the penalty set forth in this citation<sup>1</sup>, or appeal<sup>2</sup> the citation. In addition, Respondent must do one of the following:

- (1) For violations constituting immediate safety hazards: Respondent must immediately correct the immediate safety hazards.
- (2) For violations that do not constitute immediate safety hazards: Violations that do not constitute immediate safety hazards must be corrected within 30 days after the citation is served. If said violations that do not constitute immediate safety hazards cannot be corrected within 30 days, then the Respondent must submit a detailed Compliance Plan to the Director of SED within 30 days after the citation issues, unless the utility and the Director of SED, before the expiration of the 30 day period, agree in writing to another date, reflecting the soonest that the Respondent can correct the violations. The Compliance Plan must provide a detailed description of when the violation will be corrected, the methodology to be utilized, and a statement supported by an declaration from Respondent's Chief Executive Officer or appropriate designee (CEO Declaration) stating that in the Respondent's best judgment, the time that will be taken to correct the violation will not affect the safety or integrity of the operating system or endanger public safety.

Note: Respondent will forfeit the right to appeal the citation by failing to do one of these two options outlined in the Response above within 30 days. Satisfaction of a citation amount or filing a Notice of Appeal does not excuse Respondent from curing the violation. The amount of the penalty may continue to accrue until a Notice of Appeal is filed. Penalties are stayed during the appeal process. A late payment will be subject to a penalty of 10% per year, compounded daily and to be assessed beginning the calendar day following the payment-due date. The Commission may take additional action to ensure compliance with applicable statutes and Commission orders.

---

<sup>1</sup> For fines paid pursuant to Pub. Util. Code § 2107 and D.16-09-055 Respondent would usually submit payment within the 30 calendar days response time. Given the pendency of Respondent's chapter 11 case, however, Respondent requires bankruptcy court approval in order to satisfy the fine. Therefore, within 30 calendar days, Respondent shall submit to SED copies of a motion filed in the bankruptcy court seeking approval to satisfy the fine, in lieu of submitting a check. Promptly following the bankruptcy court's authorization of payment, Respondent shall submit a check payable to California Public Utilities Commission using the attached Citation Payment Form. Upon payment, the fine will be deposited in the State Treasury to the credit of the General Fund and this citation will become final.

<sup>2</sup> Respondent may Appeal this citation by completing and submitting a Notice of Appeal Form. Please see the attached document, "Directions For Submitting An Appeal To A Citation Issued Pursuant To Decision 16-09-055" for information on the appeals process and the attached "Notice of Appeal Of Citation Form."



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

**NOTIFICATION TO PUBLIC AGENCIES:**

As soon as is reasonable and necessary, and no later than 30 calendar days after service of the citation is effected, Respondent must provide a notification to the Chief Administrative Officer or similar local agency authority in the city and county where the violation occurred. Within 10 days of providing such notification, Respondent must serve an affidavit to the Director of SED, at the mail or e-mail address noted below, attesting that the local authorities have been notified; the date(s) for when notification was provided; and the name(s) and contact information for each local authority so notified.

The CPUC expects the Operator to take actions, as soon as feasible, to correct, mitigate, or otherwise make safe all violations noted on the Citation regardless of the Operator's intentions to accept or appeal the violation(s) noted in the Citation.

**Lee Palmer**  
Director – Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
[Leslie.Palmer@cpuc.ca.gov](mailto:Leslie.Palmer@cpuc.ca.gov)



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

**CITATION PAYMENT FORM**

I (we) \_\_\_\_\_ hereby agree to comply with this citation dated \_\_\_\_\_, and have corrected/mitigated the violation(s) noted in the citation on \_\_\_\_\_ and no later than \_\_\_\_\_, all work to make permanent corrections to any mitigated, or otherwise remaining concerns related to the violation(s) will be completed as noted in the Compliance Plan we have submitted to the Director of SED and, herewith, submit copies of a filed motion seeking bankruptcy court approval to pay a fine in the amount of \$ \_\_\_\_\_ as included in the citation.

Signature of Gas Corporation's Treasurer,  
Chief Financial Officer, or President/Chief Executive  
Officer, or delegated Officer thereof

\_\_\_\_\_  
(Signature) (Date)

\_\_\_\_\_

(Printed Name and Title)

Promptly following bankruptcy court approval, this form shall be re-submitted with payment, which must be with a check made payable to the **California Public Utilities Commission** and sent to the below address. Please include the citation number on the memorandum line of the check to ensure your payment is properly applied.

**California Public Utilities Commission**  
**Attn: Fiscal Office**  
**505 Van Ness Avenue**  
**San Francisco, CA 94102-3298**

NOTE: A copy of the completed Citation Payment Form must be sent to the Director of the Safety and Enforcement Division, via email or regular mail, to the address provided on the Citation.



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

**DIRECTIONS FOR SUBMITTING AN APPEAL TO A CITATION  
ISSUED PURSUANT TO DECISION 16-09-055**

Within 30 calendar days of the Respondent being served with a **CITATION ISSUED PURSUANT TO DECISION 16-09-055**, Respondent may appeal the citation. Beyond 30 calendar days of being served with the citation, Respondent is in default and, as a result, is considered as having forfeited rights to appeal the citation. The Respondent must still correct the violation(s) as instructed in the Response section of this citation.

To appeal the citation, Respondent/Appellant must file a Notice of Appeal (including a completed title page complying with Rule 1.6 of the Commission's Rules of Practice and Procedure, and attached Notice of Appeal Form) along with copies of any materials the Appellant wants to provide in support of its appeal with the Commission's Docket Office **and** must serve the Notice of Appeal, at a minimum, on

- 1) The Chief Administrative Law Judge (with an electronic copy to: [ALJ\\_Div\\_Appeals\\_Coordinator@cpuc.ca.gov](mailto:ALJ_Div_Appeals_Coordinator@cpuc.ca.gov)),
- 2) The Director of Safety and Enforcement Division
- 3) The Executive Director
- 4) General Counsel
- 5) The Director of the Office of Ratepayer Advocates

At the address listed below within 30 calendar days of the date on which the Appellant is served the Citation. The Appellant must file a proof of service to this effect at the same time the Appellant files the Notice of Appeal. The Notice of Appeal must at a minimum state: (a) the date of the citation that is appealed; and (b) the rationale for the appeal with specificity on all grounds for the appeal of the citation.

**California Public Utilities Commission**  
**505 Van Ness Ave**  
**San Francisco, CA 94102**  
**Attn: Lee Palmer**

**NOTE:** Submission of a *Notice of Appeal Form* in no way diminishes Appellant's responsibility for correcting the violation described in the citation, or otherwise ensuring the safety of facilities or conditions that underlie the violations noted in the Citation.

Ex Parte Communications, as defined by Rule 8.1(c) of the Commission's Rules of Practice and Procedure, are prohibited from the date the citation is issued through the date a final order is issued on the citation appeal.





# X Public Utilities Commission

## STATE OF CALIFORNIA

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

After receipt of the Appellant's *Notice of Appeal Form*, Appellant has a right to a hearing to be convened before an Administrative Law Judge. At least ten business days before the date of the hearing, the Appellant will be notified and provided with the location, date, and time for the hearing. At the hearing,

- (a) Appellant may be represented by an attorney or other representative, but any such representation shall be at the sole expense of the Appellant;
- (b) Appellant may request a transcript of the hearing, but must pay for the cost of the transcript in accordance with the Commission's usual procedures;
- (c) Appellant is entitled to the services of an interpreter at the Commission's expense upon written request to the Chief Administrative Law Judge not less than five business days prior to the date of the hearing;
- (d) Appellant is entitled to a copy of or electronic reference to Resolution ALJ-299 Establishing Pilot Program Citation Appeal and General Order 156 Appellate Rules (Citation Appellate Rules); and
- (e) Appellant may bring documents to offer in evidence (Rule 13.6 (Evidence) of the Commission's Rules of Practice and Procedure applies) and/or call witnesses to testify on Appellant's behalf. At the Commission's discretion, the hearing in regard to the Appellant's appeal can be held in a CPUC hearing room at either of the following locations:

**San Francisco:**  
505 Van Ness Avenue  
San Francisco, CA 94102

**Los Angeles:**  
320 West 4<sup>th</sup> Street, Suite 500  
Los Angeles, CA 90013

The hearing(s) held in regard to the Appellant's appeal will be adjudicated in conformance with all applicable Public Utilities Code requirements.



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

**Notice of Appeal Form**  
**Appeal from Citation Issued by Safety and Enforcement Division**  
**Pursuant to Decision 16-09-055**

**Appellant:**

Christine Cowser  
VP, Gas Asset Management  
and System Operations  
Pacific Gas and Electric Company  
Gas Transmission and Distribution Operations  
6121 Bollinger Canyon Road  
San Ramon, CA 94583

Citation Date: April 14, 2020  
Citation #: D.16-09-055 G.20-04-001  
Operator ID#: 15007  
Appeal Date: \_\_\_\_\_

"Appeal of \_\_\_\_\_ from \_\_\_\_\_ issued by Safety and  
                                [Operator Name]                                  [Citation Number]  
Enforcement Division"

Statements supporting Appellant's Appeal of Citation (You may use additional pages if needed and/or attach copies of supporting materials along with this form).



**X Public Utilities Commission**  
**STATE OF CALIFORNIA**

**Citation Date:** April 14, 2020  
**Citation #:** D.16-09-055 G.20-04-001  
**Operator ID#:** 15007

**Enclosures to Accompany Utility Appeal**

*Utility to add Enclosures as appropriate*