

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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December 20, 2016

GI-2016-08-PGE05-02B

Mr. Sumeet Singh, Vice President (s1st@pge.com)
Pacific Gas and Electric Company
Gas Asset and Risk Management
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

SUBJECT: General Order 112 Gas Inspection of PG&E's San Francisco Division

Dear Mr. Singh:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Joel Tran, Willard Lam, and Wai-Yin Chan conducted a General Order 112 inspection of Pacific Gas & Electric Company's (PG&E) San Francisco Division (Division) from August 22-26, 2016.¹ The inspection included a review of the Division's operation and maintenance records for the years 2014 through 2015, and a field inspection of a representative sample of the Division's facilities. SED staff also reviewed the Division's operator qualification records, which included a field observation of randomly selected individuals performing covered tasks.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by PG&E to address the violations and observations noted in the Summary.

If you have any questions, please contact Joel Tran at (415) 515-3442 or by email at joel.tran@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

Enclosure: Summary of Inspection Findings

cc: Susie Richmond, PG&E (gsr8@pge.com)
Mike Bradley, PG&E (M0BJ@pge.com)
Dennis Lee, SED (dennis.lee@cpuc.ca.gov)
Terence Eng, SED (terence.eng@cpuc.ca.gov)

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

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Inspection Findings

At the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the 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), §192.605(a). SED is aware that PG&E began remediation of all its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review.

Table 1: Findings from PG&E's Internal Review

Code	Finding	Instances
192.605(a)	Regulator stations missed annual "A" inspection	1
192.747(a)	Missed valve maintenance	6
192.605(a)	Valve maintenance documentation incomplete	3

B. SED Findings

1. Title 49 CFR §192.605(a) states:

"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."

- i) PG&E Procedure TD-4540P-02 requires supervisors to review regulator station maintenance within 30 days of maintenance completion. During records review, SED found the following regulator station where the supervisor's review exceeded 30 days.
 - DR14-S – Maintained on 9/24/2015 with a supervisor review on 1/14/2016, over 30 days later
- ii) PG&E Procedure TD-4125P-05 requires pressure recorders used during regulator station maintenance to be calibrated. During records review, SED found a regulator station where the pressure recorder used was not calibrated, nor was a portable pressure recorder used.
 - DR93 – The Division did not use a calibrated pressure recorder during the 2015 maintenance.
- iii) PG&E Procedure TD-4430P-04 requires valve maintenance to be documented on TD-4430P-04-F02 "Gas Valve Maintenance Record Form-Service History". SED found during records review, a large portion of valves where the 2015 maintenance was completed and documented electronically but the TD-4430P-04-F02 form was not filled out. SED did not document the specific valves where this occurred; it was discussed during the inspection that the list of valves missing their 2015 TD-4430P-04-F02 would be extensive.

II. Areas of Concern / Recommendations

1. During SED's review of regulator station maintenance records, SED noted instances where atmospheric corrosion was found to be present and either no corrective action was taken or there was significant delay in taking corrective actions.
 - i) 19th Ave & Alemany Station 198 – Poor conditions were documented on PG&E form TD-4540P-01-F02 under Piping & Equipment and Filter & Filter Closure regarding the 2010 maintenance, where “filter needs blasting and painting” was documented. The same condition was found during each annual maintenance inspection from 2011 to 2015, where a Preventative Maintenance Notification was created (PM #42776496) to address the condition. This issue was not addressed until five years after its discovery.
 - ii) John Daly & Lake Merced Station 199 – Poor conditions were documented on PG&E form TD-4540P-01-F02 under Piping & Equipment regarding the 2010 maintenance. The same condition was found during each annual maintenance inspection from 2011 to 2015. At the time of SED's review, no corrective actions have been taken.

Please provide to SED what PG&E plans to do to address these issues and to prevent recurrence.

2. During SED's field observation at Regulator Station 175, Valves 1194 and 1190 were found to be inoperable and Valve 1209 was difficult to operate. After discussing with the Division, SED learned that inoperable valves have been rare for the Division, yet there was a cluster of problematic valves found during the field observation. Please explain why there is a high concentration of valves with issues in this area. Does this problem affect more than just one location?

Please provide to SED what PG&E plans to do to investigate this issue and to prevent recurrence.