PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

June 12, 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-2016-02-PGE-15-02B

SUBJECT: 2016 General Order 112 Gas Inspection of PG&E's Fresno Division

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112 inspection of Pacific Gas & Electric Company's (PG&E) Fresno Division (Division) on February 29- March 4, 2016. [1] The inspection included a review of the Division's records for regulators and valves for the period of 2013 through 2016, as well as a representative field sample of the Division's facilities. SED staff also reviewed the Division's operator qualification records, which included 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. The Summary reflects only those particular records and pipeline facilities that SED inspected during the inspection.

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 Nathan Sarina at (415) 703-1555 or by email at Nathan.Sarina@cpuc.ca.gov.

Sincerely,

Kenneth A. Bruno

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

Enclosure: Summary of Inspection Findings

cc: Mike Bradley, PG&E Compliance
Susie Richmond, PG&E Gas Regulatory Compliance

[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 Audit Findings

Prior to the start of the audit, PG&E provided SED its findings from the internal review it conducted of Fresno Division (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). SED is aware that PG&E corrected some of its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review. Please provide details on the item still pending.

Table 1: PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.465(a)	2	CPA 3801-01 and CPA 3804-02 surveys were late.	Both areas are now in SAP on a maintenance plan	1/1/2015
192.465(a)	2	1. Rectifier 728 not maintained in 2013. 2. Coalinga Feed Yard FM V-05 not monitored annually.	1. Manual PR was completed on rectifier 728 on 3/7/2014. Asset has been now been placed in SAP. 2. Three 32 pound anodes were installed and last reading was taken on 10-8-2014.	1/1/2015
192.739(a)	1	Relief valve calculation was missed for K-20 Huron Town Station.	Relief Valve was completed 13 days late. Maintenance work is being converted over to SAP	8/19/2015
192.181(b)	1	No inlet fire valve at Regulator Station J36	Sanger Station Inlet Valve PM 31088417 – Project planned for 2016.	Pending
192.605(a)	2	Notifications of leak repairs in 2015 show instances of leak repairs being completed by an unqualified individual. The A-form for those corresponding leaks shows the repair being made by the correctly qualified individual.	Employee who made the connection was qualified. The LAN ID entered into the Repair Completed by the field personnel should have been the LAN ID of the Crew Lead.	2/19/2016
192.605(a)	1	While PG&E's General Construction was working a job a leak was discovered and repaired by Division.	Division Gas crew responded to a leak repair on a GC PRP job. Division Gas is now on Mariner and all leak repairs are completed electronically.	2/18/2015

B. SED Findings

1. Title 49 CFR §192.225(a) states in part: *"Welding must be performed by a qualified welder or welding operator in accordance with **welding procedures** qualified under section 5, section 12 or Appendix A of API Std 1104…."*
During field inspections, SED observed a Sulfur filter attached to a bracket which had been welded to the exterior of a pipeline at the Tarpey Regulator station. SED observed that the other sulfur filters at the Tarpey Regulator were attached via clamp on brackets. The Division was unable to produce a procedure for the welded bracket which is a violation of 49 CFR §192.225(a). According to Division personnel, the filter was scheduled for removal and replacement with a clamp assembly. Please provide status on the removal and replacement of this equipment.

2. Title 49 CFR 192.745(a) states: *"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."*
SED reviewed the Division's valve maintenance records and found that Valve B-15 and Valve B-20 were not operated in the 2015 calendar year.

3. Title 49 CFR 192.187 states in part: *"Each underground vault or a closed top pit containing either a pressure regulating or reducing station must, or a pressure limiting or relieving station, must be sealed, vented or ventilated as follows: (a) When internal volume exceeds 200 cubic feet…: (1) The vault or pit must be ventilated with two ducts, each having at least the ventilating effect of a pipe 4 inches in diameter."*
During field inspections, SED observed the sensing lines at district regulating station D-40 were inserted through the outlet vent pipe thus reducing its capacity.

4. Title 49 CFR 192.739(a) states in part: *"Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is… (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed."*
On 11/24/2014, PG&E determined that district regulating station K-17 had inadequate relief capacity; however, additional relief capacity was not added until November of 2015 through the installation of a third relief valve. Prior to 2014, PG&E's calculations for required relief capacity relied on a dynamic inlet pressure value established on full flow conditions. However, actual conditions could be static during certain parts of the year due to the customer's operations being inactive. During SED's field visit on 3/2/2016, the inlet pressure at the regulator station was found at 339.4 psi which reflects a no-flow or static condition. The observed pressure value further reinforced the incorrect use of dynamic or full flow condition to calculate required relief capacity.
Thus, district Regulator Station K-17 had inadequate relief capacity prior to PG&E's November 2015 installation of a third relief valve. Please inform us of actions taken by the Division to verify that the relief capacity calculations had been correctly performed to other similar regulator stations.

II. Areas of Concern / Recommendations

1. SED's review of valve records found that Valve K.02-V-A, designated as a transmission emergency valve, has no valve stops. Currently, Division field personnel verify the valve's position using the bleed valve on the blow off stack. PG&E has stated that they are planning to initiate corrective repair. Please provide status on the corrective action.

2. During the SED's examination of daily field weld summary report for Casing Leak L-142 North, two mistakes were discovered. Weld TW-2 referenced the use of welding procedure 222Sc-G (Rev. 2 Date 2/22/2013) which is qualified to be used on pipe material with a yield strength greater than x42; however, weld TW-2 should have used a procedure for a weld between X42 and Grade B pipe. Similarly, weld W-9 referenced the use of welding procedure 122Sc-G (Rev. 2 Date 8/22/2013) which is only qualified for pipe with a yield strength of x42 and less, when weld W-9 should have used a weld procedure for X52 and Grade B. Both weld procedures are functionally similar, but API Standard 1104 requires that pipe material be broken into three categories: (1) less than 42000 psi SMYS, (2) 42000 psi to 65000 psi SMYS and (3) greater than 65000 psi SMYS.

   SED's review of the as-built, show a secondary quality control (QC) check by PG&E on 3/3/2014. However, the QC process failed to identify that the referenced welding procedures for welds TW-2 and W9 were incorrect for the specified materials. SED is concerned that despite the reviews conducted by the PG&E welding inspector and PG&E's secondary QC, these errors were not identified. PG&E should ensure that the welding inspector and/or its QC process adequately review welding documentation to ensure that proper procedures are used and followed. PG&E should also review other projects reviewed by the original welding inspector to ensure adherence to the correct procedures.