

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 31, 2016

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-2016-08-PGE16-02B

SUBJECT: General Order 112 Gas Inspection of PG&E's Kern 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) Kern Division (Division) on August 8-12, 2016.¹ The inspection included a review of the Division's records for the period of 2013 through 2015, as well as a representative field sample of the Division's facilities in the cities of Bakersfield, Maricopa, and Edward Air Force Base. SED staff also reviewed the Division's operator qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED did not have any findings. PG&E's Internal Audit 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. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the inspection.

If you have any questions, please contact Wai Yin (Franky) Chan at (415) 703-2482 or by email at Wai-Yin.Chan@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: Mike Falk, 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 Kern 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.

Table 1: PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.465(a)	9	The 2016 Cathodic Protection (CP) annual reads were missed.	All CP read points have been added to SAP with accurate maintenance plans and current history.	5/11/2016
192.605(a)	5	Pressure regulating station maintenance records were not signed by supervisor within 30 days in 2015.	All maintenance records were reviewed by 11/19/2015. Asset Management Backbone Station (AMBBS) is PG&E's new system that will also track the 30 days reviews to ensure working is being completed on time. The Division has also implemented the huddle boards in SGO that will help insure that work is being tracked and reviewed on time.	Pending
192.605(a)	1	SCADA maintenance was performed by an unqualified employee at Town Station in 2015.	The Division crew will receive a refresher on TD-4016S (Gas Operations Records & Information Management) and tailboard on span of control. The employee is currently completing his OJT's for SCADA maintenance.	Pending
192.605(a)	4	During the transition to AMBBS, the Division discovered that four relief valve capacity calculations were completed between 40 and 42 days after the corrective notifications were created. PG&E procedure requires the calculation to be completed within 30 days.	The Division created corrective notifications in SAP.	2/1/2016

Table 2 (cont'd): PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a)	2	No supervisor's LAN ID and Date of review on valve service history.	Supervisor added LAN ID and Date to records. AMBBS is PG&E's new system that will also track the 30 days reviews to ensure working is being completed on time. The Division has also implemented the huddle boards in SGO that will help insure that work is being tracked and reviewed on time.	Pending
192.605(a)	2	Tap station valves on L-142N regulation set were not maintained in 2015.	The Division updated maintenance forms to properly track valve maintenance. The Division crew will receive a refresher on TD-4430P-04 (Gas Valve Maintenance). The Division has also created proper maintenance plans with AMBBS to ensure all maintenance items will be in the right cycle.	Pending

Please provide SED a status update on the internal findings that remediation were not completed as of August 18, 2016.