

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 10, 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-2016-04-PGE12-02B

SUBJECT: General Order 112 Gas Inspection of PG&E's North Valley 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) North Valley Division (Division) on April 11-15, 2016.¹ The inspection included a review of the Division's records for the period of 2013-2015, as well as a representative field sample of the Division's facilities in Chico, Willows, Orland, Redding, and Cottonwood. 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.

Please feel free to contact me with any questions.

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 Gas Regulatory Support
Susie Richmond, PG&E Gas Regulatory Support

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 North Valley 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
192.605(a)	1	Mercury ERX not calibrated in 2015	Equipment was calibrated 4 months beyond due date.	01/21/2016
	8	Pipeline repair personnel not qualified for Pipe Inspection task.	Communicated with Sierra/North Valley team to check employees for qualifications.	08/27/2015
	1	Services supplying a riser without an accompanying building to be cut and sealed within 15 working days of discovery.	Distribution engineer proposed a date to cut off service at main.	Pending
	4	Idle stubs missing 1 year compliance.	All stubs have been cut off.	06/25/2015
	2	Overbuild identified.	Replaced existing service; Vented regulator.	07/17/2015 & 08/06/2015
	2	Station operating diagram doesn't match data sheet.	Corrected station diagram and data sheet.	07/08/2015 & 11/03/2015
	1	AMC not created for outlet fire valve V-148.	Corrective notification and AMC created.	04/09/2014
	1	Regulator set points not within limits.	Corrected MAOP to match diagram to data sheet. Corrected data sheet for new regulator and monitor settings.	09/19/2013
	1	Emergency valve V-071 was inoperable on 09/22/2014 and was not maintained.	Valve V-087 has been replaced.	10/26/2015
	1	Missed relief valve calculation.	Calculation was filed 95 days late.	02/19/2013

II. Areas of Concern/ Observations/ Recommendations

1. SED reviewed the Emergency Shutdown Zone for Corning and identified valves V-11 and V-12 at regulator station R-125 as emergency valves without valve cards. The Division indicated that since these are block valves and do not have associated valve cards. The maintenance records of these valves have been captured on the District Regulator Station Maintenance Record form through the question I.H.12 "Station Valves Operated & Lubed, As Req'd".

Since the Division has designated valves V-11 and V-12 as emergency valves, SED recommends that the Division elevate the documentation process of these valves beyond a simple "Yes/No" response. The valves maintenance should be documented separately to identify potential issues and ensure the valves are properly maintained annually as required.

The Division has since changed the valves identified in the emergency shutdown zone binders to be Valves V-26.57(1) and V-26.57(2), which are the inlet fire valves to station R-125. Valves V-26.57(1) and V-26.57(2) already have associated valve cards. No follow-up response is required for this AOC.

2. During field verification, SED noted expired warning labels, with a disconnect phone number, at the paddle markers nearby regulator station R-55 in Redding.

The Division has removed the expired warning labels and replaced them with updated labels with the correct contact phone number. No follow-up response is required for this AOC.

3. During field verification, SED noted valve V-13.65 at the Willows Regulator Station was hard to operate.

On 05/19/2016, the Division performed corrective work by flushing and greasing the valve but the valve was still hard to operate. Notification #111836489 was created to have the valve replaced. Please provide SED with an update on the status of this notification.

4. During field verification, SED was unable to observe the monitor regulator at station L-14 in Chico due to a broken vault lid. The broken vault lid could be open but would create an unsafe condition for Division personnel working in the vault.

On 06/24/2016, the vault lids were replaced under PM 41960391. No follow-up response is required for this AOC.