

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 28, 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-2016-10-PGE-11-02B

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

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 Bay Division (Division) from October 24-28, 2016.¹ The inspection included a review of the Division's records 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 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 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,

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 Bradley, PG&E Compliance
Susie Richmond, PG&E Gas 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 North Bay 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

Item #	Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
1	192.481(a)	3	3 Farm Tap HPR sets were not AC inspected in 2014.	Inspections completed	1/28/2015
2	192.605(a)	1	Recorder Accuracy Calibration no properly documented.	Recorder Stamp Calibration date indicated 1/8/2014. Crew which performed the pressure test verified that the correct calibration date was 1/13/2015	7/15/2015
3	192.739(a)	5	5 Pressure Regulating stations were inspected late.	All maintenance completed as of 12/30/2015	12/30/2015
4	192.605(a)	16	Calibration Records incorrectly filled out	Calibration records were corrected.	11/13/2015
5	192.605(a)	5	Sketch information was missing from Notification	Sketches updated with correct information.	12/1/2015
6	192.605(a)	2	PE pipes in above ground locations cannot be exposed longer than 2 years after the manufacture month.	Gas main was replaced October 2016 and Gas Service line is scheduled to relocated/replaced (PM 31231388)	10/2016 and planned 11/2016
7	192.285(a)	3 years	Plastic joining was performed while plastic joining qualifications were lapsed from 2011-2014.	Three samples of the employee's plastic stab connections were excavated and evaluated to determine if they met PG&E's acceptance criteria for mechanical stab connections. All three failed. PG&E performed a sample leak survey of the locations where the employee	Pending

				performed plastic stab connections and DCR functions.	
8	192.605(a)	1	Order #31025462 – Anodes were not installed within required timeline.	Order # 31025462 was completed on May 28, 2015	5/28/2015
9	192.605(a)	2	Rectifier had missed maintenance	On January 14, 2016 it was determined that GT Rectifiers and GT Casings had a bug in SAP and were not included in the Compliance Reports. Upon review two rectifiers were discovered that had not been maintained by December 31, 2015 due date. Maintenance was scheduled and completed	3/22/2016
10	192.605(a)	8	8 Regulator stations have been identified as non-compliant per H-70 due to inadequate relief capacity per updates made to H-70.	Relief calculations were performed for all stations that had open notifications and necessary changes were identified. North Bay is currently implementing necessary corrective actions in the field. Corrective actions are being tracked in CAP # 7025502.	10/21/2016

B. SED Findings

1. Title 49 CFR §192.605(a) states: “Each operator shall prepare and follow for each pipeline, a manual of written procedures for conduction operations and maintenance activities...”

During regulator station review, station R46 (Los Carneros) was found to be non-compliant with the current revised PG&E Gas Standard H-70. The new PG&E standard includes additional considerations when performing capacity reviews that may result in a change in operational limits or replacement of the relief. This station is an addition to the 8 regulator stations presented in PG&E’s internal review under Item 10.

PG&E needs to add regulating station R46 to the list of stations needing change, and make the necessary corrective actions to bring it into compliance with PG&E Standard H-70.

2. Title 49 CFR §192.285(a) states: “No person may make a plastic pipe joint unless that person has been qualified under the applicable joining procedure by:”

During SED’s audit, Item #7 from the above list of PG&E internal review was examined in more depth. PG&E identified an unqualified employee performing joining. The employee was qualified on 3/24/2010 to perform plastic joining (stab connections). The

employee continued to make joints and oversee construction after June 2011, while their qualifications were lapsed. Upon discovery, PG&E excavated three couplings, and PG&E's Gas Methods and Procedures (GM&P) group examined the three couplings. All three couplings failed visual inspection with one of the failures being a short stab condition (plastic pipe is not fully inserted into the mechanical coupling). In this case the plastic pipe was inserted through the first O-ring seal, but not the second O-ring seal. The other two failed visual inspections due to the absence of stab depth marks on either side of the coupling. After conducting the visual inspections, PG&E leak surveyed 12 jobs where the employee was identified as having performed plastic joining with no leaks found due to a failed coupling.

Subsequent to the SED inspection, PG&E explained that it has taken initial steps to review the extent of issue, and that the employee had been requalified in June 2015. Nonetheless, SED is concerned that PG&E was unable to detect the lapse in the joiner's qualification until four years later. Additionally, SED is concerned about the quality and safety of the joints performed by the employee during the said time period especially since PG&E's own investigation found a short stab on one of the three joints examined.

Please describe actions taken by PG&E to prevent recurrence. Also, please provide responses to the following:

1. How were the three couplings identified for excavation? Describe the factors considered in the selection of the three locations.
2. Please provide a list of jobs and joints performed or inspected by the employee during the time he was unqualified for the task.
3. Has PG&E confirmed that the required leak checks and/or pressure tests have been conducted for the jobs identified in question #2 above?
4. Please provide status of any additional corrective actions PG&E is taking, or plans to take, to address this violation.