STATE OF CALIFORNIA ARNOLD SCHWARZENEGGER, *Governor*

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

May 11, 2010

Eleanor Pefferman, Manager
Sustainable Electric Reliability
Pacific Gas and Electric Company
245 Market Street, Mail Code N14L
San Francisco, CA 94105

CPUC File No. EA2010-04

SUBJECT: Electric Audit of PG&E's Stockton Division

On behalf of the Utilities Safety and Reliability Branch (USRB) of the California Public Utilities Commission, Banu Acimis, Jadwindar Singh and I conducted an Electric Audit of PG&E's Stockton Division from March 1-5, 2010. The audit included a review of your records for the period of 2008-2009.

During the inspection, we identified violations of one or more General Orders. A copy of the audit summary itemizing the violations is enclosed. By June 11, 2010, advise me of all corrective measures planned or taken by PG&E regarding the violation(s) and the date on which they are to be corrected or were corrected,.

If you have any questions, please contact me at (916) 928-2109.

Sincerely,

Ryan T. Yamamoto
Utilities Safety and Reliability Branch
Consumer Protection and Safety Division

Enclosure: Audit Summary

CC: Mr. Todd Ryan, PG&E
Ms. Banu Acimis, CPUC
Mr. Jadwindar Singh, CPUC

Audit Summary
Violations

(1) General Order (GO) 165, Section IV, Standards for Inspection, Record-keeping, and Reporting

Section IV, states in part:

"Each utility subject to this General Order shall conduct inspections of its distribution facilities, as necessary, to assure reliable, high-quality, and safe operation, but in no case may the period between inspections (measured in years) exceed the time specified in the attached table. "

A) During our review of both the overhead and underground detail inspections and patrols, we identified the following violations related to highlighting and tallying of facilities on maps by PG&E Inspectors.

PG&E Inspectors are either not inspecting or overlooking (not highlighting) some facilities on the maps.

PG&E's inspection program relies on the combination of highlighted facilities and tallied facility counts in order to ensure compliance with the inspection and patrol requirements of GO165. USRB staff could not verify if all facilities were identified and inspected or patrolled.

B) During our review of the overhead and underground inspections and patrols, we identified the following violations:

Overhead:

Map #	Description
H22	2009 rural patrol is missing.
H23	2009 rural patrol is missing.
I219	2009 rural patrol is missing.
I221	2009 rural patrol is missing.
I222	2009 rural patrol is missing.
I223	2009 rural patrol is missing.
I224	2009 rural patrol is missing.

Map #	Description
I22402	2009 rural patrol is missing.
I22403	2009 rural patrol is missing.
I22407	2009 rural patrol is missing.
I22408	2009 rural patrol is missing.
I22323	No inspection can be found prior to 6/28/08 (Jackson OH)

C) PG&E's 2008 and 2009 Annual GO 165 Reports state that Stockton Division incurred 28 and 79 late notifications, respectively.

D) PG&E EDPM Manual, Equipment Testing and Inspection Intervals

1) PG&E's EDPM Manual states in part:

"Capacitor Bank, OH & UG, Fixed or Switched, Pad-Mounted or OH" shall be tested twice yearly.

During our review of the capacitor inspections, we identified the following violations:

a) Four Inspections scheduled for the First Half of 2008 (Spring) were not completed
b) 453 Inspections scheduled for the Second Half of 2008 (Fall) were not completed
c) 322 Inspections scheduled for the Second Half of 2009 (Fall) were not completed

2) PG&E's EDPM Manual states in part:

"Recloser, OH - Hydraulic Electronic & Microprocessor" shall be tested/inspected twice yearly.

During our review of the recloser inspections, we identified the following violations:

a) 23 Inspections scheduled for the Second Half of 2008 (Fall) were not completed
b) Two Inspections scheduled for the First Half of 2009 (Spring) were not completed
c) 176 Inspections scheduled for the Second Half of 2009 (Fall) were not completed
d) Recloser device number 6090 shows testing was conducted in spring of 2009 but after review we found out that testing of the recloser was not done in 2009.

3) PG&E's EDPM Manual states in part:

"Regulators, OH" shall be tested/inspected yearly.

During our review of the regulators inspections, we identified the following violations:

a) Two regulators were either inspected late (past the end of the year) or were not inspected at all for 2009.

(2) GO 95, Rule 54.6-B Vertical and Lateral Conductors – Ground Wires

Rule 54.6-B states in part:

> "That portion of the ground wires attached on the face or back of wood crossarms or on the surface of wood poles and structures shall be covered by a suitable protective covering (see Rule 22.8) ...
>
> "Minor separation, warping, and/or cracking of the protective covering is allowed, provided the ground wire is not exposed. ..."

On Friday, March 5, 2010, we observed that the ground molding had a gap that exposed the ground wire at Claremont Avenue and Robinhood Drive (Second pole from Claremont Ave.). If the gap in the ground molding was present during the May 19, 2009 inspection it should have been identified.

(3) GO 95, Rule 56.2, Overhead Guys, Anchor Guys and Span Wires - Use

Rule 56.2 states in part:

> "Guys shall be attached to structures, as nearly as practicable, at the center of load. They shall be maintained taut and of such strength as to meet the safety factors of Rule 44."

On Friday, March 5, 2010, we observed that the secondary down guy was slack at Claremont Avenue and Robinhood Drive (Second pole from Claremont Ave.). If the slack guy was present during the May 19, 2009 inspection it should have been identified.

(4) GO 95, Rule 56.2, Overhead Guys, Anchor Guys and Span Wires – Use
GO 95, Rule 31.6, Abandoned Lines

Rule 56.2 states in part:

> "Guys shall be attached to structures, as nearly as practicable, at the center of load. They shall be maintained taut and of such strength as to meet the safety factors of Rule 44."

Rule 31.6 states:

> "Lines or portions of lines permanently abandoned shall be removed by their owners so that such lines shall not become a public nuisance or a hazard to life or property. For the purposes of this rule, lines that are permanently abandoned shall be defined as those lines that are determined by their owner to have no foreseeable future use."

On Friday, March 5, 2010, we observed a span guy that was not taut and was determined to be idle hardware at Robinhood Drive and Tamworth Way. If the span guy was present during the May 19, 2009 inspection it should have been identified.

(5) GO 95, Rule 54.6-B Vertical and Lateral Conductors – Ground Wires

Rule 54.6-B states in part:

> "That portion of the ground wires attached on the face or back of wood crossarms or on the surface of wood poles and structures shall be covered by a suitable protective covering (see Rule 22.8) …
>
> "Minor separation, warping, and/or cracking of the protective covering is allowed, provided the ground wire is not exposed. …"

On Friday, March 5, 2010, we observed that the ground molding was broken and the ground wire was exposed at Tamworth Way and Robinhood Drive (First pole from Tamworth Way). If the broken ground molding was present during the May 19, 2009 inspection it should have been identified.

Concerns and Recommendations

(1) Overhead and Underground Inspection and Patrol Information

PG&E staff provided a spreadsheet of inspection and patrols from 2005-2010 for the Angels Camp, Jackson, and Stockton Districts in the Stockton Division. The information range should have included 2003 and 2004. Since we were reviewing 2008 and 2009 records, we need to have records for 2003 and 2004 to ensure that the five year inspections cycles required by GO 165 are being meet.

Furthermore, the information contained in the spreadsheet had numerous errors.

(2) Audit Field Inspection

During the field inspection portion of the audit, a lot time was wasted to find locations of EC notifications. A more efficient way to conduct the field inspection for future audits needs to be determined.

(3) Late EC Notifications, November 2009 – February 2010

Stockton Division staff provided a spreadsheet of approximately 1700 EC Notifications that were allowed to go past their end of the month due dates for the time period November 2009 – February 2010. Each of these notifications is a violation of PG&E procedure.

(4) Cancelled EC Notifications

We observed numerous Canceled EC Notifications that were cancelled due to information being entered incorrectly during the process of generating an EC notification.

(5) Capacitor C444 in 2008

The bank was visited on March 11, 2008 and August 15, 2009 with no test performed because the bank was offline.

(6) Capacitor C2004

A test was performed on C2004 on May 1, 2009 and the data was out of range. Based upon the available information, it as appears that an engineer asked that a retest be performed; however, no retest was done.