

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 15, 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-PGE23-01B

SUBJECT: General Order 112 Gas Inspection Closure of PG&E's Hollister District

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112¹ inspection of Pacific Gas & Electric Company's (PG&E) Hollister District (District) on August 15-18, 2016 and on September 8, 2016. The inspection included a review of the District's records for the period of 2014 to 2015, as well as a representative field sample of the District's facilities in the cities of Hollister, Moss Landing, Tres Pinos, and Gilroy. SED staff also reviewed the District'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. The findings identified in this letter do not require a response from PG&E at this time.

This letter serves as the official closure of the 2016 PG&E Hollister District inspection and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or formal proceeding.

If you have any questions, please contact Willard Lam at (415) 703-1327 or by email at wlm@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.
Program and Project Supervisor
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
Kenneth Bruno, SED

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 the District. 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) §192.605(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 Status
1	192.605(a)	101	During valve maintenance, if a valve (emergency or reliability) was partially operated, the reason for the partial operation was not noted in "Action Taken" on the Gas Valve Maintenance Record (TD-4430P-04-F02) as required by Gas Valve Maintenance Work Procedure TD-4430P-04.	In March of 2016 Hollister District began using the AMBBS version of SAP to assign maintenance to District personnel and store maintenance data on all reliability and compliance valves. All information captured on TD-4430P-04-F02 (valve service history form) is captured and viewable in AMBBS.	Completed 1/1/2016
2	192.605(a)	16	Monthly inspection and partial operation of controller-operated monitor valves and standby regulator valves is not documented on correct form, as outlined in TD-4430P-04. Maintenance is documented on a District specific form (monthly routine) and/or in PLM or SAP. Hollister District does not perform or document 2 week lubrication of frequently operated regulator valves on TD-4430P-04-F02.	Bulletin TD-4001B-003 (2013) introduced electronic collection of data by gas field personnel allowing for improved safety, enhanced compliance records, operational flexibility, increased accessibility to M&O records, elimination of data duplication, and enhanced analytical ability.	Completed 8/15/2016
3	192.605(a)	64	The valves went greater than 30 days without a supervisor review as outlined in TD-4430P-04.	Maintenance Supervisors are required to review, approve or reassign completed maintenance work daily in SAP via the ZI_IRClose transaction. Future enhancements to ZI_IRClose are in design for QC and QA teams to review, approve or reassign completed maintenance work following the Supervisors review.	Completed 8/1/2016

SED Conclusion:

SED has opted not to impose a fine or penalty since PG&E did not create any hazardous condition for the public or utility employees.

II. Areas of Concern/ Observations/ Recommendations

1. During a field visit on 8/18/2016 to Valve # 35 (V-35) in Hollister Station, SED observed the volume booster in the control cabinet malfunction during the inspection. The PG&E technician (tech) could not successfully troubleshoot the booster and suspected the instrumentation pressure was “blowing by” internally. The failure of the volume booster prevented proper remote operation of V-35 so the tech created a follow up work order (PM#42772669) to evaluate the need for replacement. V-35 still maintained proper operation using the hydraulic manual control backup. On 9/2/2016, the District replaced the volume booster and successfully operated Valve # 35 in remote operation. This item serves as a record of SED’s observation.

SED Conclusion:

SED has determined that the corrective actions performed by PG&E sufficiently addressed the AOC. SED may opt to test the corrective action at a future date.