

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 27, 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-2016-03-PGE25-01B

SUBJECT: General Order 112-F Gas Audit of PG&E's Hinkley District

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112-F inspection of Pacific Gas & Electric Company's (PG&E) Hinkley District (District) on March 14-18, 2016.¹ The inspection included a review of the District's records for the period of January 1, 2013 through December 31, 2015, as well as a representative field sample of the District's facilities. 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 facilities that SED inspected during the audit.

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 audit.

If you have any questions, please contact Fred Hanes at (415) 703-5264 or by email at fred.hanes@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

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 156-06-044.

cc: Mike Falk, PG&E Gas Regulatory Compliance
Susie Richmond, PG&E Gas Regulatory Compliance
Glen Allen, PG&E Gas Regulatory Compliance

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 Hinkley 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), §192.13(c) or §192.605(a). The table below lists all of the violations from PG&E’s internal review.

Topic	Code Violation	Finding(s)	Instances	Corrected
Valves	§192.605(a)	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.	4	2/23/16
		TD-4430P-04-F01, (Gas Valve Maintenance Record Form—General Information) and TD-4430P-04-F02, (Gas Valve Maintenance Record Form—Service History) were not used to track valve maintenance on reliability valves as outlined in TD-4430P-04. The District tracked its reliability valve maintenance in PLM.	4	2/23/16
		Hinkley District did not document 2 week lubrication of frequently operated regulator valves on TD-4430P-04-F02 (Gas Valve Maintenance Record Form—Service History). Maintenance is documented In PLM.	4	2/23/16
		Monthly inspection and partial operation of controller-operated monitor valves and standby regulator valves was not documented on TD-4430P-04-F02, (Gas Valve Maintenance Record Form—Service History) as outlined in TD-4430P-04. Maintenance is documented on a District specific form (monthly routine) and/or in PLM.	4	2/23/16
		2015 annual valve maintenance for V 108.39 on Line 300A was reviewed beyond 30 days by Supervisor.	1	1/06/16

The four valves at Hinkley District that were not correctly documented were PLS 34, Valve 3; PLS 35, Valve 21; PLS 2XA, Valve 3; and PLS 2XB, Valve 3.

SED is aware that PG&E has found instances of these valve maintenance documentation violations at other districts or divisions. Please provide an update on the corrective status across the company.

B. SED Findings

1. Title 49 CFR §192.603(b) states:

“Each operator shall keep records necessary to administer the procedures established under §192.605.”

Title 49 CFR §192.605 states in part:

“a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities...”

b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations...

(3) Making construction records, maps, and operating history available to appropriate operating personnel.”

During the field inspection, SED found at Trona Tap Station, one of the Pressure Transmitters was physically tagged with the label PT-5 while the SCADA system ID Tag for this same point was PT-3A. The Station Operating Diagram also showed point PT-5 labeled as PT-3A. The Operating Diagram had been red-lined to correct this error prior to the most recent revision of September 28, 2015; however the revision failed to make the correction.

The inaccuracy of the Operating Diagram indicates that PG&E UO Standard S4460 to maintain transmission operating maps and diagrams was not followed as required by 192.605(a). The GPTC guidance on 192.605(b)(3) clarifies that the operating information provided must be current. In addition, the operating diagram as a record was not sufficiently kept in a condition to allow administration of procedures established under §192.603(b).

PG&E is in violation of §192.605(a) and §192.603(b).

II. Areas of Concern/ Observations/ Recommendations

A. Designation of AMC Valves

In 2013, Valve A on Line 313 at MP 12.63 was found to be inoperable and the adjacent Valve B was designated as an alternate method of control (AMC). However, that Valve B was also found inoperable on the same day. The AMC for Valve B was assigned to a third valve, Valve A on Line 300A at MP 141.03.

Further record review found that both valves A and B had been made operable in 2014.

SED recommends that in such situations, the ultimate valve required to control flow should be identified directly on all AMC forms that depend on that valve, in order to avoid delay or confusion in locating the correct valve.

B. Transmission Line Reliability

A fire valve V-1 at MP 0.05 on Line 314, which is the tap valve for service to a Southwest Gas pipeline, is currently designated inoperable; the valve is scheduled to be replaced in December 2016. The AMC created in 2013 for this valve has been designated at MP 0.0 on Line 314, at the beginning of Line 314.

SED is concerned that further delay in addressing the inoperable fire valve could potentially cause the entire Line 314 to be shut in, should the AMC be used, denying gas service to all of the customers along that pipeline including large industrial customers and the communities of Victorville, Adelanto, Oro Grande, and Apple Valley.

Please provide SED an update on action(s) taken to date by PG&E to address the inoperable valve (V-1 at MP 0.05).