

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 30, 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-2016-07-PGE08-02B

SUBJECT: General Order 112 Gas Inspection of PG&E's San Jose 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) San Jose Division (Division) on July 18-22, 2016<sup>1</sup>. The inspection included a review of the Division's records for the period of January 1, 2014 through December 31, 2015, 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 particular records and 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.

If you have any questions, please contact Fred Hanes at (415) 703-5264 or by email at [fred.hanes@cpuc.ca.gov](mailto: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

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

Enclosure: Summary of Inspection Findings

cc: Mike Bradley, 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 inspection, PG&E provided SED its findings from the internal review it conducted of San Jose 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). Other findings in keeping the records necessary to administer procedures are violations under §192.603(b). The table below lists all of the violations from PG&E's internal review.

SED staff noted that some of the findings were corrected prior to the inspection. For those items not corrected prior to the inspection, please provide an update on PG&E's progress to complete the corrective actions.

Topic	Code Violation	Finding(s)	Instances	Corrected
2015 Corrosion Control	192.465(a)	CPA 3350-16 in the San Jose Division, The Reads were down as of 6/5/2014 and the 15 month compliance date of 9/5/2015	1	9/11/2015
	192.605(a)	Missed annual inspection on new rectifier. Installation was in January 2015, but the 15-month inspection was missed. (Ref: CAP 7033247)	1	7/19/16
	192.465(a)	CPA 3414-29 in the San Jose Division, The Reads were down as of 6/3/2014 and the 15 month compliance date of 9/5/2015	1	7/5/16
	192.465(a)	After installing the new deep well (for CPA 3414-29), we discovered another issue with the area. This rectifier will need a new cathode wire. The work is scheduled to be done early next week. {SED: June 2016}	1	ongoing
	192.467(d)	6 Casing reads missed compliance date	6	6/4/16
2015 Instrument Calibration	192.605(a)	Calibration Records improperly filled out.	7	7/13/16
		Calibration Records missing information	3	7/13/16
2015 Plastic Pipe Joining (Leak Repair)	192.605(a)	Employee who had failed previous qualification testing was re-tested for plastic pipe heat fusion joining one month earlier than permitted by PG&E Gas Design Standard D-34, due to ineffective qualification tracking for plastic fusion tasks. Tracking system will be improved.	1	12/31/16
2016 Reg Station	195.605(a)	DR E16 SCADA RTU maintenance missed as of 1/1/16.	1	2/8/16

2015 Reg Station	192.605(a)	Reg Station data sheets not filled out per company standard: F 81 PARK & MERIDIAN LPR F81 PARK & MERIDIAN; F05 FORD & FONTANOSO DR F05 FORD ROAD W/O PIERCY RD	2	12/31/15
	192.743(a)	Relief Valve Calculation date missed for HPR H72 BRIDLE PATH & 300A, was completed 54 days after 15 month interval required.	1	6/15/16
2016 Valves	192.747(a)	Missed annual valve exercise of DR G31 KING RD. & STORY RD. inlet fire valve V-14-C2K	1	2/8/16

## B. SED Findings

No violations were found during the inspection.

## II. Areas of Concern/ Observations/ Recommendations

### A. Regulator Station Pipe Coating

During the inspection, SED observed that the new station piping at the Dunn/Sorrell regulator station had remained uncoated for almost three years. PG&E explained that coating at the station had been delayed because a NACE coating inspector was required to observe and validate the coating process due to the station belonging to a transmission pipeline.

PG&E stated that “PG&E requires a timeframe not to exceed 39 months to paint or coat new piping/equipment to protect against atmospheric corrosion, in accordance with regulatory code and company policy. PG&E uses conservative interpretations of time frames to ensure regulatory compliance and the completion date for work to be performed can be extended up to but not exceed the regulatory requirement.”

Although PG&E did not exceed their 39-month requirement to paint or coat new piping, SED recommends that PG&E review its construction process to efficiently plan and schedule future construction that require NACE coating inspectors observing and validating the coating process, to minimize delays in coating application and prevent potential corrosion on new piping.

### B. Inoperable Valves

Regulator Station H-45 had some inoperable valves noted during PG&E’s inspection in 2015. Please provide records to confirm that these valves have become operable within the 15-month inspection cycle.