

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 20, 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-2016-02-PGE06-02A  
GI-2016-02-PGE06-15

SUBJECT: General Order 112 Gas Inspection of PG&E's Tracy and McDonald Island District

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) Tracy and McDonald Island District (District) on February 2-5, 2016.<sup>1</sup> The inspection included a review of the District's records for the period of 2013-2015, as well as a representative field sample of the District's facilities in Gustine, Newman, Tracy, and McDonald Island. 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.

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 Dennis Lee at (415) 703-2214 or by email at [dennis.lee@cpuc.ca.gov](mailto:dennis.lee@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 Gas Regulatory Support  
Susie Richmond, PG&E Gas Regulatory Support

<sup>1</sup> 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 Tracy and McDonald Island District (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). SED is aware that PG&E corrected some of its findings prior to SED's inspection. Table 1 and 2 lists all of the violations from PG&E's internal review.

**Table 1: PG&E's Tracy District Internal Review**

<b>Code Section</b>	<b># of Non-Compliance</b>	<b>Finding Description</b>	<b>Corrective Action</b>	<b>Remediation Date</b>
192.605(a)	3	No Alternate Means of Control (AMC) established for inoperable valves.	2 of 3 valves were repaired; Third valve was deactivated in place.	08/11/2014 & 04/09/2015
	10	Actuators not maintained at least once each calendar year.	All actuators were maintained and documented during the next maintenance cycle.	01/22/2016
	36	Power actuated valves not operated at least twice per calendar year.	Valves documentations have been updated to receive maintenance semi-annually. 3 valves are undergoing waiver process for annual maintenance.	04/01/2016 & Pending waiver
	13	Power actuated valves were not lubricated during maintenance.	All valves have been lubricated except for V-126 which will be done during next maintenance cycle.	Various dates between 2014-2016; Pending V-126
	34	Controller-operated standby regulator valves not maintained once each month.	Valves were maintained on the next inspection cycle.	02/01/2016
	22	Controller-operated monitor valves not maintained once each month.	Valves were maintained on the next inspection cycle.	02/01/2016
	2	Regulator valves not lubricated once every 2 weeks.	PG&E is in the midst of identifying the issue and will perform a system-wide review to indicate the number of instances of non-conformance.	Pending
	19	Late or missing supervisor review on valve maintenance records.	All valve cards have been reviewed and signed by the supervisor.	08/11/2014



**Table 2 (cont'd): PG&E's Internal Review**

<b>Code Section</b>	<b># of Non-Compliance</b>	<b>Finding Description</b>	<b>Corrective Action</b>	<b>Remediation Date</b>
192.605(a)	3	Actuator data sheet not filled out completely.	Pipeline engineer is gathering information from As-Builts and will transfer the actuator information onto the data card.	Pending
	4	Relief devices were set above MAOP or Max Permissible Relief Set Pressure	Relief devices were reset below the MAOP and Max Permissible Relief Set Pressure except for Palm Tract PRV-1.	Various dates between 2015-2016; Pending PRV-1
	10	Relief devices and station maintenance were not documented on the correct form.	The crew received a refresher review to ensure both side of all forms are printed.	01/16/2015
	6	PRV maintenance was not documented.	Personnel received a refresher review on completing the documentation.	01/22/2016
	6	O&MI review not documented in 2013 and 2014.	All O&MI were reviewed and signed in 2014.	Various dates in 2014
	1	Leak survey of regulator station was not documented.	PLM record indicated the station was leak surveyed on 09/09/2014. The station was leak surveyed and documented in 2015.	09/09/2015
	40	Instrument calibration not documented on leak survey documentation.	Documentation was updated on the next maintenance cycle.	03/01/2015
	6	Instrument calibration not documented for station leak survey.	Personnel received a refresher review on completing instrument calibration documentation.	01/22/2016
	31	Instrument missing calibration without being marked "OOS" or "NU".	Personnel received a refresher review on completing instrument calibration documentation.	01/22/2016
192.745(a)	8	Emergency valves not maintained at least once per calendar year.	All valves were maintained and documented during the next maintenance cycle.	01/22/2016

**Table 2: PG&E's McDonald Island Internal Review**

<b>Code Section</b>	<b># of Non-Compliance</b>	<b>Finding Description</b>	<b>Corrective Action</b>	<b>Remediation Date</b>
192.605(a)	4	Instrument missing calibration without being marked "OOS" or "NU".	Calibration was verified and documented in the next calibration cycle.	08/14/2014 08/01/2013 05/31/2013
	1	Thermal pressure relief valves have no maximum permissible downstream pressure listed on forms.	Notification 7003772 was created.	Pending
	2	Valves missing maintenance documentation but has actuator inspection records.	PLM maintenance plan was updated, including service and operate task. Cards were made for the compliance manuals.	05/2/2014
	3	Newly commissioned valves missing commissioning documents.	Pending	Pending
	9	As found pressure was not recorded on PRV maintenance.	Refresher-reviewed with Gas Technicians the proper method of documentation.	10/18/2014
	12	In 2013, relief valve pressure set points "As left" exceeded the maintenance records' maximum set pressure.	A new set point has been entered into the maintenance plan and on the valve maintenance card. The crew has been refresher-reviewed about the newly engineered set point.	05/28/2013
	3	Controller-operated standby regulators and monitor valves not serviced and operated monthly.	Pending	Pending
192.731(c)	3	Relief valves not tested within 15 months between 2013 and 2014.	Added PRVs to the PLM database with an anniversary date of August 2013	12/14/2014
192.739(a)	3	Station not maintained in 2013.	PLM maintenance plan updated to reflect annual maintenance cycle (June).	06/04/2014
192.731(c)	3	Relief valves without maintenance records.	Form 4430P-04 F01 and F02 created for the valves. Also added/edit for PLM electronic maintenance plan.	02/02/2016
192.731(c)	3	Relief valves not inspected or have calculations review in 2014.	PLM maintenance plan updated to reflect an nnuual maintenance cycle (March).	01/01/2014
192.745(a)	22	Valves discovery to not be part of the maintenance plan.	The maintenance plan for the valves listed has been updated so that requirements for the respective valve maintenance will be met.	01/17/2016

## B. SED Findings

1. Title 49 CFR §192.745(b) states in part:

*“Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.”*

SED reviewed the District’s Valve Maintenance records and noted that the District did not perform valve maintenance on the following valves in the calendar year 2014. In addition to the missed maintenance, the District failed to provide supervisory review of the valve maintenance in 2013:

Valve Number	Binder	Previous Maintenance	Next Maintenance	Supervisor Review
V-13.05	20, L-114	10/18/2013	1/15/2015	11/25/2013
V-1	20, L-114	10/18/2013	1/15/2015	11/25/2013
V-2	20, L-114	10/18/2013	1/15/2015	11/25/2013
V-A	20, L-114	10/18/2013	1/15/2015	11/25/2013
V-C	20, L-114	10/18/2013	1/15/2015	11/25/2013

PG&E is in violation of 49 CFR §192.745(a).

2. Title 49 CFR §192.605(a) states in part:

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

Utility Procedure TD-4430P-04: Gas Valve Maintenance states the maintenance frequency requirements of valves:

Valve Type	Valve Use	Type of Maintenance	Required Frequency
Power-Actuated	Standby Regulators & Monitors	Partially Operate, Inspect	Once per month

The District failed to partially operate and inspect valve V-65 at the Brentwood Terminal in April 2015.

PG&E is in violation of 49 CFR §192.605(a).

## **II. Areas of Concern/ Observations/ Recommendations**

1. During field verification of the Newman regulator station, SED noted minor atmospheric corrosion on the station piping. The station operating diagram at the station was also outdated and needs to be changed out for the most current diagram. Please provide SED with an update on the remedial action taken by the District to the address this concern.
2. During field verification at McDonald Island, SED noted pressure relief valve PRV-C-26 did not relieve at the set pressure. SED also noted water accumulation at this pressure relief valve. Please provide SED with an update on the work request to address this concern.