

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 27, 2016

GI-2016-05-PGE-18-02B

Mr. Sumeet Singh, Vice President (s1st@pge.com)
Pacific Gas and Electric Company
Gas Asset and Risk Management
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

SUBJECT: General Order 112 Gas Inspection of PG&E's Yosemite Division

Dear Mr. Singh:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Joel Tran, Terence Eng, Alula Gebremedhin, and Quang Pham conducted a General Order 112¹ inspection of Pacific Gas & Electric Company's (PG&E) Yosemite Division (Division) from May 2-6, 2016. The inspection included a review of the Division's operation and maintenance records including pressure control devices, and emergency and relief valves for the years 2013 through 2015, and a field inspection of a representative sample of the Division's facilities. SED staff also reviewed the Division's operator qualification records, which included a 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.

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 inspection.

If you have any questions, please contact Joel Tran at (415) 515-3442 or by email at joel.tran@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 15-06-044.

cc: Susie Richmond, PG&E Gas Regulatory Support (gsr8@pge.com)
Mike Falk, PG&E (mdfl@pge.com)
Dennis Lee, SED (dennis.lee@cpuc.ca.gov)
Terence Eng, SED (terence.eng@cpuc.ca.gov)

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. PG&E's Internal Inspection Findings

At the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the 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), §192.605(a). SED is aware that PG&E corrected all of its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review.

Table 1: Findings from PG&E's Internal Review

Code	Finding	Instances
192.605(a)	Odor Intensity Report missing supervisor review and date	1
192.605(a)	Pressure regulator datasheets with incorrect inlet/outlet MAOP's & missing valve positions	10
192.605(a)	Pressure regulator station missed annual maintenance	4
192.605(a)	Missed weekly odorant sniff test	1
192.605(a)	Pressure test records not properly documented	2
192.605(a)	Valve maintenance form not properly documented	6
192.745(a)	Missed annual valve maintenance	2
192.605(a)	Relief valve capacity calculation not completed within 30 days	56

B. SED Findings

1. Title 49 CFR §192.605(a) states:

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

- i) PG&E Procedure TD-4430P-04-F02 requires all plug valves to be lubricated during annual maintenance. SED found during record review two transmission plug valves that were inspected but not lubricated in 2015:
 - Line 118A, Valve V-A
 - Line 118A, RA-22, Valve V-1
- ii) PG&E Procedure H-14 allows a maximum pressure reduction of 350 psi for a single run. SED found during records review regulator station RD-01 with a pressure reduction from 890 psi to 350 psi, which is greater than the maximum reduction of 350 psi specified in the design standard.
- iii) PG&E Procedure TD-4540P-01 requires supervisors to conduct a review of regulator station maintenance within 30 days of maintenance. SED found during records review regulator station RA-24 that had a supervisor review date of 3/15/2016 for an inspection on 12/18/2014 which exceeds PG&E's standard of 30 days.

2. Title 49 CFR §192.745(a) states:

"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."

The Division did not conduct an inspection or partial operation in 2015 on the following transmission valves:

- L-331 B-1, Valve V-0.76
- L-331 B-1, Valve V-B
- L-331 A, Valve V-A
- Crosstie 331A & 331B, Valve V-13

The Division inspected the following valves exceeding a 15 month interval:

- OAK HP 30, Valve V-1
 - Inspected on 1/17/2014 with subsequent inspection on 8/28/2015
- L-7224-09, Valve V-2
 - Inspected on 5/7/2014 with subsequent inspection on 12/30/2015
- L-7224-19, Valve V-1
 - Inspected on 6/9/2014 with subsequent inspection on 12/28/2015

3. Title 49 CFR §192.743(a) states:

“Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent with the pressure limits of §192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations.”

The Division did not conduct annual reviews of capacity for the following relief devices:

- HPR B25
 - 2011, 2013
- RA-08
 - 2012

4. Title 49 CFR §192.605(b)(3) states:

“The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations. Making construction records, maps, and operating history available to appropriate operating personnel.”

The Division did not make accurate maps available to the appropriate operating personnel for the following regulator stations:

- RA-47
 - On 8/9/2013, a request was submitted to update the station diagram with correct valve numbering. Another request was submitted on 7/7/2015 for the same error. The map was updated electronically on 7/13/2014; however the hard copy in the regulator station maintenance folder was not updated until 5/5/2016.
- RA-25
 - On 12/14/2012, a request was submitted to update the station diagram with correct valve numbering. Additional requests were submitted on 6/5/2013 and 5/3/2016 for the same error. The station diagram was still not updated, neither electronically or a hard copy, at the time of the SED inspection.
- RC-22
 - On 2/23/2016, a request was submitted to update the station diagram to include the inlet fire valve. An additional request was submitted on 3/14/2016 for the same error. The station diagram was still not updated, neither electronically or a hard copy, at the time of the SED inspection.

5. Title 49 CFR §192.739(a) states:

“Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests”

The Division did not conduct an annual inspection of regulator station RA-24 in 2015.

6. Title 49 CFR §192.739(a)(2) states:

“Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is— Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed”

The Division documented that regulator station RB-36 did not achieve lockup in 2010, 2012, 2014, and 2015. Inspection notes for 2014 and 2015 state “Replace diaphragm on the regulator due to poor lock-up” however, no cause for not achieving lockup was documented on the maintenance sheet. The Division failed to prevent recurrence by replacing the diaphragm and therefore failed to ensure adequacy from the standpoint of reliability of operation.

II. Areas of Concern / Recommendations

1. During SED's field inspection of regulator station MO HP 65A #2, lockup could not be achieved on the right run (looking downstream). Replacing the diaphragm boot resulted in achieving lockup; however, this is a recurring issue for this station. In 2010, 2012, 2014, and 2015 this station could not achieve lockup during annual maintenance.

Please provide to SED what PG&E plans to do to mitigate this recurring issue.

2. During SED's field inspection of regulator station MO HP 61, lockup could not be achieved on the right run (looking downstream). This station did not lock up in 2015 as well and all pilots were replaced in 2015 as noted in maintenance notes.

Please provide to SED what PG&E plans to do to mitigate this recurring issue.

3. During SED's review of pressure regulator station records, SED noted discrepancies between the hard copy of the Operating Diagram and the information in PG&E's electronic database, SAP. Field technicians are referring to the Operating Diagram for the correct information while performing maintenance.

Please provide SED the corrective actions taken by PG&E to prevent this issue from reoccurring.