

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 20, 2017

GI-2017-02-PGE15-02A, 02B, 02C

Mr. Sumeet Singh, Vice President
Pacific Gas and Electric Company
Gas Asset and Risk Management
6111 Bollinger Canyon Road, Office #4590-D
San Ramon, CA 94583

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

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112¹ inspection of Pacific Gas and Electric Company's (PG&E) Fresno Division (Division) from February 27 through March 3, 2017. The inspection included a review of Division records for the period of January 1, 2013 through December 31, 2016. A representative sample of PG&E facilities and right-of-way were also inspected.

A Summary of Inspection Findings (Summary), which contains probable violations and areas of concerns and recommendations identified by SED staff, is included as an attachment to this letter.

Please provide a written response indicating the measures taken by PG&E to address the probable violations and areas of concerns and recommendations within 30 days from the date of this letter.

If you have any questions, please contact Alin Podoreanu at (916) 928-2552 or by email at alin.podoreanu@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 Regulatory Compliance
Susie Richmond, PG&E Regulatory Compliance
Enza Barbato, PG&E Regulatory Compliance

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

SUMMARY OF INSPECTION FINDINGS

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 the Division. Some of PG&E’s internal review findings are violations of PG&E’s operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations (CFR), §192.13(c). Table 1 lists PG&E’s internal findings.

Table 1: Fresno Division Internal Review Findings

Topic	Code Section	Finding	Instances	Completion Date
2016 Regulator Stations	192.605(a)	Not Following Company Procedures: Information on data sheet and operating diagram mismatch for regulator station: HPR K04 A, B & C; J-17; A-05; K--20; K11; K-21; B-03; K25	8	2/24/2017
	192.201	Not Following Company Procedures: Monitor set point set above acceptable limit at K-25 Kettleman City Town Station	1	Pending
2016 Valves	192.13(c)	Not Following Company Procedures: Repair issue noted in 2011. Notification closed in 2013 and was never recreated. Issue still existed in 2016 and noted in repair remarks for Valve V-1 A15 -1RU-1	1	2/22/2017
Welding	192.225	Incorrect weld procedure used via As-Built for V-286. WPS used was 222Sc-G Rev 2, whereas the 122Sc-G Rev 2 WPS should have been used	12	8/5/2016

SED is aware that PG&E corrected some of its findings prior to SED’s audit. Please provide SED an update on the items that were still pending corrective actions.

B. Probable Violations

1. Title 49 CFR §192.225 Welding Procedures states in part:

“(a) Welding must be performed by a qualified welder or welding operator in accordance with welding procedures qualified under section 5, section 12, Appendix A or Appendix B of API Std 1104 (incorporated by reference, see §192.7), or section IX of the ASME Boiler and Pressure Vessel Code (ASME BPVC) (incorporated by reference, see §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify

welding procedures must be determined by destructive testing in accordance with the applicable welding standard(s).”

SED reviewed records for Valve Project V-286 on Line 1209-05 in Fresno, CA noted in PG&E’s internal review findings. Construction documentation indicated that 12 welds (see Table 2) were produced with Grade B² base material using Welding Procedure Specification (WPS) 222S_C-G Rev. 2. The WPS was qualified in accordance with the requirements of the Twentieth Edition of API 1104 for a base material with specified minimum yield strength (SMYS) greater than 42,000 psi but less than 65,000 psi.

Table 2: Weld No. and Component Specifications

Weld No.³	Pipe Diameter, Wall Thickness and Grade		Welding Procedure Specification Number (WPS)
W-17	8.625” 0.322 WT GR-B	8” 0.322 WT GR-B ELBOW	222S _C -G Rev. 2
W-18	8.625” 0.322 WT GR-B	8.625” 0.322 WT GR-B TEE	222S _C -G Rev. 2
W-79	8.625” 0.322 WT GR-B	8.625” 0.322 WT GR-B TEE	222S _C -G Rev. 2
W-86	8.625” 0.322 WT GR-B	8.625” 0.322 WT GR-B	222S _C -G Rev. 2
W-87	8.625” 0.322 WT GR-B	8” 0.322 WT GR-B ELBOW	222S _C -G Rev. 2
W-88	8.625” 0.322 WT GR-B	8” 0.322 WT GR-B ELBOW	222S _C -G Rev. 2
W-89	8.625” 0.322 WT GR-B	8” 0.322 WT GR-B ELBOW	222S _C -G Rev. 2
W-90	8.625” 0.322 WT GR-B	8” 0.322 WT GR-B ELBOW	222S _C -G Rev. 2
W-91	8.625” 0.322 WT GR-B	8” 0.322 WT GR-B REDUCER	222S _C -G Rev. 2
TI-70	8.625” 0.316 WT GR-B	8” 0.322 WT GR-B CAP	222S _C -G Rev. 2
TI-104	8.625” 0.322 WT GR-B	8.625” 0.322 WT GR-B	222S _C -G Rev. 2
TI-105	8.625” 0.322 WT GR-B	8.625” 0.322 WT GR-B	222S _C -G Rev. 2

PG&E is in violation of Title 49 CFR §192.225 (a) because it produced the welds indicated in Table 2 using WPS 222S_C-G Rev. 2 which is not qualified for welding Grade B material.

² PG&E Utility Procedure: TD-4160P-51 Rev. 0 indicates a specified minimum yield strength of 35,000 psi for Grade B pipe.

³ A “W” prefix code denotes a production weld. A “TI” prefix code indicates a tie-in weld.

2. Title 49 CFR §192.241 Inspection and test of welds states in part:

“(a) Visual inspection of welding must be conducted by an individual qualified by appropriate training and experience to ensure that:

(1) The welding is performed in accordance with the welding procedure; and

(2) The weld is acceptable under paragraph (c) of this section.”

PG&E is in violation of Title 49 CFR §192.241 (a)(1) because PG&E failed to ensure that the welding was performed in accordance with the correct welding procedure when it performed the visual inspections for the welds listed in Table 2.

C. Areas of Concern and Recommendations

None