

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

February 26, 2018

Mr. Sumeet Singh, Vice President
Pacific Gas and Electric Company
Portfolio Management & Engineering
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

GI-2017-09-PGE25-01C & 15

SUBJECT: Safety and Enforcement Division closure letter for the General Order 112-F
Inspection of Hinkley District of Pacific Gas and Electric Company

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Pacific Gas and Electric Company's (PG&E) response letter dated January 29, 2018 for the findings identified during the General Order (GO) 112-F inspection of PG&E's Hinkley District which was conducted from September 11 through September 15, 2017.

A summary of the inspection findings documented by the SED, PG&E's response to SED findings, and SED's evaluation of PG&E's response taken for each finding are outlined for each identified violation, concern and recommendation.

This letter serves as the official closure of the 2017 PG&E Hinkley District safety inspection and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

Thank you for your cooperation in this audit. Please contact Nathan Sarina at (415) 703-1555 or by email at nathan.sarina@cpuc.ca.gov if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission

cc: Susie Richmond, PG&E Gas Regulatory Support
Mike Bradley, PG&E
Kenneth Bruno, SED
Terence Eng, SED
Kelly Dolcini, SED

I. PG&E's Internal Inspection Findings

Prior to the start of the inspection, PG&E provided SED its findings from the internal review it conducted of the District. Some of the internal review findings are violations of PG&E's operations and maintenance standards, and are therefore violations of Title 49 Code of Federal Regulations. Table 1 lists PG&E's internal findings.

Table 1: Hinkley District Internal Review Findings

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a)	4	Calibration Verification for leak survey instruments used for Gas Transmission Station leak survey was not documented per TD-4110P-21 F04/F05.	Hinkley District Maintenance Personnel received a refresher review on completing compliance documentation.	9/7/2017
192.605(a)	2	The requirements for annual service of the automatic sprinkler systems according to procedure TD-4430P-02 Attachment 6 were not performed in 2015 and 2016.	The annual service has been performed by a qualified vendor. Additionally CAP item 113225335 has been created to address this issue.	9/7/2017
192.605(a)	3	Pilot operated regulator runs were not swapped as required by TD-4540P-01 at Barstow C, Harper Lake and Rabbit Springs Stations.	Barstow C, Harper Lake and Rabbit Springs have all had runs swapped. Virtual learning session, Gas9232VL is a mandatory requirement for GPOM supervisors and their direct reports. The intent of the training is to assist employees in understanding documentation requirements.	11/15/2016 9/7/2017 2/7/2017
192.605(a)	1	Supervisor review of Regulator Station Maintenance was not conducted in a timely manner according to procedure TD-4540P-01.	Hinkley District Maintenance Personnel have received a refresher course.	9/7/2017
192.605(a)	3	Filters to Regulator/Monitor Control valves were not replaced as required by TD-4545P-10 at stations Pisgah, PLS 3A and Kern Daggett.		9/7/2017
192.605(a)		Procedure TD-4545-01 requires under recordkeeping that a field which is not applicable be indicated as such. Hinkley District left fields blank	The procedure owner was notified in May 2016 of the inability to modify the forms for data entry that is non-applicable. CAP Item 113170002 was created to	9/7/2017

		until 7/11/2017	evaluate the need for this requirement. Additionally a data cleanse project has been implemented system wide.	
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PG&E’s Response:

All corrective actions related to PG&E’s Internal Review Findings at the Hinkley District were remediated prior to the start of the 2017 CPUC Hinkley District Audit. This was confirmed with the lead SED Inspector by telephone on 1/12/2018. Attached, please find attachment 1 – “Hinkley 2017 Internal Review Summary”.

SED’s Conclusion:

SED opted not to impose a fine or penalty at this time since the violations did not create any hazardous conditions for the public or utility employees. SED may opt to test the corrective actions at a future date.

II. Probable Violations

No apparent violations noted by SED during inspection.

III. Area of Concern/Observations/Recommendations

During field inspections, SED observed the following:

1. At L-300A MP 108.39 and L-300B MP 147.92 exposed pipe was observed. Please provide PG&E’s plan of action for those locations.

PG&E’s Response:

- a. L-300A MP 108.39 - This section of exposed pipe was discovered by Pipeline Patrol on 2/3/2015. Projects in the Shallow and Exposed Pipe program are prioritized by HCA and risk (consequence of failure and likelihood of failure factors). This project has been prioritized outside of the 2019 rate case. Therefore, the construction year will be beyond 2022 due to its low occupancy (class 1 location, non-HCA) and low risk. The location is currently monitored during the annual leak survey by the local Hinkley Gas Pipeline Operations & Maintenance (GPOM) crew and will continue to be monitored until completion of the project. In addition, special patrols will be performed following heavy rain occurrences. Attached, please find attachment 2 - "FIMP Scope Doc L-300A".
- b. L-300B MP 147.92 - This project has been prioritized for 2018 construction per PSRS (Project Status Reporting System) 27947. Completion is currently estimated for the 4th quarter of 2018. Attached, please find attachment 3 - "PSRS 27947 Detail Report L-300B".

SED’s Conclusion:

- a. SED determined that the plan of action described by PG&E sufficiently addresses the concern. SED may opt to revisit this concern should there be a change in situation.
- b. SED determined that the proposed plan by PG&E sufficiently addresses the concern. SED may opt to visit the project site at L-300B MP 147.92 in PSRS 27947 during construction.

2. At L-314 MP 22.21, significant erosion has been observed behind and around the PG&E constructed retaining wall with the washout area approximately 18 feet from the pipeline. Please provide PG&E's plan of action for this location.

PG&E's Response:

L-314 MP 22.21 - The erosion at this location has been scoped into the Shallow and Exposed Pipe program per PSRS 29802. Currently, as noted in the AOC, there is no exposure of the pipeline. Projects in the Shallow and Exposed Pipe program are prioritized by HCA and risk (consequence of failure and likelihood of failure factors). This project has been prioritized outside of the 2019 rate case. Therefore, the construction year will be beyond 2022 due to its low occupancy (class 1 location, non HCA) and low risk. The location is currently monitored as part of a monthly leak survey by the local Hinkley Gas Pipeline Operations & Maintenance (GPOM) crew and will continue to be monitored until completion of the project. In addition, special patrols will be performed following heavy rain occurrences. Attached, please find attachment 4 - "PSRS 29802 Detail Report L-314".

SED's Conclusion:

SED determined that the plan of action described by PG&E sufficiently addresses the concern. SED may opt to revisit this concern should there be a change in situation.