

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 23, 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-2017-04-PGE-09-02C

Re: SED's closure letter for the General Order (GO) 112 Gas Inspection of PG&E's Humboldt Division

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Pacific Gas & Electric Company's (PG&E) response letter dated June 15, 2017 for the findings identified during the General Order (GO) 112 inspection of PG&E's Humboldt Division (Division) which was conducted from April 25 through 28, 2017.¹

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

This letter serves as the official closure of the 2017 GO 112 inspection of PG&E's Humboldt Division 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 inspection. Please contact Wai Yin (Franky) Chan at (415) 703-2482 or by email at Wai-Yin.Chan@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

Enclosure: Summary of Inspection Findings

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

¹ 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 Humboldt Division (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). SED is aware that PG&E corrected some of its findings prior to SED's inspection. Table 1 lists all of the violations from PG&E's internal review.

Table 1: PG&E's Internal Review

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
192.605(a)	2	Regulator station datasheet and maintenance form were not filled out properly in 2016.	Datasheet and maintenance form were updated. These findings have been discussed with the supervisor and employees in an effort to minimize the discrepancies going forward. In addition, a Gas Compliance desk has been added for another level of records review.	10/26/2016
192.805(b)	5	Gas services disconnected by personnel with lapsed operator qualifications.	Supervisors are to scan each employee's operator qualification card periodically to ensure each employee has the proper qualification to perform covered tasks. Supervisors also have communicated with employees their responsibility to ensure they have proper qualifications before performing work. Operator qualification testing is scheduled in June 2017 in Eureka.	June 2017

Please provide SED a status update on the internal findings that remediation were not completed as of April 28, 2017.

PG&E's Response:

"There was 1 finding from the Humboldt Division IRSF that has not been completed and requires a status update.

Finding: Gas services disconnected by personnel with lapsed operator qualifications.

Initial Response: Supervisors are to scan each employee's operator qualification card periodically to ensure each employee has the proper qualification to perform covered tasks. Supervisors also have communicated with employees their responsibility to ensure they have proper qualifications before performing work. Operator qualification testing is scheduled in June 2017 in Eureka.

Updated Response: The affected employee successfully re-tested on this OQ the week of June 5th, 2017. Supervisor is monitoring work assigned to each employee on a daily basis to ensure employees are qualified to perform the work assigned to them.”

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since PG&E has created the necessary corrective action plans and the violations did not result in a hazardous condition to PG&E employees and the public.

II. Areas of Concern/ Observations/ Recommendations

1. During its field verification, SED found that the two L-177A exposed spans (mile points 189.5 and 190.2) had minor coating damages. On a post inspection response dated 5/4/2017, PG&E notified SED that the coating damages have been remediated by recoating with the wax tape method and the corrective work orders for L-177A mile points 190.2 and 189.5 are 43002511 and 43002510, respectively. This note serves as a record of the observation.

PG&E's Response:

"As noted in SED's inspection report, the corrective actions have already been completed and provided to SED."

SED's Conclusion:

SED has reviewed PG&E's response and acknowledges that the corrective actions have already been completed and provided to SED. SED may opt to review all the repair records and conduct field verifications of the remediation if necessary.

2. During SED's field verification on 4/27/2017, the Division conducted a leak recheck for a grade 3 leak at 2170 Hemlock Street, Eureka and upgraded the leak to grade 1 due to the short distance that the gas was detected from the residential structure. PG&E's construction crew stopped the leak and completed the repair on 4/28/2017. This note serves as a record of the observation.

PG&E's Response:

"As noted in SED's inspection report, the corrective actions have already been completed and provided to SED."

SED's Conclusion:

SED has reviewed PG&E's response and acknowledges that the corrective actions have already been completed and provided to SED. SED may opt to review all the repair records and conduct field verifications of the repair if necessary.

3. SED reviewed the Division's transmission exposed spans records and found that some of the intentional exposed spans do not meet PG&E's design standards for spans. Corrective actions are required to be completed within 39 months from the date of determination of the spans not meeting the standards. Please provide SED with a response indicating PG&E's corrective action plan and proposed remediation date for each of the exposed spans not meeting the standards.

PG&E's Response:

"The following (2) spans were identified as needing to be brought up to PG&E's design standard: L-177A MP 162.335-162.337 and L-177A MP 189.925-189.927"

The corrective remediation plan is to convert these pipe segments into 'intentional spans' so that they are incorporated into our maintenance cycle for spans. In addition, we plan

to bring these spans up to standards (meaning installation of a proper air-to-soil transition as well as recoating the pipe).

This remediation plan will be completed before the '39 months from discovery', therefore all work will be completed by Q2-2020."

SED's Conclusion:

SED has reviewed PG&E's response and determined that the proposed corrective actions plan articulated by PG&E sufficiently address SED's concern. SED may request for an update of the progress of the remediation if necessary.