

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 20, 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-2017-10-PGE16-02ABC

SUBJECT: Safety and Enforcement Division closure letter for the General Order 112-F  
Inspection of Kern Division 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 February 22, 2018 for the findings identified during the General Order (GO) 112-F inspection of PG&E's Kern Division which was conducted from October 23 through October 27, 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 Kern Division 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](mailto: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 Division. 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: PG&E's Internal Review Kern Division**

<b>Code Section</b>	<b># of Non-Compliance</b>	<b>Finding Description</b>	<b>Corrective Action</b>	<b>Remediation Date</b>
192.465	9	Annual reads were not taken.	All points have been read	5/11/2016
192.465	2	2 read locations where ETS points were not added into the asset registry and had no maintenance plans.	Equipment was entered into the asset registry and reads were completed. Additionally asset strategist will be reviewed for completeness prior to closure of RW.	9/26/2016
192.805	1	Employee did not have the necessary operator qualification for the work being performed.	CAP 7028542 – Was found during a field quality evaluation. Employee was stopped and work was rescheduled with a qualified employee. Employee was subsequently qualified for the work.	3/3/2016 5/11/2016
192.605(a)	17	Leak survey areas were not designated on plats according to procedure.	All maps and logs reconciled to ensure surveys completed within compliance timeframe.	2/17/2017
192.605(a)	4	Grade 2 leak rechecks were performed late.	CAP#113093923- All leaks have been rechecked.	7/26/2017
192.605(a)	4	Semi-Annual leak surveys were completed late 18 days late.	All leak surveys have been completed.	12/6/2014
192.619	1	As part of the MAOP Validation process a location was identified near an MAOP separation valve that was not tested to the appropriate test pressure	In 2016 this piping was replaced.	12/31/2016
192.619	1	While reviewing documentation for an upcoming hydrotest project it was found that FT314/DCUST2450 rebuild in 2013 did not have a Strength Test Pressure Report.	CAP 112933224 – Engineering and design group will determine necessary remedy, based on compliance matrix “valve or piping underrated for MAOP.”	Due 6/6/2018

192.705	1	Pipe segment not ground patrolled within 4.5 months.	CAP 7035569 – Pipe segment was ground patrolled.	9/1/2016
192.605(a)	1	SCADA maintenance was not documented in 2015	CAP#7033651: Maintenance was completed during the next maintenance cycle in 2016	7/22/2016
192.605(a)	5	Supervisor did not review regulator station maintenance documentation within 30 days.	Records were reviewed late.	11/19/2015
192.805	1	Maintenance was performed by an unqualified employee	CAP 703650: Division crew will receive a refresher on TD-4016S & tailboard on Span of Control	8/5/2016
192.605(a)	2	Valve service history had no date of review or supervisor LANID	Supervisor added LAN ID and date to record. Additionally in order to prevent reoccurrence, working with Compliance Desk, Scheduler and in the process of going to a new system AMBBS that will become PG&E's source of record.	10/7/2015
192.605(a)	4	Tap station valves not maintained.	CAP # 7033862: updated maintenance forms to properly track valve maintenance and Division crew will receive a refresher on TD-4430P-04.	3/30/2016

**PG&E's Response:**

A pressure test was completed on 11/2/2017. No leaks were found. Please see 4307357 D314 STPR\_CONF.pdf for reference

**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 review the corrective actions at a future date.

**II. Probable Violations**

1. Title 49 CFR §192.481(a) states in part: "Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: Onshore..... At least once every 3 calendar years but with intervals not exceeding 39 months..."

During SED's review, SED discovered that as of 10/27/2017, PG&E had 10,496 meter set assemblies overdue for inspection from the 2016 calendar year that still had not been inspected.

2. Title 49 CFR §192.605(a) states in part: "General. Each operator shall prepare and follow for each pipeline, a manual of written procedures...."

SED reviewed Kern Division's 2017 exposed span inspections records and found that the Division did not document its inspections with Form TD-4188-02-F01 as required by PG&E procedure TD-4188-02. An outdated form had been used instead. One example noted was the inspection of Kern River Crossing L142N.

### **PG&E's Response:**

1. PG&E recognizes CGIs as a problem. PG&E has developed a comprehensive plan to include all CGI issues (please see: '2018 AC-CGI reduction plan.pdf'). PG&E plans to address existing CGIs, along with any new CGIs, by integrating them into work streams. For example, at premises where AC CGI and Leak CGI exist, the GSR will be able to complete both inspections. Tools for tracking and coordinating were put in place in 4<sup>th</sup> quarter 2017, thereby allowing the completion of multiple CGI's by 1 resource. Currently, PG&E does not have a specified target date for clearing of all existing CGIs and has created CAP 7001726 to address the Atmospheric Corrosion (AC) CGIs and CAP 7003162 to address the Leak Survey CGIs.

PG&E will provide monthly updates until resolution of the current AC and Leak Survey CGIs have been closed. Please see attached 'CPUC Monthly Report Jan 2018.xlsx' for the latest submittal.

2. PG&E acknowledged this finding as an error during the audit. The employees had inadvertently used an outdated form. The supervisor has discarded all previously printed versions of the form in the office. For the specific example noted (inspection of Kern River Crossing (L142N) the data was transferred to the new form during the audit and shown to the auditor.

### **SED's Conclusion:**

1. 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 review the corrective actions at a future date.
2. 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 review the corrective actions at a future date.

**III. Area of Concern/Observations/Recommendations**

1. During field inspections, SED observed low pipe-to-soil reads, as shown in Table 2.

Table 2. Low pipe-to-soil reads.

Pipe-to-Soil Reads (mV)	Address
-0.695	3505 Crest Drive, Bakersfield
-0.818	544 Sperry Ave, Bakersfield
-0.843	982 Ramos, Greenfield
-0.509	1503 Bernard Street, Bakersfield
-0.840	1115 Scott Court, Ridgecrest
-0.811	610 Felspar Ave, Ridgecrest
-0.471	Burroughs High School, Ridgecrest

Please provide an update.

2. During the field inspections, the inlet fire valve V-1 at Regulator Station D-103 was inoperable. Please provide an update.

**PG&E’s Response:**

1. The status for each of these low reads is as follows:

Address	PG&E Response
3505 Crest Drive, Bakersfield (-0.695)	Per PG&E Procedure TD- 4181P-201, this low read is being worked as a “trouble shoot” and will be corrected and repaired within 12 months of discovery. This is being tracked under Notification 114314472.
544 Sperry Ave, Bakersfield (-0.818)	Per PG&E Procedure TD- 4181P-201, this low read is being worked as a “trouble shoot” and will be corrected and repaired within 12 months of discovery. This is being tracked under Notification 114314478.
982 Ramos, Greenfield (-0.843)	Per PG&E Procedure TD- 4181P-201, this low read is being worked as a “trouble shoot” and will be corrected and repaired within 12 months of discovery. This is being tracked under Notification 114314479.
1503 Bernard Street, Bakersfield (-0.509)	Per PG&E Procedure TD- 4181P-201, this low read is being worked as a “trouble shoot” and will be corrected and repaired within 12 months of discovery. This is being tracked under Order# 42795046.
1115 Scott Court, Ridgecrest (-0.840)	Notification 113190633 was created to install anodes to bring the Ridgecrest area CP reads up. Per PG&E Procedure TD- 4181P-201 re-reads will be completed within 12 months of discovery.
610 Felspar Ave, Ridgecrest (-0.811)	Notification 113764609 was created to install anodes to bring the Ridgecrest area CP reads up. Per PG&E Procedure TD- 4181P-201 re-reads will be completed within 12 months of discovery.
Burroughs High School, Ridgecrest	Notification 114314535 was created to install anodes to bring the Ridgecrest area CP reads up. Per PG&E Procedure TD- 4181P-

(-0.471)	201 re-reads will be completed within 12 months of discovery.
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2. Project 74017302 was created on October 26, 2017 to repair Valve-1. An AMC was put in place for the inlet valve at D-103. Per PG&E procedure TD-4430P-04 and TD-4430B-005, this valve will be repaired before 10/26/18.

**SED's Conclusion:**

1. SED reviewed PG&E's response and acknowledges that the plans for the necessary corrective actions have been scheduled. SED may opt to review the repair records and conduct field verifications after the repairs have been completed.
2. SED reviewed PG&E's response and acknowledges that the plan for the necessary corrective action has been scheduled. SED may opt to review the repair records and conduct field verifications after the repair has been completed.