

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 30, 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-PGE-16-02ABC

SUBJECT: General Order 112-F Gas Inspection of PG&E's Kern Division

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112-F inspection of Pacific Gas & Electric Company's (PG&E) Kern Division (Division) on October 23- October 27, 2017. The inspection included a review of the Division's records for the period of 2014 through 2016, as well as a representative field sample of the Division's facilities. SED staff also reviewed the Division's operator qualification records, which included 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. The Summary reflects only those particular records and pipeline facilities that SED inspected during the inspection.

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.

If you have any questions, please contact Nathan Sarina at (415) 703-1555 or by email at Nathan.Sarina@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 Compliance
Susie Richmond, PG&E Gas Regulatory Compliance
Kelly Dolcini, SED

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 PG&E's Kern Division. Table 1 lists all of the violations from PG&E's internal review. 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. Please provide updates to the items that were still pending by the end of the inspection.

Table 1: PG&E's Internal Review Kern Division

Code Section	# of Non-Compliance	Finding Description	Corrective Action	Remediation Date
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

B. SED Findings

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.

II. Areas 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.