

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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November 7, 2013

GA2012-10

Ms. Jane Yura, Vice President
Pacific Gas and Electric Company
Gas Operations – Standards and Policies
6121 Bollinger Canyon Road, Office #4460A
San Ramon, CA 94583

SUBJECT: General Order 112-E Pacific Gas and Electric Company Operator Qualification Program Audit

Dear Ms. Yura:

The staff of the Safety and Enforcement Division (SED) of the California Public Utilities and a representative from the Pipeline and Hazardous Materials Safety Administration conducted a General Order 112-E audit of Pacific Gas and Electric (PG&E) Company's Operator Qualification (OQ) Program on October 22 – 26, 2012.

A Summary of Audit Findings (Summary), which contains probable violations 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 recommendations within 30 days from the date of this letter. SED will notify PG&E of the enforcement actions it plans to take in regard to each of the probable violations found during the audit, pursuant to Commission Resolution ALJ-274, after it has an opportunity to review PG&E's response to the findings included in the Summary.

For any questions related to this matter, please contact Adriana Crasnean at (213) 620-2598, or by email at adrana.crasnean@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Michael Robertson".

Michael Robertson, Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Summary of Audit Findings

cc: Dennis Lee – SED/GSRB
Kan-Wai Tong – SED/GSRB
[REDACTED] – PG&E

Summary of Audit Findings
PG&E Operator Qualification Program
October 22-26, 2012

I. Violations

1. Title 49, Code of Federal Regulations (CFR), § 192.805 Qualification Program.

"Each operator shall have and follow a written qualification program."

SED reviewed PG&E's OQ Program and determined that it did not follow its own procedures. SED determined the following deficiencies:

a) PG&E did not follow its own procedure and document individuals' evaluations. Several evaluation records were not available during the audit. PG&E explained to SED staff that PG&E does not retain evaluation documentation. PG&E's OQ Plan, Section 1.1.10, last paragraph states,

"All department managers / superintendents / supervisors share the responsibility to ensure that the skill evaluations have been completed for the employees with gas covered task responsibilities in their areas and that the evaluations were properly documented".

Therefore, PG&E is in violation of Title 49 CFR § 192.805 for not following its procedures.

b) PG&E did not follow its own procedure and evaluate all individuals performing covered tasks for their capabilities to recognize and react to Abnormal Operating Conditions (AOC).

PG&E OQ Plan, Section 1.1.1, states:

"All individuals who operate and maintain pipeline facilities:

- be qualified to operate and maintain the pipeline facilities, and
- have the ability to recognize and react appropriately to abnormal operating conditions that may indicate a dangerous situation or a condition exceeding design limits."

In addition, PG&E OQ Plan, Section 1.2.4, when addressing criteria for the evaluator, states:

"He or she, through knowledge or experience, must only be able to: ascertain participant's ability to perform a covered task, and substantiate an individual's ability to recognize and react appropriately to abnormal operating conditions that might occur while performing the task".

SED staff reviewed PG&E's OQ records and concluded that it did not evaluate all individuals who perform covered tasks for their capability to recognize and react to AOCs. Therefore, PG&E is in violation of Title 49 CFR § 192.805.

c) PG&E's OQ Plan, Section 1.2.6, states:

"The criteria below are applied to each covered task and classification to determine the appropriate evaluation frequency for that task.

1. Repetitive nature
2. Level of risk
3. Complexity
4. Existence of checks and balances, such as:
 - (a) Checklists; written plans
 - (b) Follow-up actions
 - (c) Audits
 - (d) Job aids
5. Regulatory requirements
6. Gas Standards and Specification materials
7. Written materials
8. Work performance history
9. Observation during:
 - (a) Performance on the job
 - (b) Simulation
 - (c) Other form
10. OJT support"

In Addition, PG&E OQ Plan, Section 1.2.6.1, states:

"Re-qualification intervals for all covered tasks shall not exceed five (5) years for each covered task."

PG&E used across the board five year reevaluation intervals for all covered tasks and failed to determine task specific reevaluation intervals for each covered task by taking into consideration the Difficulty, Importance, Frequency Analysis, Safety, Complexity, Risk Analysis, or Consequences if the covered tasks were incorrectly performed.

By not including the requirements of the above procedures in determining the Re-qualification Intervals for all covered tasks, PG&E is in violation of Title 49 CFR § 192.805.

d) PG&E's OQ Plan, Section 1.1.11, "Audit Schedule and Responsibility", states:

"The System Gas Operator Qualification Program Coordinator will maintain a list of all Local Gas Operator Qualification Plan Coordinators. The SGOQPC will audit the LGOQPC annually, or more often if needed, to verify all copies of the plan are up to date and to initiate changes if any copies are not up to date. The annual audit shall be documented."

In addition, PG&E OQ Plan, Section 1.1.12, "Annual Review and Responsibility", states:

"The Local Gas Operator Qualification Plan Coordinator/Local Supervision will at a minimum annually review the list of covered tasks and subtasks with covered and non-covered employees. The annual review shall be documented on an original signed roster".

PG&E did not document its review of the following sections of its OQ Plan as listed in Table 1 since 2009:

Document	Review Date
PG&E Gas Operator Qualification Plan Part I	06/29/2009
PG&E Gas Operator Qualification Plan Part II	01/14/2003
Gas Operator Qualification Justification Process	01/13/2003

Table 1

By not annual reviewing and documenting its OQ Plan as required, PG&E is in violation of Title 49 CFR § 192.805.

e) PG&E did not follow the second part of its OQ Plan, Section 1.1.11, "Audit Schedule and Responsibility", which states:

"The LGOQPC must notify the director responsible for the plan when annual review is completed. The report shall include audit findings and an action plan to correct any deficiencies".

PG&E identified issues in its periodic review of the effectiveness of its OQ Plan, but failed to initiate corrective action. PG&E made changes to its procedures and covered tasks, but did not update other sections of its OQ Plan to reflect the changes. For example, Section 1.5.2, of the PG&E OQ Plan includes by reference another procedure: SH&C 202, "Incident Notification, Investigation, and Analyses Procedure". PG&E explained to SED staff that this procedure is no longer used by PG&E. Instead, the OQ Plan should refer to the updated procedure "1465-02 Gas Event", currently used by PG&E.

By not revising all relevant sections of its OQ Plan, PG&E is in violation of Title 49 CFR § 192.805.

2. Title 49 CFR, § 192.805 (a) Qualification program.

(a) *"Identify covered tasks"*

PG&E did not identify some applicable covered tasks in its OQ Plan. These tasks include welding, non-destructive testing, excavation, compressor station maintenance, meter installation and maintenance, regulator installation and maintenance, backfilling, service line installation and repair.

By not including the above covered tasks in its OQ Plan, PG&E is in violation of Title 49 CFR § 192.805(a).

3. Title 49 CFR, § 192.805 (b) Qualification Program.

(b) *"Ensure through evaluation that individuals performing covered tasks are qualified."*

PG&E's OQ Records indicate that it does not consistently apply its covered tasks evaluation methods throughout its OQ Program. For example, PG&E qualified some individuals based on observation by simulation while others were qualified based on knowledge tested using an oral or written test.

By not having a consistent method of evaluation for the same covered tasks, PG&E is in violation of Title 49 CFR § 192.805(b).

PG&E must establish a task specific evaluation method that it will consistently use across its OQ Program to ensure as required by Title 49 CFR, Part 192.803, that

“Qualified means that an individual has been evaluated and can:

- (a) Perform assigned covered tasks; and*
- (b) Recognize and react to abnormal operating conditions.”*

a. PG&E’s OQ Plan does not require evaluation of generic AOCs. At its annual “Gas Operator Qualification Plan AOC” seminars, PG&E communicates the generic AOCs to the attendees. However, PG&E does not evaluate the attendees at the seminar.

By not including the generic AOCs in the evaluation process, PG&E is in violation of Title 49 CFR § Part 192.805(b).

b. PG&E’s OQ evaluation process does not identify AOC specific tasks for each covered task. SED reviewed eight covered tasks and found that six did not include any AOC questions and two had written test evaluation questions that were not relevant to the specific covered tasks. The eight covered tasks SED reviewed are in Table 2:

Task Name	AOC included in the evaluation	Comments
Distribution Composite Leak Repair	No AOC	Attachment #2
Distribution Pipe Coating – Tape / Paint	No AOC	Attachment #3
F.S. Mechanical Repair	No AOC	Attachment #4
Pipe Replacement	No AOC and test questions are not relevant to the covered task	Attachment #5
Weld Repairs	No AOC and test questions are not relevant to the covered task	Attachment #6
Mechanical Repair - Steel	No AOC	Attachment #7
Atmospheric Corrosion / Monitor	One AOC	Attachment #8
Pipe-to-Soil Reads	One AOC	Attachment #9

Table 2

PG&E must ensure through evaluation that individuals performing covered tasks are qualified. By not including in its evaluation process questions about AOC specific tasks, PG&E is in violation of Title 49 CFR § 192.805(b).

4. Title 49 CFR, § 192.805 (f) Qualification Program

“(f) Communicate changes that affect covered tasks to individuals performing those covered tasks;”

PG&E's OQ Plan, Section 1.7.1, "Communicate Changes" does not include a provision to identify how changes to the procedures, tools standards and other elements used by individuals in performing covered tasks are communicated to its contractors and how these changes are implemented in the evaluation process.

By not including its contractors in the Communicate Changes process, PG&E is in violation of Title 49 CFR § 192.805(f).

5. Title 49 CFR, § Part 192.807 (b) Recordkeeping

“(b). Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task.”

PG&E did not have a complete record of evaluation for individuals qualified to perform covered tasks. SED found that some evaluation records for oral tests and observations of simulation were missing. PG&E explained to SED staff that PG&E does not retain evaluation documentation.

By not retaining complete records of evaluation for individuals qualified to perform covered tasks, PG&E is in violation Title 49 CFR § 192.807(b).

6. Title 49 CFR, § Part 192.809 (e) General.

“(e) After December 16, 2004, observation of on-the-job performance may not be used as the sole method of evaluation.”

PG&E's OQ Plan, Section 1.3.2.1, "Method of Qualification Evaluation", states:

"Performance-based qualification evaluation is used for the initial qualification."

In addition, Section 1.3.3.2, "Method of Qualification Evaluation", states:

"The Company will use performance-based evaluation when doing subsequent qualification."

PG&E cannot use observation of on-the-job performance as a sole method for evaluation for a person initially or subsequently qualified to perform a cover task after December 16, 2004. Therefore, PG&E is in violation of Title 49 CFR § 192.809(e).

PG&E must review and revise its OQ Plan to ensure that it does not use observation of on the job performance as the sole method for evaluation of a person initially or subsequently qualified to perform a covered task.

II. Recommendations

1. Title 49 CFR, §192.3 Definitions.

"Pipeline facility means new and existing pipeline, rights-of-way, and any equipment, facility, or building used in the transportation of gas or in the treatment of gas during the course of transportation."

PG&E Pipeline Facility definition included in its OQ Plan, Section 1.1.2 Definitions, states:

"Pipeline Facility: all parts of those physical facilities, owned and operated by the company, through which gas moves in the course of transportation, including distribution, transmission, and gathering lines".

SED discovered that PG&E's definition of pipeline facility does not clearly address all facilities it owns and operates such a "rights of way". PG&E should revise its definition of pipeline facility to be consistent with 49 CFR, §192.3.

2. Title 49 CFR, § Part 192.805 (c) Qualification Program.

"(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;"

PG&E's OQ Plan, Section 1.1.4 (c), "Plan Requirements", states:

"...ensure that non-qualified individuals performing a covered task are supervised by a qualified individual".

In addition, Section 1.1.10, "Local Responsibility", states:

"All employees are also responsible for performing without supervision only those covered tasks for which they have been qualified under this plan."

PG&E should change "supervised" by a qualified individual with "directed and observed" by a qualified individual, to be consistent with 49 CFR § 192.805 (c).