



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

**CITATION FOR VIOLATION(S)
ISSUED PURSUANT TO RESOLUTION ALJ-274
OF GENERAL ORDER 112-E**

Gas Corporation (Operator): Pacific Gas & Electric Company
To Which Citation Is Issued

RESPONDENT:

Mr. Jesus Soto, Vice President
Pacific Gas & Electric Company
6111 Bollinger Canyon Road, Room 4590-D
San Ramon, CA 94583

CITATION:

Operator is hereby cited for three violations for a total citation of \$150,000.

VIOLATIONS:

Operator is cited with having violated General Order 112-E, as described below. These violations occurred during the period 2001 through 2012.

- 1. Title 49, CFR, § 192.605 Procedural manual for operations, maintenance, and emergencies.**

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.

Safety and Enforcement Division (SED) noted that Pacific Gas & Electric (PG&E) does not currently have a written quality control (QC) and quality assurance (QA) procedures which its personnel follow for normal operation and maintenance activities conducted to assure safe and reliable gas service. PG&E explained that it is in the process of establishing a Gas Compliance Assurance Program (GasCAP) Procedure to provide a uniform process for implementing the Gas Compliance Program for the Distribution and Transmission Divisions and Districts within the Gas Maintenance and Construction Organization.



Public Utilities Commission

STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

PG&E must establish written QC and QA procedures and implement the GasCAP to ensure that all necessary normal operations, maintenance, inspections, and testing activities it performs are in accordance with the applicable rules and standards and within allowed timeframes. Moreover, PG&E must ensure that it properly trains all of its affected employees to execute the GasCAP effectively and efficiently throughout the organization.

PG&E must implement this program throughout the company consistently and document the outcome of QC activities and compliance of the rules. Additionally, PG&E must ensure that corrective actions are taken to improve the quality of all field activities and corresponding record keeping and that the affected programs, manuals, plans, rules, standards, and procedures are complied with.

2. Title 49, CFR, § 192.605 Procedural manual for operations, maintenance, and emergencies.

(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(1) Responding to, investigating, and correcting the cause of:

- (i) Unintended closure of valves or shutdowns;*
- (ii) Increase or decrease in pressure or flow rate outside normal operating limits;*
- (iii) Loss of communications;*
- (iv) Operation of any safety device; and*
- (v) Any other foreseeable malfunction of a component, deviation from normal operation, or personnel error, which may result in a hazard to persons or property.*

(2) Checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation.

(3) Notifying responsible operator personnel when notice of an abnormal operation is received.

(4) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

PG&E refers to its Gas Safety and Emergency Response Plan (GERP) as addressing the requirements of abnormal operation procedures for transmission lines required by Title 49, CFR §192.605(c). PG&E's GERP addresses emergency response procedures; however, it does not satisfy the procedural requirements of transmission line abnormal operations per Title 49, CFR §192.605(c).



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

SED determined that the guidance materials provided by PG&E do not specifically and adequately address each type of abnormal operation defined by Title 49, CFR §192.605(c), nor do they clearly provide the appropriate response based on the situation and facilities involved.



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

ENCLOSURES:

The following enclosures were used to establish the findings of fact:

1. *Enclosure 1 – SED Investigation Report, dated August 27, 2014*
2. *Enclosure 2 – SED 2013 PG&E Operation, Maintenance, and Emergency Audit, dated June 27, 2013*
3. *Enclosure 3 – PG&E Response to Operation, Maintenance, and Emergency Audit Report, dated July 29, 2013*

STATEMENT OF FACTS:

The above violations are documented in the attached *Enclosure 1 – SED's Investigation Report* which is based on one or more of the following: SED's review of the 2013 PG&E Operation, Maintenance, and Emergency Plan Audit, PG&E's response to the audit findings, Operator's records and/or substantiating documents obtained from other sources, or other reasons as stated in the attached report.



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

SED CITATION ANALYSIS

Element of Sentencing Schedule	Staff Finding
Number of violation (s) and duration of violation (s) since inception	Two violations of Title 49 CFR §192.605(b)(8) and one violation of §192.605(c)
Severity of the offense: overall level of risk of violation(s)	These violations contributed unnecessary risk to the utility's operations prior to corrective action
The conduct of the utility before, during, and after the offense	The utility is being cooperative and has undertaken corrective actions
Previous occurrence of similar violations by the utility	N/A
Self-reporting of the violation	Not self-reported. Violations found as a result of SED 2013 PG&E OM&E Audit
Indication of the violation (s) being willful	No
Actions taken by the utility to address the violation	Please see Enclosure 2
Associated safety related condition	N/A
Financial resources of the utility	4.3 Million customers, \$715 Million Revenue requirement
The totality of the circumstances	SED considered the factors of Public Utilities Code § 2104.5 in its citation determination
Other factors deemed relevant by SED	See Enclosure 1
Resultant Citation Taking All Of These Factors Into Account	\$150,000.00



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

RESPONSE:

Respondent is hereby called upon to provide a response to this Citation by: **5:00 PM (PST) on February 9, 2015.**

By way of such response Respondent, **within 10 calendar days**, may either:

- (1) Correct the violations with any immediate safety hazard requiring immediate correction as soon as feasible, and/or submit a Compliance Plan to the Director of SED for correcting those violations requiring more than 10 days to correct, **and** pay a fine pursuant to Pub. Util. Code § 2107. (Submit a check payable to California Public Utilities Commission using the attached *Citation Payment Form*. Upon payment, the fine will be deposited in the State Treasury to the credit of the General Fund and this citation will become final); **or**
- (2) Confirm that the violation(s) noted in this Citation have been corrected and/or otherwise do not present an on-going safety hazard to the Operator's employees and the general public, and/or submit a Compliance Plan to the Director of SED for correcting those violations requiring more than 10 days to correct, **and** contest this citation by completing and submitting a *Notice of Appeal Form*. Please see the attached document, "Directions For Submitting An Appeal To A Citation Issued Pursuant To Resolution ALJ-274" for information on the appeals process and the attached "Notice of Appeal Form". Also attached is a copy of Resolution ALJ-299 including Appendices A and B.

Respondent's failure to provide a response, as noted above, within 10 calendar days from the date the citation is served, will place Respondent in default of the citation and will result in forfeiture of Respondent's rights to appeal the citation. A late payment will be subject to a penalty of 10% per year, compounded daily and to be assessed beginning the calendar day following the payment-due date. The Commission may take additional action to recover any unpaid fine and ensure compliance with applicable statutes and Commission orders.

NOTIFICATION TO PUBLIC AGENCIES:

As soon as is reasonable and necessary, and no later than 10 calendar days after service of the citation is effected, Respondent must provide a notification to the City Manager or similar local agency authority in the city and county where a citation is issued. Within 10 days of providing such notification, Respondent must serve an affidavit to the Director of SED, at the mail or e-mail address noted below, attesting that the local authorities have been notified; the date(s) for when notification was provided; and the name(s) and contact information for each local authority so notified.



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

The CPUC expects Operators to take actions, as soon as feasible, to correct, mitigate, or otherwise make safe all violations noted on the Citation regardless of the Operator's intentions to accept or appeal the violation(s) noted in the Citation.

A handwritten signature in black ink, appearing to read "Elizaveta Malashenko", written over a horizontal line.

Elizaveta Malashenko

Deputy Director

Office of Utility Safety and Reliability

Safety and Enforcement Division

California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

elizaveta.malashenko@cpuc.ca.gov



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015
Citation #: ALJ 274 15-01-004
Operator ID#: 15007

CITATION PAYMENT FORM

I (we) _____ hereby agree to comply with this citation dated _____, and have corrected/mitigated the violation(s) noted in the citation on _____ and no later than _____, all work to make permanent corrections to any mitigated, or otherwise remaining concerns related to the violation(s) will be completed as noted in the Compliance Plan we have submitted to the Director of SED and, herewith, pay a fine in the amount of \$ _____ as included in the citation.

Signature of Gas Corporation's Treasurer,
Chief Financial Officer, or President/CEO, or
delegated Officer thereof

(Signature) (Date)

(Printed Name and Title)

Payment with a check must be made payable to the **California Public Utilities Commission** and sent to the below address. Please include the citation number on the memorandum line of the check to ensure your payment is properly applied.

California Public Utilities Commission
Attn: Fiscal Office
505 Van Ness Avenue
San Francisco, CA 94102-3298

NOTE: A copy of the completed Citation Payment Form must be sent to the Director of the Safety and Enforcement Division, via email or regular mail, to the addresses provided on the Citation.



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

**DIRECTIONS FOR SUBMITTING AN APPEAL TO A CITATION
ISSUED PURSUANT TO RESOLUTION ALJ-274**

Within 10 calendar days of the Respondent being served with a **CITATION FOR VIOLATION(S) ISSUED PURSUANT TO RESOLUTION ALJ-274**, Respondent may appeal the citation. Beyond 10 calendar days of being served with the citation, Respondent is in default and, as a result, is considered as having forfeited rights to appeal the citation. The Respondent must still correct the violation(s) as feasible unless, within 10 calendar days from the date of service of the citation, the Respondent submits to the Director of SED, a Compliance Plan that provides a detailed description of when the violation(s) will be corrected, the methodology to be utilized, and a statement, supported by an affidavit from the Gas Corporation's Chief Executive Officer, that in the Respondent's best judgment, the time necessary to correct the violation(s) will not affect the integrity of the operating system or unduly endanger the public.

To appeal the citation, Appellant must file a Notice of Appeal (including a completed title page complying with Rule 1.6 of the Commission's Rules of Practice and Procedure, and attached Notice of Appeal Form) along with copies of any materials the Appellant wants to provide in support of its appeal with the Commission's Docket Office and must be served, at a minimum, on

- 1) The Chief Administrative Law Judge (with an electronic copy to:
ALJ_Div_Appeals_Coordinator@cpuc.ca.gov),
- 2) The Director of Safety and Enforcement Division
- 3) The Executive Director
- 4) General Counsel
- 5) The Director of the Division of Ratepayer Advocates

within 10 calendar days of the date on which the Appellant is served the Citation at the address listed below. The Appellant must file a proof of service to this effect at the same time the Appellant files the Notice of Appeal. The Notice of Appeal must at a minimum state: (a) the date of the citation that is appealed; and (b) the rationale for the appeal with specificity on all grounds for the appeal of the citation.

California Public Utilities Commission
505 Van Ness Ave,
San Francisco, CA 94102
Attn: <Insert Title>

NOTE: Submission of a *Notice of Appeal Form* in no way diminishes Appellant's responsibility for correcting the violation described in the citation, or otherwise ensuring the safety of facilities or conditions that underlie the violations noted in the Citation.



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

Ex Parte Communications as defined by Rule 8.1(c) of the Commission's Rules of Practice and Procedure, are prohibited from the date the citation is issued through the date a final order is issued on the citation appeal.

After SED receives the Appellant's *Notice of Appeal Form*, a hearing will be convened before an Administrative Law Judge. At least ten business days before the date of the hearing, the Appellant will be notified and provided with the location, date, and time for the hearing. At the hearing,

- (a) Appellant may be represented by an attorney or other representative, but any such representation shall be at the sole expense of the Respondent;
- (b) Appellant may request a transcript of the hearing, but must pay for the cost of the transcript in accordance with the Commission's usual procedures;
- (c) Appellant is entitled to the services of an interpreter at the Commission's expense upon written request to the Chief Administrative Law Judge not less than five business days prior to the date of the hearing; and
- (d) Appellant may bring documents to offer in evidence (Rule 13.6 (Evidence) of the Commission's Rules of Practice and Procedure applies) and/or call witnesses to testify on Respondent's behalf. At the Commission's discretion, the hearing in regard to the Appellant's appeal can be held in a hearing room at either of the offices of the CPUC at the following locations:

San Francisco:

505 Van Ness Avenue
San Francisco, CA 94102

Los Angeles:

320 West 4th Street, Suite 500
Los Angeles, CA 90013

The hearing(s) held in regard to the Appellant's appeal will be adjudicated in conformance with all applicable Public Utilities Code requirements.



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

Notice of Appeal Form

Appeal of PG&E from Citation ALJ 274 15-01-003 issued by Safety and Enforcement Division (For A Citation Issued Pursuant to Resolution ALJ-274)

Appellant:

Name
Vice President, Gas Operations
Gas Utility Name
Mailing Address
City, CA Zip

Citation Date:

Citation #: ____-____-____

Operator ID#:

Appeal Date: _____

"Appeal of [insert Operator Name] from [insert Citation number] issued by Safety and Enforcement Division"

Statements supporting Appellant's Appeal of Citation (You may use additional pages if needed and/or attach copies of supporting materials along with this form).



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: January 30, 2015

Citation #: ALJ 274 15-01-004

Operator ID#: 15007

Enclosures to Accompany Utility Appeal

Utility to add Enclosures as appropriate