

PUBLIC UTILITIES COMMISSION

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SAN FRANCISCO, CA 94102-3298



March 23, 2016

GI-2015-11-PGE29-07

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

SUBJECT: General Order 112 Audit of PG&E's Operator Qualification Program

Dear Mr. Singh:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112 audit of PG&E's Operator Qualification (OQ) Program from November 2-10, 2015.¹ 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 that SED reviewed during the audit.

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. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the inspection.

If you have any questions, please contact Sikandar Khatri at (415) 703-2565 or by email at Sikandar.Khatri@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: Gary F. Guerrero, PG&E Gas Regulatory Support
Larry Berg, PG&E Gas Regulatory Support
Larry Deniston, PG&E Gas Regulatory Support
Mike Falk, PG&E

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

No violations of Operator Qualification Plan were found during this audit.

II. Areas of Concern/ Observations/ Recommendations

1. Title 49 Code of Federal Regulations, §192.805(c) allows individuals that are not qualified to perform a covered task if directed and observed by an individual that is qualified. SED staff reported an observation made during a PG&E's Division audit. An individual who was not qualified performed a task and signed the required paperwork and therefore the impression that he was OQ qualified. The review of Operator Qualification (OQ) record revealed that he was not OQ qualified and was under training. Hence, SED recommended that only qualified people should sign the paperwork with notes for the individual who works under the direction and observation of the qualified person. It was suggested that PG&E should provide clear instructions in this regard in its relevant standards and procedures.
PG&E agreed with the recommendation. They produced a recent copy of Job Aid for additional leak repair form (A-form) which had instructions to employees in this regard. PG&E also mentioned that gradually these instructions would be included in other documents. PG&E further provided an update through email on 12/21/2015 that instructions in GAS-0134 Annual OQ Training curriculum would be included to reinforce the requirement. Please provide status update on this and any other document changes.
2. SED in previous OQ audit conducted in 2012, pointed out in violation # 2 that PG&E did not identify some applicable covered tasks in its OQ plan. PG&E agreed with this finding, and submitted that all tasks meeting four point criteria as outlined in Title 49 CFR, Part 192, Subpart N would be added to the OQ plan. PG&E in a presentation during this audit submitted that tasks related to service meter and regulator installation and maintenance, Non-Destructive Examination (NDE) and excavation safety are in development and will be completed by 12/31/2015. Additionally, "New Construction" tasks are also under development. SED stressed that tasks related to welding, compressor station maintenance, transmission station maintenance, plastic joining, Inline Inspection (ILI) and others that meet the criteria outlined in §192.801(b) need to be included. PG&E agreed with this observation. Please provide an update on all relevant tasks that have been developed and those that are in the process of development together with their completion dates.
3. SED observed that PG&E evaluates knowledge and performance of employees to qualify them for covered tasks initially and for subsequent requalification. However, it is important to make sure that the candidates are "fit-for-service", meaning they have physical ability such as strength to perform heavy duty jobs if required, appropriate vision, agility and mental ability to perform the task to the required standard. These abilities naturally change with time, and are important for both initial qualification and subsequent requalification. SED recommended assessing these components to avoid danger to employees and public. PG&E agreed with this observation. Please provide an update on what measures are being taken to address this.

4. TD-4008P-06 Section 2.2 states, “Ensure that the written portion of the evaluation (if one exists) was completed within 30 calendar days prior to administering the performance evaluation”.
Similarly, a NOTE in TD-4008P-04, Section 6.1. states, “If the participant fails the written test, they cannot move on to the performance evaluation.” The same is stated in Sections 6.3 and 6.4.
However, during the field visit and in office, SED was told that candidates could take written and performance tests in any order, meaning that performance test could be taken before the written test. SED recommended that as outlined in PG&E procedures, written test must be given first to evaluate the required knowledge before the performance test. Please provide an update on measures taken to address this observation.
5. SED staff visited OQ qualification sessions conducted at Stockton Division yard. It was observed that for tapping, two candidates were being qualified at the same time for performance component. PG&E explained that since it is a heavy job, and usually in practice also two people work together to perform the tapping, hence it allows the same for OQ qualification purpose. It was also explained that evaluator will ask questions from each candidate alternatively and confirm with the other candidate that whether the question was answered correctly.
SED staff pointed out that span-of-control ratio required for this task is 1:1; hence, only one candidate should be tested at a time. If another person is needed for assistance, he/she must already be qualified for that task. Hence, the person taking the test can answer all the questions. It is also important that although, helper can be a non-qualified person, but having a person qualified in the same task will be more appropriate to provide better assistance.
PG&E agreed with this observation and responded that this will be addressed. Please also look into all other tasks with similar situation, and provide an update on the action(s) taken to address this issue.
6. Title 49 Code of Federal Regulation, §192.805(c) states that:

“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 procedure TD 4008P-03, Section 1.1. states, “Unqualified personnel may perform a covered task under the direct observation of qualified personnel ...”

SED recommended that the language should be changed to “if directed and observed” as in §192.805(c). A similar change is required in all PG&E documents where it is meant to be that. Please provide an update.
7. PG&E has developed procedures TD-4008P-04 and TD-4008P-05 to provide guidelines on conducting written and oral examinations respectively. PG&E as explained and demonstrated that a “digital” examination is being conducted for written portion of the examination for some of the tasks starting September 2015, and it is gradually implementing it for all covered tasks. SED recommended that PG&E should prepare guidelines for the digital examination. Please provide an update.

8. The attachment 1 of PG&E standard TD-4008S has a column that is labeled as “I/S Eval Methods” which provides information that whether a covered task examination includes knowledge or performance or both evaluations. PG&E explained that in order to avoid confusion, the word “knowledge” would be replaced with “written” in this column. In addition, PG&E has made other changes to some tasks in terms of whether these will have written, performance or both evaluations; for example, covered task 03-09 now has “written” examination only compared to earlier version that states knowledge/performance evaluation. Therefore, attachment 1 needs to be updated. PG&E provided a draft document that was termed as “living document” for any changes that are made, however, agreed to update the Attachment 1.

SED also pointed out that for the covered tasks designated having “performance” only evaluation; it appears that this examination is hands-on only. However, some of the examination material reviewed indicated that these examinations include “scripts” (oral examination). Therefore, PG&E should make it clear in its standards and procedures the presence of knowledge component in “performance” only examinations.

Please provide an update on revision of Attachment 1, and status of including language for oral examination in performance part of OQ examination.

9. The attachment 1 of PG&E standard TD-4008S presents list of covered tasks and the examinations whether knowledge, performance (the word ‘knowledge’ to be changed to ‘written’ as PG&E stated) or both are required to qualify for a covered task. However, it does not provide information that what training and method of providing requisite knowledge is used to prepare the employees for qualification. For example, On-Job-Training, formal class instructions, Subject Matter Experts (SME) or others. SED recommended adding this information. Please provide an update.
10. SED during its audit in 2012, via NOV #5 expressed concern that PG&E standards and procedures do not address communicating changes to the contractor personnel. During this audit, PG&E submitted that section 7.2. of its standard TD-4008S covers it which states, “... THEN the changes are communicated to affected personnel and supervisors before the changes become effective.” The definition of personnel in the same standard is “Individuals who perform covered tasks”. SED recommended that to make it clearer, the definition should say PG&E employees, contractor staff and others who perform the covered tasks.
11. SED inquired about the credentials of evaluators who qualify the employees for covered tasks. PG&E provided a document GA-0137 “PG&E OQ Evaluator Training”. This document covers instructions/procedure for evaluator to follow during the qualification of employees. However, it does not outline the requirements for being an evaluator for a given covered task. Although Title 49 Code of Federal Regulations, Part 192, Subpart N does not require evaluators to be OQ qualified, however they must possess knowledge, experience and/or other qualifications/training to act as an evaluator for a covered task. Please confirm that PG&E has established requirements and a process to assess the required knowledge, training and experience to designate evaluators for each covered task. Please confirm that this information is available in relevant PG&E documents.

Please also provide the PG&E requirements for designating evaluators for the covered tasks 02-03 and 06-01.

12. SED inquired about the continuous education of evaluators to apprise them of updates in methods/tools and others relevant to their covered tasks. PG&E informed that evaluators

do attend workshops and engage in other activities. Please provide a list of activities followed, and add the same information in relevant PG&E OQ documents.

13. SED inquired about the minutes of OQ committee meetings. PG&E provided roster and overview of some meetings. However, detailed minutes of meetings were not available. SED recommends to record detailed minutes of future meetings.
14. SED observed that the titles of some of covered tasks such as 02-07 'Pipe Replacement' are too broad and do not provide enough information about the contents covered under the task. SED recommended that titles should be more explicit reflecting the scope of the area(s) covered. Please provide an update on steps taken to address this.