

Malashenko, Elizaveta I.

From: Bruno, Kenneth
Sent: Thursday, December 05, 2013 3:22 PM
To: Yura, Jane
Cc: Hagan, Jack (Brigadier General – CA); Doll, Laura (LRDD@pge.com); Malashenko, Elizaveta I.; Robertson, Michael; Magee, Charles H.
Subject: Citation 13-005 PG&E - 2012 OM&E Audit
Attachments: Stubbed Attachments.htm

This message's contents have been archived by the Barracuda Message Archiver.

- Enclosure 1 - Investigation.pdf (196.5K)
- Enclosure 2 - SED Audit Findings - PG&E 2012 OM&E Audit.pdf (2.2M)
- Enclosure 3 - PG&E Response to Audit Findings.pdf (531.7K)
- Enclosure 4 - PG&E Continuing Surveillance Procedure.pdf (1.5M)
- SED Gas Citation 13-005 PG&E.pdf (2.5M)

Dear Ms. Yura:

SED has issued a Citation in accordance with ALJ-274 for the 2012 OM&E Audit conducted by SED. Attached to this email Service is Citation 13-005 with Appeal form and Enclosures 1 – 4. A hard copy will also be mailed today. Please feel free to contact me with any questions. Thank you,

Kenneth Bruno
Supervisor – Risk Assessment & Enforcement
Safety and Enforcement Division
California Public Utilities Commission
Office: (415) 703-5265
Cell: (415) 852-2936

Malashenko, Elizaveta I.

From: Bruno, Kenneth
Sent: Thursday, December 05, 2013 5:18 PM
To: Clanon, Paul; Prosper, Terrie D.; Turner, Brian
Cc: Malashenko, Elizaveta I.
Subject: FW: Citation 13-005 PG&E - 2012 OM&E Audit
Attachments: Stubbed Attachments.htm

This message's contents have been archived by the Barracuda Message Archive.
[SED Gas Citation 13-005 PG&E.pdf \(2.5M\)](#)

FYI – SED issued a citation to PG&E for \$375,000 today for violations of GO 112-E stemming from their 2012 OM&E audit.

From: Bruno, Kenneth
Sent: Thursday, December 05, 2013 3:22 PM
To: 'Yura, Jane'
Cc: Hagan, Jack (Brigadier General – CA); Doll, Laura (LRDD@pge.com); Malashenko, Elizaveta I.; Robertson, Michael; Magee, Charles H. (charles.magee@cpuc.ca.gov)
Subject: Citation 13-005 PG&E - 2012 OM&E Audit

Dear Ms. Yura:

SED has issued a Citation in accordance with ALJ-274 for the 2012 OM&E Audit conducted by SED. Attached to this email Service is Citation 13-005 with Appeal form and Enclosures 1 – 4. A hard copy will also be mailed today. Please feel free to contact me with any questions. Thank you,

Kenneth Bruno
Supervisor – Risk Assessment & Enforcement
Safety and Enforcement Division
California Public Utilities Commission
Office: (415) 703-5265
Cell: (415) 852-2936



Pacific Gas and Electric Company
77 Beale Street,
San Francisco, CA

BNY Mellon WCS
Everett, MA 02149

SS-292
113

Date: 12/16/2013

Check No. 3575926

Pay \$*****375,000.00*

*THREE HUNDRED SEVENTY-FIVE THOUSAND***** AND 00/100 DOLLARS

To The Order Of

ACCOUNTS PAYABLE

CALIFORNIA PUBLIC UTILITIES COMMISS
ATTN FISCAL OFFICE ROOM 3000
505 VAN NESS AVE
SAN FRANCISCO CA 94102-3298

Dionys B. Mistry
VP, CONTROLLER, and CFO
Nicholas Bijou
VP and TREASURER

589006

⑈0003575926⑈ ⑆011302920⑆ 059978⑈

PLEASE FOLD FIRST THEN DETACH ALONG PERFORATION

CALIFORNIA PUBLIC UTILITIES COMMISS
Check no. 3575926
Date 12/16/2013
Your account number 1014214
Payment Document 2000175006
Our account with you TAULIA

Invoice	Date	Discount	Net Amount	Comments
CITATION 13-005	12/13/13	0.00	375,000.00	SALLY CUARESMA, (A2C7) 77 BEALE ST # 1084 223-501
Totals:	USD	0.00	375,000.00	For Payment Inquiries, Call 1-800-756-PAID

Special Handle Code: 01

Malashenko, Elizaveta I.

From: Yee, Frances <FSC2@pge.com>
Sent: Monday, December 16, 2013 4:06 PM
To: Malashenko, Elizaveta I.
Cc: Hagan, Jack (Brigadier General – CA); Bruno, Kenneth; Yura, Jane; Gibson, Bill (Codes); Deniston, Laurence; Doll, Laura
Subject: Citation 13-005 - Follow-up Documentation
Attachments: Stubbed Attachments.htm

This message's contents have been archived by the Panopticon Message Archiver:
[12-16-13 CPUC Citation 13-005 Payment Receipt .pdf \(57.4K\)](#)
[Citation 13-005 - check-Citation Payment Form-Addendum.pdf \(749.5K\)](#)

Liza,

PG&E delivered payment associated with Citation 13-005 to the CPUC's Fiscal Office today. I wanted you to be aware that included with the citation payment form is an addendum, both attached in this email. The addendum describes the substantial overlap between the subject of the citation and the subject of the Class Location OII, and requests that the Commission consider the citation and our penalty payment in its assessment of any subsequent penalty in Commission Order Instituting Investigation I.11-11-009 ("Class Location OII").

Given that this citation was not issued in a particular city and county, but rather applies broadly to PG&E's written procedures, PG&E did not provide any specific notifications to public agencies. Lastly, currently there are no known immediate safety hazards requiring immediate correction associated with this Citation.

Feel free to contact me with any questions.

Regards,

Frances Yee
Pacific Gas and Electric Company
Gas Operations | Codes & Standards | Regulatory Compliance
6111 Bollinger Canyon Road, Room 4250B
San Ramon, CA 94583
p: 925.328.5733 | c: 925.200.4736 | f: 925.328.5591

PG&E is committed to protecting our customers' privacy.
To learn more, please visit <http://www.pge.com/about/company/privacy/customer/>



State of California
Public Utilities Commission

Citation Date: 12/05/2013

Citation #: 13-005

Operator ID#: 15007

CITATION PAYMENT FORM

I (we) Pacific Gas and Electric Company (PG&E) hereby agree to comply with this citation dated December 5, 2013, and have corrected/mitigated the violation(s) noted in the citation on June 12, 2013 and no later than June 12, 2013, 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 \$375,000 as included in the citation.

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

Nickolas Stavropoulos 12/12/13
(Signature) (Date)

Nickolas Stavropoulos
Executive Vice President of Gas Operations
(Printed Name and Title)

Payment with a check must be made payable to the **California Public Utilities Commission** and sent to:

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.

Citation Date: December 5, 2013

Citation #: 13-005

Operator ID#: 15007

ADDENDUM TO CITATION PAYMENT FORM

In connection with the above-referenced citation ("Citation") and payment of the associated fine, respondent Pacific Gas & Electric Company ("PG&E") notes that the violation identified in the Citation substantially overlaps with the subject matter of Commission Order Instituting Investigation I.11-11-009 ("Class Location OII"). For example:

- The Class Location OII specifically identified issues relating to PG&E's continuing surveillance program pursuant to 49 CFR §192.613 as falling within the scope of that proceeding: "Federal regulations require a natural gas transmission pipeline operator to have a procedure for continuing surveillance of its facilities to determine and take appropriate action related to changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions. (See 49 C.F.R. §192.613.)"
- The OM&E Audit in which SED identified the Citation was conducted from February 14-17, 2012, during the pendency of the Class Location OII.
- SED's (then CPSD) May 2012 Investigative Report in the Class Location OII – issued after the OM&E Audit – included violations of §192.613 for failing to maintain a continuing surveillance procedure.
- SED's opening brief in the Class Location OII, filed in November 2012, alleged that PG&E did not maintain a formal continuing surveillance procedure.

Given the substantial overlap between the subject matter of the Citation and the subject matter of the Class Location OII, PG&E respectfully urges the Commission to take into account PG&E's \$375,000 payment submitted today in connection with assessment of any subsequent penalty in the Class Location OII.



**Pacific Gas and
Electric Company***

Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-6520

December 16, 2013

Fiscal Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: Citation # 13-005

Enclosed please find check No. 3575926, dated 12/16/2013 in the amount of \$375,000.00, and PG&E's completed Citation Payment Form, as required by Citation # 13-005, dated 12/5/2013. In addition, an Addendum to Citation Payment Form is attached.

Sincerely,

Brian K. Cherry
VP, Regulatory Relations

Enclosures

cc: Paul Clanon, Executive Director
Brigadier General Jack Hagan, Director, Safety and Enforcement Division
Kenneth Bruno, Program and Project Supervisor, Risk Assessment & Enforcement
Michelle Cooke, Interim Deputy Director, Executive Division

Received by CPUC:

Signature

ELSA L. ALVAREZ, FISCAL OFFICE 12/16/2013

(Please Print Name and Date)