

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 7, 2013

Mr. Thomas Allen, Director
PG&E New Generation Construction
Mail Code B5N
P.O. Box 770000
San Francisco, CA 94177

SUBJECT: Kern Power Plant June 19, 2012 Incident

Dear Mr. Allen:

The Safety and Enforcement Division (SED) hereby grants approval to PG&E to resume demolition of Tank 1, and to begin demolition of Tanks 2, 3, and 4, all located at the Kern Power Plant.

SED reviewed the work plans¹ prepared by Cleveland Wrecking Company to resume demolition of Tank 1 and to begin demolition of Tanks 2, 3, and 4. SED understands that the contractor will follow the sequence described in the **Tank #1 Work Plan**, as approved by Cal-OSHA, to resume demolition of Tank 1. On Tanks 2, 3, and 4, the contractor intends to employ heavy machinery, and to confine torch-cutting to just the lids' structural braces and the tanks' stiffening rings. Except for the lid, all pre-cutting will occur outside of the tank. Workers will not be allowed inside the tank during heavy demolition. Further, the contractor states it has stabilized the surrounding terrain so that heavy equipment can safely maneuver the site.

The contractor **MUST** follow all safety precautions and applicable Task Hazard Analyses contained in the work plan.

SED also reviewed the Root Cause Analysis (RCA) prepared by Bureau Veritas. The RCA reveals deficiencies with PG&E's procurement process, which includes a lack of PG&E staff expertise to qualify contractors. While PG&E's newly developed **Contractor Safety Program** promises to address those concerns, SED will continue to monitor program implementation and the use of third party specialists to qualify contractors.

¹ Cleveland Wrecking Company **Tank #1 Work Plan and Tanks – Tank Farm Area**

If you have any questions, please contact Rick Tse at (415) 355-5581 or by email at rick.tse@cpuc.ca.gov.

Sincerely,

 *FOR*

Valerie Beck
Program and Project Supervisor
California Public Utilities Commission
Safety and Enforcement Division
Electric Generation Safety and Reliability

cc: Erik Jacobson, PG&E
Alicia Fenrick, PG&E
Rick Tse, SED