

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 27, 2014

Erik B. Jacobson
Director, Regulatory Compliance
77 Beale Street, Rm. 1083
San Francisco, CA 94105

Re: Spaulding Violations Discovered February 4, 2014

Dear Mr. Jacobson,

Pursuant to our meeting on June 24, 2014 the CPUC applauds and accepts PG&E'S efforts on those corrective actions taken on violations 1, 2, 3, 4, 6, 9, 10, 11 and 12. Furthermore, the CPUC withdraws its finding number 5 after further review of photographic evidence. Finally, the CPUC is also encouraged by the suspension of tram operations for transporting people until these remaining violations are corrected.

As agreed in our meeting the following remaining violations will be corrected:

- Item 7: Tram operators are not required to document daily equipment inspections. A written component shall be part of the tram operating procedures and retained for five years.
- Item 8: Management was ignoring and tolerating employee behavior leading to complacency and the acceptance of unsafe working conditions. Management will evaluate other long standing practices, solicit and listen to employee verbal messaging and make changes accordingly.
- Item 13: Annual fire drills have not been performed for the facility.
- Item 14: There are no "Tram" specific emergency rescue procedures.
- Item 15: Contingencies are not in place for the plant; such as emergency extrication, evacuation or sheltering in place for seismic or fire emergencies where the tram, stairs or trail become unavailable due to instability or inaccessibility.
- Item 16: The Tram does not meet industry standards for safety.
For example:
 1. The tram car does not have an emergency brake
 2. There is no runaway arrest mechanism for the unlikely event of cable separation
 3. There is no safe emergency egress from the tram car
 4. The tram car has no auxiliary power unit or winch to convey passengers to safety in the case of controller failure, power loss or primary motor failure

We look forward to receiving a written Corrective Action Plan by July 31, 2014, which describes how Management has addressed or plans to address these violations with completion dates. If you have any questions or need an extension of time, please contact me by email or at 916-835-7448.

Sincerely,

A handwritten signature in black ink, appearing to read "James T. Cheng", written over a large, light-colored oval scribble.

James T. Cheng, Utilities Engineer
Safety and Enforcement Division