

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



November 30, 2015

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

GI-2015-04-PGE29-09

SUBJECT: General Order 112 Inspection of PG&E's Distribution Integrity Management Program

Dear Mr. Singh:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Paul Penney and Sikandar Khatri conducted a General Order 112 inspection of Pacific Gas & Electric Company's (PG&E's) Distribution Integrity Management Program (DIMP) from April 27 to May 1, 2015 and August 18-20, 2015.<sup>1</sup> The inspection included a review of corrective actions from the prior DIMP inspection conducted in 2012, as well as DIMP implementation records.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those records SED inspected during this safety inspection.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by PG&E to address the concerns and recommendations noted in the Summary.

If you have any questions, please contact Paul Penney at (415) 703-1817 or by email at Paul.Penney@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: Sikandar Khatri, Senior Utilities Engineer, CPUC  
Larry Deniston, PG&E Gas Regulatory Support  
Enza Barbato, PG&E Gas Regulatory Support  
Wini Chen, PG&E Gas Regulatory Support  
Mike Falk, PG&E

<sup>1</sup> 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**

#### **A. SED's Findings**

There were no violations of the DIMP rules noted during the inspection.

### **II. Concerns and Recommendations**

All recommendations included in this inspection letter have been included in PG&E's Corrective Action Program (CAP). The CAP notification number is 7011461. Each recommendation provided by the CPUC is cross referenced with PG&E's CAP Task number below.

1. RMP-15, Rev 5, Section 4.4.2 says to use "Riskmaster" for injury and fatality information. However, Attachment J (Table 9) says for "Fatality Employee", the source is the A-forms, and for "Injury Employee", the source is the A-forms. The sources of data should be consistent for these two references.

The cross reference for this item is Task #1 in the CAP notification. However, the language does not appear to reflect the recommendation for this item. Please indicate if PG&E agrees with this recommendation and will revise the language in RMP-15 and/or Attachment J (Table 9).

2. In the Consequence of Failure (COF) formula for RMP-15, Rev 5, Section 6.5, there were four consequence variables listed (Impact on Life, Consequence Potential, Leak magnitude and Injury/Fatality). Each of these variables had sub-categories listed for each variable, but the formula for how each of these variables was combined was missing. SED staff recommends the formula for how the subcategories are combined be included in the Section 6.5.

PG&E agreed with the recommendation, and has made the changes to RMP-15, Rev 6. The cross reference is Task #2 in the CAP notification.

3. In RMP 15, Rev. 5, Section 6.5.1, default values for various categories of injury and fatality are assumed to be zero if the value is unknown. More conservative default values would be 25 and 50 for injury and fatality respectively (more conservative, if unknown). If this information can be found from IGIS or Riskmaster, it will never be "unknown."

During our discussion of this item, PG&E indicated that for their case, employee and "other" injury and fatality values would always be known. Therefore, PG&E proposed using default values for injury and fatality as zero for all information coming from A-Forms, and it will take values of 25 and 50 for injury and fatality if the "RiskMaster" database indicates an employee or "other" injury or fatality.

PG&E agreed with the recommendation. The cross reference is Task #3 in the CAP notification.

4. In RMP-15, Revision 5, Section 12.6, SED staff noted that the contact information for the CPUC was incorrect, and recommends making the point of contact more generic to avoid management changes in the future.

PG&E agreed with the recommendation. The cross reference is Task #4 in the CAP notification.

5. In RMP-15, Section 1.1, PG&E states that the risk model is a leak based model. In fact, the risk model also considers potential threats. SED staff recommends that language on potential threats be included in Section 1.1.

PG&E agreed with this recommendation. The cross reference is Task #5 in the CAP notification.

6. SED staff noted that RMP-15, Rev 5, Attachment A mentions “#LeakSource#” in the 10<sup>th</sup> column. This is interpreted as meaning that PG&E captures data on only known threats. SED staff believes that the “potential threats” should be added to this column header.

PG&E has agreed to make this recommended change during the next revision of RMP-15. The cross reference is Task #6 in the CAP notification. However, CAP may need to be revised to take account of the fact this was regarding Attachment ‘A’. The first item is “overpressure event” due to water intrusion. In column 10, the heading is “leak Source” and it says “Regulator”. In this case, we understand that there was no leak. So probably heading should be more general like “source” or other appropriate term.

7. SED staff recommends that the PG&E DIMP team share certain issues with the TIMP team that may affect PG&E transmission facilities. For example, liquids on the distribution system that could imply liquids on the transmission system.

The cross reference is Task #7 in the CAP notification

8. Add a specific time interval to the “DIMP Field Review” from the data sources list in Attachment G (Monitoring for Potential Threats), Section 5.1.

The cross reference is Task #8 in the CAP notification.

9. SED staff recommends that PG&E add findings of CPUC’s Division/District and other audits as a source to review for potential threats in Appendix G, Section 5.1.

The cross reference is Task #9 in the CAP notification. SED recommends that for clarification, the words, “findings of CPUC’s Division/District and other audits” be used in CAP to cover all CPUC audits.

10. Because of PG&E's non-compliance with 192.465(e),<sup>2</sup> we are concerned about the future performance of cathodically unprotected pipe and the impact on safety. As noted in our discussion with PG&E personnel, PG&E intends to do a re-survey to verify the extent of the cathodically unprotected pipe in PG&E's system, and to remediate all unprotected pipe in PG&E's system by cathodically protecting the pipe or replacing it. SED staff therefore requests PG&E:

10.1 Confirm our understanding of the discussion related to unprotected pipe.

10.2 Provide regular updates to the SED by including a progress report on the remediation efforts in the Semi-annual reports to the SED.

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<sup>2</sup> This was first identified in a PG&E self-report update. The document is identified as Attachment 2, dated: 2-11-14 under item #6. The document includes updates of previously identified non-compliances as well as some newly identified non-compliances.