

December 30, 2015

By Email

Mr. Ken Bruno
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission

Re: State of California-Public Utilities Commission General Order 112 Inspection of PG&E's Distribution Integrity Management Program

Dear Mr. Bruno,

Per the CPUC Inspection Report dated November 30th 2015, PG&E is notifying the Safety and Enforcement Division (SED) of the modifications to the Company's Distribution Integrity Management Program to address the recommendations from SED's 2015 General Order 112 Inspection of PG&E's Distribution Integrity Management Program.

- 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.

➤ Reference: CAP 7011461, Task #1

Table 9 in Attachment J does not specify data sources, while table 7 and Paragraph 7.6.9.2 in Attachment J specify that Risk master is being used as the primary data source for "Employee and Other Injury" and "Employee and Other Fatality". Table 9 will be updated in the next revision to specify Riskmaster as a source of data.

PG&E has incorporated SED's comments and updated CAP 7011461, Task #1 accordingly.

- 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.

- Reference: CAP 7011461, Task #2
PG&E agrees with this recommendation, and had already made this revision in the "Consequence of Failure" equation in RMP-15 Rev 6, Section 6.5.

- 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.
 - Reference: 7011461, Task #3
PG&E agrees with this recommendation. PG&E will remove the default values for Injury and Fatality values in Section 6.5.1 in Rev 7.

- 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.
 - Reference: CAP 7011461, Task #4
PG&E agrees with this recommendation. PG&E will remove the CPUC contact information from RMP-15 section 12.6 in Rev 7 and make it more generic to avoid issues with management changes in future.

- 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.
 - Reference: CAP 7011461, Task #5
PG&E agrees with this recommendation. PG&E will add a sentence to Section 1.1 in RMP-15 Rev 7 to reflect Potential Threats considerations in the introduction.

- 6. SED staff noted that RMP-15, Rev 5, Attachment A mentions "Leak Source" in the 10th 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.
 - Reference: CAP 7011461, Task #6
PG&E agrees with this recommendation and will update the Attachment A, Column 10 heading to "Leak Source or Component of Concern".

PG&E has incorporated SED's comments and updated CAP 7011461, Task #6 accordingly.

- 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.
 - Reference: CAP 7011461, Task #7
PG&E agrees that DIMP should share pertinent issues with TIMP and will update RMP-15 Section 11.3, Table 11.1 in Rev 7 with language requiring communication with TIMP on the potential impacts to transmission facilities.

- 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.

- Reference: CAP 7011461, Task #8
PG&E agrees that the logging of DIMP Field Review Potential Threats should be logged on a specific frequency. RMP-15 Attachment G will be updated to reflect a Monitoring Interval of "Quarterly" for the DIMP Field Review data source.

- 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.
 - Reference: CAP 7011461, Task #9
PG&E agrees that the Division audit findings should be included in the Potential Threat logging. RMP-15 Attachment G will be updated accordingly.

- 10. Because of PG&E's non-compliance with 192.465(e), 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
 - 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.

- Reference: CAP 7011461, Task #11

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. PG&E also agrees that regular progress reporting is necessary and will provide semi-annual reports to SED.

Sincerely,

December 30, 2015
Letter to Mr. Ken Bruno
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/s/
Mike Falk, Director, Compliance

Attachment A

cc: Dennis Lee, CPUC
Paul Penney, CPUC
Sikandar Khatri, CPUC
Dennis Lee, CPUC

Sumeet Singh, PG&E
Larry Deniston, PG&E
Larry Berg, PG&E