Gas Safety and Reliability Branch Management and Operations Review

Report and Recommendations
GSRB Management and Operations Review

- Project Charter
- Project Methodology and Timeline
- Report and Recommendations
  - Report Structure and Contents
- Report Key Findings
  - GSRB Challenges, Opportunities, and Progress To Date
  - Recommendations, Implementation Steps, and Performance Metrics
Project Charter

- CPUC’s Independent Review Panel (IRP) recommendation:
  - “Undertake an independent management audit of the USRB [now GSRB] organization, including a staffing and skills assessment, to determine the future training requirements and technical qualifications to provide effective risk-based regulatory oversight of pipeline safety and integrity management, focused on outcomes rather than process.”

- Project objectives in Spring 2014:
  - “The goals of the proposed audit will be to
    1) Analyze and evaluate GSRB activities in the context of their effectiveness in adhering to existing safety regulations;
    2) Provide the CPUC with new ideas, insights, and practical, implementable recommendations; and
    3) Develop implementation plans designed to evolve the program into one that is more proactive in addressing gas safety issues.”
Project Methodology and Timeline

- April 2014-March 2015

- Document and analyze existing workloads, processes, and metrics
  - Review internal manuals, policies, and procedures
  - Document existing processes
  - Identify improvement opportunities

- Obtain employee and management input and feedback
  - Survey
  - Facilitated sessions
  - Interviews
  - Meetings

- Obtain external stakeholder input and feedback
  - PHMSA
  - PG&E, Sempra, Southwest Gas

- Identify leading practices
  - Review documents
  - Interviews with six State programs
  - Site visit in Washington
  - Industry experts review other State and CPUC practices during utility inspections

Management and Operations Review
Report and Recommendations

- Executive Summary
- Introduction and Approach
- GSRB Challenges, Opportunities, and Progress To Date
- Recommendations, Implementation Steps, and Performance Metrics
  - Utility Inspection Recommendations
  - Incident Investigation Recommendations
  - Work Prioritization, Staffing, and Training Recommendations
  - Technology and Tools Recommendations
  - Communication and Change Management Recommendations
  - Risk Assessment Approach Recommendations
GSRB Roles and Responsibilities

- Utility Inspections/Audits: 42%
- Incident Investigations: 12%
- Pipeline Safety Enhancement Plans: 12%
- Other Natural Gas Related Investigations: 12%
- Administration and Support: 10%
- MHP/Propane Programs: 5%
- Policy and Program Activities: 4%
- PHMSA Support and Training: 3%
# GSRB Challenges and Opportunities

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<th>Challenge/Opportunity</th>
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<td>1. Frequent management changes, shifting priorities, and reactive responses to internal and external recommendations post-San Bruno led to a loss of focus, lack of clear direction, loss of trust in leadership, and unacceptable work backlogs.</td>
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<td>2. Disparate, cumbersome, and inadequate database systems that are challenging to use and not conducive to organized recordkeeping, identifying and responding to higher risk areas, monitoring progress, or tracking performance.</td>
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<td>3. Lack of consistency, focus, organization, depth and rigor, adequate recordkeeping, clear expectations, and follow-through in utility inspection practices.</td>
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<td>4. Delays in completion of utility inspection reports and lack of follow-through on violations, recommendations, observations, and concerns.</td>
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<td>5. Delays in completion of incident investigation reports and lack of follow-through on violations, recommendations, observations, and concerns.</td>
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<td>6. Inability to analyze trends, risks, and other safety-related concerns across incidents, utility inspection findings, self-reported violations, and complaints.</td>
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<td>7. Assignment of staff to multiple tasks without clear prioritization of activities to those with the greatest impact on safety.</td>
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<td>8. Lack of communication.</td>
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<td>9. Lack of performance measures, clear expectations, and accountability.</td>
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<td>10. Mix of staff experience and training does not provide a balance of regulatory, policy, or industry expertise to best support GSRB activities.</td>
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<td>11. Implementation of new citation program is challenging due to concerns on precedent, legal issues, and lack of clarity and specificity in applying penalties.</td>
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<td>12. Lack of integration of newly formed Risk Assessment and Enforcement Section.</td>
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## GSRB Progress To Date

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<th>Year</th>
<th>Activities</th>
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| 2011 | - Split Utility Safety and Reliability Branch (USRB) into Gas and Electric branches  
- Initiated rulemaking proceeding R-11-02-019 to strengthen natural gas safety rules  
- Closed NTSB recommendation P-10-7 on notifications to utilities  
- Required CPUC voting meetings to include safety presentation |
|      | - Added Utility Engineers  
- Created Risk Assessment and Enforcement Section (RAS)  
- Required utility pressure testing plans  
- Authorized citations by GSRB engineers |
| 2012 | - Developed hazard report (RAS)  
- Required utilities to prepare PSEPs  
- Monitored PSEP activities (ongoing)  
- Added Utility Engineers |
|      | - CPUC established Safety Council  
- Initiated specialized utility inspections/audits  
- Increased flexibility in MHP/Propane inspections  
- Increased whistleblower protections |
| 2013 | - Reorganized CPUC to create Safety and Enforcement Division (SED)  
- Developed Audit (Utility Inspection) best practices  
- Initiated rulemaking proceeding R-13-11-006 to incorporate risk assessment into general rate cases |
|      | - Developed a Standard Operating Procedure for Gas Safety Citation Audits  
- Issued over $8 million in citations  
- Established bi-weekly coordination meetings with Energy Division |
| 2014 | - Prepared Utility Office of Safety and Reliability Annual Plan with goals and metrics  
- Added Supervisor positions  
- Reorganized GSRB to improve reporting and supervisory roles  
- Adopted CPUC Safety Policy Statement  
- Conducted 15 integrity management audits of utilities as of August 2014 |
|      | - Closed NTSB recommendation P-10-5 on PG&E Maximum Allowable Operating Pressure  
- Closed NTSB recommendation P-11-22 to conduct audits of PG&E with PHMSA  
- Evaluated, with RAS, PG&E’s risk assessment approach in cost of service proposal  
- Developed improved incident process  
- Developed Self-Identified Violation process  
- Revised approach to utility inspections |
Recommendations and Implementation Steps

- Utility Inspections: 17
- Incident Investigations: 5
- Work Prioritization, Staffing, and Training: 3
- Technology and Tools: 5
- Communication and Change Management: 2
- Risk Assessment Approach: 1
Recommendations and Implementation Steps

- Timing

[Bar chart showing recommendations for different time frames:
- Quick Wins < 6 months: 10
- Short-Term 6 months to 1 year: 6
- Long-Term > 1 year: 10
- Combined: 7]
Recommendations and Implementation Steps

- **Priorities**
  - Improving utility inspection performance
  - Upgrading outdated technology
  - Providing risk assessment capabilities
  - Addressing backlogs
  - Prioritizing and focusing work
  - Communicating activities, processes, and goals
  - Increasing PHMSA evaluation score
Performance Metrics

- Recommended 19 performance metrics to track and measure progress.
- Example: incidents per mile of natural gas pipeline (2005 to 2013)
Thank you

The report will be available at:
http://www.cpuc.ca.gov/PUC/safety/Pipeline/

Wendy Pratt
wendy.pratt@crowehorwath.com
www.crowehorwath.com