



CPUC Implementation Status of NTSB and Independent Review Panel Pipeline Safety Recommendations Overview

January 2012

Urgent Corrective Actions

The National Transportation Safety Board (NTSB) made specific urgent corrective action recommendations to the California Public Utilities Commission (CPUC) following the rupture of a Pacific Gas and Electric Company (PG&E) pipeline in San Bruno, California on September 9 2010. The recommendations and the CPUC's responses follow:

- The NTSB recommended that the CPUC use its authority to ensure that PG&E promptly provided records for high-risk sections that have not met hydrotesting requirements.
 - CPUC Executive Director Paul Clanon immediately directed PG&E to reduce to 20 percent below the Maximum Allowable Operating Pressure certain segments of potentially unsafe pipe, assess that pipe's integrity and obtain CPUC authorization before repressurizing.
 - The CPUC directed PG&E to produce comprehensive records relating to their pipeline system components, and to determine the valid Maximum Allowable Operating Pressure to ensure safe operations. PG&E expects to finish Maximum Allowable Operating Pressure validation of 2,088 High Consequence Area miles by January 31 2012.

- The NTSB recommended that PG&E test segments for which proper records could not be produced.
 - The CPUC ordered all California natural gas transmission operators to develop for CPUC consideration a Natural Gas Transmission Pipeline Comprehensive Pressure Testing Implementation Plan to orderly and cost effectively replace or test all natural gas transmission pipelines that have not been pressure tested.
 - CPUC staff is actively monitoring the ongoing hydrotesting efforts of PG&E. PG&E completed 152 miles in December 2011. CPUC oversight responsibility will continue as PG&E begins the hydrotesting and replacement proposed in its Natural Gas Transmission Pipeline Comprehensive Pressure Testing Implementation Plan.

Staff and Organizational Structure

The Independent Review Panel that the CPUC formed to investigate the PG&E pipeline rupture made specific recommendations related to the staff and organizational structure of gas safety personnel at the CPUC. The recommendations and the CPUC's responses follow:



- As recommended by the Independent Review Panel, the CPUC is developing a Comprehensive Natural Gas Safety Workplan to identify broad safety goals, including a commitment to acquiring the necessary increases in resources, training and skills to achieve the goal of effective performance-based oversight. The CPUC has completed the Independent Review Panel and NTSB recommendations component of the Workplan and will finish the comprehensive Workplan in the first quarter of 2012.
- The Independent Review Panel recommended increased staffing levels, expertise, training and outreach to the nation's gas safety and risk management community. The CPUC has doubled the number of dedicated gas safety staff. The CPUC has also retained independent industry experts to assist with oversight of the utilities' pressure validation and hydrotesting efforts.
- The Independent Review Panel recommended a restructuring of the CPUC's gas safety program to allow for integrity management specialization. The CPUC has restructured its Consumer Protection and Safety Division, is recruiting a Natural Gas Safety and Reliability Branch Manager, and will train staff to undertake specialized roles in this area.
- As recommended by the Independent Review Panel, the CPUC has issued a Request for Proposals to conduct an internal management audit of the gas safety branch.
- As recommended by the Independent Review Panel, the CPUC has approved rules allowing staff to issue citations to operators violating safety code.

Audit Reform and Risk Management

- As recommended by the Independent Review Panel, the CPUC is reviewing its audit procedures and scope, and has developed a process through which audit findings will be posted on the CPUC's website.
- The CPUC created a new Risk Assessment Unit to improve the CPUC's ability to conduct state-of-the-art risk management work. The first four members of the Risk Assessment Unit were hired in September 2011.
- As recommended by the NTSB, the CPUC has begun a comprehensive audit of PG&E's operations. The audit will be conducted in coordination with the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration immediately following the conclusion of the CPUC's investigation into PG&E's possible violations of CPUC Rules and Orders related to the pipeline rupture.