

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 15, 2020

GI-2020-03-PGE-29-09

Ms. Christine Cowsert, VP  
Gas Asset Management and System Operations  
6121 Bollinger Canyon Road  
San Ramon, CA 94583

SUBJECT: Closure Letter for General Order (GO) 112-F Gas Inspection of PG&E's Distribution Integrity Management Program (DIMP)

Dear Ms. Cowsert:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Pacific Gas & Electric Company's (PG&E) response letter dated June 11, 2020 for the findings identified during the General Order 112-F inspection of PG&E's Distribution Integrity Management Program (DIMP). The inspection was conducted between March 23-27 and April 6-10, 2020.

Included is SED's evaluation of PG&E's response taken for identified Areas of Concern/Recommendations.

This letter serves as the official closure of the 2020 GO 112-F Inspection of PG&E's Distribution Integrity Management Program (DIMP).

Thank you for your cooperation in this inspection. If you have any questions, please contact Sikandar Khatri at (415) 703-2565 or by email at [Sikandar.Khatri@cpuc.ca.gov](mailto:Sikandar.Khatri@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Terence Eng".

Terence Eng, P.E.  
Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

cc: Susie Richmond, PG&E  
Vincent Tanguay, PG&E  
Dennis Lee, SED  
Claudia Almengor, SED

# Summary of Inspection Findings

**Dates of Inspection:** March 23-27 and April 6-10, 2020

**Operator:** PACIFIC GAS & ELECTRIC CO

**Operator ID:** 15007 (primary)

**Inspection Systems:** Distribution Integrity Management Program (DIMP)

**Assets (Unit IDs):** Main Office (Specialized Inspections) (86283)

**System Type:** GD

**Inspection Name:** PG&E DIMP Inspection

**Lead Inspector:** Sikandar Khatri

**Operator Representative:** Elizabeth Wu

## Unsatisfactory Results

*No Preliminary Findings.*

## Concerns

### Gas Distribution Integrity Management : Knowledge of the System (GDIM.KN)

Question Text Does the plan list the additional information needed to fill gaps due to missing, inaccurate, or incomplete records?

References 192.1007(a)(3)

Assets Covered Main Office (Specialized Inspections) (86283 (29))

Issue Summary In response to a data request PG&E mentioned that while collecting information on Permalock tapping tees, a limited number of installation locations were identifiable from purchase records. Similarly, it was also mentioned that starting 2019, risk scores are summed at the installation job level. This poses the challenges that there will be situations where all the data may not be available. Therefore, PG&E DIMP team should document all missing information (which they come across while working through different DIMP cycles, for example specific fittings or other parameters) and keep it updated and work with operation and maintenance personnel to collect this information through normal activities conducted on the pipeline (for example, design, construction, operation or maintenance activities), continue to do field interviews, look at purchase records and use other mean as necessary.

SED recommends that this process be formalized in an appropriate DIMP document and be followed.

Additionally, it is evident from PHMSA IA questions that these are either "Procedure" or "Records" related. Therefore, relevant records must be maintained for the "Records" questions (where this is not done currently).

**PG&E's Response:**

PG&E will evaluate SED's recommendation regarding formalizing a definition for missing information and a process for the collection of missing information in an appropriate DIMP document.

**SED's Conclusion:**

SED has reviewed and accepted PG&E's response. SED may review the actions taken during the next DIMP audit.

## **Gas Distribution Integrity Management : Identify Threats (GDIM.TH)**

Question Text In identifying threats, do the procedures include consideration of all of the required threat categories to each gas distribution pipeline?

References 192.1007(b)

Assets Covered Main Office (Specialized Inspections) (86283 (29))

Issue Summary 192.1007(b) requires an operator to consider reasonably available information to identify existing and potential threats. Attachment H section 5.2.1 states, "Known threats and sub-threats are defined as asset integrity issues that have caused loss of containment on PG&E's gas distribution systems." This definition excludes potential threats that have not caused loss of containment. SED recommends that PG&E update the definition of threats in section 5.2.1 of Attachment H to include potential threats.

**PG&E's Response:**

PG&E agrees with this recommendation and will revise Attachment H to be consistent with the threat definitions in TD-4850P-01, Rev 3.

**SED's Conclusion:**

SED has reviewed and accepted PG&E's response. SED may review the revisions during the next DIMP audit.

Question Text Do the procedures consider, in addition to the operator's own information, data from external sources (e.g. trade associations, government agencies, or other system operators, etc.) to assist in identifying potential threats?

References 192.1007(b)

Assets Covered Main Office (Specialized Inspections) (86283 (29))

Issue Summary PG&E participates in some industry trade, research, and technical organizations and uses some information from these organizations to assist in identifying threats. However, the process of incorporating this information into the DIMP is informal and no industry organizations are listed as potential sources of information in the DIMP manual. SED recommends that PG&E formalize this process in the appropriate DIMP documents for the collection of information from these sources for the identification of threats and follow the same.

**PG&E's Response:**

PG&E agrees with this recommendation and will revise Attachment G to include consideration of publicly available information from DIMP-attended gas industry association conferences and committee meetings in monitoring for new threats.

**SED's Conclusion:**

SED has reviewed and accepted PG&E's response. SED may review the revisions during the next DIMP audit.

## **Gas Distribution Integrity Management : Records Required to be Kept (GDIM.RC)**

Question Text Are there procedures specifying which records demonstrating compliance with Subpart P will be maintained for at least 10 years?

References 192.1011

Assets Covered Main Office (Specialized Inspections) (86283 (29))

Issue Summary SED has reviewed TD-4850P-01 Rev: 2 section 13 (Record Retention) and although section 13.2.2 requires records to be kept for 10 years, section 13.2.1 referenced a "Record Retention Schedule". SED recommends that this reference be changed to include the Record Retention Schedule per Corporate Standard GOV-7101S".

**PG&E's Response:**

PG&E will revise TD-4850P-01 to only specify the 10-year recordkeeping requirement in Subpart P and remove reference to the "Record Retention Schedule".

**SED's Conclusion:**

SED has reviewed and accepted PG&E's response. SED may review the revisions during the next DIMP audit.

Question Text Has the operator maintained the required records?

References 192.1011

Assets Covered Main Office (Specialized Inspections) (86283 (29))

Issue Summary

1. TD-4850P-01 Rev: 2 paragraph 9.5.1 lists the "DIMP Manual" as a document (i.e. "... one of the following documents") while also referencing the "DIMP Manual" under Definitions as "The collection of attachments supporting this utility procedure". Under Supplemental References the Attachments A-H & L-N are listed as "Attachments to the DIMP Manual". Having two different definitions of the "DIMP Manual" creates confusion by citing a document titled the "DIMP Manual" which does not exist.

SED Recommendation

Replace all "document" related references to the DIMP Manual with a reference as the collection of Attachments as listed under the Supplemental References.

2. TD-4014S Rev:03 Effective date 07/01/2016 was reviewed and found to include two obsolete references (i.e. TD-03, TD-4016S) and an erroneous Developmental Reference (API 1173 Management of Change (MOC) 8.4. Once notified of the issue, PG&E compliance provided the updated Utility Standard TD-4014S with the noted corrections, however, there were no changes to the Revision number, Publication or Effective dates. PG&E claimed that the changes did not require version control because they were considered "Errata" and as such (per TD-4001P-01 Rev: 1b) did not require change management control. SED disagrees with this assessment of the obsolete references as they were valid at one time and as such, should be under change management control. SED also identified four Appendixes to Attachments (i.e. Attachment H-Appendix A, Attachment H -Appendix B; Attachment J- Appendix A; Attachment N- Appendix A) that did not include a Revision number, Publication or Effective date.

#### SED Recommendation

- a. Change the Revision number, Publication and Effective dates of the TD-4014S that was updated.
- b. Include Revision number, Publication and Effective date on the following Appendixes: Attachment H-Appendix A, Attachment H -Appendix B; Attachment J- Appendix A; Attachment N- Appendix A.
- c. Include the definition of "Errata" in TD-4001P-01.
- d. Review TD-4014S and include elements of ASME B31.8S-2004 Paragraph 11 where appropriate.

#### **PG&E's Response:**

"Regarding 1: PG&E agrees with this recommendation and will revise TD-4850P-01 to consistently define and refer to the DIMP Manual as the collection of Attachments.

Regarding 2a: Standards Engineering will process a minor revision to TD-4014S describing the updated references, and update the document revision number, publication date, and effective date when the minor revision is approved.

Regarding 2b: PG&E agrees with this recommendation and will revise the Appendixes of Attachments J, H, and N to include the revision numbers, publication dates, and effective dates of the parent Attachments.

Regarding 2c: Revision 2 of TD-4001P-01 is currently in development, and Standards Engineering will ensure that a more detailed definition of "errata" is included.

Regarding 2d: Standards Engineering will review ASME B31.8S-2004 Paragraph 11 and will update TD-4014S as necessary to incorporate all applicable elements of ASME code in conjunction with the revision to TD-4014S in item (a). Minor revision is in routing."

#### **SED's Conclusion:**

SED has reviewed and accepted PG&E's response. SED may review the revisions during the next DIMP audit

# Gas Distribution Integrity Management : GDIM Implementation (GDIM.IMPL)

Question Text Does the current subdivision process (grouping of materials, geographic areas, etc.) adequately meet the need to properly evaluate and rank the existing and potential threats to the integrity of the system?

References 192.1007(c)

Assets Covered Main Office (Specialized Inspections) (86283 (29))

Issue Summary Starting 2019, risk scores are summed at Installation Job Level instead of plat level as done in 2017 and 2018. PG&E Steering Committee minutes and 2019 Known Threat Risk Assessment Results were reviewed which mention the change. SED recommends incorporating this change in Attachment H and where applicable.

### **PG&E's Response:**

PG&E agrees with this recommendation and will revise Attachment H, section 6.7 to include Installation Job as a possible geographic level for risk summarization.

### **SED's Conclusion:**

SED has reviewed and accepted PG&E's response. SED may review the revisions during the next DIMP audit.

Question Text Does each implemented risk reduction measure identified in the DIMP plan address a specific risk or group of risks?

References 192.1007(d)

Assets Covered Main Office (Specialized Inspections) (86283 (29))

Issue Summary DIMP cycle results in Risk Ranking which is passed on to "Mitigation Activities" team for further processing. The mitigation activities for each risk are identified (Attachment A) and projects are referred to PG&E's team responsible for execution without any assigned priority. This does not result in an appropriate risk reduction strategy. PHMSA DIMP FAQ C.4.d.1. states, "Operators must perform a risk analysis to understand the factors that are important to their risk and should compare the results of this analysis to the actions now being taken *to assure pipeline safety.*"

SED recommends that DIMP team communicate prioritized list of DIMP projects for execution and follow up on these for proper and timely action.

### **PG&E's Response:**

PG&E agrees with this recommendation and will revise Attachment K, "Mitigation Analysis Process" to specify that the portfolio of work given to the execution group will be prioritized. PG&E monitors the progress of recommended mitigation activities in the CAP system as well as Attachment A to ensure that action is taken.

### **SED's Conclusion:**

SED has reviewed and accepted PG&E's response. SED may review the revisions during the next DIMP audit.