

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 12, 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: 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 conducted a General Order 112-F inspection of Pacific Gas & Electric Company's (PG&E) Distribution Integrity Management Program (DIMP) between March 23-27 and April 6-10, 2020.

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

If you have any questions, please contact Sikandar Khatri at (415) 703-2565 or by email at Sikandar.Khatri@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, which appears to read "Terence Eng". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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

Enclosure: Summary of Inspection Findings

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

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.

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.

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".

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.

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.

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.