BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.	I.11-02-016 (Filed February 24, 2011)

PACIFIC GAS AND ELECTRIC COMPANY'S MOTION TO EXTEND THE DEADLINE TO COMPLETE RESPONSE TO ITEM 7 IN THE ORDER INSTITUTING INVESTIGATION AND REQUEST FOR EXPEDITED RESPONSE

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Pacific Gas and Electric Company ("PG&E") moves for an order extending the deadline to complete its response to Item 7 of the Order Instituting Investigation ("OII") pursuant to the attached plan for the production of additional documents and data ("Production Plan"). So that this motion can be considered and ruled on prior to the June 20th production date, PG&E requests that the Assigned Administrative Law Judge (ALJ) issue an order shortening the time to respond to this motion to three calendar days, such that responses will be due on Friday, June 3, 2011. PG&E requests an opportunity to respond orally to the responses and that Assigned ALJ rule on this motion at the June 6 Prehearing Conference.

PG&E understands the importance of the Commission's investigation and is committed to providing information and documents responsive to Item 7 in as timely a manner as practicable. PG&E will be providing a substantial response to Item 7 on June 20. In attempting to respond, PG&E has confronted the challenge of the OII's scale, particularly in light of the parallel maximum allowable operating pressure ("MAOP") validation effort. In the case of documents and data responsive to Item 7, it is important that PG&E coordinate its efforts with its ongoing MAOP validation effort, both to maximize the efficient retrieval of documents and to avoid interfering with the MAOP validation effort.

Item 7 requires PG&E to produce 55 years of "documents and data" pertaining to weld failures or defects – whether before or after the pipe went into service – for all 5,766 miles of PG&E's natural gas transmission pipelines. What the OII directs is different from PG&E's daily use of the records. On an everyday basis, PG&E may use some of these records for integrity management or other pipeline engineering or maintenance purposes, but it does not generally need to use records dating back 55 years and it never needs to work with all the records on all 5,766 miles of pipeline at one time; rather, these records are generally accessed on an as-needed basis by personnel in the field who perform work on the pipeline.

On March 17th, when PG&E asked for additional time to respond to this inquiry, it seriously underestimated the magnitude of the task, particularly in light of the ongoing MAOP validation efforts. PG&E has determined that an aggressive and feasible schedule for production of the documents and data called for by Item 7 is the following: On June 20th PG&E will produce a substantial quantity of documents for the 1,805 miles of its Class 3 and 4 and Class 1 and 2 HCA pipelines ("HCA pipelines") and a smaller volume of documents for the non-HCA pipe segments. As discussed in detail below, PG&E needs additional time to complete the production for the HCA pipelines and proposes to do so on a rolling basis with completion no later than September 30th.

PG&E believes the production of all the documents and data pertaining to the HCA pipelines will allow the Commission to assess PG&E's recordkeeping practices and records. If the Commission or staff decides it needs the same records for the remaining 3,961 miles of transmission pipelines, PG&E will produce that information, but it will require further time into 2012.

I. DESCRIPTION OF PG&E'S WELD FAILURE AND DEFECT RECORDS AND PRODUCTION EFFORTS.

The OII calls for PG&E to produce "all" documents that pertain to all weld defects or failures over a period of 55 years. Given the focus in this proceeding on PG&E's gas safety recordkeeping, PG&E understands Item 7 to refer to documents of a kind that constitute a record

of a weld defect or failure (as opposed to a document, *e.g.*, an email, that refers in some way to a weld defect or failure). Thus, PG&E's Production Plan requires PG&E to search for records PG&E kept and maintained of weld failures or defects.

PG&E does not maintain a single type of record specifically pertaining to gas pipe weld failures or defects before or after use. Rather, PG&E maintains numerous documents and databases that include inspection, testing, repair and other types of records that may document gas pipe weld failures or defects identified during inspections, testing, repairs or other circumstances. PG&E has been working to collect, identify and review these documents, but will not be in a position to complete its collection, review and production by June 20, 2011. The challenge of the undertaking is not one of retrievability of information but the scale of the task of gathering and reviewing so many source records for the entire transmission pipeline system. PG&E's records are maintained in different locations based on business needs. For example, repair and maintenance records, which make up the bulk of "post-use" weld defect records, are generally maintained in local offices where they can be accessed by the personnel who need them to perform repair and maintenance functions. Collecting and reviewing all records that pertain to weld defects or failures for the entire transmission pipeline for a 55 year period thus requires a substantial effort and resources.

A. Records of Pre-Use Weld Defects and Failures.

Today, PG&E generally conducts two types of tests that help to identify weld defects before putting pipe into service. First, it performs x-ray examinations to determine whether girth welds meet regulatory standards.[1] Second, PG&E performs pressure tests. Where these tests are performed, PG&E's practice is to maintain the records of them. PG&E keeps these x-ray documents ("X-Ray Documents") and Strength Test Pressure Reports ("STPRs") in Job Files

[1] Regulatory requirements for X-Ray tests have changed over time. Prior to General Order 112 (1961), there were no requirements to inspect girth welds. General Order 112 called for natural gas utilities to inspect 30% of welds in Class 3 and Class 4 locations, and 20% of welds in Class 1 and Class 2 locations. General Order 112-C (1971) increased these percentages to 100% in Class 3 and Class 4 locations where practicable, but in no case less than 90%.

associated with specific pipeline segments. These records stored where the work is done so that they are readily accessible to PG&E's field employees. As part of PG&E's effort to validate the MAOP for the gas transmission pipeline, PG&E has thus far collected more than 10,000 Job Files associated with the 1,805 miles of HCA pipe. These files contained over 34,000 X-Ray documents and over 80,000 STPRs that, in addition to being potentially responsive to Item 7, are relevant to the MAOP validation effort. PG&E is reviewing these documents and will produce responsive documents and data on June 20, 2010.

In addition to these records, over the course of the 55 year period covered by Item 7, PG&E has maintained other types of documents that conceivably could contain responsive information. The first, Mill Inspection and Test Reports, are documents furnished to PG&E by the pipe manufacturer. These documents report on tests the manufacturer performed on the pipe, *e.g.*, chemical testing, tensile testing, hardness testing, pressure testing before the pipe is delivered to PG&E. PG&E has collected approximately 1,400 Mill Inspection and Test Reports related to the 1,805 miles of HCA pipe and will provide responsive reports on June 20, 2011. The second, Inspector Notes, contain observations, forms, progress reports, drawings and other documents provided by contractors and/or PG&E inspectors/job supervisors that relate to the conditions and progression of pipeline construction projects. PG&E has collected twenty-one boxes of Inspector Notes that are not limited to HCA pipe. PG&E will review these documents and produce responsive documents and data on June 20, 2011.

Thus, PG&E will complete its production of data and documents pertaining to pre-use weld defects and failures for the 1,805 miles of HCA pipe on June 20, 2011. As stated above, given that there is no difference between PG&E's record-keeping practices for the HCA pipe and the non-HCA pipe, PG&E expects that production of the data and documents pertaining to the HCA pipe should provide a sufficient basis for the parties and the Commission to evaluate whether PG&E's record-keeping practices complied with applicable laws and regulations. PG&E thus proposes that it only collect and review the X-Ray Documents and STPRs for the non-HCA pipe if the Commission or Staff, after reviewing PG&E's June 20, 2011 report,

concludes that it needs the additional records. In that event, PG&E proposes that the additional production be coordinated with its MAOP validation effort.

PG&E estimates that collecting and reviewing just the X-Ray Documents and STPRs for the non-HCA pipe will require more than 50,000 person-hours. PG&E will be collecting and reviewing the Job Files (including X-Ray Documents and STPRs) associated with the 3,961 miles of non-HCA pipe in connection with Phase 3 of its MAOP validation effort. (*See* March 15, 2011 Report of Pacific Gas and Electric Company on Records and Maximum Allowable Operating Pressure Validation, p. 13.) If the Commission or Staff concludes that it needs the weld defect or failure information from these records, PG&E proposes to continue to leverage the MAOP validation effort to gather records to respond to Item 7. Doing so would minimize disruption to the local offices, efficiently use resources, and avoid interfering with the MAOP validation effort itself. If PG&E coordinates the collection and review of additional weld defect and failure documents for the non-HCA pipe with its MAOP validation effort, PG&E expects to be in a position to complete its production of data and documents responsive to Item 7 by December 31, 2012.

If PG&E were required to accelerate review of the X-Ray Documents and STPRs for purposes of responding to Item 7, it could force a reprioritization of the MAOP validation effort hindering PG&E's ability to timely complete the MAOP validation. Accordingly, PG&E proposes that accelerating the collection and review of the documentation for the non-HCA pipe should be determined only after Commission Staff has reviewed PG&E's June 20, 2011 and September 30, 2011 reports and concluded that it needs PG&E to produce the additional records earlier than December 31 2012 in order to evaluate PG&E's compliance with applicable law. The proposed Production Plan thus provides that if, after review of PG&E's June 20 and September 30 reports, Staff concludes it needs to review additional documents and records prior to the end of 2012, Staff will notify the Assigned ALJ and the ALJ will determine an appropriate deadline for any further production.

B. Records of Post-Use Weld Failures and Defects.

1. A Forms.

The principal way PG&E identifies weld defects or failures after a pipe is put into service is when it repairs a pipe leak. PG&E documents leak repairs on "A Forms," which PG&E at one time called "Leak Test Reports." Starting in 2000, these forms specifically identified whether the source of a leak was on a weld and starting in March 2008 these forms specifically identified whether the cause of a leak was a weld failure. These forms also include space for a narrative description of the repair, which could provide information indicating that the repair was associated with a weld defect or failure.

PG&E maintains A Forms and Leak Test Reports either in Job Files or in separate files located at one of PG&E's approximately 70 local offices. PG&E has already reviewed the Job Files associated with the HCA pipe and collected approximately 4,500 A Forms. PG&E will review those forms and include relevant documents and data with its June 20 report. PG&E is also undertaking to collect all A Forms (for all gas transmission pipe) maintained outside of individual Job Files. Under the Production Plan, PG&E will supplement its report with the results of this effort on a rolling basis to be completed no later than September 30, 2011.

PG&E also maintains two relevant electronic databases.[2] The first, PG&E's Integrated Gas Information System ("IGIS"), includes electronic records of data obtained from A Forms dating back to the early 1990s. PG&E can query this database for leaks. However, because there was no specific field in A Forms for welds until 2000, electronic queries of data before 2000 will not yield results limited to weld defects.[3] PG&E will provide the IGIS data and information for 2000 - 2010 with its June 20, 2011 report. Leak data is also captured in PG&E's Geographic Information System ("GIS"). This data includes historic leak information derived

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[2] PG&E is still analyzing the content and accessibility of legacy data management systems for possible additional data pertaining to weld defects or failures.

[3] It appears that it was not until January, 2002 that the Pipeline and Hazardous Materials Safety Administration's (PHMSA) annual reporting form specified identification of "weld" as a source of a leak.

from pipeline survey sheets. PG&E has queried the GIS data and will provide the resulting data as part of its June 20, 2011 report.[4]

These efforts would leave uncollected as of September 30, 2011 the A Forms located in the Job Files associated with the 3,961 miles of non-HCA pipe. As discussed above, PG&E believes that its production of data and documents pertaining to the 1,805 miles of HCA pipe will provide a comprehensive picture of the kinds of records that PG&E maintains. However, should the Commission or Staff conclude that production of the additional records is necessary, PG&E will be collecting, scanning and reviewing the remaining Job Files in connection with Phase 3 of its MAOP validation effort. If PG&E coordinates its effort to respond to Item 7 with the MAOP validation effort, PG&E expects to be in a position to supplement its Item 7 production on or before the end of 2012. Under the proposed Production Plan, before requiring PG&E to accelerate the effort to collect and review the remaining A Forms for the non-HCA pipe, Staff would first review PG&E's HCA production to determine whether acceleration of the non-HCA production is necessary.

2. Other records.

A secondary way in which a weld defect or failure might be identified after a pipe is placed into service is through integrity management inspections. These include in-line inspections and external corrosion direct assessment. The results of these inspections are documented on H Forms. These documents are available from 2004 through the present day and are maintained by PG&E's Integrity Management group. PG&E will review these records for all 1,021 miles of gas transmission pipe that fall within the Transmission Integrity Management Program and include the results in its June 20, 2011 report.

PG&E maintains two additional types of records that conceivably could be responsive to Item 7. First, transmission pipe may be sent to PG&E's Applied Technology Services ("ATS")

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[4] General leak data is also reported annually to PHMSA and the Commission. However, given the public nature of these reports, PG&E does not plan to reproduce them as part of the Production Plan.

group for analysis following the discovery of a pipe defect or failure. This testing helps to identify the root cause of gas incidents and mitigate the likelihood that such events may occur in the future. Testing of this kind has been performed by ATS (and its predecessor groups) since before 1955. Second, in connection with PG&E's supplier quality program, PG&E may generate a Material Problem Report intended to collect information on quality and design issues with material, equipment and tools. While not intended to be specific records of weld failures or defects, weld failures or defects could be noted in a Material Problem Report. Non-destructive testing records and Material Problem Reports are maintained centrally. PG&E expects to be able to collect and review these records for all 5,766 miles of gas transmission pipe and report the results on June 20, 2011.

II. CONCLUSION.

PG&E understands the importance of the Commission's investigation and is committed to providing information and documents responsive to Item 7 in as timely a manner as practicable. PG&E's Production Plan will provide the Commission with documents and data concerning pre-use weld defects and failures for the 1,805 miles of HCA pipe by June 20, 2011, will provide documents and data concerning in-service weld defects and failures for the 1,805 miles of HCA pipe by September 30, 2011, and, if requested, will provide the remaining documents and data in as they are collected and reviewed in connection with the MAOP validation effort, which PG&E expects to complete by the end of 2012, with the potential for that production to be accelerated if Staff believes it should be. PG&E believes that its proposed Production Plan achieves a reasonable solution to providing the Commission with the information it needs as expeditiously as practicable in a way that complements (rather than competes with) the important MAOP validation effort. PG&E asks the Commission to grant its

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motion extending the time to complete production of documents and data responsive to Item 7 pursuant to the attached Production Plan.

Respectfully submitted,

/s/
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APPENDIX A

CPUC INVESTIGATION NO. 11-02-016

[PROPOSED] PRODUCTION PLAN REGARDING OII ITEM NO. 7

Definitions.

The words "pipe," "weld," "defect" and "failure, as used in Item No. 7, have the following meanings:

"Pipe" means "any pipe or tubing used in the transportation of gas, including pipe-type holders." 49 C.F.R. Section 192.3. Pipe is limited to transmission pipe, as "transmission" is defined in Department of Transportation regulations.

"Weld" means both longitudinal seam welds and girth welds.

"Defect" means the following: For pre-service weld defects, the term "defect" means any weld that did not meet standards of acceptability set forth in state and federal regulations. For in-service weld defects, the term "defect" means any construction or manufacturing irregularity in the pipe weld that results in the repair or replacement of pipe.

"Failure" means the following: For pre-service weld failures, "failure" means any weld that leaked or ruptured during strength testing. For post-service weld failures, "failure" means any defect in a pipe weld that results in the release of gas.

Document-Type Definitions.

"X-Ray Documents" means documents containing the results of x-ray examinations performed to determine whether the welding done on girth welds met regulatory standards.

"Strength Test Pressure Reports" or "STPRs" means forms, charts and logs of pressure tests conducted on new pipe sections.

"Mill Inspection and Test Reports" means documents furnished to PG&E by the pipe manufacturer relating to chemical testing, tensile testing, hardness testing, and the method used to test pipe produced by the manufacturer.

"Inspector Notes" means a collection of observations, forms, progress reports, drawings, and other documents provided by contractors and/or PG&E inspectors that relate to the conditions and progression of pipeline construction projects.

"A Forms" and "Leak Test Reports" mean PG&E's documents entitled "A Form" or "Leak Test Report" used to document pipeline repair and maintenance.

"H Forms" means PG&E documents entitled "H Forms" used to document the results of pipeline integrity management assessments, including in-line inspection and external corrosion direct assessments.

"Post-Failure Non-Destructive Testing Documents" means records associated with post-failure non-destructive testing of pipe that experienced a defect or failure.

"Material Problem Reports" mean PG&E documents Entitled "Material Problem Report" created since 1985 as part of PG&E's supplier quality program and intended to collect information on quality and design issues with material, equipment, and tools.

"IGIS" means PG&E's electronic Integrated Gas Information System database.

"GIS" means PG&E's electronic Geographical Information System database.

Production Plan.

1. On June 20, 2011, PG&E will provide the dates and circumstances of gas pipe weld failures or defects found before use (1) identified in X-Ray Documents or Strength Test Pressure Reports for the 1,805 miles of high consequence area ("HCA") pipe and (2) identified in Inspector Notes for all pipe, and produce the associated documents as well as any Mill Inspection and Test Reports related to the 1,805 miles of HCA pipe.

2. On June 20, 2011, PG&E will provide the dates and circumstances of gas pipe weld failures or defects found after use, and produce all associated documents and data:

   - For all pipe to the extent identified in (1) Transmission Integrity Management assessments, including H Forms, (2) Post-Failure Non-Destructive Testing Documents, (3) Material Problem Reports or (4) IGIS records from 2000 through 2010, and (5) GIS records.

   - For the 1,805 miles of HCA pipe to the extent identified in the 4,515 A Forms retrieved from Job Files.

3. From June 20 to September 30, 2011, PG&E will identify the dates and circumstances of gas pipe weld failures or defects found after use for all pipe to the extent identified in A Forms not found in Job Files. PG&E will provide the results of its review and produce associated documents on a rolling basis with

rolling productions on or before July 29 and August 31, and with a final production no later than September 30, 2011.

4. If any party identifies additional document types pertaining to weld defects or failures that it believes PG&E should produce, the party will notify PG&E and work with PG&E to identify a mutually agreeable production date. The parties will report their agreement, or inability to agree, to the Assigned Administrative Law Judge ("ALJ"). The ALJ will then issue an order modifying this Compliance Plan as appropriate.

5. After reviewing the documents and data PG&E provides on June 20 and September 30, 2011, Commission staff ("Staff") will determine whether it believes PG&E should review the Mill Test Pressure Reports, X-Ray Documents, STPRs and A Forms found in Job Files related to the non-HCA pipe and, if so, whether if believes PG&E should accelerate its collection and review of these documents, and notify the ALJ of its determination. If Staff or the Commission concludes that PG&E should review and produce and/or accelerate production of these documents and data, the ALJ, after obtaining input from PG&E and other parties, will establish dates for production of the remaining documents and data.