From: Cherry, Brian K
Sent: 1/6/2012 4:07:32 PM
To: 'mp1@cpuc.ca.gov' (mp1@cpuc.ca.gov)
Cc:
Bcc:
Subject: FW: [Redacted] and Others Give Me Hope
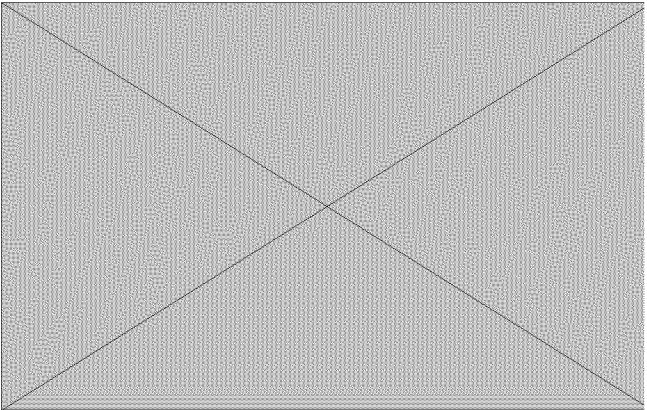
FYI

From: A Message from Nick Stavropoulos
Sent: Friday, January 06, 2012 03:56 PM
To: All PG&E Mail Recipients; All PGE Corp Employees
Subject: [Redacted] and Others Give Me Hope

Team:

Nobody wants to learn about an issue associated with his or her company by reading the newspaper or watching the news. I'm grateful that I didn't hear about the 16 maps missing from our Diablo Division leak survey schedule that way. I learned about them from several PG&Eers who took courageous and swift action to do the right thing. These individuals—you'll read more about what they did below—demonstrated, through the decisions they made, that there is nothing more important than public and employee safety. These employees make me proud to say I work for PG&E.

Here's a summary of what happened and our corrective plan that not only addresses the Diablo Division but strengthens our gas system as a whole.

Background

- In preparing and reviewing gas maps for the 2012 leak survey, Gas Lead Mapping Technician [Redacted] (pictured at right) decided—on his own initiative—to do a thorough review of the five-year map survey.

- In doing so, he found a map that was not in the leak survey schedule. He enlisted the help of Gas Senior Mapping Technician [Redacted] (pictured above) and they went through the entire list of gas maps.

- [Redacted] found additional maps that had never been placed in the leak survey schedule. [Reda] immediately informed his supervisor, [Redacted] and Gas Distribution Engineering Supervisor [Redacted].

- [Redac] started the reporting process that resulted in a filing to the California Public Utilities Commission (CPUC).

- Diablo/North Bay M&C Gas Superintendent [Redacted] immediately dispatched leak survey crews to the locations that hadn't been surveyed. Leak surveyors came in from Sacramento, San Francisco and the East Bay to help.

- Of the 16 distribution maps that were surveyed, we found:

  - One Grade 1 leak (repaired on Dec. 30)
  - One Grade 2+ leak (repaired on Jan. 3)
  - Seven Grade 2 leaks (six repaired as of Jan. 5; remaining repair to be made today, Jan. 6)
  - 13 Grade 3 leaks (all repaired as of Jan. 5)

Preliminary Root Causes

- Maps were created with gas distribution assets and noted in the Gas Electric Mapping System (GEMS). However, they were not then placed on the Five Year Leak Survey Schedule spreadsheet. That's how these maps were missed in the five-year distribution cycle.

- Maps existed for transmission assets only. When distribution assets were added to these maps, this information was not transferred from GEMS to the spreadsheet referenced

above.

Corrective Actions (Taken and In Progress)

- All maps in the Diablo Division have been reviewed to verify that the distribution assets associated with the 16 maps were the only ones not included in the leak survey schedule. After further analysis, it was found that only 15 maps had distribution assets that had not been leak surveyed.

- The mapping checklist has been updated to ensure that all maps are added to the Leak Survey Schedule.

- The entire list of maps in GEMS systemwide is being compared with the Leak Survey Schedule and the mapping SharePoint site.

- Any maps that are not on the Leak Survey Schedule but exist in GEMS will be manually reviewed for distribution assets.

- If any additional distribution assets are not found on the Leak Survey Schedule, they will be immediately surveyed. Any gas leaks identified will be corrected in an accelerated manner with appropriate notification to the CPUC and local authorities.

- Every year a list of newly created maps will be generated from GEMS and compared with the Leak Survey Schedule.

- PG&E's updated Leak Survey standards, policies and procedures will be updated as well as the mapping checklist for all respective divisions.

Going Forward

Several of Gas Operations' Top 10 Priorities are focused on catching oversights such as this. **Karen Austin**, our chief information officer, and her team are working aggressively to modernize PG&E's computer systems and records. Through the Gas Transmission Asset Management Program (GTAM), we will go from being a paper-dependent company to one that works more efficiently and effectively with electronic tools that work in real time (this day can't come soon enough for us.) Once GTAM is implemented, we will move from using multiple databases and spreadsheets to track and schedule our work, to using an integrated asset registry and scheduling tool that leverages SAP.

In Closing

We all need to understand and take seriously the value of doing leak surveys and leak detection work. It's our obligation to get it right. All leaks must be carefully investigated and addressed, and we won't tolerate anyone who attempts to downgrade leaks inappropriately and outside our standards, policies and procedures.
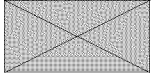
Redacted showed that safety is a core PG&E value. What they and others have done to correct the immediate problem and bolster the integrity of our entire system, will help rebuild trust in PG&E. We all need to think and work this way.

I overheard someone joke that PG&E's problem is that not only are we shooting ourselves in the foot, we keep reloading the gun. These mistakes are extremely costly. More important than any potential fines, though, is the fact that many of our past actions have caused an erosion of trust in our company. We can slowly rebuild this by showing—without any doubt—that we place public and employee safety above all other priorities.

PG&E will make mistakes. There is no perfect company, no error-free individual. Abnormal events occur in businesses that operate 24/7. When we do drop the ball, I hope all of us have the courage to do what our colleagues did:

- Demonstrate that safety is our most important priority,
- Act swiftly and exercise good judgment,
- Learn from our mistakes by talking about them and dissecting the contributing causes, and
- Improve our systems and processes as a result of our mistakes.

Thank you,

Nick