

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Adopt New
Safety and Reliability Regulations for
Natural Gas Transmission and
Distribution Pipelines and Related
Ratemaking Mechanisms.

Rulemaking 11-02-019
(Filed February 24, 2011)

**COMMENTS OF ESC LOCAL 20, IFPTE ON PG&E'S GAS
SAFETY PLAN**

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In accordance with the schedule established by the Ruling of the Assigned Commissioner Setting Schedule for Comments on Safety Plans, dated July 20, 2012, the Engineers and Scientists of California, Local 20, IFPTE (ESC) submits its comments on the gas safety plan of Pacific Gas and Electric Company (PG&E).

ESC Local 20 represents roughly 2,700 technical and professional employees at PG&E, including many involved in the production and retention of gas records such as designers and mappers.

Senate Bill (SB) 705 – the state law that developed significant new regulations for safety of natural gas utilities – specifically requires PG&E to develop a Gas Safety Plan, and also specifically requires the Utility to provide “*meaningful, substantial, and ongoing participation by the gas corporation workforce in the development and implementation of the plan.*” This requirement has been codified in

Public Utilities Code section 961(e).

PG&E has assured ESC that it will engage ESC's members in future discussions, and ESC looks forward to that opportunity. To date, however, ESC's members' involvement in the plan consisted of one meeting, held one month before the Plan was submitted. Our members were not presented with a draft document or any written materials, either before or after the one meeting. This is not "substantial" involvement. At this meeting, the union members presented 17 specific recommendations in writing. PG&E did not respond to our recommendations in writing or cite them in its Gas Safety Plan. PG&E compiled an appendix, listed all of our members' comments, and essentially said that they are "pending." ESC therefore does not believe that this process has reached the standard required by SB 705 for "meaningful and substantial" participation by the our members.

ESC would particularly like to address one specific component of SB 705 in detail: staffing and training. Public Utilities Code section 961(d)(10) requires PG&E to "Ensure an adequately sized, qualified, and properly trained gas corporation workforce."

Proper qualifications and training are a very important issue to ESC Local 20. ESC members have been involved in development of the Estimator Training Program and Mapper Advancement Program. ESC feels that training for all the classifications involved in design and record-keeping of the gas system is vital; however, current training programs are not adequate and must be improved. For example, there is no ongoing training for Associate Distribution Engineers (ADEs). ADEs are the lead

designers who check the designs and oversee the work of Gas Estimators, who design facilities such as distribution mains and services, transmission pipelines and valves, and many other facilities. The lack of ongoing training makes it difficult for PG&E to improve its documentation, which has been a core focus of the safety investigations of the San Bruno accident. ESC brought this item specifically to the attention of PG&E, but we have seen no intent to address it in the Gas Safety Plan although PG&E does have some programs underway to update old training programs and implement new training programs as well. However, the understaffing problem makes it difficult to draw upon internal subject matter experts to develop and validate the content of the training, so these programs are not moving very quickly.

The size of the workforce is also a vital issue. PG&E does not have enough employees in ESC-represented classifications to perform all of the work it needs to do. This is obvious in the size of workload assigned to each in-house employee, the lack of hiring since the San Bruno accident in the classifications represented by ESC, and PG&E's heavy use of outside contractors, who are often not familiar with PG&E's system or requirements. Understaffing can have potentially serious safety consequences, for example by creating a backlog of unmapped jobs, or putting pressure on employees to cut corners in order to handle a larger volume of work.

In terms of hiring, PG&E has made some moves and presented plans to ESC to increase hiring in some represented classifications, especially Gas Mapping. However, most of the proposed hiring remains theoretical - PG&E has to date actually hired few employees in most ESC-represented classifications. Furthermore, PG&E

would not answer ESC's request for information on how many employees in ESC's technical classifications that it is intending to hire. PG&E has a major workforce crisis but does not appear to be taking adequate steps to address it, and PG&E has ignored ESC's repeated requests to discuss workload and proper staffing levels at the system-wide level. Very recently, PG&E made ESC aware of some long-term planning initiatives that may result in a better staffing plan, but these initiatives are not yet incorporated into the Gas Safety Plan.

ESC Local 20 is also concerned about the extensive use of outside contractors. One concern is proper qualifications. In recent contract negotiations, ESC proposed a clause which would have stipulated that all outside contractors meet the qualifications of ESC-represented employees in their classification. PG&E rejected this proposal, stating that it had no method to ensure the qualifications of its contractors and therefore could not live up to this commitment. Again this could potentially be tied to safety, because if designers are not qualified in PG&E's construction standards, and their work is not being checked by employees who are tested on those standards, it is difficult to ensure that the standards are actually being met.

Another concern with outside contractors is knowledge retention. When documents such as facility designs are prepared by outside consultants, those employees are not available in the future to comment upon revisions or rebuilding. ESC is concerned that large numbers of drawings will end up being unclear, but the designers or engineers who created them will be unreachable because they are out of state, have a high turnover, or because their firm does not have a contract with PG&E anymore. In

contrast, PG&E's employee retention is very high, and the benefit of being able to contact the same individuals who designed the original installation of a facility in order to work on modifications or reconstruction is significant, especially given the poor condition of PG&E's construction records, which has been thoroughly documented by the Commission.

As of August, 2012, ESC has learned that PG&E plans to establish a presence in Houston, Texas. PG&E announced job postings for three regular employees to be based in Houston to oversee the work of contract engineering firms, particularly Gulf Interstate but potentially involving other firms as well. PG&E did not discuss this staffing strategy with its employees, as required by SB 705, and ESC strongly feels that this is a step in the wrong direction. It is not clear how the engineers or designers from Houston would field-check their work, or whether they are aware of California's seismic and environmental requirements. In fact, ESC-represented designers currently working with engineers from Gulf Interstate report that Gulf employees are not aware of these issues and that their cost estimates are often highly inaccurate as a result. Another concern is what happens to documents if the long-term presence in Houston comes to an end.

In summary, ESC Local 20 feels that the intent of the law is to ensure that PG&E hires and trains a sufficient number of employees to perform the necessary work to keep the system safe, and ESC believes that PG&E has not yet demonstrated that it will comply with this portion of the law. The law also requires meaningful discussions between PG&E and its workforce, and ESC Local 20 would like to place its comments on

record that this has not occurred to date. The lack of discussion extends not only to the issues of proper staffing and training, but also to a total of 14 of the 17 specific comments that ESC members presented to PG&E during PG&E's formulation of the Plan. Again, PG&E has assured ESC that it will engage our members in future discussions.

Given the law's mandate for "substantial, meaningful" input for employees, ESC Local 20 asks the Commission to require PG&E to revise its plan to include more detail on workforce size and training, and use of outside contractors, based upon substantial and meaningful input from its employees.

Respectfully submitted this 7th day of September, 2012 at San Francisco, California.

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