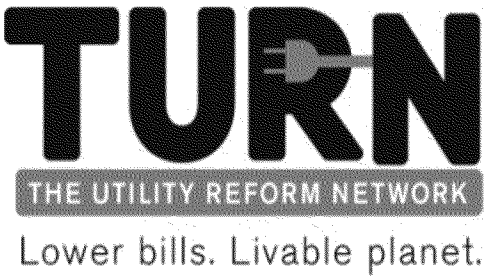
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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)

MOTION OF THE UTILITY REFORM NETWORK TO SET ASIDE SUBMISSION AND REOPEN THE RECORD FOR THE TAKING OF ADDITIONAL EVIDENCE



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November 16, 2012

MOTION OF THE UTILITY REFORM NETWORK TO SET ASIDE SUBMISSION AND REOPEN THE RECORD FOR THE TAKING OF ADDITIONAL EVIDENCE

Pursuant to Rule 13.14(b), the Utility Reform Network (TURN) submits this Motion to Set Aside Submission and Reopen the Record in order to take into evidence a portion of the October 2, 2012 Reporter's Transcript of PG&E's oral testimony in the Joint Evidentiary Hearings conducted in I.12-01-007 and I.11-02-016 concerning valve automation. This portion of the transcript, including pages 194-214 of the joint evidentiary hearing transcript, is attached as Appendix A.

TURN explains below how this evidence, which was unavailable prior to the submission of the record on May 31, 2012, constitutes admissions by PG&E witnesses concerning the response times of remote controlled valves (RCVs) and automatic shut-off valves (RCVs). These admissions are directly relevant to the scope of the valve automation program proposed in R.11-02-019, and specifically to the choice between RCVs versus ASVs, which was a primary issue in dispute.

NATURE AND RELEVANCE OF EVIDENCE

The evidence consists of the oral testimony, in response to cross-examination by Ms. Strottman from the City of San Bruno, of PG&E expert witnesses Kazimirsky and Slibsager. These witnesses submitted testimony in Investigation 11-12-007 concerning "PG&E's SCADA System and the Milpitas Terminal." Mr. Slibsager is the Manager of Gas System Operations, and has been with PG&E for 29 years. Mr. Kazimirsky is a Principal Engineer in charge of SCADA and Controls Group, and has been with PG&E for over 32 years.

During cross examination, these witnesses (primarily Mr. Slibsager) discussed the differences between RCVs and ASVs and the amount of time required to initiate closure of these valves by a control room operator (RCV) or an automated signal (ASV). Of particular relevance are pages 201, 202 and 206 of the Reporter's Transcript; however, TURN submits the entire 20-page section of cross-examination by Ms. Strottman (2 RT 194 to 2 RT 214) for completeness.

Mr. Slibsager testified that depending on the amount of SCADA information they were receiving, a control room operator would initiate closure of an RCV in "as short as 25 or 30 minutes and as, you know, as long as maybe an hour and a half." Mr. Slibsager further explained that given the conditions on September 9, 2010, a gas control operator might never have initiated closure without on-site assistance.

PG&E has proposed its automated valve program in this proceeding as a tool to achieve gas flow shut-off within 30 minutes of a rupture. Mr. Slibsager's testimony is directly relevant to assessing the efficacy of using RCVs, rather than ASVs, to accomplish this goal. In particular, Mr. Slibsager's testimony is directly relevant to the testimony PG&E submitted in this proceeding contending that gas shut off after a rupture can be achieved with an RCV within 30 minutes.[1]

The choice between RCVs and ASVs is no small matter. It is the primary issue in dispute concerning the scope of PG&E's valve automation program.

[1] See, Exh. 1, p. 4-24, Menegus / PG&E.

WHY EVIDENCE WAS NOT PREVIOUSLY ADDUCED

The record in this proceeding was submitted on May 31, 2012. The oral testimony in the Joint Evidentiary Hearings in I.12-01-007 and I.11-02-016 was taken on October 2, 2012, more than four moths after submission of the record in this proceeding. The Proposed Decision in this proceeding was issued on October 19, 2012. TURN is moving for the admission of this evidence, which we have cited in our comments on the Proposed Decision.

November 16, 2012

Respectfully submitted,

By: _____/s/_____

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Appendix A:

Joint Evidentiary Hearing in I.12-01-007 / I.11-02-016

October 2, 2012

2 RT 194-214

MS. STROTTMAN: Yes, thank you.

CROSS-EXAMINATION

BY MS. STROTTMAN:

Q Good afternoon. My name is Britt Strottman and I represent the City of San Bruno.

Can you hear me?

WITNESS KAZIMIRSKY: A Yes.

WITNESS SLIBSAGER: A Yes.

Q So I am going to ask you a few questions about your automated valve program and automated valves in general. So to whom should I direct that question -- those questions to?

WITNESS KAZIMIRSKY: A I guess it depends on the question.

Q Well, I'll direct turn your attention to page 8-17 of your testimony, lines 12 through 14. Who could speak to that?

WITNESS SLIBSAGER: A I think I would speak to that.

Q Okay. Can you please take a minute just to read it?

A Then that was, I'm sorry, lines 12 through 14?

Q Lines 12 through 14.

A (Reviewing document) Okay.

Q So it says PG&E has embarked on an aggressive program to increase SCADA visibility and control capability on its transmission pipelines, focusing on the most densely populated areas in our service territory; is that correct?

A That is correct.

Q So does this aggressive program, quote, unquote, aggressive program include the automated valve program you testified to later on?

A That is what it's referring to, yes.

Q Is the program aggressive because of the problems PG&E had with its control capabilities on September 10, 2010?

MR. WEED: Objection, assumes facts not in evidence.

MS. STROTTMAN: Your Honor, I don't think it assumes. I'm just asking a question if the aggressive program is because of the problems from September 10th.

ALJ WETZELL: Overruled.

MS. STROTTMAN: I'm sorry. September 9.

WITNESS SLIBSAGER: So I think it's actually a response to process improvement related to the events of September 9th that

PG&E has been moving forward on and has been a recommendation by the National Transportation Safety Board that's been issued to PG&E and the industry.

Q So is that a yes to my question?

A Well, those are the activities we're undertaking as a result of those process improvements. I'm --

Q To answer my question --

A So --

Q -- is the program aggressive because of what happened on September 9, 2010?

A In response to it being a process improvement to what occurred, yes.

I'm not sure I understand the question. I mean, aggressive -- I mean it's process improvement related to the incident and the accident that happened on September 9, 2010.

Q So the program -- I'm using your words, an aggressive program.

A That's right. Installation of this number of valves and this amount of work is really quite, quite large.

Q And it's because of the events of September 9, 2010?

A In respect of it being process

improvements associated with that event, yes.

Q I'm sorry. I don't think you're answering my question. I'm sorry. I'm asking --

A Well, we undertook this activity as a result of our -- of the NTSB recommendations and PG&E's review of the incident and installing these valves as part of the our PSEP program.

Q Is the program labeled aggressive because of the problems PG&E had with its control capabilities?

A Maybe I misunderstood then. I think aggressive, it's such a large amount of work that's being done in such a short period of time.

Q Okay. So could you please explain to me in layman's terms how an automated valve with an automated capability works?

A An automatic valve with automatic capability, installing an automated valves that have both either automatic or remote capability.

The automatic function is intended to be a functionality we're using where we have the pipeline crossing earthquake faults and the automatic nature of it, it will actually activate and close the valves based

on thresholds and triggers without operator intervention in my control room.

Q What other triggers besides earthquakes?

A It's increased flow through the pipeline that may signify that a pipeline is ruptured or broken as a result of an earthquake occurring.

Q And could you please explain to me in layman's terms how an automated valve with a remote control capability works?

A It would be a valve in my control room. It would be actually operated by my control room, meaning that my control room operators would send a signal to open or close the valve.

Q So how do you make the decision to place -- or how does PG&E make the decision whether to place an -- can I call it an automatic or automated valve with automatic capability an ASV?

A Yes.

Q Is that fair?

A That's fine.

Q Can I call an automated valve with remote control capability an RCV?

A That would work.

Q So how does PG&E make the decision

to place an ASV or an RSV on a line?

A The ASVs were determined as a result of the fault process and the thought that if there were an earthquake that we would want a quick shutoff of those pipelines without intervention from the control room to make that happen. And the RCVs were intended to be a decision made in the control room to close those valves.

Q So that an RCV, you said a control room operator makes the decision to close --

A That's right.

Q -- the valve?

A (Nods.)

Q And what training does that control room operator have in making that determination?

A One of the operator OQs or operator qualifications my operators hold is the remote operation of valves. So they are trained on how to use the SCADA system to make that control valve close based on analysis of upstream and downstream conditions relative to the pipeline conditions. So it's an operator qualification that they hold that allows them to do that.

Q So does the control room operator

have to check in with the supervisor to make that decision?

A The senior transmission coordinator on shift is a control room operator that's there 24 by 7, part of my control room staff has the authority to issue those orders and have the control room operators activate those valves to close.

Q So if there was an RSV on Line 132 placed upstream from the break in Segment 180, how long would it have taken to shut off the gas?

A So a remote control valve if it had existed, it would have, the time it would have taken to make the decision would have depended on the amount of information the operator could have gleaned from the SCADA system before they made that decision.

So I don't have precise answer in the respect of they didn't exist on September 9. As we are installing these across our system, we're adding a number -- great number of these, 220 of them in the first phase between now and 2014. So with that comes a lot of increased visibility.

So, it's hard for me to give you a precise number but I mean the actual

activation of the valve once the person sends the signal is about two to five minutes. But it's all about the analysis and the amount of data they have available to them to make that decision to send the signal. That would require time.

Q Could you give me a range?

A You know, every situation's different. Depends on how much information they're getting. But I mean I think it could be -- it could be I think as short as 25 or 30 minutes and as, you know, as long as maybe an hour and a half. Depends on the amount of information they're getting to make that decision.

Q And what about an ASV. What if an ASV was placed upstream from the break in Segment 180, how long would it have taken to turn off the gas?

A ASV automated -- actuated automatically so it would have closed as soon as it got the signal from the valve.

Q So it's fair to say that if an ASV was on Line 132, the gas would have been cut off right away?

A Providing the valve operated appropriately as it was designed to, yes.

Q And what about an RCV?

A That's back to the answer I gave a minute ago. Depends on how much analysis and how quickly my folks could have assimilated information. And based on the level of information they received on that day, I think it would have taken them a considerable amount of time to make the decision to close that valve.

Q Wouldn't a prudent operator install an RCV to shut off the gas in an event of a catastrophic failure?

A Remotely controlled valve?

Q Yes.

A Well, PG&E had at the time over 300 remotely controlled valves in their system. We just didn't have one at that location.

Q So is it your answer then that -- so I guess the answer to my question wouldn't a prudent operator install an RCV to shut off the gas in a high pressure gas line like Line 132 an event of a catastrophic failure?

MR. WEED: Objection. It's an incomplete hypothetical, calls for speculation.

MS. STROTTMAN: I don't think it does. We can just say the hypothetical is the exact situation of what happened on September 9, 2010, which I'm sure you're familiar with.

MR. WEED: It's still objectionable as it's just those two valves or is it every valve on 5000 miles of pipe or --

MS. STROTTMAN: Segment 180.

MR. WEED: -- which is it?

MS. STROTTMAN: Q Actually, just Line 132.

WITNESS SLIBSAGER: A Well, PG&E like I said, we had over 300 remotely controlled valves on the system. So we actually over time, we installed them where we thought it was prudent and necessary, and that's just the process we've had in place.

So I think we've been doing the prudent thing by installing them as we retrofitted facilities and as we saw need for them. Just didn't -- we did not have them at that location on September 9.

Q And is it fair to say that a fire fueled by gas makes the fire more dangerous?

A I'm not sure I know that.

Q You do not know that?

A Well, I mean --

Q A fire fueled by gas, doesn't that make a fire more dangerous?

A That's something else. I'm --

Q Is a fire fueled by gas a dangerous situation?

A Of course, yes.

Q And that can contribute to property damage; correct?

A Yes, of course.

Q And put people's lives at risk; correct?

A Yes, it could.

Q And if I could please direct your attention to it's CPSD-9 which is the NTSB report. Do you have that with you?

A The NTSB report?

Q Yes. Sorry.

A So did you give us a page number?

Q Yes. It's small Roman numeral X. Top of the page it says Executive Summary.

A Okay.

Q If you could please read to yourself the first line and the last paragraph. It starts with "However."

A (Reading document).

Q I'll just read it out loud: .

However, PG&E took 95 minutes to stop the flow of gas and to isolate the rupture site, a response time that was excessively long and contributed to the extent and severity of property damage and increased the life-threatening risk to the residents and

emergency responders.

Do you agree with that statement from the NTSB in the Executive Summary?

A So, I'm not sure I agree that it was an excessive long period of time that it took us to shut off the flow of gas. But I guess I agree that had it been shut off faster, that potentially some of those things would not have happened.

Q If I can could please have you look at page 125. And it's NTSB finding No. 13, the first finding -- well, it's the first paragraph on page 125.

A It's you said No. 13?

Q Yes.

A (Reviewing document) Okay, I read it.

Q And that states:

Use of automatic shut-off valves or remote control valves along the length of Line 132 would have significantly reduced the amount of time taken to stop the flow of gas and to isolate the rupture.

Do you agree with that finding?

A Not in respect to remote control valves because I think remote control valves still would have taken the operator's

analysis to make a decision to activate those remote control valves.

I'm not so sure looking at what transpired on that day that they would have had enough knowledge to have done that or how fast they would have been able to do that.

Q But you agree that the automatic shut-off valves would have significantly -- the use of it would have significantly reduced the amount of time taken to stop the flow of gas and to isolate the rupture?

A No, not -- I think that that's a conclusion one could draw, but I think it depends on how they were set, what thresholds were automated into the valves to send the signals to shut them off, and whether the valves acted properly on that day, if they actually existed.]

Q If they hadn't worked properly?

A Well that, and if they had been, you know, programmed properly. I mean, you know, an automatic shutoff valve would activate based on the amount of flow it was registering, something about a threshold. It would have had to have been programmed correctly and designed correctly.

Q Assuming they worked properly, designed -- were designed properly, would

that ASVs have reduced the amount of time taken to stop the flow of gas?

WITNESS KAZIMIRSKY: A This location was not suitable for the ASV, because the automatic shutoff valve would need to detect the rupture in line. So far up to now technology for that is not really reliable. Technology is not available. That is why we installed the automatic valve only at the fault lines. Location like San Bruno would call for -- would be more for remote control valve, not automatic valve. Remote control valve, like Keith said, would still require operator involvement to make decision to close the valve.

Q So I guess I don't understand why an ASV is not, could not be properly placed in San Bruno. Could you please explain that?

A Because the ASV, the valve that could close automatically without any human intervention, would require exact means of detecting line rupture. And currently there is no reliable technology available for such application. For the earthquake faults the technology is available. Valve can detect the earth movement. Sensors can detect earth movement or acceleration, and they can act upon that. On a straight line like we have

in San Bruno, the technology is not reliable.

Q Does PG&E have any plans to place an RSV on Line 22?

A We have. We already implement it. We already have several valves on Line 132.

Q How many?

WITNESS SLIBSAGER: A We've installed 50 of these remote control -- approximately 50 in our system. The majority of those have been on the San Francisco Peninsula.

Q But no, you have not installed any ASVs on Line 132?

A You know, I don't know the answer to that. They are in the -- they are in the automated valve program wherever we have fault crossings on the Peninsula. I don't know if they've been installed at this time.

Q Do you know how I can find that out?

WITNESS KAZIMIRSKY: A How to find it out?

Q How to find out that information and --

A That information is available; but not here, not now.

Q Do you know from whom?

A Probably from the Pipeline Safety Enhancement Program.

Q So if I could please direct your attention to the CPSD report that has been marked 1. Do you have that in front of you?

A I believe it is the testimony?

Q Yes.

A 1 is probably the very beginning of it?

Q I'm sorry, I just have one more question to ask you about RSVs. Assuming all the facts that SCADA had on September 9th, had there been an RSV upstream of Segment 180, Line 132, how long would it have taken to taken shut off the flow of gas?

WITNESS SLIBSAGER: A So is your question how long would it have taken my operators to analyze the situation to shut off the flow of gas?

Q Yes. Assuming all the facts that SCADA had on September 9th, yes.

A I don't have a precise answer. It probably would have taken as long as having somebody on site to tell us the precise location of the line break to understand which valve to actually upstream and downstream of the break.

Q So then somebody would have to be onsite?

A At least to allow us to understand

precisely where the break was in the system.

Q And I'm sorry, why is that?

A Because then we would have to know the proximity of the nearest upstream and the nearest downstream valve to that location.

Q Is that common practice within PG&E?

A That is what we really were doing that day when we were dispatching our employees, our field employees to go out there and be our eyes and ears. Because we didn't have that information available to us on SCADA.

Q So I'm sorry, if I could have you go back to the CPSD report, page 167. It has been marked 1.

A It is 167?

Q Yes, CPSD Recommendation No. 27.

A That is in regards to RCV performance study.

Q Yes, did you have a chance to read it?

A Yes, I did.

Q So just for the record it says, it's Recommendation No. 27:

> RCV/ACV- PG&E should perform a study to provide Gas Control with a means of

determining and isolating the location of a rupture remotely by installing RCVs, ASVs, and appropriately spaced pressure and flow transmitters on critical transmission line infrastructure and implement the results.

Did I read that correctly.

A Yes.

Q Has PG&E performed that study?

A That is the study I referred to earlier this morning that we are performing at this point in time.

Q How long -- I assume you can't tell us any conclusions yet to that study?

A I really can't. It is looking at basically the spacing of our transmitters to determine the effectiveness of the tool, to whether it can tell us -- what site it could tell us had occurred. At this point I don't have the results back.

Q Excuse me, one minute.

MS. STROTTMAN: Thank you, I have nothing further.

ALJ WETZELL: Mr. Yang.

MR. YANG: No questions for these witnesses, your Honor.

EXAMINATION

BY ALJ WETZELL:

Q I have just one question to follow-up on the very last question asked by Ms. Strottman regarding Recommendation 27 that we just looked at.

You mentioned that -- you talked about this morning a study that PG&E is conducting. Does that study include whether to install ASVs?

WITNESS SLIBSAGER: A The study is actually to look at the use of leak detection on the system to pinpoint where a leak would have occurred so then we could effectively use RSVs on our system.

Q I guess I would follow-up on the question she asked. Is PG&E or has PG&E performed a study with regard to ASVs?

A So the whole -- I mean it is sort of the premise of the whole PSEP program with automated valves. It is that response to PG&E's effort to install those ASV and RCVs on system. We are embarked upon a program to install 20 of them so we make that determination to do that in the Class 3, Class 4 locations which are the highly

populated areas.

ALJ WETZELL: Thank you. Redirect?

MR. WEED: Nothing really. Just one question to follow up on Recommendation 27.

REDIRECT EXAMINATION

BY MR. WEED:

Q If I understand correctly, Mr. Slibsager, PG&E has installed numerous RSVs and ASVs; is that correct?

WITNESS SLIBSAGER: A That is correct.

Q And that is related to Recommendation 27?

A Yeah, through our PSEP program.

MR. WEED: Thanks.

ALJ WETZELL: Anything further on that one question?

MR. REIGER: One point, your Honor.

RECROSS-EXAMINATION

BY MR. REIGER:

Q Prior to installing the -- you make the decisions for these installations based upon on a study or plan?

WITNESS SLIBSAGER: A The PSE Project performed those analysis, and they make a decision on how we would actually implement the -- the precise locations of the valves we would actually automate and the distance in spacing between them. So I would have to

rely on their expertise how we made that decision.

MR. REIGER: Thank you, your Honor.

MS. STROTTMAN: Your Honor, I'm sorry. Now I have a question.

RECROSS-EXAMINATION

BY MS. STROTTMAN:

Q Just going back the RSVs, if you had to dispatch somebody to be onsite, why bother even having a RCV?

MR. WEED: Objection, beyond the redirect.

ALJ WETZELL: I have to agree. Sustained.

There being nothing further, that completes your testimony. You are excused. We will go off the record.

(Recess taken)

ALJ WETZELL: We are on the record.

Ms. Jordan, you may call PG&E's next scheduled witness.

MS. JORDAN: Thank you, your Honor. At this time we call Mr. David Harrison to the stand.

ALJ WETZELL: Thank you, Ms. Jordan.

DAVID HARRISON, called as a witness by Pacific Gas and Electric Company, having been sworn, testified as follows:

Appendix B:

Statement of Qualifications of Mark Kazimirsky

Statement of Qualifications of Keith Slibsager

Reproduced from Testimony in I.12-01-007

PACIFIC GAS AND ELECTRIC COMPANY
STATEMENT OF QUALIFICATIONS OF MARK KAZIMIRSKY

Q 16 Please state your name and business address.

A 16 My name is Mark Kazimirsky. My business address is Pacific Gas and Electric Company, 375 North Wiget Lane, Walnut Creek, California.

Q 17 Briefly describe your responsibilities at Pacific Gas and Electric Company (PG&E).

A 17 I am a Principal Engineer in charge of the Supervisory Control and Data Acquisition (SCADA) and Controls Group in the Gas Transmission Engineering department.

Q 18 Please summarize your educational and professional background.

A 18 I have an engineering degree in Electromechanical Engineering from the Institute of Technology, Odessa, Ukraine. I have been with PG&E for over 32 years in various engineering and management positions. I have extensive experience in gas system operations, SCADA, control systems and automation technologies for the natural gas industry.

Q 19 What is the purpose of your testimony?

A 19 I am jointly sponsoring Chapter 8.A.-F.3., PG&E's SCADA System and the Milpitas Terminal, with Keith Slibsager.

Q 20 Does this conclude your statement of qualifications?

A 20 Yes.

PACIFIC GAS AND ELECTRIC COMPANY
STATEMENT OF QUALIFICATIONS OF KEITH SLIBSAGER

Q 36 Please state your name and business address.

A 36 My name is Keith Slibsager. My business address is Pacific Gas and Electric Company, 77 Beale St., San Francisco, California.

Q 37 Briefly describe your responsibilities at Pacific Gas and Electric Company (PG&E).

A 37 I am a Manager in the Gas System Operations department. I have responsibility for the gas control room operations including the remote monitoring and controlling function of the pipeline and management of the natural gas pipeline inventory.

Q 38 Please summarize your educational and professional background.

A 38 I have a Bachelor of Science degree in Agriculture/Plant Science from California State University of Fresno. I have worked at PG&E for 29 years, holding various positions of increasing responsibility in gas operations.

Q 39 What is the purpose of your testimony?

A 39 I am jointly sponsoring Chapter 8.A-F.3., PG&E's SCADA System and the Milpitas Terminal, with Mark Kazimirsky.

Q 40 Does this conclude your statement of qualifications?

A 40 Yes.