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Sunil Shori
Michael Robertson
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

Re: Feedback Regarding Proposed Pipeline Safety Reporting Metrics

Dear Mr. Shori and Mr. Robertson:

Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) thank the Commission and the Safety and Enforcement Division (SED) for holding a workshop on June 27, 2013 to discuss reporting metrics and for providing interested parties with an opportunity to provide written feedback on the topics covered at the workshop. As explained in the May 2, 2013 Amended Scoping Memo and Ruling of the Assigned Commissioner in Rulemaking 11-02-019, the Commission’s objective “is to create a set of reporting metrics that convey consistent and comparable information regarding the gas system safety parameters, ideally using readily available data with innovative and efficient proposals.” SoCalGas and SDG&E support this objective and offer these comments to assist SED and the Commission in developing metrics that are workable, meaningful, reproducible and consistent across pipeline operators and governing regulatory agencies.

Currently, General Order 112-E Subpart B codifies the Commission’s formal reporting requirements with respect to natural gas pipeline facilities. The Commission also maintains a website for on-line reporting of emergencies, with a backup telephone system. In addition, as described in D.12-04-010, the federal Department of Transportation (DOT) regulations direct natural gas pipeline operators to report to the Pipeline and Hazardous Materials Safety Administration (PHMSA) pipeline infrastructure and performance measures on their integrity management programs.

The information currently provided to the Commission includes, but is not limited to:

- Annual DOT reports for Gas Gathering, Transmission, and Distribution systems;
- Events that involve the release of gas from a pipeline that results in a death or personal injury necessitating in-patient hospitalization, including DOT Incident Reports;
- Incidents that have either attracted public attention or received significant news media coverage, that are suspected to involve natural gas, which occur in the vicinity of the operator's facilities, regardless of whether or not the operator's facilities were involved;
- Quarterly summary reports of previously-reported and non-reported gas leak-related incidents that occurred in the preceding quarter. These quarterly reports require the disclosure of:
 - Incidents reported through the Commission's Emergency Reporting website;
 - Incidents reported in DOT Incident Reports;
 - Incidents that involved escaping gas from the operator's facilities and property damage, including loss of gas in excess of \$1,000; and
 - Incidents that included property damage between \$0 and \$1,000, and involved fire, explosion, or underground dig-ins.
- "Safety Related Conditions" as specified in 49 CFR Part 191; and
- Proposed installations for the construction of a new pipeline, or the reconstruction or reconditioning of an existing pipeline, to be operated at hoop stresses of 20 percent or more of the pipe's specified minimum yield strength (SMYS).

During the June 27 Gas System Metrics Workshop, the Gas Safety and Reliability Branch (GSRB) of the Commission's SED proposed some additional metrics and reporting requirements. The GSRB indicated that the proposed additional metrics would:

- Allow for improved insight into the data already provided to the Commission;
- Provide information that would assist in more effective audits of operators;
- Provide better understanding of response times to leaks and damage reported to operators; and
- Increase transparency and public confidence related to operators' public liaison activities.

SoCalGas and SDG&E support the Commission's intent and look forward to continuing to work with the Commission to further enhance the safety of our gas-carrying infrastructure. As stated during the workshop, the Commission is not alone in considering whether to expand the scope and types of information to be reported to gas safety regulators. Indeed, on the day of the workshop, PHMSA provided notice and requested comments in the Federal Register that it is preparing to revise most of the reporting forms required under federal regulations, which are

reported to the Commission per Subpart B of General Order 112-E. Comments are due to PHMSA on or before August 26, 2013.

It is important that reporting requirements be well-defined, common among operators across the industry, and that the information is clearly understood by those using it. Each time reporting requirements change, significant employee training and information technology IT systems enhancement are typically required to have information collected and categorized in the format and time frame required. These changes can be costly and take time to implement. Once the new requirements are known, a period of one to two years may be needed before the information can be readily produced, depending on the specific information and processes impacted. Institutionalizing such changes will require additional time and resources to update procedures and training programs, quality-control the reported data, follow-up on training to address data errors, and maintain overall data integrity. For these reasons, SoCalGas and SDG&E respectfully request that to the extent some of SED's proposals overlap with areas PHMSA is proposing to change, SED ultimately use the requirements developed by PHMSA, and any additional requirements be consistent and align with PHMSA's.

Following are SoCalGas' and SDG&E's initial thoughts on the ideas discussed at the June 27 workshop, in the order presented by GSRB.

1) Improve the insight provided by the minimum data currently in the PHMSA annual reports

SoCalGas and SDG&E support the development of a matrix report that will allow for the number of leaks related to pipe material and construction to be associated with the decade of installation and pipe material. To support this effort, the PHMSA and Commission reports for Transmission and Distribution should be aligned to include common cause categories for leaks and failures. Information systems work would be required to allow the integration of this data and subsequent reporting. It is important to limit the reporting to data that is meaningful for trending and possible subsequent action. For example, dig-ins occur based upon where the excavation took place and the pipe's location. The pipe material is not directly associated with the cause of the leak associated with dig-ins.

Since this item is directly related to the information reported to PHMSA, any changes should coincide with PHMSA's work.

2) Additional Metrics Beyond Those in the Current Annual Report

Causes of defects and failures should be consistent with PHMSA reporting to facilitate information sharing and knowledge between operators. For this reason, SoCalGas and SDG&E request that the Commission refrain from adding additional cause reporting requirements until

PHMSA has completed its work and the need, if any, for additional information that is consistent with PHMSA can be evaluated.

The GSRB also proposes reporting requirements for non-hazardous leaks and the interval required until a repair is made. The categorization of hazardous and non-hazardous leaks and leak indications is well established throughout the industry. The Distribution report already allows for the identification for the cause of non-hazardous leaks. Thus, SoCalGas and SDG&E do not object to performing calculations using the same data used to populate the PHMSA report. SoCalGas and SDG&E do not support GSRB's proposal to report the time between when a non-hazardous leak indication is identified and the subsequent repair is completed. Hazardous leak indications are addressed promptly. By definition, a non-hazardous leak does not pose an immediate threat and the timing of the repair will vary depending on the circumstance. There are many reasons why the duration may vary before a non-hazardous leak indication is confirmed to be a leak and a subsequent repair is made. Thus, tracking of the time between when a non-hazardous leak is identified and a repair made would not provide useful information from a safety enhancement perspective.

GSRB also proposes that the number of over pressure events that exceed 105% of MAOP be reported annually. The Federal Pipeline Safety Act of 2011 added MAOP exceedance reporting for transmission pipelines, and SoCalGas and SDG&E would not object to establishing a lower threshold of 105% of MAOP for transmission pipeline. The term "event" would need to be defined to prevent potential multiple counting, should the threshold be exceeded multiple times during a specified period of time. Further analysis is required to evaluate the feasibility and usefulness of the data for distribution pipeline. One of the challenges with this proposal is related to the various types of pressure-recording equipment used. For lower pressure systems, five percent over MAOP may only be a few pounds of pressure, and measurement error can become a factor.

With respect to public awareness, as proposed, the metric to report the number of calls is not a workable or meaningful metric. The call center receives calls for a multitude of reasons, and it would be impractical to impose a requirement on call center employees that all calls be categorized as either "Public Awareness-Related" or "Other than Public Awareness-Related." Even if it were feasible to identify the portion of call center calls that are public awareness-related, information regarding the number of calls would not be useful or meaningful, because it would not be known whether, for example, a large number of calls indicates that a public awareness program has been effective (i.e., by increasing public awareness of the utility's toll-free number) or whether a small number of calls indicates that a public awareness program has been effective (i.e., messaging was clearly-worded and addressed customers' questions such that follow-up calls were unnecessary).

SoCalGas and SDG&E measure the effectiveness of Public Awareness Programs at least once every four years. The Commission should consider building upon operators' current processes

for measuring the effectiveness of their Public Awareness Programs in order to develop a meaningful reporting mechanism with a designed purpose that can be applied across all operators. SoCalGas and SDG&E currently make the metrics in Chapter 9, Table 9 of ASME B31.8S available during audit and do not object to the submission of this data along with, or subsequent to, the annual report.

3) Additional Excavation Related Metrics Beyond Those in the Current Annual Report

The GSRB proposals in this area appear to center around the collection of data to address the agencies that are exempt from Government Code section 4216, *et seq.* (Regional Notification Center System) requirements. Time and cost data for the performance of locate-and-mark, stand-by and other damage-prevention activities are not indicative of safety, because variations in factors unrelated to safety, such as the level of construction activity, location of activity, and location of workforce, significantly impact the cost and time of the activity.

Operators should be provided with sufficient flexibility to address overall work load efficiently. Safety should not be evaluated by the cost for specific activities, particularly where, as is the case here, those activities are safety-related and must be completed irrespective of cost. Such a metric would not enhance, and could possibly undermine, public safety.

4) Obtain new data that can assist in more effective audits of operators

The first challenge with this proposal is the definition of a near-miss event. For this to be a meaningful metric, it is essential to create a definition that is workable, reproducible and consistent across operators. Once defined, near-misses may still go undetected, or be detected years after the event occurred. Certain near-miss items may not be conducive to reporting at a district level when multiple districts are impacted or the district is not relevant to the near-miss. For example, the unintentional closure of a valve could have no impact to safety or operations, and the pipeline could supply multiple districts.

SoCalGas and SDG&E support providing records and information concerning Operator Qualification during Commission audits, but do not believe the report of simply a number of operator disqualifications has much use. The system used to “qualify” or “disqualify” an operator has many elements (such as the trainer, the trainee, the training materials, the time spent on training, etc.). A given number of “disqualified operators” could be viewed as a good thing or bad thing depending on one’s perspective.

GSRB also proposes to collect data related to lost and unaccounted for gas (LUAF) values by Division, District and/or Region. This information is not related to safety and thus will not add valuable information to help in conducting more effective audits of the operator or provide additional insight into safe maintenance and operation of the gas system. In addition, the specific information sought would be very costly to obtain and unreliable. LUAF, for most gas

systems, generally average around 1% of system throughput, and studies show that the majority is caused by measurement errors and accounting issues. Calculating LUAF by region or divisions would require a significant amount of investment in additional two-way meters and require additional workforce for operation and maintenance of the additional meters, plus staff to make the detailed calculations. LUAF at the region/division level would be no more accurate, as assumptions and extrapolations would still be required.

5) Obtain data to understand response times to leaks/damages reported to operators

GRSB proposes the annual reporting of response times to leaks and damages in five minute intervals up to 45 minutes. GSRB proposes that the clock would start when the first company representative that is qualified to assess the situation and make it safe first arrives on scene. To implement this metric, as worded, a definition of “make it safe” will need to be established. SoCalGas and SDG&E gather information as part of the dispatch process. The priority and timeliness of a response is scheduled in accordance with policy. The highest priority events require an immediate response. Often, a customer service representative is the first to arrive and will assess the situation, and call in additional support, if needed. The period of time for response is dependent upon the location of the event and the location of Company personnel at the time of the event, weather, traffic, time of day, and other conditions. Whether or not the first person to arrive on scene is qualified to make the situation safe is dependent upon the unique circumstances and conditions of the individual event. Often, police and fire are the first responders and make the situation safe through evacuation and clearing the area. Currently, SoCalGas and SDG&E do track the response time for the first Company employee to arrive on scene using its emergency incident response system.

6) Increase transparency and public confidence related to operators’ public liaison activities

GRSB proposes that operators summarize information on their websites and link to the Commission’s website listing agencies (by county and agency name) invited to annual liaison sessions and those who attended. While this would be feasible, SoCalGas and SDG&E do not support this proposal. Good relationships between operators and first responders are essential to public safety and such action could have a detrimental effect on those relationships as it would likely be viewed negatively by any first responders who may not have been able to attend a particular session. SoCalGas and SDG&E use their relationships to emphasize the importance of such sessions. Often there are legitimate reasons for an agency not to attend a session. For example, on July 9, 2013, approximately 300 Southern California Fire Department personnel attended the funeral services of the 19 firefighters killed in Arizona and therefore, were unable to attend the session scheduled by SoCalGas to take place on that day. On other occasions, a large fire or other unforeseen event could understandably divert first responder resources. Publicizing lack of attendance by an agency under such circumstances would undermine, rather than encourage, supportive relationships between pipeline operators and first responders.

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SoCalGas and SDG&E appreciate the opportunity to assist the Commission in developing reporting metrics that convey consistent and comparable information regarding gas system safety parameters. Please do not hesitate to contact me if I may be of any further assistance.

Respectfully submitted,

By: 

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Director - Pipeline Integrity

San Diego Gas & Electric Company

and Southern California Gas Company

cc: R.11-02-019 Electronic Service List