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.	R. 11-02-019 (Filed February 24, 2011)

COMMENTS OF THE CITY AND COUNTY OF SAN FRANCISCO ON THE PRELIMINARY WORKSHOP REPORT

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The City and County of San Francisco appreciates the opportunity to provide informal comments on possible amendments to General Order 112-E, the Commission's safety rules for natural gas operators. We look forward to the Commission's adoption of significant improvements to the GO 112 in the future.

Better Metrics Are Necessary

It has become clear that pipeline regulators have not had at their disposal the data necessary to evaluate historic compliance with pipeline safety rules. As identified by the U.S. General Accountability Office in its report Pipeline Safety: Better Data and Guidance Needed to Improve Pipeline Operator Incident Response (GAO-13-168 Pipeline Safety) (GAO Report), many of the pipeline safety standards are so vague that it is impossible to determine if operators are actually complying with those standards. For instance, even though pipeline operators are required to respond to emergencies in a "prompt and effective" manner, "without a performance measure and target for a 'prompt and effective' incident response, PHMSA cannot quantitatively determine whether an operator meets this goal." (GAO report at p. 19). This was also one of the NTSB's main criticisms of current pipeline safety oversight.

One solution is require operators to comply with specific reporting goals. Several states already require operators to report metrics that allow for comparison of current and past performance. The Commission should use these existing models as a starting point for its new rules.

For instance, the New Hampshire Public Utilities Commission requires distribution companies to report their response times to leaks and incidents in terms of minutes. New Hampshire sets out goals for the speed with which operators must respond to calls regarding leaks and odors. For example, during normal operating hours, operators must respond to calls

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within 30 minutes 82% of the time, within 45 minutes 90% of the time, and within one hour 97% of the time.[1] The full matrix of response time goals is set forth below:

Response Time for NH Distribution Operators:

Normal hours	30 minutes	82%
Normal hours	45 minutes	90%
Normal hours	60 minutes	97%
After hours	30 minutes	80%
After hours	45 minutes	86%
After hours	60 minutes	95%
Weekends and Holidays	30 minutes	76%
Weekends and Holidays	45 minutes	84%
Weekends and Holidays	60 minutes	94%

In addition, the information and level of granularity operators are required to track are consistent with what the Commission seems to be seeking regarding the leaks.

Information included in reports:
A) call initiation date
B) call completion date
C) call type (reflecting cause for call, e.g. odor inside at meter, odor outside, 3rd party damage, etc.)
D) job code or work order #
E) classification (normal hours, after hours, weekends & holidays)
F) category (30 minutes, 45 minutes, 60 minutes)
G) dispatch call receive time
H) time of dispatch
I) time held in dispatch [H-G]
J) emergency responder receive time
K) on scene time
L) travel time of emergency responder [K-J]
M) completion time
N) total job time [M-K]
O) response time [I+L]
P) dispatcher name or employee #
Q) emergency technician responding or employee #
R) address of location (including street #, street, town)[2]

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[1] See NH PUC Order # 24777 Section C (7)(n) available at: http://www.puc.nh.gov/Regulatory/Orders/2007orders/24777g.pdf (July 12, 2007) , Docket DG 06-107 and NH PUC Order # 24906 Article VI 6.6 (October 10, 2008), Docket DG 08-048 available at: http://www.puc.nh.gov/Regulatory/Orders/2008orders/24906g.pdf.
[2] *Id.*

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The New Hampshire rules provide a sound structure that could be useful for California, even though differences in operator size and geography might support changing some of the specific targets in terms of minutes or percentages. Once California operators are required to track and report their response times to incidents in minutes, the Commission, operators and the public will have better insights into how well pipeline operators are performing.

Quality of Data Must Be Consistent and Verifiable

In addition, to truly make this effort meaningful, the Commission must ensure that the quality of the data is consistent and verifiable. The GAO report found that one reason why the current reporting information is insufficient was that operators are interpreting the intended content of the data fields inconsistently. To prevent confusion, the Commission should issue guidance accompanying the new rules that provides definitions and examples to ensure that all operators interpret the data fields consistently.

The Commission should also require verification of the data submitted. Data is only as good as the information that is put into it. This proceeding has provided numerous examples illustrating this point. On July 3, 2013 PG&E filed an Errata in this docket. There PG&E stated that some segments of Line 147 were inaccurately identified as double submerged arc welded (DSAW). Because PG&E believed that the pipe segments were DSAW pipe, it assigned a joint efficiency value of 1 to those segments. In truth, those segments were made of pipe with lower joint efficiencies, and were operating at pressures that exceeded the appropriate maximum allowable operating pressure. Requiring verification of all reports to the Commission will help ensure the accuracy of the data.

Benefits to Operators

Developing better data will not only aid the Commission's oversight, but it should help pipeline operators develop trending analysis about their pipeline systems. The Distribution Integrity Management Program requires knowledge and understanding of the distribution

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system, including any information gleaned from past design, operations and maintenance. If used properly, key metrics such as leak rate, response, repair and pipe characteristics (including location, operating pressure, and diameter), will allow pipeline operators to identify trends and develop strategies for improving their systems. (GAO report at p. 20-21).

Improved Metrics Increase Safety and Transparency

As discussed above, there is ample opportunity for the Commission to develop new reporting metrics that will aid its oversight of pipeline operators. The Commission should not be discouraged, however, from developing key safety metrics simply because there may be one or two hypothetical situations where the data may be misinterpreted. Any statistic can be assailed if taken out of context. The purpose here is to find metrics that will bolster the Commission's oversight of pipeline operators and public's confidence that the regulations are being enforced.

Respectfully submitted,

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