

**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)

**PACIFIC GAS AND ELECTRIC COMPANY'S RESPONSE TO
MOTION OF THE DIVISION OF RATEPAYER ADVOCATES FOR A
RULING DIRECTING PACIFIC GAS AND ELECTRIC COMPANY
TO PROVIDE QUALITY ASSURANCE AND QUALITY CONTROL
PLANS FOR THE DEVELOPMENT AND IMPLEMENTATION OF
ITS UPDATED PIPELINE SAFETY ENHANCEMENT PLAN**

MICHELLE L. WILSON
KERRY C. KLEIN

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-3251
Facsimile: (415) 973-5520
E-Mail: KCK5@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) responds to the Motion of the Division of Ratepayer Advocates (DRA) for an order directing PG&E to provide Quality Assurance (QA) and Quality Control (QC) plans for the development and implementation of its Updated Pipeline Safety Enhancement Plan (PSEP). DRA seeks a Commission order directing PG&E to "perform quality assurance and quality control throughout PSEP implementation, and specifically for all steps in the development of the Updated PSEP."¹ DRA's Motion is unnecessary, because PG&E has agreed to submit testimony in its PSEP Update Application describing and documenting its QA/QC procedures for developing and implementing the updated PSEP work scope following the completion of Maximum Allowable Operating Pressure (MAOP) Validation.

PG&E files this response to DRA's motion not to deny our obligation to document the QA/QC processes and procedures we are following as part of PSEP implementation, but to assure the Commission that we are performing and will continue to perform QA/QC checks at

¹ DRA Motion, p. B-3.

each appropriate stage of the process. PG&E recognizes the importance of QA/QC procedures throughout the end-to-end process from MAOP validation of pipeline attributes through project definition and construction, to cost allocation. PG&E has consistently established controls to ensure the accuracy of information used throughout the PSEP program. As part of the planning and development of the PSEP Update, PG&E had anticipated that additional QA/QC procedures and documentation of existing controls would be implemented. PG&E has agreed to submit testimony as part of its PSEP Update Application that describes the final process that all pipeline data will go through on an end-to-end basis. No Commission order is necessary. However, should the Commission be inclined to issue an order, PG&E requests that the Commission not adopt DRA's proposed order (which is argumentative and includes superfluous information), or DRA's interpretative Process Flow diagram (appended to its Motion as Attachment A), but instead adopt PG&E's process flow depicting QA/QC across its end-to-end process (included as Attachment 1 to this response).

II. PG&E IS PERFORMING QA/QC OF MAOP VALIDATION, DEVELOPING THE PSEP UPDATE APPLICATION, AND PSEP EXECUTION

Decision (D.) 12-12-030 requires PG&E to submit an Update Application after the conclusion of its MAOP validation and records search work.² While the requirements for the PSEP Update Application were not specified in detail in D. 12-12-030, the decision does require PG&E to submit an "updated pipe segment database,"³ present the results of the MAOP Validation and records search work, and update its authorized revenue requirements and related budgets.⁴

² D.12.12-030, p. 115; OP 11.

³ D.12-12-030, p. 115.

⁴ D.12-12-030, OP 11.

Decision 12-12-030 does not indicate that the Commission expects QA/QC procedures for PSEP Implementation to be part of the PSEP Update Application. Nevertheless, PG&E has endeavored in good faith to respond to the requests of DRA and the Safety and Enforcement Division (SED) for additional information on PG&E's QA/QC processes concerning MAOP Validation and PSEP execution. While PG&E is still in the process of documenting the QA/QC procedures it is using to complete final updates to its PSEP segment-level database, PG&E is committed to performing QA/QC throughout the process. PG&E's QA/QC plans are described below for each step of the development and execution of the PSEP Update identified by DRA: (1) MAOP Validation; (2) development of the PSEP Update Application; and (3) PSEP project execution.

A. PG&E Has Completed QA/QC Of MAOP Validation And Has Provided DRA With Documents Describing That Process

PG&E completed QA/QC of the final data set associated with MAOP Validation (as defined in D.12-12-030) on July 1, 2013. PG&E has already provided to DRA and other parties documentation of its QA/QC process for MAOP Validation, as DRA's Motion acknowledges. DRA's Motion implies that the Commission has not had visibility into PG&E's MAOP validation process, or QA/QC of that process. That is not true. The SED has been overseeing PG&E's MAOP Validation project, and QA/QC of MAOP Validation. The Pipeline Features List and associated MAOP Validation reports were submitted to the SED (then the CPSD) in June, July, August and September of 2011 as part of the MAOP Validation Project Compliance Plan. In addition, two workshops were held with participants from SED—on July 18, 2012 and August 15, 2012—to provide an overview of the MAOP Validation Project (including QA/QC of the work) and the new Geographic Information System (GIS), also known as “Enhanced GIS.” In addition, on April 29, 2013, PG&E held a demonstration for

representatives of SED of Instrumented Indentation Testing (IIT) that was used as part of the MAOP Validation Project.⁵ Finally, SED has been invited to oversee field verifications.⁶ During the field verifications, PG&E's MAOP engineering team excavated the pipeline and conducted non-destructive testing to determine the pipeline specifications. The SED was notified prior to every excavation and invited to participate.

B. PG&E Is In the Process Of Updating and Documenting Additions to the Existing QA/QC Procedures For Developing The Work Proposed In The PSEP Update

DRA's Motion also concerns QA/QC processes regarding assembling the PSEP Update Application. PG&E is in the process of updating and documenting the final QA/QC procedures that will ensure the integrity of the final data, and has already provided to DRA the documented procedures the PG&E engineering team is using when developing work papers for the updated PSEP projects. DRA's criticisms of the procedures PG&E has provided lack merit. First, DRA claims that PG&E should have been further along in developing procedures used to ensure the PSEP Update Application uses only accurate and complete data, when it provided its response to a DRA data request on May 17, 2013. At that time, PG&E had not yet completed the QA/QC of the final data set associated with MAOP Validation, and therefore was still in the initial stages of documenting final QA/QC procedures on the incorporation of data developed by the MAOP Validation team into the PSEP database. In addition, PG&E was still in the process of determining how to validate changes to decision tree results, cost estimation and cost allocation for purposes of the Update Application. PG&E sent a follow-up data response to DRA on June 18, 2013, providing additional information, when we were further along in that process.

⁵ IIT is a non-destructive technique to measure yield strength of pipelines *in situ*.

⁶ Field verifications are used to resolve unknown specifications of pipeline features.

Second, DRA claims that the procedures for assembling the PSEP Update Application that were provided to DRA on June 18, 2013, were not approved by the right level of management. That criticism is without merit. PG&E has a standard on Guidance Documents that allows for manager level approval of procedures. The PSEP Update filing procedures were approved by Todd Hogenson, a Director.⁷

C. QA/QC Assessment Of PSEP Execution Has Been, And Will Continue To Be, Performed By The Program Management Office

DRA also questions PG&E's QA/QC of PSEP project execution. As DRA acknowledges in its Motion, the Commission approved PG&E's request for funding for a PSEP Program Management Office (PMO) to "manage the overall execution of the Implementation Plan and to coordinate inter-related projects and work streams."⁸ As D.12-12-030 notes, the PMO is composed of four primary subteams: (1) Project Controls; (2) Project Support; (3) Quality Assurance/Quality Control; and (4) PG&E Business Planning and Coordination.⁹ The PSEP PMO has established oversight and assurance procedures to ensure the accuracy and consistency of project design activities. While these controls have evolved to meet the needs of the program over time they have functioned to identify and approve all material changes to project design based upon the application of engineering judgment. In addition, as part of the completion of the preparation for the Update Application all deviations from the decision tree results using the final MAOP data will be subject to final accuracy validation.

⁷ DRA also claims that Mr. Hogenson is only responsible for one aspect of PSEP. This is not true. Mr. Hogenson is the Director overseeing PSEP Engineering; his responsibilities include all Pipeline Replacement and Valve Automation aspects of the PSEP. Ben Campbell, also a Director, is responsible for Strength Test Engineering.

⁸ D. 12-12-030, p. 23.

⁹ D.12-12-030, pp. 23-24.

Furthermore, since November 2012, the PSEP PMO has worked directly with the SED on oversight of PSEP execution. SED personnel and its third party contractor, Bureau Veritas (BV), have attended a series of on-site presentations by the PMO to better enable these oversight activities. These presentations have included all-day sessions covering program objectives, processes, organization, and construction activities. In addition, the PMO has identified a single point-of-contact who regularly meets with SED staff and responds to information requests to ensure that SED and BV have the information they require in order to provide timely and effective oversight of project engineering and field activities.¹⁰ Finally, PG&E construction management personnel overseeing individual projects maintain close contact with SED staff to facilitate oversight of key construction activities and respond directly to questions and issues raised in the field.

III. THE COMMISSION SHOULD NOT ADOPT DRA'S PROPOSED RULING OR DRA'S PROCESS FLOW CHART

PG&E is planning to submit testimony with its PSEP Update Application that describes its QA/QC procedures from MAOP Validation through PSEP project validation. Attachment 1 to this response represents a map of this process. The QA steps included in DRA's process flow map (Attachment A to its Motion) are also shown in boxes in Attachment 1. The associated QC and QA procedure development and QA testing is in progress, and will be included with the PSEP Update Application. Therefore, there is no need for the Commission to issue the ruling that DRA seeks. In the event that the Commission issues an order memorializing the requirement to include QA/QC procedures as part of the PSEP Update Application, it should not issue the order in the form of DRA's Proposed Ruling (Attachment B to DRA's Motion).

¹⁰ To date PG&E has responded to 222 such requests and currently provides construction documentation, including engineering drawings, on all construction projects.

ATTACHMENT 1

PSEP Data Validation Process



