

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

ADMINISTRATIVE LAW JUDGE MARIBETH A. BUSHEY, presiding

) EVIDENTIARY

) HEARING

)

)

Order Instituting Rulemaking on the)
Commission's Own Motion to Adopt New)
Safety and Reliability Regulations) Rulemaking
for Natural Gas Transmission and) 11-02-019
Distribution Pipelines and Related)
Ratemaking Mechanisms.)

)

)

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1 SAN FRANCISCO, CALIFORNIA
2 16 DECEMBER 2013 - 9:09 A.M.
3 * * * * *
4 ADMINISTRATIVE LAW JUDGE BUSHEY: The
5 Commission will come to order.
6 This is the time and place set for
7 the continued evidentiary hearings in order
8 instituting ruling making on the Commission's
9 own motion to adopt new safety and
10 reliability regulations for natural
11 transmission and distribution pipelines and
12 related ratemaking mechanisms. This is
13 Rulemaking 11-02-019.

14 Good morning. I'm Administrative
15 Law Judge Maribeth Bushey, the assigned
16 administrative law judge to this proceeding.
17 At this point we may have the assigned
18 commissioner, Commissioner Florio, join us.
19 But that's uncertain to other demands on his
20 time.

21 Our purpose this morning is the
22 continued cross-examination of PG&E's
23 witnesses. Mr. Malkin, if you would like to
24 call your first two witnesses forward, we
25 will begin with cross-examination by Mr.
26 Long.

27 MR. MALKIN: Thank you, your Honor.
28 PG&E recalls Mr. Johnson and Mr. Singh.

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1 ALJ BUSHEY: Witnesses may be seated
2 and are reminded they remain under oath from
3 our last hearing.

4 WITNESS JOHNSON: Okay.

5 KIRK JOHNSON and SUMEET SINGH,
6 resumed the stand and testified further as
7 follows:

8

9 ALJ BUSHEY: Mr. Long?

10 MR. LONG: Thank you, your Honor.

11 CROSS-EXAMINATION

12 BY MR. LONG:

13 Q Good morning, gentlemen. I asked
14 previously for you to be supplied for certain
15 documents to help the cross-examination to go
16 more efficiently. And those documents
17 include Mr. Johnson's verified statement
18 dated August 30th, 2013; the exhibit from the
19 first hearing, it's labeled OSC-4, that's a
20 slide package; the exhibit with the letter M,
21 as in Mary, from -- I believe that was the
22 November 20th hearing day; and the Code of
23 Federal Regulations dealing with pipeline
24 safety, 49 CFR Part 192. And we may if
25 necessary -- I don't intend to ask questions
26 based on the transcript, but you never know.
27 That may come up. So if those are at the
28 ready, that would be good as well.

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1 WITNESS JOHNSON: A Okay.

2 Q So thank you for returning. Let me
3 start by asking some general questions
4 regarding the purposes of the MAOP validation
5 project and the pipeline features list that
6 was created as part of that project.

7 First, let me make -- just to set
8 the foundation, one of the -- one of the
9 elements of the of the MAOP validation effort
10 was the creation of the -- or the rebuilding
11 of a pipeline features list; is that right?

12 WITNESS SINGH: A It was creating a
13 pipeline features list. That's correct.

14 Q Okay. I want to ask you about the
15 purposes of that. But first, do you think
16 the MAOP validation effort and the associated
17 pipeline features list has served any safety
18 purposes?

19 WITNESS JOHNSON: A Well, it's -- it
20 was an order to -- as an interim safety
21 measure to go through that process. So I
22 think in terms of understanding the system,
23 it is -- it has assisted us in understanding
24 what's there, and it moves us through the
25 process of the interim safety measures as
26 ordered by the CPUC.

27 Q Okay. And in particular, let me
28 just focus the question now on the pipeline

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1 features list element of that MAOP validation
2 project. Does that serve any safety purposes
3 for the company?

4 WITNESS SINGH: A Again, as stated by
5 Mr. Johnson, that is part of the process that
6 was used to meet the requirements of the
7 order that was instituted by the Commission
8 as well as -- which was really in response to
9 the NTSB recommendations issued January
10 of 2011.

11 Q Okay. And you've spoken of it as
12 being in response to an order and your
13 answers have been in that nature. But I want
14 us to think about other possible values,
15 purposes served by the pipeline features
16 list.

17 Would you say that the pipeline
18 features list is an important -- has
19 importance for the Pipeline Safety
20 Enhancement Plan or PSEP effort?

21 WITNESS JOHNSON: A Well, it does in
22 that the in the interim -- it's part of the
23 PSEP filing as I recall. So the PSEP filing

24 said in essence that PG&E is to pressure test
25 or replace pipeline that's have previously
26 not undergone a pressure test and as an
27 interim safety measure do the MAOP activity
28 in a nutshell. And so it serves the purposes

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1 of the MAOP activity and it serves the
2 purposes of taking pressure reductions on an
3 interim basis and helping prioritize the PSEP
4 work.

5 Q So you mentioned the updated PSEP
6 application that PG&E just filed. Is that
7 what you were referring to, Mr. Johnson?

8 A Well, I'm referencing the entire
9 PSEP -- PSEP documents that happened. I
10 believe it was actually December of last
11 year -- was the final order that came out.

12 Q Okay. But as you know, there was
13 indeed an application filed just a month or
14 so ago to update the PSEP filing; is that
15 right?

16 A There -- there is an updated
17 filing. What I was actually referencing is

18 the fact that the order talks about
19 prioritizing the work based on this interim
20 safety work. So it's a prioritization of not
21 just what happened in the first round of
22 PSEP, but what might happen going forth to
23 PG&E's system.

24 WITNESS SINGH: A Just to add on to
25 that, the order that we're referencing here
26 is the June 2011 order, which also required
27 the operators to submit a Pipeline Safety
28 Enhancement Plan, which PG&E submitted in

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1 August of 2011, the Decision being issued by
2 the Commission December of 2012, and most
3 recently the updated filing that was
4 submitted about a month ago.

5 Q Okay. In that updated filing you
6 just referenced, the -- the updated pipeline
7 features list that was developed as part of
8 MAOP validation, that was used to update the
9 work that needed to be done in PSEP; is that
10 right?

11 MR. MALKIN: Your Honor, I think we're

12 getting pretty far afield of the specific
13 pressure restoration lines and the issue in
14 the order to show cause. There is a whole
15 separate proceeding on the PSEP update
16 application as your Honor is well aware.

17 MR. LONG: This really shouldn't take
18 long, but the point of it -- I'm happy to
19 explain -- is that the pipeline features list
20 and MAOP validation work is important for
21 safety not just for this specific MAOP
22 validation issues that have been raised thus
23 far, but in a more general sense for PSEP and
24 other reasons. And that's -- that's why it's
25 very important to get this pipeline features
26 list work done properly.

27 ALJ BUSHEY: Okay. Let's -- let's ask
28 the panel if they agree or disagree with the

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1 statement you just made.

2 MR. LONG: Well, okay.

3 WITNESS JOHNSON: I'm sorry. You have
4 to repeat it. It went on for a while.

5 MR. LONG: It wasn't intended as a

6 question. It was intended as a response to
7 the objection.

8 ALJ BUSHEY: It's not a complicated
9 concept.

10 MR. LONG: Right.

11 ALJ BUSHEY: And I don't think that you
12 probably even need their testimony. I'm sure
13 it's in several Decisions that already exist
14 in this proceeding.

15 MR. LONG: Q Well, let me ask you this
16 question. Would you agree that in -- it's
17 important to have accurate records in the
18 pipeline features list in order to accurately
19 update the work that needs to be done in the
20 PSEP program?

21 WITNESS JOHNSON: A Well, I think what
22 we have stated is that the work we did on
23 MAOP is an input into the prioritization of
24 work under PSEP or whatever comes after the
25 PSEP.

26 Q So is that a yes?

27 A So as we laid it out with the -- as
28 an interim safety measure. And as we've

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1 described probably in the PSEP documents and
2 certainly we've had discussions here is it's
3 one of the tools in determining the
4 prioritization of work.

5 WITNESS SINGH: A And the features
6 list is not the only way to -- to do this
7 work. That's a process that PG&E adopted to
8 ensure that we have an understanding of where
9 do we have the traceable, verifiable, and
10 complete strength test records as identified
11 in the NTSB recommendation, subsequent CPUC
12 directives, and where we do not.

13 And where we do not have that
14 information, we put together a pipeline log
15 and decision tree, which was filed in August
16 and which was subsequently approved in
17 December. And the input to that decision
18 tree is based on the characteristics of the
19 pipeline and the associated attributes.

20 Q So if you get the pipeline features
21 list information wrong, it can lead to
22 incorrect outcomes when you run information
23 through the PSEP decision tree; isn't that
24 right?

25 WITNESS JOHNSON: A Well, we're taking
26 -- we're taking conservative assumptions, and
27 the PSEP decision tree has some very specific

28 issues there. So the information that gets

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1 put in rolls something out.

2 Q Yes.

3 A But we look at a much broader
4 scale. The MAOP activity is done on a
5 component-by-component basis. We're not
6 replacing pipeline on a foot-by-foot basis.
7 We're looking at them just as we stated in
8 PSEP kind of in a larger scale so that you do
9 it in an efficient manner.

10 So whether you're replacing
11 pipeline or hydrostatically testing, you're
12 not going to go in and do a 6-foot piece of
13 pipe. You're going go in and do a mile or
14 half-a-mile or two miles or three miles or
15 four miles. So it's an input.

16 Q Right. If the pipeline features
17 list input is incorrect, overly aggressive --
18 not conservative as you say, Mr. Johnson, but
19 overly aggressive, that can lead to an
20 incorrect output when you run it through the
21 decision tree?

22 MR. MALKIN: Objection, asked and
23 answered.

24 ALJ BUSHEY: Mr. Long, it's beyond
25 asked and answered. It's been litigated and
26 parsed carefully in a Commission Decision.
27 We've been through all of this.

28 MR. LONG: Well, I -- I guess I'm glad

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1 you see this as obvious. I don't think it
2 seems obvious to the company that -- which --
3 which persists -- has persisted in trying to
4 minimize the problems associated with
5 incorrect pipeline features and MAOP
6 validation work.

7 ALJ BUSHEY: I understand that's your
8 position, Mr. Long. Do you have any
9 questions for these witnesses?

10 MR. LONG: I sure do.

11 ALJ BUSHEY: Okay. Let's proceed to
12 those.

13 MR. LONG: Q Mr. Singh, I think this
14 question goes to you since you're not
15 overseeing integrity management work; is that

16 right?

17 WITNESS SINGH: A That is correct.

18 Q Is the pipeline features list
19 records being used for integrity management
20 purposes?

21 A Pipelines feature list, as I stated
22 before, gives information about which
23 sections of our pipeline are tested, which
24 ones are not tested, and also gives us
25 indications with regards to the
26 characteristics of the pipe.

27 So yes, it is an input to integrity
28 management work. It is an input to pipeline

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1 safety enhancement planning work that we've
2 just talked about here as well.

3 Q And can incorrect information in
4 the pipeline features list lead to incorrect
5 integrity management outcomes, for example,
6 if an overly aggressive assumption is made
7 such as was made with Line 147, Segment 109?

8 MR. MALKIN: Objection.

9 MR. LONG: I don't understand the

10 nature of the objection.

11 ALJ BUSHEY: Mr. Long, this is all
12 completely obvious. If they have inaccurate
13 information, it is going to lead to
14 inaccurate outcomes. That's why they've
15 spent how many -- I forgot how many hundreds
16 of millions of dollars trying to get the very
17 most accurate information they can have.
18 That is crystal clear in the record.

19 MR. LONG: Okay. All right. Is that
20 crystal clear to --

21 MR. MALKIN: Your Honor --

22 MR. LONG: -- to the witnesses? I just
23 wish I felt that everybody was agreeable to
24 that.

25 ALJ BUSHEY: Well, not everybody agrees
26 to the Commission's Decisions, but the
27 Commission's Decisions are what they are.

28 MR. LONG: All right. All right.

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1 Q Now, I want to transition now to
2 some of the specific testimony that you gave
3 both in the August 30th, 2013, verified

4 statement and in the slide presentation you
5 gave at the hearing on September 6th. So
6 we're going to turn to those OSC-4 slides.
7 Do you have that in front of you, gentlemen?

8 WITNESS JOHNSON: A This is the
9 document here you're referring to? Looks
10 like these?

11 Q That's right. Uh-huh.

12 And the first slide relates to
13 Segment 109 of Line 147. Do you see that?

14 A Yes.

15 Q On my slide package, there are blue
16 bars -- a series of blue bars. The first
17 MAOP per design -- that's the wording at the
18 bottom. It's shown 660 psig I suppose that
19 is. Is that right?

20 WITNESS SINGH: A Pounds per square
21 inch.

22 WITNESS JOHNSON: A Pounds per square
23 inch gauged. It shows it's 660.

24 Q Okay. And there are other design
25 MAOPs shown. There's one in the next -- if
26 you go to the far right, the one to the left
27 of that is 396. And then there's another one
28 for 330. Do you see that?

1 A To the right? Well, as we
2 articulated before there's 1, 2, 3, 4, 5 bars
3 here.

4 Q Yes. I'm asking about the MAOPs
5 per design. I see three. The two on the far
6 right show an MAOP per design of 60 percent
7 SMYS of 396. And the one after that is 330.
8 And that's showing MAOP per design at
9 50 percent SMYS. Do you see that?

10 A Yes, I see it.

11 Q Now, is one of these bars the --
12 the MAOP per design that would be calculated
13 under Section 192.105 of the Federal
14 Regulations?

15 A Well, if you want to point us out
16 to the code, I don't -- I don't necessarily
17 believe that that's accurate. I believe the
18 330 pounds -- you're going to find that in
19 the code, Sumeet?

20 What section of the code you're
21 referring to?

22 Q 192.105.

23 A 105. You're talking about 192 and
24 105, design formula for steel pipe?

25 Q That's right.

26 A So on an interim -- I'll see if I
27 can answer your question as I understood it.
28 This -- this calculation is the calculation

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1 we made for the interim safety measures for
2 the MAOP activity, including the conservative
3 assumptions. So it is not -- 192.105 would
4 be for pipelines built after 19 -- after the
5 code was put into place.]

6 Obviously, we didn't build this
7 pipe for the code because the code wasn't in
8 place. So the 330 is the number we calculate
9 as the interim safety measure.

10 Q Okay. Which one of these would be
11 the one that would be calculated if you were
12 using the 192.105 design formula?

13 A You really can't -- I mean you're
14 talking about just the equation itself? You
15 can't use the 105 code for pipe built before
16 '71.

17 Q Okay. Let's stop there. You're
18 familiar with the ASME standards, are you?

19 A Yeah. I'm familiar with some ASME

20 standards.

21 Q This is 1957 vintage pipe?

22 A I don't remember ail the 1957

23 vintage pipe.

24 Q Ail right. Well, can we stipulate

25 that 1957, the ASME standards would have

26 required the exact same formula to calculate

27 the design pressure?

28 A I don't know that we can. I'd have

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1 to see it.

2 Q Let's just assume that. Okay? Can

3 we assume that?

4 MR. MALKIN: Your Honor, we're getting

5 far afield assuming things.

6 ALJ BUSHEY: Where are we going here?

7 MR. LONG: All I want to do is figure

8 out which one of these is the one that is

9 required under the code for design pressure.

10 ALJ BUSHEY: I think they said none of

11 them.

12 MR. MALKIN: That's right. It was

13 asked and answered.

14 MR. LONG: Q All right. Well, which
15 represents the -- I want to know which one
16 represents the MAOP per design if you were
17 using 192.105.

18 MR. MALKIN: That was asked and
19 answered.

20 ALJ BUSHEY: Yeah. They said none of
21 them.

22 MR. MALKIN: Said none of them.

23 MR. LONG: Q If you were. I'm saying
24 if you were using 192.105, which one would it
25 be?

26 ALJ BUSHEY: They said it wasn't any of
27 them. They didn't use this formula.

28 MR. LONG: Q All right. Then why did

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1 you use 330 as the MAOP?

2 WITNESS JOHNSON: A 330 is the number
3 that we came up -- that was based on the MAOP
4 validation exercise that we underwent and
5 discussed ad nauseam the other day for
6 purposes of Line 147, Seg 109, using
7 conservative assumptions.

8 Q Okay. And how did you arrive at
9 that number?

10 A Well, it was in the document. I
11 mean we --

12 WITNESS SINGH: A So if your question
13 is what mathematical equation did we use? Is
14 that your question, Mr. Long?

15 Q My question is how did you arrive
16 at the number 330? Why did you use that as
17 the limiting MAOP? Why is that the new MAOP
18 that you're asking for for Line 147, for
19 example? Why?

20 A So as part of -- as Mr. Johnson
21 stated, as part of the interim safety measure
22 we used a mathematical equation that is the
23 same as what you see here. It is basically a
24 Barlow's equation that has D rating factors,
25 but that's an interim safety measure until we
26 do a pressure test.

27 And it's very clear in the
28 Commission's order from June of 2011 that

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1 that is an interim step, an interim process

2 to drive pressure reductions where
3 appropriate until we've tested that the
4 respective segments or to help prioritize the
5 pressure testing work. And that's how we
6 used that equation on an interim basis
7 because we did not have pressure tests for
8 all of our system, which we've been very
9 clear about at the onset.

10 Q Okay. This is going to take a long
11 time if we keep having answers that are quite
12 lengthy like that.

13 It just so happens that the MAOP
14 that you used to establish a maximum
15 allowable operating pressure for Line 147,
16 Segment 109, is the formula, is determined by
17 the formula in section 192.105; is that
18 right?

19 WITNESS SINGH: A We have --

20 WITNESS JOHNSON: A So You're
21 referring to the formula, so that we're all
22 crystal clear on that, $\frac{2 \text{ S-T}}{\text{D}} \text{ F-E-T}$. Is that what you're
23 referring to? Is that the equation you're
24 talking about?
25

26 Q I'm not sure I quite read it your
27 way, but yes, that's the one, the one that's
28 right there in Section 192.105.

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1 A Okay. So that's essentially, as
2 Mr. Singh said, it's Barlow's equation with
3 some coefficients tied to it.

4 Q That's right.

5 A That is the generic equation used
6 for the interim safety steps on MAOP using
7 conservative assumptions.

8 Q So that is the -- that is the
9 formula that was used to determine the 330
10 MAOP; is that right?

11 A That is the formula we used for all
12 of the MAOP calculations.

13 Q Okay.

14 A That is the formula, yes.

15 Q That's how you got to 330?

16 A For that segment, yes. I mean
17 it's -- it's an equation. And I think we
18 showed in the Pipeline Features List how
19 that -- how that is done.

20 Q Okay. So what I'm trying to get
21 at, I didn't think it was going to be
22 difficult, is what's the difference between
23 these three bars that have MAOP per design?

24 One of them uses -- it says it's 100 percent
25 SMYS, which I think means the value for F,
26 the capital letter F, in 192.105 is 100 or
27 100 percent or 1.0; is that right?
28 A So the -- and I thought we

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1 explained this earlier, but 300 -- 660
2 pounds, if we operate at a hundred percent
3 SMYS with conservative assumptions on this
4 pipeline, the equation comes up to 660 pounds
5 with the conservative assumptions.

6 Q But you're putting it in your
7 phrasing, and I'm asking you a different
8 question so to see if I can -- we can arrive
9 at a different understanding of what these
10 words mean.

11 ALJ BUSHEY: Mr. Long, I'm not -- where
12 are we going with all of this? What is it --
13 I mean this is a very interesting discussion
14 about Barlow's equation.

15 MR. LONG: Right now I'm trying to
16 understand their testimony on September 6th
17 and what the significance of these different

18 bars is and where they got them from. And it
19 really shouldn't be difficult.

20 MR. MALKIN: Your Honor, Mr. Long's
21 comment a moment ago showed he is not trying
22 to understand this. He doesn't like the
23 answers he's hearing. He's arguing with the
24 witnesses and wants them to accept his
25 characterization of their testimony.

26 MR. LONG: Well.

27 MR. MALKIN: That is purely
28 argumentative. We don't have --

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1 ALJ BUSHEY: I'm trying to understand
2 where we're going here. What difference does
3 it make?

4 MR. LONG: I think sometimes you just
5 need to understand what people are saying in
6 order to be able to reach conclusions. And
7 Mr. Malkin may think I'm trying to argue to a
8 point. The fact is I am trying to understand
9 the testimony they gave on September 6th.
10 This is the first chance I've had to ask
11 questions. I want to understand what this

12 bar on the far left is and how it relates to
13 these other two bars on the far right because
14 that seemed to be something that was
15 important for them to try to convey to us.
16 And I sincerely don't understand how they got
17 to those things, and I would like to know.
18 And I think I figured it out but --

19 ALJ BUSHEY: Why don't we move on to
20 your hypothesis as to what -- you think you
21 figured it out. Why don't we put forward
22 that hypothesis.

23 MR. LONG: Okay.

24 ALJ BUSHEY: Because if what you're
25 just trying to do is understand this, that
26 would have been appropriate for discovery.
27 If you have a point you're trying to make,
28 and Mr. Long, you usually do, let's get that

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1 point out there and start wrestling with the
2 point rather than trying to --

3 MR. LONG: And sometimes you need some
4 foundation, and I am here trying --

5 ALJ BUSHEY: I'll let you go with a

6 scant amount of foundation. Let's dive right
7 into what is your hypothesis.

8 MR. LONG: Q Okay. My hypothesis is
9 that when you say MAOP per design at 100
10 percent SMYS, that's using a factor for
11 capital F of 1.0. When you say MAOP per
12 design at 60 percent SMYS, that's using a
13 factor for F of .60. And when you use MAOP
14 per design of 50 percent SMYS, that's using a
15 factor for F of .50. Is that correct?

16 WITNESS JOHNSON: A For the equations
17 you laid out, .50 -- yeah, 60 percent SMYS
18 would be a factor of F in this equation, the
19 F component if you will. And then 50 percent
20 would be .5, and a hundred percent SMYS would
21 be .1.

22 WITNESS SINGH: A 1.0.

23 WITNESS JOHNSON: A 1.0. Excuse me.

24 Q Okay. Thank you. So if we go to
25 Slides 2, 3, and 4, the way you arrived at
26 those calculations would be the same as we
27 just talked about; is that right?

28 WITNESS JOHNSON: A Yes. They should

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1 all -- all the equations and the logic are
2 the same on each one of the segments.

3 Q Okay. Thank you.

4 WITNESS SINGH: A It's predicated on
5 the different attributes for that respective
6 pipe, their SMYS level, wall thickness,
7 diameter. There's other inputs into that
8 formula.

9 Q All right. Let's now look at the
10 verified statement of Mr. Johnson dated
11 August 30th. Please ask you to turn to
12 paragraph 39 in that statement.

13 WITNESS SINGH: A Is that on page 9?

14 Q That's correct. If you want to
15 take a moment to refamiliarize yourself
16 with -- yourselves with that paragraph.

17 WITNESS JOHNSON: A Just 39?

18 Q That's right. So my question is --

19 A I haven't finished reading it. I'm
20 sorry.

21 Q No problem.

22 A Okay. Have you finished?

23 Q Okay. The paragraph says that Mr.
24 Harrison directed his team to re-review the
25 documentation and information obtained from
26 construction activities on the entire Line
27 147. And my question is, who was Mr.

28 Harrison reporting to at this time?

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1 WITNESS SINGH: A In November of 2012
2 Mr. Harrison was reporting to the director of
3 the MAOP validation project, which was Joe
4 Medina, position that I formerly held. And
5 Joe Medina reported to me.

6 Q Mr. Medina reported to you?

7 A Correct.

8 Q Thank you. And was this re-review
9 done at Mr. Harrison's initiation or
10 initiative?

11 A I do not recall specifically whose
12 initiative. We identified, as we have stated
13 previously, the discrepancy as part of the
14 leak repair process in October of 2012. And
15 as a prudent operator as we identified that
16 discrepancy the question we asked is, where
17 else do we potentially have a discrepancy
18 along Line 147, which basically initiated
19 this initiative.

20 Q And would it be fair to say this
21 re-review was done because of the records

22 error discovered for Line 109 after the leak
23 investigation?

24 A It wasn't Line 109. It was --

25 Q I'm sorry. Segment 109.

26 A -- Segment 109.

27 Q Thank you. But otherwise was my
28 statement accurate?

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1 A Could you please restate that?

2 Q Was the re-review referenced in
3 paragraph 39 done because of the records
4 error discovered for Segment 109?

5 A It was one of the things that was
6 done as part of our root cause analyses in
7 ensuring that -- in identifying are there any
8 other potential discrepancies along that
9 entire length of the pipeline.

10 Q So did it have anything to do with
11 Segment 109?

12 A As a result of the discrepancy that
13 was identified, this is part of our normal
14 course of business, where we identify an
15 issue, where we have a difference we will

16 learn from that. And we put together a whole
17 root cause analysis report associated with
18 the issue. One of those steps was to perform
19 a re-review of all the records associated
20 with that line.

21 Q You thought that was the prudent
22 thing to do after you learned about the error
23 on Segment 109?

24 A Amongst several other things that
25 we did.

26 Q Okay. Now, I want to ask about
27 Exhibit M, which was one of the documents I
28 asked you to have in front of you. This is a

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1 e-mail dated Saturday, November 17th. And I
2 believe we established at the previous
3 hearing that the author of the e-mail was
4 David Harrison.

5 Do you have that in front of you,
6 gentlemen?]

7 WITNESS JOHNSON: A Yes.

8 Q You see in the first line of
9 the text of the e-mail after the individuals

10 Jim and Tom are named, it says: This is good
11 information but Sumeet's expectations are
12 considerably higher.

13 Do you know if the Sumeet in
14 the first line is you, Mr. Singh?

15 WITNESS SINGH: A There's no other
16 Sumeet that I know of.

17 Q I was guessing that was the case.

18 So you think that's you?

19 A I'm pretty sure that's me.

20 Q Is it your understanding that this
21 e-mail relates to the Pipeline Features List
22 error in the seam weld for Segment 109 of
23 Line 147?

24 A It has to do with the root cause
25 analysis report that I requested the team to
26 generate as a result of the discrepancy that
27 was identified in the field.

28 Q For Segment 109?

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1 A That is correct. Segment 109 on
2 Line 147.

3 Q Okay. Now the last sentence says:

4 At the executive level, this situation is
5 considered a near hit -- in quotation
6 marks -- from a safety perspective that could
7 have severely damaged the company's
8 credibility.

9 Mr. Singh, since you're referenced
10 in this e-mail, does that sentence accurately
11 summarize your views regarding the
12 seriousness of the Pipeline Features List
13 error that was discovered for Segment 109?

14 A I think we previously stated that
15 "near hit" is a term that we typically use
16 when we talk about safety incidents as it
17 pertains to field observations, motor vehicle
18 incidents, potential OSHA reportable
19 incidents.

20 As we do our field work, never
21 really seen that term used for engineering
22 related work.

23 This obviously is not an e-mail
24 that I drafted.

25 Q Right.

26 A So, can't really speak to
27 the definition of that term as the author
28 would have been thinking about it as part of

1 the writing this e-mail.

2 Q That's why I'm asking you. You're
3 on the stand, I have a chance to ask you
4 questions whether this represents your views.

5 Did you think that the error that
6 was discovered regarding Segment 109 had
7 the potential to severely damage
8 the company's credibility?

9 A Well, it was a records discrepancy.
10 It was not a safety issue from my
11 perspective. We've stated that several times
12 as to why it wasn't a safety issue.

13 The line was strength tested to
14 more than two times what it was operating at
15 at that point in time.

16 Q Okay. Could a records discrepancy
17 severely damage the company's credibility,
18 particularly after you've undergone a lengthy
19 MAOP validation effort?

20 A I'm not sure if it can or couldn't.
21 We're looking at it from a safety
22 perspective. That's the lens we looked at it
23 from. We were looking at it from an
24 engineering and operations perspective. We
25 were also looking at it from why did the

26 discrepancy happen, what was the cause of
27 the discrepancy, and what could we learn from
28 it, and where else could something like this

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1 exist. It's part of our continuous
2 improvement and learning process which we've
3 also talked about.

4 Q I just want to ask you directly.
5 Were you concerned when you learned about
6 this Segment 109 error in which it turned out
7 the assumption was not -- there was an
8 assumption made and it was not a conservative
9 assumption. Instead, it was an overly
10 aggressive assumption that proved to be
11 incorrect. Were you concerned that that
12 could, that discrepancy could severely damage
13 the company's credibility?

14 A No. What I was concerned about was
15 what does this mean in terms of the safety
16 and operations of the system and why did
17 the error occur, which is the reason
18 I requested the team to write a root cause
19 analysis report.

20 And the first statement states that
21 in terms of my expectations, I was not okay
22 with just an e-mail describing what happened.
23 I wanted a formal root cause analysis done on
24 why it happened, why did it occur, and what
25 controls do we have in place to make sure
26 something like this doesn't occur again. And
27 that's really my expectation.
28 Q So you didn't express any concerns

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1 to Mr. Harrison or anyone else about
2 the company's credibility when you learned
3 about the Segment 109 error?

4 A I think I clearly articulated
5 the concerns that I had, which --

6 Q And so the answer to my question is
7 no, you did not?

8 A That is correct. My concern was
9 the safety and the operations of the system,
10 ensure we do everything prudently from an
11 engineering standpoint, and also learn why
12 this discrepancy happened. Those were the
13 errors I was focused on.

14 Q Okay. Now let's go back to
15 Mr. Johnson's statement, paragraph 52A.
16 This paragraph 52 is talking about
17 refinements to the MAOP validation process.

18 Are we agreed on that?

19 And then A, B and C are some
20 specific examples of refinements. Just to
21 get us all on the same page.

22 A That's correct.

23 Q Okay. And on 52A, you're talking
24 were a new step, additional independent third
25 party review that was taken in December 2011;
26 is that right?

27 A That is what that states, correct.

28 Q And this is a quality assurance

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1 project. And quality assurance is sometimes
2 abbreviated QA; is that right?

3 A It's not necessarily a quality
4 assurance project. It's a quality assurance
5 process.

6 Q Thank you.

7 A As part of the MAOP validation

8 project.

9 Q And this was applied on
10 going-forward work; is that right?

11 A It was applied on all the work that
12 was done after December 2011, which also
13 included doing the rework of all the work
14 that was done in 2011.

15 Q Okay. We'll get into that a little
16 bit more because I do want to get some of
17 that timing down that was discussed a fair
18 amount at the hearing.

19 So now we're in sync between
20 the verified statement and the slides.

21 Mr. Singh, you led us through these
22 slides at the September 6th hearing. And
23 I think maybe the one that might be most
24 helpful here is slide on page 9 of OSC-4. If
25 I could ask to you turn to that.

26 There's a green -- at least on
27 mine, I've got a green shaded oval at the
28 bottom. It says Added Engineering Analysis

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1 QA.

2 Does that oval represent what's
3 being discussed in paragraph 52A of this
4 verified statement?

5 A Yes, it is.

6 Q Okay. And then -- bear with me for
7 a moment here.

8 And so the QA was applying to
9 the engineering analysis, correct?

10 A So if you go back and look at the
11 transcript as I was describing this process,
12 this is two of the four steps for the MAOP
13 validation project.

14 Just to ground ourselves again,
15 just quickly cover that, the first step being
16 the collection of the actual records. Second
17 step being transposing the information from
18 those records on to the Pipeline Features
19 List, which does not include making any
20 assumptions. And those two steps are not
21 shown here. And the third step being
22 engineering analysis which is the resolution
23 of the unknowns which is shown here. And
24 then the last step is I believe the last box
25 which is MAOP Validation where calculations
26 take place.

27 Q That's helpful. It's that last
28 step that this QA process applied to; is that

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1 right?

2 A The last of the four I covered, is

3 that your question?

4 Q Let's look at this slide 9.

5 There's three boxes that are bracketed. One

6 is Engineer's Assessment, one is Peer

7 Engineer Review, and the other is Engineering

8 QC.

9 I think that comprises

10 the engineering assessment or the resolution

11 of the unknown features part of the analysis

12 that you were talking about; is that right?

13 A It's -- the engineer's assessment

14 is the resolution of the unknowns. The Peer

15 Engineer Review is a form of quality control.

16 Engineering QC is a secondary form of quality

17 control which is part of the process. And

18 then QA is on top of that.

19 Q Okay. And did the QA apply just to

20 these three bracketed boxes or did it apply

21 to something bigger than that? That's what

22 I'm trying to understand.

23 A So the QA was done across different

24 steps of the MAOP validation project, which
25 we actually covered by slide 6. We had a QA
26 for record collection. We had a QA for PFL
27 build. We had a QA for engineering analysis.
28 And we had a QA for MAOP report. So there

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1 are several QA steps that were being
2 implemented as part of the process. And this
3 is the QA that was validating and ensuring
4 that the quality control steps we had in
5 place for the engineering analysis were
6 rendering the desired results associated with
7 that respective process.

8 Q Okay. And then so when you used
9 the term "engineering analysis," you're
10 referring to these three bracketed boxes
11 I just mentioned; right?

12 A It's the resolution of the unknown
13 features, correct.

14 Q It's just the top box then,
15 Engineers Assessment?

16 A Well, it really starts with
17 the decision tree: Are specifications

18 unknown? Yes or no. Because the QA is
19 happening at the end of that flow chart, so
20 it's checking everything upstream of that as
21 well.

22 Q So December 2011, you added this
23 Engineering Analysis QA Process. Was there
24 any engineering analysis QA prior to
25 December 2011?

26 A There was no engineering analysis
27 QA but there was a peer engineer review and
28 an engineering QC process prior to December

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1 of 2011.

2 Q Okay. Now, did this knew
3 engineering analysis QA that began in
4 December 2011, did it apply to what we are
5 referring to as the pressure restoration
6 lines, that is Line 101, Line 132A and
7 Line 147?

8 A It did not initially. That was
9 part of our planned scope to go back and look
10 at that for all of the pressure restoration
11 lines.

12 And one of the reasons why we did
13 that this way is because as we were doing our
14 non-HCAs -- I think I explained that
15 ad nauseam at the last hearing, probably take
16 another 15 seconds to talk about it -- but we
17 basically went back and did the work from
18 pressure limiting station to pressure
19 limiting station which included non-HCAs and
20 HCAs, which is why we did it as one pipeline
21 section. So all the rework that was done was
22 done including those controls.

23 We had planned to apply this to
24 the pressure restoration lines when the issue
25 happened or the discrepancy was identified in
26 October of 2012. As a result of that, we
27 further reprioritized to apply this to
28 the pressure restoration lines as well.

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1 But initially when we embarked our
2 non-HCA effort, the idea was not necessarily
3 to apply it to the pressure restoration
4 lines. But we did include that in our road
5 map.

6 Q So let's unpack the chronology

7 a little bit.

8 So the first time through when you
9 are doing your MAOP validation work for
10 the pressure restoration lines, this would be
11 in the fall of 2011.

12 A Mm-hmm.

13 Q You -- there's no -- this
14 engineering analysis QA process wasn't in
15 place because that came later; is that right?

16 A That came in December of 2011.
17 What was in place was the MAOP report QA
18 which is as part of the MAOP validation
19 process which is further downstream of this.

20 Q Okay. So then December 2011, you
21 have a new QA process for engineering
22 analysis, but that doesn't apply to the
23 pressure restoration lines because of what
24 you just explained. These lines had already
25 been fully addressed from limiting station to
26 limiting station; is that right?

27 A That is correct.

28 Q So but then after you learned about

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1 the problem in Segment 109, you decided you
2 better go back and add -- and redo the MAOP
3 validation work for the pressure restoration
4 lines -- I'll stop there. Is that right?

5 A Well, that's when we further
6 reprioritized our schedules to ensure that we
7 include the pressure restoration lines as
8 part of the revalidation process.

9 Prior to that go back and validate
10 this, I believe we were also looking at
11 Line 101 even prior to that October of 2012
12 issue or discrepancy that was identified on
13 Segment 109. So it wasn't just solely
14 because of the fact that there was
15 a discrepancy identified, that that's
16 the reason we decided to ensure that the
17 pressure restoration lines went through this
18 process. We had that identified in our road
19 map. The discrepancy that took place further
20 prioritized us to focus on the pressure
21 restoration lines first.

22 Q Let's go back to slide 7, this
23 slide back in OSC-4. The starting box for
24 this sort of decision flow analysis here says
25 Are specifications unknown? Do you see that?

26 A I see that.

27 Q Is it possible for there to be

28 conflicting documents regarding

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1 specifications?

2 A There we came -- I think you're
3 alluding to an example that we walked through
4 on slide 8 where we had documents, two
5 different documents with two different
6 attributes, yes.

7 Q Right.

8 A So we came across as part of our
9 records effort where we had differences in
10 the information on the documents and records,
11 but not every record is the same.

12 Q So what happens when you have
13 a discrepancy between the documents? Do
14 you -- how do you answer the question Are
15 specifications unknown? Would that be they
16 would be known, so would that be a yes?
17 Where does it go?

18 A So keep in mind this is downstream
19 of the Pipeline Feature List process. And we
20 established a hierarchy of records because
21 the quality of every record is not the same

22 in terms of the source strength as part of
23 the process that we've outlined.

24 We come across situations where we
25 have a record with a greater source strength.
26 For example, an as-built, that would be
27 a known as opposed to a record that may be
28 just a design drawing because we don't have

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1 the original as-builts for that respective
2 specification.

3 So in that instance,
4 the specification would be known. And that
5 would be determined as part of the pipeline
6 features list proceed. If there's two
7 records of the same source strength,
8 the features list process would identify that
9 as unknown.

10 Q Two records?

11 A Of similar source strength.

12 Q Of similar --

13 A They have --

14 Q You've got two equal records.

15 A Have a discrepancy. The process

16 was to identify that unknown.

17 Q That would be a no?

18 A Unknown.

19 Q Are specifications unknown? Oh,
20 that would be a yes. They would be --

21 A That's how I would answer
22 the question.

23 Q All right. So, and I think you
24 just alluded to this, Mr. Singh. There was
25 a situation like this for Segments 103, 103.1
26 and 103.6; is that right?

27 A That would be slide 8.

28 Q Slide 8. Thanks.

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1 And there, the discrepancy was
2 between the plat map and the purchased
3 documents; is that right?]

4 A That's what's stated in the related
5 job documents plus the related engineering
6 and construction knowledge box.

7 Q This is also referenced in
8 Mr. Johnson's statement, Paragraph 39. I
9 believe it's 39. Yeah.

10 A Correct.

11 Q So what -- was it a break down of
12 the process for the pipeline features list to
13 identify these segments as seamless?

14 A In this specific instance -- and
15 it's covered in the September 6th transcript
16 where I alluded to that. I'll state it
17 again. The engineer recognized the
18 difference in between these two records.
19 Purchase order has been typically identified
20 as a higher source strength of a document as
21 opposed to a transmission plat. There was
22 conflicting information in this case.
23 Obviously that has been identified.

24 The engineer opted to use the
25 purchase order, clearly stated that in the
26 features list. And it's also clearly stated
27 in our portal that the strength testing that
28 was planned to be done in October of 2011 is

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1 going to validate the integrity of the seam.
2 So from that perspective, the engineer was
3 not concerned. Was it an error in judgment?

4 Yes, it was, and I clearly articulated that
5 on September 6th.

6 Q Okay. Okay.

7 ALJ BUSHEY: Mr. Long, we're having a
8 nice reminiscing adventure through ail of the
9 September 6th hearing documents. All of
10 these are in the record, and they seem to be
11 just being read aloud to us. Is there
12 something that is not in the nature of
13 discovery that you would like to get from
14 these witnesses?

15 MR. LONG: I -- I believe one of the
16 purposes of cross-examination can be to
17 understand the witness's testimony and be
18 able then based on the understanding
19 developed through cross-examination to make
20 recommendations to the Commission. Not all
21 cross-examination is with a barbed point. So
22 not all my questions here today are for my
23 purpose. I -- I have waited patiently since
24 the September 6th -- I would have asked these
25 questions on September 6th, but --

26 ALJ BUSHEY: Or you could have sent
27 discovery requests. They're reading aloud
28 from documents in the record. I don't think

1 necessarily you need to get to a barbed point
2 in cross-examination, but the purpose of
3 cross-examination is to get facts not now on
4 the record on the record. These facts are
5 all in the record.

6 MR. LONG: I'm about to ask a question
7 to you that I'd like to get an answer to. I
8 hope it will be of interest to you. Maybe
9 I'll make of it interest to you in a brief at
10 some point, but these questions are for me to
11 get to the next question.

12 ALJ BUSHEY: So we'll get to the --

13 MR. LONG: It's not going to be an
14 earth-shattering question. It's probably not
15 going to be one that the newspapers are going
16 to be all that interested in.

17 ALJ BUSHEY: We don't use journalistic
18 standards here. We're using evidentiary
19 standards. And I'm looking for facts not now
20 in the record that you're looking to put in
21 the record. Okay? Let's focus on that. So
22 why don't you ask the question.

23 MR. LONG: Q I wanted to ask why in
24 the verified statement of Mr. Johnson the --
25 if you look at the beginning of -- just

26 before Paragraph 25, Segment 109 issue is
27 referred to as human error. And then the --
28 before Paragraph 39, the issue related to

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1 Segments 103, 103.1, and 103.6 is referred to
2 as record discrepancy errors. What's the
3 difference there?

4 WITNESS SINGH: A The reason why
5 Segment 109 is identified as a human error --
6 I'm sure you're aware. You read the root
7 cause analysis report. It was a
8 misapplication of our pipeline resolutions
9 for our unknown features list. And clearly
10 that document would have led you to a joint
11 efficiency factor of .8. It was a
12 misapplication of that specific standard by
13 the engineer. So it was a human performance
14 issue.

15 In this case, as I clearly just
16 articulated maybe a couple of minutes ago,
17 there was a difference in a purchase order
18 and a transmission plat. And the engineer
19 recognized that because he specifically

20 documented it within the features list, also
21 documented the fact that the strength test
22 that was going to be done in October of 2011
23 was going to verify the integrity of the
24 seem. So the engineer assessed all the
25 information and made the best judgment from
26 his perspective as is part of the process.
27 That's why there's a difference between the
28 two.

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1 Q It was still an error of judgment,
2 but you view it as qualitatively different
3 from the error that was made with respect to
4 Segment 109?

5 A Correct, because all the available
6 information was assessed to reach that
7 conclusion.

8 Q Now, returning to Slide 9 in this
9 engineering analysis QA. In the transcript
10 of the September 6th hearing, Mr. Singh, you
11 testified that this QA process used a
12 sampling process and found an overall error
13 rate -- and that's -- those words are words

14 you used -- an overall error rate of
15 0.9 percent. Do you recall that testimony?

16 A I do. And in fact, it's also
17 clearly written in the testimony that I filed
18 as part of the PSEP updated filing.

19 Q Okay. Good. I've read that. So
20 I'm glad we're on the same page about that.

21 A I'm glad you did.

22 Q What was the -- what was the time
23 period when the sampling was done? From what
24 time to what time?

25 A So the sampling was done as part of
26 the weekly production process. And when I
27 refer to production, I'm talking about the
28 pipeline features list production. So the

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1 sampling was done over a timeframe between
2 December of 2011 all the way to the
3 conclusion of the project sometime in early
4 to mid 2013.

5 Q Did the sampling include the
6 pressure restoration pipelines, that is Line
7 101, 132a and Line 137?

8 A I don't recall offhand. There's
9 more than 1400 pipeline features lists that
10 was reviewed as part of that sampling
11 process.

12 Q You're not able to say whether
13 those pressure restoration lines and their
14 many associated features were included in the
15 sampling process for the engineering analysis
16 QA?

17 A I don't have that number. I think
18 the number to be exact that we looked at was
19 1400 -- 1400. It's in the updated filing, so
20 I don't recall every single features list of
21 those 1400 lines. My memory is not that
22 good.

23 Q In fact, based on that testimony
24 the updated application testimony that you
25 referred to, the total population samples --
26 I'm sorry. The total population, not the
27 sample. The total population was 12,309
28 features. Would. You accept that subject to

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1 check?

2 A That is actually correct.

3 Q And you sampled from that 1474
4 features; is that right?

5 A That's stated in my PSEP updated
6 filing.

7 Q And you said that the error rate
8 was 0.9 percent. Let's understand what
9 constituted as an error that counted in this
10 0.9 percent. Is it correct that the only
11 errors that counted were when the value for
12 the feature was less conservative than
13 correct value and that error caused the MAOP
14 to be higher than the correct MAOP; is that
15 right?

16 A I'm not sure I follow that exactly,
17 but it's basically when -- we're talking
18 about the PSEP updated filing. I think
19 there's a separate proceeding for that. But
20 it would be what's characterized as a Type 5
21 error in that proceeding. And it's where the
22 actual feature ends up being the limiting
23 factor. So if there was a higher MAOP of the
24 pipeline and we identified that through a
25 error, the feature actually became a limiting
26 factor, so it further lowered the MAOP of the
27 entire line, then it would be a Type 5 error.
28 And that's what the .9 percent alludes to.

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1 Q So I'm reading from your testimony.
2 "Type 5 defect causes an incorrect feature
3 MAOP that is less conservative than the
4 correct feature MAOP and causes an incorrect
5 MAOP for the entire PFL that is greater than
6 the correct PFL MAOP." Is that correct?

7 A Basically it becomes a limiting
8 factor and governs the entire PFL. That's
9 correct.

10 Q And the reason I'm get to go this
11 is when this QA process was being used, it
12 was only looking for this particular type of
13 error, right? What you call a Type 5 error;
14 correct?

15 A That's incorrect. So if you
16 actually look at wholistically the chapter
17 that I filed, there's five different types of
18 errors, 1 through 5, that are clearly
19 articulated in the testimony. And. There's
20 also subsequent workpapers that describe the
21 QA procedure that was used for each of the
22 respective types of errors.

23 Q Okay. All right. So when you talk

24 about the 0.9 percent error rate, you're only
25 talking about one of the five categories of
26 errors, the Type 5 errors; right?

27 A Yes. That's what's considered
28 defective versus a defect. It's a standard

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1 nomenclature used by ASQ or American Society
2 Quality.

3 Q And these errors were consequential
4 errors; right?

5 A I would deem a product, in this
6 case the PFL, to be defective versus a
7 defect.

8 Q They're consequential errors in
9 that they caused PG&E to overestimate the
10 MAOP?

11 A That's correct. That's what that
12 means.

13 Q So segments 109, 103.1, and 103.6
14 would be examples of Type 5 errors; right?

15 A Well, so if you go back to the
16 verified statement, there was for Segment --
17 the segments you just referred to -- there

18 were two issues that drove that. One was the
19 difference in the specifications, and the
20 other was the change in the interpretation of
21 federal regulations as we know it as one
22 class out.

23 Q But these -- these would be Type 5
24 errors under PG&E's current interpretation?

25 A Under PG&E's current
26 interpretation, correct.

27 Q So 0.9 percent of the sampled
28 features had Type 5 errors. That ends up

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1 when you're talking about a sample size of
2 1474 about 13 or 14 errors; is that correct?

3 A That's about 13 or 14 PFLs,
4 correct, if you do the math.

5 Q Now, you learned -- you learned
6 about the results of this QA process at some
7 time -- at some point. Do you remember
8 roughly when?

9 A So as I articulated previously, the
10 QA process -- and again, we're talking about
11 quality assurance theory here; right? But

12 the reason why we implemented quality
13 assurance on a weekly basis is to ensure that
14 the controls that we have for that process
15 were effective. And that's exactly what we
16 did.

17 There was a report out that was
18 done on a weekly basis. So over time, these
19 issues were identified. They were corrected
20 for that respective features list. Any
21 learnings that came out of that, similar to
22 what I articulated before in terms of the
23 discrepancy that happened with 109 -- a root
24 cause analysis is done to identify what
25 caused it and was there a breakdown in the
26 process, was it a process issue, was it a
27 human performance issue, was it an isolated
28 issue.

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1 Those are the types of things and
2 discussions that took place on a weekly basis
3 to continue to enhance and reenforce the
4 controls for our process.

5 Q All right. Now, so you sample, and

6 in the sample you get 13 or 14 errors. For
7 the whole population, would you expect to see
8 the same error rate, 0.9 percent?

9 A Well, I think it's clearly again
10 stated in my updated filing. So if you
11 actually look at the statistical theory here,
12 based on the population and the error rate,
13 there's 99 percent confidence that you would
14 have a similar error rate plus or minus
15 .6 percent, as clearly articulated in my
16 testimony --

17 Q Okay.

18 A -- associated with what's not
19 looked at.

20 Q Okay. And you have to understand
21 that testimony is not part of the record in
22 this case.

23 A I understand that, but you keep
24 referring to the .9 percent, so I'm not sure
25 how else to describe it in terms of the QA --

26 Q Okay.

27 A -- aspect because it's clearly
28 spelled out in that testimony.

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1 Q Right. So you talked about the
2 confidence interval. You're saying there's a
3 99 percent confidence that the error rate
4 would be using that interval you just talked
5 about between 0.3 percent and 1.5 percent for
6 the entire population; is that right?

7 A That's correct.

8 Q And if we do the arithmetic, then
9 the errors in the entire population, if they
10 were at the low end, 0.3 percent, that would
11 be a total of 37 these Type 5. Errors and at
12 the high end, that would be 185 Type 5
13 errors. Is that -- is that -- does that
14 sound right to you?

15 A I'll take your word for it. I'll
16 have to do the math to validate that.

17 Q So in other words, this QA process
18 shows there's a 99 percent probability that
19 there are Type 5 consequential errors ranging
20 between 37 and 185 in the pipeline features
21 list; is that right?

22 A Well, again, I think we stated this
23 previously as well, and I'll go again back to
24 the September 6th hearings. We've always
25 stated that we have humans who are doing this
26 work. Any time we have that, you can't
27 eliminate human error. You can manage and

28 control it. That's one of the reasons why

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1 the Commission never ordered us to rely on
2 the records work only to establish the MAOP.
3 That's the reason why we strength test
4 because that truly is the safety validation.

5 Q But remember, PFL is used not just
6 for validating MAOP, but it's also used for
7 PSEP and integrity management and other
8 purposes also; isn't that right?

9 WITNESS JOHNSON: A Well, I'll speak
10 to PSEP. PSEP is either hydro testing pipe
11 that previously hasn't been tested or
12 replacing pipe. All it's being used for is
13 prioritization of that work. Ultimately
14 every piece of pipe is going to be pressure
15 tested or replaced. So it's simply a
16 prioritization mechanism on an interim basis
17 as clearly articulated in the ALJ Decision.

18 Q Now, Mr. Singh, do you know what
19 percent of the -- in the sample that was
20 done -- the sample that yielded 0.9 percent
21 Type 5 errors, do you know what percent had

22 -- of the sample had Type 4 errors?

23 WITNESS SINGH: A I do not have that
24 information here.

25 Q All right. I'd like to turn to a
26 different topic. And I have a document.

27 ALJ BUSHEY: Do you want this marked
28 for identification?

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1 MR. LONG: Yes, please, your Honor.

2 Thank you.

3 ALJ BUSHEY: We'll be off the record.

4 (Off the record)

5 ALJ BUSHEY: We'll be back on the
6 record.

7 The documents will be identified as
8 OSC-5.

9 Mr. Long?

10 (Exhibit No. OSC-5 was marked for
11 identification.)

12 MR. LONG: Thank you, your Honor.

13 Q Mr. Singh, I've been told that
14 you're -- although there's not a name of a
15 witness, that you are able to answer

16 questions about this.

17 WITNESS SINGH: A Yep.

18 Q Okay.

19 A Depending on the question.

20 Q Pardon me?

21 A Depending on the question.

22 Q All right. Let's give it a go.

23 This data request asked about a topic that --

24 relates to a topic known as the one-class-out

25 issue. Would you agree with that?

26 A I agree with that.

27 Q Okay. And in -- in your errata

28 document, there was mention of a study that

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1 PG&E was doing to determine lines that had a

2 higher MAOP if they -- if they were taking

3 advantage of PG&E's prior interpretation of

4 one class out as compared to the

5 interpretation that PG&E has now come to of

6 one class out. Is that your understanding?

7 A That's correct.

8 Q And so if you look at this

9 attachment -- and that is the entirety of the

10 attachment that came with the data request
11 response. I apologize for the very small
12 print. But this is the -- if we look -- look
13 at Subpart b in Answer 8, this is the
14 spreadsheet that PG&E provided that was
15 available at the time of this response,
16 October 8th, 2013, showing the pipeline
17 segments that were affected by this change in
18 interpretation; is that right?

19 A It's part of the spreadsheet that
20 we've submitted to the Safety and Enforcement
21 Division because we have requested an
22 interpretation from the Safety and
23 Enforcement Division that pertains to
24 192.611. We submitted two letters, and this
25 was at the request of the SED to provide this
26 information.

27 Q And at the top -- very top, there's
28 a total shown. That's 9.25 miles. Is that

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1 what this -- all these segments sum to?

2 A That's correct. If you take the
3 feature length, you add it all up, divide it

4 by 5280, it would give you roughly
5 9.25 miles.

6 Q Now, has there been ongoing work
7 and has there been determination that there
8 are additional segments that fall under this
9 category of pipeline features not considered
10 appropriate to operate one class out?

11 A I think the data response stated
12 that we're continuing to do this work. This
13 is the best information I have available to
14 me. There very well could be additional work
15 that the team is doing. We've stated that as
16 part of our data response that this is a
17 continuing effort. We're continuing to
18 review all of our features list.

19 MR. LONG: All right. Could I have
20 just a moment off the record to review, your
21 Honor.

22 ALJ BUSHEY: We'll be off the record.

23 (Off the record)

24 ALJ BUSHEY: We'll be back on the
25 record.

26 Mr. Long?

27 MR. LONG: Thank you, your Honor.

28 That's all the questions. I will move for

1 the admission of this data request response
2 at the appropriate time.

3 ALJ BUSHEY: Okay.

4 Ms. Strottman?

5 MR. MEYERS: Your Honor, I will do the
6 cross-examination.

7 ALJ BUSHEY: Okay.

8 CROSS-EXAMINATION

9 BY MR. MEYERS:

10 Q Good morning, your Honor.

11 Good morning, Mr. Singh. Good
12 morning, Mr. Johnson.

13 WITNESS SINGH: A Good morning.

14 Q I'm going to try to ask you
15 questions that's at a little higher or
16 general level, not as specific as Mr. Long's
17 been.

18 So this -- the reason we're here
19 today is we're examining PG&E's records and
20 the process by which Mr. PG&E looks at its
21 records to validate various engineering
22 assumptions relative to the operation of its
23 pipelines. And with that preface, obviously
24 when you know what's in the ground and you
25 have accurate records for what's in the

26 ground, that's one set of circumstances.

27 When you don't know what's in the

28 ground, there's a thorough process that

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1 you've outlined in your testimony whereby you
2 obtain the information necessary to make your
3 conclusions.

4 My question is simply this. What
5 is the process that you use when you need to
6 verify the accuracy of the information that
7 you have concerning the pipe specifications?
8 In other words, how is it that you can
9 determine that your records are in fact
10 accurate? If your records show that the pipe
11 is of a certain size or dimension, what is
12 the process that you've gone through to
13 ensure that that is in fact a correct record?

14 WITNESS SINGH: A So we talked about
15 this as well. The process that we use is
16 when we excavate and have the opportunity to
17 learn more information about our pipeline
18 system, we obtain that, we validate our
19 records as part of the MAOP validation

20 project. We had excavations that we
21 conducted as part of that to validate the
22 information both in records as well as some
23 of the conservative assumptions that we were
24 making. So some of that was part of the
25 excavation process that we've used.

26 And again, I'll reiterate that there
27 is that is no way a substitute in any way
28 shape or form for strength testing. And

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1 that's why we use the strength testing to
2 truly validate the safety of that respective
3 component and the pipeline section.

4 Q Thank you very much for that. So I
5 think the word of the day is prescient. We
6 can't expect PG&E to be prescient and know
7 that a record is inaccurate unless it does
8 some sort of nondestructive examination of
9 what's in the ground to verify the records
10 that you've got. And your database is in
11 fact in the ground.

12 A That's not what I -- that's not
13 what I believe I said.

14 Q Okay. Go ahead and correct me,
15 please.

16 A You interpreted that. We have
17 records of varying source strength as I
18 talked about. We have as-builts, and
19 as-builts are really those records where our
20 field engineers are redlining the actual
21 as-installed condition of that respective
22 pipeline. And that's what we relied on as
23 part of our MAOP validation process.

24 To the extent we didn't have those
25 as-builts, we relied on associated records.
26 But not all records have the same source
27 strength.

28 Q Are there instances where the

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1 as-builts turned out to be inaccurate?

2 A I have to go back and -- and look
3 at that information. I don't have that
4 information offhand. That's the best
5 available information that we have. And
6 as-builts are a reliable source of records
7 that not just us, but a lot of pipeline

8 operators use to have a understanding of
9 what's in the ground.

10 Q So my understanding is that PG&E
11 did about a hundred nondestructive digs or
12 examinations as part of your MAOP process.
13 Is that accurate to your knowledge?

14 A I don't have the exact number in
15 front of me. It seems about right. Maybe a
16 little bit more, a little bit less. I don't
17 have the exact number.

18 Q And out of the records reviewed
19 from those nondestructive examinations, what
20 percentage of the records reviewed were
21 determined to be inaccurate?

22 A I don't have that information here
23 in front of me. If the question is did we
24 identify differences in regards to what's in
25 the ground versus what was in the record,
26 again, not every record is the same. There's
27 different types of records. I think I've
28 talked about that.

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1 If your question is did we come

2 across those situations, yes, we did. And
3 again, that goes to the point that I
4 reiterated earlier and at the onset when we
5 started this project. It's impossible for us
6 to know every inch of our system until we dig
7 up every inch of our system. We're not
8 different than any other operator, which is
9 why we actually do a strength test.

10 Q Thank you. I understand that. But
11 the very reason that we're here today is
12 because the records that you had for Line 147
13 turned out to be wrong, and you relied upon
14 the records. You filed your MAOP validation
15 based upon those records, and those records
16 turned out to be wrong.

17 So my question is simply this.
18 Having learned from that process, what
19 changes have you as the official at PG&E in
20 charge of this process -- what changes have
21 you made to your systems, your protocols,
22 your procedures to ensure that you don't have
23 another situation like we just had in San
24 Carlos where you've got records that you
25 believe to be accurate but turn out not to be
26 accurate? Are you going to be -- well, I'll
27 let you answer.

28 MR. MALKIN: Your Honor, I -- I object.

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1 ALJ BUSHEY: It's on -- we went over
2 that with Mr. Long.

3 MR. MEYERS: No, we didn't, your Honor.

4 ALJ BUSHEY: It's Slide 8.

5 MR. MEYERS: Slide 8 deals with -- I'm
6 referring to the Exhibit OSC-4.

7 ALJ BUSHEY: Oh, you're right. It's
8 Slide 9.

9 MR. MEYERS: Q The very first box is
10 are the specifications unknown. In the case
11 of Line 147, the specifications were known;
12 correct, in your records?

13 WITNESS SINGH: A I'm sorry. They
14 were known or -- please repeat the question?
15 I didn't catch the last part. Did you say
16 known or unknown on 147?]

17 Q Are the specifications unknown?
18 It's the very first box.

19 A I see that.

20 Q In OSC Exhibit No. 4.

21 A Right.

22 Q And I'm referring to page 9, which
23 is the enhanced process.

24 A Right.

25 Q First box of the decision tree is
26 are the specifications unknown, correct?

27 A Yes.

28 Q So with respect to Line 147 in San

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1 Carlos -- I'm just using that as an example,
2 we will not be litigating that -- you knew
3 the specifications for that line. You had
4 records that showed the specifications. Is
5 that correct?

6 A No, that is incorrect. So for
7 Segment 109 we did not know what the --

8 Q I'm sorry. 147. If I said 109, I
9 apologize.

10 A Segment 109 for Line 147, we did
11 not know the long seam associated with that
12 respective segment, which as it would have
13 come into this process, are specifications
14 unknown? The answer was yes. Is the
15 pipeline required? No. And we knew the
16 outer diameter, installation year.

17 And that's the reason why in

18 accordance with the approval from the CPUC
19 order and directive we used conservative
20 engineering assumptions. It was a
21 misapplication of the assumption because our
22 underlying procedure and standard clearly
23 stated a joint efficiency factor of .8. And
24 all that's laid out fairly well on Slide 7.

25 Q Well, let's assume for the purposes
26 of this that you have high quality records.
27 And I know that you've got gradations of
28 quality of your records. I understand that.

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1 But you've got high quality records that
2 showed that a piece of pipe has
3 characteristics that allow you as an engineer
4 to validate the operating pressure of those
5 pipes.

6 But let's assume also that those
7 errors are in fact wrong, that what's in the
8 ground is different than what those records
9 show. I was using Line 147 as an example,
10 but let's not use that. Let's just use a
11 hypothetical.

12 What process do you go through to
13 ensure that the record that you have in the
14 ground, or the record that what you have in
15 the ground is in fact accurate? You
16 previously testified that you do exploratory
17 digs, nondestructive testing. My question to
18 you, sir, is, are you continuing to do those
19 digs, those nondestructive testings?

20 WITNESS JOHNSON: Okay.

21 WITNESS SINGH: A As part of the
22 pipeline safety work that we've been doing,
23 at any time we excavate our pipeline system,
24 we have the opportunity to learn more about
25 the pipeline system to validate what's in the
26 ground versus what's in the records. Every
27 prudent operator should be doing that. And
28 that's exactly what we do. Every time we

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1 excavate, we have an opportunity to validate
2 the underlying records database we have.

3 And the other piece that we do, we
4 clearly articulated that, in accordance with
5 the Commission order -- and not just because

6 it's a Commission order, it's the right thing
7 to do -- we're strength testing. We've
8 stated that.

9 Q I recognize that. But there's a
10 nuance in your answer that I'm troubled by,
11 and that is, are you doing this excavation
12 and verification of the accuracy of your
13 records as an adjunct to other work that
14 you're doing, or are you doing it simply as a
15 matter of integrity management or for a
16 matter of ensuring that your records are
17 accurate? In other words, I can understand
18 you doing this as a part of another process.
19 Are you doing it specifically on a
20 going-forward basis as a program to validate
21 the information that you have?

22 A That's what the MAOP validation
23 process was all about was to establish that
24 baseline. And where we come across issues,
25 and if there's a question in our mind of
26 what's in the records database versus what's
27 in the field, absolutely we'll dig it up.
28 I'm not -- maybe I'm not understanding the

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1 question.

2 Q I'll try it one more time and then
3 we'll see whether we can move forward here.

4 Following the Order to Show Cause
5 that's been issued in this case, has PG&E
6 altered its process for validating the
7 accuracy of the records of those pipelines
8 that it has in the ground to ensure that the
9 record corresponds to what's actually in the
10 ground? Has that process changed as a result
11 of this OSC?

12 A All the process changes that were
13 made were made agnostic of and even prior to
14 the OSC. And I think we talked about that,
15 and in terms of the MAOP validation process,
16 in terms of continuing to ensure that we
17 obtain the information every time we do a dig
18 to validate what's in our system and database
19 and continuing to strength test where we
20 don't have prior strength test records.

21 Q So it's your testimony that,
22 notwithstanding these proceedings, that the
23 process that PG&E has used to validate the
24 accuracy of its records and to establish the
25 Maximum Allowable Operating Pressure has not
26 changed?

27 A I believe I've answered that

28 question.

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1 Q A simple yes or no would be easy.

2 MR. MALKIN: Asked and answered and
3 argumentative.

4 MR. MEYERS: His answers, your Honor,
5 are argumentative as well.

6 ALJ BUSHEY: Well, they're lengthy.
7 They're lengthy. They are lengthy answers.

8 But I think the answer is yes. And it may
9 even be that they were prescient in doing all
10 of this prior to the Commission issuing the
11 OSC. Is that accurate?

12 WITNESS SINGH: That's exactly --

13 ALJ BUSHEY: Yes or no.

14 WITNESS SINGH: Yes.

15 ALJ BUSHEY: Good.

16 MR. MEYERS: Thank you. One second,
17 your Honor.

18 ALJ BUSHEY: We'll be off the record.

19 (Off the record)

20 ALJ BUSHEY: Back on the record.

21 Mr. Meyers.

22 MR. MEYERS: Thank you. That's it.

23 ALJ BUSHEY: Thank you.

24 Ms. Strottman.

25 MS. STROTTMAN: Thank you.

26 CROSS-EXAMINATION

27 BY MS. STROTTMAN:

28 Q Good morning, Mr. Singh and Mr.

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1 Johnson. Britt Strottman on behalf of the
2 City of San Carlos.

3 Mr. Johnson, I'm going to refer you
4 to your verified statement filed on August
5 30th, 2013. I'm sorry. I'm not sure what
6 exhibit.

7 WITNESS JOHNSON: A I've got the
8 verified statement in front of me. So if you
9 just -- whatever paragraph you're on.

10 Q Yeah. I'm looking at paragraph 35.

11 A 35. Okay.

12 Q And in paragraph 35 you discuss
13 that your engineer had mistakenly assumed
14 DSAW pipe. Do you see that? It's at the
15 bottom of the last sentence on the right-hand

16 side.

17 A You're referencing where it states:

18 "Our MAOP validation document for this

19 segment originally showed it as long seam as

20 DSAW"?

21 Q Yes.

22 A Is that what you're referencing?

23 Q Yes.

24 A Okay.

25 Q So it says here, "We determined

26 that our engineer had mistakenly assumed DSAW

27 pipe when preparing the PFL in October of

28 2011."

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1 Do you know on what basis the
2 engineer had made that assumption? Did you
3 talk to that engineer?

4 A I did not personally talk to that
5 engineer, but I think Mr. Singh just went
6 over in great detail that it was human error
7 and that there were discussions with that
8 engineer in terms of applying the documents
9 that we had in place at the time.

10 Q So you don't have any information
11 on how the engineer came to that assumption?

12 A Well, I think we've tried to lay
13 out in this document that he made a mistake.
14 He did not apply the document correctly.

15 Q But you didn't have the discussion
16 with him on how he came to that conclusion?

17 A How he came to the conclusion --

18 Q Yes.

19 A -- he made an error?

20 Q Yes.

21 A I think that was our conclusion
22 that he made an error. I think the root
23 cause analysis indicated he made an error.

24 Q No. I'm sorry. On what basis he
25 thought he had made that assumption, on what
26 basis. What information did he have where he
27 sat down and said, this is DSAW pipe? Did
28 you have any conversations with him about

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1 that?

2 A I did not personally have any
3 conversations with him about that.

4 Q Mr. Singh?

5 WITNESS SINGH: A I did not have a
6 personal conversation with the engineer, but
7 as part of the root cause analysis report
8 that was done there were discussions that
9 took place with the engineer is my
10 understanding.

11 Q But you don't know on what basis
12 the engineer came to that assumption?

13 A I do not specifically know the
14 basis, the engineer, the conversation with
15 the engineer as the team developed the root
16 cause analysis. And it's clear in our
17 conservative engineering assumptions
18 procedure or what we call the PRUPF that if
19 you apply that correctly and that's the only
20 tool that our engineers were using to resolve
21 those unknowns, that clearly was a oversight
22 or a mistake of how it was applied.

23 Q Okay. Now I'm going to ask you
24 another set of questions, and then I will be
25 finished with my questions.

26 If you have another situation like
27 San Carlos where you have the wrong record
28 for what's in the ground which ultimately

1 results in the wrong MAOP, what is PG&E's
2 plan to inform the CPUC of this type of
3 discrepancy and municipalities of these types
4 of errors?

5 WITNESS JOHNSON: A Well, in terms of
6 informing the CPUC, I don't think we've
7 actually got -- we haven't internally figured
8 out exactly how we're going to do that, but
9 we've made it clear that going forward we
10 will notify the CPUC. I can't speak to the
11 other entities you stated.

12 But I would like to correct I think
13 your statement. It is not what establishes
14 the MAOP. All the work we're talking about
15 here is an interim safety measure. What
16 establishes the MAOP ultimately will be a
17 pressure test or replacement of the pipe.

18 Q That's fine. But accepting your
19 answer, you do not know as of yet what PG&E's
20 plan is if there's a similar almost exact
21 situation to San Carlos to inform the CPUC of
22 any discrepancies?

23 A I can't speak to how we're going to
24 conduct that. Internally we are going to
25 report. I can't tell you that we've laid out

26 exactly how we're going to do it. We do an
27 enormous amount of reporting to the
28 Commission staff as we speak. We have

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1 activities that happen and we have to report
2 within two or four hours. We have quarterly
3 reports. We have yearly reports. We have a
4 whole listing of reports. And how we put it
5 in place so we don't miss this again has not
6 been determined.

7 Q And what about reporting these type
8 of -- this exact type of situation to cities?
9 Is that your same answer, that you don't have
10 a plan?

11 A Yeah, I have not seen the plan for
12 how we're going to report it to the cities.

13 WITNESS SINGH: A One item I would
14 like to add to that is if you have reviewed
15 the proposed decision that was issued by ALJ
16 Bushey, it's clear specifically for that
17 proceeding for 147 if we have that issue we
18 have an obligation to report to the
19 Commission within 30 days. And we plan to do

20 that.

21 Q And you are aware of that
22 obligation in the proposed decision?

23 A I think I just cited the proposed
24 decision. I wouldn't be aware of it if I had
25 not read it.

26 MS. STROTTMAN: Thank you. I have
27 nothing further.

28 ALJ BUSHEY: Thank you. I just have a

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1 couple of questions and ORA has several,
2 right?

3 MS. PAULL: Yes.

4 ALJ BUSHEY: So I'm thinking I'll go
5 and do my questions, and then we'll take our
6 break, and then we'll go to ORA.

7 MS. PAULL: Sounds good.

8 EXAMINATION

9 BY ALJ BUSHEY:

10 Q All right. Two quick questions.
11 As-built drawings are considered the highest
12 quality record; is that correct?

13 WITNESS SINGH: That is correct.

14 Q Have you ever found an as-built
15 drawing to be in error?

16 A I'm certain we've identified
17 discrepancies between an as-built and what's
18 in the ground. I don't specifically sitting
19 here can recall how many times that was or
20 where specifically in what vintage that was.

21 Q Okay. So they're not perfect?

22 A No. It's not perfect.

23 ALJ BUSHEY: Okay. Thank you.

24 We will take our morning break for
25 the next 15 minutes, and we'll resume at 5
26 minutes to 11 with ORA.

27 (Recess taken)

28 ALJ BUSHEY: We'll be back on the

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1 record.

2 While we were off the record we
3 identified exhibits. OSC-6 is PG&E's
4 response to DRA's Data Request 096-06.

5 (Exhibit No. OSC-6 was marked for
6 identification.)

6

7 ALJ BUSHEY: OSC-7 is PG&E's response

8 to DRA's Data Request 86-26.

9 (Exhibit No. OSC-7 was marked for
10 identification.)

11 ALJ BUSHEY: OSC-8 is the Testimony of
12 Thomas Roberts Regarding Document Management
13 Concerns Raised By Review of PG&E Documents
14 at the November 19th, 2013 Workshop at PG&E's
15 Walnut Creek Facility.

16 (Exhibit No. OSC-8 was marked for
17 identification.)

18 ALJ BUSHEY: OSC-9 are the exhibits
19 supporting the Roberts testimony. OSC-9 is
20 currently labeled potentially confidential.

21 We are waiting a determination from PG&E if
22 there are any confidentiality concerns raised
23 by the document in OSC-9.

24 (Exhibit No. OSC-9 was marked for
25 identification.)

26 ALJ BUSHEY: So those documents
27 identified, Ms. Paull, are you ready to
28 begin?

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1 MS. PAULL: Actually, I need to check

2 with PG&E.

3 ALJ BUSHEY: We'll be off the record.

4 (Off the record)

5 ALJ BUSHEY: We'll be back on the

6 record.

7 Ms. Paull.

8 CROSS-EXAMINATION

9 BY MS. PAULL:

10 Q Good morning, Mr. Singh and Mr.
11 Johnson. I have just a few questions for you
12 about how PG&E determines the MAOP. After
13 that Mr. Roberts will have some other
14 questions for you. Mine should not take
15 long. And mostly we have done discovery
16 asking some questions about this. And the
17 purpose of my cross is mostly to clarify the
18 answers that are -- some of them are puzzling
19 to us.

20 So to begin. So I'm going to be
21 asking a few questions about 49 CFR Part
22 192.619(a)(1).

23 WITNESS JOHNSON: A 619(a)(1).

24 Q (a)(1). About determining the
25 MAOP. The first question is very simple.
26 That section uses the term "design pressure."
27 And I know in these hearings and testimony
28 we've all also talked about the design MAOP.

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1 They have the same meaning, do they
2 not? In other words, when PG&E talks about
3 design MAOP, are you referring to the design
4 pressure? Does it mean the same thing as the
5 design pressure under 619(a)(1)?

6 WITNESS SINGH: A No, it does not.
7 It is not referring to (a)(1). The equation,
8 which I mentioned earlier, if you're talking
9 about a specific section of the code 192619
10 (a)(1), the design MAOP versus the design
11 pressure of how we use the design MAOP, it's
12 not (a)(1). It's the Barlow's equation with
13 the D rating factor that we alluded to
14 earlier.

15 Q But that's pursuant to (a)(1), is
16 it not, that you are calculating this design
17 pressure?

18 A We're calculating the design
19 pressure as a interim measure, as we
20 discussed earlier today. And it's using that
21 same equation which is again the Barlow's
22 equation with the D rating factors.

23 Q Yes. I remember Mr. Long asking

24 you some questions about this earlier. So we
25 can move on.

26 Now, we -- ORA asked -- sent a
27 discovery request asking you about the MAOP
28 of Segment 167.2 of Line 101. And I've

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1 distributed a copy of the data request about
2 that and PG&E's response. And I believe
3 that's been marked as OSC-7, Exhibit OSC-7.
4 Do you have that in front of you?

5 WITNESS JOHNSON: A Question 26, is
6 that the one you're referring to?

7 Q Yes. So if you could just have
8 that in front of you. And we asked, if the
9 MAOP was 433 psig based on a 1989 pressure
10 test, then why was PG&E operating it with an
11 MAOP of 396 psig per the PSEP database?

12 Can you look at the response,
13 please, just read it to yourselves so that --
14 towards the --]

15 Have you seen this response before?

16 A I have seen it before but
17 I haven't -- I didn't put it to memory.

18 Q Okay.

19 A There's a lot of data responses --

20 Q Yes.

21 A -- that have been passed around.

22 Q There are.

23 And in the response, PG&E

24 essentially said that for this segment, 433

25 is the MAOP of test, 396 psig is the MAOP of

26 design, correct?

27 A That's what we state, yeah.

28 Q And then PG&E also said that PG&E

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1 uses the lowest of the MAOP of test, the MAOP

2 of design, and the MAOP of record, correct,

3 is that the response?

4 A I'm sorry. Where did you see that?

5 Okay, you're talking about the last

6 line, last sentence where it's -- maybe

7 I missed your starting point. PG&E uses

8 the lowest value of MAOP of test, MAOP of

9 design, and MAOP of record to establish

10 the MAOP of the section of pipeline.

11 Q Yes.

12 A Is that what you referenced?

13 Q Yes.

14 A Okay, I see it.

15 Q And do you stand by this response?

16 A Yes.

17 Q Okay. What was the date of

18 the response, please?

19 A The date sent looks like it's

20 October 14, 2013.

21 Q Okay. Now we'd like to direct your

22 attention to OSC-6, another data response

23 from PG&E, data response to ORA's or DRA data

24 response 96, Question 6.

25 And for the record, Mr. Malkin

26 earlier confirmed that there's nothing

27 confidential in the portion of the response

28 included in this exhibit.

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1 In this data request, ORA asked

2 about the MAOP of Line 101. Line 101 is not

3 one of the lines subject to a PUC pressure

4 restoration decision, correct?

5 A I -- yes.

6 Q Okay. And we asked what is the
7 MAOP of design and the MAOP based on
8 hydrotest and so forth, and you responded to
9 those questions. But if you would look at
10 subsection F, part F of your response, of
11 PG&E's response please, now here you say that
12 the requirements of 49 CFR section 192.619(a)
13 do not apply to pipelines designed before
14 July 1, 1970, and whose MAOP is set under
15 49 CFR section 192.619(c). Is that -- did I
16 correctly restate the response?

17 A I'm sorry. I was trying to read it
18 at the time, but I think it's relatively
19 accurate.

20 Q Okay.

21 A I think the wording is accurate.

22 Q So it says essentially that 619(a)
23 doesn't apply to pipelines designed before
24 July 1, 1970 and whose MAOP is set under
25 49 CFR 619(c).

26 619(c) is the grandfather -- is
27 referred to as the grandfather clause, is it
28 not?

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1 A I believe that's the one that's
2 oftentimes referred to as the grandfather
3 clause.

4 Q So in this response, you're saying
5 to establish the MAOP of Line 101, PG&E
6 relies on the grandfather clause; is that
7 correct?

8 A No. I think what we're stating is
9 that at least as we interpreted
10 the questions, you cannot use 192.619(a) for
11 a pipeline built prior to 1970 unless you
12 have all the information necessary to utilize
13 that section of the code. And we've been
14 very clear that our records aren't perfect
15 and we don't have all the information
16 necessary to utilize that section of code, so
17 you're required to go to subpart C.

18 Q So you interpret the regulations to
19 require -- to establish the MAOP. So let's
20 say the Commission ordered PG&E to validate
21 the MAOP of various lines including 101,
22 right?

23 A The Commission ordered as an
24 interim safety measure --

25 Q M-hmm.

26 A -- the activity to validate and
27 utilize the MAOP activity using conservative

28 assumptions as an interim safety measure

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1 until hydrotesting or until the pipeline is
2 replaced. That is my understanding of what
3 the Commission's previously ordered.

4 Q And to determine that MAOP pursuant
5 to that order, did you rely on subsection (c)
6 or subsection (a)?

7 A We relied on the Commission's order
8 as an interim safety measure and then
9 ultimately the MAOP is established based on
10 a hydrotest or pressure -- or the pipeline
11 being replaced, as I believe the Commission
12 ordered.

13 Q So your response says the
14 requirements on pressure restrictions in this
15 section do not apply?

16 A I'm sorry. Where are you at now in
17 this part you're reading to me?

18 Q Let me -- I'm going to rephrase
19 this.

20 You say that the Commission
21 decision -- I'm looking at the bottom of page

22 2.

23 A Bottom of page 2 of --

24 Q Of the same exhibit we're talking

25 about, OSC-6.

26 A Okay.

27 Q Almost at the bottom of the page.

28 You say the Commission Decision 11-06-017 did

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1 not order utilities to retroactively apply

2 49 CFR section 619(a) because all pipelines

3 were new and designed after 1970.

4 A That's correct.

5 Q But we're talking about -- okay.

6 But you, PG&E chose to establish an MAOP that

7 is lower than the test MAOP, correct?

8 A Well, I'm a little unclear of what

9 you're referencing here. So you talked at

10 one point about a segment of Line 101 and now

11 you're talking about the pipeline which is

12 multiple segments of Line 101, so I'm not

13 clear what your question is referring to.

14 Q Is it --

15 A We requested -- what we requested

16 for as an MAOP of 330 pounds for Line 147 and
17 previously we asked for a pressure of
18 365 pounds on Line 101.

19 Q Okay. I think we've gone as far as
20 we can go on this line of questions, so I'm
21 going to move on.

22 Except for one thing.

23 Can you tell us, please, what is
24 the date of the data response, OSC-6 for
25 the record?

26 ALJ BUSHEY: OSC-6 is in the record.

27 We don't need the witness to read the date on
28 it to us.

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1 MS. PAULL: All right.

2 Q I have just one more question. Has
3 PG&E requested interpretation of any section
4 of 49 CFR part 192 from the Pipeline
5 Hazardous Materials Safety Administration,
6 PHMSA since October 2012?

7 WITNESS SINGH: A I can't recall that
8 we have. We have requested interpretation
9 from the Safety and Enforcement Division for

10 section of the code, but I do not recall any
11 official filing we made to the PHMSA, subject
12 to check.

13 Q I was not asking about the Safety
14 and Enforcement Division. I was asking
15 specifically about PHMSA.

16 We have a data response from PG&E
17 responding that it has not requested any
18 interpretation from PHMSA since October 2012
19 of part 192. Is that true as far as you
20 know?

21 A As far as my understanding goes,
22 yes.

23 Q Mr. Johnson?

24 WITNESS JOHNSON: A As far as I know,
25 that's correct.

26 Q And you want to replace
27 Segment 167.2 of Line 101 in order to be able
28 to operate all of Line 101 at an MAOP of

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1 365 psig?

2 A I'm sorry. Where are you
3 referencing that now?

4 Q Well, it's a different data request
5 and I was hoping not to have to distribute
6 it.

7 A What segment was it again that
8 you're referring to?

9 Q Well, Segment 167.2 of Line 101 is
10 one that PG&E has spoken about replacing.

11 A There is a section of Line 101 we
12 have spoken about replacing. I can't verify
13 that's the exact segment number without
14 seeing it, but it's up towards Lomita Park,
15 if that's the one you're referencing.

16 Q It is.

17 A Okay.

18 Q And the reason PG&E wants to
19 replace that, can you tell us please?

20 A To the best of my knowledge is so
21 that we can make that line piggable all the
22 way from Milpitas to roughly Lomita Park.

23 Q And does that segment have a lower
24 MAOP than the rest of Line 101, is it
25 the limiting -- the segment that --

26 A I believe it does have a lower MAOP
27 at that point. There's regulation I believe
28 upstream of that segment.

1 MS. PAULL: Okay. Thank you.

2 Thank you for responding to my
3 questions. Those are my questions for now.
4 Mr. Roberts will have some questions.

5 And maybe this would be a good time
6 to go off the record so we can distribute
7 the exhibits he wants to use.

8 ALJ BUSHEY: All right. We'll be off
9 the record.

10 (Off the record)

11 ALJ BUSHEY: We'll be back on
12 the record.

13 We have previously marked Exhibit
14 OSC-8, testimony of Thomas Roberts; and
15 OSC-9, the exhibits supporting that
16 testimony.

17 And for the record, Ms. Bone,
18 I understand you wish to move these into the
19 record, is that correct?

20 MS. BONE: Yes, your Honor.

21 ALJ BUSHEY: Mr. Malkin, I understand
22 you oppose that.

23 MR. MALKIN: We do, your Honor. And
24 the reason is just what is stated in
25 the testimony itself that the first sentence

26 on page 1: The purpose of my testimony is to
27 amend the record with regard to a workshop
28 led by PG&E on November 19, and to draw

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1 attention to concerns I have regarding PG&E's
2 pipeline mapping, recordkeeping, and document
3 control systems based on a review of
4 documents related to Line 147.

5 So Mr. Roberts made statements on
6 the record in the Line 147 hearing that's now
7 closed and the purpose of this testimony is
8 to amend it.

9 He goes on and answered a question
10 3 to further elaborate:

11 This testimony documents my
12 perceptions based exclusively on
13 the documents provided by PG&E in
14 Exhibits A and B supporting its
15 October 2013 Safety Certification
16 for Line 147, and other documents
17 related to Line 147 reviewed at
18 the November 19, 2013 workshop.
19 To the extent that ORA and

20 Mr. Roberts had comments on Line 147
21 documents, and these all go to the hydrotest
22 related documents, and based on Mr. Roberts'
23 experience in fields other than pipelines, he
24 would like to see those records organized
25 differently and amend his statements in the
26 Line 147 proceeding.

27 As your Honor said at the beginning
28 of today, the record on that is closed.

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1 This -- there's no basis here for
2 extrapolating anything. This is Mr. Roberts'
3 observations on a set of documents that he
4 commented on previously on Line 147, so it's
5 irrelevant at this point.

6 ALJ BUSHEY: Okay. So, relevance.

7 Ms. Bone.

8 MS. BONE: Yes, your Honor.

9 As Mr. Roberts' describes in answer
10 to question No. 2, the overarching conclusion
11 of his testimony is that the drawings that he
12 observed at PG&E's offices at the workshop do
13 not represent a modern drawing or document

14 control system, and he recommends that
15 the CPUC review PG&E's overall pipeline
16 mapping and recordkeeping and document
17 systems for traceability, verifiability,
18 completeness, robustness, and accuracy. And
19 the bulk of Mr. Roberts' testimony focuses on
20 those maps that he reviewed. And he admits
21 that only saw the maps for Line 147, but he's
22 concerned that these are indicative of what
23 is throughout PG&E's system.

24 Mr. Roberts' testimony was intended
25 to address the issue raised in the OSC about
26 whether or not PG&E's records are reliable
27 and can be relied upon in order to not stay
28 the Commission's MAOP decision with regard to

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1 the other lines and to also draw attention to
2 this matter as a systemwide problem that at
3 least the Commission should be looking at
4 because it's very concerning that an engineer
5 cannot look at PG&E's records and sort out
6 what's going on with those maps without
7 a guided tour by PG&E.

8 And the hope is that ultimately
9 the CPUC's engineers, including Mr. Roberts
10 and the engineers from SED and Energy
11 Division are able to use these systems
12 independently to verify PG&E's compliance
13 with applicable safety regulations.

14 So what we'd like to hear from PG&E
15 today is, you know, a response to
16 Mr. Roberts' testimony. We'd be happy to
17 hear their thoughts on it if they have
18 reviewed it and to understand is this just an
19 interim thing that we're looking at or is
20 this the ultimate, final product of what PG&E
21 is doing in terms of records management.

22 So I'm prepared to ask questions
23 based on that. And we believe that
24 Mr. Roberts' testimony and the exhibits
25 supporting it are an adequate foundation for
26 those questions.

27 ALJ BUSHEY: Thank you, Ms. Bone.

28 I'm going to grant your request to

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1 have OSC-8 and OSC-9 received into the record

2 with the following limitations: This
3 information may not be used to address issues
4 related to the Line 147 pressure restoration
5 but only may be used in what we're calling
6 the substantive OSC on the continuing
7 reliability of PG&E's recordkeeping.

8 (Exhibit Nos. OSC-8 and OSC-9 were
9 received into evidence.)

10 ALJ BUSHEY: To the extent PG&E wants
11 to respond, they can do so in the briefs. To
12 the extent they need to make factual
13 assertions, they can do so with their
14 provided declarations attached to their
15 briefs.

16 Mr. Roberts, are you ready for your
17 cross-examination?

18 MR. ROBERTS: Yes, your Honor.

19 ALJ BUSHEY: Okay, please begin.

20 CROSS-EXAMINATION

21 BY MR. ROBERTS:

22 Q Hopefully -- good morning,
23 gentlemen. I'm Tom Roberts. I'm with the
24 Office of Ratepayer Advocates.

25 Hopefully at the top of your stack
26 is a data response marked SED-5, Question 13
27 Attachment 1. Do you have that in front of
28 you?

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1 WITNESS JOHNSON: A SED-5.

2 WITNESS SINGH: A SED-5, Question 13,
3 right.

4 Q Attachment 1?

5 A Yes, attachment 1.

6 Q If you could please turn to page 6
7 of that exhibit. Let me know when you are
8 there, please.

9 A Is it titled Results on the top
10 right-hand corner?

11 Q Correct.

12 A Okay, I'm there.

13 Q This document shows a map of PG&E's
14 transmission system. Is it correct that the
15 red lines in this map indicate pipelines that
16 would require reduction in maximum allowable
17 operating pressure, or MAOP, because of
18 PG&E's revised interpretation of code section
19 192.611?

20 WITNESS JOHNSON: A I believe we have
21 a problem. We have a black-and-white copy.

22 MR. ROBERTS: Would it work if I had
23 them look at a color copy?

24 ALJ BUSHEY: We'll be off the record.

25 (Off the record)

26 ALJ BUSHEY: We'll be back on the

27 record.

28 Mr. Roberts.

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1 MR. ROBERTS: Q Yes. So now if
2 I could ask again, do the red lines on
3 the map indicate pipelines that require
4 a reduction in MAOP because of PG&E's revised
5 interpretation of code section 192.611?

6 WITNESS SINGH: A That was
7 the objective of the discussion we had with
8 SED as a part of the revised interpretation,
9 conservative interpretation of one class out,
10 what would be the impact to the system with
11 the request that SED made back in March of
12 this year. And this was a follow-up meeting
13 to talk about that.

14 Q So is it -- was your answer yes
15 that this does, the red lines do show where
16 these impacts occur?

17 A Yeah. These red lines show

18 pressure limiting stations to pressure

19 limiting stations.

20 Q And the impact in this case is that
21 an MAOP -- that the MAOP would have to be
22 reduced based on the revised interpretation
23 of 192.619, is that the impact that's
24 referred to in this presentation?

25 A The impact that's referred to here
26 is if the MAOP was reduced as a result of
27 the conservative interpretation, what would
28 be the impact to our system.

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1 Q Okay, thank you.

2 Now looking at the table on
3 the same page, it looks like what's stated
4 that the miles impacted is 10.3 miles; is
5 that correct?

6 A That's correct.

7 Q Is that specific features that are
8 impacted, the miles of specific features that
9 are impacted?

10 A That's correct at the time
11 the presentation was put together.

12 Q Okay. And then below that is the
13 number of impacted system miles which is
14 a significantly larger number. Is that
15 because if the MAOP of a feature is impacted
16 then the entire pipeline that that's
17 associated with is also affected?

18 MR. MALKIN: Your Honor, I'm going to
19 object on relevance grounds.

20 ALJ BUSHEY: Yeah. Mr. Roberts, what
21 does this have to do with recordkeeping?

22 MR. ROBERTS: It goes to interpretation
23 of code section 611 and its impacts.

24 MR. MALKIN: That code interpretation
25 impacted certain specific segments of
26 Line 147 and 101, and those are among
27 the five lines that we're supposed to be here
28 talking about. These questions are going

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1 systemwide, way beyond 147, 101, and any of
2 the other pressure restoration lines.

3 ALJ BUSHEY: Right. And I understand
4 this issue is being pursued through SED --

5 MR. MALKIN: Right.

6 ALJ BUSHEY: -- in other arenas.

7 MR. ROBERTS: May I have a moment
8 off the record?

9 ALJ BUSHEY: We'll be off the record.

10 (Off the record)

11 ALJ BUSHEY: Back on the record.

12 MS. PAULL: Presumably PG&E's
13 interpretation of 611 is applied to its
14 entire system. PG&E has relied heavily on
15 its interpretation of 611 to explain its
16 actions and decisions in this proceeding, so
17 it's clearly a relevant issue. That is, it's
18 pertinent to the lines that were the subject
19 of the Commission's pressure restoration
20 decisions and probably to other lines in
21 PG&E's system.

22 ALJ BUSHEY: I don't think PG&E is
23 saying that this issue doesn't exist and that
24 it would not potentially have some impact on
25 the various lines that we're reviewing, but
26 the OSC doesn't say anything about this.
27 The OSC is focusing on recordkeeping errors
28 and this is not recordkeeping. It's

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1 regulatory compliance at best. So I'm not
2 seeing how this addresses the issue before us
3 in the OSC.

4 MS. PAULL: Well, the Commission is
5 considering whether it needs to revise
6 the MAOP of these lines.

7 ALJ BUSHEY: Not for this reason and
8 not in this OSC. But it's being considered
9 elsewhere, but not here.

10 MR. ROBERTS: Your Honor, at least for
11 Line 101, application of or interpretation of
12 611 is directly relevant. If what you're
13 stating is that the overall scope of 611
14 impact is not within the scope of this
15 hearing, I thought it was. So if that's an
16 incorrect assumption, is that going to be
17 handled in a different venue at a later time?

18 ALJ BUSHEY: Right. Right.

19 MR. ROBERTS: Okay.

20 ALJ BUSHEY: I understand SED is
21 pursuing this and there are discussions and
22 presumably some sort of resolution will come
23 forward in the appropriate procedural venue,
24 but that's not what we're talking about here.

25 And it was -- this was one of
26 the issues they identified in the document
27 that they filed as a reason for the delay in

28 getting the information about the erroneous

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1 records to us. But the purpose of the OSC is
2 to focus on the erroneous records, not to
3 resolve the one-class-out rule.

4 MS. PAULL: But your Honor, isn't
5 the overall purpose whether to determine with
6 the Commission needs to -- what the correct
7 MAOP should be for those lines and whether it
8 has to be modified?

9 ALJ BUSHEY: Based on -- the OSC was
10 clear. The question is given
11 the recordkeeping deficiencies that were
12 identified in Line 147, should the Commission
13 suspend the other pressure restoration orders
14 that it issued on the same basis? That's
15 the question. I don't think 611 has --

16 MS. PAULL: Right, but -- I'm sorry.

17 ALJ BUSHEY: I don't think 611 has
18 anything to do with that and certainly hasn't
19 been teed up as an issue in the OSC.

20 It may be that the resolution of
21 the 611 issue may have impacts on those lines

22 quite apart from the pressure restoration
23 orders, but we're talking about the pressure
24 restoration orders.

25 MS. PAULL: Well, your Honor,
26 I respectfully disagree. PG&E has placed its
27 interpretation of 611 squarely at issue in
28 this OSC proceeding.

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1 ALJ BUSHEY: How?

2 MR. ROBERTS: I can -- for Line 101,
3 the verified statements and the data provided
4 by PG&E does not mention that there was
5 an incorrect interpretation of a pipe
6 specification. The reason that they were
7 seeking reduced MAOP for Line 101 was because
8 of the revised interpretation of 611. So to
9 the degree they've asked for a reduced MAOP
10 for that line, that to my knowledge is not
11 a function of any changed pipeline
12 specifications but is solely attributable to
13 a new interpretation of section 192.611.

14 ALJ BUSHEY: But that's Line 101.

15 MR. ROBERTS: Correct.

16 ALJ BUSHEY: We have one -- we have
17 a repressurization of 147 that's dealt with.
18 The OSC is focusing on recordkeeping errors
19 and whether the recordkeeping errors so
20 undermine our faith in their ability to run
21 the system that we should suspend the other
22 pressure restoration orders that the
23 Commission has issued.]

24 MS. PAULL: Why have we had extensive
25 testimony by PG&E and explanations on their
26 interpretation of 611.

27 ALJ BUSHEY: Because that was the --
28 that was their explanation of why it took

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1 them so long to get the information to us.
2 MS. PAULL: And they're also relying on
3 it for -- to determine the correct MAOP of
4 various lines. So the order to show cause,
5 yes, talked about -- asked whether PG&E's
6 records can be relied upon, but the records
7 include information about class location.
8 And the MAOP has to be determined in
9 accordance with federal law, which includes

10 611. So it's material how PG&E is
11 interpreting the applicable federal
12 regulations.

13 ALJ BUSHEY: There's no doubt that that
14 is material, and it is being addressed
15 elsewhere. 611 has a lot of applications, as
16 this map shows, throughout the system. So
17 that issue is being addressed.

18 MS. PAULL: Where is that being
19 addressed?

20 ALJ BUSHEY: Right now there are
21 discussions with SED and PG&E.

22 MS. PAULL: But on the record where is
23 it going to be addressed?

24 ALJ BUSHEY: They haven't figured out
25 how they're going to deal with it yet.
26 That's my understanding.

27 MS. PAULL: Well, where can the issue
28 be addressed on the record? Will that be in

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1 the rulemaking? I mean, it has to be
2 addressed on the record at some point, I'm
3 sure you agree.

4 ALJ BUSHEY: Right. The best guess I
5 would say right now would be in rule
6 revisions to General Order 112. That's
7 probably where it will turn up, whether it be
8 some sort of advice letter filing or -- I
9 don't know. It depends on what they decide
10 to do, how they decide to handle it.

11 MS. PAULL: Well, if the Commission
12 suspends the pressure restoration Decisions
13 and has to determine what the MAOP Decision
14 should be of Line 101, won't it have to
15 consider --

16 ALJ BUSHEY: That could be one way that
17 it could come up, yes.

18 MS. PAULL: Well, don't you want the
19 record developed on this issue now? And
20 we're prepared to develop it.

21 ALJ BUSHEY: I think all the parties
22 need to know what the issues are before --
23 before we litigate something. And right now
24 the only issue we're litigating is whether
25 the pressure restoration order should be
26 suspended because the records are so
27 unreliable. That's the question. And if
28 they are suspended and we want to -- and PG&E

1 opts to attempt to have them -- to obtain
2 Commission authorization to repressurize the
3 lines, then they will have to make a
4 demonstration.

5 MS. PAULL: So what's the part of all
6 the testimony that PG&E put in about
7 interpretation of 611?

8 ALJ BUSHEY: It's just an explanation
9 of what took them so long.

10 Mr. Malkin, do you have anything to
11 add to this?

12 MR. MALKIN: No, you're exactly right,
13 your Honor. That was irrelevant. When the
14 initial discrepancy on Line 147 was
15 discovered, it did not impact the MAOP
16 because the interpretation that PG&E was
17 using at that time of Section 192.611. When
18 that interpretation changed, it changed the
19 MAOP.

20 I don't think any party is arguing
21 that PG&E should not have used as
22 conservative interpretation that it is now
23 using, which would be the only impact that it
24 would have. And it would be an impact that
25 would say the prior MAOP was just fine.

26 ALJ BUSHEY: Okay. So logically --
27 MR. ROBERTS: So if I can ask a
28 question, your Honor? So at the outcome of

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1 this proceeding and the process that follows
2 it, will there be a decision on what the
3 right pressure of Line 101 should be? Will
4 that be something the Commission decides as a
5 result of this?

6 ALJ BUSHEY: Line 101?

7 MR. ROBERTS: Yes.

8 ALJ BUSHEY: The Commission has already
9 ruled on that, on Line 101.

10 MS. PAULL: Your Honor, you're
11 referring to the 2011 pressure restoration
12 Decisions?

13 ALJ BUSHEY: Yes.

14 MR. ROBERTS: But they've requested a
15 lower MAOP for Line 101.

16 ALJ BUSHEY: They're operating at a
17 lower pressure.

18 MR. ROBERTS: Correct.

19 ALJ BUSHEY: So you don't want them to

20 do that?

21 MR. ROBERTS: No, I -- in the -- I

22 guess I was envisioning it was parallel to

23 how 147 was treated in that their evidence to

24 support the MAOP was discussed in an

25 evidentiary setting and issues were

26 discussed.

27 With 101, the requested MAOP relies

28 on an interpretation of 611, which we haven't

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1 had a chance -- we have issued lots of

2 discovery on it, but we haven't had a chance

3 to discuss it in this evidentiary setting.

4 And it does directly relate to what the right

5 MAOP should be for that line.

6 ALJ BUSHEY: But Mr. Malkin just told

7 us is that they're using the most -- the

8 lower of the two possible interpretations of

9 611. So is it your position that they should

10 be using the higher one?

11 MR. ROBERTS: No, that's not correct.

12 ALJ BUSHEY: Okay. So you agree with

13 their interpretation?

14 MR. ROBERTS: Can I have a moment off
15 the record?

16 ALJ BUSHEY: Well, actually, let me --
17 it's not -- it's not relevant at this moment
18 whether you agree or disagree with 611 --
19 their interpretation of 611 because we're not
20 going to decide that today.

21 The only thing that we're focusing
22 on is their recordkeeping errors and whether
23 everything else should be suspended because
24 of lack of reliability of the records. So I
25 don't know how 611 has anything to do with
26 that.

27 MS. BONE: So your Honor, just a point
28 of clarification. I think that the

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1 Commission has been under the impression that
2 even when PG&E wants to lower the MAOP from a
3 Commission approved MAOP like Line 147, they
4 are expected to have a modified Decision
5 approving that. So are we not going to have
6 -- we have -- we're moving towards that with
7 regard to Line 147. Are we not also going to

8 move towards that with regards to Line 101?

9 ALJ BUSHEY: Why would we do that? Is
10 there a request for that to happen?

11 MS. BONE: Well, for the same reasons
12 that the Commission found that it was
13 inappropriate for -- for PG&E to not come
14 forward sooner regarding lowering 147.

15 ALJ BUSHEY: But 101 doesn't have
16 errors. 101 is a different case. It's a
17 changed regulatory interpretation; right?

18 MR. MALKIN: That is correct.

19 ALJ BUSHEY: So it's a different
20 premise, and we all know about it.

21 MS. PAULL: Well, your Honor, I recall
22 Chief Judge Clopton saying at the first
23 hearing on these orders to show cause that if
24 PG&E had learned that the MAOP was
25 incorrectly calculated and needed to be lower
26 than what they had requested previously, they
27 needed to file a petition for modification.

28 So in our minds, these orders to

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1 show cause opened up -- so if Line 101 -- if

2 the MAOP of Line 101 needs to be changed
3 because of interpretation of 611 or maybe
4 because they realized they were incorrectly
5 interpreting 611 -- the record has yet to be
6 developed -- that -- that puts the Commission
7 in the same position of having to decide do
8 we suspend -- does -- do we suspend that 2011
9 order and determine what the MAOP should be
10 correctly calculated MAOP of that line.

11 PG&E should not be -- there should
12 be the Commission Decision in effect, as
13 Chief Judge Clopton's point was as I
14 understood -- it if it -- if the Commission
15 Decision set the wrong MAOP, that Decision
16 needs to be changed. And if to set the right
17 MAOP we need to reach conclusions about the
18 application of 611, then surely you want a
19 record developed on that issue.

20 ALJ BUSHEY: Way too many steps there.
21 The sole issue here is whether or not the
22 other Decision should be suspended. It's not
23 what if anything should be put in place if
24 they are suspended. It's whether they should
25 be suspended.

26 If it's your position -- DRA's
27 position that because of the changed
28 interpretation of Section 192.611 that Line

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1 101 pressure restoration order should be
2 suspended, then you're free to -- that's a
3 legal argument that you're free to make in
4 your brief. And if you believe that there
5 should be a petition for modification because
6 of the way they're operating the line, then
7 you could file a motion in this docket or
8 even file a complaint against PG&E.

9 MS. PAULL: But as Chief Judge Clopton
10 said, it's PG&E's burden to go to the
11 Commission and ask for the pressure
12 restoration order to be modified if PG&E
13 discovers that it's -- it asked for the wrong
14 MAOP in 2011. That's PG&E's burden.

15 ALJ BUSHEY: Okay. What does that have
16 to do with cross-examination of these
17 witnesses?

18 MS. PAULL: Well, if they -- if -- if
19 PG&E is saying that it is now requesting a
20 lower MAOP because of its interpretation of
21 611 through discovery, we have -- and looking
22 at the testimony of PG&E witnesses, we can
23 see this may have systemwide impact. And we

24 were going to explore that issue a iittle bit
25 of how -- what could be the impact on this
26 line and other lines of this interpretation
27 and what it suggests for -- well, the impact
28 on the -- on the MAOP of this line and other

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1 lines. It seems -- it seems --
2 ALJ BUSHEY: It's most certainly an
3 issue that needs to be addressed by the
4 Commission, but it's not teed up as an issue
5 within the scope of this order to show cause.
6 So when that issue comes up, you should bring
7 all this information forward and present it
8 to the Commission.

9 MS. PAULL: And we would request, your
10 Honor, if you could at some point maybe after
11 the hearing clarify how, where that issue is
12 going to be addressed by the Commission.

13 ALJ BUSHEY: I just -- there are
14 several procedural opportunities that are at
15 DRA's disposal to bring the issue forward
16 immediately if you're dissatisfied with the
17 face of SED's review of the matter.

18 MS. PAULL: Well, we don't know --
19 whatever SED's review of the matter is off
20 the record, and we have no information about
21 it, your Honor.

22 ALJ BUSHEY: I suggest you go ask them,
23 and if you're dissatisfied, file something on
24 the record to bring the issue forward on the
25 record before the Commission.

26 MS. PAULL: We've not been able -- we
27 have actually tried to communicate informally
28 with SED, and --

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1 ALJ BUSHEY: Well, that's an
2 interdivisional issue that I'm sure --

3 MS. PAULL: But asking them it's not
4 the answer because, first of all, it's by no
5 means certain that we can get the
6 information. And second of all, it's not on
7 the record.

8 ALJ BUSHEY: All right. Well, you're
9 going to have to have your division arrive at
10 a position on the existing process, which is
11 an informal one led by SED. If you find that

12 you are dissatisfied by that process, there
13 are several procedural opportunities at your
14 disposal to bring those issues forward to the
15 Commission.

16 MS. PAULL: So you're saying the burden
17 is on -- on ORA to raise the issue?

18 ALJ BUSHEY: If you're dissatisfied
19 with the way it's being handled, yes.

20 MR. ROBERTS: So your Honor, I just
21 want to make sure I understand correctly. I
22 do understand that systemwide impacts of
23 interpretation of 611 are not to be
24 discussed --

25 ALJ BUSHEY: They're not within the
26 scope of today's hearing.

27 MR. ROBERTS: Are impacts of 611
28 specifically relative to Line 101 also not on

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1 the scope of the hearing today?

2 ALJ BUSHEY: Does that specifically
3 have to do with recordkeeping errors?

4 MR. ROBERTS: I don't think so.

5 ALJ BUSHEY: Okay. Then I think you've

6 answered your own question.

7 MR. ROBERTS: Okay. Then all of the
8 exhibits that we just handed out -- we might
9 want to be off the record.

10 ALJ BUSHEY: I'm sorry? Do you want to
11 go off the record?

12 MR. ROBERTS: Can we go off the record?

13 ALJ BUSHEY: Off the record.

14 (Off the record)

15 ALJ BUSHEY: We'll be back on the
16 record.

17 While we were off the record, we set
18 the dates for briefing. Opening briefs will
19 be due on January 17th. It will be limited
20 to 25 pages. Reply briefs will be due on
21 January 31st, 2014, and will be limited to 10
22 pages.

23 We'll be off the record.

24 (Off the record)

25 ALJ BUSHEY: We'll be back on the
26 record.

27 While we were off the record, we
28 determined that we had not moved Exhibit 5,

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1 6, and 7 into the record, and they will be
2 received into the evidentiary record.

3 We'll be off the record.

4 (Exhibit No. OSC-5 was received into
5 evidence.)

6 (Exhibit No. OSC-6 was received into
7 evidence.)

8 (Exhibit No. OSC-7 was received into
9 evidence.)

10 (Off the record)

11 ALJ BUSHEY: We'll be back on the
12 record.

13 Mr. Malkin reminds me that OSC-4 has
14 not been formally accepted into the record
15 and we will do so now. OSC-4 received on
16 September 6th will be received into the
17 evidentiary record today. Thank you.

18 We'll be off the record.

19 (Exhibit No. OSC-4 was received into
20 evidence.)

21 (Off the record)

22 ALJ BUSHEY: We'll be back on the
23 record.

24 Mr. Roberts?

25 MR. ROBERTS: Yes.

26 Q Can you please look at the first
27 exhibit which is DRA-87, Question-4?

28 WITNESS JOHNSON: A Okay.

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1 Q I believe Ms. Paull already asked
2 some questions about this, but I just wanted
3 to ask was this segment part of the original
4 PSEP application to be replaced?

5 A When you refer to this segment,
6 you're talking about Segment 167.2?

7 Q Correct.

8 A No, I don't believe -- I don't
9 believe that's in PSEP.

10 Q And was it added during the update,
11 to your knowledge?

12 A To the PSEP update? I am not aware
13 that it was added to the PSEP update.

14 Q Okay. Thank you.

15 We won't need that one in the
16 record, your Honor.

17 If you could now turn to DRA 87,
18 Question 8? Do you recall that the MAOP of
19 Line 101 was prior to the San Bruno
20 explosion?

21 A My recollection of the MAOP of Line

22 101 or at least segments of it were 4 hundred
23 psig.

24 Q And do you know if that MAOP
25 changed in the decade that preceded the San
26 Bruno explosion?

27 MR. MALKIN: Objection, relevance.

28 ALJ BUSHEY: Where are we going with

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1 this, Mr. Roberts?

2 MR. ROBERTS: About the pressure
3 history of this line.

4 ALJ BUSHEY: The Line 101?

5 MR. ROBERTS: Correct.

6 ALJ BUSHEY: For what purpose? We're
7 talking about records discrepancies.

8 MR. ROBERTS: Well, what I'd like to do
9 is talk about the record of the pressure on
10 this pipeline, which seems relevant to the
11 restoration of the pressure on it. I -- I
12 don't know that my questions go into a
13 records error, but the questions are
14 themselves rather short.

15 ALJ BUSHEY: Is there something

16 interesting here that --

17 MR. ROBERTS: Well, I -- I think so. I

18 think the question is this pipeline out

19 pressure according to this data request

20 response of over 400, and I'm trying to

21 understand that what that means relative to

22 PG&E's operation of that line.

23 ALJ BUSHEY: All right. The witnesses

24 will answer the question.

25 MR. ROBERTS: Q So the last question I

26 asked was whether the MAOP had changed from

27 the 400 you previously stated during the

28 decade that preceded San Bruno?

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1 WITNESS JOHNSON: A I don't recall a

2 change.

3 Q Okay.

4 A I mean, we're talking -- in this

5 particular case, you're talking about

6 Milpitas Terminal; right? So the very

7 beginning of Line 101?

8 Q Correct.

9 A Okay. I don't recall there being a

10 pressure change at Milpitas Terminal on Line
11 101.

12 Q Okay. And so this data request
13 response does state that the pressure was
14 402.2 psig in 2003 for this line; is that
15 correct?

16 A Well, it states at Milpitas it was
17 measured at 402.2 psig on the date given on
18 this data request.

19 Q Okay. Are there any federal
20 requirements with regard to reporting the
21 pressure on a line if the MAOP of a line is
22 exceeded?

23 MR. MALKIN: Objection, relevance.

24 ALJ BUSHEY: I would have to sustain
25 him on that one. What does that --

26 MR. ROBERTS: I'm -- I'm trying to
27 understand if exceeding the MAOP is
28 significant with regard to federal standards.

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1 ALJ BUSHEY: And what does that have to
2 do with recordkeeping? And I think there's
3 -- there's a 10 percent --

4 WITNESS JOHNSON: 10 percent guidance.

5 MS. PAULL: There's a regulatory
6 requirement to report, and they have to have
7 records and keep the information.

8 ALJ BUSHEY: Right. But they have a
9 10 percent -- 10 percent --

10 WITNESS JOHNSON: Band, if you will.

11 ALJ BUSHEY: -- band if you will.

12 MS. PAULL: Well, it would be good to
13 get clarified on the record.

14 ALJ BUSHEY: It's in the federal
15 regulations. We don't need to --

16 MR. ROBERTS: I'd like to understand
17 that, your Honor, because my understanding is
18 there is a 10 percent limit in setting
19 pressure limits on the pressure regulator.
20 What I don't understand is if there's a
21 reporting requirement if the MAOP is exceeded
22 at all because Section 619 of the Code says
23 you shall operate it below the MAOP. And I
24 don't know of a Federal Code Section that
25 says whether they need to report and if that
26 reporting requirement is less -- is
27 triggered --

28 ALJ BUSHEY: The reporting requirement

1 is in 112.

2 MR. MALKIN: It's 10 percent.

3 WITNESS JOHNSON: 112 and other

4 sections of the CFR 49 has the reporting

5 requirement.

6 MR. MALKIN: It's in the code.

7 MR. ROBERTS: And then I have one more

8 question on this.

9 ALJ BUSHEY: Okay.

10 MR. ROBERTS: Q Are there similarly

11 any California requirements if the pressure

12 is exceeded?

13 WITNESS JOHNSON: A You can go to 112.

14 It lays out very clearly what the reporting

15 requirements for California, and then CFR 49

16 lays out the reporting requirements for

17 federal.

18 MR. ROBERTS: Thank you. This does not

19 need to be an exhibit.

20 ALJ BUSHEY: Okay.

21 MR. ROBERTS: Q Next we're going to

22 turn to TURN's Data Request 34, Question 7,

23 Attachment 1, the second to the last page if

24 you can find that.

25 WITNESS JOHNSON: Which one is that?

26 WITNESS SINGH: It's TURN 34, Question
27 7, Attachment 1.
28 WITNESS JOHNSON: Okay. Question 7.

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1 MR. ROBERTS: Q I'm looking at a chart
2 entitled Mlpts-Ter L101 Press. If you can
3 let me know when you're there?

4 WITNESS JOHNSON: A So it's the --
5 which one is it now?

6 Q Second to the last chart.

7 A Second to the last. Okay.

8 Q It just has a blue line -- or a
9 single line.

10 MR. MALKIN: Last page of the exhibit
11 we have.

12 WITNESS JOHNSON: The last page of this
13 one?

14 MR. ROBERTS: Q There should be a more
15 simplified chart.

16 WITNESS JOHNSON: A That's the last
17 page.

18 WITNESS SINGH: A That's the last
19 page.

20 Q So looking at the chart with just a
21 single trace, is it the pressure for the
22 Milpitas Terminal?

23 WITNESS JOHNSON: A It's whatever you
24 requested. I haven't read through the --

25 Q I guess based on the title, it
26 appears the MIpts means Milpitas Terminal,
27 but I'm just trying to make sure that's a
28 correct assumption.

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1 A I would assume that's the case.
2 Milpitas Terminal for Line 101, so that's the
3 beginning of Line 101.

4 Q And this shows that for a period of
5 time towards the end of 2012 into March
6 of 2013, the pressure was around 350 psig; is
7 that correct?

8 A That -- that appears to be the
9 case.

10 Q Now, what I wasn't sure of is does
11 this plot apply to the pressure history that
12 Segment 167.2 would have seen?

13 A No.

14 Q Okay. And then if I understand
15 correctly the other page, the more
16 complicated page may -- may provide that. So
17 if looking at the legend at the top of this,
18 does one of these traces apply to Segment
19 167.2?

20 A I would have to go back and look at
21 the maps explicitly, but Lomita Park is -- is
22 the regulator station that is just down
23 stream of that segment that you're referring
24 to.

25 Q Okay.

26 A But again, I'd have to go back and
27 look at the drawings and make sure that I
28 understand what it was that was requested.

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1 MR. ROBERTS: Your Honor, I think we
2 would like this one to go into the record.

3 ALJ BUSHEY: For what purpose?

4 MR. ROBERTS: To be marked?

5 ALJ BUSHEY: Mr. Roberts, what purpose
6 does this have that relates to recordkeeping
7 errors?

8 MR. ROBERTS: This relates more to the
9 previous question of what you do when the
10 pressure exceeds an MAOP. And this one isn't
11 as important now that we've established what
12 we just talked about. There's a separate
13 exhibit which has a clear trace for Lomita
14 Park, which I think is more important to be
15 on the record. But -- and that's next.

16 ALJ BUSHEY: Okay. I'm -- it seems to
17 me like you're building an evidentiary case
18 for a violation of MAOP exceeding reporting
19 requirements.]

20 And it may be a fine case that
21 you're building, but that's not the issue in
22 this proceeding.

23 MR. ROBERTS: Okay.

24 ALJ BUSHEY: So is that where you're
25 going?

26 MR. ROBERTS: I guess that's a fair
27 characterization of what I was trying to
28 understand --

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1 ALJ BUSHEY: Okay.

2 MR. ROBERTS: -- through these cross
3 questions.

4 ALJ BUSHEY: And do you have the Lomita
5 Park exceedance one?

6 MR. ROBERTS: Yes. That's the next
7 trace.

8 ALJ BUSHEY: Okay. Lets's look at that
9 and see if by any chance the witnesses are
10 familiar with this exceedance and have done
11 something about it. Which one is it?

12 MR. ROBERTS: That is DR ED 005,
13 Question 7.

14 ALJ BUSHEY: Okay.

15 MR. ROBERTS: Q And so here we have a
16 single trace that I interpret as being the
17 pressure at Lomita Park which does apply to
18 Segment 167.2 during a time period starting
19 sometime it looks like in December and
20 extending out towards March 30th of 2013. Is
21 that a fair characterization of this?

22 WITNESS JOHNSON: A It's the pressure
23 at Lomita Park, which probably relatively
24 closely represents as close as possible for
25 that segment, but it won't be identical by
26 any means.

27 Q Do we know systematically if the
28 pressure that 167.2 saw would be higher or

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1 here than this history?

2 A It could be.

3 Q But I mean do we know which way it
4 goes?

5 A No. If you can't -- we don't
6 measure that explicit segment. So you
7 wouldn't know.

8 Q But for example, if it were
9 downstream of a pressure regulator, you would
10 expect it to be less if that pressure
11 regulator was set?

12 A Good portion of the time, yes.

13 Q Well, given that this is the -- we
14 asked for a pressure history of segment --
15 no. I'm sorry. It doesn't state that.

16 What this chart does show is some
17 cases where the pressure at this point of the
18 system exceeded 330 psig and in at least one
19 case it exceeded 350 psi. And that
20 exceedance appears to be in February of 2013
21 if I understand correctly.

22 So my question is, by February of
23 2013 the issue on Line 147 had happened.

24 That had initiated a discussion about
25 interpretation of 611, and PG&E at some time
26 possibly in this timeframe or not determined
27 that the MAOP of the line should be 330.
28 So I guess my first question is, do

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1 you know if the determination that the
2 pressure of 101 as limited by Segment 167.2
3 should have been 330 psi within this time
4 window or after?

5 WITNESS JOHNSON: A I don't recall the
6 exact timing of that, of when we came to that
7 conclusion for that segment of Line 101.

8 Q So hypothetically if that decision
9 were made in January of 2013, then at some
10 level PG&E would have known that that new
11 MAOP had been exceeded.

12 And I'm curious if that -- I guess
13 this goes back to a previous question. Does
14 that trigger any reporting to the state or to
15 the federal PHMSA?

16 A If hypothetically we reduced the
17 MAOP of any pipeline and we lower the

18 pressure in that pipeline at that point in
19 time, I don't believe it requires any
20 reporting to my knowledge of lowering the
21 pressure of the pipeline.

22 MR. ROBERTS: Okay. We would like this
23 marked as an exhibit, your Honor.

24 ALJ BUSHEY: Why? For what purpose?
25 What fact is relevant to the determination of
26 recordkeeping errors? Maybe I should -- Mr.
27 Malkin.

28 MR. MALKIN: Object on relevance

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1 grounds.

2 MS. PAULL: It's pretty important to --
3 if there's evidence that the MAOP had to be
4 reduced, the pressure history can be an
5 indication, putting aside reporting
6 requirements, the pressure history seems like
7 a very important question whether the MAOP,
8 the revised MAOP was exceeded and if so when.

9 ALJ BUSHEY: To recordkeeping errors?
10 You know, as I explained to Mr. Roberts, he
11 seems to be putting together a case that they

12 violated their MAOP and didn't report it.

13 But that's not -- that's not what we're here

14 to litigate. And if anything --

15 MS. PAULL: Well, PG&E has requested a

16 lower MAOP.

17 ALJ BUSHEY: They seem to be operating

18 at it, you know, so.

19 MR. ROBERTS: Except that that trace

20 shows that at least --

21 ALJ BUSHEY: Historically at times they

22 weren't, but the more recent stuff shows that

23 they're operating at it. And if you want to

24 pursue litigation about this as a violation,

25 that's fine. But that's not what we're here

26 to litigate today.

27 So Mr. Malkin's objection is

28 sustained. Let's move on to the next

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1 questions.

2 MR. ROBERTS: So questions about the

3 class location changes specific to 101 are

4 not in the scope of this hearing; is that

5 correct?

6 ALJ BUSHEY: Are they based on -- if
7 there's something to do about document
8 errors.

9 MR. ROBERTS: No.

10 ALJ BUSHEY: Then no, that's not
11 relevant to what we're doing today.

12 MR. ROBERTS: Q Then if you could
13 please turn to SED-1, Question 2, Attachment
14 3.

15 WITNESS JOHNSON: A SED-1, Question 2,
16 Attachment 3. I don't -- Question 1, SED-1,
17 Question 2?

18 Q Correct.

19 A Attachment 3?

20 Q Yes.

21 A All I have is this.

22 Q There should be a back page to that
23 with a chart.

24 WITNESS SINGH: A Is that it?

25 Q Yes.

26 WITNESS JOHNSON: He's got it. We'll
27 share it.

28 Q And if I could also -- I believe

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1 Mr. Long asked for you to have the October
2 16th filing available. I have a question
3 relative to Attachment A to that filing.

4 A Did you want to cover this first,
5 or are we going to another one?

6 Q It kind of goes in parallel. So
7 you'd want to have both.

8 A Okay. Which one was it again?

9 Q Your October 16 filing, Attachment

10 A.

11 A My verified statement?

12 Q It's part of the filing. I don't
13 think it's actually your verified statement.

14 MS. PAULL: It's the attachment to the
15 safety location.

16 MR. MALKIN: That's the Line 147
17 recertification filing?

18 MR. ROBERTS: That's correct.

19 WITNESS JOHNSON: A I don't know that
20 we have that up here. Mr. Long gave us a
21 binder with a lot of stuff in it. I don't
22 know if it's in here or not.

23 Q Okay. I can maybe ask the question
24 without it being there.

25 That safety certification included
26 the results of a centerline survey. Are you
27 familiar with that?

28 A I'm familiar with the project. I'm

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1 not familiar with the document. I don't know
2 that I'm familiar with the document you're
3 referring to.

4 MR. ROBERTS: Can someone provide the
5 witness with a copy of that if they have it?

6 ALJ BUSHEY: Well, Mr. Roberts, I'm
7 sure it's a voluminous document with --

8 MR. ROBERTS: No. It's very short.
9 That's one of the points is that it's very
10 concise.

11 MR. MALKIN: That relates specifically
12 to Line 147 recertification.

13 ALJ BUSHEY: Right. What is the
14 relevance of this, Mr. Roberts?

15 MR. ROBERTS: It's relative -- okay.
16 I'm sorry. That is specific to 147.

17 ALJ BUSHEY: So are we not pursuing
18 this line of cross?

19 MR. ROBERTS: Well, actually, I do have
20 a question that even if he doesn't have it I
21 can start here.

22 ALJ BUSHEY: Okay.

23 MR. ROBERTS: Q Does the centerline
24 survey as provided in that filing relate only
25 to Line 147 or was it an excerpt from a
26 larger study?

27 WITNESS JOHNSON: A The centerline
28 survey work that PG&E is doing we're doing

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1 for all 6750 miles of our gas transmission
2 system.

3 Q In this October filing the
4 conclusion or the results as stated talk
5 about the location of vegetation and
6 structures adjacent to the pipeline. And
7 what I -- it looks like those are the only
8 two results provided at that time. Is that
9 correct with your understanding?

10 A Well, you've got the document in
11 front of you. So whatever is provided is
12 provided.

13 Q Then I guess if you can turn to the
14 exhibit and specifically the chart on the
15 back. This chart does mention a centerline

16 survey. Is that the same survey of which you
17 took results from in the October 16th filing?

18 A Well, if you're using the term
19 "centerline survey," I'm not sure what you're
20 exactly referring to, but centerline survey
21 is the effort we have ongoing to locate the
22 pipeline for all 6750 miles. So.

23 Q Well, actually, that is a question
24 to you. Is the centerline survey that's
25 mentioned in the October 16th filing the same
26 as the study that's referenced here?

27 A Well, I think what we mentioned in
28 the filing was Line 147, correct? That's

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1 what you're referring to?

2 Q Yes.

3 A So that's the information relevant
4 to Line 147.

5 Q From the same survey?

6 A Well, I don't know if you call it
7 the same. We're surveying. We've got
8 multiple survey parties surveying 6750 miles
9 of pipeline. So it's the same project I

10 would call it.

11 Q Okay. So what this slide shows is
12 that a majority of the -- step back once.

13 This slide appears to be showing
14 the location of pipelines as observed in that
15 survey relative to data in your records
16 relative to their location. Is that a
17 correct interpretation?

18 WITNESS SINGH: A The chart is
19 showing -- you're talking about this graph,
20 the bar graph?

21 Q Yes.

22 A Yeah. The paragraph is showing the
23 results obtained from the pipeline centerline
24 survey as it pertains -- comparing it to the
25 existing centerline information that was in
26 our GIS. And that's one of the reasons why
27 we did the survey. And SED has been aware of
28 this project for several months ever since

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1 the onset of the project.

2 Q Okay. So if, for a value of zero,
3 that means that this survey found that a

4 pipeline was exactly where the GIS system
5 said it would be?

6 WITNESS JOHNSON: A I'm sorry. Where
7 are you seeing a value of zero?

8 Q The left-most column starts at zero
9 feet. The bar represents 0 to 10 feet.

10 A Okay.

11 Q So even though we don't have that
12 resolution, if we had a separate bar for zero
13 that would represent a pipeline whose
14 location per the survey was the same as was
15 in the current GIS; is that correct?

16 A Yeah. I think the intent of the
17 bar is to say how close was it. And so
18 for -- of the 2169 miles that were done at
19 the time of this print, it looks like -- I
20 mean the print is pretty small -- 63.3
21 percent was between 0 and 10 feet.

22 Q Okay.

23 WITNESS SINGH: A That is a
24 apples-to-oranges comparison because as part
25 of the work that we are doing with the
26 pipeline centerline effort we're using the
27 commercially available technology which is
28 down to centimeter accuracy.

1 WITNESS JOHNSON: A I think what we're
2 trying to say is keep in mind what's in GIS
3 from 1949. GIS didn't exist in 1949, right.
4 So you couldn't pot -- it's --

5 WITNESS SINGH: The technology we're
6 using --

7 WITNESS JOHNSON: A The technology
8 didn't exist. So you can't compare and the
9 say they're different because it didn't
10 exist.

11 Q Well, you're saying in this chart
12 that you're comparing to data in the GIS
13 system. So does the GIS system --

14 A The GIS system had estimates of
15 where we thought the pipe was based on a GIS
16 longitude and latitude that was based on
17 original drawings from the '30s, '40s and
18 '50s. So it was estimated using, if you
19 will, techniques that were available back
20 then. There were no GIS coordinates that we
21 have today available to us available back
22 then.

23 Q But in reality, you have documents
24 that say where a pipeline is. And when you
25 go to do work on that pipeline you refer to

26 those documents to know where to dig,
27 excavate and do work?
28 A No. No. When you dig on a

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1 pipeline, you locate the pipeline and then
2 you dig. You do not count on a GIS
3 coordinate.

4 Q Do you design a project before you
5 excavate?

6 A No. You pot hole.

7 Q I'm sorry?

8 A You pot hole. If you are replacing
9 a pipeline or building a new pipeline you go
10 out and survey and locate where that pipeline
11 is going to go, and then you pot hole to make
12 sure you know what's in the ground, and then
13 you lay it out accordingly.

14 Q So if you had a valve automation
15 process that required excavation, you have to
16 do the potting and the survey before you
17 could generate design drawings?

18 A No, not for a valve automation. I
19 know where the valve is because I can

20 physically see it.

21 Q If it's aboveground?

22 A Even if it's below ground I can

23 still see it.

24 Q So let me rephrase that.

25 If you knew you had to replace a

26 pipe feature that was inhibiting your ability

27 to do, say, ILLI and that was completely

28 underground, before you could do the design

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1 drawings to replace that part you would have

2 to do a field survey to make sure?

3 A You do a field survey as part of

4 pipeline work. You always, the first thing

5 you always do before you get into any sort of

6 final design is to actually physically locate

7 the pipeline.

8 Q Okay. So looking again at this

9 chart, what I was going to ask about is, even

10 though a majority of the pipeline appears to

11 be within 10 feet of where the GIS system

12 said, there's approximately 12 percent of the

13 pipeline that's 50 feet or more away from

14 where GIS said it was.

15 So is it incorrect to infer that

16 this slide shows that over 10 percent of

17 PG&E's location data in the current GIS

18 system is off by 50 feet or more?

19 A I would say the estimate that we

20 used in the GIS system is off by the numbers

21 you see there at the point where we did 29 --

22 1269 miles.

23 Q And then as we move to -- my

24 understanding is you're migrating to a new

25 GIS system that's referred to as an eGIS

26 system?

27 A Correct.

28 Q Will that more accurately capture

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1 where the pipeline in the ground is?

2 A Well, the centerline survey will

3 accurately capture where the pipeline is.

4 The purpose of the centerline survey is to

5 make sure we know, as Mr. Singh pointed out,

6 with very good data now exactly where that

7 pipeline is based on the technology available

8 to us today.

9 Q So let me see if I understand this
10 correctly then. Using modern technology you
11 will locate the pipes through the centerline
12 study and that information will go into the
13 new eGIS system?

14 A Correct.

15 MR. ROBERTS: Okay. We would like to
16 have this marked as an exhibit, your Honor.

17 MR. MALKIN: Object, irrelevant.

18 ALJ BUSHEY: How is this relevant to
19 recordkeeping errors? All of these are very
20 interesting topics.

21 MR. ROBERTS: I think this one does
22 because this chart certainly does show that
23 over 10 percent of their pipelines as
24 surveyed in this study are 50 feet or more
25 from the location in the GIS system.

26 ALJ BUSHEY: And that would be an
27 interesting statement if they hadn't just
28 said the opposite. So they've just testified

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1 exactly what this is and what it shows and

2 the limited usefulness of it to make that
3 conclusion.

4 MR. ROBERTS: So is your --

5 ALJ BUSHEY: I think it's an
6 interesting topic, and they seem to be hard
7 at work on it.

8 MS. PAULL: So this is material
9 testimony, and they discuss this exhibit, and
10 these are GIS -- these are records about
11 where the pipes are located.

12 ALJ BUSHEY: This is their new system
13 that they're making.

14 MS. PAULL: So that testimony can come
15 into the record, but it came about -- it was
16 a clarification or new information about
17 putting into context the information, the
18 record they currently have on where their
19 pipes are located. That's recordkeeping.
20 That's pipeline recordkeeping. I don't see
21 how much closer you can get than that.

22 MR. MALKIN: There's nothing to relate
23 any of this to the pressure restoration
24 lines. It was an interesting discussion of
25 the work that's going on, and I probably
26 should have objected sooner, but I thought
27 there might be -- might be going somewhere
28 that was linked to what we were talking

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1 about.

2 MS. PAULL: We were told that the focus
3 of this hearing at the moment is pipeline
4 records and --

5 ALJ BUSHEY: And not the accuracy of
6 transferring what they have into this new GIS
7 system. They did a very good job of
8 explaining exactly what this is and why we
9 can't draw that conclusion.

10 MS. PAULL: Your Honor, PG&E provided
11 the results of the centerline survey in
12 support of Mr. Johnson's safety
13 certification.

14 ALJ BUSHEY: For Line 147?

15 MS. PAULL: For Line 147.

16 ALJ BUSHEY: Right. That's done.
17 We're talking about --

18 MS. PAULL: So clearly they believe
19 that that's material to the safe operation of
20 the line and the establishment of the correct
21 MAOP or they wouldn't have put it in their
22 support for Mr. Johnson's safety
23 certification.

24 ALJ BUSHEY: Absolutely. And now they
25 have just testified how this is going to
26 improve the accuracy of their records.

27 MR. ROBERTS: In the future sometime.

28 MS. PAULL: I think that the objection

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1 on relevance has absolutely no merit, your
2 Honor.

3 ALJ BUSHEY: Well, thank you for that
4 input. The GIS system is just -- and what
5 they're doing here, and I am particularly
6 concerned about the conclusion that you're
7 drawing from the table when the witnesses
8 have just testified to the exact opposite.

9 For that reason, because this
10 information may be mischaracterized, I'm
11 going to sustain Mr. Malkin's objection and
12 not allow this into the record.

13 So let's go on. Mr. Roberts, do you
14 have any more cross-examination?

15 MR. ROBERTS: Yes. One more. Oh.

16 Q I have one follow-up question on
17 this topic, and that is, what GIS system are

18 you currently using to do your daily
19 operations relative to gas pipelines? Are
20 you using the eGIS?

21 WITNESS JOHNSON: A When you say
22 "daily operations," what are you referring to
23 exactly?

24 Q If you needed to either show an
25 engineer where a pipe feature was or have
26 somebody do work in the field that required
27 looking at a drawing or a computer terminal
28 that located a particular feature.

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1 A Well, I don't know that -- you're
2 going to use the pipeline features list if
3 you're actually looking at things like
4 hydrostatic testing and other things like
5 that. As I stated earlier, if you're going
6 to physically go out and do work, the first
7 thing you do is mark the pipeline. You do
8 not count on where somebody thinks something
9 might be on a system that dates back 50 years
10 when you have the ability to actually know
11 exactly where it is and then you pot hole and

12 you go to work.

13 If you're laying out new drawings,
14 you're using an entirely new system to lay
15 out where you're going to go whether it's in
16 the middle of street or a field. So.

17 ALJ BUSHEY: Thank you. And that topic
18 was litigated to a fare thee well in the PSEP
19 proceeding.

20 So Mr. Roberts, further questions?

21 MR. ROBERTS: Yes.

22 Q I think we should just have one
23 left, which is DRA 86, Question 7. If you
24 can turn to page 2. The second paragraph
25 talks about a study that was performed
26 between 2011 and 2013.

27 WITNESS JOHNSON: A So you're talking
28 about the second paragraph under Answer 7,

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1 Section A?

2 Q Correct.

3 A Okay.

4 Q Looking at the numbers here, I
5 realize it might take a minute to do a little

6 math, but it looks like there were 153 pipe
7 specifications that were the subject of the
8 study and that 30 of those were found to have
9 an error, which is approximately 20 percent;
10 is that correct?

11 A I don't know that that's correct.

12 WITNESS SINGH: A What it states is --

13 WITNESS JOHNSON: A We found
14 differences.

15 WITNESS SINGH: A Right.

16 Q So --

17 WITNESS JOHNSON: A I believe this was
18 the -- I'll let Mr. Singh answer because he
19 actually ran the study, but, or his team did.
20 But I believe these are the validation digs
21 we did to exactly verify what was in the
22 ground.

23 WITNESS SINGH: Right.

24 WITNESS JOHNSON: A So the purpose of
25 the dig was to verify something.

26 WITNESS SINGH: A This was part of the
27 MAOP project, which I believe I alluded to
28 earlier, that we included and performed

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1 excavations as part of that project for
2 exactly these types of reasons, to identify
3 where we were making conservative
4 assumptions, where it was appropriate for the
5 respective locations, where we were using the
6 specific records were those appropriate.

7 I don't see that the term "error."
8 Maybe you can point to which specific section
9 that you were referencing. What it does
10 state is that we found differences. So those
11 differences could be that the records were
12 more conservative, or those differences could
13 be that the field results were more
14 conservative. So would not necessarily
15 characterize them as error. I would
16 characterize them as differences.

17 Q So I guess what I'm hearing is that
18 if you find a difference between what's in
19 your records and what you see in the field,
20 you don't agree that that's an error in the
21 recordkeeping system?

22 A It goes back to the definition of
23 error. And I think we had a discussion with
24 Mr. Long in terms of how we defined error.
25 It has a very prescriptive definition as part
26 of this process, which was really if it was
27 defective or not, and defective really being

28 did the specifications that were identified

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1 in the field end up lowering the MAOP of the
2 entire line. So that's the way we're
3 defining error in this particular context.

4 Q Okay. So following up on that
5 then, the paragraph concludes by saying that
6 two of the specification differences required
7 a reduction in the pipe section's MAOP. Is
8 it correct then to say that those two would
9 constitute a error of the records on those
10 pipes?

11 A In the way I just described the
12 context that's -- that's what we were trying
13 to find as part of these excavations, that
14 are there differences and do those result in
15 impacting the MAOP? And this was part of the
16 MAOP validation process absolutely.

17 Q Okay. Now, this paragraph says
18 that the study was performed between 2011 and
19 2013. And obviously this many excavations
20 took a significant amount of time to perform.

21 Do you know generally, did you do

22 this field verification after you had
23 compiled the PFL and considered at least the
24 compilation and verification of that pipe
25 section complete, or were some of these digs
26 done before that process was complete?
27 A These -- the digs on the MAOP
28 validation project were done as part of

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1 validating that respective component. So in
2 some cases we did not have the information
3 for that specification on the record. That's
4 where we made conservative assumptions. And
5 as part of the validation of that
6 conservative assumption, we excavated that
7 respective component to identify what was in
8 the field. So it was done as part of
9 building the PFL.

10 MR. ROBERTS: Okay. I think we're
11 wrapped up if we can have a moment off the
12 record.

13 ALJ BUSHEY: Okay. And I assume you
14 want to move this in?

15 MR. ROBERTS: Yes.

16 ALJ BUSHEY: OSC-10, any objections?

17 Received into evidence.

18 (Exhibit No. OSC-10 was received
19 into evidence.)

20 ALJ BUSHEY: We'll be off the record.

21 (Off the record)

22 ALJ BUSHEY: We'll be back on the
23 record.

24 Mr. Roberts, you have one more
25 question.

26 MR. ROBERTS: Yes. We actually have an
27 additional handout.]

28 We only have a few copies

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1 unfortunately.

2 ALJ BUSHEY: Mr. Roberts, this document
3 says it's a draft.

4 MR. ROBERTS: Correct.

5 ALJ BUSHEY: Okay. Mr. Roberts, what's
6 your question?

7 MR. ROBERTS: Q So my question is,
8 this document appears to refer to the same
9 study we just talked about before we went off

10 the record; is that correct?

11 WITNESS SINGH: A That is correct.

12 Q And in this document -- oh. This
13 document is titled Analysis of PG&E's Records
14 Draft.

15 And in the first paragraph, it
16 talks about -- at the end of that paragraph,
17 it says out of all the records reviewed,
18 20 percent were found to be inaccurate record
19 specifications.

20 Do you see that?

21 A Yeah, I see that.

22 Q So in this document, PG&E is using
23 the word "inaccurate" as opposed to
24 discrepancy; is that correct?

25 A This is a draft document. It
26 states inaccurate. And what we stated in
27 the data response I believe was differences,
28 not discrepancies.

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1 ALJ BUSHEY: Is that it, Mr. Roberts?

2 MR. ROBERTS: We would like this to be
3 an exhibit, your Honor.

4 ALJ BUSHEY: It's a draft. It's not
5 going to have much value.

6 MS. PAULL: It's in the record of
7 the recordkeeping OII I am told. Exhibit
8 CPSD No. 49. It's a discovery response that
9 PG&E produced in the recordkeeping OII.

10 ALJ BUSHEY: Right. But it's still
11 a draft. I'll let it in for what it's worth,
12 which frankly isn't much but we'll take it.
13 OSC-11.

14 (Exhibit No. OSC-11 was marked for
15 identification.)

16 ALJ BUSHEY: Okay. Redirect,
17 Mr. Malkin?

18 MR. MALKIN: Thank you, your Honor.

19 REDIRECT EXAMINATION

20 BY MR. MALKIN:

21 Q First question, Mr. Singh, do you
22 still have in front of you OSC-5? That's
23 a data request response that Mr. Long had
24 marked.

25 May I approach the witness, your
26 Honor, share my --

27 WITNESS SINGH: I apologize. I've got
28 a lot of paperwork up here.

1 MR. MALKIN: (Handing document to the
2 Witness).

3 Q And this, Mr. Singh, is a list
4 of -- that you provided to SED of segments
5 that were thought to be impacted by
6 the updated class -- one class out
7 interpretation.

8 The question I have is on the first
9 page of the -- second page of the table,
10 about halfway down the page there is
11 a two-foot reducer on Line 131 listed.

12 A I see that.

13 Q Did you find that?

14 And the question is, is that
15 segment, that two-foot reducer in fact
16 operating one class out?

17 A No, it's not. This is a working
18 document that was provided to the SED.

19 MS. PAULL: Objection. I'm sorry.
20 I should have objected earlier. I'm sorry to
21 interrupt you, Mr. Singh.

22 But I thought you had ruled, your
23 Honor, that one class out was outside
24 the scope of this proceeding.

25 ALJ BUSHEY: That's -- where are we

26 going with this?

27 MR. MALKIN: The -- since this document

28 is in evidence, your Honor --

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1 ALJ BUSHEY: Right.

2 MR. MALKIN: -- I just wanted to make
3 sure there was no inference drawn that there
4 was any segment of Line 131 that was
5 operating one class out.

6 ALJ BUSHEY: And can the witnesses
7 agree with your counsel's statement?

8 WITNESS SINGH: A I do. It's not
9 one --

10 ALJ BUSHEY: Good. Mission
11 accomplished, Mr. Malkin. Move on.

12 MR. MALKIN: Thank you, your Honor.

13 Q Okay. You had a number of questions
14 about 49 CFR 619(a). And first question I'd
15 like to ask you is, is there PHMSA guidance
16 that supports your interpretation that
17 619 (a) is not applicable to pipelines whose
18 MAOP is set under 619(c)?

19 WITNESS SINGH: A Yes, there is.

20 MR. MALKIN: I'd like to have, your
21 Honor, marked as the next two exhibits
22 a document. The first one is
23 the Determination of Maximum Allowable
24 Operating Pressure Natural Gas Pipelines
25 PHMSA Instructions.

26 ALJ BUSHEY: That will be OSC-12.

27 (Exhibit No. OSC-12 was marked for
28 identification.)

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1 MR. MALKIN: And the next one is the
2 March 17, 2008, letter from Jeffrey Wiese,
3 PHMSA, to Dennis Fothergill.

4 ALJ BUSHEY: That will be OSC-13.
5 (Exhibit No. OSC-13 was marked for
6 identification.)

7 MR. MALKIN: Thank you.

8 Q Mr. Singh, have you seen OSC-12 and
9 OSC-13 before?

10 WITNESS SINGH: A Yes, I have.

11 Q And are these two documents among
12 the PHMSA guidance to which you referred?

13 A Yes, they are.

14 Q Focusing on OSC-12, is there any
15 portion of that that is particularly
16 pertinent to the way in which PG&E interprets
17 49 CFR 192.619?

18 A It's the top of page 2. Want me to
19 read the paragraph?

20 Q Yes, just so we're sure where you
21 are?

22 A Starts with:
23 For transmission pipelines, under
24 certain circumstances a design
25 pressure limit (or lack of
26 information on which to set
27 a design pressure limit) may be
28 overridden by 192.619(c).

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1 And it continues on.

2 Q Okay. And the next to last
3 sentence of that is:

4 If that is the case, the historic
5 operating pressure may be used to
6 set the MAOP in lieu of the design
7 pressure.

8 A That's correct.

9 Q Turning to OSC-13, is there
10 anything in particular in that document that
11 supports your interpretation of 192.619?

12 A It's the last paragraph of that
13 letter, starts with --

14 Q Paragraph of the letter or --

15 A Of the --

16 Q -- that you wish to discuss?

17 A The first --

18 Q First page?

19 A First page. I apologize. It
20 starts with "A pipeline operator would need
21 data to support all four pressures listed
22 above to establish the MAOP of a pipeline
23 segment using 192.619(a)."

24 And it continues on to state:

25 When these rules were first
26 promulgated in 1970, PHMSA
27 recognized that an operator may
28 not have all the pressure data

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1 needed for existing pipelines.

2 Therefore, we included in
3 the rules a "grandfather clause"
4 to allow pipeline operators to
5 establish the MAOP of an existing
6 pipeline segment in satisfactory
7 condition....

8 And then it continues on based on
9 "the highest actual operating pressure to
10 which the segment was subjected during
11 the 5 years prior to July 1, 1970."

12 MR. MALKIN: I would like to have
13 marked as the next in order, your Honor,
14 the third exhibit we handed out, OPS List of
15 Retroactive and Non-Retroactive Subparts of
16 Pipeline Safety Laws and OPS Pertinent
17 Contacts.

18 ALJ BUSHEY: Okay, this will be OSC-14.

19 (Exhibit No. OSC-14 was marked for
20 identification.)

21 MR. LONG: Your Honor, I'd just note
22 this is essentially legal argument about
23 interpretation of the code. I don't object
24 to this. It's fine. It's just something
25 that they can use in their brief, but it's
26 not really -- doesn't really need to be
27 a factual evidentiary exhibit I believe. But
28 that said, it's not a big deal.

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1 ALJ BUSHEY: Well, it's a place that we
2 can all have copies of it too, because some
3 of this stuff doesn't look like it's readily
4 available.

5 Continue, Mr. Malkin.

6 MR. MALKIN: I'm happy to just put this
7 in evidence and not take up any more hearing
8 time asking about it.

9 ALJ BUSHEY: Okay.

10 MR. LONG: I would just note that
11 I don't think it's evidence. I think it's
12 something that they want to use for legal
13 argument. And again, we don't object --

14 ALJ BUSHEY: Okay.

15 MR. LONG: -- to them using it for that
16 purpose.

17 ALJ BUSHEY: We can compile it as an
18 exhibit then.

19 Okay, final questions for
20 the witnesses?

21 MR. LONG: I do have some follow-up on
22 these exhibits.

23 ALJ BUSHEY: Okay, quickly.

24 RE CROSS-EXAMINATION

25 BY MR. LONG:

26 Q Mr. Malkin just led you through
27 OSC-12, OSC-13, interpretation of federal
28 regulations implemented in 1970.

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1 You're aware that there were
2 regulations, governing regulations in
3 California prior to that date; correct?

4 WITNESS SINGH: A If you're referring
5 to GO-112.

6 Q Yes.

7 A Yes.

8 Q The first GO-112 iteration went
9 into effect in the 1960-61 time frame; is
10 that right?

11 A That's my understanding.

12 Q Prior to that, there were
13 standards, the B 31.8 ASME or ASME standards
14 that PG&E followed; isn't that correct?

15 MR. MALKIN: Your Honor, I'm going to
16 object. This goes way beyond --

17 ALJ BUSHEY: Sustained.

18 MR. LONG: Well, wait a minute.

19 ALJ BUSHEY: It has already been
20 litigated. We already know the answer to all
21 these questions.

22 MR. LONG: All right. I think "going
23 beyond" is just an inappropriate objection.
24 Their point is for pipeline -- that these
25 rules apply for pipeline installed prior to
26 1970. But my point is that Segment 109, for
27 example, was installed in 1957 and there were
28 design pressure standards that applied under

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1 the ASME standards, and then GO-112 applied
2 and continued those design pressure standards
3 and so --

4 ALJ BUSHEY: Whatever it was, it wasn't
5 619 subsection (a).

6 MR. LONG: It was exactly the same.

7 ALJ BUSHEY: And you'll be free to
8 argue that in your brief. That's a legal
9 argument.

10 MR. LONG: Yeah. But it just seems to
11 say that I made my point, I don't think it's

12 fair to say these are far afield. They were
13 directly in response to the efforts that
14 Mr. Malkin was trying to make to --

15 ALJ BUSHEY: But they're not disputed.
16 That's not a disputed fact. It has been
17 litigated in this proceeding exactly what
18 rules applied.

19 So okay, any final questions for
20 the witnesses?

21 (No response)

22 ALJ BUSHEY: Seeing none, the witnesses
23 are excused.

24 Mr. Malkin, would you like to call
25 your next witness?

26 MR. MALKIN: Well, actually, Mr.
27 Harrison is -- was not one of our witnesses
28 here but Mr. Long had asked for him to, so he

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1 can ask questions. So we --

2 ALJ BUSHEY: So you will, as a
3 courtesy, provide Mr. Harrison. How about
4 that?

5 MR. MALKIN: As a courtesy, we have

6 brought Mr. Harrison back for an encore.

7 ALJ BUSHEY: Thank you.

8 Thank you. Mr. Harrison, you were
9 sworn in the last time and you remain under
10 oath.

11 DAVID HARRISON, recalled as a
12 witness by Pacific Gas and Electric
13 Company, having been previously sworn,
14 resumed the stand and testified as
15 follows:

16 ALJ BUSHEY: Mr. Long.

17 MR. LONG: Okay. Your Honor, prior to
18 Mr. Harrison taking the stand, I distributed
19 documents that I will be using in
20 the cross-examination of Mr. Harrison and I
21 would like to have those marked.

22 I left two copies on your desk and
23 there are approximately --

24 MR. MALKIN: May we go off the record
25 a moment?

26 ALJ BUSHEY: Off the record.

27 (Off the record)

28 ALJ BUSHEY: We'll be back on the
29 record.

30 While we were off the record, we

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1 identified Exhibit OSC-15, which is a PG&E

2 Attachment 3 to TURN Data Response 34-2.

3 (Exhibit No. OSC-15 was marked for
4 identification.)

5 ALJ BUSHEY: Exhibit OSC-16 is

6 attachment 7 of PG&E's response to TURN Data

7 Request 34-2.

8 (Exhibit No. OSC-16 was marked for
9 identification.)

10 ALJ BUSHEY: OSC-17 is Attachment 13 to

11 PG&E's response to TURN's Data Request 4-2.

12 (Exhibit No. OSC-17 was marked for
13 identification.)

14 ALJ BUSHEY: OSC-18 is Attachment 15 of

15 PG&E's Response to TURN Data Request 34-2.

16 (Exhibit No. OSC-18 was marked for
17 identification.)

18 ALJ BUSHEY: And OSC-19 is

19 Attachment 42 to PG&E's Response to TURN Data

20 Question 34-2.

21 (Exhibit No. OSC-19 was marked for
22 identification.)

23 ALJ BUSHEY: Mr. Long.

24 MR. LONG: Thank you, your Honor.

25 CROSS-EXAMINATION

26 BY MR. LONG:

27 Q Good afternoon, Mr. Harrison.

28 So I want to go through these

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1 exhibits roughly in order and I believe they
2 should be familiar it you. Is that the case?

3 A Generally, yes.

4 Q Okay. These were exhibits provided
5 in discovery by PG&E. They, as I understand
6 them, are e-mail and sometimes attached to
7 documents that relate to the root cause
8 analysis for the Segment 109 error. Is that
9 your understanding?

10 A Yeah. That's the first ones at
11 least.

12 Q Okay. And we'll try to go through
13 this relatively expeditiously. But if a few
14 ground-rule things we need to cover. One is
15 these are redacted. They've redacted out
16 pretty much any name in them. The redactions
17 were done by PG&E. And in many instances,
18 your name has also been redacted. And I want
19 to make sure that we have understanding that
20 PG&E does be not intend to redact
21 Mr. Harrison's name from these documents.

22 That is, PG&E does not object to revealing
23 your name, Mr. Harrison's name.

24 We can talk about Mr. Harrison
25 being on the documents, right?

26 MR. MALKIN: Yes. Mr. Harrison's name
27 is already out there courtesy of
28 the newspaper, and redaction of that was an

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1 error. The redactions were intended, with
2 the exception of Mr. Harrison already known,
3 to redact the name of PG&E employees below
4 the level of director.

5 ALJ BUSHEY: Mr. Long, from what I can
6 tell, most of these are already in the record
7 so --

8 MR. LONG: No. No. No. No. No.
9 Only one of them is in the record.

10 ALJ BUSHEY: Okay. Let's travel some
11 new ground with them, then.

12 MR. LONG: Okay.

13 Q And there are also other engineers
14 that you worked with that are involved in
15 these e-mails; is that right?

16 A That's right.

17 Q I do want to honor PG&E's
18 confidentiality concerns with those people
19 but wanted to see if it would be acceptable
20 on occasion to use initials for -- to refer
21 to those people, first and last initial?

22 ALJ BUSHEY: We'll be off the record.

23 (Off the record)

24 ALJ BUSHEY: We'll be back on the
25 record.

26 Mr. Long.

27 MR. LONG: Q Mr. Harrison, let's look
28 at the first document the one that's labeled

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1 OSC-15. That's a Saturday, November 17, 2012
2 document. So you were dealing with this
3 issue on a Saturday, I see.

4 A Yes.

5 Q Okay. And from later documents,
6 we'll see it spilled over to Sunday and then
7 to the early days of the next week?

8 A Right.

9 Q So this was something considered --

10 dealing with this root cause analysis was
11 something that was considered time sensitive
12 necessary to have several people devoted --
13 devoting their weekend to?

14 A Well, I don't know about devoting
15 their weekend, but we were definitely working
16 on it over the weekend, yes.

17 Q So why was that necessary?

18 A It was considered a sensitive issue
19 to understand what was going on right away.

20 Q Why was it a sensitive issue?

21 A Just because we'd found an error in
22 the PFL process and so we wanted to get to
23 the bottom of that as soon as possible and
24 make sure we knew what was going on,
25 understand it.

26 Q Okay. So looking at this,
27 the first e-mail at the top, do you recall --
28 I can tell you that that is an e-mail to you.

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1 Do you recall that?

2 A Yes.

3 Q Okay. And it's from an engineer

4 you worked with?

5 A Yes.

6 Q Do you need to know the name of
7 the person?

8 A No.

9 Q Do you remember who it was?

10 A Yes.

11 Q All right. The paragraph after
12 the numbered items reads, begins with the
13 word bottom line. Do you see that?

14 A Yes.

15 Q And then later in that top line, it
16 says: But a Tier 2 dig should have been
17 initiated.

18 What is that telling us and what is
19 a Tier 2 dig?

20 A A Tier 2 dig would just be a lower
21 priority dig to essentially verify our
22 records.

23 Q Lower priority than what?

24 A A Tier 1 dig is a higher priority
25 dig that we need to perform in order to
26 validate MAOP.

27 Q All right. Later at the end of
28 that same paragraph, it says: In fact, we

1 need a seam characterization of the 5/16ths
2 inch 1957 pipeline as well, also Tier 2.

3 What does the 5/16ths 1957 pipe
4 refer to?

5 A 5/16ths is the wall thickness, so
6 we're just saying that, you know, that's sort
7 of the crux of the issue really, is to do
8 the Tier 2 dig and to get the seam
9 characteristics.

10 I mean that's the -- that's sort of
11 the additional step is to make sure we get
12 the seam characteristics.

13 Q Okay. But what was the -- is that
14 Segment 109, the 5/16ths?

15 A I believe that's what is being
16 referred to here, yes. But I'm not
17 completely clear on that because up above
18 they say the quarter-inch 1957 pipe.

19 Q All right.

20 A Yes. So they must be referring to
21 the next job, job next to this one which is
22 the 1957 also.

23 Q Job next to this one, meaning
24 adjoining, segment adjoining --

25 A Yeah.

26 Q -- Segment 109?

27 A Yeah.

28 Q So the e-mail below that is earlier

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1 in time on that same Saturday, one we've seen
2 before and it is in a different exhibit. And
3 it's an e-mail from you; is that right?

4 A Right.

5 Q Okay. So you say in the first line
6 of that e-mail: This is good information,
7 but Sumeet's expectations are considerably
8 higher.

9 And does "Sumeet" refer to Mr.
10 Singh?

11 A Yes.

12 MR. MALKIN: Your Honor, I'm going to
13 object. This was asked and answered in the
14 Line 147 hearing.

15 ALJ BUSHEY: I think we did this
16 morning as well.

17 MR. LONG: I asked Mr. Singh -- now
18 this Mr. Harrison, the author of the
19 document. I'm asking him questions about

20 what he meant when we wrote this.

21 ALJ BUSHEY: And who Sumeet was?

22 MR. LONG: If my questions are going to

23 be micromanaged, then this will take a lot

24 longer. I think if I can get --

25 ALJ BUSHEY: Get to --

26 MR. LONG: -- ask my questions.

27 ALJ BUSHEY: Get to something

28 substantive, okay?

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1 MR. LONG: I believe I am. And

2 sometimes that's not apparent to everybody in

3 the room until the brief. And you know,

4 there are other decision makers.

5 ALJ BUSHEY: All right. All right.

6 MR. LONG: Okay.

7 Q The last line of that same

8 paragraph says that at the executive level,

9 this situation is considered a near hit from

10 a safety perspective that could have severely

11 damaged the company's credibility.

12 Mr. Harrison, can you tell me what

13 you meant when you wrote that?

14 MR. MALKIN: Your Honor, that was
15 explicitly covered by Mr. Long in the Line
16 147 hearing.

17 MR. LONG: Okay.

18 MR. MALKIN: That very question.

19 MR. LONG: I think counsel is right and
20 I will move on. I had forgotten that. I'm
21 sorry.

22 THE WITNESS: I was just going to refer
23 to my prior response.

24 MR. LONG: Okay, that's fine.

25 ALJ BUSHEY: Let's move along.

26 MR. LONG: Q In the next paragraph,
27 Mr. Harrison, you say: I suspect this will
28 mean some more conservative changes to the

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1 PRUPF.

2 What are you referring to there?

3 A So the PRUPF, the P-R-U-P-F, is the
4 document that we used to guide us on making
5 assumptions. And I'm just looking at
6 basically making a comment that perhaps we
7 need to reevaluate that and we may need to

8 make some changes there.

9 Q I'm done for the moment on that
10 document. Can we move to the next one,
11 please. That's OSC-16 Attachment 17. Excuse
12 me, Attachment 7 to TURN Data Request 34-2.
13 And this is the same chain of e-mails just
14 a few added on it. Do you see that?

15 A I guess so.

16 Q So --

17 A Okay, on the first page.

18 Q Added to the previous chain. We
19 have a later -- the one on the bottom of
20 the page is later that same Saturday
21 afternoon at 3:42 p.m. and then one after
22 that at 6:57 p.m. Do you see that?

23 A Right.

24 Q So there are six items in
25 the bottom, in the e-mail at the bottom of
26 the page. I want to ask you about the first
27 one. And in particular, are you -- let's
28 see. This is actually an e-mail to you. Do

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1 you understand what's being referred to there

2 and what problem is being noted?

3 A Yes.

4 Q Can you explain it?

5 A Well, basically this is explaining
6 that the engineer that SSAW -- like in
7 the second to last sentence there, SSAW was
8 possible up through the end of 1958. And so
9 this infers that the engineer, it's getting
10 to the fact that the engineer should have
11 picked SSAW pipe and instead they made
12 a mistake and picked another value for it.
13 And this is -- we're just starting to flesh
14 out that information.

15 Q Let's look at the e-mail above
16 that. In the second paragraph it says on
17 item 4: It is very likely there is
18 reconditioned pipe. There are other concerns
19 about our tracking of reconditioned pipe that
20 I will be writing up.

21 Can you explain what -- those
22 concerns about tracking a reconditioned pipe
23 that you were referring to?

24 A It's just -- I don't remember
25 exactly why I wrote that in this e-mail. But
26 in general, you know, we've been trying to
27 track reconditioned pipe the whole time we
28 did the MAOP validation process, and so

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1 I don't remember specifically what I was
2 referring to there.]

3 But I -- yeah.

4 Q But reconditioned pipe means pipe
5 that had potentially been -- that was at
6 least manufactured a date earlier than --
7 many years potentially earlier than the date
8 of installation; is that right?

9 A Right.

10 Q And it could in fact have been
11 previously used pipe?

12 A That's right. Reconditioned pipe
13 would normally be previously used pipe, yes.

14 Q So for reconditioned pipe, the date
15 of installation would not reflect the date of
16 manufacture; correct?

17 A That's right.

18 Q And that's one of the concerns;
19 correct?

20 A That's right, yeah.

21 Q So if you're basing -- if the PRUPF
22 that you just referred to is basing the --
23 the resolution on the date of installation

24 when in fact the date of manufacture could
25 have been several decades earlier, that could
26 be a problem; isn't that right?

27 A Yes, it could be, but the PRUPF
28 logic is reasonably complicated, and that's

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1 why the engineer made a mistake. And so the
2 way this actually works is our records at
3 this time in 2011 showed that we had stopped
4 purchasing the SSAW A.O. Smith pipe in 1948.
5 And then we apply a 10-year sliding window to
6 that. So we made the assumption that we
7 could have installed that pipe as many as 10
8 years after we actually purchased it.

9 So that's why we end up with that
10 -- in 1958 -- we have to assume that in 1958
11 we could have installed SSAW pipe.

12 Q But Segment 109 was pipe that was
13 installed in 1940 -- sorry, 1957, and may
14 have been manufactured in the 1920s; isn't
15 that right?

16 A That's right. That's exactly why
17 we do that logic in the PRUPF. Did I miss

18 something?

19 Q Maybe I did.

20 A So we purchased the pipe in '29.

21 Q Yeah.

22 A And we purchased it all the way
23 through 1948. So then we take a 10-year
24 window and apply it after 1948, and we say,
25 okay, we stopped purchasing in '48, but we
26 might have had that laying around in
27 stockpile, we might have reconditioned
28 something, and we could still have another

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1 10-year window on there. So we made the
2 assumption that we could have still installed
3 that pipe as late as 1958?

4 Q That works because A.O. Smith pipe
5 was pipe that you originally purchased in the
6 1920s, but you continued to purchase in the
7 1940s?

8 A Right. 1948 was the last year that
9 our records show that we had purchased it.
10 Now, some of these dates have been adjusted
11 since then, but --

12 Q But in a different situation, you
13 could have pipe manufactured in the 1920s
14 that you only purchased for 10 years and then
15 put back into the ground in 1957, and then
16 your PRUPF wouldn't work that way, would it?

17 A It's possible. But based on our
18 historical data, it doesn't quite work that
19 way. We don't have anything that we cut off
20 -- not cut off, but that we stopped
21 purchasing in the '20s so --

22 Q Now, you refer back to that -- or
23 the second -- let's see. Back to the e-mail
24 at the top of this page on Item 5. You say
25 in the second sentence there, "I am writing a
26 companion piece that is larger in scope so I
27 will probably recast yours."

28 Did you write that companion piece?

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1 A I did.

2 Q What was that about?

3 A It was basically the summary that's
4 -- I think it's in these records. So it
5 ended up, you know, going to Sumeet and I

6 believe going up the chain to the executives
7 eventually.

8 Q I'm just not aware of what document
9 that was. What was the title of it or where
10 was it in the record?

11 A It's probably Line 147 Executive
12 Summary, something like that. It's -- we've
13 seen it in here, so --

14 Q And then near the bottom of that
15 e-mail at the top of the page, it says:

16 Related to this incident but not
17 what you need to write-up. I
18 believe I can show you pipe
19 installed in the 1960 that's is
20 reconditioned A.O. Smith, so I will
21 probably be recommending a review of
22 assumptions.

23 Did you recommend a review of
24 assumptions?

25 A Yes, we did go back and review
26 those assumptions. And like I said, we've
27 made some adjustments since these e-mails
28 were written.

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1 Q And how is that reflected in the
2 going-forward process?

3 A Meaning the --

4 Q You recommended a review of
5 assumptions. Did something new happen? Did
6 something change?

7 A Yeah, the PRUPF and the assumptions
8 document -- you got to remember this is
9 early -- or late in 2011. So we definitely
10 revised the assumptions as we went forward
11 and improved our assumptions as we learned
12 more, did the excavations, verified
13 information.

14 Q You said late in 2011. This --
15 this episode is late 2012; right?

16 A Oh, yes. Sorry. Yeah, sorry.
17 Late in 2012.

18 Q Moving to the next document,
19 OSC-17, I'd like to direct your attention
20 again to the first page. Again, this is the
21 same e-mail string, some e-mails added to it.

22 Let's look at the one in the middle
23 of the page, second e-mail down on the page,
24 Sunday, November 18th at 3:20 p.m. And this
25 is from you; is that right?

26 A I think so, yes.

27 Q Okay. All right. You have been

28 given a draft, and we'll look at the draft in

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1 the next document. But you say:

2 My understanding is that Sumeet and

3 Jesus Soto see this as very

4 important, and they are expecting

5 100 percent compliance. If we have

6 seen PFLs that don't have the right

7 assumptions then we need to identify

8 this as an issue and it will become

9 a quick hit project...

10 What was your understanding about

11 this being -- about Mr. Singh and Mr. Soto

12 expecting a hundred percent compliance based

13 on?

14 A Well, the hundred percent

15 compliance is in reference to the application

16 of the assumptions, that, you know, we expect

17 them to be applied correctly. And so that's

18 -- that's what I'm speaking about.

19 Q Okay. All right. And is that your

20 understanding in fact, that 100 percent

21 compliance was expected?

22 A Yes. I mean, that's definitely
23 what our goal was, was 100 percent
24 compliance.

25 Q Okay.

26 A We -- I think we've shared before.
27 I mean, we tried to automate some of this
28 because you're kind of mixing a lit bit the

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1 data in 2011 and 2012. But since 2011 we
2 tried to automate it to make it much more
3 bulletproof so that we didn't have the
4 mistakes.

5 Q Okay. If we go to the e-mail
6 above, that's your response to the engineer
7 who wrote you -- I'm sorry. Let's flip that.
8 You -- you wrote the e-mail that we just
9 talked about, and then an engineer you work
10 with responded; is that right?

11 A Yes.

12 Q And it says:

13 (Redaction) and I have run into PFLs
14 in which we find errors. It's that
15 simple. If the expectation is

16 100 percent compliance with policy
17 and standards, as in no errors, I'm
18 at a loss to understand any course
19 of action other than 100 percent or
20 higher QC of the full data set on
21 top of the QC already performed.

22 Now, do you agree with that
23 statement? Did you agree with that
24 statement?

25 A Well, it is very difficult to get
26 100 percent compliance. There's always a
27 variety of things that show up, so the
28 chances of us getting absolutely 100 percent

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1 compliance are probably slim. But clearly
2 that's our goal to do that.
3 Q Uh-huh. And so was this idea
4 adopted to do a hundred percent or higher QC
5 of the full data set?

6 A Yes, it is, except we really have
7 not completed all of that. I think we've
8 explained in data requests that we -- we have
9 our full set of assumptions, and we've had a

10 process over the years to evaluate all of
11 these. And as we get things loaded into the
12 new GIS system, we are planning to rerun the
13 full set of assumptions against that -- that
14 set of data again and -- and essentially QC
15 the entire data set again.

16 Q Uh-huh. Let's look at the next
17 document, which is OSC-18. And this is
18 actually slightly earlier in time. This is
19 the draft that was referred to in the
20 previous -- on the previous e-mails that we
21 looked at.

22 And I'd like you to turn to the
23 attachment -- excuse me, yes. Turn to the
24 attachment to this document. It begins on
25 the third page. There's a heading, "1.
26 Summary." Do you see that, Mr. Harrison?

27 A Yes.

28 Q Do you recall this as a early draft

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1 of the root cause analysis?

2 A Yes.

3 Q I'd like to direct your attention

4 to the second page of that draft. If you
5 look at the very top of that, there's a
6 comment. I take it when there's double
7 arrows, that's -- that's comment not
8 necessarily intended for the final draft, but
9 just a comment of the -- of the person
10 preparing the draft; is that your
11 understanding?

12 A That's right. I think this might
13 have been somebody reviewing the draft, but
14 yes.

15 Q Okay. And it says, "I have seen
16 PFLs where macro conclusions," I think it
17 means, "have been overridden indirectly
18 resulting in PFL errors"?

19 A Right.

20 Q That's referring to the automated
21 process that you say -- you and Mr. -- you
22 just mentioned and Mr. Singh testified to
23 that's meant to address the complexity of the
24 PRUPF; is that right?

25 A That's right.

26 Q And so this is pointing out that
27 sometimes even though that automated process
28 may lead to a conclusion, sometimes engineers

1 override that conclusion anyway?

2 A That's right.

3 Q Is that a problem? Is that a good
4 thing?

5 A Sometimes you have to allow it
6 because sometimes there's a good reason to
7 overrule the conclusion of the macro. But at
8 the same time, you're trying to implement it
9 to make sure there's no mistakes. So you
10 know, you're sort of on the fence. You need
11 sort of both sides to it, and it's very
12 difficult to make an automated tool that is
13 completely bulletproof and knows all the
14 situations that might occur.

15 Q Okay. Thank you. The next heading
16 on that same page says, "QC of earlier PFL
17 builds." Do you see that?

18 A Yes.

19 Q I'm just going to read this -- the
20 first part of this. It says:

21 QC process shortcomings which have
22 been allowed -- which could have
23 allowed this to occur on other PFLs
24 are possible prior to -- and
25 notation to fill-in the date -- when

26 the current process was implemented,
27 which was designed to eliminate the
28 chance of shortfalls in QC. On a

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1 separate but related note, random
2 spot checks of PFL quality have
3 occasionally resulted in the
4 discovery of errors in PFLs.

5 Is that consistent with your
6 experience?

7 A Yes, it's definitely not a hundred
8 percent perfect.

9 Q And then if we go down that same
10 paragraph later, there's the double arrow,
11 and it says:

12 From time to time, I have looked at
13 supposedly completed PFLs to gather
14 certain data and have found blatant
15 errors and assumptions employed
16 during the PFL process. This
17 suggests to me that if management's
18 expectations are zero error rate for
19 PFLs, the entire database needs a

20 new QC review by people who are
21 better trained than those who
22 performed the QC which failed to
23 catch errors I subsequently found.
24 Is that your concern as well, Mr.
25 Harrison?

26 A It's a concern. I would not make
27 it that large of a concern. I mean,
28 occasionally you do find errors on them, but

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1 we -- in our overall process, we reviewed
2 these PFLs twice through our complete
3 process. And then again, like I stated, we
4 were going to rerun the assumptions through
5 everything again trying to chase out all
6 these issues that might be in there.

7 Q If we to continue on this draft
8 heading 3.2, "Purchase documentation," on the
9 next page?

10 A Okay.

11 Q This is all part of the root cause
12 analysis. And it says:

13 No purchased documents were found

14 during the PFL build process, which
15 requires use of the assumption that
16 the pipe could have been purchased
17 any time during the decade prior to
18 installation.

19 We're talking about Segment 109

20 here; right?

21 A Right.

22 Q Install date was 1955, so the
23 purchase date could have been between 1945
24 and 1955?

25 A Right. That's what I was trying to
26 explain earlier.

27 Q But in fact, the purchase date
28 actually could have been -- turned out to be

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1 1929?

2 A Right. Right.

3 Q That again highlights the issue of
4 using install date as opposed to date of
5 manufacture for reconditioned pipe, does it
6 not?

7 A Right. Right.

8 Q And finally, OSC-19 is the final
9 root cause analysis report; is that right?

10 A It looks that way.

11 Q Just a couple questions on this.

12 On page 3 of that report, under the heading,
13 "Prior Process Adherence Concerns," there's a
14 sentence that begins, "Since all Phase 2
15 mainline PFLs are to be reworked in Phase 3."
16 Do you see that?

17 A Yes.

18 Q What does mainline refer to?

19 A Mainline is the major lines. So
20 it's -- we often times have services -- small
21 services, three-quarter-inch pipe for
22 example, that come off of -- of mainlines.
23 So we -- we put those in a different
24 category. We generically call them shorts.
25 So mainlines are the main lines. The shorts
26 come off the mainlines.

27 Q Okay. Okay. And then the next
28 paragraph says, "It should be noted that it

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1 is not planned to rework in Phase 3."

2 Phase 3 refers to Phase 3 of the
3 MAOP validation process?

4 A That -- yeah, Phase 3 of the MAOP
5 validation process. That's right.

6 Q This was the phase that was focused
7 on reviewing pipeline features for the
8 non-HCA pipelines; right?

9 A Say that one more time? Which
10 phase?

11 Q Phase 3 was -- Phase 2 was about
12 the HCA pipeline segments, and Phase 3 was
13 about the non-HCA segments?

14 A Well, Phase 3 actually included
15 everything in Phase 2, plus the addition of
16 the non-HCA segments.

17 Q Okay. Well, apparently not
18 everything because it says here Phase 3 --
19 "It's not planned to rework in Phase 3 the
20 PFLs completed in Phase 2 to enable pressure
21 restoration."

22 A And that's not actually true. I'm
23 not sure if it was changed or it was never
24 actually true. The --

25 Q I think --

26 A Yeah, the -- we did -- we were
27 planning to rework the early pressure
28 restorations and run them through the Phase 3

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1 process.

2 Q All right. I think Mr. Singh
3 covered that a little bit, and I think it's a
4 little different from what you say. But
5 between you and him, I think we have the
6 picture.

7 And then under, "Data Quality,"
8 Heading 3, there are three items. The third
9 item -- these three items are all under this
10 -- relating to this sentence that says, "The
11 process of achieving zero error rate for PFLs
12 consists of the following."

13 And the third item is:
14 Statistical analysis of errors found
15 in 2013 will support the QA
16 processes in Intrepid. Possible
17 areas for further assessment include
18 key logic situations, such as a
19 review of all instances where E
20 equals 1.0 is applied and where E
21 equals 0.8 would fail to validate
22 MAOP.
23 E is a reference to the joint

24 efficiency?

25 A That's correct. Right.

26 Q And I wanted to know whether this
27 type of QA process was in fact implemented?

28 A We are still in the process of

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1 doing this QA work actually right now.

2 Q So you're -- you're using these
3 types of, you know, logic-based assessments?

4 A Yes, yes.

5 Q You're still -- you're still
6 working those up?

7 A Right. There's several hundred of
8 them that we are reviewing, and we are -- in
9 some cases we've started correcting data and
10 -- and making manual reviews. In other
11 cases, we're looking at, you know, automation
12 and, you know, prioritizing those kinds of
13 things.

14 MR. LONG: That's all my questions.

15 Thank you, Mr. Harrison.

16 ALJ BUSHEY: Thank you, Mr. Long.

17 Mr. Meyers?

18 MR. MEYERS: Just very quickly.

19 CROSS-EXAMINATION

20 BY MR. MEYERS:

21 Q Good afternoon, Mr. Harrison. If
22 you could refer to OSC-4? It should be up
23 there on the dais. It's a Pacific Gas and
24 Electric Company direct exhibit. First page
25 is a series of charts. Can I refer you to
26 page 7?

27 A All right. Page 7.

28 Q And I understand that this decision

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1 tree reflects the flow of analysis, if you
2 will, for your MAOP validation process. And
3 the three boxes that are in red, those
4 represent the areas where errors were made it
5 looks like for Segment 109, Line 147; is that
6 correct?

7 A That's correct.

8 Q And the next page, on page 8, there
9 are four boxes in red. And the legend shows
10 that those are steps that -- where errors
11 occurred. Are you with me so far?

12 A Yes.

13 Q Okay. Now, could you turn to page
14 9? And I apologize if I'm having a senior
15 moment here, but were the enhancements to
16 this decision tree that are shown in the
17 green box -- were they a direct result of
18 what occurred in San Carlos, or were they --
19 were they changes that were made by the
20 company as a result of continued analysis of
21 their decision-making process?

22 A They were changed made due to the
23 continued evolution of our process. In early
24 -- in late 2011 when the pressure restoration
25 filings were made, we knew we needed to make
26 some improvements and we were still making
27 those improvements. So these were made in
28 late 2011.

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1 Q So these changes were not as a
2 result of these proceedings with respect to
3 Line 147 and 101?

4 A That's right. They were
5 implemented much earlier.

6 Q Okay. As a result of these
7 proceedings -- as a result of the OSC that
8 was issued and these hearings that we've been
9 having, has this decision tree been changed?

10 A You know, I wouldn't say that it's
11 been changed per say. The -- I mean, we're
12 more aware of these. So we -- we are now
13 finished with the MAOP validation process,
14 and as I explained, we're doing quality
15 control. So we're doing quality control
16 trying to get the new GIS system lined up and
17 all the data as accurate as possible.

18 So in doing that evaluation, we're
19 more aware of it because of the OSC. We're
20 more aware of where the possible errors might
21 be. So we're trying to make sure we evaluate
22 those. I wouldn't say that the process
23 overall has significantly changed.

24 Q Okay. So with respect to page 9,
25 Enhanced Process December of 2011, that is
26 the decision process that you're following as
27 we sit here today?

28 A Yes. This is what we followed

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1 through the MAOP validation process.

2 MR. MEYERS: Okay. Thank you.

3 That's all I have.

4 ALJ BUSHEY: Redirect, Mr. Malkin.

5 MR. MALKIN: Nothing, your Honor.

6 ALJ BUSHEY: Final questions? Hearing

7 none, the witness is excused.

8 Anything further to come before the

9 Commission?

10 MR. LONG: I would like to move for the

11 admission of the exhibits raised in my

12 cross-examination of Mr. Harrison.

13 ALJ BUSHEY: That is OSC-15 through 19.

14 Any objections? Hearing none, they are

15 received into evidence.

16 (Exhibit No. OSC-15 was received
17 into evidence.)

18 (Exhibit No. OSC-16 was received
19 into evidence.)

20 (Exhibit No. OSC-17 was received
21 into evidence.)

22 (Exhibit No. OSC-18 was received
23 into evidence.)

24 (Exhibit No. OSC-19 was received
25 into evidence.)

26 MS. PAULL: Your Honor, we would like

27 to move OSC-10 and 11 into evidence.

28 ALJ BUSHEY: Objections? Hearing none,

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1 then 10 and 11 are received.

2 (Exhibit No. OSC-11 was received
into evidence.)

3

4 MR. MALKIN: And 12 through 14?

5 ALJ BUSHEY: And 12 through 14. All

6 received into evidence.

7 (Exhibit No. OSC-12 was received
into evidence.)

8

9 (Exhibit No. OSC-13 was received
into evidence.)

10

11 (Exhibit No. OSC-14 was received
into evidence.)

12

13 MS. STROTTMAN: Your Honor, I would

14 like to clarify, please, that this is not an

15 adjudicatory proceeding, that as long as we

16 comply with the ex parte rules that the City

17 of San Bruno and City of San Carlos are

18 permitted to meet with the Commissioners and

19 their staff.

20 ALJ BUSHEY: Well, this is an order to

21 show cause.

22 MS. STROTTMAN: So then that means it's
23 an adjudicatory -- I guess I'm just confused
24 with the Line 147.

25 ALJ BUSHEY: Right. The Line 147 was
26 not an adjudicatory proceeding.

27 MS. STROTTMAN: Correct.

28 ALJ BUSHEY: But this process result

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1 from an order to show cause. I suppose
2 technically --

3 MR. MALKIN: The order to show cause
4 did state that it is an adjudicatory
5 proceeding.

6 ALJ BUSHEY: Oh, good. I already
7 decided. It could have gone either -- so
8 yes, it is adjudicatory. No ex parte
9 contacts.

10 MS. STROTTMAN: Okay. Thank you.

11 MS. BONE: Your Honor, I just wanted a
12 clarification to be sure it's on the record
13 that Exhibit OSC-9, the exhibits to Mr. Tom
14 Roberts's testimony -- PG&E has agreed that
15 they do not contain any confidential

16 information.

17 ALJ BUSHEY: I think we've already

18 received those into evidence.

19 MS. BONE: Right.

20 ALJ BUSHEY: Anything further?

21 Hearing none, then I will remind the party

22 that's opening briefs are due on

23 January 17th. Reply briefs are due on

24 January 31st. And this matter will be

25 submitted with the filing of reply briefs on

26 January 31st.

27 With that, then, this evidentiary

28 hearing is concluded and the commission is

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1 adjourned. Thank you.

2 (Whereupon, at the hour of
3 1:35 p.m., this matter having been
4 submitted upon receipt of reply briefs
5 due January 31, 2014, the Commission
6 then adjourned.)

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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) Rulemaking
 for Natural Gas Transmission and) 11-02-019
 Distribution Pipelines and Related)
 Ratemaking Mechanisms.)
)
)

CERTIFICATION OF TRANSCRIPT OF PROCEEDING

I, Alejandrina E. Shori, Certified Shorthand
 Reporter No. 8856, in and for the State of California
 do hereby certify that the pages of this transcript
 prepared by me comprise a full, true and correct
 transcript of the testimony and proceedings held in
 the above-captioned matter on December 16, 2013.

I further certify that I have no interest in the
 events of the matter or the outcome of the proceeding.

EXECUTED this 16th day of December, 2013.

 Alejandrina E. Shori
 CSR No. 8856

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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) Rulemaking
for Natural Gas Transmission and) 11-02-019
Distribution Pipelines and Related)
Ratemaking Mechanisms.)
)
)

CERTIFICATION OF TRANSCRIPT OF PROCEEDING

I, Thomas C. Brenneman, Certified Shorthand
Reporter No. 9554, in and for the State of California
do hereby certify that the pages of this transcript
prepared by me comprise a full, true and correct
transcript of the testimony and proceedings held in
the above-captioned matter on December 16, 2013.

I further certify that I have no interest in the
events of the matter or the outcome of the proceeding.

EXECUTED this 16th day of December, 2013.

Thomas C. Brenneman
CSR No. 9554

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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) Rulemaking
for Natural Gas Transmission and) 11-02-019
Distribution Pipelines and Related)
Ratemaking Mechanisms.)
)
)

CERTIFICATION OF TRANSCRIPT OF PROCEEDING

I, Wendy M. Pun, Certified Shorthand Reporter

No. 12891, in and for the State of California do
hereby certify that the pages of this transcript
prepared by me comprise a full, true and correct
transcript of the testimony and proceedings held in
the above-captioned matter on December 16, 2013.

I further certify that I have no interest in the
events of the matter or the outcome of the proceeding.

EXECUTED this 16th day of December, 2013.

Wendy M. Pun
CSR No. 12891