

# PACIFIC GAS AND ELECTRIC COMPANY

CALIFORNIA GAS TRANSMISSION  
 GAS SYSTEM MAINTENANCE & TECHNICAL SUPPORT  
 SYSTEM INTEGRITY SECTION  
 Risk Management



## Procedure for Risk Management

Procedure No. RMP-02

### External Corrosion Threat Algorithm

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## 1.0 PURPOSE

The purpose of this procedure is to provide a guideline for determining the External Corrosion Threat Algorithm for the determination of Likelihood of Failure and Risk for California Gas Transmission's (CGT) Risk Management Program (RMP) and Integrity Management Program. This procedure also provides a scoring system for establishing the ECDA Direct Examination Prioritization.

## 2.0 SCOPE

This guideline is applicable to all of CGT's gas transmission pipeline facilities and is to be used in conjunction with RMP Procedure 01. The algorithm provided in this procedure is for Pipelines. It is not applicable to regulator, compressor, or storage station facilities.

The Integrity Management Group is responsible for managing risk within the scope of this procedure. The Integrity Management Group shall establish and manage the risk of each pipeline facility by utilizing industry and regulatory accepted methodologies appropriate for PG&E's CGT facilities and shall be in conformance with this procedure. The Integrity Management Program Manager shall be responsible for compliance with this procedure in relation to determining the external corrosion likelihood of failure. Responsibility for the ECDA Dig Prioritization (Section 7.0) shall be as assigned in RMP-09.

## 3.0 INTRODUCTION

The risk management process is a process of calculating risk, developing risk mitigation plans to bring and maintain risk within an acceptable risk profile, and monitoring risk to accommodate changes in the factors which affect risk. The Integrity Management Program (IMP) is a program established by PG&E to address the integrity management rules in 49 CFR Part 192 Subpart O. Procedure RMP-01 provides a procedure for the Risk Management Process. Procedure RMP-06 provides procedures for compliance with the Integrity Management Program. This procedure supports the calculation of risk, required by Procedure RMP-01 and RMP-06, due to one of the basic threats imposed on gas pipelines, External Corrosion (EC).

As described in RMP-01, Risk is defined as the product of the Likelihood of Failure (LOF) and the Consequence of Failure (COF). A relative risk calculation methodology is used to establish risk for all pipeline segments within the scope of RMP-01. The method used to calculate risk is based on an index model and qualitative scoring approach. Likelihood Of Failure (LOF) is defined as the sum of the following threat categories: External Corrosion (EC), Third Party (TP), Ground Movement (GM) and Design/Materials (DM).

Each threat category is weighted in proportion to PG&E and industry failure experience. EC is weighted at 25%. The weightings on the threat categories will be reviewed and approved annually by the Consequence Steering Committee. For each threat category, the appropriate steering committee will identify the significant factors that influence the threat's likelihood of failure. For each factor, a percentage weighting will be established

to identify the factor's relative significance in determining the threat's likelihood of failure within the threat algorithm. Points will be established based on criteria that the committee feels is significant to determining the threat's likelihood of failure due to each factor and the relative severity of failure (leak-before-break vs. rupture). (Negative points may be assigned where current assessments have been made to confirm pipeline integrity and/or mitigation efforts have eliminated or lowered susceptible to a threat.) Generally, the summation of the percentage weightings for all of the factors within each threat will be 100%. (There may be exceptions to permit the consideration of very unusual conditions.)

For the threat of EC, the scoring is based on direction from the EC Steering Committee. The EC Steering Committee shall meet once each calendar year and shall review this procedure per the requirements of RMP-01.

#### 4.0 Roles and Responsibility

Specific responsibilities for ensuring compliance with this procedure are as follows:

Title	Reports to:	Responsibilities
Integrity Management Program Manager	Manager, System Integrity	<ul style="list-style-type: none"> <li>• Supervise completion of work (schedule/quality)</li> <li>• Monitor compliance to procedure – take corrective actions as necessary.</li> <li>• Assign qualified individuals</li> <li>• Ensure Training of assigned individuals</li> <li>• Assign Steering Committee Chairman, and ensure that meetings are held once each calendar year.</li> </ul>
Steering Committee Chairman (Risk Management Engineers)	Integrity Management Program Manager (except for TP Steering Committee – chairman reports to Manager System Integrity)	<ul style="list-style-type: none"> <li>• Arrange meetings.</li> <li>• Review procedure with committee per RMP-01</li> <li>• Provides meeting minutes</li> <li>• Ensures action items are completed.</li> </ul>
Steering Committee Members (Subject Matter Experts)	Various	<ul style="list-style-type: none"> <li>• Attend meetings as requested by Steering Committee Chairman.</li> <li>• Provide review and direction to procedure.</li> </ul>
Risk Management Engineers	Integrity Management Program Manager	<ul style="list-style-type: none"> <li>• Perform calculations per procedure.</li> </ul>

#### 5.0 Training and Qualifications

See RMP-06 for qualification requirements. Specific training to ensure compliance with this procedure is as follows:

Position	Type of Training:	How Often
Integrity Management Program Manager	Procedure review of RMP-01 and RMP-02	<ul style="list-style-type: none"> <li>• Upon initial assignment</li> <li>• Once each calendar year.</li> </ul>
Steering Committee Chairman	Procedure review of RMP-01 and RMP-02	<ul style="list-style-type: none"> <li>• Upon initial assignment</li> <li>• Once each calendar year.</li> <li>• As changes are made to the procedure.</li> </ul>
Steering Committee Members (Subject Matter Experts)	Review RMP-02 and Steering Committee requirements of RMP-01	<ul style="list-style-type: none"> <li>• Once each calendar year at the time of the steering committee meeting.</li> </ul>
Risk Management Engineers	Review Procedure RMP-02	<ul style="list-style-type: none"> <li>• Upon initial assignment</li> <li>• Once each calendar year.</li> <li>• As changes are made to the procedure.</li> </ul>

### 6.0 EC Threat Algorithm

Scoring for the External Corrosion (EC) threat algorithm shall be calculated per the direction of the EC Steering Committee. The committee has determined that the factors in A through M of this section are significant for determining the Likelihood of Failure (LOF) of a gas pipeline due to EC. The EC contribution to LOF shall be the summation of assigned points times the assigned weighting of the following factors:

A) Soil Resistivity (4% Weighting): Points will be awarded as follows:

Criteria	Points	Contrib.
Less than or equal 500 Ohm-Centimeters	100	4
501 to 1000 Ohm-Centimeters	80	3.2
1001 to 2000 Ohm-Centimeters	60	2.4
2001 to 4000 Ohm-Centimeters	40	1.6
4001 to 10,000 Ohm-Centimeters	20	0.8
Above 10,000 Ohm-Centimeters	10	0.4

Default = Above 10,000 Ohm-Centimeters

B) Corrosion Survey Criteria (5% Weighting): Points will be awarded as follows:

Criteria	Points	Contrib.
No CIS* readings	50	2.5
CIS & meets criteria for acceptance	-100	-5
CIS & does not meet acceptance criteria	300	15

\* CIS -- (Close Interval Survey) This information is provided to the RMP by the Corrosion Engineer and, if acceptable, is considered valid for ten years. If the CIS does not meet acceptance criteria, it is valid until repeated.

C) Coating Visual Inspection<sup>1</sup> (10% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
Severely disbonded, (Poor)	100	10
Locally damaged, disbonded (Fair)	50	5
Superficial damage only (Good)	20	2
Intact and bonded (Excellent)	10	1
Bare Pipe or No Inspection (Coating Age <sup>2</sup> ≤ 5 Years)	11	1.1
Bare Pipe or No Inspection (Coating Age <sup>2</sup> > 5 to < 20 Years)	19	1.9
Bare Pipe or No Inspection (Coating Age <sup>2</sup> > 20 to < 30 Years)	29	2.9
Bare Pipe or No Inspection (Coating Age <sup>2</sup> > 30 Years)	51	5.1

<sup>1</sup> Inspection data greater than 20 years old shall not be used unless the information reflects a condition that is fair or poor. In such cases, points will be awarded per the inspection regardless as to when the inspection was performed.

<sup>2</sup> For Bare Pipe substitute Pipe Age.

D) Casing Survey (5% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
No casing or Celled	0	0
Existing casing	100	5

E) Magnetic Flux or Ultrasonic Inspection (5% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
No survey performed	0	0
Inspection > 10 years old	-100	-5
Inspection 5 to 10 years old	-300	-15
Inspection 2 to <5 years old	-600	-30
Inspection <2 years old	-600	-30

F) External Corrosion Leak<sup>1</sup> Rate (10% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
Leak in last 5 years	100	10
Leak in last 10 Years	80	8
Leak age >10 years	50	5
No reported Leaks	0	0

<sup>1</sup> Points applied to all pipe segments of similar vintage and coating type within a 1 mile radius of a leak.

G) Coating Design (10% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
Uncoated	100	10
HAA	50	5
Extruded	100	10
Coal Tar	100	10
Somastic/Conc	20	2
Tape	100	10
Paint	50	5
FBE	10	1
Powercrete (PC)	10	1
Default (Installation date > 1990 -- Assume Tape or equiv.)	100	10
Default (Installation date < 1990 -- Assume HAA or equiv.)	50	5

H) DC/AC Interference (9% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
High or medium voltage within 500' of a Gas Pipeline without Cathodic Protection	100	9
High or medium voltage w/ 500' w/CP	50	4.5
No high or medium voltage	0	0

I) Coating Age (5% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
>30 years or uncoated	100	5
>20 to 30 years	80	4
>10 to 20 years	30	1.5
10 years or less	10	0.5

J) MCP vs. Pipe Strength\* (9% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
>80%	100	9
80% to 60%	80	7.2
40% to <50%	50	4.5
30% to <40%	30	2.7
20% to <30%	10	0.9
Less than 20%	5	0.45

\* Pipe Strength shall be determined to be equal to  $(SMYS)(2)(t)(J_{eff}/KOD)$ .

K) Pipe Visual Inspection<sup>1</sup> (6% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
Heavy pitting or gouging (Poor)	100	8
Light pitting or gouging (Fair)	50	4
Heavy rusting	20	1.6
Light rusting (Good)	10	0.8
No pitting or rusting (Excellent)	0	0
No Inspection (Pipe Age < 5 Years)	0	0
No Inspection (Pipe Age > 5 to ≤ 20 Years)	10	0.8
No Inspection (Pipe Age > 20 to ≤ 30 Years)	20	1.6
No Inspection (Pipe Age > 30 Years)	40	3.2

Inspection data greater than 20 years old shall not be used unless the information reflects a condition that is fair or poor. In such cases, points will be awarded per the inspection regardless as to when the inspection was performed.

L) Test Pressure (TP)(5% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
No Records Available	0	0
TP age is ≤ ASME B31.8S Table 3 requirements for Hydrostatic Test Interval	-200	-10
TP age is ≤ 3 years more than ASME B31.8S Table 3 requirements for Hydrostatic Test Interval	-100	-5
TP is > 3 years more than ASME B31.8S Table 3 requirements for Hydrostatic Test Interval	0	0

M) External Corrosion Direct Assessment (ECDA) (Weighting 10%)  
Points awarded as follows:

Criteria	Points	Contrib.
ECDA Completed*	-200	-20
ECDA Not Completed	0	0

\* ECDA must have been completed within the last ten years.

**7.0 ECDA Direct Examination Prioritization**

The following scoring system shall be used for each classification of indication, in conjunction with RMP-09, to determine which indications shall be direct examined and in what order. They are not used in the risk calculation. Revisions to the ECDA External Corrosion (ECDA\_EC) prioritization algorithm shall be made per the direction of the ECDA Program Manager and the Integrity Management Program Manager. These persons and the Subject Matter Experts (SMEs) in their teams have determined that the factors in A through J of this section are significant for determining the likelihood of external corrosion damage for gas pipelines that have been indirectly assessed. The ECDA\_EC prioritization shall be the summation of assigned points times the assigned weighting of the following factors.



A) Soil Resistivity (4% Weighting): Points will be awarded as follows:

Criteria	Points	Contrib.
<3,000 Ohm-Centimeters	100	4
3000 to 10,000 Ohm-Centimeters	40	1.6
>10,000 Ohm-Centimeters	10	0.4

B) Water Soluble Chloride Concentration (5% Weighting):

Points will be awarded as follows:

Criteria (ppm)	Points	Contrib.
>1500 = Severe	100	5
100 - 1500 = Moderate	40	2.0
<100 = Minor	10	0.5

C) pH of Soil (5% Weighting): Points will be awarded as follows:

Criteria (ph)	Points	Contrib.
<5.5 = Severe	100	5
5.5 - 6.5 = Moderate	40	2.0
>6.5 = Minor	10	0.5

D) Presence of Sulfides (5% Weighting): Points will be awarded as follows:

Criteria (ppm)	Points	Contrib.
>5 = Severe	100	5
1 - 5 = Moderate	40	2.0
<1 or Not detectable = Minor	10	0.5

E) Moisture Content (8% Weighting): Points will be awarded as follows:

% Moisture	Points	Contrib.
> 20% = Severe	100	8
<20% = Minor	10	0.8

F) Likelihood of corrosion relative to soil cohesiveness (8% Weighting):

Points will be awarded as follows:

gradation	Points	Contrib.
Cohesive gravelly soil = Severe	100	8
Cohesive only (i.e. clay no gravel) = Moderate	40	3.2
Non-cohesive soil = Minor	10	0.8

G) External Corrosion Leak<sup>1</sup> Rate (8% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
Leak in last 5 years	100	8
Leak in last 10 Years	80	6.4
Leak age > 10 years	50	4

<sup>1</sup> Points applied to all pipe segments of similar vintage and coating type within a 1 mile radius of a leak.

H) Pipe Visual Inspection<sup>1</sup> (7% Weighting): Points awarded as follows:

Criteria	Points	Contrib.
Heavy pitting or gouging (Poor)	100	7
Light pitting or gouging (Fair)	50	3.5
Heavy rusting	20	1.4
Light rusting (Good)	10	0.7
No pitting or rusting (Excellent)	0	0
No Inspection (Pipe Age < 5 Years)	0	0
No Inspection (Pipe Age > 5 to < 20 Years)	10	0.7
No Inspection (Pipe Age > 20 to < 30 Years)	20	1.4
No Inspection (Pipe Age > 30 Years)	40	2.8

<sup>1</sup> Inspection data greater than 20 years old shall not be used unless the information reflects a condition that is fair or poor. In such cases, points will be awarded per the inspection regardless as to when the inspection was performed.

I) CIS Indications (35% Weighting): Points will be awarded as follows:

Criteria	Points	Contrib.
High Severe	100	35
Severe	80	28
High Moderate	50	17.5
Moderate	30	10.5
Minor	10	3.5

J) DCVG/PCM Indications (15% Weighting): Points will be awarded as follows:

Criteria	Points	Contrib.
Severe	100	15
Moderate	40	6
Minor	10	1.5