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Exhibit No. 2-CE

NATIONAL TRANSPORTATION SAFETY BOARD

Washington, D.C.

INTERVIEW OF RAFFY STEPANIAN, PG&E
(JAN-6-2011)

(18 Pages)

UNITED STATES OF AMERICA

NATIONAL TRANSPORTATION SAFETY BOARD

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Investigation of:

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PACIFIC GAS & ELECTRIC COMPANY

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SEPTEMBER 9, 2010 ACCIDENT

* Docket No.: DCA-10-MP-008

SAN BRUNO, CALIFORNIA

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Interview of: RAFFY STEPANIAN

Marriott Hotel
San Francisco Airport
1800 Bayshore Highway
Burlingame, California 94010

Thursday,
January 6, 2011

The above-captioned matter convened, pursuant to
notice.

BEFORE: RAVINDRA M. CHHATRE
Investigator-in-Charge

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I N T E R V I E W

1
2 MR. CHHATRE: Good morning, everyone. Today is
3 Thursday, January 6th, 2011. We are currently in Burlingame,
4 California, at the San Francisco Airport Marriott. We are meeting
5 in regards to the investigation of pipeline rupture in San Bruno,
6 California, that occurred on September 9, 2010. The NTSB accident
7 number for this investigation is DCA-10-MP-008. My name is Ravi
8 Chhatre. I'm with National Transportation Safety Board in
9 Washington, D.C., and I am Investigator-in-Charge of this
10 accident.

11 I would like to begin by notifying everyone present in
12 this room that we are recording this interview for transcription
13 at a later date. All parties will have a chance to review the
14 transcripts when they are completed.

15 Also, I'd like to inform Mr. Raffy Stepanian that you
16 are permitted to have one other person with you during this
17 interview, and that person can be your supervisor, friend, family
18 member, and that person is of your choice, and you also have a
19 choice of choosing nobody at all. So for the record, please state
20 your full name, spelling of your record, contact information, such
21 as e-mail, telephone, mailing address, and whom you have chosen to
22 be with you during the interview.

23 Mr. STEPANIAN: Sure. My name is Raffy Stepanian.
24 First name is R-a-f-f-y. Last name Stepanian, S-t-e-p-a-n-i-a-n.
25 I'm the Program Manager for Utility Safety and Reliability Branch

1 at the California Public Utilities Commission. My address is ---
2 ----- My
3 phone number is 6 -- I'm sorry, that's my home number. I don't
4 want to give you my home number. -----, and my e-mail
5 address is -----.

6 MR. CHHATRE: And whom have you chosen to be with you?

7 Mr. STEPANIAN: Mr. Pat Berdge, an attorney with the
8 California Public Utilities Commission.

9 MR. CHHATRE: Thank you for that. Now I'd like to go
10 around the room. Each person should introduce themselves,
11 spelling of their name, business e-mail, business phone, and we'll
12 start with the City of San Bruno.

13 MR. CALDWELL: My name is Geoff Caldwell. I work for
14 the City of San Bruno. My information is on the card provided.

15 MR. DAUBIN: Brian Daubin, PG&E. Information on the
16 card provided.

17 MR. FASSETT: Bob Fassett, PG&E. Information on the
18 card provided.

19 MS. JACKSON: Connie Jackson, City of San Bruno, and my
20 information is on the card.

21 MR. FABRY: Klara Fabry, City of San Bruno, and the
22 information is provided on the card.

23 MR. SHORI: Sunil Shori, California Public Utilities
24 Commission. My information is on the card provided.

25 Mr. KATCHMAR: Peter Katchmar, United States Department

1 of Transportation, Pipeline Hazardous Materials Safety
2 Administration. My information is on the card.

3 MR. GUNTHER: Karl Gunther, NTSB, Operations Group
4 Chair, karl.gunther@ntsb.gov. Phone (202) 314-6478.

5 MS. MAZZANTI: Debbie Mazzanti, International
6 Brotherhood of Electrical Workers, Local 1245. My information is
7 on the card.

8 MR. SPERRY: Joshua Sperry with Engineers and Scientists
9 of California, Local 20, IFPTE. My information is on the card.

10 Mr. NICHOLSON: Matthew Nicholson, NTSB engineer,
11 spelled M-a-t-t-h-e-w, N-i-c-h-o-l-s-o-n.
12 matthew.nicholson@ntsb.gov.

13 MR. CHHATRE: Ravindra Chhatre. I'm with NTSB, and my
14 e-mail is ravindra.chhatre@ntsb.gov. Phone is (202) 314-6644.

15 MR. NARVELL: Rick Narvell, Human Performance
16 Investigator, NTSB, Washington, D.C. (202) 314-6422. E-mail is
17 narvelr@ntsb.gov.

18 MR. CHHATRE: Thanks much. I'm sorry. Yes.

19 MR. BERDGE: Patrick Berdge, B-e-r-d-g-e, staff counsel,
20 California Public Utilities Commission. Address is 505 Van Ness
21 Avenue, San Francisco, California 94102. Email is
22 psb@cpuc.ca.gov. Telephone number is (415) 703-1519.

23 MR. CHHATRE: Thank you much.

24 MR. GUNTHER: Karl Gunther, NTSB.

25 INTERVIEW OF RAFFY STEPANIAN

1 BY MR. GUNTHER:

2 Q. I'd like to first get your job title, please.

3 A. Program Manager.

4 Q. And who do you work for?

5 A. California Public Utilities Commission. My branch is
6 Utility Safety and Reliability Branch.

7 Q. All right. And what are your duties?

8 A. My duties are -- I have two sections, a gas safety
9 section and an electric safety section. And each one has a
10 program and project supervisor, and my duty is to supervise them
11 and also to basically manage the branch operations.

12 Q. Would you mind discussing, to the extent that you can,
13 the corrective action orders that you've taken since the San Bruno
14 accident with regard to the San Bruno accident?

15 A. I will answer this question as an agency rather than
16 personally, because most of the action and most of the decision
17 making related to the corrective actions have not necessarily been
18 mine. It has been the agencies --

19 Q. Please do.

20 A. -- led by our Executive Director, Paul Clanon. Since
21 the accident we have ordered PG&E to reduce pressure on Line 132.
22 We have been continuously meeting with PG&E and also other
23 utilities, looking at many, many different aspects of their
24 operations, and basically trying to make sure that based on what
25 we know so far from the NTSB updates, trying to mitigate any

1 problems that exist in either utility systems.

2 And the details of the, you know, technical aspects, my
3 staff would definitely know much more than me, but I can answer
4 any general questions about what we have done.

5 Q. Okay. Are you considering hydrostatic testing or any
6 requirements of that?

7 A. Definitely considering it obviously, but a decision has
8 not been made at this point to order PG&E to hydrostatically test
9 a specific section of a line. That doesn't mean it won't happen,
10 but at this point a decision has not been made on that.

11 Q. Are you considering perhaps requiring, or thinking about
12 improvements in the SCADA system or going to automatic valves or
13 are you looking at any of those areas?

14 A. Yes. We have inquired with both major utilities in
15 California, PG&E and Sempra utilities, which is SDPG&E and Socal
16 Gas, and we've sent them data requests asking them about what they
17 have currently and also we've asked them about what types of
18 improvements they can make in the system, and we are continuously
19 in discussion with them on that specific aspect of both remote
20 controlled valves and automatic shutoff valves.

21 Q. Are you looking into a review of seamless pipe or like
22 the piping that's being used in various utilities to see what
23 lessons can be learned?

24 A. Yes, we are working with both major utilities in terms
25 of record keeping. In light of the findings from the NTSB so far,

1 we have asked both utilities to review their records thoroughly
2 and find any discrepancies in their records and also notify us if
3 they have any situations where they believe that what they have in
4 the record in terms of the type of pipe may not actually be what
5 is in the ground, and that has been a continuous process. It's
6 ongoing as we speak. Both utilities are preparing data that they
7 will share with us in regards to that. Some of it is taking
8 longer than anticipated, but that's -- we're working with them to
9 make sure that it's done as soon as practically possible.

10 MR. GUNTHER: I'll go ahead and pass on to the City of
11 San Bruno.

12 MR. CALDWELL: City of San Bruno, Geoff Caldwell, no
13 questions at this time.

14 MR. DAUBIN: No questions.

15 MR. FASSETT: No questions.

16 MS. JACKSON: Connie Jackson, City of San Bruno.

17 BY MS. JACKSON:

18 Q. Does your area of responsibility extend to review or
19 monitoring of emergency response procedures through the utility
20 companies?

21 A. Yes.

22 MS. JACKSON: No other questions.

23 MS. FABRY: Klara Fabry.

24 BY MS. FABRY:

25 Q. You mentioned that one of the response was ordering PG&E

1 to lower the pressure in 132. Knowing that 132 and 109 were
2 system transmission sites, that was implied or was directly
3 ordered to lower the pressure in the other two pipes?

4 A. I believe the order was to lower the pressure on Line
5 132 and since the other lines are interconnected, that also
6 resulted in lowering the pressure on the two other lines, so it
7 was implied. It was not directly ordered.

8 Q. Also you mentioned that it's an ongoing process now to
9 confirm and verify the correct information for the system versus
10 the existence of (indiscernible). Was any specific process
11 requested? How they exact means to do that?

12 A. My understanding is that PG&E started this process a
13 while ago, and they've made a lot of progress there. We are
14 monitoring what they're doing. We have not specifically ordered
15 them to do this review in a certain manner, but we are after the
16 NTSB update came up or the advisory came up, we will be looking at
17 that in more detail and there's a possibility that we will direct
18 both PG&E and other utilities to do the review in a certain
19 specific manner, rather than what they're doing currently.

20 MS. FABRY: Thank you.

21 MR. SHORI: Sunil Shori, California Public Utilities
22 Commission.

23 BY MR. SHORI:

24 Q. As far as --it's basically based on material, it could
25 be other lines. It's not just limited to peninsula; it's limited

1 to anywhere there may be an issue that the utility sees?

2 A. Correct.

3 Q. Also, as far as records, even though there's nothing
4 specified in terms of how to validate the GIS or validate
5 whatever, based on what we know to be an issue now or what could
6 have been a potential issue, it's pretty much open-ended in terms
7 of whatever needs to be done to validate that?

8 A. Definitely.

9 MR. SHORI: Thank you.

10 MR. KATCHMAR: Peter Katchmar, DOT. No questions.

11 MR. GUNTHER: A few more.

12 BY MR. GUNTHER:

13 Q. Are you looking into the Integrity Management Plan of
14 the utilities in the state to look at this new long-seam threat
15 and to make sure that that is covered in the Integrity Management
16 Plans?

17 A. Definitely. That's a threat that has been identified
18 and per code, all threats have to be considered when the lines are
19 assessed and are looked at, and the next Integrity Management
20 audit for each utility will definitely include this, as a threat,
21 but before even going to the next audit we are working with
22 utilities to make sure that they strengthen their Integrity
23 Management programs to account for this new threat or threats that
24 are identified as part of this accident investigation.

25 MR. GUNTHER: Thank you. No more questions.

1 MS. JACKSON: No questions.

2 MS. MAZZANTI: No questions.

3 MR. SPERRY: No questions at this time.

4 MR. CHHATRE: I just have a few questions.

5 BY MR. CHHATRE:

6 Q. How often do you guys audit each utility, a time frame?

7 A. Each utility is different. For PG&E we do their -- they
8 have transmission and distribution, district and divisions, and we
9 do the distribution every two years, I believe, and the
10 transmission once every three years.

11 Q. Going back say last ten years, nine years, audits, do
12 you call them audits or inspections?

13 A. Audits.

14 Q. Audits, okay. Are there any actions taken or
15 deficiencies found with PG&E?

16 A. Yes. Almost every audit that we have, there are usually
17 findings that we summarize and share with the utilities.

18 Q. And any deficiencies found on transmission lines?

19 A. Yes, there have been deficiencies found on transmission
20 lines.

21 Q. I realize you are typically removed from the actual work
22 at your audits but do you remember any particular deficiency that
23 concerned you or draw your attention to transmission lines?

24 A. For transmission lines, no. There isn't any significant
25 deficiency that we have found in the last few audits that we've

1 done of PG&E or even in the last ten years, something that is
2 really -- that, you know, that I can remember.

3 Q. I'm going to ask a specific question on Line 132. From
4 the start of this accident, I have been confused with Line 132
5 having 400 psi, as MAOP. At least one other line, I don't
6 remember, 101 or 109, has 375 MAOP. And the lines, from what I
7 understand so far, are interconnected with cross-ties. How does
8 CPUC interplead PG&E's contention that the MAOP is 400, when all
9 these lines are connected to each other? Or you guys do not pay
10 attention to that?

11 A. My interpretation of MAOP is -- the code interpretation
12 of MAOP, and if lines are interconnected, basically the lowest of
13 all the lines would become the MAOP of the entire system.

14 Q. I'm going to go back to Integrity Management real quick.

15 UNIDENTIFIED SPEAKER: Off the record.

16 MR. CHHATRE: Off the record.

17 (Off the record.)

18 (On the record.)

19 MR. CHHATRE: Back on the record.

20 BY MR. CHHATRE:

21 Q. Integrity Management, when the last PG&E audit was done
22 for that just for the record?

23 A. 2010.

24 MR. CHHATRE: Okay. That's all I have. Thank you much.

25 MR. NARVELL: I have a couple questions. Rick Narvell

1 with NTSB.

2 BY MR. NARVELL:

3 Q. Mr. Stepanian, my questions are going to be basically
4 directly towards kind of some components of California PUC, if you
5 could be conversant with that.

6 A. Sure.

7 Q. And specifically, is there an organization or a group
8 within PUC that is dedicated or focuses their efforts on what I'll
9 generally call risk reduction programs, risk mitigation programs.
10 Is there any type of a component or element within PUC that you
11 are aware of that addresses that?

12 A. As specific to gas safety?

13 Q. Okay. Yes, we'll start with that.

14 A. That would be part of our branch.

15 Q. Okay.

16 A. Utility Safety and Reliability. And to the extent that
17 we enforce the pipeline regulations, the federal pipeline safety
18 regulations, which incorporate risk assessment into the
19 requirements of Part 192, Integrity Management Program.

20 Q. Do you have dedicated personnel to do just that or is
21 that like an ancillary duty or other duties or are there specific
22 people that have training and experience in risk mitigation,
23 identification and mitigation?

24 A. No. The answer to the question, are there dedicated
25 people that do risk management? The answer is no. Everyone that

1 works in the gas section of my branch, their responsibility is the
2 same, which is basically to oversee gas safety and enforce the
3 pipeline safety regulations. But among these people, we have not
4 identified specific people whose duties are specific to risk
5 management.

6 MR. NARVELL: Okay, very well. Thank you very much.
7 That's all I have.

8 MR. CHHATRE: Any follow-up questions? If not, thank
9 you very much for your time. I know we kept you waiting there for
10 a couple of hours.

11 THE WITNESS: No problem. No problem at all.

12 MR. CHHATRE: Appreciate your help. Off the record.

13 (Whereupon, the interview was concluded.)
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CERTIFICATE

This is to certify that the attached proceeding before the
NATIONAL TRANSPORTATION SAFETY BOARD

IN THE MATTER OF: PACIFIC GAS & ELECTRIC COMPANY
 SEPTEMBER 9, 2010 ACCIDENT
 SAN BRUNO, CALIFORNIA
 Interview of Raffy Stepanian

DOCKET NUMBER: DCA-10-MP-008

PLACE: Burlingame, California

DATE: January 6, 2011

was held according to the record, and that this is the original,
complete, true and accurate transcript which has been compared to
the recording accomplished at the hearing.

Sandra K. Ledford
Transcriber