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**Exhibit No. 2-CM**

**NATIONAL TRANSPORTATION SAFETY BOARD**

**Washington, D.C.**

PG&E PIPELINE 2020 PROGRAM

(3 Pages)



Presented  
to NTSB  
on Jan. 13, 2011

## Pipeline 2020 Program

### Program Background

In October 2010, PG&E announced Pipeline 2020, a program for enhancing natural gas pipeline safety and reliability. The Pipeline 2020 program represents a substantial and long-term commitment of people and resources to ensure the safety and integrity of our gas transmission system. It involves a combination of targeted investments, research and development, improved processes and procedures, and enhanced coordination with public agencies. It has five major areas of focus:

1. Modernizing critical pipeline infrastructure
2. Expanding the use of automatic or remotely operated shut-off valves
3. Spurring the development of next-generation inspection technologies
4. Developing industry-leading best practices
5. Enhancing public safety partnerships

Pipeline 2020 efforts will include collaboration with the following groups to enhance our ongoing efforts to adopt industry best practices:

- State and federal regulators,
- Industry and scientific experts and
- Local agencies

### Program Update

- In the weeks following the San Bruno accident, PG&E began working with companies that provide natural gas transmission services to establish immediate and important industry best-practices.
- PG&E is in the process of creating a nonprofit entity that will encourage and fund research and development proposals to spur the development of next-generation inspection technologies. The initial \$10 million in funding will be provided by PG&E, not our customers.
- Some of the elements of the program, such as enhancing our emergency response programs with local communities and first responders, can be done immediately. We are currently meeting with first responders to assess their needs, improve coordination and provide pipeline data and other needed information.
- For other aspects of the program, such as pipeline modernization and installation of automatic or remotely operated shut-off valves, PG&E is working with regulators, independent experts and other stakeholders to determine the right criteria and timing.
- PG&E plans to make a filing with the CPUC in the first half of 2011 that lays out the Pipeline 2020 program.

## Pipeline 2020 Vision

Objective 1: Expeditioniously ensure the integrity and quality of our gas transmission pipelines:

- Validate gas transmission pipeline margin of safety data including:
  - Factor of safety
  - Material, manufacture, age and source
  - Condition assessment (through multiple testing approaches)
- Ensure Gas Transmission Pipe (>30% SMYS) is "piggable" through:
  - System retrofits
  - 2020 technological advancements
- Use construction, maintenance, safety and operating practices that are recognized as rigorous and state of the art
  - Work collaboratively with regulators and industry to evolve state of the art technologies
  - Become an early adopter of new cutting-edge pipeline inspection and safety technologies

Objective 2: Our focus on quality and pipeline integrity will ensure the safety of the system but we are at all times prepared for unplanned events:

- Automate key valves so they can be closed in minutes
  - Give operators the information to make this decision, or have local control in place to automatically trip the valves
  - Valves are spaced so that in case of a full pipeline rupture, pressure in the pipe will dissipate in minutes
  - Employ leading-edge seismic protocols
- Help create an integrated, sustainable, statewide common approach to emergency response
  - Develop approach collaboratively with first responders, regulators, communities and other pipeline operators
  - Train and practice by using hands-on approach.
  - Incorporate other emergency response protocols such as those used in electric transmission and distribution

# **PG&E Announces Pipeline 2020 Program for Enhancing Natural Gas Pipeline Safety and Reliability**

**Release Date:** October 12, 2010

**Contact:** PG&E External Communications (415) 973-5930

SAN FRANCISCO, CALIF. – Pacific Gas and Electric Company (PG&E) today announced Pipeline 2020, a program with five areas of focus to strengthen the utility's natural gas transmission system through a combination of targeted investments, research and development, improved processes and procedures, and tighter coordination with public agencies. Going well beyond regulatory requirements, Pipeline 2020 will augment a series of safety and reliability initiatives that PG&E began or expanded in the wake of last month's San Bruno tragedy.

"Pipeline 2020 will guide PG&E in fulfilling our pledge to customers and the public to ensure the safety and integrity of our gas transmission system," said Chris Johns, President, Pacific Gas and Electric Company. "PG&E will collaborate with state and federal regulators, industry and scientific experts, and local agencies to enhance our ongoing efforts to adopt industry best practices, invest in system upgrades and, where possible, advance the state of the art of gas pipeline inspection procedures and technology. Pipeline 2020 represents a substantial and long-term commitment of people and resources to restore confidence and trust in PG&E's gas transmission system."

PG&E's Pipeline 2020 program will focus the company's efforts on five major areas:

- **Modernize Critical Pipeline Infrastructure**—PG&E will consult with regulators and engage industry experts on a multiyear modernization initiative to upgrade key gas transmission pipeline segments located in heavily populated and other critical areas. The company will work with an independent third-party expert to review and assess PG&E's long-term roadmap, including criteria for prioritizing critical pipeline segments. Among the goals of the initiative will be to ensure that all upgraded lines can accommodate state-of-the-art inspections, including those using pigging technologies.
- **Expand the Use of Automatic or Remotely Operated Shut-Off Valves**—PG&E also proposes to consult with regulators and industry experts about expanding the use of automatic or remotely operated shut-off valves on segments of its gas transmission pipelines located in heavily populated areas. The valves will give PG&E operators the capability to shut off gas flows without having to dispatch crews. The company will also work with state and federal legislators to ensure industry-wide use of best available technologies and practices in this area.
- **Spur Development of Next-Generation Inspection Technologies**—To help catalyze technological advances that will improve pipeline safety nationally, PG&E will establish an independent, nonprofit entity dedicated to researching and developing next-generation pipeline inspection and diagnostic tools. At no cost to customers, PG&E will provide \$10 million to launch this organization, which will work with other industry partners, leading institutions and researchers with the expertise to make significant advances in this area.
- **Develop Industry-Leading Best Practices**—PG&E will closely review its practices related to pipeline integrity, safety and training—as well as practices used elsewhere in the industry—in order to develop industry-leading standards of excellence in this area. For example, the company will ensure that it is using state-of-the-art risk assessment techniques for prioritizing and planning work on its transmission pipelines.