



## Gas Asset Management

### Policy Statement:

Pacific Gas and Electric Company (PG&E) is committed to the safe, reliable, affordable management and operation of PG&E's gas assets for its customers, the public, and its employees by doing the following:

- Proactively managing the condition of gas assets,
- Identifying and reducing operational and enterprise risk,
- Meeting or exceeding the requirements of federal, state and local codes, regulations and requirements in an environmentally sustainable manner and,
- Establishing an asset management framework, and directing organizational focus on the most important asset risks and opportunities.

The gas asset management framework includes the following operating principles, aspirations, approach and expectations:

- 1) Foster a "safety-first" culture where employees and contractors understand the vision, strategic plans and the role they play in meeting PG&E's objectives, including the safe operation of gas assets.
- 2) Create an environment where employees and contractors feel empowered to report and raise safety and compliance issues by using a non-punitive, self-reporting corrective action system.
- 3) Understand the criticality and condition of assets and mitigate associated risks through effective use of asset management strategies and plans.
- 4) Apply process safety principles to design, construct, install, operate, maintain and decommission assets.
- 5) Use BSI-PAS 55 and ISO 55001 as common frameworks to achieve consistent and integrated application of asset management practices by employees across all gas functions.
- 6) Manage our assets to achieve acceptable and sustainable levels of risk and performance at an affordable cost over the life cycle of gas assets.
- 7) Maintain up-to-date documentation such as standards, codes, procedures, and drawings to manage gas assets throughout their life cycle; ensuring that this information is effectively communicated to those that need to know them and are qualified to use them.
- 8) Maintain and make accessible to all relevant users, accurate, traceable, verifiable and complete asset information, including all data and records.



Policy Statement (continued)

- 9) Verify that employees, contractors and subcontractors are competent, trained and qualified to design, construct, manage, operate, maintain and retire assets, and understand their critical role in the asset management process.
- 10) Assess and manage all major changes to assets, processes, organization, and technologies to manage risk and deliver safe, reliable and affordable service.
- 11) Establish and maintain appropriate Key Performance Indicators that measure progress against goals to reduce risk and keep assets healthy.
- 12) Investigate and analyze asset-related incidents to determine root causes and develop appropriate corrective actions.
- 13) Audit the implementation of corrective actions.
- 14) Regularly benchmark asset management performance internally and externally, and use the findings for continuous improvement.

This policy directs Gas Operations to develop an asset management strategy and objectives that support this asset management framework in alignment with the PG&E vision, and to perform periodic review to provide assurance that the framework is still current and effective.

**Target Audience:**

This policy applies to PG&E employees and contractors who work on or with PG&E gas assets and associated control systems. This policy does not apply to employees and contractors who work on or with gas assets and control systems owned and operated with third parties, including joint ventures.

**Accountability:**

The Vice President, Standards and Policies, Gas Operations is responsible for updating and monitoring compliance with this policy, and for issuing standards, procedures, and other guidance that implement this policy.





**Approval:**

<b>Key Contacts:</b>	Javid Khan, Sr. Director, Strategy and Process Excellence Roland Trevino, Vice President, Gas Operations Engineering & Design
<b>Reviewed by:</b>	Javid Khan, Sr. Director, Strategy and Process Excellence Mallik Angalakudati, Vice President, Financial & Resource Management
<b>Sponsoring Officer:</b>	Mallik Angalakudati, Vice President, Financial & Resource Management
<b>Final Review by Compliance and Ethics:</b>	The Compliance and Ethics representative reviewed the policy on October 15, 2014 as the final step before the policy received final approval.
<b>Approved by:</b>	Mallik Angalakudati, Vice President, Financial & Resource Management October 17, 2014
<b>Effective Date:</b>	November 3, 2014
<b>Scheduled Review:</b>	April 1, 2015

**Policy Revision History:**

<b>Date</b>	<b>Comments</b>
10/22/2014	Revised to include reference to ISO 55001.