

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 16, 2011

Christopher Johns, President
Pacific Gas and Electric Company
P.O. Box 770000
Mail Code B32
San Francisco, California 94177

Re: PG&E's Failure to Comply With Commission Rulemaking R.11-02-019, Resolution L-410, and National Transportation Safety Board Urgent Recommendations P-10-2, P-10-3, and P-10-4

Dear Mr. Johns:

In its response dated March 15, 2011, Pacific Gas and Electric Company ("PG&E") failed to comply with Commission Rulemaking R.11-02-019 and Resolution L-410, which directed PG&E "to determine the valid maximum operating pressure" (Maximum Allowable Operating Pressure, or MAOP) for certain high-risk gas transmission pipelines using "traceable, verifiable, and complete records" for which PG&E was directed to undertake an extensive search. This directive from the Commission to PG&E was based on National Transportation Safety Board ("NTSB") Recommendations P-10-2, P-10-3, and P-10-4, which the NTSB expressly identified as "Urgent."

In its March 15 response, PG&E failed to comply with this demand for information and analysis, and as a consequence PG&E is violating the Commission's order.

PG&E's March 15 response contends that "PG&E understands the intent to be to identify reliable records confirming the performance of a pressure test *or the determination of MAOP based on the historical high operating pressure.*" (PG&E Response, page 7 (emphasis added).)

PG&E has no legitimate or good-faith basis for the conclusion quoted above in italics. As you well know, the whole purpose of the NTSB's urgent safety recommendations, and for the Commission's directive to PG&E, was to find, to the extent possible, a basis for setting maximum allowable operating pressure by means *other than* the grandfathering method described in PG&E's response.

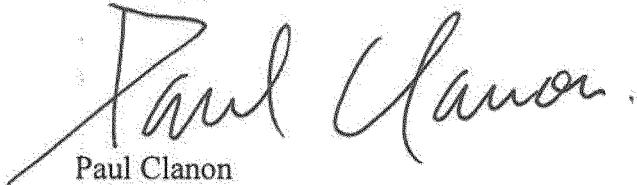
By its action, PG&E not only is refusing to comply with the plain terms of the Commission's orders and the NTSB's urgent safety recommendations, but worse, may be placing public safety in jeopardy. This is particularly inexcusable in the wake of the tragedy at San Bruno.

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I hereby direct PG&E forthwith to comply, fully and in good faith, with the terms of Commission Rulemaking R.11-02-019 and Resolution L-410. In particular, I direct PG&E to provide, to the fullest extent of its ability to do so, the information required by the foregoing Commission orders and by NTSB Urgent Safety Recommendations P-10-2, P-10-3, and P-10-4 for PG&E "natural gas transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas that have not had a maximum allowable operating pressure established through prior hydrostatic testing."

Please be advised that Commission staff will be recommending that the Commission issue an Order to Show Cause why PG&E should not be fined for its failure to comply.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon". The signature is written in dark ink and is positioned above the printed name and title.

Paul Clanon
Executive Director