

From: Prosper, Terrie D.  
Sent: 3/15/2011 5:44:56 PM  
To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: CPUC Information Alert: Proposed Decision Issued in PG&E Gas Transmission and Storage Case

### **CPUC Information Alert: Proposed Decision Issued in PG&E Gas Transmission and Storage Case**

The California Public Utilities Commission (CPUC) today issued an Administrative Law Judge's Proposed Decision in Pacific Gas and Electric Company's (PG&E) gas transmission and storage rate proceeding (A.09-09-013), which covers the period from Jan. 1, 2011, through Dec. 31, 2014, and for which a safety phase was added to ensure the safety and reliability of PG&E's gas transmission and storage system following the explosion of a PG&E gas pipeline in San Bruno. Commissioner Timothy Alan Simon is assigned to the proceeding.

The Proposed Decision is available at <http://docs.cpuc.ca.gov/EFILE/PD/132112.pdf> (Appendix: <http://docs.cpuc.ca.gov/EFILE/PD/132113.pdf>). Comments on the Proposed Decision will be accepted by parties until April 4, 2011. The first opportunity the CPUC's Commissioners have to vote on the Proposed Decision is April 14, 2011.

The Proposed Decision calls for:

- \* Adoption of a settlement agreement between PG&E and parties including TURN and DRA. The settlement resolves PG&E's revenue requirement and rates for its gas transmission and gas storage operations over a four year period. Under the settlement, a typical PG&E residential natural gas customer who uses 37 therms per month would experience a 0.7 percent increase in their monthly gas bill - from approximately \$51.60 per month to \$51.96 per month.

- \* Submission of a semi-annual Gas Transmission and Storage Safety Report by PG&E to the CPUC and to the service list for A.09-09-013 in order to ensure the safety and reliability of PG&E's gas transmission and storage system. The Gas Transmission and Storage Safety Report will allow CPUC staff to track PG&E's capital expenditure projects and operations and maintenance activities associated with PG&E's gas transmission pipelines and gas storage services over the four year rate cycle period. This will allow the CPUC to determine if the gas transmission pipeline projects that have been identified by PG&E as needing replacement or modification are being performed, or if other higher priority projects and operations and maintenance activities are being performed instead. The Safety Report will also allow staff to monitor PG&E's compliance with federal pipeline requirements (U.S. Department of

Transportation's Office of Pipeline Safety's Pipeline Integrity Management Program), which requires a gas transmission operator to assess and to manage the integrity of all of its gas transmission pipelines located in a high consequence area.

Another safety phase Proposed Decision will issue in the next couple of months in this proceeding that will address safety related actions that can be taken over this four year rate cycle to ensure the safe and reliable operation of PG&E's gas transmission and storage system. "This next phase is likely to address such issues as ensuring that fire departments throughout PG&E's service territory receive training and location information about gas transmission pipelines and gas shutoff valves, and ensuring that PG&E personnel are rapidly dispatched and deployed to an emergency situation," said Commissioner Simon, who also Chairs the Committee on Gas for the National Association of Regulatory Utility Commissioners.

Both the Proposed Decision issued today and the upcoming safety phase Proposed Decision are forward looking to ensure safe and reliable operation over the four year rate cycle covered in this proceeding (Jan. 1, 2011, through Dec. 31, 2014) - they do not examine what has happened in the past regarding the explosion in San Bruno. The CPUC has other ongoing proceedings to look into PG&E's pipeline records and the safety of all gas pipelines in California.

Please let me know if you have any questions.

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Terrie Prosper  
Director, News & Public Information Office  
California Public Utilities Commission  
(415) 703-1366  
[tdp@cpuc.ca.gov](mailto:tdp@cpuc.ca.gov)

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