

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's Own
Motion to Adopt New Safety and Reliability Regulations
for Natural Gas Transmission and Distribution Pipelines
and Related Ratemaking Mechanisms.

Rulemaking 11-02-019
(Filed February 24, 2011)

**COMMENTS OF THE GREENLINING INSTITUTE ON
THE ORDER INSTITUTING RULEMAKING**

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April 13, 2011

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I. Introduction

Pursuant to the Order Instituting Rulemaking (“OIR”), the Greenlining Institute (“Greenlining”) submits these comments regarding the scope of this proceeding. As requested by the OIR, Greenlining identifies its main objectives in this proceeding: 1) to ensure safe and reliable conditions for natural gas transmission and distribution pipelines; 2) to ensure that ratepayers do not unreasonably bear additional costs to ensure safety and reliability, when these costs have already been ratebased; and 3) to ensure that low-income and non-English speaking communities do not bear a disproportionate level of risk from natural gas transmission and distribution.

Greenlining notes that the OIR already has generally included the first two of Greenlining’s objectives within the scope of this proceeding. Greenlining especially supports the Commission’s exploration of ways to align utility ratemaking policies with continuing commitments to safety and reliability. The Commission should explore such concepts as

imposing cost sharing on shareholders or reducing the return on equity on expenditures that are not applied pursuant to a continuing commitment to safety and reliability.¹

However, Greenlining suggests broadening the scope of this proceeding to address the third objective, ensuring that no communities bear an unreasonable or disproportionate level of risk.

II. Additional Issues to be Included in the Scope of the Proceeding.

A. Emergency Preparedness and Language Minority Customers.

The OIR identifies “Local Emergency and Disaster Preparedness” as within the scope of this proceeding.² The OIR seems to address this issue narrowly, focusing on the nexus between utilities and local emergency authorities in the event of a catastrophe. However, Greenlining urges the Commission to address the issues of emergency preparedness more broadly, and to focus not just on the moments around a catastrophe.

The Commission should investigate what proactive steps utilities should take to prepare their customers for an emergency, well before one actually occurs. Thus, customer education regarding emergency preparedness should be an issue within this proceeding, since all the relevant safety concerns will already be on the table. The Commission should explore what kind of information the utilities already provide, as well as what they should provide moving forward to help customers avoid unsafe conditions and to prepare for emergencies. Within this issue, the Commission must specifically address education for language minority customers.

If the Commission will address the utilities’ role at the moment of an emergency, Greenlining also urges the Commission to consider what utilities must do during these critical

¹ See OIR, pp. 11-12.

² See OIR, p. 15.

moments to help facilitate communication with all customers, including non-English speaking customers.

B. Ensure that No Communities Are Targeted with Elevated Risks.

The OIR states that this proceeding “will consider ways that this Commission can undertake a comprehensive catastrophic risk assessment for all natural gas pipelines regulated by the Commission.”³ Greenlining supports such a comprehensive risk assessment by the Commission. Greenlining urges the Commission to include an investigation into whether any individual communities or areas face particularly high risks from gas transmission and distribution. As a matter of urgent public policy, the Commission must ensure that low-income or communities of color do not face an elevated level of risk. While Greenlining does not suspect any intentional redlining of underserved communities in this respect, this proceeding’s comprehensive analysis of natural gas safety and pipeline integrity presents the ideal context in which to assure, and not just assume, that no one community has been put at a disproportionate risk.

III. Greenlining Supports the Proposed Rules for Immediate Implementation.

Greenlining generally supports the rules (found in Attachment A) proposed for immediate implementation. The new section 145 of General Order 112-E adds a measure of caution for PG&E’s operation of pipes that lack reliable, verifiable and complete records regarding the strength of the pipes. As demonstrated elsewhere in this proceeding, PG&E lacks such records for many miles of its high consequence pipes, so it is appropriate to apply this cautionary rule on PG&E and to apply it immediately.

³ OIR, p. 10.

Greenlining also supports the addition of reporting requirements. The immediate application of this rule is necessary so that this proceeding benefits from as much information as possible regarding pipeline safety.

IV. Categorization of Proceeding and Need for Hearing.

Greenlining does not object to the categorization of this proceeding as ratesetting. Greenlining believes that the factual nature of some of the issues in the proceeding will require evidentiary hearings. For example, the issue of whether previously ratebased expenditures related to safety and reliability were properly applied is an important issue of fact that will likely require the full evidentiary process.

V. Conclusion

Greenlining participates in this proceeding to advance safety and reliability concerns. We also wish to ensure that ratepayers do not pay again for safety and reliability measures for which they already paid. Finally, we want to ensure that no communities are left behind when improved infrastructure and safety measures are instituted.

Respectfully submitted,

Dated: April 13, 2011

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