

**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. )  
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R.11-02-019  
(Filed February 24, 2011)

**RESPONSE OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)  
AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)  
TO PACIFIC GAS AND ELECTRIC COMPANY'S MOTION FOR  
ADOPTION OF A MAXIMUM ALLOWABLE OPERATING  
PRESSURE VALIDATION METHODOLOGY AND  
REQUEST FOR ORDER SHORTENING TIME TO RESPOND**

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April 29, 2011

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Pursuant to Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) respond to Pacific Gas and Electric Company’s (PG&E) Motion for Adoption of a Maximum Allowable Operating Pressure Validation Methodology and Request for Order Shortening Time to Respond (PG&E’s Motion). On April 25, 2011, Administrative Law Judge Maribeth A. Bushey granted, in part, PG&E’s request to shorten time, ordering parties to respond to PG&E’s Motion by Friday, April 29, 2011.

SoCalGas and SDG&E support PG&E’s Motion to the extent it seeks guidance regarding the meaning of the phrase “traceable, verifiable, and complete records” as used in the National Transportation Safety Board’s (NTSB) Recommendation P-10-3. As PG&E explains in its motion, the NTSB did not provide any guidance as to how that phrase is to be interpreted when applying Recommendation P-10-3. Accordingly,

SoCalGas and SDG&E chose to work from the literal meaning of the phrase when conducting their records review, and as a result, did not validate the MAOP of any pipeline segment using the approach specified in Recommendation P-10-3.

The literal meaning of the phrase “traceable, verifiable, and complete records” would require a pipeline operator, as SoCalGas and SDG&E explain in their April 15 report, to “affirmatively state that no pipeline materials other than those specified and documented in identified records were installed. That is, records must demonstrate, without fail, that no components of any portion of the pipeline segment were changed subsequent to the date of identified records, effectively requiring a perfect chain of document custody for pipelines that may have been installed over fifty years ago and that have been subject to many different document retention regulatory requirements. This is a very difficult, if not infeasible, threshold to achieve.”<sup>1</sup>

It is not evident that NTSB intended such a literal interpretation. NTSB’s January 3, 2011, press release states that the intent of its safety recommendations was to have PG&E conduct an “intensive records search” to determine which pipes had not been strength tested and then to “[d]etermine the maximum operating pressure based on the weakest section of pipeline or component identified in the records search.”<sup>2</sup> Such a determination could be accomplished without requiring a “perfect chain of document custody” that a literal interpretation of “traceable, verifiable and complete records” would require.

It would therefore be beneficial to have Commission guidance on the proper interpretation of NTSB safety recommendation P-10-3. SoCalGas and SDG&E

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<sup>1</sup> *Report of Southern California Gas Company and San Diego Gas & Electric Company on Actions Taken in Response to NTSB Safety Recommendations*, p. 9, filed April 15, 2011.

<sup>2</sup> January 3, 2011 NTSB Press Release, available at: <http://www.nts.gov/pressrel/2011/110103.html>.

