

**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)

**CITY OF SAN BRUNO'S OPENING COMMENTS ON THE PROPOSED
RULES FOR IMMEDIATE IMPLEMENTATION**

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April 13, 2011

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I. INTRODUCTION

The Commission issued an Order Instituting Rulemaking on February 24, 2011 for new rules on the safe and reliable operation on natural gas pipelines in California. The City of San Bruno (the "City") respectfully submits its opening comments to Attachment A, the "Proposed Rules for Immediate Implementation." The City of San Bruno has a vested and continuing interest on behalf of its residents in this proceeding arising from the devastating pipeline explosion and fire that took place on September 9, 2010. Most tragic was the loss of eight lives that horrific evening and the process of regulatory rulemaking must remain fixed to that deadly result. Sixty-six persons were reported burned and injured. Some of these victims have already endured, and will continue to face long and difficult recoveries. Thirty-eight homes were destroyed, 17 were rendered uninhabitable and another 53 suffered less serious damage. A quiet neighborhood was destroyed.

The City's residents continue to deal with the impact and the loss they have experienced as a result of this tragedy, the City is already actively engaged in the long-term process of recovery and of rebuilding the community. The City also needs to restore that basic sense of safety and security for the residents in their homes and in their neighborhood that they once enjoyed and relied on. To this end, the City of San Bruno clearly understands that the City's success in achieving true long-term recovery means that the City must do everything possible, including participating in Commission proceedings, to assure that the terrible tragedy never happens again, ever, anywhere.

As a party to the Commission's proceeding, the City continues to support any investigation and proceeding in order to assure that residents' interests and concerns are addressed in this process and to help ensure that a full and accurate conclusion is reached. Similarly, the City supports the efforts being undertaken by the Commission to complete the necessary fact finding and to impose the necessary and appropriate actions and oversight required to protect residents' safety and that of residents throughout the State of California. Specifically, the City looks to the Commission as the authority for regulation of utilities in California to achieve the following outcomes by enacting rules to protect the City's residents' safety.

II. DISCUSSION

The City believes that the Commission has identified several safety issues that need to be addressed by the Commission and is confident that the Order Instituting Rulemaking will address all of those issues.

A. Section 145: Strength Test Requirements for Certain Pipelines Operated by Pacific Gas & Electric Company

The City believes that Section 145 to General Order 112-E, namely that PG&E is prohibited from operating any natural gas transmission line that meets all the characteristics in subsection 145.2 at more than 80% of actual maximum operating pressure is appropriate and necessary at least until such time as it can be conclusively demonstrated that the necessary documentation, inspection, and maintenance and operational procedures are in place to assure public safety at maximum operating pressures. However, the City is concerned that the segment of PG&E's Pipeline 132 that failed on September 9, 2010 may have been constructed using an unusually configured pipe segment that may not have been intended to be in a high-pressure gas transmission pipeline. As well, the City respectfully reserves the right to refine or add additional comments and recommendations on Section 145 in any subsequent Commission proceeding.

B. Proposed Revisions to Reporting Requirements in General Order 112-E, Section 122.2

The reporting requirements to the Commission under this section appear to be appropriate and adequate. However, the City takes issue with the adequacy of PG&E's operational procedures in place at the time the pipeline ruptured. Accordingly, the City respectfully requests that the Commission take that issue into consideration. As well, the City respectfully reserves the right to refine or add additional comments and

recommendations on the proposed revisions to reporting requirements in General Order 112-E, Section 122.2 in any subsequent Commission proceeding.

C. The Safety Concerns Outlined in Attachment B Should Take Priority To Protect the Public and Promote Pipeline Safety

Although the Commission will take into review and consider additional pipeline safety issues, the City respectfully requests that the Commission prioritize the proposed rules as outlined in Attachment B. It is the City's understanding that subsequent proceedings will address the safety issues as outlined in Attachment B. However, the City respectfully requests that the Commission focus on the urgent safety concerns as outlined in Attachment B, especially since Pipeline 132 carries high pressure gas through residential areas of San Bruno and other parts of the Peninsula.

Specifically, the City respectfully requests that the Commission focus on the below urgent safety concerns. First, the City believes that improved and more rigorous inspection and testing of high pressure gas transmission lines is critical. Secondly, if necessary, the City believes that full replacement of high pressure gas transmission lines, especially those installed prior to 1970 and which traverse heavily populated "high consequence" areas should be required. Thirdly, the City looks to the Commission to call for greater use of automatic shut-off valves or remotely controlled shut-off valves for gas transmission lines in "high consequence areas". The City's experience has demonstrated the need for improved instrumentation to allow Gas Control staff to more effectively monitor and regulate gas pressure along the entire length of the lines from Milpitas to the Martin Station. Next, the City's residents and those in other communities need more and

better information from pipeline operators to improve public awareness of the existence, operation and hazards related to high pressure gas transmission lines in populated areas. Lastly, focused emergency response training regarding gas transmission line failures and other emergencies and a one-call system to assure timely communication between operators and first responders are critical for our communities' first responders.

III. CONCLUSION

Based on the foregoing, the City requests that the Commission prioritize the safety concerns as outlined in Attachment B.

Respectfully submitted,

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April 13, 2011

CERTIFICATE OF SERVICE BY ELECTRONIC MAIL

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of Alameda; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is 555 12th Street, #1500, Oakland, California, 94607

I am readily familiar with the business practice of collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On April 13, 2011 I served a true copy of :

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BY E-MAIL OR ELECTRONIC TRANSMISSION: serving the enclosed via e-mail transmission to each of the parties listed on the official service list (attached) for **R.11-02-019** and **I.11-02-016** with an email address.

BY MAIL: by placing the enclosed the document for collection and mailing, in the course of ordinary business practice, with other correspondence, enclosed in a sealed envelope, with postage fully prepaid, addressed to those parties listed on the official service list (see attached) for **R.11-02-019** and **I.11-02-016** without an email address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed in Oakland, California on April 13, 2011.

/s/ Kathy Thomas 
Kathy Thomas