

**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 RESPONSE 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 28, 2011

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FOR ORDER SHORTENING TIME TO RESPOND**

I. DISCUSSION

On April 21, 2011 Pacific Gas and Electric Company ("PG&E") filed a "motion for adoption of Maximum Allowable Operating Pressure ("MAOP") validation methodology and request for order shortening time to respond." Essentially, PG&E is asking the Commission to act "urgently" to issue an order which approves an assumption based methodology for validation of MAOP of PG&E's class 3 and 4 locations and class 1 and 2 high consequence area natural gas transmission pipeline ("HCA Pipeline").

The National Transportation Safety Board's ("NTSB") urgent safety recommendations issued to PG&E on January 3, 2011 state in relevant part:

1. Aggressively and diligently search for all as-built drawings, alignment sheets, and specifications, and all design,

construction, inspection, testing, maintenance and other related records, including those records . . . relating to pipeline system components, such as pipe segments, valves, fittings, and weld seams 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 [MAOP] established through prior hydrostatic testing. These records should be traceable verifiable, and complete . . . (P-10-2) (Urgent)

2. Use the traceable, verification and complete records located by implementation of [the above recommendation] to determine the valid [MAOP], based on the weakest section of the pipeline of component to ensure safe operation, of [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 operation pressure established through prior hydrostatic testing. (P-10-3) (Urgent)
3. If [PG&E is] unable to comply with Safety Recommendations P-10-2 (Urgent) and P-10-3 (Urgent) to accurately determine the [MAOP] of [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 [MAOP] established through prior hydrostatic testing, determine the [MAOP] with a spike test followed by a hydrostatic pressure test. (P-10-4)

The above-cited NTSB urgent recommendations issued on January 3, 2011 are not complicated, nor are they ambiguous. After a diligent search in accordance with NTSB P-10-2 (urgent), PG&E now admits that it does not have satisfactory, verifiable, and complete records to enable it to meet NTSB P-10-3 (urgent) for 705 miles of HCA Pipeline. Accordingly, NTSB P-10-4 is very specific and clear. From the plain reading of its recommendation, if PG&E cannot comply with NTSB P-10-3 (urgent), then it should empirically determine the MAOP by pressure testing the HCA Pipelines. The City recognizes that the Commission did not fully adopt NTSB P-10-4 and left open the

issue of determining MAOP for HCA Pipelines and the City also recognizes that the Commission itself is the regulatory body, not the NTSB. However, the critical path to setting proper MAOP is clear and unambiguous and it should be empirically based and not assumption based.

Now PG&E urges this Commission to allow it to use “assumptions” about the components, materials, and specifications of HCA pipeline for which records are non-existent or incomplete. The City believes that erroneous assumptions are part of the reason why we are here today. PG&E “assumed” that the 1955 “grandfathered” Line 132 HCA Pipeline was manufactured, inspected, and installed properly according to the engineering standards of the day. Its records were also “assumed” to be accurate. The City has a valid reason to have concerns about assumptions. Eight people are now dead, many are severely injured, and a neighborhood has been destroyed partly based on the fact that these “assumptions” were wrong.

Once again, the NTSB recommendations to PG&E are clear, concise, and to the point:

1. Search for your records;
2. Use the records to establish MAOP; and
3. If you can't find the records, then set the MAOP based on pressure testing

At this point, four months after NTSB issued its urgent recommendations, the City is concerned that PG&E now does not understand “traceable, verifiable and complete records” when used in the context of setting a MAOP for a pipeline segment. As stated

above, NTSB's urgent recommendations issued on January 3, 2011 are not complicated and are appropriate considering the devastating damage that occurred partly based on "assumptions." PG&E argues that NTSB and the Commission's orders are "unprecedented," but so was the damage that killed eight people and destroyed a neighborhood. The City respectfully requests the Commission adopt and enforce NTSB's urgent recommendations P-10-2, P-10-3, and P-10-4 and either not grant the motion, or at a minimum, order further study to determine the appropriate timetable for establishing MAOP based on pressure testing or other state of the art engineering validation.

II. CONCLUSION

Based on the foregoing, the City respectfully requests that the Commission adopt and enforce NTSB's urgent recommendations P-10-2, P-10-3, and P-10-4.

Respectfully submitted,

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April 28, 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 28, 2011 I served a true copy of:

**CITY OF SAN BRUNO'S RESPONSE TO PACIFIC GAS AND ELECTRIC
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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** 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** 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 28, 2011.

/s/ Nancy Taylor
Nancy Taylor