

**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

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

**PACIFIC GAS AND ELECTRIC COMPANY'S MOTION
FOR DELEGATION OF AUTHORITY TO THE
EXECUTIVE DIRECTOR AND ADOPTION OF A
PROCEDURE TO OBTAIN AUTHORIZATION TO
RESTORE OPERATING PRESSURE**

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July 11, 2011

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Pursuant to Rule 11.1 of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company ("PG&E") moves for an order delegating authority to the Executive Director and adopting a procedure to obtain authorization to restore operating pressure on those pipelines where the PG&E is required to obtain authorization from the Commission prior to restoring normal operating pressure. This motion is made on the grounds that PG&E has been and will be pressure testing many of these pipelines and, PG&E anticipates seeking authorization to timely restore operating pressure to mitigate any adverse customer and operational impacts.

PG&E proposes that the Commission delegate authority to the Executive Director to approve restoration of operating pressure. PG&E further proposes a procedure whereby PG&E will submit proof to the Executive Director and to the Consumer Protection and Safety Division ("CPSD") of prior or current pressure tests for each segment in a Class 3 or Class 4 location, or a Class 1 or Class 2 High Consequence Area ("HCA") on the portion of a transmission line where pressure has been reduced pursuant to Commission directive. The Executive Director, with concurrence of CPSD, would have the authority to approve restoring normal operating pressure.

PG&E does not intend Line 132 to be covered by this procedure, and expressly excludes Line 132 from this motion and the requested procedure. PG&E does not currently have any need

to restore pressure in Line 132, and we recognize that, in light of the San Bruno accident, any decision on restoring pressure on Line 132 should be open to public participation. Accordingly, when and if PG&E determines that it needs to increase the pressure on Line 132, we will file a separate motion, or whatever procedural vehicle the CPUC prefers, to do so.

I. BACKGROUND

Following the accident in San Bruno, the CPUC issued three different directives to PG&E to reduce pressure on certain pipelines.

First, on September 13, 2010, Executive Director Paul Clanon directed PG&E to reduce the operating pressure on Line 132 to 20% below the operating pressure at the time of the accident. On September 10, three days prior to that letter, PG&E had reduced the operating pressure of Line 132 by 10%. In response to the CPUC's letter, PG&E further reduced the operating pressure of Line 132 an additional 10% to 300 psig, for a total reduction of 20% below the operating pressure prior to the accident. At the same time, PG&E also reduced the operating pressure on Peninsula transmission Lines 101 and 109, and associated cross-ties on the Peninsula transmission system, including Lines 132A and 147, to 300 psig.^{1/} On September 24, 2010, the Commission issued Resolution L-403 ratifying the Executive Director's letter and ordering PG&E to "retain that lower pressure level until such time as the Commission allows PG&E to increase the pressure on Line 132." (Resolution L-403, Ordering Paragraph 10.)

Second, on December 16, 2010, Executive Director Clanon directed PG&E to reduce the operating pressure to 20% below the Maximum Allowable Operating Pressure ("MAOP") for each gas transmission line with segments a) classified as Class 3 & 4, or Class 1 & 2 HCAs; b) containing 30-inch diameter pipelines having Double Submerged Arc Welds ("DSAW") or its manufacturing equivalent; c) installed prior to January 1, 1962, and (d) that have not been pressure tested. The December 16, 2010 letter required that PG&E obtain Commission

^{1/} The operating pressure of the three Peninsula transmission lines downstream of Lomita, Martin and Sullivan regulation stations, respectively, was already below 300 psig.

authorization before re-pressurizing any pipelines that had its pressure reduced pursuant to this directive. The December 16, 2010 letter further provided that:

To obtain such authorization, PG&E shall submit to the Commission information:

- a. identifying pipeline segments described in this directive; and
- b. assessing the condition of the segments identified in this directive; and
- c. setting forth all actions taken to meet these directives including a description of the actions taken to make the pipeline segments safe for a return to normal pressures.

PG&E has reduced the operating pressure on Line 131 between Milpitas and Irvington, Line 153 between Irvington and Marina Station, and on certain short cross-ties just outside Milpitas terminal.^{2/} On January 13, 2011, the Commission issued Resolution L-410 ratifying the Executive Director's December 16, 2010 letter and ordering PG&E to take all actions contained therein. (Resolution L-410, Ordering Paragraph 1.)

Finally, on February 2, 2011, Executive Director Clanon directed PG&E to reduce operating pressure on Line 148 and Distribution Feeder Mains (DFMs) 0805-01, 0807-01, and 1816-01, all of which had experienced pressure excursions of 10% or more above MAOP. The February 2 letter also directed PG&E to reduce operating pressure on any additional transmission lines with segments in HCAs that experienced pressure of 10% or more above MAOP. PG&E was directed to "maintain these pressure reductions until such time as the Commission allows PG&E to return the lines to their normal operating pressures." In response to this letter, PG&E has reduced pressure on Line 148, DFMs 0805-01, 0807-01, and 1816-01, and on Line 300B upstream of the Topock compressor station and within the suction side of the compressor station.

^{2/} Lines 105A, 105A-1, 105N, and 132 have segments that generally meet the criteria set forth in the Commission's December 16, 2010 letter. Lines 105A, 105A-1 and 105N are not currently operated as transmission lines, and hence do not fit within the December 16, 2010 letter which was limited to transmission lines as defined by 49 CFR 192.3. PG&E did not reduce pressure in these lines in response to the December 16, 2010 letter, as Lines 105A, 105A-1 and 105N have been operating 20% below their MAOP for years. Line 132's operating pressure was already lowered in September in response to the September 13, 2010 letter and Resolution L-403.

II. THE COMMISSION SHOULD DELEGATE AUTHORITY TO THE EXECUTIVE DIRECTOR AND ADOPT A PROCEDURE TO AUTHORIZE PG&E TO PROMPTLY RESTORE OPERATING PRESSURE ONCE THE SAFETY CONCERNS HAVE BEEN ADDRESSED.

Pursuant to the three Commission directives described above, PG&E has reduced operating pressure on portions of more than a dozen lines, DFMs and cross-ties: Lines 101, 109, 131, 132, 132A, 147, 148, 153, 300B, and DFMs 0805-01, 0807-01, and 1816-01, plus a number of short cross-ties outside Milpitas Station.^{3/} PG&E intends to restore operating pressure to prior levels on these segments after it provides records of successful pressure tests (or pipe replacement) for all Class 3 and Class 4 locations and Class 1 and Class 2 HCAs. Once those safety measures have been successfully completed, PG&E and the Commission need a streamlined procedure to restore operating pressure in a timely manner so as to avoid delays and adverse customer impacts.

PG&E anticipates needing to raise pressure on the portion of Line 300B and the suction side of the Topock compressor station in September 2011 to avoid adverse customer effects not only on the PG&E system but also on the Southern California Gas Company system, and needing to raise pressure on certain other lines by November 2011 to be ready for the winter season. Given the number of lines potentially involved, and the need to restore pressure on several of these lines before the winter, the most effective and efficient approach is for the Commission to delegate authority to the Executive Director.

PG&E proposes that the primary measure for restoring normal operating pressure be a complete set of successful pressure test records for all Class 3 and Class 4 locations and Class 1 and Class 2 HCAs. PG&E would provide the Executive Director, and CPSD, with a letter identifying (a) the segments involved, i.e., the segments where pressure was reduced, (b) which CPUC directive(s) mandated that PG&E reduce pressure on that segment, (c) the pressure test record(s) covering each Class 3 and Class 4 locations and Class 1 and Class 2 HCA segments,

^{3/} PG&E was not ordered to reduce pressure on Lines 101, 109, 132A and 147; rather, PG&E reduced operating pressure on those lines at the same time that it reduced pressure on Line 132. Commission staff has indicated that PG&E should seek Commission approval before restoring operating pressure to pre-September 2010 levels on any Peninsula transmission lines.

(d) the current operating pressure, (e) the proposed maximum operating pressure, and (f) any other information the Commission deems necessary and appropriate. Existing application and advice letter processes do not provide adequate operational flexibility and responsiveness given the potential adverse customer impacts of delay. PG&E proposes that the Executive Director respond to a letter as described above with a return confirmation letter as soon as possible or necessary under the circumstances, but within no more than 10 business days.

This is not intended to be the exclusive procedure by which PG&E can obtain authorization to restore operating pressure. There may be situations where for unique reasons, or in emergency circumstances, both PG&E and Commission staff may agree on a different approach^{4/}. Delegation of authority to the Executive Director will provide appropriate Commission oversight and will minimize unnecessary delays or adverse customer impacts.

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^{4/} For example, for seamless pipe an engineering analysis may be preferable to a pressure test.

CONCLUSION

The Commission has ordered PG&E to maintain lower operating pressures on certain lines until authorized by the Commission to restore pressure. This motion proposes a simple, straightforward, responsive and safe approach for obtaining that authorization in a timely manner.

Respectfully submitted,

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/s/

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