

**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)

**COMMENTS OF THE CITY AND COUNTY OF SAN FRANCISCO
ON THE PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE BUSHEY
ADOPTING PROCEDURES FOR LIFTING OPERATING PRESSURE REDUCTIONS**

I. INTRODUCTION

Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, the City and County of San Francisco ("CCSF") submits these comments on ALJ Bushey's Proposed Decision Adopting Procedure for Lifting Operating Pressure Restrictions, (the "Proposed Decision"), mailed August 9, 2011.

The Proposed Decision denies Pacific Gas & Electric's ("PG&E") Motion for Delegation of Authority to the Executive Director and Adoption of A Procedure to Obtain Authorization to Restore Operating Pressure, filed July 11, 2011. Instead, the Proposed Decision establishes information requirements and an expedited hearing process for such requests in the future. The Proposed Decision also sets forth more immediate procedural and substantive mechanisms to address PG&E's request to raise pressure on Line 300B and the suction side of the Topock compressor.

CCSF generally supports the Proposed Decision and agrees in particular with its determinations that (i) the process proposed by PG&E is inadequate to allow the Commission to

carry out its responsibilities,¹ (ii) “[i]ncreasing operating pressure in PG&E’s transmission pipelines has significant implications for public safety,”² and (iii) “[t]he public deserves to be informed about PG&E’s proposed pressure increases and to have an opportunity to assess PG&E’s evidence in support of the request.”³

CCSF proposes several minor modifications to enhance the requirements established by the Proposed Decision. First, CCSF supports the requirement that all requests to raise operating pressure, along with supporting information, be served on all parties to the rulemaking and officials of the affected local entities. However, the Commission should clarify that communications between PG&E and Consumer Protection and Safety Division (“CPSD”) regarding the request will be made public as well. Second, the Commission should ensure that the record adequately addresses the necessity of the requested pressure increases. Third, any analysis of whether to restore operating pressure must take into account the reasons why the Commission ordered the pressure reduction in the first instance.

II. DISCUSSION

1. **Communications Between PG&E and the Commission Related to Requests to Increase Pressure Should be Public.**

CCSF supports the Proposed Decision’s requirement that all requests to increase operating pressure to be made public.⁴ The Proposed Decision, however, does not go far enough to ensure transparency in these important matters of public safety. The communications between PG&E and the Commission should also be made public, including PG&E’s communications with the Executive Director and CPSD.⁵ Making these communications public is equally as important as making public the actual requests to increase the operating pressure.

¹ Proposed Decision at p. 7.

² *Id.*

³ *Id.*

⁴ *Id.* at p. 8.

⁵ As noted in CCSF’s response to PG&E’s motion, letters between the Commission and PG&E regarding the pressure reductions were made public at the time of issuance.

Such transparency is particularly important here because the communications between PG&E and CPSD may contain analysis and information that can assist local officials and the public in understanding the potential safety implications of granting or denying PG&E's request. The Proposed Decision directs PG&E to provide certain factual information ("Supporting Information") at the time of any request to raise the operating pressure.⁶ Included in the Supporting Information, is some proof that CPSD concurs with PG&E's assessment that it would be safe to raise the MAOP.⁷ CCSF supports this requirement. The Proposed Decision should be modified to clarify that other communications regarding the request should be made public also, even if they are not included in the Supporting Information.

2. The Supporting Information Should Address the Necessity of the Requested Pressure Increases

The Proposed Decision correctly requires PG&E to provide Supporting Information when it requests a pressure increase. Such information should include an explanation of why the increase is necessary. The Proposed Decision notes that "PG&E contends, and no party disputes, that the operating pressure restrictions on Line 300B and the suction side of the Topock compressor need to be promptly lifted to avoid adverse impacts for its customers as well as Southern Gas Company."⁸ At this juncture, the record contains insufficient information to evaluate PG&E's assertion. PG&E, CPSD, and ultimately the Commission will need to decide whether the risks associated with not increasing the pressure are more or less significant than the risks of increasing the pressure, to the extent any such risks remain. The Supporting Information should include specific information on the adverse consequences of not increasing the pressure so that parties, as well as decisionmakers, can review it.

⁶ Proposed Decision at p. 15.

⁷ *Id.* at p. 16.

⁸ *Id.* at p. 9.

3. The Supporting Information Should Specifically Address the Underlying Reasons Why the Commission Ordered the Pressure Reduction.

Any decision to raise the MAOP should consider the underlying reason why the MAOP was ordered reduced in the first instance. For example, the Commission ordered a pressure reduction for pipelines where the pressure was spiked 10% beyond the MAOP. Such pressure spikes trigger a requirement for PG&E to prioritize and assess the affected pipelines for manufacturing or construction defects pursuant to 192.917(e)(3). For example, PG&E reduced the pressure on Line 300B because the pressure on that line was spiked to 10% beyond the MAOP. Before allowing PG&E to raise the MAOP on Line 300B or any other spiked pipeline, the Commission should require some proof that PG&E has prioritized and assessed the potential manufacturing and construction defects on the affected pipelines. Such information should be included in the Supporting Information.

III. CONCLUSION

For the foregoing reasons, the Commission should adopt the Proposed Decision with the modifications identified herein.

Respectfully submitted,

DENNIS J. HERRERA
City Attorney
THERESA L. MUELLER
AUSTIN M. YANG
Deputy City Attorneys

Dated: August 29, 2011

By: _____ /S/
Austin M. Yang

Attorneys for:
CITY AND COUNTY OF SAN FRANCISCO
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Telephone: (415) 554-6761
Facsimile: (415) 554-4763
E-Mail: austin.yang@sfgov.org

Appendix

Findings of Fact

~~4. No party disputed PG&E's assertions that adverse consequences for its customers and Southern California Gas Company would result if the operating pressure of Line 300B is not increased in a timely manner.~~

6. Increasing operating pressure in PG&E's transmission pipelines has significant implications for public safety.

7. The public deserves to be informed about PG&E's proposed pressure increases and to have an opportunity to assess PG&E's evidence in support of the request.

Conclusions of Law

7. The motion and Supporting Information should be served on all parties to this rulemaking, and officials of affected local entities. Correspondence between the Commission and PG&E should also be made public.

8. Any PG&E requests to increase pressure must be adequately supported by relevant factual information and analysis.

9. The reasons for ordering the pressure reduction may trigger additional analysis that must be performed before the pressure may be raised.

10. This decision should be effective immediately

Ordering Paragraph

4. Pacific Gas and Electric ...

B. Reason for MAOP reduction

1. Proof that PG&E has satisfied any additional safety requirements triggered by underlying reason for pressure reduction.

Index of recommended changes

- The Commission should clarify that communications between PG&E and Consumer Protection and Safety Division (“CPSD”) regarding the request to raise operating pressure will be made public.
- The Commission should ensure that the record adequately addresses the necessity of the requested pressure increases.
- Any analysis of whether to restore operating pressure must take into account the reasons why the Commission ordered the pressure reduction in the first instance.

CERTIFICATE OF SERVICE

I, KIANA V. DAVIS, declare that:

I am employed in the City and County of San Francisco, State of California. I am over the age of eighteen years and not a party to the within action. My business address is City Attorney's Office, City Hall, Room 234, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102; telephone (415) 554-4698.

On August 29, 2011, I served:

**COMMENTS OF THE CITY AND COUNTY OF SAN FRANCISCO
ON THE PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE BUSHEY
ADOPTING PROCEDURES FOR LIFTING OPERATING PRESSURE REDUCTIONS**
by electronic mail on all parties in CPUC Proceeding No. R.11-02-019

The following addresses without an email address were served:

BY UNITED STATES MAIL: Following ordinary business practices, I sealed true and correct copies of the above documents in addressed envelope(s) and placed them at my workplace for collection and mailing with the United States Postal Service. I am readily familiar with the practices of the San Francisco City Attorney's Office for collecting and processing mail. In the ordinary course of business, the sealed envelope(s) that I placed for collection would be deposited, postage prepaid, with the United States Postal Service that same day.

JIM MCQUISTON
MCQUISTON ASSOCIATES
6212 YUCCA STREET
LOS ANGELES, CA 90028-5223

TRANSMISSION EVALUATION UNIT
CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET, MS-46
SACRAMENTO, CA 95814-5512

ROCHELLE ALEXANDER
445 VALVERDE DRIVE
SOUTH SAN FRANCISCO, CA 94080

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on August 29, 2011, at San Francisco, California.

/S/

KIANA V. DAVIS