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August 29, 2011

Mike Florio Commissioner, Public Utilities Commission San Francisco Office 505 Van Ness Avenue San Francisco, CA 94102

RE: NTSB Report and Proceeding (R.11-02-019) Schedule

Dear Commissioner Florio,

I wanted to put in writing my thoughts on the subject of our discussion last week, our shared concern about what appears to be a rushed schedule for the first phase of the pipeline safety rulemaking proceeding (R.11-01-019) and my concern at the lack of an official comment period for the report of the National Transportation Safety Board (NTSB), as was provided for the report of the Commission's Independent Review Panel (IRP).

The NTSB report will likely be the most significant document of this proceeding. The NTSB, in following their charge of promoting transportation safety, made early recommendations to the Commission, suggesting that it require PG&E to produce records to validate the MAOP of their pipes, or—if the utility couldn't—to require PG&E to determine MAOP through hydrostatic pressure testing. The Commission embraced these recommendations. In response to an NTSB advisory that stated that the ruptured pipe had incomplete welds, the Commission ordered pressure reductions on pipelines which share other similar characteristics with the pipeline that ruptured. The NTSB has provided the Commission with actionable recommendations, and I fully expect the final report to be a valuable tool for the Commission in formulating its new safety rules.

For this reason I believe that the NTSB report will merit a comment period, similar to that allotted for the IRP report, for parties to examine and discuss its contents.

Additionally, as stated in comments by several of the parties during the course of the proceeding including Plumbers/Pipefitters/Steamfitters, DRA, and TURN—five days of evidentiary hearings seem inadequate for a rulemaking with this size and consequence. The more contracted the hearing schedule, the less opportunity the smaller parties will have to present their cases before the Commission, and the more likely the utilities, which will have a great deal of material to present, will dominate the Commission's attention. The amount of time I have seen suggested as appropriate for hearings is about two weeks. I'm not sure what the right number is, but I'm sure that, given your experience before the Commission, you'll be able to find it.

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Again, thank you for your diligence and close attention to this proceeding thus far.

Sincerely, erry Hil Assemblymember, 19th District

cc: Michael Peevey, President Timothy Simon, Commissioner Catherine Sandoval, Commisioner Mark Ferron, Commissioner Paul Clanon, Executive Director Edward Randolph, Director of the Office of Government Affairs