

December 8, 2011

Darryl Gruen, Esq.  
Staff Counsel  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102-3298Re:

Re: I.11-02-016

Dear Darryl:

I write to respond to your December 7, 2011, letter. We understand from your letter that Legal Division may need additional time (three weeks) in which to complete its report. PG&E will support that request. To ensure that the Commission's hearing schedule remains on track, we will commit to maintain PG&E's June 25, 2012, response date notwithstanding the three-week delay in the staff report.

We share your desire to work cooperatively. We appreciate your willingness to extend the deadlines for discovery responses, and, when asked, to consider a narrowed scope on specific discovery requests. For our part, we have attempted to cooperate to the fullest extent with the work you are undertaking. You have our assurance that we will continue to do so, and want to make sure you appreciate the full extent of our efforts.

**PG&E diligently responded to numerous data requests, and will continue to do so.**

Over the past nine months we have responded to many Legal Division data requests. We have struggled more recently to keep pace because PG&E is balancing resources between critical winter gas system operational activities and responding to the many data requests that have been compressed into this recent narrow time period, which can be seen in the following comparison:

Data request questions between February and November 7, 2011	199 (290 including subparts)
Data request questions between November 8, 2011 and December 8, 2011	211 (316 including subparts)

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In addition to the increased volume in a compressed critical operational timeframe, some of the recent data requests are very broad, with many asking for documents or information spanning 50 or more years. To cite one recent example, Data Request 25-5(a) states:

“Provide details of all of the different asset inventory/stock control system(s) used by PG&E **since 1920** to track its pipeline stock.” (emphasis added).

Additionally, many seek voluminous amounts of information. Data Request 15-5 is not atypical:

“For each pipeline segment in its system since 1956 and until September 9, 2010, and for each year from 1956 to September 9, 2010, provide the highest pressure during that year reached on each such pipeline segment.”

This question is especially broad given that PG&E currently maintains approximately 5,800 miles of gas transmission and gathering pipelines consisting of approximately 20,000 segments. The data requests are also far ranging, placing demands on many different PG&E employees and organizations. For example, you have sent a data request that asks about Applied Technology Services (ATS) reports, followed by one about PG&E’s hydrotesting activities this past October and November, followed by one about both past and current recordkeeping activities, and followed by one about a creek bed near the rupture site that may have been filled by a developer in the late 1940s.

**Commissioner Florio has defined the scope of this proceeding.**

If, as you point out in your letter, PG&E has recently begun to express concern about the scope of the Legal Division’s discovery, it is with valid reason. On November 21, 2011, assigned Commissioner Florio issued a Scoping Memo and Ruling. He squarely defined four recordkeeping-specific issues in this phase:

1. Was PG&E’s gas transmission pipeline recordkeeping and its knowledge of its own transmission gas system, in particular the San Bruno pipeline, deficient and unsafe?
2. Did PG&E’s recordkeeping practices violate any provisions of the Public Utilities code, General orders, or Commission decisions?
3. Did PG&E’s recordkeeping practices violate any federal gas safety regulations and laws that the Commission is authorized to enforce in California?
4. Did PG&E’s recordkeeping practices violate other recordkeeping-related rules or requirements regarding its procedures, training, and supervision?

Commissioner Florio also gave notice (as the OII had previously done) that the proceeding may be broadened to “include alleged violations other than for recordkeeping” but he stated that any

broadening will occur after “the Commission’s Consumer Protection and Safety Division staff completed their investigation of the San Bruno pipeline rupture.”<sup>1/</sup>

**Existing resources should be examined first to avoid duplicative efforts.**

Now more than ever there is a need for Legal Division to review previously-provided data requests prior to making requests so that we can be more efficient in the discovery process. This includes information already available as a result of questions asked by the NTSB, CPSD<sup>2/</sup>, and during the IRP investigation. PG&E has significant gas-safety related projects underway. Responding to Legal Division data requests that substantially overlap with other data requests may require our gas resources to take time away from those activities.

We reiterate our request for Legal Division to prioritize its many discovery requests. The spreadsheet you attach to your letter is a good first step in this direction. In reviewing the timeline provided in Legal Division’s letter, we believe we can meet many of your proposed response deadlines. But even without completing our full review, we can tell you now that we cannot accommodate all of them.

**PG&E is committed to cooperating and adhering to its own response period.**

If Legal Division believes that it needs to ask the Commission for an additional three-week extension for filing its report, PG&E will support your request and, as mentioned above, will adhere to our present response date so that the proceeding remains on schedule. It is better to seek an extension than attempt to compress Legal Division’s numerous discovery requests and PG&E’s responses into an extremely short period of time that is simply not doable. We have already begun to review the spreadsheet that you included with your December 7<sup>th</sup> letter. We are available any time by telephone or in person to discuss the schedule and any of Legal Division’s concerns it have may have.

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<sup>1/</sup> You point to our responses to DRs 15-1 and 15-2, two data requests that follow up on information contained in the NTSB docket about the practice of operating pipelines at pressures needed to meet peak demand. When responding to DRs 15-1 and 15-2 we drew your attention to Commissioner Florio’s Scoping Memo. We did so to express concern that Legal Division’s questions (important as they may be) are outside the scope of issues Commissioner Florio defined for this phase of the OII. Notwithstanding that concern, we provided substantive and good faith responses to DRs 15-1 and 15-2, which included the production of 869 separate pdf files. It is true that we said that the documents “may” be responsive. We did so not to be evasive, but to communicate that documents we produced may be responsive to one or both of two questions addressing related subjects (both questions have numerous subparts and/or subsubparts).

<sup>2/</sup> We recently sent you an Excel spreadsheet that contained information about each San Bruno-related data request CPSD has sent to PG&E since September 9, 2010. As of November 29, 2011, CPSD had sent 31 separate data requests. As you might now be seeing, many of the Legal Division’s data requests overlap with prior CPSD requests. We would appreciate Legal Division review of the CPSD’s data requests with an eye towards further eliminating or narrowing the scope of the Legal Division’s outstanding data requests.

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Thank you again for your December 7<sup>th</sup> letter. It helps us to shape a plan for completing discovery and ensuring a timely and complete Legal Division report. We join in your pledge to continue to work cooperatively together.

Very truly yours,

/s/ LISE H. JORDAN

Lise H. Jordan

LHJ:rt

Cc: Robert Cagen, Esq., CPUC Legal Division  
Frank R. Lindh, General Counsel, CPUC