

**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)

**COMMENTS OF THE UTILITY REFORM NETWORK  
ON THE CPSD REPORT REGARDING THE SEMPRA  
PIPELINE SAFETY ENHANCEMENT PLAN**



Marcel Hawiger, Energy Attorney  
Thomas J. Long, Legal Director

**THE UTILITY REFORM NETWORK**

115 Sansome Street, Suite 900  
San Francisco, CA 94104  
Phone: (415) 929-8876 ex. 311  
Fax: (415) 929-1132  
Email: [marcel@turn.org](mailto:marcel@turn.org)

January 27, 2012

**COMMENTS OF THE UTILITY REFORM NETWORK  
ON THE CPSD REPORT REGARDING THE SEMPRA  
PIPELINE SAFETY ENHANCEMENT PLAN**

Pursuant to directions in Administrative Law Judge Bushey's Ruling of January 5, 2012, the Utility Reform Network ("TURN") submits these comments on the Safety Division Report concerning Sempra's pipeline safety enhancement plan ("PSEP").

**1. TURN Can Not Provide Detailed Substantive Comments Related to the Sempra Plan at This Time**

The November 2, 2011 Amended Scoping Memo of the Assigned Commissioner suspended the schedule for reviewing the Sempra Implementation plan, set a deadline of January 31, 2012 for testimony on the PG&E Implementation Plan, and ordered the CPSD to provide reports on the PG&E plan on December 21, 2011 and on the Sempra Plan on January 3, 2012.

In response to requests from the utilities, the Assigned Commissioner on December 21, 2011 provided all parties an opportunity to respond to the CPSD reports and revised the schedule for such comments.

While TURN appreciates the opportunity to comment on the CPSD Report, we are unable to provide detailed substantive analysis at this time. All our efforts have been focused on our testimony concerning PG&E, and we

cannot provide any detailed response concerning the CPSD evaluation of the Sempra Plans.

## **2. Even a cursory Review Indicates This Report is Much More Thorough than the Jacobs Consultancy Report on PG&E**

It is apparent, however, from even a cursory reading the CPSD report, that it includes much more significant independent review and evaluation of Sempra's proposal than the Jacobs Consultancy report on PG&E's implementation plan.<sup>1</sup> CPSD evaluates the appropriateness of Sempra's scope of work by both reviewing the decision process as well as conducting a sampling of actual work proposed in the plan.

CSPD finds that Sempra's scope of work may unnecessarily require replacement of all pre-1946 pipe without adequate consideration of pipe features and other threat evaluation methods. (CPSD, p. 10-11). CPSD also finds from their sampling that the work includes a large portion of Class 1 and 2 pipe, and that at least in some cases "the high priority mileage did not appear to dictate the scope of the project." (CPSD, p. 12).

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<sup>1</sup> In comments filed on January 13, 2012, TURN criticized the Jacobs Consultancy Report's superficial analysis and excessive deference to PG&E and its experts.

TURN commends CPSD for undertaking a sampling review of the projected work. Interestingly, we have found similar issues in PG&E's implementation plan, which likewise appears to select pipe replacement for certain pipe threats that should be addressed through testing or pigging. TURN has also found a substantial portion of Class 1 and 2 segments in PG&E's plan. The issue of whether lower-priority pipe is properly included based on operational conditions (i.e. short segments adjoining high priority segments which should be included in a testing or replacement project), or whether some lower priority pipe segments should be excluded from Phase 1 work is an important one that the Commission should address for both the Sempra utilities and PG&E, before authorizing any specific scope of work.

January 27, 2012

Respectfully submitted,

By: \_\_\_\_\_/s/\_\_\_\_\_

Marcel Hawiger, Energy Attorney  
Thomas J. Long, Legal Director  
**THE UTILITY REFORM NETWORK**  
115 Sansome Street, Suite 900  
San Francisco, CA 94104  
Phone: (415) 929-8876, ex. 311  
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