

From: Hagan, Jack (Brigadier General – CA)
Sent: 10/30/2012 11:27:04 AM
To: Doll, Laura (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=LRDD)
Cc: Halligan, Julie (julie.halligan@cpuc.ca.gov); Clanon, Paul
(paul.clanon@cpuc.ca.gov)
Bcc:
Subject: Re: Introducing a Draft Encroachment Compliance Plan for your consideration

Laura,

Good to see you in SOCAL. I have reviewed the ROW Encroachment Compliance Plan you sent me and have enclosed my overarching guidance on the ROW issue.

There needs to be a root cause analysis/investigation done in parallel with Compliance Plan. If PG&E does a through and complete Root cause analysis/investigation, then I don't have to conduct my own investigation. Along, with the root cause analysis/investigation, if we can come to an agreement on a complete package of the ROW encroachment compliance plan, penalties, and stipulations, then I will be able to pursue the simplest and quickest resolution with the Commission and thus avoiding an OII, a formal investigation, plus a lot of other red tape that will cause both of us to expend a great deal of time and energy on.

If you have any questions, let me know and we will get together and discuss them. I would really like to make this a quick win-win for both of us, so we can both declare a victory in establishing a not only new safety culture, but a new culture in the relationship between the regulating authority and industry. A collaborative relationship to seek win-win solutions to provide SAFE, Reliable, and Affordable energy.

Regards,

BG H

Brigadier General (CA) Emory J. Hagan, III

ejh@cpuc.ca.gov

From: Doll, Laura [mailto:LRDD@pge.com]
Sent: Monday, October 22, 2012 3:05 PM
To: Hagan, Jack (Brigadier General – CA)
Cc: Clanon, Paul; Halligan, Julie
Subject: Introducing a Draft Encroachment Compliance Plan for your consideration

General Hagan

We heard the good news that you will be able to return to work in San Francisco this week. As soon as your schedule permits, we look forward to arranging time with you and the key people on our gas team to discuss a variety of gas pipeline safety projects both planned and underway at PG&E.

In the meantime, Paul Clanon suggested I contact you about an issue we have been discussing with CPSD since June regarding encroachments, such as structures and trees, on PG&E's natural gas transmission rights of way (ROWs). PG&E has conducted a pilot program to identify and remediate encroachments on two 10-mile segments, and is taking lessons learned from the pilot to roll the process out across its system.

A copy of the proposed ROW Encroachment Compliance Plan, which we provided to and discussed earlier with Julie Halligan and Sunil Shori, is attached for your review. The Plan contains measurable goals, provides regular reporting to CPSD, and includes penalties for failure to meet commitments. It anticipates that PG&E's shareholders will be responsible for the costs of identifying and, in most cases, remediating the encroachments. Key to the Plan is a Pipeline Centerline Survey which is providing detailed pipeline location data and will identify existing ROW encroachments by the end of 2013. PG&E will prioritize encroachment remediation using a risk-based assessment process. The remediation process necessarily will involve extensive customer engagement across PG&E's territory.

Paul's initial reaction was that this approach seemed consistent with his understanding of the direction you wanted to take toward a forward-looking model of regulatory oversight, and we hope you will agree.

I will be attending the Safety Leadership Conference in Los Angeles tomorrow and the CPUC meeting in Irvine this Thursday, October 25. Is there an opportunity to talk with you in southern California to get your initial reaction?

Best regards, and welcome back.

Laura

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