

**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)

**PACIFIC GAS AND ELECTRIC COMPANY'S COMMENTS ON
PROPOSED DECISION IN COMPLIANCE WITH
PUBLIC UTILITIES CODE SECTIONS 961 AND 963, AND AMENDING
GENERAL ORDER 112-E TO ADD WHISTLEBLOWER PROTECTIONS**

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Pacific Gas and Electric Company (PG&E) respectfully submits its opening comments on the California Public Utility Commission's (Commission) Proposed Decision In Compliance with Public Utilities Code Sections 961 and 963, and Amending General Order 112-E to Add Whistleblower Protections (Proposed Decision), issued on November 19, 2012, and on the accompanying Report of the Consumer Protection and Safety Division (CPSD) on Its Review of Gas Safety Plans Filed by Gas Corporations in Response to Decision 12-04-010 Amending Scope of Rulemaking 11-02-019 (Report).

I. PG&E DISAGREES THAT ITS GAS SAFETY PLAN CONTAINS MANY OF THE DEFICIENCIES IDENTIFIED BY CPSD.

CPSD identified deficiencies in PG&E's Gas Safety Plan in fourteen of the fifteen statutory categories that CPSD defined in its Report. (Report at p. 13.) PG&E objects to this characterization, as it appears in several cases that CPSD did not consider PG&E's Gas Safety Plan comprehensively in making its deficiency determinations. Additionally, PG&E is disappointed that the statutory interpretive guidance included in CPSD's Report was provided only now, well after PG&E and the other gas utilities had filed their initial Gas Safety Plans. (Report, CPSD Applied Criterion §§961 and 963, at pp. 7-12.)

As an example of PG&E’s objections to the deficiency findings, CPSD notes that PG&E’s safety plan “did not include a high level policy statement stating that PG&E will implement its approved Safety Plan,” which CPSD in its Report interprets Pub. Util. Code Section 961(b)(3) (“Each gas corporation shall implement its approved plan”) to require. However, PG&E’s Gas Safety Plan included an introductory letter from Nick Stavropoulos, its Executive Vice President, Gas Operations, stating in part: “This plan provides a comprehensive overview of what we are doing to strive to make our natural gas pipelines the safest and most reliable in the country....Our long-term goal of becoming the nation's safest gas utility is not some pie-in-the-sky dream. Since the tragic San Bruno accident in September 2010, we've made monumental progress in testing, validating and strengthening our pipeline system. Equally as important, though, is that we've begun to make the very necessary changes to strengthen the climate at PG&E of safety first, above all other priorities. We are steadfast in our commitment to achieve these goals for the people of California and for our industry as a whole.” (PG&E Gas Safety Plan, Introductory Letter, para. 2 and 4, emphasis added.) Likewise, PG&E goes on to say in the Executive Summary of its Gas Safety Plan that: “... The submission of this Gas Safety Plan fulfills the requirement of Public Utilities (PU) Code §§ 961 and 963 to address Senate Bill (SB) 705. More importantly, though, PG&E’s plan highlights current and committed work, and connects the dots between all of PG&E’s efforts to ensure safe and reliable operations of its gas system.” (PG&E Gas Safety Plan, p. 3, emphasis added.)

In short, PG&E believes that CPSD’s finding of a “deficiency” in PG&E’s Gas Safety Plan for not including “a high level policy statement stating that PG&E will implement its approved Safety Plan” is an unfairly narrow reading of the Plan, particularly since CPSD’s applied criterion for Pub. Util. Code Section 961(b)(3) was provided only after the utilities had filed their respective plans.

Attachment A addresses each of the 14 categories where CPSD identified a deficiency in PG&E’s Gas Safety Plan and, where applicable, provides citations to PG&E’s Plan where PG&E believes it properly addressed the purported deficiency.

II. PG&E WILL WORK CLOSELY WITH CPSD TO RESOLVE ANY DEFICIENCIES IN ITS GAS SAFETY PLAN AND WILL CONTINUE TO REFINE AND IMPROVE ITS PLAN.

PG&E agrees that the Gas Safety Plan is at the top of the hierarchy of documents that communicate a utility's gas safety program (Proposed Decision, p. 19), and is confident that the recent guidance and input from CPSD will only help to refine and improve its Plan. PG&E looks forward to working closely with CPSD to meet the June 2013 deadline for submitting its revised Gas Safety Plan and in continually improving that Plan beyond the June 2013 deadline.

III. WHISTLEBLOWER PROTECTIONS.

PG&E supports the Commission's proposed new whistleblower regulations, but recommends one clarifying change. The first proposed regulation requires gas utilities to post physical and electronic notices for employees and contractors informing them of their right to communicate public health and safety concerns with the Commission and providing them with contact information. PG&E supports this regulation, but believes it would be more appropriate to name the email inbox *safetyhotline@cpuc.ca.gov*, rather than *fraudhotline@cpuc.ca.gov*.

As stated previously in this rulemaking, retaliation is against both the law and PG&E policies. The second proposed regulation prohibits retaliation against employees for raising good faith health and safety concerns to the Commission. Retaliation is unacceptable and PG&E has no objection to the proposed language.

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IV. CONCLUSION.

PG&E appreciates the opportunity to provide these comments on the Proposed Decision and the accompanying CPSD Report, and looks forward to working with CPSD on the first revision of PG&E's Gas Safety Plan.

Respectfully Submitted,

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By: _____ /s/
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