

**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)

**PACIFIC GAS AND ELECTRIC COMPANY'S
2013 GAS SAFETY PLAN AND COMPLIANCE STATEMENT**

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Dated: June 28, 2013

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I. INTRODUCTION

Pursuant to Public Utilities Code Sections 961 and 963, and to the California Public Utilities Commission's (Commission) Decision Amending Scope of Rulemaking 11-02-019 and Adding Respondents (Decision 12-04-010), issued on April 20, 2012, Pacific Gas and Electric Company (PG&E) submitted its initial Gas Safety Plan for review and acceptance by the Commission on June 29, 2012. In accordance with the Ruling of the Assigned Commissioner Setting Schedule for Comment on Safety Plans, Granting Unopposed Motion to Move Exhibit Into Record, and Adopting Procedures for Commission Consideration of Request to Lift Operating Pressure Limitations on Line 131-30, issued on July 20, 2012, PG&E submitted a First Amendment to its Gas Safety Plan on August 24, 2012.

In its Decision in Compliance with Public Utilities Code Sections 961 and 963, and Amending General Order 112-E to Add Whistleblower Protections (Decision 12-12-009), issued on December 26, 2012, the Commission accepted all gas system operators' safety plans for filing but identified deficiencies in each plan. The Commission ordered that: "Each gas system operator shall, under the direction of the Consumer Protection and Safety Division [CPSD], resolve all deficiencies identified in the report approved in Ordering Paragraph 2, and each operator shall file and serve a compliance statement updating the safety plan showing how the deficiency was resolved no later than June 30, 2013."

In the Report of the Consumer Protection and Safety Division 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 (CPSD Report), included as Attachment A to D.12-12-009, CPSD described the identified deficiencies as follows:

CPSD believes the term “deficiency” should not be taken to mean that an immediate, or inherent, threat to the gas system necessarily exists, as a majority of operations and maintenance issues addressed by new PU Code §§ 961 and 963 have been mandatory operation and maintenance requirements for many decades. Also, numerous inspections of all gas pipeline operators have determined that operators do have written maintenance programs which they follow in performing activities related to: leak surveys, patrols, cathodic protection, damage prevention, emergency response, system repairs, and operator qualification, as examples. However, what “deficiency” does mean is that elements of a given operator’s safety plan do not clearly convey what CPSD, based on its applied criterion, believes an operator’s plan should provide in order to demonstrate compliance with the requirements of PU Code §§ 961 and 963 and the operator’s commitment to conducting all aspects of operations to not only meet, but exceed minimum regulatory requirements. CPSD Report at p. 14.

II. PG&E’S 2013 GAS SAFETY PLAN

In compliance with D.12-12-009 and in close consultation with CPSD (now the Safety and Enforcement Division (SED)), PG&E respectfully submits its 2013 Gas Safety Plan and Compliance Statement (Compliance Statement) to resolve the deficiencies identified by the Commission in its First Amended Plan, as well as to update that Plan. PG&E’s 2013 Gas Safety Plan is included as Appendix A to its Compliance Statement.

Appendix B to this Compliance Statement contains a Summary Table that lists (a) each Public Utilities Code requirement for gas safety plans, (b) a summary of SED’s guidance to operators on what is required to meet each of the code requirements, (c) for each deficiency identified in PG&E’s First Amended Plan, the Gas Safety and Reliability Branch’s (GSRB) explanation of why a deficiency was determined, (d) the section in PG&E’s 2013 Gas Safety Plan that addresses the previously identified deficiency, and (e) a summary of how the 2013 Gas Safety Plan addresses the previously identified deficiency.

The attachments to PG&E's 2013 Gas Safety Plan have been uploaded onto one (1) archival grade DVD and are contained at Appendix C.

In general, the changes to PG&E's First Amended Plan are focused on providing greater detail regarding PG&E's existing safety-related policies and procedures. PG&E's First Amended Plan focused more on its safety-related plans for the future and did not detail all of the extensive policies and procedures it currently has in place to maintain and operate its system safely, as well as to assess and manage the continued integrity of its system. PG&E's 2013 Gas Safety Plan provides a broader and more in-depth picture of those many existing safety-related policies and procedures.

SED has reviewed PG&E's 2013 Gas Safety Plan and agrees that it adequately addresses the deficiencies identified by the Commission in D.12-12-009. (See letter of June 27, 2013 from Michael Robertson, Program Manager, GSRB, to Nickolas Stavropoulos, Executive Vice President, Gas Operations, PG&E, included at Appendix D.) PG&E greatly appreciates the clarification and guidance provided by SED during this process, and looks forward to consulting with SED on future amendments to the Plan.

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III. CONCLUSION

PG&E respectfully requests that the Commission determine that PG&E's 2013 Gas Safety Plan and Compliance Statement meets the requirements of D.12-12-009 and Public Utilities Code Sections 961 and 963.

Respectfully Submitted,

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