



**Pacific Gas and
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July 15, 2013

VIA EMAIL: PAC@CPUC.CA.GOV

Paul Clanon
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: **R.11-02-019: PG&E's Request for Extension of Time to Comply with Ordering Paragraph 11 of Decision 12-12-030**

Dear Mr. Clanon:

PG&E writes to address two points raised by the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN) in their joint response to PG&E's request for an extension of time to comply with Ordering Paragraph (OP) 11 of Decision (D.) 12-12-030.

First, PG&E's request for an extension was independent of the parties' disagreement over the scope of the Update Application. DRA and TURN claim that the scope of the Update Application should be limited to instances in which PG&E has located qualifying pressure test records, and no longer needs to perform work on tested pipeline segments that were included within PG&E's 2011 PSEP filing. PG&E disagrees. The Update Application was intended to reflect the results of MAOP validation, and the Commission specifically ordered PG&E to submit an "updated pipe segment database" with its Update Application. (D. 12-12-030, p. 115). The MAOP Validation Project was not narrowly focused on locating strength test records, but instead was intended to validate, through source documents, all features and associated specifications¹ of PG&E's gas transmission pipeline system to meet the traceable, verifiable, complete standard articulated by the National Transportation Safety Board (NTSB). If PG&E learns something about a particular pipeline as a result of MAOP Validation that would change the appropriate mitigation for the pipeline under the Decision Trees, PG&E plans to include that information in its Update Application.² It is not consistent with D.12-12-030, or public safety, to ignore information that PG&E learns as a result of MAOP Validation and not include that in the Update Application. In any event, the issue of the scope of the Update Application should not be considered in the context of PG&E's request for an extension.

¹ Examples of specifications include Outer Diameter, Wall Thickness, and Long Seam Type.

² DRA and TURN claim that PG&E is trying to make an end-run around the cost caps specified in D.12-12-030. This is not true. There will be a reduction to the revenue requirement as a result of the PSEP Update Application.

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Second, DRA and TURN incorrectly state that PG&E President Christopher Johns represented to the NTSB that PG&E's MAOP Validation work was completed prior to January 31, 2013. The NTSB recommendation to which DRA and TURN refer was to determine the MAOP of "transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas [HCA] that have not had a maximum allowable operating pressure established through prior hydrostatic testing."³ Mr. Johns informed the NTSB in a letter dated January 31, 2013 that PG&E had completed MAOP Validation of all pipelines in class 3 and 4 locations and in class 1 and 2 HCAs. That was a true statement. In addition, Mr. Johns made clear in the January 31, 2013 letter to the NTSB that PG&E was in the process of validating all remaining transmission lines in non-HCAs by mid-2013, which is consistent with PG&E's representations throughout this proceeding. Mr. Johns made no misrepresentations to the NTSB or to this Commission.

Very truly yours,



Brian K. Cherry
Vice President – Regulatory Relations

cc: Administrative Law Judge Division (aljextensionrequests@cpuc.ca.gov)
Commissioner Michel Peter Florio
ALJ Maribeth A. Bushey
Official Service List for R.11-02-019

³ As PG&E has stated numerous times throughout the PSEP and other Commission proceedings, MAOP Validation under PSEP was for *all* gas transmission pipelines, including those in Class 1 and 2 non-HCAs.

CERTIFICATE OF SERVICE BY ELECTRONIC MAIL OR U.S. MAIL

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department B30A, 77 Beale Street, San Francisco, California 94105.

I am readily familiar with the business practice of Pacific Gas and Electric Company for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On July 15, 2013, I served a true copy of:

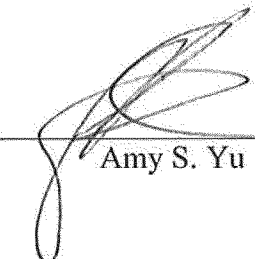
**PG&E'S RESPONSE TO DRA AND TURN JOINT RESPONSE TO
PG&E'S REQUEST FOR EXTENSION OF TIME TO COMPLY
WITH ORDERING PARAGRAPH 11 OF DECISION 12-12-030**

By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for R.11-02-019 with an e-mail address.

By U.S. Mail – by placing the enclosed for collection and mailing, in the course of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to those parties listed on the official service list for R.11-02-019 without an e-mail address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 15, 2013 at San Francisco, California.



Amy S. Yu