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Sent: 10/30/2013 12:32:15 PM
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Cc:
Bcc:
Subject: CPUC Information Alert: Proposed Decision Available

CPUC Information Alert: Proposed Decision Available

The California Public Utilities Commission (CPUC) today issued an Administrative Law Judge Proposed Decision that would fine Pacific Gas and Electric Company \$6,750,000 for violating Rule 1.1 of the CPUC's Rules of Practice and Procedure by not correcting promptly a material misstatement of fact in a pleading filed with the CPUC and by mischaracterizing the correction when filed as a routine and non-substantive correction.

Opening comments, which must not exceed 15 pages, are due November 19, 2013. Reply comments, which must not exceed 5 pages, are due 5 days after the last day for filing comments. This item is targeted to appear on the CPUC's December 5, 2013, Voting Meeting agenda.

The Proposed Decision is available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M080/K442/80442952.PDF> and a summary is below.

Please let me know if you have any questions.

Terrie

Proposed Decision IMPOSING SANCTIONS FOR VIOLATION OF RULE 1.1 OF THE CPUC's RULES OF PRACTICE AND PROCEDURE

Summary

This decision finds that Pacific Gas and Electric Company (PG&E) violated Rule 1.1 of the Commission's Rules of Practice and Procedure by not correcting promptly a material misstatement of fact in a pleading filed with the Commission and by mischaracterizing the correction when filed as a routine and non-substantive correction. **PG&E is fined \$6,750,000 for these violations.**

Background

On July 3, 2013, Stephen L. Garber, Alejandro T. Vallejo, Jonathan D. Pendleton, and Joseph M. Malkin, representing Pacific Gas and Electric Company (PG&E), presented for filing with the Commission a document entitled "Errata to Pacific Gas and Electric Company's Supporting Documentation for Lifting Operating Pressure Restrictions on Line 101 and 147."

That document stated that the supporting information PG&E filed with the Commission on October 31, 2011 and November 15, 2011, to justify its request to lift operating pressure restrictions on Lines 147 and 101 contained errors. Specifically, the 2011 pipeline features calculation for Line 147 relied on PG&E records showing the pipeline contained Double Submerged Arc Welds or was seamless, with a resulting joint efficiency factor of 1.0. In its July 2013 document, PG&E revealed it had subsequently discovered that the pipeline actually had Single Submerged Arc Welds, with a joint efficiency factor of 0.8. The lower joint efficiency factor reduced the pipeline's Maximum Allowable Operating Pressure (MAOP) from 365 pounds per square inch gauge (psig), as approved in Decision (D.) 11-12-048, to 330 psig.

The 2013 document also stated that the pipeline had been pressure tested to a minimum of 612 psig, and a spike test of 669 psig, in 2011 and that PG&E was operating it at an MAOP of 330 psig.

The 2013 document stated that the Line 101 features MAOP of 365 relied on a 1989 pressure test to 650 psig. PG&E explained that under a then-applicable but subsequently repealed section of federal regulations it should not have relied on the 1989 pressure test. Consequently, PG&E concluded that the correct pipeline feature MAOP was 300 psig, not the 365 approved by the Commission in D.11-12-048.

The Commission's Docket Office rejected the July 3, 2013, document for filing on

August 2, 2013, as untimely to the extent that it sought to make a substantive change to issues in a previously filed document which the Commission had resolved by decision.

Order to Show Cause Ruling

On August 19, 2013, the Chief Administrative Law Judge and the assigned Administrative Law Judge issued their Ruling Directing Pacific Gas and Electric Company to Show Cause Why It Should Not be Sanctioned for Violation of Rule 1.1 of the Commission’s Rules of Practice and Procedure (Rules).

In their ruling, the Judges stated that PG&E’s July document raised procedural issues because parties are not allowed to file pleadings for the purpose of correcting minor typographical or computational errors in previously filed applications. The Judges observed that in the July filing PG&E appeared to be revealing that it had made a substantial error in its application, but that titling the document an “errata” appeared to be an unreasonable procedural choice.

Read the entire Proposed Decision at:

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M080/K442/80442952.PDF>

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