

AYK/sbf 9/6/2012



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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with High Population Density.

Investigation 11-11-009
(Filed November 10, 2011)

**ADMINISTRATIVE LAW JUDGE'S RULING CONFIRMING DATE
FOR EVIDENTIARY HEARING AND BRIEFING SCHEDULE**

This Administrative Law Judge's (ALJ) ruling (Ruling) confirms the date set to hear the issue of Pacific Gas and Electric Company's (PG&E) use of assumed Specified Minimum Yield Strength (SMYS) values and the schedule for filing of opening and reply briefs. Evidentiary hearings on assumed SMYS values will be held at 1:30 p.m. on September 24, 2012 in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California. Concurrent opening briefs on all issues except assumed SMYS values will be filed on September 14, 2012; concurrent reply briefs on all issues except assumed SMYS values will be filed on September 28, 2012. Concurrent opening briefs on assumed SMYS values will be filed on October 9, 2012; concurrent reply briefs on assumed SMYS values will be filed on October 16, 2012.

Pursuant to the Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) issued on April 26, 2012, evidentiary hearings in this proceeding were to begin on August 23, 2012. On August 16, 2012, PG&E and the Consumer Protection and Safety Division (CPSD) jointly filed a stipulation that the issue of whether PG&E's use of assumed SMYS values in excess of 24,000

pounds per square inch is in accordance with 49 CFR Section 192.107 should be decided in Order Instituting Investigation (I.) 12-01-007. PG&E and CPSD state that since this issue had also been raised in I.12-01-007, it would be more efficient to decide the issue there. Based on this stipulation, CPSD and PG&E jointly submitted a request on August 21, 2012 to cancel hearings and establish a briefing schedule.

The first day of evidentiary hearings was set aside to discuss the stipulation and joint request. PG&E states that it believes the issue of assumed SMYS values should be resolved in I.12-01-007 because that proceeding is reviewing PG&E's integrity management program at large.¹ PG&E further states that removing this issue from this proceeding would be more efficient and eliminate the risk of potentially conflicting decisions.² CPSD further stated that it had not served any testimony rebutting PG&E's response on this issue as it had assumed that, based on its agreement with PG&E, the issue would be moved to I.12-01-007.³

After consulting with the Assigned Commissioner, it was determined that the issue of assumed SMYS values shall remain in this proceeding. This issue was raised in connection with CPSD's review of pipeline segments that had been identified as being out-of-class in PG&E's Class Location Study. At the August 27, 2012 hearing to discuss next steps for this proceeding, parties were informed that the issue of assumed SMYS values would be heard jointly by myself and Judge Wetzell, the assigned ALJ for I.12-01-007. A joint hearing will ensure that there is no duplication of effort by parties in presenting this issue.

¹ Reporter's Transcript (RT), Vol. 1 at 8:8-15.

² RT, Vol. 1 at 8:16-28.

³ RT, Vol. 1 at 17:6-8.

Further, Judge Wetzell and I shall coordinate to ensure that the disposition of this issue is consistent between the two proceedings. To that end, CPSD was directed to, and did, serve supplemental testimony rebutting PG&E's response regarding assumed SMYS values.⁴ Hearing of assumed SMYS values will be held at 1:30 p.m. on September 24, 2012.

Based on discussion at the August 27, 2012 hearing, the briefing schedule for this proceeding is set as follows:

For all issues except assumed SMYS values:
Concurrent Opening Briefs – September 14, 2012
Concurrent Reply Briefs – September 28, 2012

For issue of assumed SMYS values:
Concurrent Opening Briefs – October 9, 2012
Concurrent Reply Briefs – October 16, 2012

As part of its concurrent opening brief filed on September 14, 2012, CPSD shall include its recommended penalties and the basis for the calculation of the penalties.

IT IS RULED that:

1. Evidentiary hearings to hear the issue of assumed Specified Minimum Yield Strength (SMYS) values is set for 1:30 p.m. on September 24, 2012 in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

2. Concurrent opening briefs on all issues except assumed SMYS values shall be filed on September 14, 2012; concurrent reply briefs shall be filed on September 28, 2012. CPSD shall include its recommended penalties and the basis for the calculation of the penalties as part of its opening brief.

⁴ This supplemental rebuttal testimony consisted of excerpts of CPSD's rebuttal testimony that had been served in I.12-01-007.

3. Concurrent opening briefs on the issue of assumed SMYS values shall be filed on October 9, 2012; concurrent reply briefs shall be filed on October 16, 2012.

Dated September 6, 2012, at San Francisco, California.

/s/ JANET A. ECONOME for
Amy C. Yip-Kikugawa
Administrative Law Judge