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**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)

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY ON
PROPOSED DECISION OF ALJ BUSHEY IMPOSING SANCTIONS FOR
VIOLATION OF RULE 1.1 OF THE COMMISSION'S RULES OF
PRACTICE AND PROCEDURE**

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Dated: November 25, 2013

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Pacific Gas and Electric Company ("PG&E") submits the following reply comments on the Proposed Decision of ALJ Bushey Imposing Sanctions for Violation of Rule 1.1 of the Commission's Rules of Practice and Procedure ("PD").

As demonstrated in PG&E's Comments to the Proposed Decision of ALJ Bushey, PG&E did not violate Rule 1.1. The PD, by contrast, violates multiple standards of fairness and due process. The PD tramples PG&E's constitutional rights by finding violations far outside the scope of notice provided in the Rule 1.1 OSC. The PD's conclusion that PG&E violated Rule 1.1 based on the time elapsed between the date PG&E advised the Commission through its advisory staff and the date it formally notified the parties of errors in the original Line 147 pressure restoration filing unlawfully expands the scope of both Rule 1.1 and this OSC. And the PD's conclusion that the use of the word "Errata" in the title of Exhibit OSC-1 violates Rule 1.1 lacks any support in the record and is contrary to the law.

The comments to the PD submitted by TURN, ORA, and San Bruno neither address nor remedy these deficiencies. Instead, the parties argue that the Commission should impose penalties based on the November 16, 2012 – August 30, 2013 time period suggested by the

Alternate Proposed Decision of Commissioner Ferron (“APD”) rather than the time period proposed in the PD.^{1/}

The many factual and legal deficiencies underlying the APD, including its proposal of the November 16, 2012 – August 30, 2013 time period for imposing penalties, are set forth in detail in PG&E’s opening comments on the APD, filed concurrently herewith, and PG&E refers the Commission and the parties to that pleading. The fact remains that, when judged by the actual evidentiary record in this proceeding, the only permissible conclusion is that PG&E’s submission of Exhibit OSC-1, after appropriately briefing the Commission’s advisory staff months earlier, was a good faith attempt to provide formal notice of the errors identified in that pleading in the absence of any clearly applicable procedure for doing so. For the foregoing reasons, and as discussed in detail in PG&E’s opening comments, PG&E respectfully urges the Commission to reject the PD and conclude that the company’s submission of Exhibit OSC-1 did not violate Rule 1.1.

Respectfully submitted,

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^{1/} Opening Comments of the Office of Ratepayer Advocates (ORA OB) at 3; Opening Comments of The Utility Reform Network (TURN OB) at 3; Opening Comments of the City of San Bruno (San Bruno OB) at 1. San Bruno advocates for an end date of July 3, 2013 rather than August 30, 2013 as reflected in the APD. ORA and the City of San Bruno also reiterate their respective calls for an independent monitor to provide oversight of PG&E’s gas operations. San Bruno OB at 1; ORA OB at 2. As both parties acknowledge in their respective briefs, their request for an independent monitor is the subject of briefing in multiple other proceedings. San Bruno OB at 2; ORA OB at 10, FN 24. This request is outside the scope of the Rule 1.1 OSC, and there is no procedural or factual basis for the Commission to consider San Bruno and ORA’s request in yet another proceeding.