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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation and Order to Show Cause on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with respect to Facilities Records for its Natural Gas Distribution System Pipelines.

Investigation 14-11-008
(Filed November 20, 2014)

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

Summary

Pursuant to Rule 7.3 of the California Public Utilities Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo and Ruling sets forth the procedural schedule, identifies the presiding officer, and addresses the scope of this proceeding and other procedural matters following the Prehearing Conference (PHC) held on March 9, 2015.

1. Background

On November 20, 2014, the Commission opened this Investigation and issued an Order to Show Cause in response to six incidents that called into question the safety of Pacific Gas and Electric Company's (PG&E) natural gas distribution system. Each incident is summarized in the Commission's Order, and all involve distribution system facilities either being inaccurately mapped or

¹ All references to rules are to the Commission's Rules of Practice and Procedure.

facility specifications being incorrectly recorded. On December 22, 2014, PG&E filed its Initial Report on the incidents which, as required by the Commission's Order, included "all reasons of fact and law" that supported a conclusion that PG&E "has committed no violation of law with respect to its gas distribution recordkeeping." PG&E also set forth its efforts to enhance gas distribution system recordkeeping accuracy, accessibility, and controls, as well as operational safety improvements. PG&E responded to the Order's allegations that it had violated statutory provisions and Commission regulations with its own legal analysis, including due process objections.

The assigned Administrative Law Judge convened a PHC on March 9, 2015. A procedural schedule was adopted, and the parties presented issues of extending the *ex parte* ban to procedural inquiries and whether the remedies to be considered in this proceeding should include ratemaking disallowances.

2. Proceeding Category, Need for Hearing and *Ex Parte* Rules

The California Public Utilities Commission (Commission) preliminarily categorized this Investigation as adjudicatory as defined in Rule 1.3(a) and anticipated that this proceeding would require evidentiary hearings. Parties agreed with the preliminary determination. This ruling affirms the preliminary categorization of this proceeding as adjudicatory and the need for hearings. In an adjudicatory proceeding, *ex parte* communications are prohibited under Rule 8.2(b). The provisions of Pub. Util. Code § 1701.2(a) apply.

At the PHC, several parties recommended extending the *ex parte* ban to procedural issues for all decision makers, and requiring that all inquiries to decisionmakers be in writing and served on all parties. That request is granted, in part.

The *ex parte* ban is extended to procedural matters for all decisionmakers except the Presiding Officer. These inquiries need not be in writing, but parties will be held to a strict interpretation of the definition of “procedural” found in Rule 8.1(c) of the Commission’s Rules of Practice and Procedure.

3. Discovery

Discovery for all parties was opened as of March 9, 2015. PG&E voluntarily agreed to a “quiet period” in which it would not propound discovery requests from August 14, 2015, to September 30, 2015. Parties should address discovery disputes through the meet and confer process, and raise any unresolved matters with the Commission pursuant to Rule 11.3.

4. Scope of Proceeding

The scope of the matter properly before the Commission is whether or not PG&E violated any provision of the Public Utilities Code, general orders, federal law adopted by California, other rules, or requirements, and/or other state or federal law, by its recordkeeping policies and practices with respect to maintaining safe operation of its gas distribution system. If any such violations are proven, fines may be imposed in this matter pursuant to Pub. Util. Code §§ 2107 and 2108, and remedial operational measures may be directed pursuant to Pub. Util. Code §§ 451, 701, 761, and 768.

The scope of this proceeding will not include reopening any ratemaking issues from other proceedings; however, to the extent any remedial safety measures are ordered as a result of this Investigation, the scope of the proceeding will include whether PG&E should be authorized to seek ratemaking recovery of the cost of those measures in other proceedings.

5. Proceeding Schedule

After discussion during the PHC, the following schedule was established:

Event	Date
PG&E Circulate Draft Factual Stipulation	April 9, 2015
Parties Comment on Draft Stipulation	April 19, 2015
PG&E Circulate Final Stipulation	May 8, 2015
Quiet Period – No discovery requests from PG&E	August 14 to September 30, 2015
SED distributes Supplemental Testimony	September 30, 2015
SED witness available for informal clarification	After testimony distributed
Intervenors distribute testimony	October 14, 2015
PG&E distributes reply testimony, with cross-examination estimates	November 12, 2015
SED and intervenors distribute rebuttal testimony, with cross-examination estimates	December 18, 2015
Evidentiary Hearings	January 19 – 22, 2016 at 10:00 a.m. Commission Courtroom State Office Building 505 Van Ness Avenue San Francisco, CA 94102

6. Presiding Officer

Pursuant to Rule 13.2(a), I designate Judge Maribeth A. Bushey as the Presiding Officer.

IT IS RULED that:

1. *Ex parte* communications are prohibited in adjudicatory proceedings, in accordance with Public Utilities Code Section 1701.2(b).
2. Procedural inquiries to decisionmakers, as defined in Rule 8.1 of the Commission’s Rules of Practice and Procedure, other than the assigned Commissioner or Administrative Law Judge, are prohibited.

3. The issues and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling or order of the Presiding Officer.

4. Pursuant to Rule 13.2, Administrative Law Judge Maribeth A. Bushey is the Presiding Officer.

5. The preliminary categorization of this proceeding as adjudicatory and the need for evidentiary hearings are affirmed.

Dated April 10, 2015, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman
Assigned Commissioner