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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2015 - 2017 (U39G).

Application 13-12-012
(Filed December 19, 2013)

And Related Matter.

Investigation 14-06-016

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUESTING ADDITIONAL INFORMATION**

Petitions for Modification of Decision (D.) 16-06-056 were filed by Pacific Gas & Electric Company (PG&E) and the Northern California Generation Coalition (NCGC). The Commission's Office of Ratepayer Advocates (ORA) filed a Response to PG&E's Petition for Modification. The period for responding to NCGC's Petition has not run yet. This ruling directs PG&E to provide additional information in support of its Petition.

PG&E's Petition for Modification

In Decision (D.) 16-06-056, the Commission ordered PG&E to install 83 new cathodic protection systems in 2018. (D.16-06-056 at 412, 475.) In its Petition for Modification, PG&E argues that it "[I]s not well-positioned to install 83 new CP [cathodic protection] systems in 2018." (PG&E Petition at 3.) PG&E states that it: "[E]xpects to identify approximately 30 new CP groundbed sites that could be prudently sited and engineered for installation in 2018." (*Id* at 4.) Specifically, PG&E requests that instead of being ordered to install 83 new

cathodic protection systems in 2018, that it be ordered more generally to:

“Continue its program of installing new CP systems.” (*Id.* at 5.)

PG&E provides a partial explanation of why it cannot install 83 new cathodic protection systems in 2018:

In 2016 PG&E corrosion engineering became aware of approximately 745 CP “low reads” that had been previously identified through a variety of workstreams and needed to be investigated and possibly mitigated. A “low read” means that cathodic protection levels at the specified location were measured to be below PG&E’s standards. PG&E had sufficient corrosion engineering resources to investigate and mitigate the 745 low reads or to continue CP system surveys to identify new CP groundbed sites for the -850 mV “off” program, but not to do both. PG&E determined that investigating and mitigating the low reads was a higher priority, and therefore suspended the -850mV “off” program in 2016. PG&E is resuming the surveys in 2017. (*Id.* at 3-4, footnotes omitted.)

PG&E notes that transitioning to the -850 mV “off” criterion will require increased levels of cathodic protection. (PG&E Petition, McQuilling Declaration at 2.) In other words, the -850 mV “off” program was designed to provide greater cathodic protection for the PG&E gas transmission system.

In D.16-06-056, the Commission cited PG&E’s testimony on this program:

PG&E estimates over the Rate Case Period, 230 new CP systems will be installed to meet the enhanced criterion and an additional 18 new CP systems will be installed due to routine needs not related to meeting the enhanced criterion. (D.16-06-056 at 172.)

Given that the Commission relied upon PG&E’s testimony that PG&E was implementing the enhanced -850mV “off” criterion, we are concerned that

PG&E, apparently unilaterally, “suspended” the -850mV “off” program in 2016.¹ PG&E should have sought Commission approval for this change, rather than “suspending” a program intended to improve gas pipeline safety that PG&E had told the Commission (and the public) it was implementing.

ORA filed a Response to PG&E’s Petition for Modification. ORA does not oppose the substance of PG&E’s request, but does ask that PG&E provide additional information about the basis for its request and its implementation. Additional information would be helpful in evaluating PG&E’s request. Accordingly, this ruling requires PG&E to provide additional information.

IT IS RULED that:

1. Pacific Gas & Electric Company (PG&E) shall provide a description (and all supporting documentation) of PG&E’s decision-making process that prioritized the 745 “low reads” over the -850 mV “off” program.
2. Pacific Gas & Electric Company shall provide the cost (and all supporting documentation) of addressing the 745 “low reads.”
3. Pacific Gas & Electric Company shall provide a description (and all supporting documentation) of the “variety of workstreams” that identified the 745 “low reads.”
4. Pacific Gas & Electric Company (PG&E) shall provide a description including dates (and all supporting documentation) of how PG&E’s corrosion engineering became aware of the 745 “low reads.”

¹ It is not clear when in 2016 PG&E suspended the -850 mV “off” program.

5. Pacific Gas & Electric Company shall provide a description (and all supporting documentation) of its estimated cost savings from suspending the -850mV “off” program.

6. Pacific Gas & Electric Company shall provide the date that the -850mV “off” program was suspended and the date it is resuming (and all supporting documentation).

7. Pacific Gas & Electric Company’s responses to these questions shall be attached to a declaration, consistent with Commission Rule of Practice and Procedure 1.11 (Verification).

8. Pacific Gas & Electric Company’s responses to these questions are due no more than 20 days from the date of this ruling.

Dated July 17, 2017, at San Francisco, California.

/s/ PETER V. ALLEN

Peter V. Allen
Administrative Law Judge