BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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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.	Rulemaking 11-02-019 (Filed February 24, 2011)

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April 13, 2011

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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.	Rulemaking 11-02-019 (Filed February 24, 2011)

COMMENTS OF CALIFORNIANS FOR RENEWABLE ENERGY, INC. (CARE)
ON ORDER INSTITUTING RULEMAKING

Pursuant to the *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*, issued by the California Public Utilities Commission ("CPUC" or "Commission") on February 25, 2011 (the "OIR"), Ordering Paragraph one of the Assigned Commissioner's Ruling Adding Items to Previously- Scheduled Comment Cycle, Addressing Ex Parte Contacts, Scheduling Public Participation Hearings, Setting Prehearing Conference and Encouraging Participation by Pipeline and Hazardous Materials Safety Administration (PHMSA), dated March 24, 2011 (March 24 ACR), and Ordering Paragraph three of the Assigned Commissioner's Ruling Requesting Comment on Proposal From Congress-woman Speier, Adding Topic to Report from Pacific Gas and Electric Company (PG&E), and Revising Schedule for Filing Comments on the OIR, dated April 7, 2011 (April 7 ACR), CAlifornians for Renewable Energy, Inc. ("CARE") provides the following comments.

I. INTRODUCTION

The OIR provides an appropriate forum to address pipeline safety-related issues, including pipeline replacement criteria, use and placement of automatic shut-off and/or remote control valves, emergency response plans, and other methods to enhance

the integrity of California's natural gas infrastructure. In addition to continuing to implementing their existing pipeline integrity programs significant actions to further enhance the safety and reliability of the transmission pipeline systems in response to urgent safety recommendations issued to PG&E by the National Transportation Safety Board ("NTSB") following the events of San Bruno must be undertaken to insure the public is safe from the reoccurrence of this tragedy that killed eight.

To contain the risk of reoccurrence of this tragedy the Commission must conduct a Comprehensive Catastrophic Risk Assessment.

II. COMPREHENSIVE CATASTROPHIC RISK ASSESSMENT

The OIR states "[t]his rulemaking will consider ways that this Commission can undertake a comprehensive catastrophic risk assessment for all natural gas pipelines regulated by this Commission. Due to aging utility infrastructure, we are interested in assessing whether we may be missing other natural gas pipeline safety issues or other catastrophic risks that are currently unidentified. In short, we pose the questions: "what else is out there?" and "what can we do to prevent another tragedy from unexpected sources?" We are also open to considering whether such a comprehensive assessment should be completed for other industries that the Commission regulates."

One major safety issue being overlooked is the adequacy of the testing methodology currently being employed that is inappropriately being relied upon to contain the risk of reoccurrence of this tragedy . As PG&E's attorney admitted under cross examination by Commissioner Sandoval in Oral Argument before the Commission on April 11, 2011 regarding Line 132 stating in response to questions that "PG&E had previously tested the line".

Since that is the line that has subsequently exploded the adequacy of the testing methodology currently being employed is therefore questionable at best. According to the NTSB February 23, 2011 *Operations Group Chairman's Factual Report - Exhibit 2A* [1]

[1] http://dms.ntsb.gov/public%2F49500-49999%2F49896%2F460250.pdf

states at page 13 "Line 132 is comprised of 24-inch, 30-inch, 34 inch and 36 inch diameter segments that make up one of the three transmission lines of PG&E's peninsula system. The gas flows through all three lines from south to north. Line 132 delivers gas from the Milpitas terminal to Martin Regulation Station approximately 46 miles north…The *pipeline survey sheet for Line 132* described this section of Line 132 (also described on the sheet as section 180) at Glenview Drive and Earl Avenue was 30 inch seamless pipe installed in 1956. PG&E obtained this information from accounting records and not engineering drawings. PG&E records show that the line MAOP was established under 49CFR §192.619(a)(3)."

The PG&E pipeline survey sheet[2] provided to the NTSB shows at page 10 that segment 180 was never pressure tested but that nearby segment 181.2 was pressure tested at 1407 PSIG on 1/1/1994, and segment 178.5 was pressure tested at 1431 PSIG on 1/1/1995. Notably on page 2 of PG&E's pipeline survey report it lists that at segment 103.11 and 103.44 a pressure test was conducted on 6/21/2007 at 1120 PSIG, but what is odd is that the maximum allowable operating pressure (MAOP) is erroneously reported as 720 PSIG?

Because Line 132 was clearly subject to repeated testing under an ineffective protocol necessary to prevent Line 132 from failing, therefore there is no comprehensive catastrophic risk assessment at this time available to contain the risk of reoccurrence of the tragedy that occurred in San Bruno.

CARE suggests the Commission utilize the Precautionary Principal for Risk Assessment approach adopted by the City and County of San Francisco in 2003:[3]

> SEC. 101. - THE SAN FRANCISCO PRECAUTIONARY PRINCIPLE.
>
> The following shall constitute the City and County of San Francisco's Precautionary Principle policy. All officers, boards, commission, and departments of the City and County shall implement the Precautionary Principle in conducting the City and County's affairs:

[2] http://dms.ntsb.gov/public%2F49500-49999%2F49896%2F459557.pdf
[3] http://library.municode.com/HTML/14134/level1/CH2ENPRPUOR.html

The Precautionary Principle requires a thorough exploration and a careful analysis of a wide range of alternatives. Based on the best available science, the Precautionary Principle requires the selection of the alternative that presents the least potential treat to human health and the City's natural systems. Public participation and an open and transparent decision making process are critical to finding and selecting alternatives.

Where threats of serious or irreversible damage to people or nature exist, lack of full scientific certainty about cause and effect shall not be viewed as sufficient reason for the City to postpone cost effective measures to prevent the degradation of the environment or protect the health of its citizens. Any gaps in scientific data uncovered by the examination of alternatives will provide a guidepost for future research, but will not prevent the City from taking protective action. As new scientific data become available, the City will review its decisions and make adjustments when warranted.

Where there are reasonable grounds for concern, the precautionary approach to decision-making is meant to help reduce harm by triggering a process to select the least potential threat. The key elements of the Precautionary Principle approach to decision-making include:

1. Anticipatory Action: There is a duty to take anticipatory action to prevent harm. Government, business, and community groups, as well as the general public, share this responsibility.

2. Right to Know: The community has a right to know complete and accurate information on potential human health and environmental impacts associated with the selection of products, services, operations or plans. The

burden to supply this information lies with the proponent, not with the general public.

3. Alternatives Assessment: An obligation exists to examine a full range of alternatives and select the alternative with the least potential impact on human health and the environment including the alternative of doing nothing.

4. Full Cost Accounting: When evaluating potential alternatives, there is a duty to consider all the reasonably foreseeable costs, including raw materials, manufacturing, transportation, use, cleanup, eventual disposal, and health costs even if such costs are not reflected in the initial price. Short- and long-term benefits and time thresholds should be considered when making decisions.

5. Participatory Decision Process: Decisions applying the Precautionary Principle must be transparent, participatory, and informed by the best available science and other relevant information.
(Added by Ord. 171-03, File No. 030422, App. 7/3/2003)

III. SPECIFIC RESPONSES TO OIR QUESTIONS

The OIR states "[t]o develop further proposed rules, we have preliminarily identified the following questions and issues, and we fully expect that other issues will arise as investigations are completed and recommendations brought forward:"

· Are some changes more urgent and obvious than others?

Yes the Commission should provide priority to actions that support new safety and reliability regulations for natural gas transmission and distribution pipelines over valueless exercises to finding paperwork and records of safety testing measures that have been demonstrated to be ineffective in reality.

· How widespread is the problem of inaccurate pipeline records found by the NTSB in the San Bruno instance?

What is the value of exercises to finding paperwork and records to improving safety and reliability?

· What requirements should the Commission adopt to ensure that natural gas pipeline operators possess and are maintaining traceable, verifiable, and complete pipeline records?

The Commission must undertake a comprehensive catastrophic risk assessment for all natural gas pipelines regulated by this Commission.

· Should the state pipeline regulations in GO 112-E be changed and how?

Once the Commission undertakes a comprehensive catastrophic risk assessment for all natural gas pipelines regulated by this Commission and adopts performance mechanisms to enforce adopted risk containment measures then the Commission should required these rules of general applicability be included as part of GO 112-E.

· Should this Commission advocate for changes to federal gas pipeline regulations?

To the degree lessons are actually learned by CPUC from the San Bruno pipeline explosion and actual improved risk containment measures are implemented and found to be effective this Commission should advocate for changes to federal gas pipeline regulations.

· Should the Commission adopt rules for enhanced penalties for life-threatening violations?

Yes, and it should include penalties for actual destruction of property, injury, and death with payment to the victim not the State Treasurer. Also the Commission should adopt a three strikes provision for human fatalities, after which occurs the responsible utility will be dissolved by the Secretary of State's Office.

· Should the Commission use its existing enforcement authority earlier or more aggressively as part of its graduated enforcement program for safety-related violations?

Yes that means CPSD needs to not be so close to the regulated utility as it appears to be with PG&E and CPSD should be prohibited to enter in to any agreement while there is any outstanding "show cause" order pending against the utility at the State or Federal level. CPSD's job is to enforce compliance and PG&E and CPSD together have failed to provide any evidence of compliance or a schedule of compliance that has been approved by the Commission.

· Should the Commission seek additional legislative authority for an enhanced enforcement regime for safety related matters?

We believe the legislature is best qualified to address this issue so decline to comment.

IV. NATURAL GAS TRANSMISSION LINE SAFETY PROPOSALS BY CONGRESSWOMAN JACKIE SPEIER

The letter dated April 1, 2011, from Congresswoman Jackie Speier presented to the Commission a series of recommended actions to improve consumer safety in the regulation of natural gas delivery. While Congresswoman Speier's proposals on there own appear to be constructive and thoughtful because the Commission does not yet utilize the Precautionary Principal for Risk Assessment approach in performing its comprehensive catastrophic risk assessment the measures the Congresswoman proposes can not possibly be said to be effective, since they are not proven in any operational practice.

Respectfully submitted,

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April 13, 2011

Verification

I am an officer of the Intervening Corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except matters, which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 13th day of April 2011 at Soquel, California.

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Certificate of Service

I hereby certify that I served the foregoing document "*COMMENTS OF CALIFORNIANS FOR RENEWABLE ENERGY, INC. (CARE) ON ORDER INSTITUTING RULEMAKING"* under CPUC Docket R.11-02-019. Each person designated on the official service list, has been provided a copy via e-mail, to all persons on the attached service lists on April 13, 2011 transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 13th day of April 2011, at Soquel, California.

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