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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 2011-2014 (U39G).

Application 09-09-013
(Filed September 18, 2009)

ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE'S RULING CONFIRMING E-MAIL RULING AND TO ADDRESS WHETHER PROPOSED SETTLEMENT IS ADEQUATE IN TERMS OF PIPELINE SAFETY, INTEGRITY, AND RELIABILITY EFFORTS

1. Summary

Today's ruling confirms the August 30, 2010 e-mail ruling of the assigned Administrative Law Judge (ALJ), and requests that the parties file comments on September 20, 2010 on whether the proposed settlement in this proceeding is adequate in light of the pipeline safety, integrity, and reliability concerns raised by the San Bruno natural gas explosion.¹

2. August 30, 2010 E-mail Ruling

On August 30, 2010, the assigned ALJ issued an e-mail ruling in which the August 27, 2010 motion of Pacific Gas and Electric Company (PG&E) to amend the procedural schedule was granted. PG&E's motion requested that the dates for serving the prepared testimony of the Division of Ratepayer Advocates (DRA) and the intervenors, and for serving the concurrent rebuttal testimony, be

¹ The proposed settlement in this proceeding was attached to the August 20, 2010 "Joint Motion of Settlement Parties for Approval of 'Gas Accord V' Settlement."

changed. The August 30, 2010 e-mail ruling granted PG&E's request to change the date for serving the prepared testimony of DRA and the intervenors to September 20, 2010 (instead of September 8, 2010). This prepared testimony is to address the party's pre-settlement position and/or the party's agreement or disagreement with the proposed settlement. September 20, 2010 is also the date set forth in the August 25, 2010 ALJ ruling for parties to file comments contesting all or part of the settlement.

The August 30, 2010 e-mail ruling also granted PG&E's request to change the date for serving the concurrent rebuttal testimony to October 11, 2010 instead of September 30, 2010. The evidentiary hearing dates are set for October 25, 2010 through October 27, 2010, should they be needed.

At the request of San Diego Gas & Electric Company and Southern California Gas Company, the August 30, 2010 e-mail ruling also clarified the reference in the August 25, 2010 ALJ ruling to the "two issues that have not been settled...." That reference does not preclude or limit any party from raising other issues that are within the scope of this proceeding. However, any party that intends to raise an issue contesting all or part of the proposed settlement, or an issue within the scope of this proceeding but which was not addressed by the proposed settlement, must address such issues in the testimony which is to be served on September 20, 2010.

Today's ruling confirms the August 30, 2010 e-mail ruling.

3. Proposed Settlement and Pipeline Safety, Integrity, and Reliability Efforts

Due to the September 9, 2010 natural gas explosion involving PG&E's transmission line in San Bruno, the issues of whether the proposed settlement in this proceeding provides sufficient funds and prioritization of work activities for

operating and maintenance (O&M) expenses associated with pipeline safety, integrity, and reliability, and capital expenditure projects involving PG&E's transmission lines, for 2011-2014, needs to be thoroughly examined before the Commission decides whether the joint motion to adopt the settlement should be granted or not.

To that end, today's ruling requests that the parties address in their comments on the proposed settlement, which are due on September 20, 2010, whether the settlement provides sufficient funds to undertake a thorough safety inspection of PG&E's gas transmission system during the 2011-2014 period, whether O&M work activities and capital expenditures for transmission line projects have been adequately prioritized in terms of work activities and projects involving transmission lines in high consequence areas and with high risk assessments, and whether a mechanism is in place to ensure that these safety-related pipeline O&M work activities and capital expenditures that are contemplated in 2011-2014 are actually performed.²

In accordance with Rules 9.1 and 12.2 of the Commission's Rules of Practice and Procedure, the time for parties to file reply comments to any comments that may be filed contesting all or part of the settlement shall be shortened from 15 days to 10 days. Accordingly, the reply comments to any comments contesting all or part of the settlement shall be filed and served by September 30, 2010.

² Although Rule 12.2 provides for "comments contesting all or part of the settlement," this ruling permits a party to file a comment to address the pipeline safety, integrity, and reliability concerns set forth in this section of the ruling and whether the proposed settlement adequately addresses these concerns.

Should it be necessary, the procedural schedule for evaluating the joint motion to adopt the proposed settlement may be revised to provide assurances that the 2011-2014 period will adequately address these pipeline safety, integrity, and reliability concerns.

4. Procedural Schedule

As set forth in today's ruling and the August 25, 2010 ALJ ruling as revised and confirmed in today's ruling, the procedural schedule shall be as follows:

Event	Date
Joint Motion to Adopt Gas Accord V Settlement.	Filed August 20, 2010
DRA and Intervenor testimony to be served.	September 20, 2010
Objections to the proposed settlement and/or comments on the pipeline safety, integrity, and reliability concerns in relationship to the proposed settlement.	September 20, 2010
Reply comments to any September 20, 2010 objections and/or comments.	September 30, 2010
Concurrent rebuttal testimony to be served.	October 11, 2010
Written ruling on whether evidentiary hearings needed on contested settlement issues, and/or to revise the schedule to address pipeline safety, integrity, and reliability concerns.	Early October 2010
Evidentiary hearing to be held at the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, CA 94102.	October 25, 2010 through October 27, 2010, at 10:00 a.m., as needed. Dates may be subject to change depending on early October 2010 ruling.

IT IS RULED that:

1. The August 30, 2010 e-mail ruling of the assigned Administrative Law Judge is confirmed as described in Section 2 of the this ruling.
2. Parties to this proceeding are requested to address in the September 20, 2010 comments on the joint motion to adopt the proposed Gas Accord V Settlement whether the proposed settlement provides sufficient funds to undertake a thorough safety inspection of Pacific Gas and Electric Company's gas transmission system during the 2011-2014 period, whether operating and maintenance (O&M) work activities and capital expenditures for transmission line projects have been adequately prioritized in terms of work activities and projects involving transmission lines in high consequence areas and with high risk assessments, and whether a mechanism is in place to ensure that these safety-related pipeline O&M work activities and capital expenditures are actually performed in 2011-2014.
3. The time for parties to file reply comments to the September 20, 2010 comments shall be shortened, and the reply comments are to be filed and served by September 30, 2010.
4. The procedural schedule in this proceeding shall follow the schedule set forth in Section 4 of this ruling.

Dated September 15, 2010, at San Francisco, California.

/s/ TIMOTHY ALAN SIMON
Timothy Alan Simon
Assigned Commissioner

/s/ JOHN S. WONG
John S. Wong
Administrative Law Judge

INFORMATION REGARDING SERVICE

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Dated September 15, 2010, at San Francisco, California.

/s/ OYIN MILON

Oyin Milon

N O T I C E

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