

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Legal Division

San Francisco, California

Date: October 28, 2010

Resolution No. L-406

RESOLUTION**EMERGENCY AUTHORIZATION TO THE PRESIDENT
OF THE COMMISSION TO ENSURE ADEQUATE GAS
SUPPLIES TO SAN FRANCISCO AND TO THE SAN
FRANCISCO PENINSULA****SUMMARY**

The Commission ordered the reduction of pressure by 20% in Pipeline 132 in Resolution L-403 following the natural gas explosion and fire in San Bruno, California, on September 9, 2010. The Commission noted in Resolution L-405 that with winter approaching, it will be necessary for the Commission to investigate and determine, with the assistance of the Independent Review Panel as well as Commission staff, the safety of increasing the pressure of Pipeline 132 to its normal operating pressure prior to the San Bruno explosion to meet the normal natural gas requirements for PG&E's San Francisco and San Francisco Peninsula customers. This Resolution authorizes the President of the Commission to take all safe and necessary steps to ensure sufficient gas supplies for Pacific Gas and Electric ("PG&E") customers in San Francisco and the San Francisco Peninsula. This Resolution further requires the preparation of a resolution for the Commission's consideration regarding the actions taken by the President of the Commission to ensure sufficient gas supplies for PG&E customers in San Francisco and the San Francisco Peninsula.

JURISDICTION AND AUTHORITY

As noted in Resolution L-403, the Commission has plenary and broad powers over PG&E and other gas utilities under, *inter alia*, the California Constitution and the Public Utilities Code section 451, which mandates the following: "Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public." (Pub. Util. Code, § 451.) In our broad grant of jurisdiction over public utilities in California, we are authorized to "do all things, whether specifically designated in ... [the Public Utilities

Code] or in addition thereto, which are necessary and convenient” to our regulation of public utilities, including, though not limited to, adopting necessary rules and requirements in furtherance of our constitutional and statutory duties to regulate and oversee public utilities operating in California. (Pub. Util. Code, § 701.)

THE NEED TO AUTHORIZE THE PRESIDENT OF THE COMMISSION TO TAKE IMMEDIATE ACTION

The Commission ordered a 20% reduction in the normal operating pressure of Pipeline 132 in Resolution L-403 until such time as the Commission permits PG&E to return to the pre-incident normal operating pressure of the Pipeline. This reduction in gas pressure will impair delivery of normal natural gas quantities to PG&E customers on the San Francisco Peninsula and in the City and County of San Francisco. To the degree that this pressure reduction and natural gas supply reduction will affect these customers in the winter of 2010 through 2011, it constitutes an emergency requiring immediate action by the President of the Commission to determine whether it is safe to increase the pressure in Pipeline 132 or, if not, to take other necessary steps to ensure adequate gas supplies to PG&E customers in San Francisco and the Peninsula. A resolution shall be prepared for the Commission’s consideration regarding the emergency actions taken by the President of the Commission.

WAIVER OF COMMENT PERIOD

The tragic San Bruno explosion and the need to immediately take action to ensure adequate gas supplies to PG&E customers in San Francisco and the San Francisco Peninsula is an unforeseen emergency of local and statewide importance requiring immediate action by the Commission. The normal 30-day comment period for the issuance of an order or resolution may be waived in circumstances such as these. (Pub. Util. Code §§ 311, subs. (d) & (g)(2); see also *Resolution E-3731, Pacific Gas and Electric Company* (April 3, 2001) 2001 Cal. PUC LEXIS 659.) The Commission’s Rules of Practice and Procedure also permit such a waiver.¹

¹ “In an unforeseen emergency situation, the Commission may reduce or waive the period for public review and comment on proposed decision, draft resolutions, and alternates. “Unforeseen emergency situation” means a matter that requires action or a decision by the Commission more quickly than would be permitted if advance publication were made on the regular meeting agenda. Examples include, but “are not limited to... [a]ctivities that severely impair or threaten to severely impair[,] public health or safety[,]...[c]rippling disasters that severely impair public health or safety[,]...[u]nusual matters that cannot be disposed of by normal procedures if the duties of the Commission are to be fulfilled.” (Cal. Code of Regs., tit. 20, § 14.6, subs. (1), (2) and (8).)

FINDINGS OF FACT

1. The Commission finds that the San Bruno explosion of September 9, 2010, the reduction in the gas pressure in PG&E Pipeline 132 ordered by the Commission on September 13, 2010, and again in Resolution L-403, and the potential reduction in natural gas supplies to certain PG&E customers during the winter of 2010 through 2011, are “unforeseen emergencies” under Public Utilities Code sections 311(d) and 311(g)(2).
2. The Commission finds that because of these unforeseen emergencies, it is reasonable and necessary to authorize the President of the Commission to take immediate steps to increase the pressure in PG&E Pipeline 132 when safe or to take other steps necessary to ensure adequate gas supplies to PG&E customers in San Francisco and the Peninsula.
3. The Commission finds that the normal 30-day comment period for the issuance of an order or resolution should be waived. (Pub. Util. Code § 311(d) and 311(g)(2).)

CONCLUSIONS OF LAW

1. The San Bruno explosion, the reduction in the gas pressure on PG&E’s Pipeline 132 ordered by the Commission on September 13, 2010, and the potential reduction in natural gas supplies to certain PG&E customers during the winter of 2010 through 2011, are “unforeseen emergencies” under Public Utilities Code sections 311(d) and 311(g)(2).
2. Because of these unforeseen emergencies, it is reasonable and necessary to authorize the President of the Commission to take immediate steps to increase the pressure in PG&E Pipeline 132 when safe or to take other steps necessary to ensure adequate gas supplies to PG&E customers in San Francisco and the Peninsula.
3. It is reasonable and necessary to waive the normal 30-day comment period for the issuance of this Resolution pursuant to Public Utilities Code sections 311(d) and 311(g)(2).

ORDER

1. The President of the Commission is authorized to take all necessary and immediate steps to increase the pressure in PG&E Pipeline 132 when safe or to take other steps necessary to ensure adequate gas supplies to PG&E customers in San Francisco and the Peninsula.
2. A resolution shall be prepared for the Commission’s consideration regarding the actions taken by the President of the Commission to safely increase the pressure in PG&E Pipeline 132 or other steps taken to ensure adequate gas supplies to PG&E

customers in San Francisco and the Peninsula. Interested parties will have notice and opportunity to comment on the Resolution, pursuant to the Commission's Rules of Practice and Procedure.

3. The normal 30-day comment period for the issuance of the present Resolution shall be waived pursuant to Public Utilities Code sections 311(d) and 311(g)(2), *Resolution E-3731, Pacific Gas and Electric Company* (April 3, 2001) 2001 Cal. PUC LEXIS 659, and Cal. Code of Regs., tit. 20, §§ 14.6, subd. (1), (2) and (8).

This Order is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting of October 28, 2010. The following Commissioners approved it:

PAUL CLANON
Executive Director