

Decision 12-03-049 March 22, 2012

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

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)

**ORDER EXTENDING STATUTORY DEADLINE**

**1. Summary**

Public Utilities Code Section 1701.2(d) provides that adjudicatory matters such as this complaint case shall be resolved within 12 months after they are initiated, unless the Commission makes findings why that deadline cannot be met and issues an order extending the 12-month deadline. This decision extends the 12-month deadline for resolving the adjudicatory portion of this rulemaking to September 24, 2012.

**2. Background**

On March 24, 2011, in Decision (D.) 11-03-047, the Commission issued its Order to Show Cause Why Pacific Gas and Electric Company Should Not Be Found in Contempt, and Why Penalties Should Not Be Imposed, For Failure to Comply with Commission Order. The Commission found that Pacific Gas and Electric Company (PG&E) appeared to have failed to comply with Commission Resolution L-410 and Rulemaking (R.) 11-02-019. The Resolution and Rulemaking decision required PG&E to review "traceable, verifiable, and

complete” as-built drawings and pipeline system components and, based on the reliable pipeline specifications, calculate the Maximum Allowable Operating Pressure (MAOP). The Order to Show Cause set a hearing for PG&E to present evidence. At the hearing on March 28, 2011, PG&E and the Commission’s Consumer Protection and Safety Division (CPSD) announced that they had reached a stipulation that provided for a detailed compliance plan for PG&E as well as an immediate fine of \$3 million, with an additional \$3 million payment for any failure to conform to the compliance plan. On March 30, 2011, PG&E and CPSD filed separate motions for Commission approval of the stipulation.

The Commission categorized the Order to Show Cause as adjudicatory and, consistent with Rules 1.3(a) and 8.2(b), *ex parte* communications regarding the Order to Show Cause were prohibited. Pursuant to Public Utilities Code § 1701.2(d), adjudicatory proceedings are to be completed by the Commission within one year of initiation, absent a Commission order extending the deadline.

On January 19, 2012, the assigned Commissioner issued a ruling requiring PG&E and CPSD to file and serve a status report on PG&E’s compliance with Resolution L-410 and R.11-02-019 and, based on this status, recommendations as to next steps in furtherance of the public interest. On February 3, 2012, CPSD and PG&E filed their joint status report, which recommended that the Commission order PG&E to pay a fine of \$3 million and close this aspect of the proceeding. No party opposed the joint request. A proposed decision granting the joint request was mailed on February 22, 2012, and is planned to be on the Commission’s March 22, 2012, agenda.

### **3. Discussion**

As demonstrated by the procedural history set forth above, a proposed decision on the adjudicatory portion of this proceeding can be considered by the

Commission as early as the March 22, 2012 Commission meeting. In the event the Commission does not act on this matter at the March 22 meeting and further deliberation is required, the adjudicatory portion of the proceeding may not conclude by March 24, 2012. Because of these circumstances, it is appropriate to extend the deadline in this case to September 24, 2012.

**4. Waiver of Comment Period**

Under Rule 14.6(c)(4) of the Rules of Practice and Procedure (Rules), the Commission may waive the otherwise applicable 30-day period for public review and comment on a decision that extends the 12-month deadline set forth in § 1701.2(d). Under the circumstances of this case, it is appropriate to waive the 30-day period for public review and comment.

**5. Assignment of Proceeding**

Michel Peter Florio is the assigned Commissioner and Maribeth A. Bushey is the assigned Administrative Law Judge in this proceeding

**Finding of Fact**

An extension of time until September 24, 2012, should allow adequate time for the Commission to resolve the adjudicatory portion of this matter.

**Conclusions of Law**

1. It may not be possible to resolve this case by March 24, 2012.
2. The 12-month statutory deadline should be extended to September 24, 2012, to allow for resolution of the adjudicatory portion of this proceeding.

3. Today's order should be made effective immediately.

**O R D E R**

**IT IS ORDERED** that the 12-month statutory deadline for the adjudicatory portion of this rulemaking is extended to and including September 24, 2012.

This order is effective today.

Dated March 22, 2012, at San Francisco, California.

MICHAEL R. PEEVEY

President

TIMOTHY ALAN SIMON

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

MARK J. FERRON

Commissioners