

California Public Utilities Commission
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PRESS RELEASE

Docket #: R.11-02-

**CPUC LIFTS PRESSURE RESTRICTION ON PG&E'S
TOPOCK COMPRESSOR STATION**

SAN FRANCISCO, Oct. 6, 2011 - The California Public Utilities Commission (CPUC) today authorized Pacific Gas and Electric Company (PG&E) to restore the operating pressure to the Topock Compressor Station after PG&E demonstrated that it validated the engineering and construction, and performed hydrostatic pressure testing, on all segments and components for which a prior pressure test result was not available.

The CPUC has ordered PG&E to reduce operating pressure on several natural gas transmission pipelines, pending demonstration that the pipelines can be safely operated at the originally established maximum allowable operating pressure. The CPUC also established a public process to require PG&E to bring forward its senior officer responsible for gas system engineering to present test data and other information in support of its request to restore any operating pressure.

At an Evidentiary Hearing on September 19, 2011, PG&E's Vice President of Gas Operations – Standards and Policies, verified that PG&E has validated the engineering and construction of, and performed pressure tests on, all segments of the natural gas pipelines on the suction side of the Topock Compressor Station. The Vice President concluded that these pipelines could be safely operated at the restored maximum allowable operating pressure. The Vice President was cross examined by the parties, Commissioners, and an Administrative Law Judge.

Following PG&E's testimony at the Evidentiary Hearing and a CPUC staff review of PG&E's pressure test results, the CPUC today determined that the operating pressure restriction on the Topock Compressor Station can safely be rescinded.

“We have taken extraordinary steps to restrict the operating pressure on certain PG&E natural gas transmission pipelines and established specific requirements for PG&E to demonstrate that the operating pressure restrictions can safely be lifted,” said CPUC Commissioner Mike Florio, who is assigned to the proceeding that will establish new rules for the safe and reliable operation of natural gas pipelines in California. “At the end of the day, PG&E must be fully accountable for the pressure test and the assertion that the line can be safely operated at the restored maximum pressure.”

Said Commissioner Timothy Alan Simon, “This Commission needs to be able to act with clear and precise authority in the following months to ensure that PG&E and other utilities are doing everything possible to reduce the risk of future gas explosions. The decision approved today requires stricter utility accountability when undergoing safety tests.”

Located near the Arizona border, PG&E’s Topock Compressor Station receives gas from three pipelines: 300A and 300B (fed by El Paso Natural Gas’ interstate pipeline), and the Transwestern interstate pipeline. Gas coming into Topock is compressed and leaves through Lines 300A and 300B. These lines, which constitute the portion of PG&E’s backbone system that bring gas into PG&E’s service territory from the Southwest producing basins, terminate at PG&E’s Milpitas Terminal. Topock has historically operated at a maximum allowable operating pressure of 660 pounds per square inch gage.

The proposal voted on is available at

http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/144509.pdf.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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