



CPUC Public Agenda 3355
Thursday, April 9, 2015 9:30 a.m.
San Francisco, CA



Commissioners:
Michael Picker, President
Michel Peter Florio
Catherine J.K. Sandoval
Carla J. Peterman
Liane M. Randolph

www.cpuc.ca.gov





The Pledge of Allegiance



“I pledge allegiance to the Flag of the
United States of America,
and to the Republic for which it stands,
one nation under God,
indivisible,
with liberty and justice for all.”





Safety and Emergency Information

- In the event of an emergency, please calmly proceed out the exits.
- We have four exits: Two in the rear and one on either side of the speakers.
- In the event that we do need to evacuate the building:
- **(For the Rear Exits)** - Head out through the courtyard, and down the front steps. Continue west on McAllister Street. Turn north onto Franklin Street. Turn west onto Turk Street and proceed to Gough Street.
- **(For the Side Exits)** - Go out of the exits and you will be on Golden Gate Avenue. Proceed west to Franklin Street. Turn north onto Franklin Street. Turn west onto Turk Street and proceed to Gough Street.
- Our assembly point is Jefferson Square Park on Turk and Gough Streets.





Members of the Public who wish to speak about Items 30, 31, 32, 33 and 33a

- Bagley-Keene provisions do not allow public comment(s) from parties in a proceeding. (See generally California Government Code Section 11125.7). Public comments regarding adjudicatory hearings are also not allowed. (See specifically California Government Code Section 11125.7(h)).
- In order to preserve and protect due process for all parties, the Commission's decisions must be based on the official record of the proceeding, and not on comments that are outside of the record.
- During the course of these proceedings, all of the parties, including the City of San Bruno had ample opportunity to participate and indeed did. As a result, such public comments by parties would not be allowed.
- We emphasize that we are making a special exception in this case with respect to providing an opportunity for both members of the public and a party to speak publicly on an adjudicatory matter, this exception has no precedential value, and will not be taken into consideration in the Commission's ultimate decision on these matters.





We Remember

Gregory Bullis

Lavonne Bullis

William Bullis

James Franco

Jacqueline Greig

Janessa Greig

Jessica Morales

Elizabeth Torres





Thank you for your Dedicated Work on the San Bruno Investigations

Administrative Law Judge Division

Maryam Ebke, Assistant Chief Administrative Law Judge
Thomas ("Tom") Pulsifer, Administrative Law Judge
Mark Wetzell, Administrative Law Judge
Amy Yip-Kikugawa, Administrative Law Judge
Shonta Bryant, ALJ STAR Unit
Lillian Li, ALJ STAR Unit
Joyce Tom, ALJ STAR Unit

Legal Division

Arocles Aguilar, General Counsel
Peter Allen, Attorney
Joel Perlstein, Attorney
Margarita ("Margie") Lezcano, Legal Support Staff
Charlene Lundy, Legal Support Staff

Terri Prosper, News and Public Information Office
Karen Miller, Public Advisor's Office

Office of Ratepayer Advocates

Traci Bone	Mark Pocta
Tamera Godfrey	Tom Roberts
Karen Paull	Pearlie Sabino
Dave Peck	Nat Skinner

Safety and Enforcement Division Advocacy

Gina Adams	Catherine Johnson
Pat Berdge	Willard Lam
Ken Bruno	Beth McQuillan
Bob Cagen	Harvey Morris
Travis Foss	Jason Reiger
Darryl Gruen	Raffy Stepanian
Julie Halligan, Administrative Law Judge	

Safety and Enforcement Advisory

Denise Tyrell, Acting Director
Sunil Shori

Commissioner Advisors

Alison Brown	Ken Koss
Melicia Charles	Jamie Ormond
Julie Fitch	Rachel Peterson
Christine Hammond	Elizabeth Podolinsky
Ditas Katague	





Regular Agenda – Energy Orders

Item # 30 [13813] – Modified Presiding Officer's Decision Regarding Allegations of Violations Regarding Pacific Gas and Electric Company's Operations and Practices with Respect to Facilities Records for its Natural Gas Transmission System Pipelines

I11-02-016 – Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.

Adjudicatory

Pres. Picker / Judge Yip-Kikugawa

PROPOSED OUTCOME:

- Finds Pacific Gas and Electric Company (PG&E) violated Title 49 of the Code of Federal Regulations, Section 192 and Public Utilities Code § 451 by failing to maintain its gas transmission pipeline records in a manner to allow safe operation of its gas transmission pipeline system.

SAFETY CONSIDERATIONS:

- PG&E is required to maintain and operate its gas transmission pipeline system in a safe manner. This decision finds that deficiencies in PG&E's recordkeeping practices do not allow it to safely maintain and operate its gas transmission pipeline system. PG&E's failure to maintain proper records regarding the design, installation, testing, operations and maintenance of its gas transmission pipeline system increases the risk to public safety.

ESTIMATED COST:

- To be determined in coordinated decision on fines and remedies (issued in I.12-01-007, I.11-02-016 and I.11-11-009).





Regular Agenda – Energy Orders

Item # 31 [13812] – Modified Presiding Officer's Decision Regarding Allegations of Pacific Gas and Electric Company's Violation Regarding Operation of its Natural Gas Transmission Pipeline System

I11-11-009 – Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with Higher Population Density.

Adjudicatory

Pres. Picker / Judge Yip-Kikugawa

PROPOSED OUTCOME:

- Finds Pacific Gas and Electric Company (PG&E) violated Title 49 of the Code of Federal Regulations, Section 192 and Public Utilities Code Section 451 by failing to maintain and operate all segments of its natural gas transmission pipeline system at the proper class location. The total number of violations is 2,360, which results in a total of 18,038,359 days in violation.

SAFETY CONSIDERATIONS:

- PG&E is required to maintain and operate its gas transmission pipeline system in a safe manner. This decision finds that PG&E had incorrect class location designations for segments of its pipeline system and, thus, was operating at an operating pressure higher than appropriate. Failing to maintain the proper class location increases the risk to public safety.

ESTIMATED COST:

- To be determined in coordinated decision on fines and remedies (issued in I.12-01-007, I.11-02-016 and I.11-11-009).





Regular Agenda – Energy Orders

Item # 32 [13814] – Modified Presiding Officer’s Decision Regarding Alleged Violations by Pacific Gas and Electric Company in Connection with the San Bruno Explosion and Fire

112-01-007 – Order Instituting Investigation on the Commission’s Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.

Adjudicatory

Pres. Picker / Judge Wetzell

PROPOSED OUTCOME:

- Whether Pacific Gas and Electric Company (PG&E) violated natural gas transmission safety laws in connection with the September 9, 2010 San Bruno explosion and fire.

SAFETY CONSIDERATIONS:

- Promotes safety by identifying, and therefore holding PG&E accountable for, violations of safety laws.

ESTIMATED COST:

- No direct cost impact; however, the findings will be considered in a separate decision that could impose over a billion dollars in penalties on PG&E.





Regular Agenda – Energy Orders

Item # 33a [13818] – PRESIDENT PICKER’S DECISION DIFFERENT TO ITEM 13815

I12-01-007, I11-11-009, I11-02-016 (Not Consolidated)

I12-01-007 - Order Instituting Investigation on the Commission’s Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.

I11-11-009 - Order Instituting Investigation on the Commission’s Own Motion into the Operations and Practices of Pacific Gas and Electric Company’s Natural Gas Transmission Pipeline System in Locations with Higher Population Density.

I11-02-016 - Order Instituting Investigation on the Commission’s Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.

Adjudicatory

Pres. Picker





Regular Agenda – Energy Orders

Item # 33a [13818] – PRESIDENT PICKER'S DECISION DIFFERENT TO ITEM 13815

PROPOSED OUTCOME:

- Adopts penalties to be imposed on Pacific Gas and Electric Company (PG&E) for violations arising from: (1) the September 9, 2010 San Bruno explosion and fire; (2) PG&E's recordkeeping practices for its gas transmission pipeline system; and (3) PG&E's failure to maintain the proper class designation for pipeline in areas of higher population density.
- Adopts penalties and remedies totaling \$1.6 billion as follows:
 - \$850 million in future gas infrastructure improvements related to transmission pipeline safety to be paid for by PG&E shareholders;
 - \$300 million fine payable to the General Fund;
 - \$400 million refund to PG&E's gas ratepayers in the form of a one-time bill credit; and
- Approximately \$50 million to implement over 75 remedies proposed by the Commission's Safety and Enforcement Division (previously called the Consumer Protection and Safety Division) and other intervenors to enhance pipeline safety.

THE DECISION DIFFERENT OF PRESIDENT PICKER DIFFERS FROM THE PRESIDING OFFICER'S DECISION ON FINES AND REMEDIES AS FOLLOWS:

- The Decision Different's overall amount of penalties and remedies is increased by \$200 million, from \$1.4 billion to \$1.6 billion;
- The amount of future gas infrastructure improvements related to transmission pipeline safety to be paid for by PG&E shareholders is increased from zero to \$850 million;
- PG&E will pay a fine to the General Fund of \$300 million instead of \$950 million; and
- Intervenor compensation will be processed through our statutory intervenor compensation program as is standard practice.

SAFETY CONSIDERATIONS:

- PG&E is required to maintain and operate its gas transmission pipeline system in a safe manner. The penalties and remedies imposed serve to: penalize PG&E for violations of state and federal statutes and regulations regarding gas transmission pipeline operations and deter future violations by PG&E and other gas pipeline operators; make PG&E's gas transmission system as safe as possible for the public, ratepayers, utility workers, and the environment, and enhance pipeline safety; recognize the statutory tool for penalties (i.e., General Fund fines); and recognize that PG&E breached the trust of its customers and the public to maintain and operate a safe gas transmission system.

ESTIMATED COST:

- \$1.6 billion to be paid by PG&E shareholders.





Regular Agenda – Energy Orders

Item # 33 [13815] – Modified Presiding Officer’s Decision on Fines and Remedies to be Imposed on Pacific Gas and Electric Company for Specific Violations in Connection with the Operation and Practices of its Natural Gas Transmission System Pipelines

I12-01-007, I11-11-009, I11-02-016 (Not Consolidated) – Order Instituting Investigation on the Commission’s Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.

Adjudicatory

Pres. Picker / Judge Wetzell, Judge Yip-Kikugawa

PROPOSED OUTCOME:

- Adopts penalties to be imposed on Pacific Gas and Electric Company (PG&E) for violations arising from: (1) the September 9, 2010 San Bruno explosion and fire; (2) PG&E’s recordkeeping practices for its gas transmission pipeline system; and (3) PG&E’s failure to maintain the proper class designation for pipeline in areas of higher population density as follows:
 - Fine payable to General Fund: \$950,000,000
 - One-time bill credit to customers: \$400,000,000
 - Remedies: \$50,000,000

SAFETY CONSIDERATIONS:

- PG&E is required to maintain and operate its gas transmission pipeline system in a safe manner. The penalties imposed serves to deter future violations of state and federal statutes and regulations regarding gas transmission pipeline operations by PG&E and other gas pipeline operators.

ESTIMATED COST:

- \$1.4 billion to be paid by PG&E shareholders.

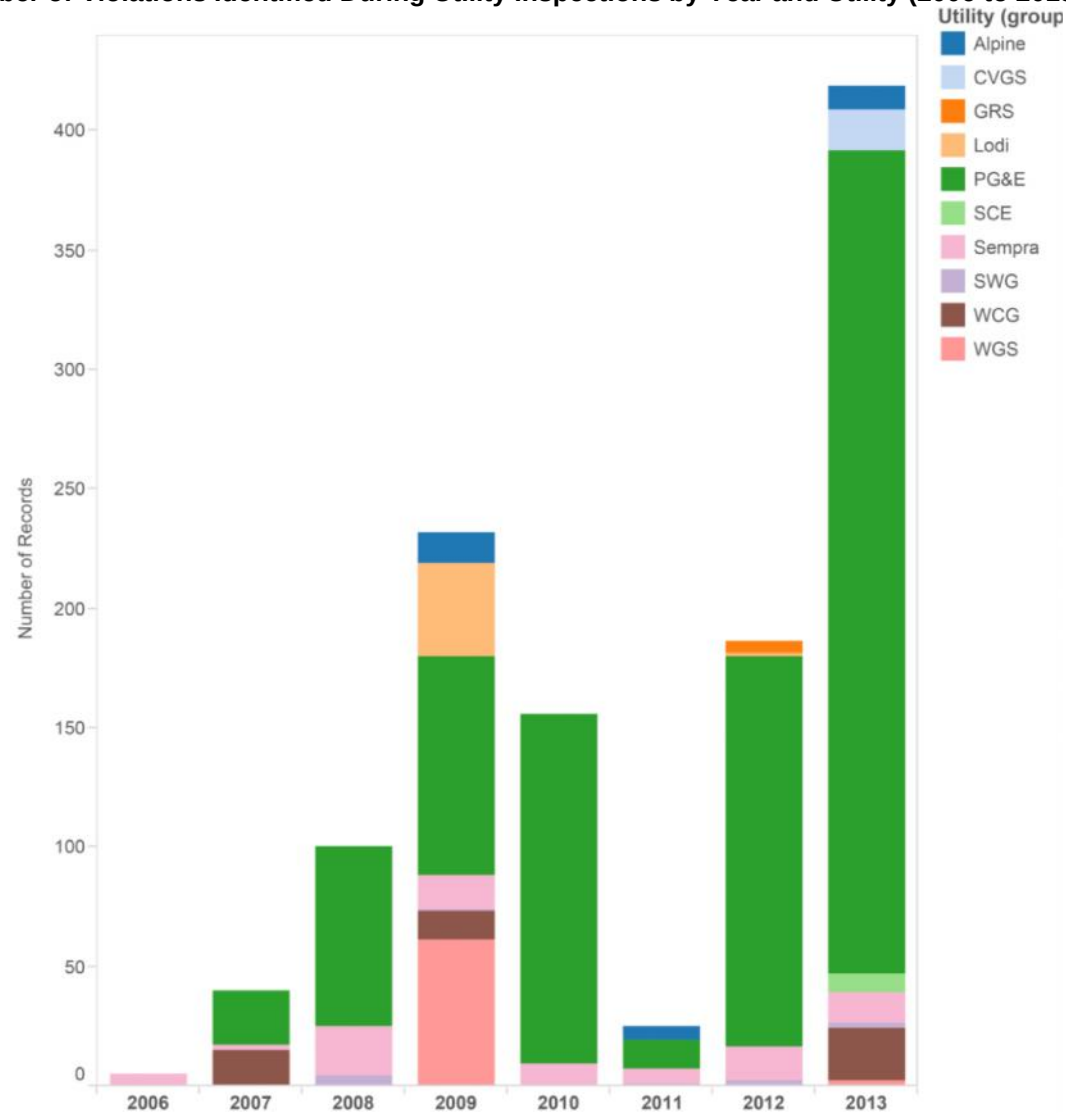




CALIFORNIA GAS UTILITY VIOLATIONS 2006 - 2013

Exhibit 1-3

Number of Violations Identified During Utility Inspections by Year and Utility (2006 to 2013)



Green = PG&E

Utility Acronyms: Alpine = Alpine Natural Gas; CVGS = Central Valley Gas Storage; GRS = Gill Ranch Gas Storage; Lodi = Lodi Gas Storage; PG&E = Pacific Gas and Electric; SCE = Southern California Edison; Sempra = Sempra Energy (includes San Diego Gas and Electric and Southern California Gas Company); SWG = Southwest Gas; WCG = West Coast Gas; WGS = Wild Goose Storage.





Public Comment

- Per Resolution ALJ-252, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

The following items are NOT subject to Public Comment:

- 13, 14, 30, 31, 32, 33, 33a, 40 and 41
- All items on the Closed Session Agenda





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Public Agenda Changes

- Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.
- Items on Today's Consent Agenda are: **1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 21, 22, 23, 24, and 25.**
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- **Items 27, 29, 35, 36, 37, 38, 39, 40, 41, 42 and 43** from the Regular Agenda have been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- No items have been moved to the Regular Agenda.
- No items have been withdrawn.
- The following items have been held to future Commission Meetings:
 - Held to 5/7/15: **5, 16, 26, 26a, 28, 28a, 34 and 34a.**
 - Held to 5/21/15: **20.**





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #44 [13771]

**Report and Discussion by Safety and Enforcement
Division on Recent Safety Program Activities**





April – National Safe Digging Month



Sunil Shori
Utilities Engineer
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
April 9, 2015





April – National Safe Dig Month

- April is recognized as National Safe Digging Month (NSDM);
- NSDM serves as a good reminder for homeowners and contractors to call 811 and utilize One Call before digging;
- Calling 811 helps avoid injuries and damages to subsurface utilities.





What is 811- One-Call?

- 811 refers to the easy to remember three-digit number that can be used to call One-Call Centers;
- One-Call refers to the process for providing notification of excavations



**Know what's below.
Call before you dig.**





What is 811 - One-Call?

- The intent of One-Call and use of 811 is to prevent:
 - damages to subsurface facilities,
 - loss of service, and
 - most importantly, injuries or deaths which can result if subsurface facilities are struck.





What is One-Call?

- Except for emergencies, all excavators must contact a One-Call Center and provide it with information related to the intended excavation, such as:
 - work area;
 - date when work will start;
 - scope of work;
 - contact information, etc.





What is One-Call?

Nationwide statistics from the Common Ground Alliance indicate that when a locate request is made prior to an underground excavation, 99% of the time no damages will occur... **THAT MEANS LESS THAN 1% OF DIGS CAUSE DAMAGES WHEN THE EXCAVATORS PROVIDE PROPER NOTICE TO ONE-CALL!**





What is One-Call?

- California Government Code 4216 (GC 4216) governs the One-Call process.
- GC 4216 requires sub-surface facility owners to be members of the applicable One-Call Center(s).
- Exempted from GC 4216:
 - Caltrans,
 - operators of non-pressurized sewers,
 - drain lines,
 - storm drains, and
 - owners of facilities located entirely on their property.
- The One-Call process is **free** for the excavator.





What is One-Call?

- Excavators must notify the applicable One-Call Center at least two business days before excavating.
- The One-Call Centers then notify its members who may have facilities in the work area.
- Members receiving notification must mark the approximate location of subsurface facilities, or provide confirmation to the excavator that the work area is clear.
- Each excavator must take steps to protect subsurface facilities while excavating and report any damages.





Relationship between One-Call and 811

- There are two One-Call Centers in California:
 - **Underground Service Alert (USA North 811)** covers northern California (Oregon Border down to Kern and San Luis Obispo counties)



- **Dig Alert** covers Los Angeles, Santa Barbara, Inyo and San Bernardino counties south to the Mexican Border.



- Each One-Call Center has its own 800 phone number.
- **811** dialed calls are automatically routed to the One-Call Center that covers the intended excavation area.
- Each One-Call Center is funded by its membership.





CPUC Efforts to Promote 811



**Know what's below.
Call 811 before you dig.**

**It's Easy
It's Free
It's the Law**



A Public Safety Message from the California Public Utilities Commission

**2008 - Large
811 Posters
placed on bus
shelters near
do-it-yourself
stores.**





CPUC Efforts to Promote 811





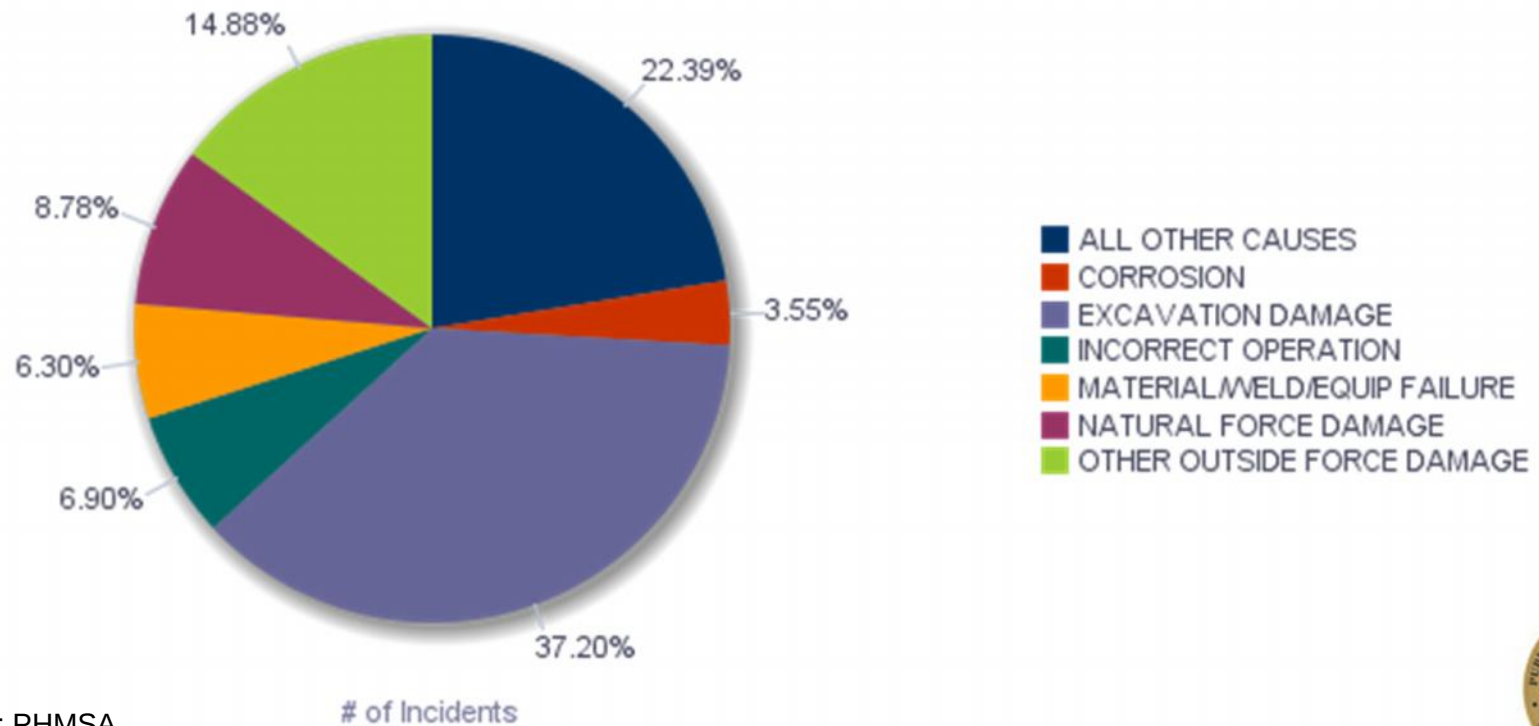
CPUC Efforts to Promote 811





Consequences of Improper Excavation Practices

Significant Incident Cause Breakdown 20 Year Average (1995-2014) For All Distribution Pipeline



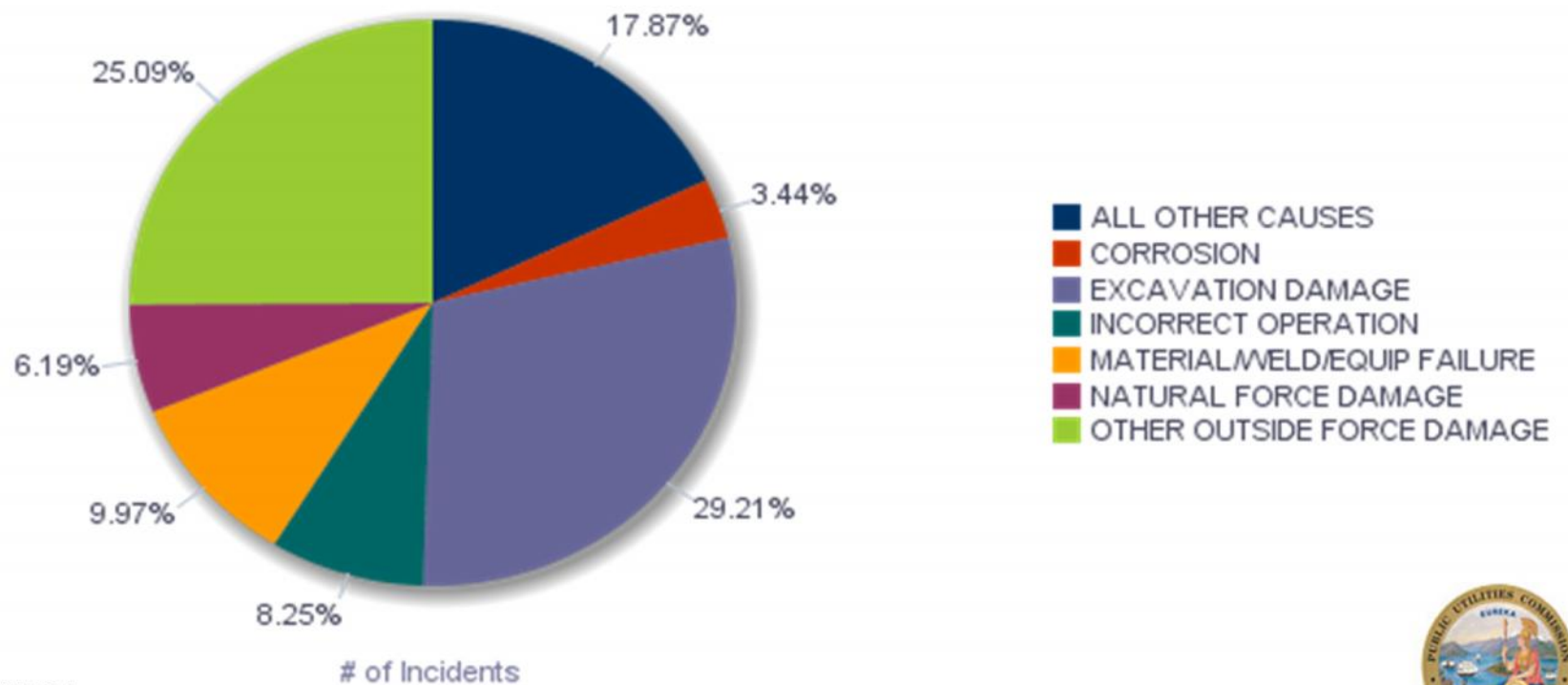
Source: PHMSA





Consequences of Improper Excavation Practices

Significant Incident Cause Breakdown 5 Year Average (2010-2014) For All Distribution Pipeline



Source: PHMSA





Consequences of Improper Excavation Practices

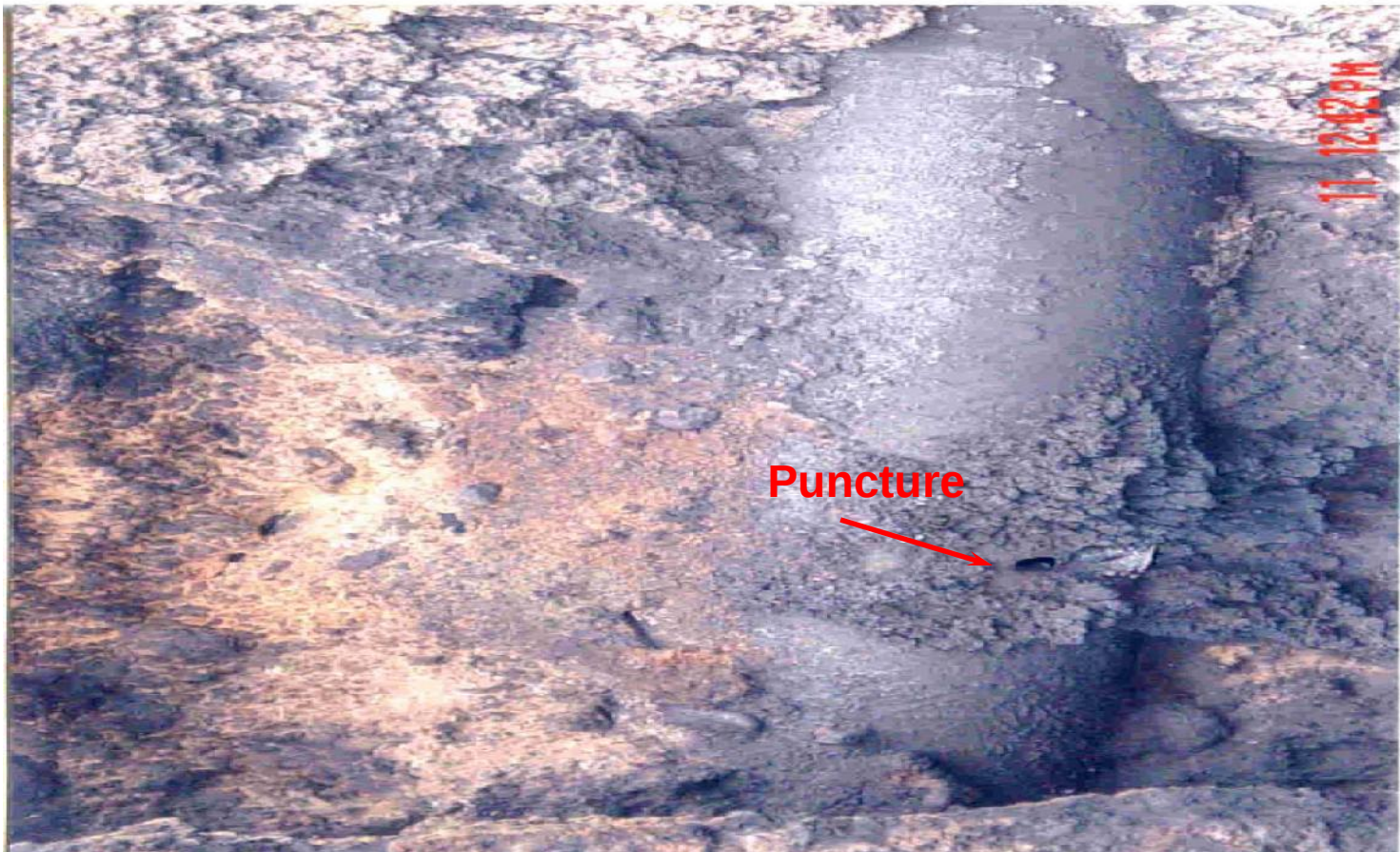


Near Madera – 8-inch Gas Line
August 2003





Consequences of Improper Excavation Practices



Walnut Creek - Kinder Morgan LS 16 pipeline with through-wall puncture – November 2004.

Photo Courtesy of CalOSHA





In Summary

- As homeowners proceed on spring projects (e.g., planting drought resistant plants, fencing, setting the mail box, etc.) that involve digging, they should call **811** and utilize One-Call;
- All contractors performing excavation work must conform to the requirements of GC 4216;
- Never assume the depth of subsurface utility facilities and always use hand tools to locate the exact location of subsurface facilities for which owners/operators provide markings;
- Confirming the location of subsurface facilities, or that no facilities exist in the work area, helps avoid damages, injuries, and fatalities.





Regular Agenda – Management Reports and Resolutions

Item #44 [13771]

**Report and Discussion by Safety and Enforcement
Division on Recent Safety Program Activities**





Management Reports





The CPUC Thanks You For Attending Today's Meeting

**The Public Meeting is adjourned.
The next Public Meeting will be:**

**May 7, 2015 at 9:30 a.m.
in San Francisco, CA**

