



ORA

Office of Ratepayer Advocates
California Public Utilities Commission

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JOSEPH P. COMO
Acting Director

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April 23, 2014

Honorable Jerry Hill
California State Senate
State Capitol, Room 5064
Sacramento, CA 95814

RE: SB 1389 (Hill) – Support if amended

Dear Senator Hill,

ORA (Office of Ratepayer Advocates) is the independent consumer advocate within the California Public Utilities Commission (CPUC). ORA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. ORA also advocates for customer and environmental protections in connection with utility service.

ORA supports the intent of your SB 1389, which would require the CPUC to adopt rules for gas corporations to follow when determining the maximum allowable operating pressure (MAOP) for an intrastate transmission pipeline prior to July 1, 1970. SB 1389 would also require these rules to be compatible with relevant federal regulations, as specified.

In the aftermath of the San Bruno explosion, the CPUC initiated a rulemaking to ensure that California's natural gas transmission operators are properly calculating the MAOP for each segment of the natural gas transmission system. The National Transportation Safety Board, in its report on the San Bruno explosion, subsequently recommended the elimination of the "grandfather" provision from the regulation prescribing how operators are to determine the MAOP of their gas pipelines. ORA suggests that you incorporate this important recommendation into your bill to ensure that gas pipeline operators correctly determine the maximum allowable operating pressure as follows:

The commission shall require gas corporations to determine the maximum allowable operating pressure for an intrastate transmission line installed prior to July 1, 1970 pursuant to the requirements of Section 192.619(a) and Section 192.620 of Subpart L of Part 192 of Title 49 of the Code of Federal Regulations, or any successor regulations adopted by the federal Pipeline and Hazardous Materials Safety Administration. The commission shall not allow gas corporations to rely on the grandfather provision, Section 192.619 (c), to determine the maximum allowable operating pressure for any line installed prior to July 1, 1970.

If you have any questions or would like to discuss this matter further, please call ORA's Legislative Advisor, Rebecca Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor