

**Comments of the City of San Carlos**  
**CPUC Solicitation for Input dated 7-3-15**  
**Responses to Policy & Planning Division questions on p. 2:**

1. Should the Commission ensure there is an organization specifically dedicated to utility safety issues in Commission proceeding? Yes, the Commission should encourage the participation in its proceedings of an organization or entity which has as its PRIMARY focus and mission public safety and the safe operation of the utilities regulated by this Commission. This is essentially the role of an “ independent monitor.” This function is absolutely necessary in order to place into context the work that utilities are required to present under the principles identified on p. 4 of the SFI.
2. What organizations, new or existing, should intervene on utility safety issues? First, public agencies charged with the protection of public safety at the state and local level such as cities, counties, fire districts and the state fire marshal should be informed of safety choices presented to the Commission and be given the opportunity to provide comments and advice both formally and informally. It should be remembered that the commenting cities have been at the forefront of safety advocacy during the past few years. Any private (“NGO”) non-governmental organization with expertise in utility safety issues and demonstrated interest in the subject matter should be actively invited to participate in any proceedings which implicate public safety concerns. The Commission, with input from these interested parties, the public and from subject matter experts, needs to develop a scope of work for objectively evaluating utility submittals under the SFI principles, and then solicit proposals, including proposals from entities that have done similar past work for the Commission.
3. Should ORA or other intervenors on behalf of ratepayers be responsible for both safety and rate advocacy? We do not believe so despite the excellent work and diligence that they exercise. To paraphrase the principles on p. 4, we need a set of quantifiable metrics that can be used to define what “safe” means. And each metric will have its own range of “safe.” This is where economics comes in and perhaps creates an inherent conflict between ORA/ rate-payer advocates and safety concerns. Undoubtedly, there will be “safe enough” or “really safe.” Where you are or want to be along that continuum will be affected by cost considerations. It’s unavoidable. So, ORA, the independent monitor (see 1 above), and all other intervenors must be able to quantify, to the maximum extent possible, the costs and benefits of differentiating between and among “safe” and “safest.” This will stand alongside the information the utility will be presenting regarding its metrics and analysis of tradeoffs. If this type of information can emerge from the process, then the Commission might have a fighting chance to exercise wisdom.
4. Are there competencies the Commission must require for a safety intervenor. Yes. An independent monitor will have emerged from the work under item 2 above, and will already have demonstrated its competency. It will be up to other intervenors to demonstrate their competency whenever they might appear in a given proceeding. However the Commission should understand and insist that it is up to the utility to articulate in non-technical terms how the safety metrics can be applied to a given situation. Obfuscation by complication seems to have been the order of the day in these commenters’ experience. Public safety is a simple absolute and should always be the number one priority before the Commission.

5. Are there conflicts that should be addressed in intervenor safety participation; for example, a ratepayer advocate who also seeks compensation as an advocate for a safety action or expenditure? This is complex. There needs to be quantification (independent of the utilities) of the risk vs. cost tradeoff. But who is the right quantifier? ORA, who professes to represent small consumers? SED, which is tasked with safety and enforcement, but is not necessarily expert in or may not care about economic consequences? Rate-payer advocacy groups? Gas marketers and producer intervenors? Gas-fired generator intervenors? Each of the foregoing groups is actually quite biased. Therefore we come back to the independent monitor concept, wherein the utility, the Commission, intervenors and the public receive an objective and quantified risk vs cost assessment of whatever utility is proposing with respect to its system. Then it's up to ORA and SED and the intervenors and PG&E to persuade the Commission what level of rates and performance will produce the right balance of safety and cost.
6. Are there barriers to safety advocate participation that the Commission must address? There may be barriers to safety advocate participation. Most of the expert safety analysis work in the gas industry is performed for utilities and pipelines. Many of the most competent engineers and firms will likely have some form of conflict and may choose not to participate. This makes it quite important to assure that the independent monitor (or NGO functional equivalent) is adequately compensated, both as to consultant rates and the term of the engagement. Current rules prevent intervenor compensation to the very agencies (public agencies) charged with responding to public disasters. The commission has refused to provide an equitable basis for compensation for public agencies even when their participation is found to have been necessary and valuable to the outcome. The commission may not control the former but does control the latter consideration. In the POD in the San Bruno OIIs, the largest and highest profile safety matter before the Commission, all parties and the Administrative Law Judges acknowledged the substantial contributions by the intervenor cities, yet the Commission chose to deny compensation.

Respectfully submitted,

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