

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**

01/14/19  
04:59 PM

Order Instituting Investigation and Order  
to Show Cause on the Commission's  
Own Motion into the Operations and  
Practices of Pacific Gas and Electric  
Company with Respect to Locate and  
Mark Practices and Related Matters.

Investigation 18-12-007

**RESPONSE OF THE PUBLIC ADVOCATES OFFICE**

Pursuant to the *Order Instituting Investigation and Order to Show Cause* (OII) issued by the California Public Utilities Commission (Commission) on December 14, 2018, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) hereby provides its response on the scope and issues in this OII into Pacific Gas and Electric Company's (PG&E's) operations with respect to Locate and Mark practices and related matters.

The Public Advocates Office recommends that the Commission initiate a fiscal audit of the \$40.546 million authorized in Decision 17-05-013 in PG&E's Test Year 2017 General Rate Case (GRC) proceeding. In its GRC, PG&E requested \$40.546 million in expenses, which was \$2.857 million or 7.6 percent above its 2014-recorded expenses for the Locate and Mark program. The Public Advocates Office did not oppose PG&E's request for Locate and Mark funding. However, in light of the allegations raised by the Commission's Safety and Enforcement Division in this OII, a fiscal audit will reveal how the authorized expenses were used by PG&E and whether PG&E improperly spent the authorized funds on other projects.

The Public Advocates Office recommends that this proceeding focus on whether PG&E's underground pipe damage prevention and Locate and Mark programs have been unsafe or in violation of the Public Utilities Code, the Government Code, the Commission's General Orders, or other state or federal regulations.<sup>1</sup> The Commission should make specific findings in this proceeding as to the adequacy or inadequacy of PG&E's Locate and Mark program and levy appropriate changes to the Locate and Mark program, as well as other appropriate initial

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<sup>1</sup> See Investigation (I.) 18-12-007, p. 1.

remedies. These determinations should then be included in the Commission's investigation into whether PG&E's corporate culture and governance prioritize safety (I.15-08-019) (Safety Culture OII),<sup>2</sup> since that proceeding is investigating PG&E's overall safety culture. Any safety culture failures that are determined to exist as a result of the Locate and Mark program may be indicative of other failures, and the Safety Culture OII is the appropriate procedural mechanism to address those issues.

Respectfully submitted,

/s/ **MARION PELEO**

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January 14, 2019

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<sup>2</sup> I.15-08-019, Order Instituting Investigation on the Commission's Own Motion to Determine Whether Pacific Gas and Electric Company and PG&E Corporation's Organizational Culture and Governance Prioritize Safety.