

Decision No. 78536

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC GAS AND ELECTRIC COMPANY  
for extensions of time within which  
to comply with certain Minimum  
Federal Safety Standards for the  
transportation of gas which have  
been adopted by the California Public  
Utilities Commission as a supplement  
to General Order No. 112-B.

Application No. 52313  
(Filed November 20, 1970)

O P I N I O N

Applicant's Request

By this application, filed November 20, 1970, Pacific Gas and Electric Company (Applicant) seeks extensions of time within which to comply with certain overpressure protection requirements for pipeline facilities contained in Part 192 of Title 49 of the Code of Federal Regulations referred to as Minimum Federal Safety Standards. Part 192 was adopted by the Office of Pipeline Safety on August 12, 1970, and became effective November 12, 1970. By Resolution No. G-1499, dated November 4, 1970, this Commission adopted Part 192 as a supplement to General Order No. 112-B effective as of November 12, 1970.

Specifically, Applicant requests the following extensions of time within which to comply with the Minimum Federal Safety Standards:

1. An extension of time for compliance with Section 192.621(b), Maximum allowable operating pressure; high pressure distribution systems, through December, 1971.

2. An extension of time for compliance with Section 192.619(a)(3), Maximum allowable operating pressure; steel or plastic pipelines, through July, 1971.
3. An extension of time for compliance with Section 192.743(c), Pressure limiting and regulating stations; testing of relief devices, through December, 1971.
4. If Section 192.195(a), Protection against accidental overpressuring, is somehow made applicable to existing regulator stations because of future installation of new service connections, then applicant requests an extension of time for compliance with such a reading of Section 192.195(a), through December, 1972.

Applicant further requests that any time extensions granted pursuant to this application be made effective after the 60 days required by Section 3(e) of the Natural Pipeline Gas Safety Act of 1968 nunc pro tunc to November 12, 1970. Applicant states that such extensions would comply with the Pipeline Safety Act requirements for notice to the Secretary of Transportation while, as of the expiration of the 60-day period, providing Applicant with a retroactive time extension. Such a retroactive time extension would, in turn, recognize the fact that in the situation created by the new regulations a period of temporary technical noncompliance was unavoidable.

#### Applicant's Operations

Applicant purchases, distributes, and sells natural gas in northern and central portions of the State of California. It has approximately 2.2 million gas customers and provides natural gas service to a population of approximately 8.2 million. It purchases out-of-state gas from El Paso Natural Gas Company and Pacific Gas Transmission Company. As of December 31, 1970, it owns, operates and maintains 4,134 miles of transmission and 23,785 miles of distribution lines in California.

Compliance Problems - Overpressure Protection Requirements

Applicant states that the magnitude of the task faced by it in attaining compliance with all of the new federal standards is apparent from the size of its operation. Facilities affected are scattered throughout a wide operating area and differ widely in age, type and conditions. For example, Applicant operates approximately 2,569 pressure reducing stations. Following the adoption of the new federal regulations, Applicant alleges it has had to review and analyze those regulations, survey its facilities for areas of noncompliance, commence procurement of essential materials, and begin accomplishment of the necessary work. Applicant states it is taking all necessary steps to comply with the new standards as promptly as practicable, but extensions of time will be necessary to enable it to meet the new requirements contained in the following specific sections:

1. Section 192.621(b) provides that no person may operate a segment of high pressure distribution pipeline on which the maximum allowable operating pressure (MAOP), has been voluntarily held below otherwise applicable levels for safety reasons, unless overpressure protection devices have been installed in a manner that will prevent such an operator-established MAOP from being exceeded. Applicant estimates that its program for identifying such segments and installing appropriate overpressure devices will take until December, 1971 to complete.
2. Section 192.619(a)(3) provides that the maximum allowable operating pressure of a steel or plastic pipeline is the highest actual operating pressure to which the segment was subjected during the five years preceding July 1, 1970, unless certain qualifications are met. In order to comply with this section, Applicant is conducting an exhaustive system survey to identify segments of pipe falling within this method of determining MAOP. After identification of those segments it will then be necessary to compute their highest actual operating pressure for the five years preceding July 1, 1970. Applicant alleges that only when the above facts are collected will it be able to establish the correct maximums in order to comply with this section. Its program for arriving at the above information and putting any new maximums into effect will be completed by July, 1971.

3. Section 192.743(c) provides that if existing relieving devices are of insufficient capacity, a new or additional device must be installed as a matter of required maintenance. Applicant has approximately 186 regulating stations where the installed relieving device is currently of insufficient capacity to assure limitation of pressure to no more than 10% buildup over the MAOP as required by Section 192.201. Applicant anticipates that more such discrepancies will develop as the new maximums required by Section 192.619(a)(3) are developed as discussed in "2" above. The relieving devices in question will have to be adjusted, altered, replaced, or added to in order to comply with Section 192.743(c). Under Applicant's program the last of these devices will be brought up to standard by December, 1971.
4. Section 192.195(a) provides that, except as exempted by Section 192.197, each pipeline that is connected to a gas source in such a way that the pipeline's MAOP could be exceeded as a result of pressure control failure, or some other type of failure, must have pressure relieving or limiting devices installed. In this connection Applicant has stated "In view of the expressed statement by the Office of Pipeline Safety that design standards are not to be retroactive (see Federal Register, V-35, No. 161, page 13250) it is clear that 192.195(a) only applies to pipelines installed after November 12, 1970\*."

Applicant further alleges that Section 192.197 which forms a general exemption from 192.195 provides in subsection (a) that no pressure relieving or limiting device is necessary in distribution systems where the "maximum actual operating pressure" is under 60 psig and where the installed service regulators meet listed specifications. Section 192.3 defines maximum actual operating pressure as the maximum pressure that occurs during normal operations over one year. Applicant states that in view of the above definition it seems clear that new service connections in distribution systems which have in fact been operating at lower than 60 psig for over a year need only meet the regulator requirements of 192.197(a), regardless of whether or not the district regulator station has pressure relieving or limiting devices. Applicant states that Section 192.197(c) provides that in systems which have in fact been operated at over 60 psig for over a year any new services must comply with its terms. It maintains that substantially all distribution systems operating at over 60 psig within its system are in compliance with 192.197(c).

\* Applicant states "It should be noted that Section 192.13 provides that even for a pipeline installed after November 12, 1970, if the pipeline is new construction 'readied for service' prior to March 12, 1971, it need not comply with the design standards of Part 192."

Applicant states that it has currently approximately 143 pressure regulating stations which lack overpressure protection, and if, therefore, the federal standards should be read as requiring it to immediately commence installation of overpressure devices retroactively throughout its system as a precondition for new service connections, the job would take at least until December, 1972 and Applicant would definitely need a time extension for compliance.

Support for Deviation

Applicant states that since August 12, 1970, it has endeavored to attain compliance with the new regulations but completion of this effort has not been possible in all instances. This application is a request for a period of time within which to identify, analyze and construct or install the physical facilities necessary to render Applicant capable of meeting a few specific sections of the new standards. The extensions sought herein will not change or alter any standard; they serve solely as a means of protecting Applicant from charges of technical noncompliance while it is engaged in accomplishing necessary system alterations.

Applicant states that apart from the regulations in question it is commencing its own voluntary program of installing overpressure devices at pressure regulation stations. It anticipates that this program will be completed within two or three years at an estimated cost of \$2.3 million. It further states that the work described above does not involve the correction of any unsafe conditions which now exist on its system. Performance of this work prior to November 12 was necessary only to be in technical compliance with the new federal standards. Applicant maintains that it intends to perform the work as rapidly as possible but at a rate that will not sacrifice the adequate performance of equally important operation and maintenance activities. It anticipates

that the bulk of this work will be completed well before the end of most of the proposed extension periods and maintains the work can best be performed by experienced company crews and does not warrant enlargement of company work force or the hiring of outside contractors.

Discussion of Applicant's Support for Requested Deviation

Time extensions sought for compliance with Sections 192.621(b), 192.619(a)(3) and 192.743(c) do not appear to present any particular problem. However, interpretation of Section 192.195(a), involving as it does applicability to existing regulator stations because of future installation of new service connections, does require qualification. Applicant, under its support for the deviation as outlined in Item No. 4, has called attention to a statement by the Office of Pipeline Safety that the design standards (emphasis added) are not to be retroactive. We concur in that interpretation but do call attention to the fact that the statement applies to design standards and not to operating and maintenance standards. Section 192.13, General, pertains to the design installation and construction of any segment of pipeline ready for service after March 12, 1971, but does not include any regulation pertaining to the operation and maintenance of such segment. Hence, we do not concur with the views of applicant which states in part<sup>1/</sup> "... it seems clear that new service connections in distribution systems which have in fact been operating at lower than 60 psig for over a year need only meet the regulator requirements of 192.197(a) regardless of whether or not the district regulator station has pressure relieving or limiting devices." It is

<sup>1/</sup> Page 6, of application, lines 11-17.

our opinion that Applicant be required to immediately commence installation of pressure regulating devices in accordance with federal regulations throughout its system as a precondition for new service connections. It is not considered that this would be retroactive for the operation and maintenance of such pipeline segments. Safety in operations should be the overriding consideration of any interpretation of federal regulations. It is commendable that Applicant has stated that it is commencing its own voluntary program of installing overpressure devices at pressure regulation stations.

The Commission staff conducted an investigation in connection with this application. The result of this investigation is set forth in a 16 page document entitled "Report on Pacific Gas and Electric Company" dated March 19, 1971. This report is designated as Exhibit No. 1 in this matter. The staff concludes that there is no evidence that the system is being or will be operated in an unsafe manner and that the Applicant's request should be granted.

Finding and Conclusion

The Commission, after examination of the facts and reasons presented by Applicant and the results of the staff investigation, finds that the waiver of compliance with the Minimum Federal Safety Standards for the limited period provided herein is not inconsistent with pipeline safety and will not be adverse to the public interest. The Commission concludes that the application should be granted nunc pro tunc to November 12, 1970, subject to the conditions specified in the order.

A copy of this decision will be transmitted to the Department of Transportation pursuant to the requirement of Section 3(e) of the Natural Gas Pipeline Safety Act of 1968.

Public notice has been given on the application affording interested parties an opportunity for hearing; no requests for hearing have been received by the Commission. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company be granted an extension of time through December, 1971, to comply with Section 192.621(b), and is directed to file quarterly reports outlining the work that has been done, the work remaining to be performed, and direct costs including supervision and engineering.
2. Pacific Gas and Electric Company be granted an extension of time through July, 1971, to comply with Section 192.619(a)(3), with quarterly reports as indicated in Ordering Paragraph No. 1 above.
3. Pacific Gas and Electric Company be granted an extension of time through December, 1971, to comply with Section 192.743(c) with quarterly reports as indicated in Ordering Paragraph No. 1 above.

4. Pacific Gas and Electric Company be granted an extension of time through December, 1972, to comply with Section 192.195(a) with quarterly reports as indicated in Ordering Paragraph No. 1 above.

The effective date of this order shall be sixty days after the date hereof.

Dated at San Francisco, California, this 13th day of APRIL, 1971.

[Signature]  
Chairman  
William Synovis, Jr.  
[Signature]  
Terrence L. Sturgeon  
[Signature]  
Commissioners