

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Adopt New Safety
and Reliability Regulations for Natural Gas
Transmission and Distribution Pipelines and
Related Ratemaking Mechanisms.

Rulemaking 11-02-019
(Filed February 24, 2011)

**REPLY COMMENTS OF THE UTILITY REFORM NETWORK ON THE
PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE BUSHEY
REGARDING IMPLEMENTATION PLAN OF SOUTHWEST GAS CORPORATION**



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The Utility Reform Network (“TURN”) submits these reply comments on the Proposed Decision of Administrative Law Judge Bushey (“PD”) regarding the proposed Transmission Pipeline Comprehensive Pressure Testing Implementation Plan (“IP”) of Southwest Gas Corporation (“Southwest”). TURN will focus its comments on the opening comments of Southern California Gas Company and San Diego Gas and Electric Company (collectively “the Sempra Utilities”).

The opening comments of the Sempra Utilities will be a déjà vu experience for many readers. In their comments on the PD regarding PG&E’s IP that led to the adoption of Decision (D.) 12-12-030, the Sempra Utilities similarly attempted to inject issues and arguments that have been fully litigated (but not yet decided) with respect to their IP in A.11-11-002. In finalizing D.12-12-030, the Commission wisely made no changes in response to the Sempra Utilities’ comments and should do the same here.

Just as they contended with respect to the PG&E PD, the Sempra Utilities claim that costs to pressure test a pipeline segment installed after 1955 should not be disallowed. They base this argument on the same incorrect revisionist interpretation of D.11-06-017 that they espoused in their briefs in A.11-11-002 – that the text of D.11-06-017 requires all post-1970 segments to be re-tested or replaced, regardless of whether the utility has a qualifying pressure test for these segments. Once again, the Sempra Utilities fail even to mention Conclusion of Law (COL) and OP 3 of that decision, which specifically state that pressure tests are valid for IP purposes if they include all the elements required at the time of the test and, for pre-1961 segments, if the test was at least one hour long. Worse, they do not even mention Conclusion of Law 21 in D.12-12-030, which reaffirms OP 3 of D.11-06-017 when it states: “A valid pressure test record need only

comply with the regulations in effect at the time the test was performed, not later adopted regulations.”

This issue was fully briefed in A.11-11-002. TURN’s Reply Brief in that docket demonstrates that the Sempra Utilities’ interpretation is both contrary to the words of D.11-06-017 and contrary to the Sempra Utilities’ own testimony.¹ The Commission need not, and should not, address the Sempra Utilities’ arguments here.

In addition, the Sempra Utilities contend that, because General Order (“GO”) 112, first adopted in 1961, specifically required pressure test records to be retained for the life of the pipeline, the Commission should not hold California gas utilities to the 1955 ASME standards, which contained a similar requirement. The Sempra Utilities fail to recognize that the 1955 ASME standards were an accepted industry standard in 1955 and that, before the adoption of GO 112, Public Utilities Code Section 451 required utilities to operate their pipeline systems using the accepted safety standards of the time. The Sempra Utilities also overlook Section 104.4 of GO 112, which stated that compliance with the GO 112 rules did not relieve utilities from any statutory requirements, which would include the pre-existing requirement under Section 451 to retain pressure test records for the life of the pipeline.

The Sempra Utilities have not presented any legitimate reasons for modifying the Southwest PD. As the Commission did when it adopted D.12-12-030, the CPUC should not make any changes in response to the Sempra Utilities’ comments.

¹ TURN Reply Brief in A.11-11-002, Nov. 9, 2012, pp. 3-23
(<http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=31735002>).

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Respectfully submitted,

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