

**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)

**COMMENTS OF THE UTILITY REFORM NETWORK ON
REVISIONS TO GENERAL ORDER 112-E**

Thomas J. Long, Legal Director
THE UTILITY REFORM NETWORK
785 Market Street, Suite 1400
San Francisco, CA 94103
(415) 929-8876 x303 (office)
(415) 929-1132 (fax)
TLong@turn.org

September 27, 2013

I. INTRODUCTION

Pursuant to the May 2, 2013 *Assigned Scoping Memo and Ruling of the Assigned Commissioner*, The Utility Reform Network (“TURN”) submits these comments regarding revisions to General Order (“GO”) 112-E. TURN agrees with SED that GO 112 revision needs to be an iterative process that requires frequent attention. For now, TURN focuses on recommended revisions to GO 112-E to serve two purposes: (1) clarify the record-keeping requirements in the existing rules and SED proposed additions; and (2) strengthen the SED proposal regarding Annual Reports.

II. RECOMMENDATIONS TO CLARIFY RECORD-KEEPING REQUIREMENTS

TURN recommends the following change, which TURN presented at the August 20, 2013 Workshop, to clarify existing Rule 101.4:

101.4 The utilities shall maintain the necessary records to establish that they have complied ~~ensure compliance~~ with these rules and the Federal Pipeline Safety Regulations, 49 CFR, that are applicable. Such records shall be available for inspection at all times by the Commission or Commission Staff.

As TURN explained at the Workshop, this recommendation is designed to conform the language of this rule with its original intent as reflected in previous versions of GO 112. The clarification makes clear that the point of this rule is to require utilities to retain the documents necessary to *demonstrate to the regulators* that the utility has complied with the rules. It is not enough for the utilities to keep records that *they believe* “ensures compliance;” they must preserve the records to establish compliance to their third-party regulators. This purpose became somewhat muddled in a non-substantive wording change in the prior revision.

TURN also recommends the following modification (also presented, with slightly different wording, at the Workshop) to SED’s proposed new Section 145 titled

“Transmission Lines: Recordkeeping”:

145.1 In addition to the other recordkeeping requirements of these rules, each operator shall maintain the following records for transmission lines for the periods specified:

(a) The date, location, and description of each repair made to pipe (including pipe-to-pipe connections) must be retained for as long as the pipeline remains in service or there is no longer pipe within the system of the same manufacturer, size and/or vintage as the pipeline on which repairs are made, whichever, is longer.

(b) The date, location, and description of each repair made to parts of the pipeline system other than pipe must be retained for at least 75 years. However, repairs, or findings of easement encroachments, generated by patrols, surveys, inspections, or tests required by subparts L and M of 49 CFR Part 192 must be retained in accordance with paragraph (c) of this section.

(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 75 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

The purpose of this recommended modification is to clarify that new Rule 145 is additive to existing recordkeeping requirements for transmission lines, such as Rule 101.4, and would not establish the only recordkeeping rules for such lines. While this may be obvious now, unless it is made explicit in the rules, a party years from now may try to argue that these are the only GO 112 rules governing recordkeeping for transmission lines.

III. RECOMMENDATIONS TO STRENGTHEN SED’S NEW PROPOSED ANNUAL REPORT REQUIREMENTS

SED proposes a new Rule 123.2 that would require utilities to submit additional information in their Annual Reports. TURN generally supports these additional reporting

requirements as a contribution to improving the ability of the Commission *and the public* to assess whether utilities are operating their facilities safely and in compliance with applicable requirements. However, TURN is concerned that proposed Rule 123.2(d) regarding over-pressure events does not require sufficient information to serve this purpose. TURN recommends the following modifications to the SED proposal:

d) The number of events in which pressure in any pipeline facility exceeded the maximum allowable operating pressure (MAOP) ~~by 50% or more of~~ and the allowances provided for by 49 CFR § 192.201. For any transmission pipeline facility ~~where the operator applies to which~~ the provisions of 49 CFR § 192.917 (e)(3) or (e)(4) apply, any increases above the maximum operating pressure must be reported and the reports should include the line identifier, date of the event, highest pressure level reached, and duration of the event. Also, for low-pressure systems (i.e., inches of water column pressure), all pressure increases above MAOP must be reported. Increases in pressure above MAOP resulting from planned, designed, testing, or other intentional operations performed per procedures or process established by the operator are exempted from this requirement. For purposes of reporting, “events” includes each occurrence of overpressurization that develops between overpressurization being noted and maintenance being performed.

TURN recommends the modification to the first sentence because 49 C.F.R. Section 192.201 does not allow pressure to exceed MAOP plus the allowances set forth in that provision. It is unclear why an annual reporting requirement would allow utilities not to report over-pressure events that exceed the legal limits.

TURN recommends the modifications to the second sentence because transmission pipe segments governed by Section 192.917(e)(3) and (4) have been identified as having manufacturing threats and thus require more attention if subjected to excessive pressure. The Commission and the public should have more detailed information regarding such events in order to determine whether additional investigation, auditing, and monitoring is required.

IV. CONCLUSION

TURN appreciates the opportunity to submit these comments.

September 27, 2013

Respectfully submitted,

_____/s/_____
Thomas J. Long
Legal Director

THE UTILITY REFORM NETWORK
785 Market Street, Suite 1400
San Francisco, CA 94103
(415) 929-8876 x303 (office)
(415) 929-1132 (fax)
TLong@turn.org