

Transportation, required by Section 3 (e) of the Natural Gas Pipeline Safety Act of 1968, states that the waiver order to be issued by this Commission will be made effective nunc pro tunc to November 12, 1970.

Applicants' Operations

Southern California Gas Company (Southern Cal.) states it purchases, distributes and sells natural gas in the central and southern portions of the State of California. It has approximately 3.1 million customers and provides natural gas service to a population of approximately 10.4 million. It purchases out-of-state gas from El Paso Natural Gas Company.

Pacific Lighting Service Company (Pacific Lighting) states it purchases out-of-state gas from Transwestern Pipeline Company and purchases gas from various producers in the State of California for resale to its affiliate, Southern California Gas Company.

Compliance Problems - Overpressure Protection Requirements

Applicants allege evaluation of the impact of the new comprehensive federal safety rules on its large transmission and distribution systems has been a task of considerable magnitude, involving interpretation of the rules followed by the identification of areas of noncompliance in their systems, all in a short span of time. A physical inventory, by divisions, has been made by Southern Cal. of approximately 2,550 pressure reducing stations to determine how the rules are applicable to each and to decide among various alternatives with respect to those stations for which corrections are needed. Pacific Lighting had to inspect and analyze hundreds of segments of pipelines in its 3,000-mile transmission pipeline system. New standard designs were developed by Southern Cal. for existing stations for the addition of overpressure protective equipment where such equipment had not already been provided. In evaluating the new rules, many areas had to be reviewed which were found not to have compliance problems. The facilities affected were scattered throughout a wide operating area and involved a variety of types and makes of equipment.

Applicants state compliance with certain overpressure protection requirements in the new rules cannot be completed by November 12, 1970. Applicants will take all steps necessary to comply with the new standards with all reasonable speed, but extensions of time will be necessary beyond the effective date with respect to the following sections of the new federal safety requirements:

1. Section 192.621(b) provides that no person may operate a segment of pipeline on which the maximum allowable operating pressure (MAOP) has been reduced because of its condition unless overpressure protective devices are installed in a manner that will prevent the MAOP from being exceeded. Southern Cal. has 210 such segments. Under their program, overpressure protective devices will be installed on the last of these segments in December 1971.
2. Section 192.619 (a) (3) provides that the MAOP 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. It is known that the MAOP of a number of pipeline segments operated by Applicants will have to be reduced because of this requirement since they have not been operated at their previously established MAOP within the last five years. The majority of these segments already have overpressure protective devices, but an unknown number of them will have to be

adjusted so as to prevent the pressure from exceeding the new and lower MAOP by 10%. The analysis of systems of Applicants to establish the location of the affected segments, the adjustment of relieving or limiting devices (and in some cases replacement of springs in relief valves) will be completed by the end of March 1971.

3. Section 192.743 (c) provides that a new or additional device must be installed if an existing relieving device is of insufficient capacity. This requirement, together with the one discussed above, 192.619(a) (3), will require replacement by Southern Cal. of relieving devices on an estimated 244 regulating stations because they may not have sufficient capacity at the reduced MAOP. Under its program, the last of these devices will be replaced in 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 so that the MAOP could be exceeded as a result of pressure control failure or some other type of failure, must have pressure relieving or limiting devices. Southern Cal. interprets this requirement to mean that new service lines cannot be installed in a district supplied from a source higher than 60 psi and which does not have overpressure protective devices at the district regulator station, unless such service lines are either designed for the higher pressure or provided with overpressure protective devices, or such devices are installed at the district regulator station. Southern Cal. still has 19 distribution districts fed from a source higher than 60 psi and which do not have overpressure protective devices at the regulator station. Since new service lines will undoubtedly be installed in these districts, the utility desires to install such devices at the district regulator station rather than on each new service line installed after November 12, 1970. Under its program, overpressure protective devices will be installed on the last of these stations in March 1971.

Support for Deviation

Applicants state that none of the affected regulator stations were made unsafe by the adoption of the new federal standards. The work to be performed during the requested extension periods does not involve the correction of unsafe conditions, but only work necessary to bring Applicants' systems into technical compliance with the new rules. Applicants intend to perform the work as rapidly as reasonable without limiting the effectiveness of or interfering with the performance of normal operating and maintenance activities which they consider to be of greater safety importance. It is Applicants' opinion that the bulk of the work requires experienced company crews and augmentation of the work force on a crash program would cause, rather than alleviate, safety hazards. Applicants are uncertain as to the dollar impact of such a crash program but in addition to other drawbacks, the cost could be substantially more than if performed by regular company personnel. It is anticipated that the bulk of the work to be performed during the extension periods will be completed by the end of the second quarter of 1971. Applicants further believe that sections of the new federal standards referred to above are the only ones with which they have trouble in meeting the requirements. They have further stated that no parties will be adversely affected.

The Commission staff conducted an investigation in connection with this application. The result of this investigation is set forth in a nine-page document entitled, "Report on Southern California Gas Company and Pacific Lighting Service" dated January 22, 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 applicants' request should be granted.

Finding and Conclusion

The Commission, after examination of the facts and reasons presented by Applicants 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 is in the public interest. The Commission concludes that the application should be granted effective nunc pro tunc to November 12, 1970, subject to 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. Southern California Gas 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. Southern California Gas Company and Pacific Lighting Service Company be granted an extension of time through March 1971 to comply with Section 192.619 (a) (3) with a report, covering work done and direct costs, to be filed upon completion.
3. Southern California Gas Company be granted an extension of time through December 1971, to comply with Section 192.743 (c), with quarterly reports to be filed as indicated in Ordering Paragraph No. 1 above.
4. Southern California Gas Company be granted an extension of time through March 1971, to comply with Section 192.195(a), with a report, covering work done and direct costs, to be filed upon completion.

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

Dated at San Francisco, California, this 23rd day of March, 1971.

J.P. VUKASIN, JR.
Chairman
THOMAS MORAN

VERNON L. STURGEON
D.W. HOLMES
Commissioners

Comissioner William Symons, Jr., being
necessarily absent, did not participate
in the disposition of this proceeding.

May 19, 1971

Mr. William W. Dunlop, Secretary
Public Utilities Commission
State of California
California State Building
San Francisco, California 94102

Dear Mr. Dunlop:

The Office of Pipeline Safety will interpose no objection to your Commission's Decision No. 78451, which authorizes time extensions for the Southern California Gas Company and the Pacific Lighting Service Company to comply with certain requirements of the minimum Federal safety standards with the express understanding that your Commission will furnish us with a copy of each report submitted to you by each operator pursuant to the Decision.

Sincerely,

*Original signed by
Joseph C. Caldwell*

Joseph C. Caldwell
Acting Director
Office of Pipeline Safety

OPS

cc: TSA-30 TSA-34
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 TSA-33

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