

U.S. Department of Transportation  
Research and Special Programs Administration  
400 Seventh St., S.W.  
Washington, D.C. 20590

May 26, 1999

Mahendra Jhala  
Chief, Utilities Safety Branch  
California Public Utilities Commission  
505 Van Ness Avenue, 2nd Floor  
San Francisco, CA 94102-3298

Dear Mr. Jhala:

This responds to your letter of April 9, 1999, notifying us of the Commission's Resolution SU-46, dated June 4, 1998. This resolution granted the Southern California Gas Company (SCG) a waiver from compliance with 49 CFR 192.13(c) for sections of its Line No. 1026 that are to be operated by the San Diego Gas & Electric Company (SDG&E) under an agreement with SCG.

The purpose of the waiver is to permit SDG&E to follow its own operating, maintenance, and emergency procedures on the line sections involved to the exclusion of similar procedures established by SCG for those sections. Given the Commission's findings that SDG&E's procedures would not reduce safety, we have no objection to the waiver.

Sincerely,  
Richard B. Felder  
Associate Administrator for Pipeline Safety

CALIFORNIA PUBLIC UTILITIES COMMISSION  
CONSUMER SERVICES DIVISION - UTILITIES SAFETY BRANCH  
505 Van Ness Avenue  
San Francisco, CA 94102-3298

April 9, 1999

Mr. Richard Felder  
Associate Administrator for Pipeline Safety  
Research and Special Programs Administration  
U.S. Department of Transportation  
400 Seventh St. S.W. Room 2335  
Washington, D.C. 20590

Subject: WAIVER OF THE REQUIREMENTS OF 49 CFR 192.12(C) IN CONNECTION WITH PROCEDURE FOR  
OPERATING SECTION OF SCG'S NATURAL GAS PIPELINE NO 1026.

Dear Mr. Felder:

Please find enclosed the Resolution SU-46 of the California Public Utilities Commission (Commission) in the referenced matter. We are submitting the Resolution to your agency for its review and action in accordance with 49 USC 60118(d).

On June 8, 1998, the Commission approved two resolutions SU-46 and SU-47. The resolution SU-46 allows SDG&E to use their own operating procedures to operate a specific section of SoCal Gas company's natural gas pipeline No.1026 located in SDG&E's service territory. The resolution SU-47 allows SDG&E to install plastic pipe encased in a plastic casing.

On September 14, 1998, I submitted the Commission Resolution SU-47 for DOT approval but not the SU-46 because we were uncertain if the CPUC needs DOT approval. If you think the waiver is necessary please review the SU-46 and inform us of your decision. Please note the waiver on SU-47 was received from your office on November 10, 1998.

If you have any questions regarding this matter, please contact inc at (415) 703-2209. I will be pleased to provide you with whatever information you may require.

Sincerely yours,  
Mahendra Jhala, Chief  
Utilities Safety Branch

RESOLUTION

**RESOLUTION SU-46, ORDER AUTHORIZING SOUTHERN CALIFORNIA GAS COMPANY TO DEVIATE FROM GENERAL ORDER 112-E, SECTION 192.13 ( c ), BY ALLOWING SAN DIEGO GAS & ELECTRIC COMPANY TO USE THEIR OWN OPERATING PROCEDURES TO OPERATE SPECIFIC SECTIONS OF SOUTHERN CALIFORNIA GAS COMPANY'S NATURAL GAS PIPELINE NO. 1026.**

SUMMARY

1. On June 18, 1997, Southern California Gas Company (SCG) filed Advice Letter (AL) No. 2601, in which it requested the California Public Utilities Commission (CPUC) authorization to amend the previously approved Mutual Assistance Agreement between SCG and San Diego Gas & Electric Company (SDG&E). The amendment will allow SDG&E to operate SCG transmission Line No. 1026 valves located in SDG&E's service area and take other necessary action with respect to Line No. 1026 in response to emergencies.
2. By letter dated March 13, 1998 the Utilities Safety Branch (USB) of the CPUC protested AL 2601 on the basis that it does not address compliance with Commission General Order (G.O.) 112-E requirements.
3. By letter dated March 30, 1998, SCG requested a waiver from compliance with Commission G.O. 112-E, Reference Title 49 of the -Code of Federal Regulation (49 CFR), Part 192, Section 192.13 ( c ) in connection with procedures for operating section(s) of SCG's natural gas pipeline No. 1026 that are specified in the Mutual Agreement. The request stated specific reasons why SCG believes that SDG&E's operation, maintenance and emergency procedures are adequate for Line No. 1026.
4. This Resolution grants the waiver to Southern California Gas Company. Since the CPUC has adopted 49-CFR by reference, SCG must also seek a waiver from DOT under Section 190.339 or applicable code section.

BACKGROUND

1. Public Utilities (P.U.) Code Sections 702 and 768 grant the Commission authority to establish and enforce standards of construction, maintenance, and operation of utility systems. Rules governing design, construction, testing, maintenance, and operation of utility gas piping systems are codified in G.O. 112-E.

The Utilities Safety Branch (USB) oversees utility compliance with G.O. 112-E, Reference 49 CFR, Part 192, Section 192.13 ( c ) states:

*"Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part."*

G.O.112-E, Reference 49 CFR, Part 192, Section 192.605 states:

*"Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response."*

G.O.112-E, Reference 49 CFR, Part 192, Section 192.615 states:

*"Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline."*

2. G.O.112-E, Subpart A, Section 101.3, authorizes the Commission to grant a waiver for a rule provided that such waiver be accompanied by full and complete justification.

## DISCUSSION

1. The USB's concern with AL 2601 is that it does not contain any provisions for SCG to provide written procedures or training for SDG&E employees to operate and maintain or to respond to emergency situations on pipeline No. 1026.
2. SCG requests a waiver that would allow SDG&E to use their own operating procedures to perform the necessary operations on specific sections(s) of Line No. 1026.
3. SCG feels this waiver is justified for the following reasons:
  - a) Line No. 1026, runs through SDG&E territory to supply gas in the area. SDG&E is thus familiar with this line, its equipment, its operation, the terrain, and the people and places that could be impacted by an emergency.
  - b) SDG&E is qualified operator under the jurisdiction of the CPUC. SDG&E has the inherent knowledge to operate the valves on Line No. 1026 using their own qualified personnel and procedures. The Line No. 1026 valves are no different than valves on other portions of the SDG&E system.
  - c) SDG&E has long-established relationships with the local government agencies, including emergency authorities, in the areas traversed by Line No. 1026. This allows them to effectively communicate and respond to any emergencies associated with this line to necessitate operation of equipment on this line.
  - d) Procedures for dealing with the line's operation during emergencies are agreed upon between SCG and SDG&E under the First Amendment to the Mutual Assistance Agreement. The existence of two sets or procedures may be complex and confusing to SDG&E operating personnel, and could potentially hamper an emergency response.
  - e) This waiver will not affect, and is consistent with, the long established on-going communications between SDG&E and SCG regarding operations of this pipeline during normal or emergency conditions.

## FINDINGS

1. The USB staff, of the Consumer Services Division, has reviewed SCG's waiver and concurs with SCG's request for deviation.
2. SCG has provided adequate reasons for granting the waiver to allow SDG&E to use their own procedures to operate the specific sections(s) of Line No. 1026 that will not result in the reduction of safety to people, property, and the environment.
3. The waiver from G.O. 112-E, Reference 49 CFR, Part 192, Section 192.13 ( c ) should be granted to Southern California Gas Company.
4. Upon approval by DOT under 49-CFR Part 190, Section 190.339 or applicable code section, SDG&E will be allowed to operate SCG Line no. 1026 under an emergency situation.

## THEREFORE, IT IS ORDERED THAT:

1. SCG may deviate from G.O. 112-E, Reference 49 CFR, Part 192, Section 192.13 (c), by allowing SDG&E to use their own procedures to perform the necessary operations on specific sections(s) of Line No. 1026 that specific in the Mutual Agreement or take other necessary action to reduce the hazard that may arise in an emergency situation.
2. SCG will seek DOT approval under 49-CFR Part 190, Section 190.339, to allow SDG&E to operate SCG Line No. 1026 under an emergency situation.

3. This Resolution is effective toady.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 4, 1998. The following Commissioners approved it:

WESLEY M. FRANKLIN

Executive Director

RICHARD A. BILAS

President

P. GREGORY CONLON

JESSIE J. KNIGHT, JR.

HENRY M. DOQUE

JOSIAH L. NEEPER

Commissioners