

PUBLIC UTILITIES COMMISSION

State of California

File No. G.O. 112-C

April 11, 1974

Director, Office of Pipeline Safety
Department of Transportation
400 Seventh Street, SW
Washington, D.C. 20590

Gentlemen:

Enclosed is a conformed copy of this Commission's Resolution No. G-1627, dated April 9, 1974, authorizing the Pacific Gas and Electric Company to deviate from Subsection 192.557 (b) (5) of this Commission's General Order No. 112-C.

This transmittal is to provide notification as required by Section 3 (e) of the Natural Gas Pipeline Safety Act of 1968.

Very truly yours,

PUBLIC UTILITIES COMMISSION

By *(signature)*

WILLIAM R. JOHNSON, Secretary

Enclosure

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RESOLUTION NO. G-1627

Orig. and Copy
..... to Secretary
BRANCH/

UTILITIES DIVISION

..... Director
..... Numerical File
..... Alphabetical File
..... Accounting Officer

RESOLUTION

BRANCH/SECTION: Gas
DATE: April 9, 1974

SUBJECT: Order Approving a Deviation from Subsection 192.557 (b) (5) of General Order No. 112-C for PG&E's Transmission Line 136 Pending Reconsideration of the Test Procedure by OPS

WHEREAS: PACIFIC GAS AND ELECTRIC COMPANY, by letter dated February 5, 1974, followed by discussions with the Commission staff on March 1, 1974, has requested approval of a deviation from Subsection 192.557 (b) (5) of General Order No. 112-C, regarding

uprating of the maximum allowable operating pressure of its transmission line 136 located in Chico, California, pending reconsideration of the test procedure by the Office of Pipeline Safety (OPS), and

WHEREAS: The utility, as a result of an increase in the number of customers in the Chico-Paradise-Oroville area, performed on January 8 and 9, 1974 an uprating test on the aforementioned pipeline with an input pressure of 595 pounds per square inch gauge (psig), and

WHEREAS: The required test pressure could not be attained in a major portion of the pipeline, and

WHEREAS: The utility has requested permission to operate the pipeline with an input pressure of 595 psig pending a clarification of the test procedure by OPS, and

WHEREAS: Adequate surveillance of the line will be required to assure safe operation until it is retested in accordance with the procedure to be prescribed by OPS, and

WHEREAS: Such a deviation will assist the utility in meeting the increased gas demand in the area and would be in public interest; therefore good cause appearing,

IT IS ORDERED that authority be granted under Section 105.1 of General Order No. 112-C to the Pacific Gas and Electric Company to deviate from the above testing procedure and to operate its transmission line 136 with an input pressure of 595 psig until a decision is received from OPS in the matter, at which time the line shall be retested in accordance with a procedure to be prescribed.

IT IS FURTHER ORDERED that, pending receipt from OPS of its decision in the matter, the Pacific Gas and Electric company shall provide adequate surveillance of the line to assure safe operation.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 9th day of April, 1974, the following Commissioners voting favorably thereon:

VERNON L. STURGEON, President
WILLIAM SYMONS, JR., J.P. VUKASIN, JR.,
THOMAS MORAN, D.W. HOMES, Commissioners

William R. Johnson (*signature*)
Secretary

May 6, 1974

Mr. William R. Johnson, Secretary
California Public Utilities Commission
California State Building
San Francisco, CA 94102

Dear Mr. Johnson:

This refers to your letter of April 11, 1974, notifying us of the Commission's Resolution No. G-1627, granting the Pacific Gas and Electric Company a waiver of compliance with Subsection 192.557 (b) (5) of the Commission's General Order No. 112-C, which subsection is apparently the same as 49 CFR 192.557

(b) (5). The waiver has been assigned docket number CA-74-2. Please identify this number in future correspondence.

The waiver permits the company to increase the operating pressure on its transmission line 136 in Chico, California, to 595 psig without regard for 49 CFR 192.557 (b) (5). This rule requires that before pressure is increased on a pipeline segment above its maximum allowable operating pressure, the segment must be isolated from adjacent segments to be operated at a lower pressure. The waiver permits operation at 595 psig until the Office of Pipeline Safety (OPS) clarifies the pressure test required in connection with uprating under section 192.557, at which time the line must be tested in accordance with the OPS interpretation.

For reasons stated hereafter, the OPS objects to the granting of this waiver. Therefore, under section 3 (e) of the Natural Gas Pipeline Safety Act of 1968 (the Act), the Commission's Resolution No. G-1627 is hereby stayed.

The waiver is apparently a formal step in a chain of events beginning with a telephone call on January 8, 1974, from Mr. J. C. Friedrichson of the Commission's staff to this office requesting an oral interpretation of procedure in uprating from 550 to 595 psig a line operated by Pacific Gas and Electric Company. Mr. Friedrichson was advised to submit a written request for an interpretation. The telephone call left us with the impression that the Commission had tacitly approved an operation not in compliance with the Federal standards. The Commission was asked to explain its action by letter to Mr. David LaHue of the Commission's staff on January 18, 1974. In responding to this letter on January 29, 1974, you stated that although the company had requested an approval with respect to uprating procedures, none had been granted, and that approval was pending evaluation of further information to be submitted by the company.

The clarification to which the waiver is subject appears to have been requested by the Commission in a letter from you dated April 9, 1974, although the letter does not refer to a particular pipeline or operator. This letter requested an interpretation of pressure tests required in uprating under section 192.557, noting that a hardship would result if certain lines were isolated for test purposes for a period of 1 hour. The letter alludes to a previous telephone communication, which we presume to be the January 8, 1974, call mentioned above. As indicated in our response, a pressure test is required when operating pressure is increased under section 192.557 to a maximum level permitted by section 192.619 (a) (2) (ii), but the Federal standards do not prescribe the nature of the test. We further stated that the Commission could waive the pressure test requirement in appropriate circumstances. A copy of this correspondence is enclosed and has been included in our docket for this proceeding.

Because the company's difficulty apparently lies in testing to meet the requirement of section 192.619 (a) (2) (ii), waiver of section 192.557 (b) (5) is wholly inappropriate. The requirement for isolation before increasing operating pressure is an essential safety feature to protect against over pressuring connecting lines operated at lower pressures. Isolation, as well as other applicable provisions in Subpart K of Part 192, is essential regardless of whether or not a pressure test must be performed in conjunction with uprating a line segment. We believe it would be extremely difficult to justify, in the interest of safety, failure to perform all applicable provisions of Subpart K; and the Commission has presented nothing as justification in this instance. Our decision with respect to uprating procedures does not mean, however, that we would not entertain a properly justified request for waiver of the concomitant testing requirement showing there would be no sacrifice of safety.

We would also like to point out that the Commission appears to have issued this waiver contrary to the procedure set forth under section 3 (e) of the Act. Under that section, a State agency's grant of waiver may not become effective until the Secretary is given at least 60 days' notice. Since we received notice of the waiver on April 17, 1974, the waiver could not have become effective until June 16, 1974, in the absence of an earlier approval by OPS. Because the Commission's resolution granting the waiver does not specify an effective date, we presume the Commission intended it to be effective immediately and Pacific Gas and Electric Company has proceeded accordingly. Although the granting of emergency relief from

Federal standards may be appropriate in certain circumstances, the Act does not provide for such action by a State agency. By authorizing immediate relief, the Commission has circumvented the Department in the initial decision-making process on the waiver, contrary to section 3 (e) of the Act. In the future, where the Commission feels that circumstances compel immediate action on applications for relief, if we are notified and priority action is requested, we will make every effort to expedite consideration of the request within the procedures prescribed by the Act.

The Commission may submit written views or arguments in support of its position on the waiver and request opportunity for an oral presentation, as provided in section 3 (e) of the Act. Unless a further statement of your position is received within 90 days after date of this letter, we will consider this matter closed.

Sincerely,

Joseph C. Caldwell
Director
Office of Pipeline Safety

Enclosure

Correspondence referenced as enclosure to this letter is available in the Interpretations database. The dates of the correspondence are: 04/09/74, 05/06/74, 08/02/74, and 10/18/74 and the CFR sections referenced are: 192.553, 192.557, and 192,619.