

APPENDIX A

STATE OF CALIFORNIA

GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 11, 2021

Rodger R. Schwecke
Southern California Gas
Senior Vice President, Gas Operations &
Construction 555 W. 5th Street, GT21C1
Los Angeles, CA 90013-1011
RSchwecke@SoCalGas.com

**Re: General Order 112-F Section 101.3 Waiver Request for 49 CFR
§ 192.465(a) External Control Monitoring Due to COVID-19**

Dear Mr. Schwecke:

It is the responsibility of Southern California Gas Company to ensure the safety and reliability of its natural gas system and operations at all times, and in particular while COVID-19 is still impacting Californians in nearly every aspect of their lives.

On October 8, 2020, I granted, with conditions and subject to ratification by the California Public Utilities Commission, a request from Southern California Gas Company (SoCalGas) for a waiver of the Pipeline and Hazardous Materials Safety Administration (PHMSA) 49 C.F.R. Parts 190 through 199 compliance requirements at certain SoCalGas gas pipeline facilities in its service territory due to the COVID-19 pandemic. The effect of the waiver was to allow SoCalGas a three-month extension to perform certain required inspection, maintenance and other compliance activity prescribed by PHMSA where COVID-19 makes compliance impossible or where the risk to human health and safety due to COVID-19 outweighs the safety risk due to the compliance delay. No individual activity shall be delayed more than three months. My letter granting the request for waiver is attached for reference.

PHMSA reviewed the October 8 letter and requested SoCalGas identify the specific Part 192 code sections for which the waiver will be applicable.

On October 19, SoCalGas provided a table of compliance activities and corresponding applicable code sections.

On November 16, the Commission's Safety and Enforcement Division (SED) and PHMSA met

with SoCalGas to discuss its October 19th response. After discussions, all parties agreed that not all the Code sections for which SoCalGas had originally requested a waiver should be included in the waiver request.

On December 7, SoCalGas submitted a letter with a revised table which significantly reduced the number and scope of code sections for which the waiver will be applicable. SoCalGas also indicated that after additional review it was determined that pipeline drip inspections previously identified and included in the request does not have frequency requirements in the CFR, and therefore are being struck from the request accordingly. On December 10, SED submitted its comments to PHMSA, expressing that based on its review the revised code section request appeared to be reasonable. On December 16, PHMSA indicated that it had no further comments to add.

Therefore, I am sending this letter to indicate the following revision to my October 8th letter. Strikethrough indicates removal, underline indicates addition.

This letter grants, with conditions, a request from Southern California Gas Company (SoCalGas) for a waiver of specific sections of the Pipeline and Hazardous Materials Safety Administration (PHMSA) 49 C.F.R. Parts 190 through 199 compliance requirements at certain SoCalGas gas pipeline facilities in its service territory due to the COVID-19 pandemic. The specific code sections for which this waiver is applicable is specified in Attachment 1.

ATTACHMENT 1 (Revised)

Category*	Compliance Activities	<u>Applicable Code</u>
2	Above Ground Non-Hazardous Leaks	<u>General Order (GO) 112-F 143.2(b)(1)(2)(3)</u>
2	Bridge & Span Inspections	<u>192.481(a)</u>
2	Cathodic Protection Inspections, Reads and Troubleshooting	<u>192.465(a)(b)(c)</u>
2	Code 3 Leaks (Coming due)	<u>GO 112-F 143.2(c)(1)</u>
2	Electronic Pressure Monitor Inspections	<u>192.739(a)</u>
2	Meter Inspections	<u>192.481(a)</u>
2	Pipeline Drip Inspections	-
2	Pipeline Patrol Inspections	<u>192.705(a)(b),</u> <u>192.721(a)(b)(1)(2)</u>

2	Pressure Safety Valve and Relief Valve Inspections	<u>192.739(a), 192.743(a)</u>
2	Regulator Station/Pressure Liming Station/First Stage Regulator Station Inspections	<u>192.739(a)</u>
2	Unstable Earth inspections	<u>192.705(a)(b),</u> <u>192.721(a)(b)(1)(2)</u>
2	Valve Inspections	<u>192.745(a), 192.747(a)</u>

*Categories:

- **Category 1** – Highest priority activities [stop or delay only as a last resort]
- **Category 2** – High priority compliance activities that could be delayed in the event of an emergency without creating a significant safety risk
- **Category 3** – Compliance activities that can be delayed without creating a safety risk

The waiver shall be in effect until up to 3 months from the date of this letter.

I intend to obtain ratification by the full Commission of the actions directed by this letter at a future Commission meeting to further satisfy the General Order's provisions regarding waivers.

Sincerely,



Rachel Peterson
Executive Director

Cc: Steve Nanney, PHMSA, Steve.Nanney@dot.gov

STATE OF CALIFORNIA
GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 8, 2020

Rodger R. Schwecke
Southern California Gas
Senior Vice President, Gas Operations & Construction
555 W. 5th Street, GT21C1
Los Angeles, CA 90013-1011
RSchwecke@SoCalGas.com

**Re: General Order 112-F Section 101.3 Waiver Request for 49 CFR § 192.465(a)
External Control Monitoring Due to COVID-19**

Dear Mr. Schwecke:

This letter grants, with conditions, a request from Southern California Gas Company (SoCalGas) for a waiver of the Pipeline and Hazardous Materials Safety Administration (PHMSA) 49 C.F.R. Parts 190 through 199 compliance requirements at certain SoCalGas gas pipeline facilities in its service territory due to the COVID-19 pandemic. The effect of the waiver will be to allow SoCalGas a three-month extension to perform certain required inspection, maintenance and other compliance activity prescribed by PHMSA where COVID-19 makes compliance impossible or where the risk to human health and safety due to COVID-19 outweighs the safety risk due to the compliance delay. This letter shall not be construed to extend to any state gas pipeline facilities requirements of the California Department of Conservation, Geologic Energy Management Division (CalGEM), or its predecessor the Division of Oil, Gas, and Geothermal Resources (DOGGR).

I am informed that the Commission's Safety and Enforcement Division (SED) does not oppose the waiver request as long as the Commission imposes certain restrictions set forth below. Approval is subject to the conditions set forth below and any additional conditions imposed by me or the Commission.

On August 14, 2020, SoCalGas submitted a waiver request to SED, which capped several months of discussion about SoCalGas' asserted need to extend natural gas pipeline safety inspections and maintenance due to the COVID-19 pandemic. Initially, SoCalGas requested a

three-month extension of all compliance activity, but through discussions with SED, narrowed its request to that stated in its August 14, 2020 letter.

SoCalGas states the following in its letter:

- SoCalGas will continue to work toward completion of all safety and compliance activities, representing that this is what it is currently doing.
- If COVID-19 begins to impact SoCalGas' operations, and a need arises to re-allocate resources in order to continue safe and reliable service, the utility will utilize the list in Attachment 1 and defer some or a combination of the compliance activities listed in Attachment 1, based on workforce needs (i.e. operator qualification requirements); not to exceed three months.
- Should compliance activity deadline(s) be missed, SoCalGas will proactively track and complete the missed work order(s) by flagging them in our work management systems (i.e. Maximo or SAP), and establish a new "compliance due-date" (within the three month extended timeline) whereby operational personnel can then be re-dispatched to complete them once resources are available.
- SoCalGas will utilize our current formalized procedures to communicate with, and report deviations to the SED.

As the utility notes, SoCalGas' list of activities appears in its August 14, 2020 letter as Attachment 1. The letter (including its Attachment 1) are attached.

Following receipt of SoCalGas' August 14, 2020 letter, Commission staff served on SoCalGas data requests seeking clarification of the utility's request. Pertinent to this letter was a data request that asked whether SoCalGas was seeking an extension of time to comply with PHMSA gas safety and inspection requirements for facilities with prior history of defects requiring more than minimal incremental adjustments. The data request and SoCalGas' response were as follows:

Question by Commission staff: Does SoCalGas seek the extension for devices/equipment inspections with a history of significant (more than minor) adjustments? Such devices could pose a more serious risk than devices with a history of not requiring more than small adjustments.

Response by SoCalGas: No. When routine scheduled inspections are conducted, adjustments are made in accordance with the facilities' respective job plan. If any additional work is required, a follow up work

order is created and/or the equipment is taken out of service until the work is completed. Facilities that are placed on special schedules for follow up will not be included in the extension request.

This letter approves SoCalGas' August 14, 2020 letter in part, subject to the following conditions:

1. The waiver of compliance requirements only applies if the risk from COVID-19 outweighs the risk from delaying the compliance activity.
2. The waiver granted herein expires on the earlier of the following: a) six months from the date of this letter, or b) the COVID-19 pandemic no longer restricts SoCalGas' compliance activity. SoCalGas will be required to submit a new waiver request upon expiration of the waiver.
3. No inspection or other required action shall be delayed more than three months from its current due date, with the due date falling on the last day of the third month. That is, if an action is due by August 31, 2020, it shall be completed no later than November 30, 2020. Similarly, if an action is required in September 2020, it shall be completed no later than December 31, 2020. No compliance activity shall be delayed once the approval in item 2 expires.
4. On a monthly basis, starting on the 30th day following issuance of this letter, SoCalGas shall report each activity affected by a delay in detail. For each activity delayed, the report shall specify a) the location and identifying features of the facilities at issue, b) the inspections and other activity required, c) the date the action is due without benefit of this letter, d) the date the action will be completed, not to exceed three months from the due date (with the three months expiring on the last day of the third month); e) the reason for the delay, f) the linkage of that reason to the COVID-19 disaster; g) any safety impact of missing the deadline, h) how resources were re-allocated, and i) how SoCalGas intends to catch up with the missed deadline.
5. Confirming SoCalGas' agreement, the extension granted in this letter does not apply to any device/equipment with a history of significant (more than minor) adjustments, including facilities that SoCalGas states that it places on "special schedules" for follow up.

SED and the Commission retain discretion to rescind the right to delay inspection or other required activity. Further, SED or the Commission may cancel or modify the permission given in this letter at any time.

General Order 112-F indicates that waivers to comply with inspection and monitoring requirements are formally adopted by this Commission. While in the ordinary course of business, a utility would formally apply to the Commission for a waiver, I am issuing this directive under the authority granted by Commission Policy CL-1, which states:

It is the Commission's policy that:

4. The executive Director shall have the authority to act expeditiously and in coordination with other agencies of the State of California in emergencies endangering the public health, safety and the environment....

I intend to obtain ratification by the full Commission of the actions directed by this letter at a future Commission meeting to further satisfy the General Order's provisions regarding waivers.

In accordance with PHMSA regulations, this letter constitutes notice to PHMSA for purposes of the PHMSA requirement that it receive sixty days' notice of a state waiver grant. The waiver granted shall not be effective until the earlier of the two following events: (1) PHMSA takes no action on the waiver within sixty days after receiving this notice, or (2) PHMSA issues an order or other notice approving the waiver in this notice or stating it has no objection to the waiver.

Sincerely,

/s/ *Rachel Peterson*

Rachel Peterson
Acting Executive Director

Cc: Steve Nanney, PHMSA, Steve.Nanney@dot.gov

ATTACHMENT 1

Category*	Compliance Activities
2	Above Ground Non-Hazardous Leaks
2	Bridge & Span Inspections
2	Cathodic Protection Inspections, Reads and Troubleshooting
2	Code 3 Leaks (Coming due)
2	Electronic Pressure Monitor Inspections
2	Meter Inspections
2	Pipeline Drip Inspections
2	Pipeline Patrol Inspections
2	Pressure Safety Valve and Relief Valve Inspections
2	Regulator Station/Pressure Liming Station/First Stage Regulator Station Inspections
2	Unstable Earth inspections
2	Valve Inspections

*Categories:

- **Category 1** – Highest priority activities [stop or delay only as a last resort]
- **Category 2** – High priority compliance activities that could be delayed in the event of an emergency without creating a significant safety risk
- **Category 3** – Compliance activities that can be delayed without creating a safety risk



Rodger R. Schwecke
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August 14, 2020

Via Electronic Mail

Terence Eng, P.E.
Program Manager, Gas Safety & Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: SoCalGas Request for Stay of Enforcement of Identified Compliance Activities to Support Continued Safe and Reliable Service During COVID-19 Pandemic

Mr. Eng,

SoCalGas greatly appreciates the continued dialogue and guidance concerning our request for an extension of time to comply with certain activities as a proactive measure to help mitigate the potential impacts associated with the COVID-19 pandemic. Most recently, we discussed and collaborated on this topic at the SED/SoCalGas Leadership Meeting on July 20, 2020.

During our meeting, we provided an update regarding the number of confirmed cases of COVID-19 within SoCalGas, and how the cases have continued to rise more acutely since June. Furthermore, we expressed that operational flexibility remains a priority and that SoCalGas continues to complete compliance activities within the required timelines and is not reporting any inability to meet those timelines today.

Our previous requests for a stay of enforcement of certain compliance activities to support continued safe and reliable service during the COVID-10 pandemic were proactive in nature, before understanding the potential impacts COVID-19 may have on the safety and operation of our system. It is with this in mind that SoCalGas has been consistent with the spirit and intent of PHMSA's guidance issued on March 20, 2020, which states:

"In addition to these three specific areas, PHMSA realizes there may be other regulatory requirements under the Federal pipeline safety laws in 49 C.F.R. Parts 190 through 199 that pose compliance challenges for operators during this National Emergency. In such cases, it is important that operators adequately document any such issues and communicate promptly with their regulator about them. PHMSA will exercise discretion in its overall enforcement of other parts of the pipeline safety regulations with the intent of providing operators with the flexibility to maintain normal operations while ensuring public safety and protection of the environment." ¹

¹ March 20, 2020, PHMSA Notice of Stay of Enforcement and Notice of Enforcement Discretion to Operators Affected by the Coronavirus (COVID-19) Outbreak

While SoCalGas' diligence and protocols related to the virus have helped buffer significant impacts thus far, we cannot predict with any certainty the extent of, and which, specific work groups would potentially be impacted by COVID-19 in the future. Therefore, SoCalGas respectfully requests SED's concurrence with, and approval of, the following protocol which provides the greatest flexibility to quickly respond and allocate resources to higher priority activities, should COVID-19 impact our workforce:

- SoCalGas will continue to work toward completion of all safety and compliance activities as we are currently doing.
- If COVID-19 begins to impact our operations, and a need arises to re-allocate resources in order to continue safe and reliable service, we will utilize the list in Attachment 1 and defer some or a combination of the compliance activities listed in Attachment 1, based on workforce needs (i.e. operator qualification requirements); not to exceed three months.
- Should compliance activity deadline(s) be missed, SoCalGas will proactively track and complete the missed work order(s) by flagging them in our work management systems (i.e. Maximo or SAP), and establish a new "compliance due-date" (within the three month extended timeline) whereby operational personnel can then be re-dispatched to complete them once resources are available.
- We will utilize our current formalized procedures to communicate with, and report deviations to the SED.

Please note that Attachment 1 incorporates the feedback we have received from SED coupled with our own internal review, resulting in a reduced, yet comprehensive list of compliance activities that could be deferred. The deferral(s), if needed, would not exceed three months, and could be done without introducing a new safety or reliability risk while providing the flexibility to adapt quickly should significant impacts suddenly arise and enabling us to prioritize critical safety and reliability work.

COVID-19 poses dynamic challenges, and any future impacts may be more extensive or protracted in nature. Therefore, we will continue to communicate with, and advise SED of COVID-19 workforce impacts should they occur, including additional requests for specific enforcement relief from SED in the future. Thank you again for your collaboration and continued consideration of our request.

Sincerely,



Rodger R. Schwecke
Senior Vice President – Gas Operations & Construction

SOUTHERN CALIFORNIA GAS COMPANY

CC:

Lee Palmer, Director, Safety Enforcement Division
Alice Stebbins, Executive Director
Matt Epuna, Program & Project Supervisor, Gas Safety & Reliability Branch
Dennis Lee, Program & Project Supervisor Gas Safety & Reliability Branch
Steve Intably, Program & Project Supervisor Gas Safety & Reliability Branch

ATTACHMENT 1

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