

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Executive Division

Resolution GSRB-1
December 5, 2024

RESOLUTION

RESOLUTION GSRB-1: GRANT'S PACIFIC GAS AND ELECTRIC COMPANY REQUEST FOR WAIVER OF A CLASS LOCATION CHANGE FOR A 491.4 FOOT SEGMENT OF A NATURAL GAS TRANSMISSION PIPELINE

SUMMARY

In this Resolution, the California Public Utilities Commission (Commission) grants Pacific Gas and Electric Company's (PG&E) request for a waiver of 49 Code of Federal Regulations (CFR) §§ 192.611(a) and (d) and 49 CFR § 192.619(a)¹ for one intrastate natural gas transmission pipeline segment totaling 419.1 feet in a rural, sparsely located area of San Bernardino County. The waiver allows PG&E to use various integrity management procedures and enhanced integrity management tools instead of replacing the pipeline segment, reducing operating pressure, or conducting a pressure test. This Resolution also imposes a number of conditions that PG&E must meet on an ongoing basis in order for the waiver to continue to be valid.

BACKGROUND

On October 20, 2023, PG&E submitted a request to the Commission's Safety and Enforcement Division (SED) Gas Safety and Reliability Branch (GSRB) seeking a waiver of certain regulations in 49 CFR §§ 192.611 and 192.619 for a 0.079375 miles (419.1 feet) segment of 34" diameter intrastate natural gas transmission pipeline. The pipeline segment is located in a rural, sparsely populated area of San Bernadino County, near the town of Boron. PG&E states that the Class Location of the segment increased from a Class 1 designation to Class 3 on November 8, 2022, due to the expanded (overflow) unpaved parking area adjacent to an existing improved (paved) truck stop parking lot.

Under 49 CFR § 192.611, a change in class location designation requires an operator to replace the segment of pipe or reduce the maximum allowable operating pressure.

¹ Title 49 CFR §§ 190 through 199 are incorporated by reference in General Order 112-F.

49 CFR § 192.619 specifies the design pressures needed for each class location designation.

DISCUSSION

General Order (GO) 112-F is the “State of California Rules Governing Design, Construction, Testing, Operation, and Maintenance of Gas Gathering, Transmission, and Distribution Piping Systems.”² The rules build upon the Federal Pipeline Safety Regulations, specifically, 49 CFR §§ 191, 192, 193, and 199.³ Section 101.3 of GO 112-F allows for a utility, in special circumstances, to submit an application to waive compliance with specific rules in accordance with Section 3(e) of the Natural Gas Pipeline Safety Act of 1968.

PG&E submitted its request for waiver in accordance with the Pipeline and Hazardous Materials Safety Administration’s (PHMSA) “Criteria for Considering Class Location Waiver Requests.”⁴ PG&E’s request included the following information addressing the PHMSA criteria:

- Instead of replacing the segment of pipe, reducing the pressure, or performing a commensurate pressure test as required by 49 CFR §192.611, PG&E would implement enhanced integrity management procedures and use enhanced integrity management tools such as in-line inspection to mitigate risks.
- The 419.1-foot segment is part of a 43.63 mile inspection area. To replace this segment, PG&E would have to blowdown a significant section of the pipeline. This would release to atmosphere the entire contents (pure natural gas) of the section between nearest mainline valves of the segment at issue. These blowdown emissions are a short-lived climate pollutant and a lost resource that result in a pass-through financial cost to PG&E’s customers. Further, PG&E would cause significant impacts to vegetation and soils to that short segment during excavation in order to replace and test pipe.
- Data confirming that the pipe design and construction met acceptable PHMSA criteria.

² GO 112-F, Section 101.1.

³ GO 112-F, Section 101.2.

⁴ Attachment 1 provides PG&E’s detailed responses to the criteria.

- The segment has no history of pressure test failures and was last tested on March 9, 2012.
- The segment has a 40-inch depth of cover and there are no identified unstable soil conditions.
- There is no history of leaks, failures or systemic programs with the segment and the maximum preceding 5-year high pressure is noted as 830 pounds per square inch gauge (psig).
- The pipeline segment is included in PG&E's Transmission Integrity Management Program (TIMP). The last integrity inspection, using in line inspection, was conducted in 2021.

Based on its review, GSRB staff determined that this pipeline segment meets the criteria that the Office of Pipeline Safety (OPS) uses in considering whether to grant class location change waiver/permit requests. In making this decision, GSRB staff considered the following factors:

- This segment is not changing to a Class 4 location.
- This segment is not a bare pipe.
- This segment does not contain wrinkle bends.
- This segment is not operating above 72% specified minimum yield strength (SMYS).
- This segment was hydrostatic tested to at least 1.25 x MAOP.
- This segment was in-line inspected in 2021 with no significant anomalies identified that indicate systemic problems.
- This segment and its 43.63 miles of inspection area will be included in the PG&E's Integrity Management Program and periodically inspected with an in-line inspection (ILI) technique.

GSRB staff also concluded that integrity management technology, such as ILI, could identify and mitigate integrity issues that could threaten the pipeline segment and cause failure.

Based on these considerations, GSRB determined that granting PG&E's request to waive 49 CFR § 192.611(a) and (d) and 49 CFR § 192.619(a) for this 419.1-foot segment is not inconsistent with gas pipeline safety if additional operations and maintenance conditions

are implemented by PG&E, as specified in “Detail State Waiver Conditions”.⁵ These conditions are summarized below:

1. Current Status of Pipe in the Ground

To ensure that key characteristics of the pipe currently installed in the *State Waiver segment* are known, CPUC requires records that PG&E confirm pipe specifications, successful pressure tests, and girth weld non-destructive tests. Should records be unavailable or unacceptable, PG&E must complete additional activities as detailed in the State Waiver. If these additional activities are not completed or should pipe be discovered that does not meet specific requirements of eligibility, the *State Waiver segment* must be replaced.

2. Operating Conditions

The *State Waiver inspection area* must continue to be operated at or below the existing MAOP of 861 pounds per square inch gauge (psig) until a restoration or uprating plan has been approved. PG&E’s operations, and maintenance manual (O&M), IM program, and damage prevention (DP) program must be modified to implement the State Waiver conditions. In addition, CPUC must approve any long-term flow reversals that would impact the *State Waiver segment*.

3. Threat Management

Threats are factors that can lead to the failure of a pipeline. Activities are required to identify, assess, remediate, and monitor threats to the pipeline.

- a) **General activities.** PG&E must perform annual data integration and identification of threats to which the *State Waiver inspection area* is susceptible. These activities must include periodic integrity assessments at defined intervals with specific inline inspection (ILI) tools, strict anomaly repair criteria, and appropriate environmental assessment and permitting.
- b) **External corrosion control requirements.** The State Waiver requires additional activities to monitor and mitigate external corrosion. These activities include installation and annual monitoring of cathodic protection (CP) test stations, periodic

⁵ See Attachment 2 to this Resolution.

close interval surveys (CIS), and clearing or remediating shorted casings that may impede CP effectiveness. These activities ensure the appropriate level of CP is reaching the pipeline in areas where coating loss or damage has occurred in order to prevent or mitigate external corrosion. In addition, PG&E is required to develop and implement a plan that identifies and remediates interference from alternating or direct current (AC/DC) sources (such as high-voltage powerlines) that could adversely impact the effectiveness of CP.

- c) **Internal corrosion control requirements.** The State Waiver includes gas quality specifications to mitigate internal corrosion because internal corrosion is highly dependent on the quality of the gas transported within the pipeline.
- d) **Stress corrosion cracking requirements.** To ensure that stress cracking corrosion (SCC) is discovered and remediated, any time a pipe segment is exposed during an excavation, PG&E must examine coating to determine type and condition. If the coating is in poor condition, PG&E must conduct additional SCC analysis. If SCC is confirmed, PG&E must implement additional remediation and mitigation.
- e) **Pipe seam requirements.** PG&E must perform an engineering integrity analysis to determine susceptibility to seam threats. PG&E must re-pressure test any *State Waiver segment* with an identified seam to ensure the issue is not systemic in nature.
- f) **External pipe stress requirements.** Upon identification of any source of external stress on the pipeline (such as soil movement), PG&E must develop procedures to evaluate and periodically monitor these stresses.
- g) **Third-party specific requirements.** To assist in identifying the pipeline location and minimizing the chance of accidental pipeline strikes, PG&E must install and maintain line- of-site markers for the pipeline. PG&E must perform mitigation activities for any location where a depth-of-cover survey shows insufficient soil cover.

4. **Consequence Mitigation**

To ensure quick response and reduce adverse outcomes in the event of a failure, each side (upstream and downstream) of the *State Waiver segment* must have and maintain operable automatic shutdown valves (ASV) or remote-controlled valves (RCV). PG&E must monitor valves through a control room with a supervisory

control and data acquisition (SCADA) system. In addition to the mainline valves, should a crossover or lateral connect between the valve locations, additional isolation valves may be required. To ensure a leak is discovered promptly, leakage surveys are required twice a year.

5. Gas Leakage Surveys and Remediation

PG&E must conduct leakage surveys more frequently than is presently required in 49 CFR 192.706. Gas leakage surveys using instrumented gas leakage detection equipment must be conducted along the *State Waiver segment* and at all valves, flanges, pipeline tie-ins with valves and flanges, and ILI launcher and receiver facilities in the *State Waiver inspection area* at least twice each calendar year, at intervals not to exceed 7½ months. The type of leak detection equipment used, survey findings, and remediation of all instrumented gas leakage surveys must be documented by PG&E.

6. Post Leak or Failure

If an in-service leak should occur, the leak must be graded and remediated. In addition, for all in-service or pressure test leak/failure(s), PG&E must conduct a root cause analysis to determine the cause. If the cause is determined to be systemic in nature, PG&E must implement a remediation plan or replace the *State Waiver segment*.

7. Class Location Study and Potential Extension of State Waiver Segment

PG&E must conduct a class location study annually. This allows PG&E to quickly identify extended locations that must comply with the *State Waiver segment* requirements. PG&E may extend the *State Waiver segment* with proper notification, update of the Final Environmental Assessment (FEA), and implementation of all requirements in the State Waiver.

8. CPUC Oversight and Management

CPUC maintains oversight and management of the State Waiver. This includes annual meetings with executive level officers on State Waiver implementation status, written certification of the State Waiver, State Waiver required notification of planned activities, notification of root cause analysis results, and notification prior to certain excavation activities so that CPUC may observe.

9. Documentation

PG&E must maintain documentation that supports compliance with State Waiver conditions for the life of the pipeline.

In granting this waiver, PG&E is reminded that:

1. The waiver only applies to the 419.1-foot segment identified in PG&E's request and does not extend to any other pipe segments in the 43.63 miles of inspection area or other facilities.
2. This waiver is effective upon approval by the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), or if there is no action by PHMSA, 60 days after the receipt of waiver from State Agency.
3. This waiver requires PG&E to implement additional operations and maintenance conditions recommended by GSRB on the 419.1-foot segment and the 43.63 miles of inspection area identified in PG&E's request. These conditions, specified in the "Detail State Waiver Conditions" and included as Attachment 2 to this Resolution, are intended to decrease the likelihood of a release of gas. These additional preventative measures would help prevent leaks and ruptures, demonstrating that the State Waiver is not inconsistent with pipeline safety.

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 Resolution at any time.

COMMENTS ON DRAFT RESOLUTION

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived or reduced. Accordingly, this draft resolution was mailed for comments, and will be placed on the Commission's agenda no earlier than 30 days from today. Comments were provided on _____ by _____.

FINDINGS AND CONCLUSIONS

1. On October 20, 2023, PG&E submitted a request to the Commission's Safety and Enforcement Division (SED) Gas Safety and Reliability Branch (GSRB) seeking a waiver of certain regulations in 49 CFR §§ 192.611 and 192.619 for a 0.079375 miles (419.1 feet) segment of 34" diameter intrastate natural gas transmission pipeline located in a rural, sparsely populated area of San Bernadino County, near the town of Boron.
2. General Order 112-F, Part 101.3 allows for a utility, in special circumstances, to submit an application to waive compliance with specific rules in accordance with Section 3(e) of the Natural Gas Pipeline Safety Act of 1968.
3. The information provided in PG&E's waiver request meets the criteria that the Office of Pipeline Safety (OPS) uses in considering whether to grant class location change waiver/permit requests.
4. PG&E's request to waive 49 CFR § 192.611(a) and (d) and 49 CFR § 192.619(a) for the 419.1-foot segment is not inconsistent with gas pipeline safety if additional operations and maintenance conditions are implemented by PG&E, as specified in "Detail State Waiver Conditions."
5. SED notified PHMSA of its intent to approve PG&E's requested waiver.

THEREFORE, IT IS ORDERED THAT:

1. Pacific Gas and Electric Company's request for a waiver of 49 CFR §192.611(a) and 49 CFR §192.619(a) and (d) for a 0.079375 miles (419.1 feet) segment of 34" diameter intrastate natural gas transmission pipeline located in a rural, sparsely populated area of San Bernadino County, near the town of Boron, is granted.
2. The waiver granted herein does not extend to activities or facilities not set forth in this Resolution.
3. Pacific Gas and Electric Company shall implement the additional operations and maintenance conditions specified in Attachment 2, "Detail State Waiver Conditions".
4. The Commission or the Safety and Enforcement Division may rescind, cancel or modify the permission given in this Resolution at any time.
5. This Resolution shall be submitted to The Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) for the required 60 days' notice in accordance with Section 3.3.2 of the PHMSA State Program Guidelines.
6. This waiver is effective upon approval by The Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), or if there is no action by PHMSA, 60 days after the receipt of waiver from the Commission.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on December 5, 2024 the following Commissioners voting favorably thereon:

Rachel Peterson
Executive Director

ATTACHMENT 1

**PG&E detailed responses to the criteria for
considering class location change**

ATTACHMENT 2

Detail State Waiver Conditions