



Proposed Decision on Revisions to General Order 112-E

ORA Position: Adopt ORA's Proposed Rule Changes or Open A Second Phase To Consider How To Codify The Commission's Determinations in D.11-06-017 Regarding Grandfathered Pipelines.

California's More Stringent Standards Beyond the MAOP Requirements of the Federal Code Are Not Included in Draft GO 112-F

- The Proposed Decision (PD) does not recognize the Commission's Decision (D.) 11-06-017 requiring testing or replacement of all line segments lacking a valid pressure test record.
- The PD does not address what the Commission intended regarding whether an operator with a valid pressure test can continue to operate a pipeline segment with the Maximum Allowable Operating Pressure (MAOP) established pursuant to the "Grandfather Clause" (49 CFR 192.619(c)).
- Parties have different interpretations of the Commission's intent regarding the Grandfather Clause. Clarification is needed to determine whether the gas operators' have appropriately established MAOP in compliance with the Commission's orders.

The Commission's Intent in Ending "Historical Exemptions" Is Not Clear

- There are two possible readings of D. 11-06-017:
 - A pressure test must be conducted in order to **confirm** historic operating pressures under the Grandfather Clause. Presumably a test pressure lower than the historic operating pressure would require lowering of the MAOP for that segment; or
 - Segments in California **cannot** have MAOP established under the Grandfather Clause; all pipeline MAOPs must be established under all modern criteria required by § 619(a) or under alternative MAOP calculations as described in § 620.
- As evidenced through both PG&E's February 2, 2015 letter response to ORA, and PG&E's testimony in the Line 147 Order to Show Cause proceeding, there are multiple ways to interpret the Commission's decision.
- Clarification is necessary because the Grandfather Clause does not solely exempt pipeline operators from pressure testing. It also allows pipeline operators to ignore pipeline features that would require a lower MAOP if calculated under § 192.619(a).
 - For example, if complying with the Grandfather Clause (§ 619(c)), PG&E would not have to lower the MAOP of Line 147 to the 330 psig design pressure due to the discovery of pipe manufactured by A.O. Smith because the pressure test that was conducted confirms that an MAOP of 400 psig is safe.