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September 14, 2020

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Executive Division

San Francisco, California  
Date: September 10, 2020  
Resolution M-4845

**R E S O L U T I O N**

**RESOLUTION ON THE COMMISSION'S OWN MOTION TO  
RATIFY THE EXECUTIVE DIRECTOR'S INTERIM APPROVAL**

**SUMMARY**

This Resolution is issued to ratify the Executive Director's letter dated May 18, 2020 with a minor adjustment of eliminating the clause "or until one month after the Shelter-In-Place is lifted". The Executive Director's letter authorized PG&E's request for a six-month extension from current due dates to complete Leak Surveys and Atmospheric Corrosion Inspections where a "Can't Get In" (CGI) situation exists, due to the current COVID-19 social distancing requirements.

**BACKGROUND**

On March 4, 2020, California proclaimed a State of Emergency and on March 19 Governor Gavin Newsom issued Executive Order N-33-20 that required Californians, in addition to other steps, to stay at home and practice social distancing to protect the public health.<sup>1</sup>

On April 16, 2020, PG&E submitted a waiver request of 49 Code of Federal Regulations 192.723(b)(1), 192.723(b)(2), 192.481(a) and section 143.1 of General Order (GO) 112-F to the Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC) for a six-month extension from current due dates to complete Leak Surveys and Atmospheric Corrosion Inspections where a "Can't Get In" (CGI) situation exists, due to special circumstances.<sup>2</sup>

On April 29, 2020, the Gas Safety and Reliability Branch (GSRB), on behalf of SED, granted, subject to further approval, the waiver request until October 29, 2020 or until

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<sup>1</sup> <https://www.gov.ca.gov/2020/03/19/governor-gavin-newsom-issues-stay-at-home-order/>;  
<https://covid19.ca.gov/img/Executive-Order-N-33-20.pdf>

<sup>2</sup> See Appendix A.

one month after the shelter-in-place<sup>3</sup> is lifted.<sup>4</sup> The Pipeline and Hazardous Materials Safety Administration (PHMSA) was included as a recipient of the notification.<sup>5</sup>

In a letter dated May 18, 2020, the Executive Director exercised her authority under Commission Policy CL-1 and granted PG&E an interim approval, subject to the Commission's ratification, and directed PG&E to follow GSRB's guidance.<sup>6</sup>

In a letter dated June 26, 2020, PG&E submitted an addendum to its April 16, 2020 request.<sup>7</sup> The addendum requests a due date extension on the aforementioned maintenance activities through December 31, 2021.

With this Resolution, the Commission ratifies the Executive Director's interim approval, while eliminating the clause "or until one month after the Shelter-In-Place is lifted".

## **DISCUSSION**

The purpose of this Resolution is to ratify the Executive Director's May 18, 2020 letter granting PG&E interim approval of PG&E's request for a six-month extension from current due dates to complete Leak Surveys and Atmospheric Corrosion Inspections where a CGI situation exists, due to the current COVID-19 stay at home and social distancing requirements, while eliminating the clause "or until one month after the Shelter-In-Place is lifted".

Providing utility services is critical to maintaining Californians' health and safety during the COVID-19 pandemic. It is also key to take measures in providing those critical services that protect the health and safety of utility customers and the utility's workforce.

GO 112-F is the "State of California Rules Governing Design, Construction, Testing, Operation, and Maintenance of Gas Gathering, Transmission, and Distribution Piping Systems."<sup>8</sup> These rules build upon the Federal Pipeline Safety Regulations, specifically,

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<sup>3</sup> Shelter-in-place references stay at home health orders issued due to the COVID-19 pandemic.

<sup>4</sup> See Appendix A.

<sup>5</sup> On May 5, 2020, GSRB instructed PHMSA to put a hold on providing objection/no objection to PG&E's waiver request until authorization is received from the Commission. On May 20, 2020, GSRB instructed PHMSA to resume its review process to provide objection/no objection to PG&E's waiver request. However, on May 23, 2020, PHMSA informed GSRB that they will resume their review process after the Commission has acted on the matter.

<sup>6</sup> See Appendix A.

<sup>7</sup> See Appendix A.

<sup>8</sup> GO 112-F, Section 101.1.

Title 49 of the Code of Federal Regulations (49 CFR), Parts 191, 192, 193, and 199.<sup>2</sup> The purpose of these rules is to set minimum safety guidelines for gas operators under the Commission's jurisdiction.<sup>10</sup> More specifically, in addition to other guidelines, gas operators are required to conduct routine leak survey and atmospheric corrosion inspections per section 143.1 of GO 112-F which states:

**143.1 Leakage Surveys and Procedures**

(a) A gas leak survey, using leak detecting equipment, must be conducted in business districts and in the vicinity of schools, hospitals and churches, including tests of the atmosphere in gas, electric, telephone, sewer and water system manholes, at cracks in pavement, and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.

(b) A gas leakage survey of transmission pipelines, using leak detecting equipment must be conducted at least twice each year and at intervals not exceeding 7 ½ months.<sup>11</sup>

The Federal Pipeline Safety Regulations require further routine surveys under 49 CFR §§192.723(b)(2) and 192.481(a):

**49 CFR § 192.723 Distribution systems:** Leakage surveys

(b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:... (2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines subject to § 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.

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<sup>2</sup> GO 112-F, Section 101.2.

<sup>10</sup> GO 112-F, Section 102.1 and 102.2.

<sup>11</sup> Also see 49 CFR 192.723 (b)(1).

**49 CFR § 192.481 Atmospheric corrosion control:**

Monitoring. a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

<b>If the pipeline is located:</b>	<b>Then the frequency of inspection is:</b>
<b>Onshore</b>	At least once every 3 calendar years, but with intervals not exceeding 39 months
<b>Offshore</b>	At least once each calendar year, but with intervals not exceeding 15 months

Section 101.3 of GO 112-F allows for a utility, in special circumstances, to submit an application seeking the CPUC’s approval to waive compliance with specific rules in accordance with Section 3(e) of the Natural Gas Pipeline Safety Act of 1968.

Pursuant to section 101.3 of GO 112-F, PG&E submitted a waiver request for Leak Surveys and Atmospheric Corrosion Inspections where a CGI situation exists and social distancing is not possible. The waiver request applies to the following code sections: 49 CFR 192.723 (b)(1), 192.723 (b)(2), 192.481(a), and GO 112-F Section 143.1.

CGI situations typically include locations in customers’ homes, garages, basements, fenced backyards, and where unfriendly animals are present. PG&E has attempted to access these locations on at least one prior field visit. However, under the current COVID-19 guidelines, PG&E does not wish to request permission to enter customer premises unless the work is immediately essential for the continued safety of their gas delivery system, and thus applied for a waiver for a deadline extension for maintenance activities in locations where a CGI condition exists and does not have an immediate impact on system safety and reliability.

While in the ordinary course of business, a utility would formally apply for such a waiver, the importance of current stay at home and social distancing requirements, as evidenced by the March 4 proclamation of a State of Emergency and Executive Order N-33-20, called for an immediate action.

GSRB staff reviewed PG&E’s waiver request to ensure the request was made in the best interest of public and employee safety and that PG&E was taking sufficient measures to mitigate associated risk factors. GSRB considered the following factors:

1. COVID-19 concerns have resulted in a significant increase in customers denying PG&E access to their homes to properly inspect the gas meter.
2. The temporary suspension of Leak Survey and Atmospheric Corrosion Inspections for CGI locations is to minimize the potential health risk to both PG&E's workforce and the public where social distancing is not possible.
3. PG&E has plans to re-establish CGI desk operations to allow for indoor appointments beginning July 1, 2020. However, PG&E will continue to abstain from service disconnections which includes letters and notifications that previously included this language to encourage customer compliance. Without this language and adherence to the CGI process, PG&E is limited in their approach to encourage customers to provide us with access to PG&E's gas meter.
4. PG&E has made substantial progress on resolving the existing population of Leak Survey and AC Inspection CGI locations within the last year and it is PG&E's objective to resume these activities as soon as it is safe to do so.
5. Typical layers of protection remain in place to address potential safety concerns from leakage, including pipeline design elements, equipment testing & maintenance, and warning features (e.g. public awareness, gas odorant).

Based on those considerations, a waiver is warranted through October 29, 2020. As to whether the waiver should be extended or be in place until the shelter-in-place order is lifted, initially, it was forecasted that the shelter-in-place order would be lifted before Summer 2020. However, the current state of COVID-19 has shown that the shelter-in-place order and its guidelines have the potential to be extended for many months if not years. If the shelter-in-place is not lifted on or before October 29, 2020, the current language would allow PG&E to continue to apply the waiver for an unknown, open-ended period of time. Therefore, we remove the language "or until one month after the Shelter-In-Place is lifted" from GSRB's April 29, 2020 letter and the Executive Director's May 18, 2020 letter.

Due to the dynamic nature of the COVID-19 situation, PG&E shall provide SED with an update on its waiver request before the extended deadline date of October 29, 2020. PG&E shall provide SED with an update on its CGI challenges due to shelter-in-place, including the status of the CGI backlog, its workplan to clear the backlog, and any

resource constraints impacting its progress, by September 30, 2020 and every six months thereafter until it no longer needs a CGI deadline extension related to COVID-19. If shelter-in-place is not lifted or modified, generally and/or based on geographic and specific locality, and PG&E requires another CGI deadline extension past October 29, 2020, it must notify SED and provide a detailed explanation of why specific shelter-in-place guidelines or orders continue to create substantive challenges for PG&E to the extent it prevents them from conducting these routine inspections. PG&E shall serve all updates and notices pursuant to this Resolution on the most recent PG&E General Rate Case and Gas Transmission and Storage service lists. Through December 31, 2021, SED will have the authority to approve or deny any subsequent extension requests based upon, and geographically limited to, the existence of such challenges in a specific locality. For this reason, we reject PG&E's June 26, 2020 addendum request for a deadline extension through December 31, 2021.

## **COMMENTS**

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. Accordingly, this draft resolution was served on parties on July 24, 2020. On August 17, 2020, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed comments on the draft resolution.

Cal Advocates filed comments recommending the Commission to require PG&E to provide additional information on the status of the CGI backlog, its workplan to clear the backlog, and any resource constraints impacting its progress.<sup>12</sup> Cal Advocates also recommends PG&E submit its workplan and subsequent updates via Tier 2 advice letters and serve it on its most recent General Rate Case and Gas Transmission and Storage service lists.<sup>13</sup> Finally, Cal Advocates recommends that if PG&E requires a waiver of CGI inspections beyond December 31, 2021, that they should submit it via a Tier 3 advice letter.<sup>14</sup>

We find that Public Advocates' recommendations for transparency by requiring more information and notice are reasonable. However, considering the timing and nature of these updates in the context of a pandemic, advice letters are not warranted. The draft resolution has been modified to incorporate the additional information requested by Public Advocates and that all updates and notifications to be served on the most recent PG&E General Rate Case and Gas Transmission and Storage service lists. As for any waivers beyond December 31, 2021, PG&E needs to comply with the requirements of

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<sup>12</sup> Public Advocates Comments on Draft Resolution M-4845 at 2.

<sup>13</sup> Public Advocates Comments on Draft Resolution M-4845 at 3.

<sup>14</sup> Id.

Section 101.3 of GO 112-F which allows for a utility, in special circumstances, to submit an application seeking the CPUC's approval to waive compliance with specific rules in accordance with Section 3(e) of the Natural Gas Pipeline Safety Act of 1968.

### **FINDINGS**

1. On March 4, 2020, Governor Newsom declared a State of Emergency in California related to COVID-19.
2. On March 19, 2020, Governor Newsom directed all Californians to stay home (shelter-in-place) except to go to an essential job or to shop for essential needs.
3. Providing utility services is critical to maintaining Californians' health and safety during the COVID-19 pandemic.
4. It is also key to take measures in providing those critical services that protect the health and safety of utility customers and the utility's workforce.
5. Social distancing and shelter-in-place requirements help stop the spread of COVID-19.
6. General Order 112-F is the "State of California Rules Governing Design, Construction, Testing, Operation, and Maintenance of Gas Gathering, Transmission, and Distribution Piping Systems" where it builds upon the Federal Pipeline Safety Regulations, specifically, Title 49 of the Code of Federal Regulations (49 CFR), Parts 191, 192, 193, and 199 to set minimum safety guidelines for gas operators.
7. Gas Operators are required to conduct periodic, routine leak survey and atmospheric coercion inspections.
8. "Can't Get In" situations typically include locations in customers' homes, garages, basements, fenced backyards, and where unfriendly animals are present where customer permission to enter premises is necessary.

### **THEREFORE, IT IS ORDERED that:**

1. PG&E shall provide notification to "Can't Get-In" (CGI) customers to reinforce awareness to call PG&E if they smell gas or have concerns with their gas meter.
2. When the shelter-in-place (stay at home) order is lifted allowing normal operations like customer appointments to be done safely, PG&E shall conduct a reevaluation and assessment of the current total backlog at that point to support an escalated workplan.

This workplan will include proactive customer engagement to optimize scheduling appointments using a variety of methods (phone, email, letters). Expanding appointment availability, increasing available personnel, and reinforcing the importance of the requirements will help better serve PG&E's customers and realign compliance due dates. The workplan shall identify any resource constraints affecting PG&E's ability to clear the CGI backlogs in a timely fashion. This workplan shall be served on the most recent PG&E General Rate Case and Gas Transmission and Storage service lists.

3. PG&E shall continue to adjust its work as necessary as the COVID-19 situation evolves, in order to deliver safe and reliable energy and to keep its customers, communities, and workforce safe.
4. PG&E shall be granted a deadline extension to complete Leak Surveys and Atmospheric Corrosion Inspections where a "Can't Get In" (CGI) situation exists due to the current COVID-19 social distancing requirements, through October 29, 2020.
5. PG&E shall provide SED an update on its CGI situation by September 30, 2020 and subsequently every six months until it no longer needs to operate under this waiver. These updates shall include, but not be limited to, the current status of PG&E's CGI backlog, PG&E's workplan to clear backlogs in a timely fashion upon expiration of the waiver in place at the time of the update and an explanation of any resource constraints affecting PG&E's ability to move forward with its workplan. If PG&E requires additional extensions, it must notify SED and provide a detailed explanation of why specific shelter-in-place guidelines or orders continue to create substantive challenges for PG&E to the extent it prevents them from conducting these routine inspections. All updates and notifications pursuant to this Resolution shall be served on the most recent PG&E General Rate Case and Gas Transmission and Storage service lists.
6. Through December 31, 2021, SED will have the authority to approve or deny any subsequent extension requests based upon, and geographically limited to, the existence of such challenges in a specific locality.
7. The waiver granted by this Resolution shall not be effective until one of the two following events occurs: (1) the United States Department of Transportation, Pipeline and Hazardous Materials Safety Administration takes no action on the waiver within sixty (60) days after receiving the final Resolution, or (2) the United States Department of Transportation, Pipeline and Hazardous Materials Safety Administration issues an Order approving the waiver or stating it has no objection to the waiver.
8. This Resolution is effective today.

I certify that the foregoing resolution was adopted by the California Public Utilities Commission at its regular meeting of September 10, 2020 and the following Commissioners approved favorably thereon:

/s/ RACHEL PETERSON

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Rachel Peterson  
Acting Executive Director

MARYBEL BATJER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners