

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 24, 2023

Jerry Schmitz
Vice President, Engineering
Southwest Gas Corporation
5241 Spring Mountain Road
Las Vegas, NV 89193-8510

GI-2023-01-SWG-30-03-04

Subject: General Order (G.O.) 112-F Inspection of Southwest Gas Company's Operation and Maintenance Procedures and Emergency Response Program Updates

Dear Mr. Schmitz:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F review and inspection of Southwest Gas Company's (SWG) updates to their Operation and Maintenance (O&M) Procedures and Emergency Response (ER) Programs between January 23 and January 27, 2023. SED staff reviewed SWG's written O&M and ER procedures pursuant to G.O. 112-F, Reference Title 49, Code of Federal Regulations (CFR), Parts 191 and 192 and used Pipeline and Hazardous Material Safety Administration's (PHMSA) Inspection Assistant (IA) as a reference guide to conduct the inspection.

SED's findings are noted in the Post-Inspection Written Findings (Summary) which is enclosed with this letter. The Summary reflects only those procedures that SED inspected during the inspection. SED discovered one (1) concern during this inspection.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by SWG to address the concern noted in the Summary.

If you have any questions, please contact Victor Muller at (916) 327-6780 or by email at victor.muller@cpuc.ca.gov

Sincerely,

A handwritten signature in blue ink that reads "Terence Eng".

Terence Eng, P.E.
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Post-Inspection Written Findings

CC: Laurie Brown, SWG
Victor Muller, SED/GSRB
Dennis Lee, SED/GSRB
Claudia Almengor, SED/GSRB
Jason R. McMillan, GSRB

Post-Inspection Written Findings

Date of Transmittal: 02/06/2023

Dates of Inspection: 1/23/2023-1/27/2023

Operator: SOUTHWEST GAS CORP

Operator ID: 18536 (primary)

Assets (Unit IDs) with results in this report: Main Office (Specialized Inspections) (88373)

System Type: GD

Inspection Name: 2023 Southwest Gas (SWG) O&M/ER Updates (Distribution)

Lead Inspector: Victor Muller

Operator Representative: Laurie Brown

Unsatisfactory Results

No Preliminary Findings.

Concerns

A. Maintenance and Operations : ROW Markers, Patrols, Leakage Survey and Monitoring (MO.RW)

Question Title, ID Distribution Leakage Surveys, MO.RW.DISTLEAKAGE.P (also presented in: PD.RW)

Question 10. Does the process require distribution system leakage surveys to be conducted?

References 192.723(a) (192.723(b))

Assets Covered Main Office (Specialized Inspections) (88373 (30))

Issue Summary California General Order (GO) 112F, subpart 143.2(c)(1) states, "Each Operator must reevaluate Grade 3 leaks during the next scheduled survey, or within fifteen months of the reporting date, whichever occurs first. Thereafter, the leak must be reevaluated every calendar year, not to exceed 15 months until the leak is repaired, regraded or no longer results in a reading."

Section 1.6.5 of SWG's Office of Pipeline Safety (OPS) - Leak Survey Procedure provides SWG's standards for follow-up on aboveground Grade 3 leaks stating, "Class 3 leaks must be repaired within 12 months, not to exceed 15 months, from the date of discovery".

SWG has no reevaluation procedures for aboveground Grade 3 leaks. Therefore, SWG's procedures should require the repair of any aboveground Grade 3 leaks before a reevaluation would be required by GO-112F. A survey could be scheduled, or may be required by Title 49 CFR Part 192 to be completed, prior to 15 months after the discovery of an aboveground Grade 3 leak. SED recommends that SWG revise section 1.6.5 of SWG's

OPS - Leak Survey Procedure to ensure that a reevaluation required by GO 112F, subpart 143.2(c)(1) is not missed.