

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 4, 2024

GI-2024-04-SWG-30-22

Mr. Kevin Lang
Vice President, Engineering
Southwest Gas Corporation
5241 Spring Mountain Road
Las Vegas, NV 89193-8510

Dear Mr. Lang:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Southwest Gas' (SWG) response letter dated October 31, 2024, that addressed four areas of concern identified during **General Order (G.O.) 112-F Compliance Inspection of Southwest Gas Company's Material Traceability Program** conducted on April 8-12, 2024.

Attached is a summary of SED's inspection findings, SWG's responses to SED's findings, and SED's evaluation of SWG's responses to the finding.

This letter serves as official closure of the 2024 Construction Material Traceability Program Inspection.

Thank you for your cooperation in this inspection. If you have any questions, please contact Michelle Wei, at (213) 620-2780 or by email: miw@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthewson Epuna".

Matthewson Epuna
Program & Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Michelle Wei, SED/GSRB
Laurie Brown, SWG
Kan Wai Tong, SED/GSRB
Claudia Almengor, SED/GSRB

Summary of Inspection Findings

Concerns:

1. During its records review, SED noted that SWG did not document the heat numbers for valves and elbows that were installed in all the projects SED reviewed. The full list of projects can be found in Attachment A. For example, SWG did not document the mill test reports for the pipe with heat number T50497A used in a bore. SWG stated that this documentation was not required to be maintained on distribution projects. There is no specific requirement in the 49 CFR Part 192 for documentation of material heat numbers for non-transmission pipes. However, 49 CFR Part 192 Section 192.1007(a)(5) states: "Provide for the capture and retention of data on any new pipeline installed. The data must include, at a minimum, the location where the new pipeline is installed and the material of which it is constructed." SED recommends that SWG ensures that they document any data that is relevant to the material properties of pipes or fittings for high pressure distribution pipeline projects.

SWG Response:

Southwest Gas respectfully acknowledges SED's recommendation to ensure relevant material properties of pipe and fittings for high pressure distribution projects is documented. Southwest Gas is currently implementing and/or reviewing several initiatives to capture this data, which will be contained within future project documentation. Once these additional initiatives are thoroughly vetted, and the optimal solution is identified, Southwest Gas will advise SED during a future semi-annual management meeting.

SED's Conclusion:

SED has reviewed SWG's response and accepts the corrective actions that it has articulated. SED will review your program changes during future inspections.

2. During its review of the welding records, SED noted that SWG allowed the welders to inspect their own welds. SED is concerned that this practice of allowing a welder to inspect his/her own welding work product lacks objectivity, accountability, and does not inspire confidence in the result of the welding inspection report.

SWG Response:

Southwest Gas understands SED's concern and has implemented non-destructive testing on welds performed on high-pressure distribution projects, in addition to where the State and Federal pipeline safety code require testing on Transmission projects. The Company has also added another layer of review to inspect welds through an independent third-party, utilizing Ooga Technologies, to perform remote inspections of NDT testing data and records.

SED's Conclusion:

SED has reviewed SWG's response and accepts the corrective actions that it has articulated and implemented. SED will review the records of the corrective action during future inspections.

3. During the inspection, SED and SWG discussed SWG's QA/QC process for construction project completion and consolidation. SED also reviewed a sample project checklist, and the list of tasks required for completion in their Work Management system. However, SWG does not have a written procedure that details the QA/QC process and what documentation needs to be retained. SWG stated that the checklist is not retained as part of the project records. SED recommends that SWG develop a written process/procedure and add the checklist to the project records for retention, demonstrating that the QA/QC process was followed and completed.

SWG Response:

Southwest Gas respectfully acknowledges SED's recommendation of development of a written QA/QC process and procedures and to retain the construction project checklist to the project record. As discussed with SED during the inspection, there are several tasks and checklists, completed both electronically, within the Company's Work Management System, and manually during the project review phase. These tasks and checklist must be completed for the project to be considered completed. Training on these tasks and checklists are provided to employees who complete this work through the Company's Field Operations Management System (FOMS) training and the as-built review training.

The project documentation is reviewed by several individuals throughout the review and approval process to ensure quality assurance in the final project package. The Company understands the importance of records retention and would like to reiterate that the task list in the Company's FOMS system is retained within the system. Southwest Gas will review its processes to determine if including a final copy of the as-built checklist into the project package would be beneficial, especially with some of the initiatives and new technologies Southwest Gas is planning to implement in the near future.

SED's Conclusion:

SED has reviewed SWG's response and accepts the corrective actions that it has articulated. SED will review your program changes during future inspections.

4. During review of the construction weld maps, SED was unable to readily locate the welding procedure used for any of the welds we looked at during record review. SED reviewed all the welds for each project listed in Attachment A. SWG later provided the welding inspector's notes that documented the welding procedures used. SWG informed SED that the welding inspector's notes are not maintained as part of the construction closeout package. SED recommends that SWG review its pipeline construction project close-out documentation and retention procedure to ensure that all information that describes how the weld was created, and by whom, is documented and retained for the life of the pipeline.

SWG Response:

Southwest Gas acknowledges SED's recommendation to ensure all information describes how the weld was created and by whom is documented within the project's close-out package and retrained for the life of the pipeline. As noted during the inspection, Southwest Gas is working on implementing a new initiative for steel projects that will capture the information SED has referenced in its recommendation. Once the initiative is implemented, Southwest Gas will provide an update and demonstration of the information that will be captured on steel projects going forward to SED.

SED's Conclusion:

SED has reviewed SWG's response and accepts the corrective actions that it has articulated. SED will review your program changes during future inspections.

Attachment A: List of Projects Reviewed

- WR#1413183 - SIMP/HP/AMARGOSA RD (PALMDALE RD TO DOS PALMAS RD)
- WR#1413384 - SIMP/HP/I-15 CROSSING (DOS PALMAS RD TO YATES RD)
- WR#1446060 - SIMP/HP/AMARGOSA RD (SENECA RD TO PALMDALE RD)
- WR#1516353 - SIMP/HP/AMARGOSA RD (MOJAVE DR TO SENECA RD)
- WR#1521075 - SIMP/HP/GASLINE RD (SEALS RD TO VICTORVILLE TAP B)