

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 26, 2023

Mr. Jerry Schmitz, Vice President
Southwest Gas Corporation
P.O. Box 98510, LVA-581
Las Vegas, NV 89193-8510

SUBJECT: Closure letter for Notice of Probable Violations for Non-DOT Reportable incidents (Non-DOT NOPV) issued during the 2nd Quarter of 2023.

Dear Mr. Schmitz,

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (Commission) reviewed Southwest Gas Corporation's (SWG) response dated October 18, 2023, to address SED's Notice of Probable Violation Report sent to SWG on September 18, 2023. The Notice of Probable Violation Report was regarding the incidents that occurred on October 21, 2022, and December 20, 2022.

This letter serves as an official closure of the **Q2-2023 Non-DOT NOPV** letter for incidents G20221021-3449 in Apple Valley and G20221220-3470 in Victorville.

For any questions, please contact Mohammad Ali at (415) 471-9289 or by email at ma5@cpuc.ca.gov.

Sincerely,

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

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

CC: Laurie Brown / SWG
Mohammad Ali / SED-GSRB
Terence Eng / SED-GSRB

SUMMARY OF INVESTIGATION FINDINGS

SED Findings: SED identified 2 probable violations as described below:

1. Title 49 Code of Federal Regulations, §192.13(c) states in part:

“(c) Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

2. Title 49 Code of Federal Regulations, Part 192, §192.603(b) states in part:

“(b) Each operator shall keep records necessary to administer the procedures established under § 192.603.”

SED Investigative Findings:

1. Incident G20221021-3449 at 22221 Ottawa Road, Apple Valley, San Bernardino County.

On October 21, 2022, Southwest Gas (SWG)’s contractor, Arizona Pipeline, was performing an abandonment of a SWG gas main line when an unplanned under pressure event occurred and resulted in a service interruption. SED’s investigation found that the incident was caused by SWG failing to provide an updated construction record, map, drawing, or operating history of its service line to its contractor when the contractor was connecting its existing service line to a new gas main. Therefore, SED found SWG in violation of General Order (G.O.) 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192, §192.605(b)(3).

2. Incident G20221220-3470 at 16705 Joshua, Victorville, San Bernardino County.

On December 20, 2022, at approximately 1843 hours, a Southwest Gas (SWG) technician responded to an unplanned under-pressure event to a residential customer. SED’s investigation found that the incident was caused by SWG’s contractor, Arizona Pipeline Company, failing to follow SWG’s procedures and connect an existing SWG riser to its newly installed 1-inch plastic service line during a pipeline replacement project. Therefore, SED found SWG in violation of G.O. 112-F, Reference Title 49 of Code of Federal Regulations (CFR), Part 192, §192.13(c).

Southwest Gas Response:

Southwest Gas acknowledges both incidents occurred as set forth in SED’s letter sent on September 18, 2023. After these incidents, Southwest Gas performed comprehensive evaluation of all unplanned outages since 2020 to identify causal factors and enhance processes in an effort to avoid similar outages. As a result, Southwest Gas implemented a significantly revised Abandonment Checklist that is specific to the Company’s Southern California Division.

On June 14, 2023, the Company implemented the fourth iteration of its Abandonment Checklist that, if properly used prior to facility abandonment, would avoid nearly all of the relevant outages, including the

outages that occurred at 22221 Ottawa Road and 16705 Joshua, respectively. In 2023, Southwest Gas made the numerous notable updates to the Abandonment Check List including:

- Requiring contract supervisor to review Field Smart (electronic mapping system), along with the engineering design and on-site visual cues to ensure no conflicts prior to starting construction.
- Prompting a physical review to be completed of all lots (parcels) with/without gas infrastructure documented within the Field Smart mapping system to validate physical conditions and identify potential mapping discrepancies that may need to be addressed prior to abandonment.
- Prompting discussion to resolve any challenges and/or anomalies that involve gas facilities which may exist beyond the original scope of engineering design (e.g., field adjustments that may alter the physical location of facility abandonment);
- Requiring gas facility line locates that extend two lots beyond the proposed abandonment location to verify potential for abandonment conflicts beyond the immediate/delineated work area.
- Prompting a tailboard meeting to discuss project details prior to facility abandonment include key stakeholders involved in the replacement/new facility installation (main & service), meter tie-overs, and abandonment processes.
- Prompting a physical job walk prior to conducting abandonment procedures.
- Prompting identification of discrepancies and resolution prior to abandoning gas facilities.
- Prompting the contract plumbing supervisor and SWG inspector to verify all meters have been tied over to the new facility/system prior to abandoning gas facilities. A Southwest Gas inspector must now be present from start to finish of the pre-abandonment walk-through.
- Prompting discussion to address any CGIs (lack of customer premises access) that may result in the inability to complete a visual inspection of the meter and new riser (needed to verify meters have been tied over to the new facility/system); and
- Additional signature requirements which serve as confirmation by the Southwest Gas inspector and contractor Supervisor/Plumber that the above noted actions, as applicable to the job, have been completed and that any issues identified during the pre-abandonment walk through have been addressed and completed.

As of January 6, 2023, all relevant contractors completed training regarding the implementation of the revised, Division-specific Abandonment Checklist. In addition, refresher training occurred on August 3, 2023, with all relevant contractors, regarding the Company's Abandonment Procedure and Main and Service Installation Procedure. Southwest Gas believes the revised Abandonment Checklist will significantly enhance the Company's ability to avoid future outages in its Southern California Division. Due to the Company's commitment to continuous process improvement, Southwest Gas expects to continue to refine and enhance its Abandonment Checklist.

SED's Conclusion:

Upon review of SWG's response, SED agrees that SWG performed several corrective actions by implementing the fourth iteration of its Abandonment Checklist to avoid nearly all outages, training contractors to implement revised Abandonment Checklist, and providing refresher training regarding the Company's Abandonment Procedure and Main and Service Installation Procedures to prevent recurrence.